

Appendix 7 The Conclusions of Previous Studies

HAMMERSMITH AND FULHAM EMPLOYMENT LAND & PREMISES 2005 STUDY BY ATKINS

1.1. This survey identified 9 areas in LBH&F that they felt had scope for further intensification of employment uses and/or redevelopment for new employment uses. Many of these have been redeveloped since. Below are the areas this report identified and our update.

- *Hythe Road Employment Zone* – Now part of the Old oak and Park Royal Development Corporation (Establishment) Order 2015.
- *Wood Lane Employment Zone* – This is being entirely redeveloped as part of Imperial West, Stanhope, 54 Wood Lane (the Berkely St James site) and the Westfield Extension.
- *Kensington Bridge and Lillie Depot Employment Zone* – This is included within the Earls Court residential led redevelopment by Capital & Counties.
- *Fulham Reach Employment Zone* – Carnwarth Road is yet to be developed.
- *Shepherds Bush Town Centre* – There remains some potential upgrades and redevelopment opportunities here such as the former Walkabout premises, Union & Threshold House and the car park of the W12 shopping centre.
- *Hammersmith Town Centre* - There remains some potential upgrades and redevelopment opportunities here such as a final section at Hammersmith Broadway opposite L'Oreal at 255 Hammersmith Road, the redevelopment of 245 Hammersmith Road and 174 Hammersmith Road.

1.2. The Atkins Report also gave the following areas as having scope for employment led mixed use. Below are the areas this report identified and our update.

- *Wood Lane Employment Zone East* -This is being entirely redeveloped as part of Imperial West, 54 Wood Lane (the Berkely St James site) and the Westfield Extension. Of these only Imperial West (South) has the potential to be a substantial B class redevelopment and this is out of choice rather than planning obligation as the site was granted a residential led planning consent prior to the sale to Imperial.
- *Shepherds Bush Town Centre (North)* – This is now Westfield London shopping centre and its proposed extension.
- *Hammersmith Town Centre North*- This area has included the redevelopment of Hammersmith Palais to student housing which is not an employment led use and the extension of the Safe Storage Building at 184 Shepherds Bush Road.

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- *Townmead/Imperial Road Employment Zone (North)*-There has mainly been residential led schemes since this report although there may be some office upgrades in Townmead Road and some employment use on the former Gasholders site if those landowners chose it.
 - *Carnwarth Road Employment Zone* – This has yet to be substantially developed but is an area where this is likely in the near future all be it the transport is relatively poor for larger office developments.
 - *New Kings Road (East)* - There has mainly been residential led schemes since the Atkins report of 2005.
 - *Warple Way* - This area and the larger part of Warple Way in the Borough of Ealing is predominantly changing use to residential through PD rights as the public transport is relatively poor for offices and there is a wide gulf therefore between office and residential values.
- 1.3. The Atkins Report identified vacant land that had the capacity to create 286,000 sq m (3,078,504 sq ft) of employment floor space. This included 71,200 sq m (766,387 sq ft) of vacant employment floor space which could be reoccupied and 55,400 sq m (596,326 sq ft) of poorer quality stock that needed to be modified, modernised or redeveloped. There is now however only 38,675 sq m (416,297) sq ft of vacant available space in the Borough that could be reoccupied, about 1 year of take-up.
- 1.4. The report concluded that the maximum potential capacity of 286,000 sq m (3,078,504 sq ft) would not be enough and that an additional 250,000 to 350,000 sq m (2,691,000 – 3,767,400 sq ft) was required. In fact since 2005 the total stock has reduced from Atkins' estimate of 2.3m sq m (24.76m sq ft) to about half this at 1.2m sq m (12.87m sq ft).
- 1.5. The main thrust of the recommendations was to promote employment led mixed use development, include specific policies which make provision for affordable workspace, small businesses and key sectors and to provide a framework for reviewing the criteria (including marketing) which establish the only circumstances where non employment development will be considered on employment sites.
- 1.6. Their key policy considerations were
- 1.7. 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.
- 1.8. Facilitate the provision of employment land and premises which reflects the diverse nature and roles of LBH&F economy. This should include balancing the provision of major, high value office occupiers with that for key sectors of local importance and the small business base including start-up costs and sensitivities.
- 1.9. The Council should take a strong proactive approach to facilitating the quarantine improvement in the supply of employment land and premises in the Borough. This may

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involve the redevelopment and/or refurbishment of existing sites and premises; the potential allocation of new land and or floor space for employment purposes and promoting a new approach to creating employment led mixed use developments in appropriate locations.

- 1.10. They recommended designating 17 new Employment Zones and Marketing tests 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. As set out in our conclusion we now consider employment zones outdated because of the improvement in accessibility for employees for all the submarkets and the change in how people work.

THE LONDON PLAN (SEPTEMBER 2011)

- 1.11. In respect of LBH&F the Mayor of London's London Plan identified 2 parts of the Borough as *Opportunity Areas*. These are Earls Court & West Kensington and White City.
- 1.12. In Earls Court and West Kensington the plan predicts 7,000 jobs and 4,000 homes, and in White City is predicts 10,000 jobs and 4,500 homes. Using our ratio of employment space of 1 person per 86 sq ft, this would require 56,000 sq m (602,000 sq ft) at Earls Court. If the owners of Earls Court, Capital & Counties, construct office development plot BW04 (which must not exceed 77,044 sq m (829,291 sq ft)) this should provide these 7000 jobs. They have until 2023 to commence this plot.
- 1.13. At White City the combination of BBC TV Centre, White City Place and Imperial West (North and South) should create space for employment well in excess of 10,000 jobs.

LONDON OFFICE POLICY REVIEW 2012 (LOPR12)

- 1.14. Some issues raised in this report prepared for the Greater London Authority that are pertinent to LBH&F are as follows.
- 1.15. It was this report's opinion that Hammersmith (town centre) should promote offices on strategic sites and residential-led mixed use away from the centre but in terms of Sands End and Fulham it recommends promoting residential-led mixed use and for Shepherds Bush it recommends promoting residential-non office mixed use (in our report Sands End would include the Imperial, Chelsea Harbour and Townmead Road sub market. It describes White City as potentially strategic acknowledging that White City the BBC TV Centre presents a development opportunity (in terms of offices). It also noted that Earls Court is being heavily promoted but we note that the proposed commercial space has been reduced substantially.
- 1.16. This report is written prior to the PD rights came in on 30th May 2013 so will not have been able to foresee the change of use of offices to residential in the Borough which reduced supply and increased rents and therefore made Shepherds Bush, Sands End and Fulham viable and popular office locations today, and also enabled Stanhope to be confident

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enough to refurbish and build 864,000 sq ft of offices for 2016 and 2017 in Wood Lane, White City.

- 1.17. In their rent analysis the LOPR12 state that Hammersmith and Chiswick have the highest rents outside central London it is clear that the strongest markets are more likely to be located to the west.
- 1.18. Also in their assessment of 143 Local Authorities in London and the south east and east of England they find that the *Highest Performers of GVA per capita* (Gross value added which is a measure in economics of the value of goods and services produced in an area) are *Camden, Islington & Tower Hamlets perhaps benefiting from their functional proximity to the CBD then Hammersmith & Fulham* which they conclude is part of a West London Corridor. *They also find that 34 per cent of industries in LBH&F are knowledge based ranked 11th out of the 143 and at 60 business registrations per 1000, LBH&F is the 5th most entrepreneurial Borough.*
- 1.19. In their section on *Mega Schemes* (large, integrated developments normally under single ownership/management over 100,000 sq ft) they include Chiswick Park just 1 mile west of the Borough but also state that *Earls Court Olympia could include 100,000 sq m of offices and that White City could provide c 200,000 sq m of office space.* In fact Earls Court may create 194,500 sq m of offices (2,093,000 sq ft) before 2030. And at White City there is potentially a further 150,000 sq ft (1.6m sq ft) in addition to the BBC's existing 76,717 sq m (826,000 sq ft) before 2030.
- 1.20. LOPR12 also found that of the London Boroughs there are 7 Boroughs where jobs growth is more than 20,000 per year including the City & Westminster. LBH&F is one of these with predicted growth of 23,000 between the years 2011-2031 and they calculate that the office floor space required for this is 252,512 sq m (2,718,000 sq ft). They estimate the pipeline capacity for the Borough to be 455,716 sq m (4,905,000 sq ft) GIA and that office floor space lost between 2009-2012 was 62,500 sq m (672,750 sq ft).
- 1.21. The report raises the concern that small units are being lost from part of a stock of premises that support local SME's in comparatively low cost accommodation. The stock of premises is not being replaced and hence even if the quantum of office floor space is maintained there is a loss in the diversity of the stock and small businesses in particular are disadvantaged.