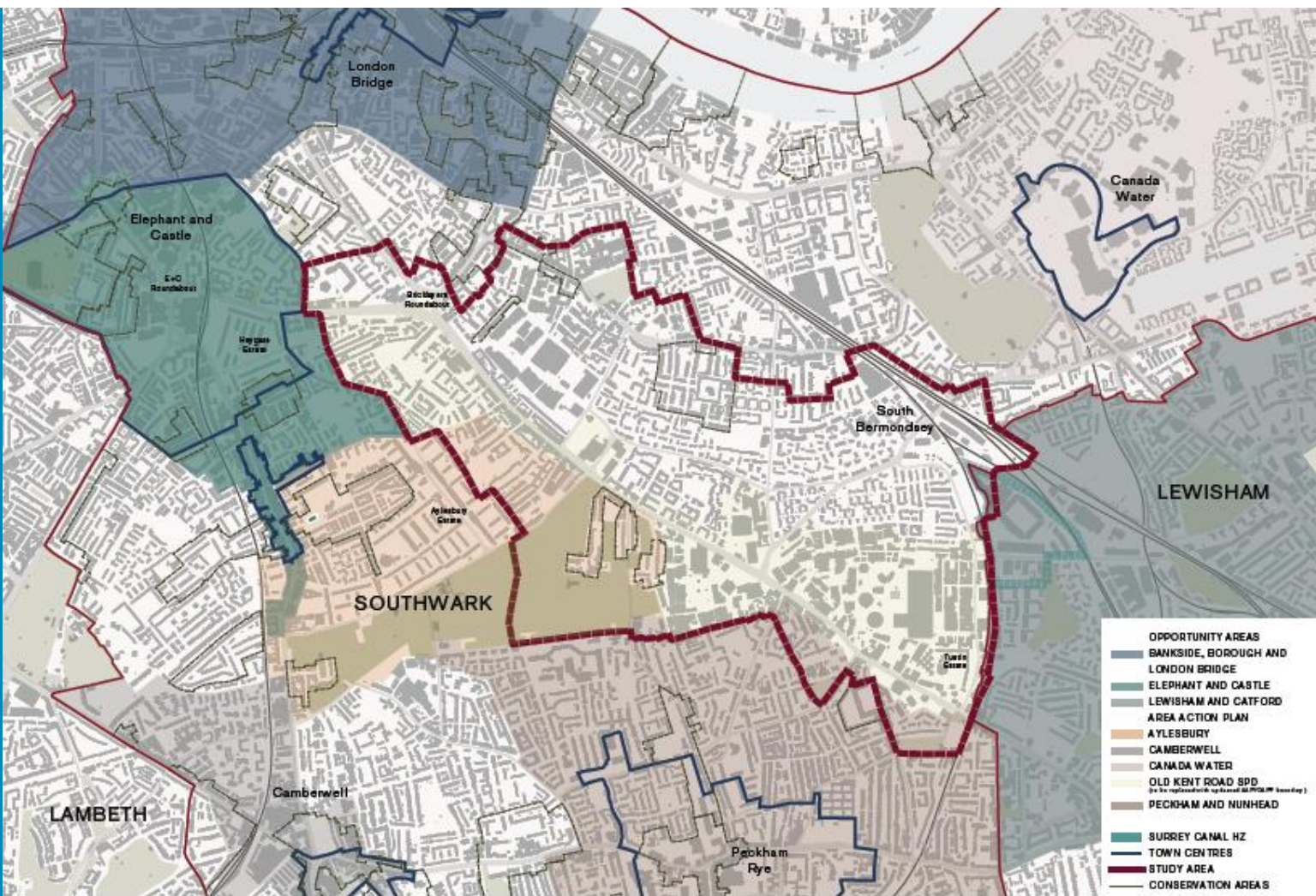


Old Kent Road Employment Land Options



Item	Time
Introduction, LB Southwark Tim Cutts	10 mins
Overview of Trends/Forecasts, Dave Lawrence, CAG	10 mins
Key questions	
1. What is the current perception of the Old Kent Road as a Business area? What type of business/activity is it attractive for?	15 mins
2. What Type of Employment Space/Operating Conditions are businesses looking for?	15 mins
3. How can Businesses operate in a high density residential environment? There is likely to be intensification of residential use. Can businesses still operate effectively. Is it only suitable for certain types of business	15 mins
4. If OKR is no longer best place for certain types of business activity, what do those businesses need? Alternative locations? Help to reshape their business activity?	15 mins
Sum Up, CAG Team	10 mins

Old Kent Road Area Action Plan

- Old Kent Road designated as an Opportunity Area in the London Plan to deliver a significant number of new homes and jobs
- Southwark Council is preparing an Area Action Plan to guide and manage future development and prepare a vision and objectives in partnership with the GLA and TFL
- Potential for an extension to the Bakerloo Line and two new stations

Old Kent Road Area Action Plan

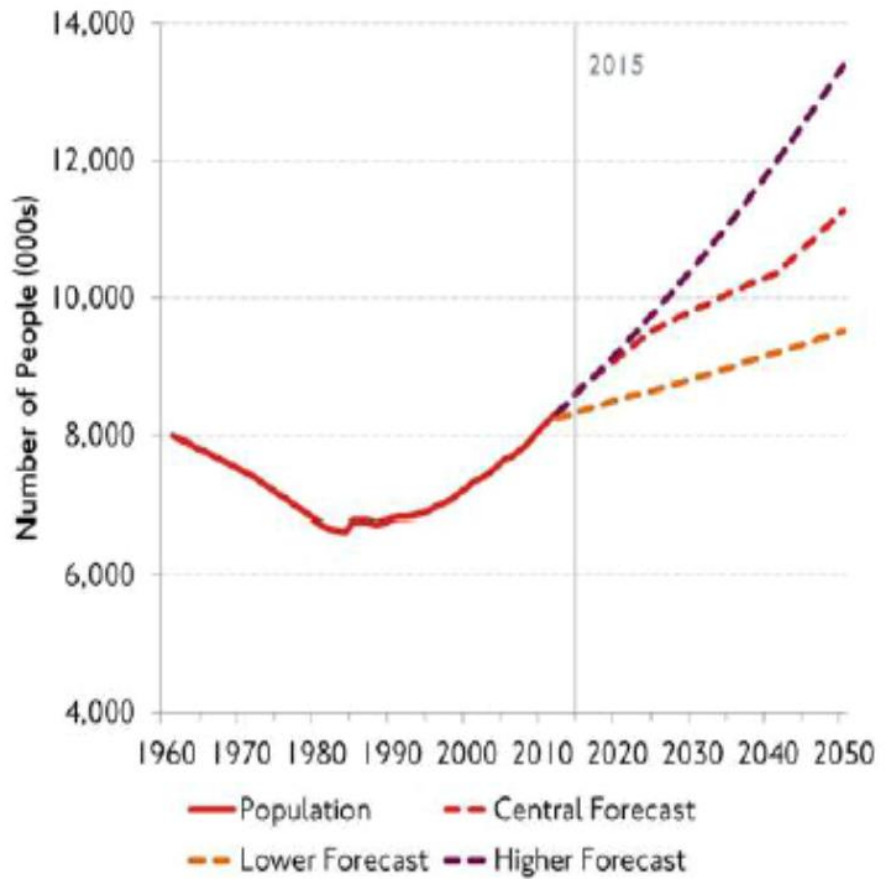
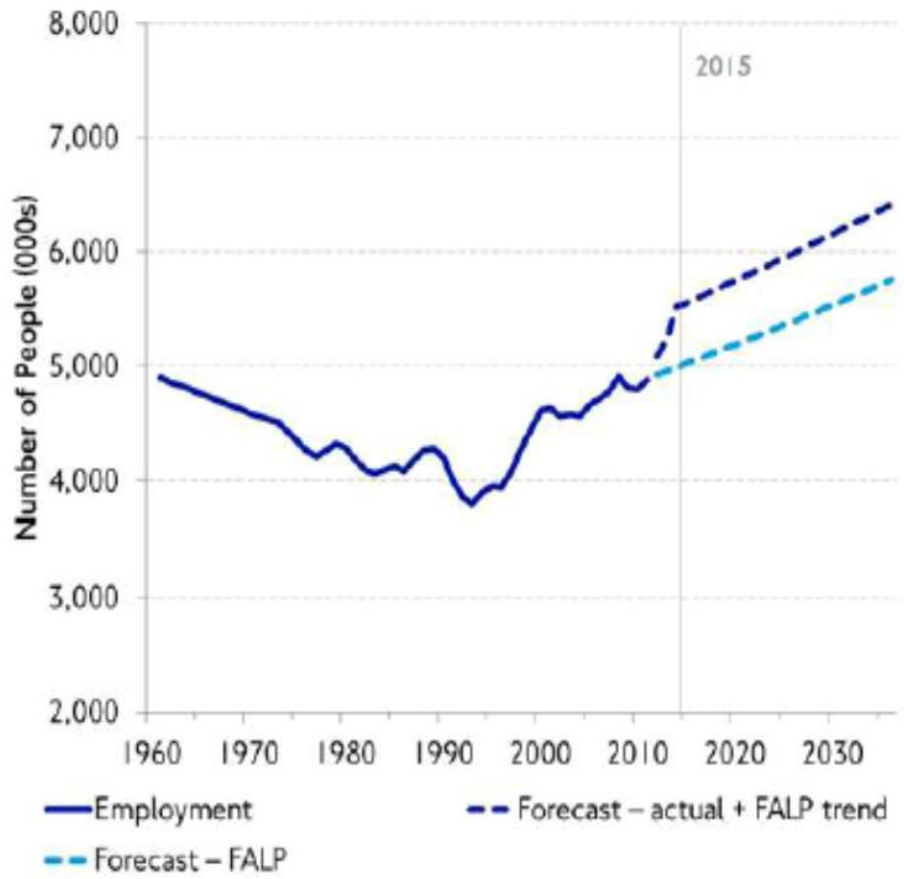


- Ongoing consultation with local residents, businesses and stakeholders at the Old Kent Road community forums at issues and options stages
- Preparation of the evidence base currently underway including strategies on place-making, employment and transport
- Preferred Options draft of AAP due for consultation May 2016 with adoption expected in 2017

- Employment Land Review for borough as a whole
 - Review planning policies.
 - Assess the quality and characteristics of employment clusters in Southwark.
 - Property market analysis of supply and demand for employment floorspace.
 - Forecast demand for employment floorspace.
 - Recommended approach towards use of employment land.
 - Recommended type and nature of business space promoted in borough.
- Old Kent Road Employment Land strategy
 - Consultation with businesses located in the Old Kent Road opportunity area.
 - Potential sources of future growth in jobs in the opportunity area.
 - Recommendations on land use in the preferred industrial locations.

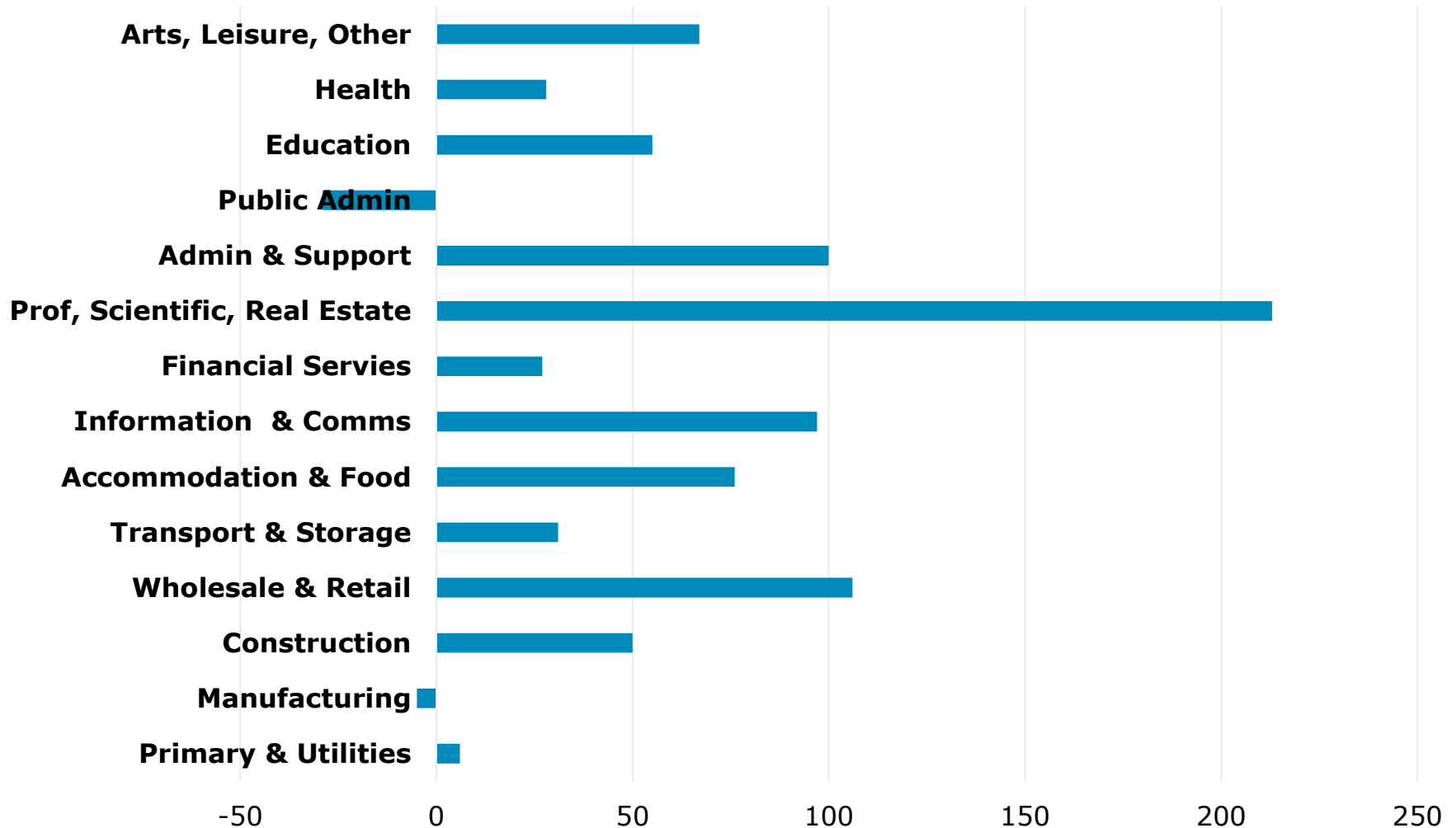
London's Growth

London's Historic and Forecast Employment and Population Growth¹



Employment Growth by Sector London ('000)

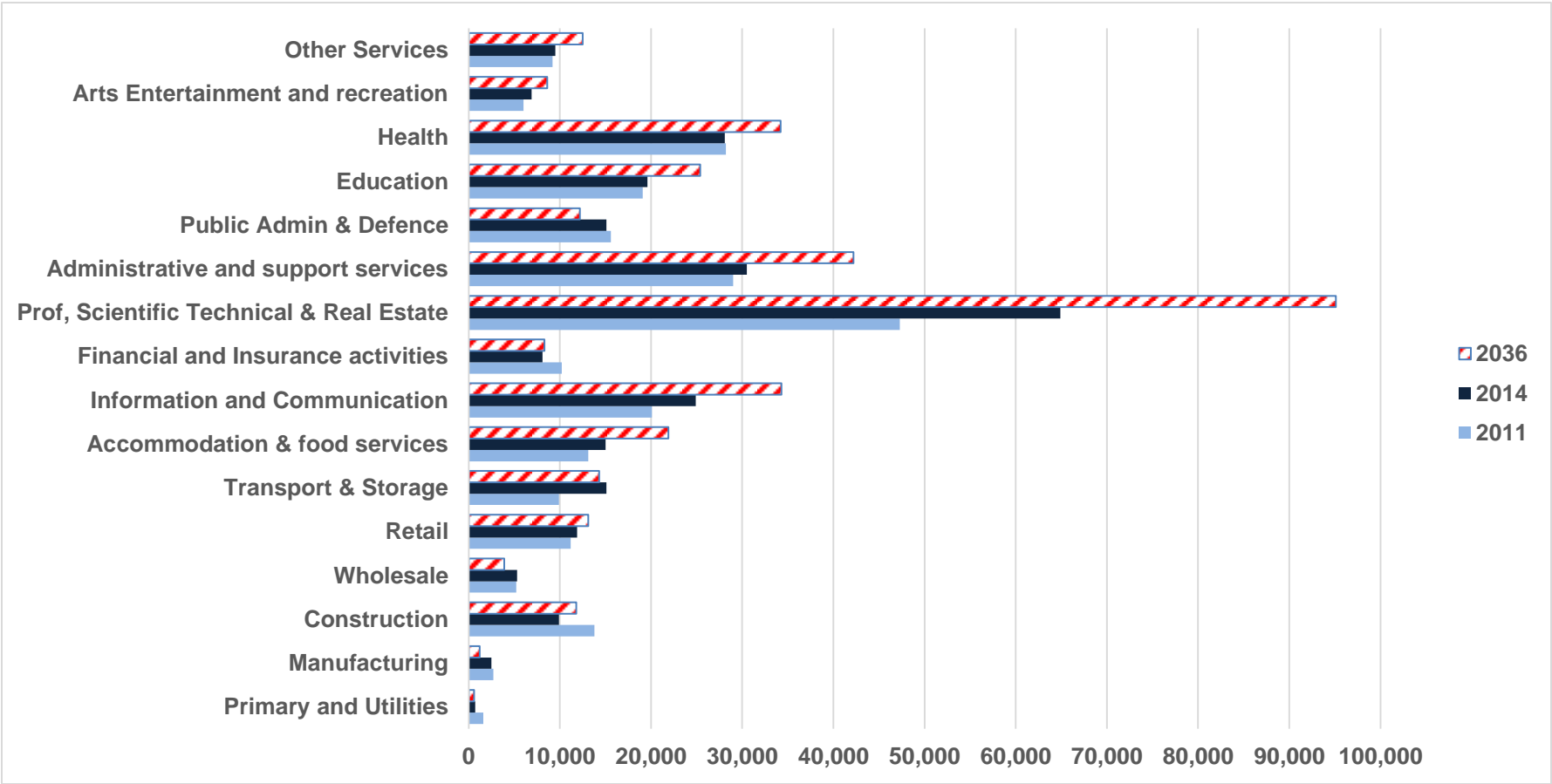
Dec 2009-Mar 2015



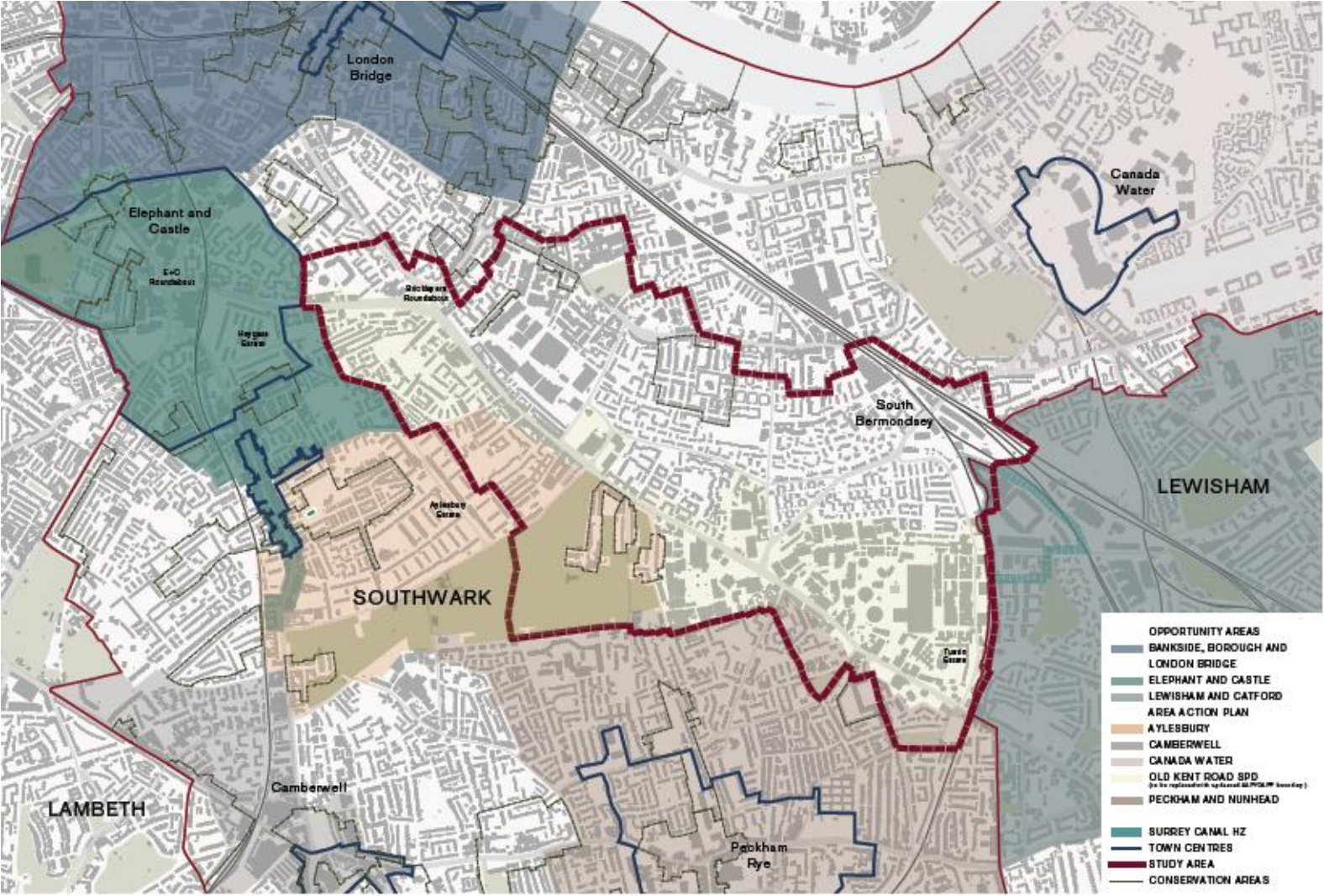
What Southwark Does

Transport Services	Employees	LQ	Publishing/Media/Digital	Employees	LQ
Passenger rail transport, interurban	500-1000	1.7	Publishing of newspapers	1000-5000	2.6
Urban, suburban or metropolitan area passenger land transport other than underground, etc	1000-5000	2.8	Publishing of consumer, business and professional journals and periodicals	1000-5000	3.7
Taxi operation	500-1000	2.1	Data processing, hosting and related activities	1000-5000	3.0
Other passenger land transport nec	500-1000	2.1	Web portals	500-1000	3.8
Other service activities incidental to land transportation, nec	500-1000	1.7	Media representation	500-1000	1.5
Unlicensed Carriers	500-1000	1.7	Market research and public opinion polling	> 5000	5.7
			Specialised design activities	1000-5000	1.6
Public Services			Repair of computers and peripheral equipment	500-1000	4.1
Regulation of the activities of providing health care, education, and other social services, Justice and judicial activities	1000-5000	2.3			
Public order and safety activities	1000-5000	2.5	Professional Services		
Fire service activities	> 5000	2.5	Accounting, and auditing activities	> 5000	4.5
First-degree level higher education	500-1000	3.5	Management consultancy activities (other than financial management)	> 5000	1.6
General medical practice activities	> 5000	1.9	Architectural activities	1000-5000	2.2
Other social work activities without accommodation nec	1000-5000	1.6			
Renting and operating of Housing Association real estate	1000-5000	1.7	2nd Tier Office Activities		
Museum activities	500-1000	2.1	Combined facilities support activities	1000-5000	2.1
			Activities of professional membership organisations	500-1000	1.8
Hairdressers			Activities of religious organisations	1000-5000	1.8
Hairdressing and other beauty treatment	1000-5000	1.6			

Forecast Growth in Employment by Sector 2011-36



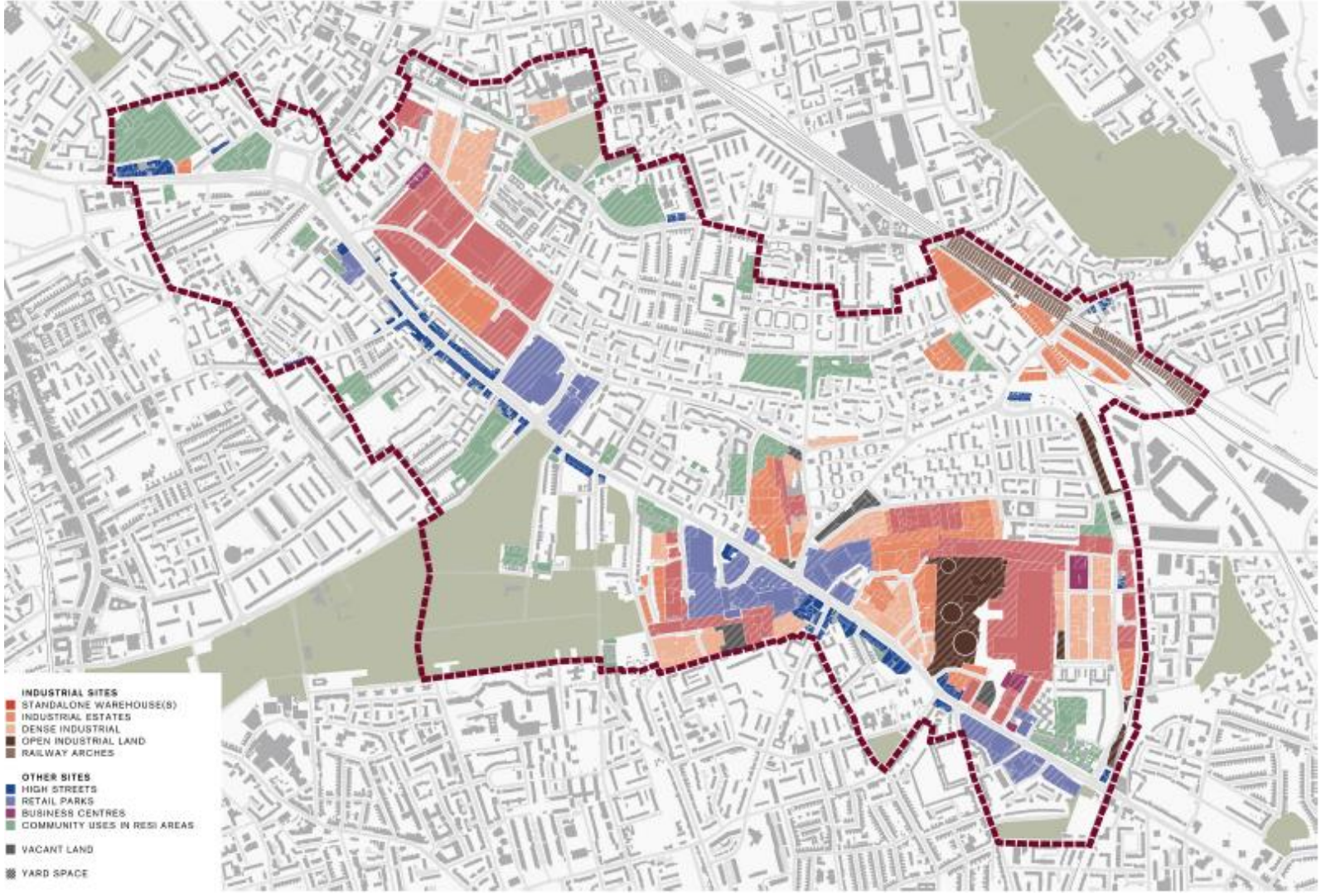
OKR competes with nearby opportunity areas:



Map showing study area and surrounding context, including adjacent Opportunity Areas, Surrey Canal Housing Zone, town centres and conservation areas

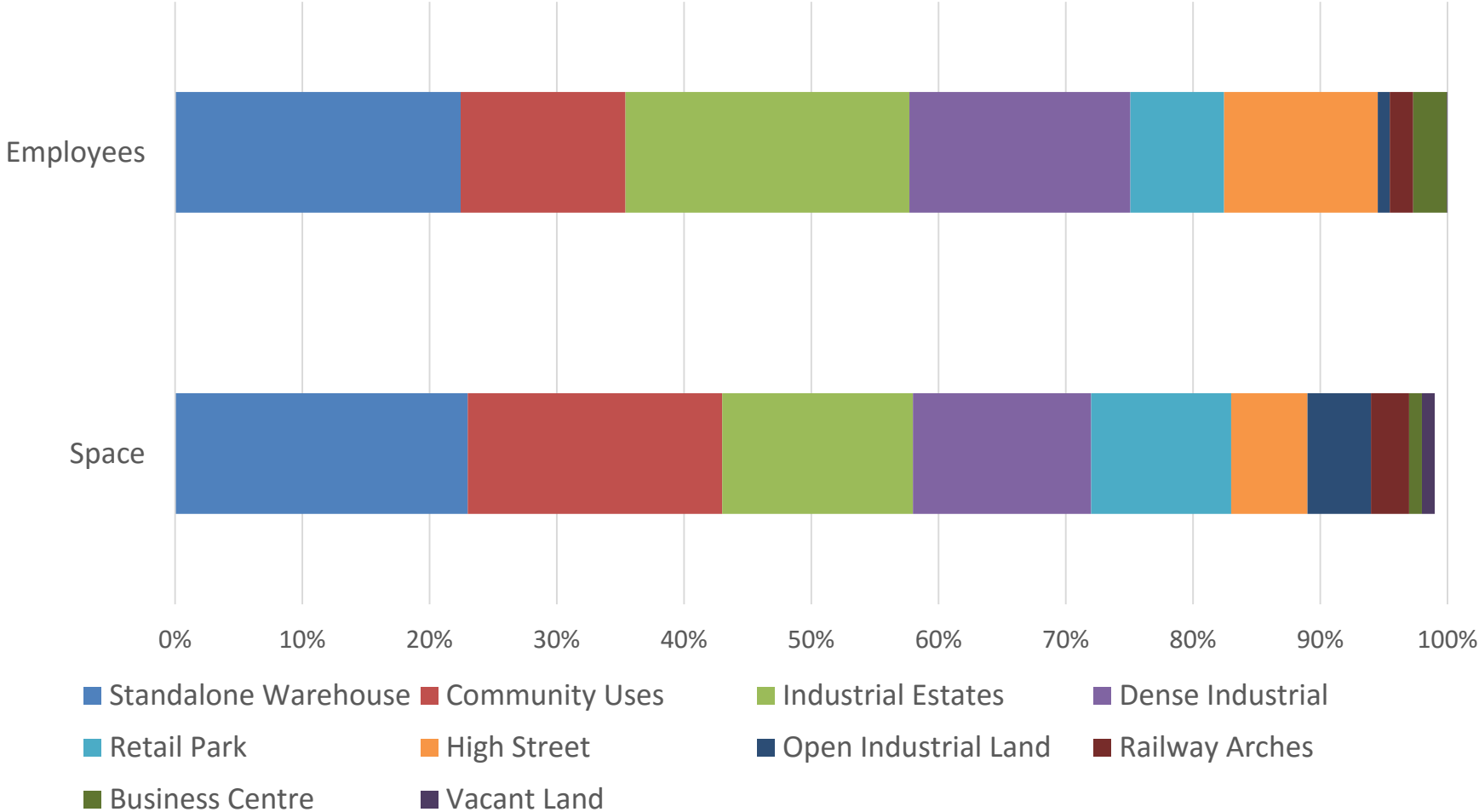
Source: OKR Employment study, 2015.

Distribution of site types along OKR

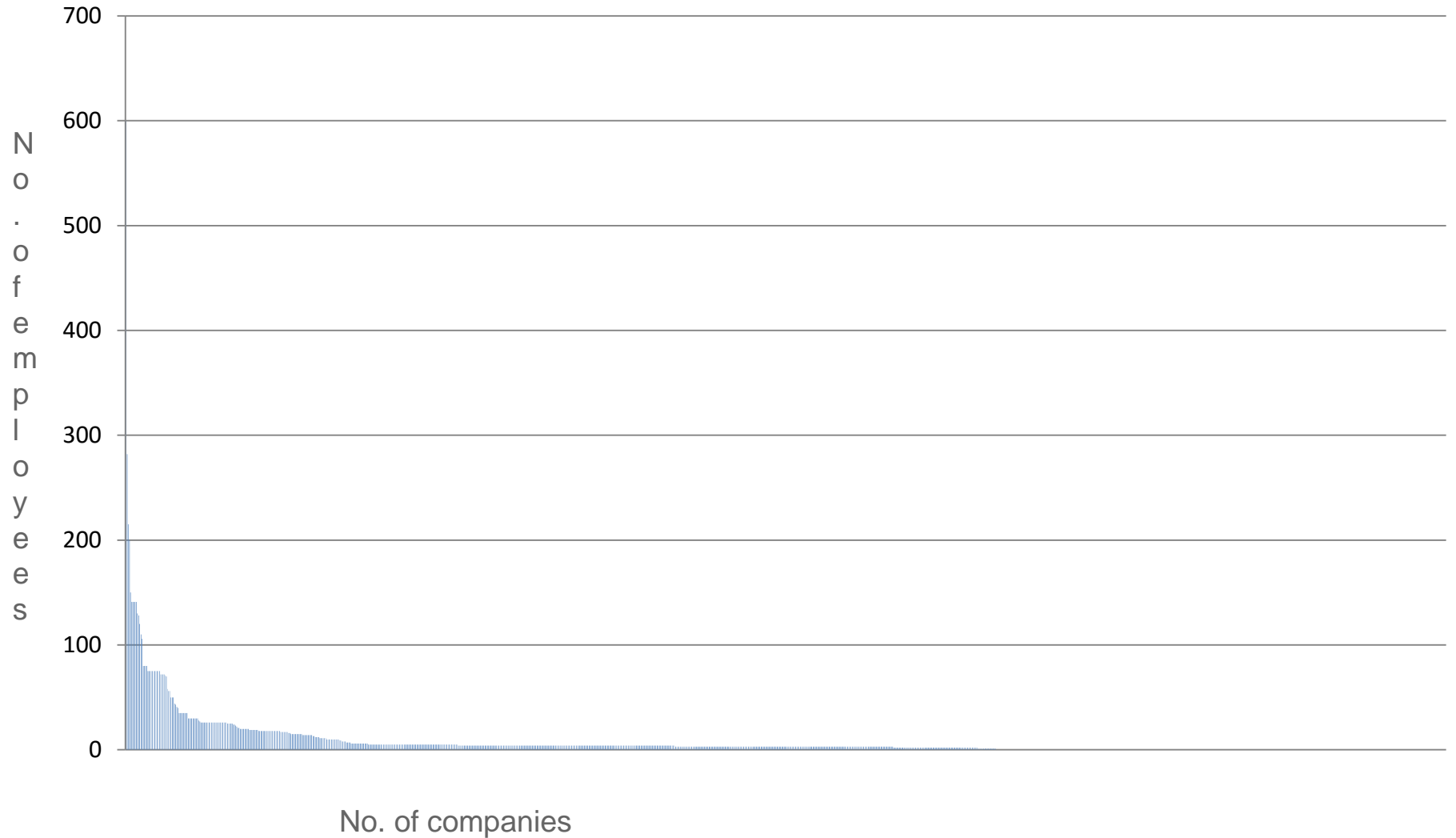


Source: OKR Employment study, 2015.

Distribution of Space and Employment at OKR



Distribution of Companies by Size (employees)



Drivers of Growth








Drivers of growth	Impact on OKR
Economic change in the London economy	<ul style="list-style-type: none"> Growing diversification in main demand sectors Expansion of 'digital economy' Growth in micro and small businesses Supply chains, outsourcing and contract staff
Occupier change	<ul style="list-style-type: none"> Focus on cost, flexibility and effectiveness Changing work, changing workstyles – technological innovation Importance of attracting staff
Relationship between CAZ and CAZ Fringe	<ul style="list-style-type: none"> Role of the 'mega schemes' The central economic hub is expanding – fringe is becoming 'mainstream' Role of Fringe in 'servicing the services' – importance of affordable space
Occupier preferences	<ul style="list-style-type: none"> Now more footloose – not tied to traditional markets Eastward and southward drift – overspill from Tech City Agility and connectivity – using buildings as flexible resource Rapid expansion of the flexible and shared space market
Investors and developers	<ul style="list-style-type: none"> Prepared to consider wider range of locations and building types Importance of 'place' and public realm (and transport) Cautious but practical approach to mixed use








With BLE Development Scenario

- Disruptive Change
- Land Values increases enable comprehensive redevelopment
- The displacement of existing uses
- Provision of new workspace as planning obligation for residential development
- Higher density commercial development on parcels adjacent to high density residential
- B1 commercial development
- Increase in jobs to service additional population in health, education, retail etc

Without BLE Development Scenario

- Still Pressure for Intensification
- Incremental churn on existing activity
- Qualitative Upgrade of Activity
 - More Design & Creative
- Land Values don't encourage comprehensive redevelopment but value differential such that residential creates incremental change
- Some more intensive use of existing land
- Re-use of existing commercial stock. Little or no new build
- Job Growth through higher density uses

Premises Types	With BLE Scenario	
Grade A	Potential for growing demand from corporate occupiers, although greatly tempered by competition from Docklands and elsewhere on South Bank. Investors to be 'converted'.	
High Street	Growing role for high street based office services as demand for personal services (finance, IT, health, etc) all increase following growth in residential.	
Managed	Likely growing demand from managed space providers, with growing demand for co-working and other forms of shared space.	
Marginal	Existing marginal space likely to be converted to residential use, especially any 1950s-1970s stock. Some 'period' stock likely to be attractive for refurb.	
Hybrid	Large opportunity to provide mixed use commercial space (office, light industrial, studio, etc) to meet growing demand from micro and small businesses.	
Shed	Rapid further decline in provision. Unlikely any new provision.	
Informal	Virtual extinction in north of Borough. Some provision remaining in southern parts of Borough.	

Premises Types	Without BLE Scenario	
Grade A	Given actual competition from Docklands and other South Bank locations, it is difficult to imagine any large scale corporate occupier activity.	
High Street	Existing level of high street based office service provision likely to be maintained. Unlikely to see decline.	
Managed	Demand from managed space providers likely to continue growing as opportunities to upgrade value-priced property remain, and demand stays strong.	
Marginal	As with BLE Scenario, existing marginal space likely to be converted to residential use, especially any 1950s-1970s stock. Some 'period' stock likely to be attractive for refurb.	
Hybrid	Remaining opportunity to provide mixed use space (office, light industrial, studio, etc) to meet growing demand from micro and small businesses as CAZ cost pressures escalate.	
Shed	Rapid further decline in provision. Under growing pressure from residential market. Some provision continuing in southern part of Borough.	
Informal	Likely to remain pockets of space especially around railway lands and less viable commercial sites. Very little surviving in north of Borough.	

Key Questions: Your Thoughts

- **What is the current perception of the Old Kent Road as a Business area? What type of business/activity is it attractive for?**
- **What Type of Employment Space/Operating Conditions are businesses looking for?**
- **How can Businesses operate in a high density residential environment? There is likely to be intensification of residential use. Can businesses still operate effectively. Is it only suitable for certain types of business?**
- **If OKR is no longer best place for certain types of business activity, what do those businesses need? Alternative locations? Help to reshape their business activity?**