

London Borough of Camden Economic Needs Assessment – Final Report

London Borough of Camden

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London Borough of Camden

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1. Executive Summary

1.1 Study context

- 1.1.1 AECOM was commissioned by London Borough of Camden (LB Camden) in March 2023 to undertake an Economic Needs Assessment (ENA). The study sets out a detailed evidence base from which an appropriate supply and mix of employment land and premises can be planned for, and provides a strategy for balancing supply and demand. It forms part of the evidence base to support the review of the Camden Local Plan, and specifically the Borough's future approach to the provision, protection, release and enhancement of employment land and premises.
- 1.1.2 The National Planning Policy Framework (NPPF)¹ outlines the principles that Local Planning Authorities should follow in preparing their evidence base to inform employment land policies. The need for Local Planning Authorities to produce an up to date employment land evidence base and the suggested format is outlined in national Planning Practice Guidance (PPG)². The approach to the study reflects the requirements and directions of this guidance.
- 1.1.3 Employment land considered by the study is defined as land with business activities falling under office and industrial use classes. These include:
- E(g)(i) Offices;
 - E(g)(ii) Research and Development;
 - E(g)(iii) Light industrial;
 - B2 General industrial;
 - B8 Storage or distribution; and
 - Sui Generis employment office or industrial uses – (for example taxi businesses, dark kitchens).
- 1.1.4 As well as providing an evidence base document compliant with the NPPF and PPG, the study content has been shaped by the ambitions and themes of 'We Make Camden', the Borough's shared community vision published in 2022. This aims to change how the local economy functions towards an inclusive model where everyone can benefit and has a stake in. It includes an emphasis on sustainable growth which is underpinned by the Council's declaration of a Climate and Ecological emergency and subsequent publication of its Climate Action Plan for the period from 2020 to 2025.

1.2 Policy and literature review

- 1.2.1 The NPPF provides overarching guidance on the Government's development aims. It describes the Government's vision for building a strong, competitive economy. It emphasises that Local Plans and Employment Needs Assessments should present robust evidence to support clearly defined designations and allocations of land for employment, and sets out a series of recommendations which policymakers should follow to help create conditions in which businesses can invest.
- 1.2.2 The need for an evidence base in understanding existing business needs, local circumstances and market conditions is also emphasised in the national PPG. The PPG is a web-based resource providing detailed guidance on the implementation of the NPPF which undergoes regular updates. Guidance includes 'Housing and Economic Needs Assessments' and 'Housing and Economic Land Availability Assessments', both of which were most recently updated in July 2019.

¹ Department for Communities and Local Government, (2021), National Planning Policy Framework.

² Ministry for Communities, Housing and Local Government, (2019); Planning Practice Guidance.

- 1.2.3 At a regional level, The London Plan 2021 outlines policies to ensure ‘Good Growth’ across London. The policy most relevant to employment, the economy, and local development is Policy GG2 ‘Making the best use of land’ which encourages local planning policy to use space efficiently, and ensure neighbourhoods work better for the people who use them. The London Plan 2021 is supported by other documents relevant to economic needs, including The Mayor’s Economic Development Strategy for London (2018), and the London Industrial Land Supply Study 2020 (2023) which provide further guidance and an evidence base for the efficient use of employment land within Greater London.
- 1.2.4 Camden Council’s most recent Employment Land Study³ was carried out in 2014. The study concluded that that the demand and supply of employment land in the Borough were broadly in balance and recommended the selective protection of existing employment land. The majority of the forecasted demand up to 2031 was expected to be for large, high-quality offices within the Central Activity Zone of the Borough. The demand for industrial and warehousing floorspace was forecast to contract, pointing to the need to carefully manage existing provision.
- 1.2.5 Reflecting locally important economic and spatial considerations, focused employment strategies have been prepared by the Council, including the KQ2050⁴ and Camden Affordable Workspace Strategy⁵. These respectively set out frameworks for the promotion of knowledge quarter uses and inclusive economy objectives respectively. A baseline and evidence report⁶ has also been produced for the renowned Hatton Garden historic jewellery quarter located within Camden. The report provides a detailed review of the current characteristics and performance of the creative cluster and identifies rising rents and the loss of workspaces for jewellery trades due to redevelopments providing more lucrative high-grade office space.

1.3 Functional Economic Market Area

- 1.3.1 The PPG requires local planning authorities (LPAs) to assess development needs working with other LPAs in the relevant functional economic market area (FEMA). Analysis of Camden’s travel to work area, housing market area, property market area, and economic governance and partnerships area, indicates that Camden is not relatively self-contained economically. Camden is identified to have important connections, either from an economic government point of view (administrative boundaries) or market characteristics (housing and commercial property markets), with neighbouring or nearby London Boroughs.
- 1.3.2 Camden is particularly connected with a number of other Boroughs, particularly those which also extend into London’s Central Activities Zone (CAZ) including; the London Boroughs of Islington, Hackney, Tower Hamlets, Southwark, Lambeth, Wandsworth, Westminster, Kensington and Chelsea and the City of London.
- 1.3.3 All of the other Boroughs in the CAZ rank within the top 13 employment destinations for the outflow of Camden residents. All of these Boroughs, excluding Wandsworth, also form part of the Central Services Circle Property Market Area within the London Industrial Land Study 2020. Lewisham is also included within the Central Services Circle but has been excluded from the FEMA due to the weaker outflow of labour from Camden to Lewisham (ranked 24th).
- 1.3.4 On this basis, it is reasonable to assume that Camden forms a FEMA together with the other CAZ Boroughs of; Islington, Hackney, Tower Hamlets, Southwark, Lambeth, Wandsworth, Westminster, Kensington and Chelsea and the City of London.

1.4 Socio-economic profile

- 1.4.1 GLA population estimates show that Camden’s population decreased by 4.3% between 2011 and 2021, which contrasted to a growth in the population of London as a whole (7.2%) over the same period. However, the GLA estimates forecast the population of Camden to increase over the ten years between 2021 and 2031 by 6.9%. This is a slightly lower growth rate

³ URS, (2014): LB Camden Employment Land Study

⁴ Camden Council, Islington Council, Knowledge Quarter; (2023); KQ2050: A Knowledge Quarter Unlocked.

⁵ Camden Council, (2023); Affordable Workspace Strategy.

⁶ Camden Council, Regeneris, We Made That, Tom Flemming,(2017); Hatton Garden Creative Enterprise Zone Baseline and Evidence Report.

compared to the 8.4% forecast for London over the same period. Across both Camden and London, the 'over 65' age group is expected to grow the most, with the working age population (aged 16 to 64) forecast to increase at a more modest rate.

- 1.4.2 Residents of Camden are generally higher earners compared with averages across London and England as a whole. LB Camden residents have median weekly earnings of £771 per week, compared to £765 and £646 for residents across the London and England respectively. Median weekly earnings among workers based in Camden (including in commuters) is £851 per week. This is higher than Camden resident earnings, as well as the average worker earnings across the London area (£805) and in England (£646).
- 1.4.3 Job density in Camden (the number of jobs per working-age resident population), is high at 2.73 compared to 1.02 for London and 0.86 for England as a whole. Approximately 26.9% of the Camden residents also work in the borough, and overall Camden is a net importer of labour with approximately 62,865 of Camden residents commuting to other areas for work, and 227,464 residents of other local authorities commuting into Camden for work. The most common source for in-commuters to the Borough are Barnet (6.2%), Islington (5.8% and Haringey (5.3%).
- 1.4.4 The most recent (2021) Business Register and Employment Survey (BRES) data shows there are approximately 380,000 jobs based in Camden, which represents an 11.2% increase from 2015, slightly below the rate for the FEMA as a whole. The largest industries by employment in the Borough are the health and information & communication industries (both accounting for 12.9% of total employment), followed by education (9.7%). Not surprisingly, both Camden and London have a large proportion of their population working across office-related service sectors, namely the information & communication, financial & insurance, and professional, scientific & technical sectors (36.8% and 30.6% respectively), compared to the English average (17.5%). Conversely, and as might be expected given its location and urban form, the proportion of Camden's employees who work in industrial sectors (6.0%) is substantially lower than both the regional (10.6%) and national averages (19.2%).
- 1.4.5 The construction industry experienced growth of 28.6% in Camden between 2015 and 2021, above the growth rate across the FEMA of 13.8%. Professional, scientific & technical and business administration & support services experienced 4.0% and -9.7% growth respectively, both of which were lower than the rates experienced in the FEMA (16.6% and -2.1% respectively). Manufacturing saw a decline in employment of 12.5% which contrasted to the FEMA where the sector grew by 21.1%.

1.5 Supply of employment land

Types of employment land and floorspace

- 1.5.1 The study considers two types of employment land supply: floorspace in office use (E(g)(i), E(g)(ii) and Sui Generis (SG) office use) and land and floorspace in industrial use (B2, B8, E(g)(iii) and Sui Generis industrial use) across LB Camden. This includes both floorspace that is in use and vacant.

Site data and identification

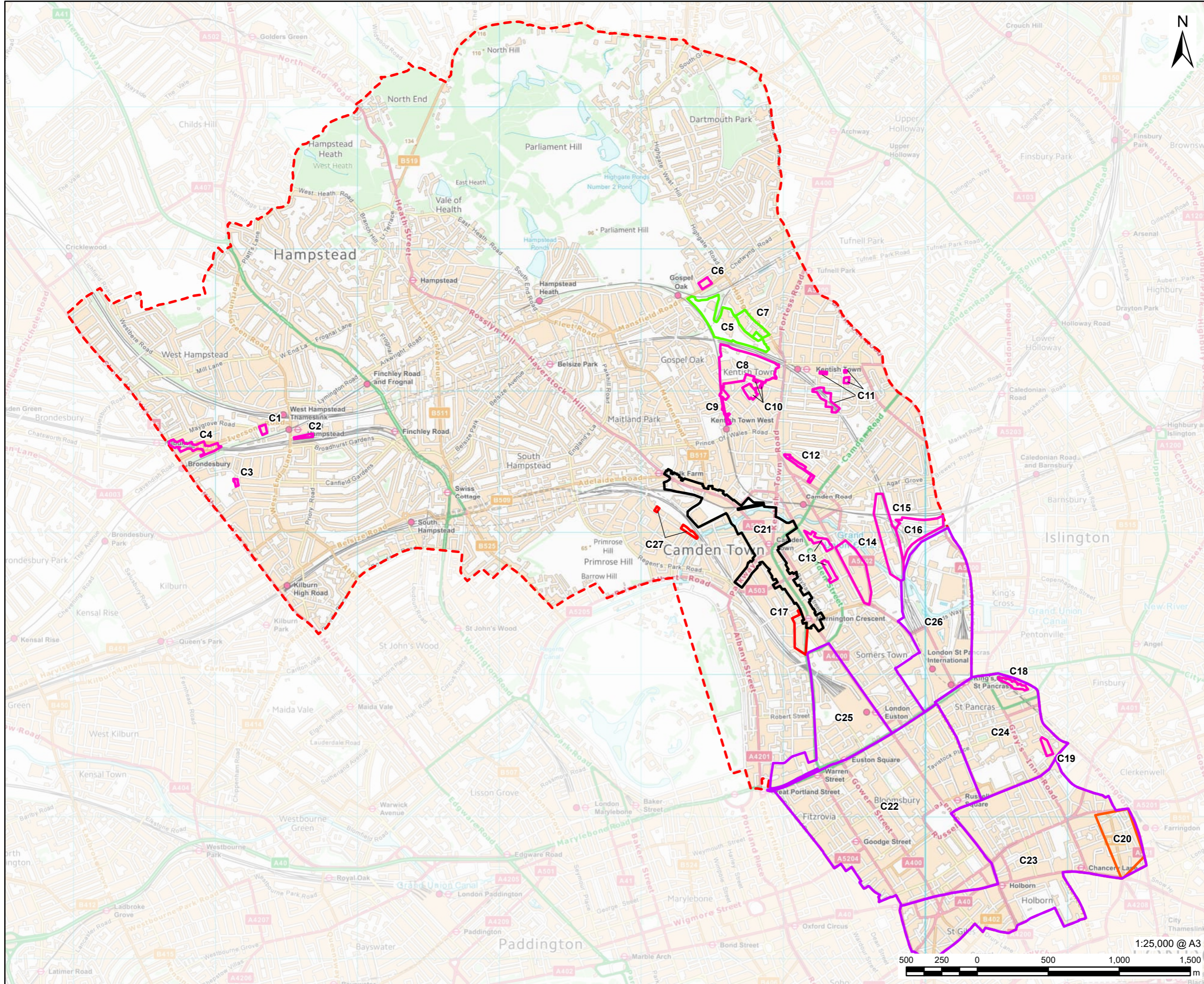
- 1.5.2 This study has identified 27 distinct clusters of employment land within the Borough based on the requirements of the Planning Practice Guidance. The study recognises that there is a supply of additional office and industrial floorspace which lies dispersed in land parcels outside of the identified employment clusters. The employment clusters, their designation, size, and the principal land uses and predominant activities within them are identified in Table 1-1 and mapped in Figure 1-1.

Table 1-1 Surveyed Employment Clusters

Identifier	Name	Designation	Employment Land Uses	Area (ha)	Predominant Business Activities Observed
C1	Iverson Road East	Non-designated	E(g)(iii)	0.3	Construction
C2	Blackburn Road	Non-designated	B8	0.2	Construction
C3	Kingsgate Workshops	Non-designated	E(g)(iii)	0.1	Craft-workers and design
C4	Iverson Road West / Loveridge Road	Non-designated	E(g)(iii), SG	1.7	Construction
C5	Kentish Town Industry Area - Sanderson Close	Local Plan - Industry Area	B2, B8	7.1	Construction
C6	Gordon House Rd	Non-designated	E(g)(i), SG	0.4	Design and technology
C7	Kentish Town Industry Area - Carkers Lane / Greenwood Place	Local Plan - Industry Area	B8, E(g)(i), E(g)(iii)	2.0	Architecture, technology, legal, storage and warehousing and marketing
C8	Regis Road	Non-designated	B8, E(g)(i), E(g)(iii), SG	7.6	Distribution and automotive
C9	Grafton Road / Wilkin Street	Non-designated	B2	0.5	Food and drink and telecommunications
C10	Holmes Road / Cathcart Street	Non-designated	B8, E(g)(i), E(g)(iii)	0.8	Engineering and digital technology
C11	Caversham Road / Gaisford Street	Non-designated	SG	1.3	Construction
C12	Rochester Place	Non-designated	E(g)(i), E(g)(iii)	0.5	Digital media, digital production and design
C13	Lyme Street / Royal College Street / Camden St	Non-designated	E(g)(i), E(g)(iii), SG	1.5	Digital technology, design, production, craft-workers, fashion, architecture and marketing
C14	St Pancras Way	Non-designated	B8, SG	4.8	Distribution and construction
C15	Camley Street	Non-designated	B2, B8, E(g)(iii)	6.2	Wholesale, food and drink, consultancy and marketing

Identifier	Name	Designation	Employment Land Uses	Area (ha)	Predominant Business Activities Observed
C16	Freight Lane	Non-designated	B2	4.7	Aggregates
C17	Carreras Cigarette Factory	Non-designated	E(g)(i), SG	2.1	Fashion, digital technology and marketing
C18	Field St / Leeke St/ Britannia St / Wicklow St	Non-designated	E(g)(i), E(g)(iii), SG	0.7	Not-for-profit and production
C19	Pakenham Street	Non-designated	E(g)(iii)	0.5	Light engineering and design
C20	Hatton Garden	Local Plan – Hatton Garden	E(g)(i), E(g)(iii)	9.2	Craft-workers, legal and consultancy
C21	Camden Town Centre	Local Plan – Town Centre	E(g)(i)	27.8	Fashion, production and entertainment
C22	CAZ Offices - Bloomsbury	Non-designated – Bloomsbury Ward area	E(g)(i)	123.5	Telecommunications, consultancy, digital media, legal and Knowledge Quarter uses
C23	CAZ Offices - Holborn and Covent Garden	Non-designated – Holborn and Covent Garden Ward area	E(g)(i)	110.7	Media, consultancy, property, digital technology and legal
C24	CAZ Offices - King's Cross	Non-designated – King's Cross Ward area ⁷	E(g)(i)	48.9	Knowledge Quarter uses, consultancy and architecture
C25	CAZ Offices – Euston and Regent's Place	Non-designated	E(g)(i)	33.8	Banking, digital media, finance and accountancy
C26	CAZ Offices - King's Cross (north of Euston Road)	Non-designated	E(g)(i)	49.8	Digital media and production, finance, marketing, consultancy and Knowledge Quarter uses
C27	Gloucester Avenue / Chalcot Road	Non-designated	E(g)(i), SG	0.4	Digital media, architecture, craftspeople and design

⁷ This cluster is formed of the King's Cross ward area excluding the portion which is to the north of Euston Road.



LEGEND

- Camden Borough Boundary
- Cluster Designation**
- CAZ Office Area
- Camden Town Centre
- Hatton Garden
- Industry Area
- Non-Designated - Industrial
- Non-Designated - Office

NOTES

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ISSUE PURPOSE
FINAL

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FIGURE TITLE
Camden ENA Clusters Overview

FIGURE NUMBER
Figure 1-1



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Criteria identification

- 1.5.3 The assessment was conducted based on a set of site appraisal criteria building on those considered in the 2014 ELS, and drawing, for industry for example, on the Land for Industry and Transport Supplementary Planning Guidance (2012) and the GLA Practice Note of Industrial Intensification and Co-location (2018) and was subsequently agreed with Camden Council. The appraisal criteria were tailored based on the consultancy team's experience and the specific local context. A detailed assessment of each of the clusters against the assessment criteria was undertaken comprising both desk-based investigation and site surveys which took place in May 2023.

Supply of office floorspace

- 1.5.4 The study identified eight employment clusters which contain the majority of LB Camden's office floorspace. These clusters are grouped into sub-groups based on the types of office floorspace present within the cluster, their designation, and their role within the Camden economy. Sub-groups include clusters within London's Central Activities Zone, Camden Town Centre and small scattered clusters of offices across the Borough.
- 1.5.5 Most of the office floorspace appraised is occupied, with higher grade offices close to public transport hubs observed to be performing most strongly. There is also strong observed demand for refurbished spaces in older buildings which were not purpose-built for offices. Knowledge Quarter uses which contribute towards the Council's Knowledge Quarter 2050 vision are also observed to be in high demand, however a balance should be found between promoting Knowledge Quarter uses and providing other uses, such as housing. Clusters with weaker observed demand contain fewer large purpose-built offices, and a large proportion of their stock is located in smaller converted buildings or located above retail units. The office areas within C20 - Hatton Garden and within the Euston Growth Area in C25 - Euston and Regent's Place are observed to be under-performing when compared to elsewhere in the Borough with a high number of vacancies identified across a range of office grades and building typologies. In general, there is opportunity to provide greater flexibility in the use of secondary grade office stock, including re-providing housing in former town houses and mews buildings in underperforming areas. Important clusters of affordable workspace are also identified which should be protected on account of the unique function that they provide within the Camden economy.

Hatton Garden

- 1.5.6 The Hatton Garden area is a renowned jewellery quarter within London and the centre of the diamond trade in the UK and contains a number of light industrial workshops as well as a range of office buildings. Hatton Garden is a designated area within the Camden Local Plan (2017). Jewellery and craftspeople workshops are often small in size and located on the ground or first floors of buildings. They are generally located in older properties and are of good quality, although some workshops appear tired and worn. The small size of the workshops and their location interspersed with office buildings means that intensification of industrial use in this area is difficult without the conversion of neighbouring office spaces. Vacant office floorspace is observed but in general, vacancy rates are broadly in line with the rest of Camden's CAZ area. Vacancies are present across all building typologies and office grades including smaller town house conversions as well as newly-refurbished office buildings. This is suggestive of there being relatively weak demand for office space in the area when compared to other employment clusters containing office floorspace within the CAZ.

Industrial Land Supply

- 1.5.7 Industrial employment land is defined as being land falling within the industrial uses identified in the GLA London Industrial Land Supply (LILS) study (2020). This includes both 'core' uses such as general industry and warehousing, as well as 'wider' uses, such as land for transport functions, utilities, waste management and recycling, as well as 'vacant' industrial land. A desktop review of land uses corroborated by a field survey has identified that there is 34.9 ha of industrial land within LB Camden. This represents a small decrease from the total of 36.1

ha reported in the LILS study in 2020, reflecting that there has been redevelopment of some sites for non-industrial uses in the interim period. None of the industrial land within the Borough is currently vacant. The Kentish Town Industry area is the only Local Plan designated industrial location in Camden. It comprises two distinct clusters (C5 and C7 comprising 8.5 ha of industrial employment land. The rest of the clusters are mostly located to the north of the CAZ, in and around Camden Town, Kentish Town and West Hampstead.

- 1.5.8 The Kentish Town Industry area is deemed to be generally well functioning with employment-led redevelopment planned for the area to intensify some of the existing uses. Non-designated industrial sites are also largely found to be performing adequately against the assessment criteria, which reflects that there remains a local need for employment space to provide jobs and to service the CAZ portion of the Borough sustainably. A number have undergone change when compared with their status in the 2014 ELS whereby redevelopment for either residential or, in some limited instances, office development has taken place. In some instances, the remaining land is concentrated in single or a few sites surrounded by higher density residential uses and any redevelopment of the remainder to provide new employment floorspace would be challenging. Smaller sites such as C2 – Blackburn Road and C19 Packerham Street are also identified as being suitable for redevelopment to office or Knowledge Quarter use.

Summary of Supply of Employment Land

- 1.5.9 Based on the assessment, it is evident that there is a general ongoing need to protect the supply of employment floorspace in LB Camden through suitable means. Office floorspace is well occupied and mostly in good to very good quality condition and in the right locations, despite a presence of some lower quality secondary function stock. The site survey identifies that high-grade office space is in particularly high demand, therefore opportunities should continue to be sought to bring forward new high-grade office developments, especially where they can contribute to Camden Council's Knowledge Quarter 2050 vision, and to facilitate the renovation or retrofitting of older office stock. The Borough's portfolio of office stock that is likely to be subject to retrofitting in order to facilitate ESG compliance is discussed in further detail in Section 6. Furthermore, given the ongoing need to deliver housing in the Borough, opportunities to provide a mix of uses on development sites should be encouraged where appropriate. There is also opportunity for planning policy to offer greater flexibility in the use of lower quality secondary function office space in lower performing areas, including the conversion of smaller office into residential use.
- 1.5.10 Industrial land and floorspace is similarly well occupied and, due to its limited supply, should be protected through appropriate policy and monitoring means, particularly where sites support a unique function, such as the supporting of craftspeople and SMEs. Whilst there are considered to be no non-designated clusters in industrial use suitable for designation as an Industry Area (akin to Locally Significant Industrial Site in the London Plan), there is evidence to support a lower tier designation that could better protect a small number of clusters from undesirable redevelopment that monitoring policies may not achieve.

1.6 Property market analysis

- 1.6.1 The characteristics of LB Camden's office and industrial land and floorspace property markets have been identified. Reference is also made to comparator geographies, namely the FEMA and London. This reflects the fact that the commercial property market in Camden is not self-contained, and instead forms part of a much wider market area encompassing the FEMA and the wider London region. Employment-generating properties comprised of office, light industrial, general industrial, and storage and distribution types are considered, in line with the definition of employment land.

Office market [E(g)(i)]

- 1.6.2 It is evident that LB Camden has a considerable supply of small and medium sized premises on the basis that it has the second-largest building stock, but ranks fifth in terms of average building size – clearly there are fewer examples of tall buildings in the Borough than in the City of London or LB Tower Hamlets which exemplifies this. The presence of small and medium sized premises is testament to the Borough's appeal to many start-ups, SMEs and

creative industries, whose importance to the local economy are discussed in greater detail in Section 9.

- 1.6.3 The supply of office floorspace in LB Camden experienced an increase of 11.9% between 2014 and 2023, slightly lower than the FEMA average of 12.3%, although higher than the London average of 11.2%. In terms of vacancy, LB Camden has a broadly similar floorspace vacancy rate (8.1%) than the FEMA (8.5%) and London average (8.5%). The vacancy rate in LB Camden has increased from 4.0% in 2014 to 8.1% in 2023, although the vacancy rate is slightly lower than the FEMA and London average.
- 1.6.4 Net absorption provides another angle on demand, and while there were negative net absorption rates from 2020 to 2022, positive absorption rates in 2022 indicates that, overall, conditions within the office market are back to being favourable. This observation is corroborated by consultation with land agents, who attest to the strong demand for Grade A space in particular. Despite the evolution of the hybrid working model, demand in the Knowledge Quarter and for Knowledge Quarter activities is presently strong.
- 1.6.5 Across the FEMA, LB Camden has the third highest rental value per square metre (sqm) (£616), after the City of London (£632) and Westminster (£732). This is a reflection that LB Camden has; a large number of buildings; one of the larger floorspace stocks; a number of high-profile occupiers; a large part of the core of its office offer is within the CAZ, and; new floorspace is available within the Borough at Kings Cross and in 'Midtown'.
- 1.6.6 On the whole, the observed trend that office properties with the largest floorspace areas attract the highest rents, and smallest floorspace sizes the lowest rent, has persisted over the period 2003 to 2023. However, the difference in rental values between size bands has become greater during that period, in part due to rents for smaller spaces flatlining in recent years. This trend will be welcomed by the large quantity of start-ups and SMEs in Camden – whose presence within the Borough will rely on the provision of this more affordable workspace – however it does not hide the fact that rents in Camden are relatively high compared to the FEMA and London.
- 1.6.7 Since 2014, the area surrounding Kings Cross unsurprisingly displays considerably denser levels of new office floorspace compared to the rest of Borough, while there has also been a notable cluster of new office space delivered at Camden Town Centre / Chalk Farm in the last decade.

Light industrial market [E(g)(iii)]

- 1.6.8 Most premises are located along or near Pancras Road, Pakenham Street, Kilburn, Kentish Town, Russell Square and Camden Town. The market is characterised by mostly SMEs accommodated within small-medium sized premises. The profile by unit size and floorspace proportion is very similar to the FEMA, indicating that supply is typical of the wider area and of its central London location.
- 1.6.9 Trends in demand comprise vacancy and availability rates that have increased since 2017, but to a lesser extent than the FEMA and London, with rental values sitting mid-way between the FEMA and London average. Overall this indicates that LB Camden is generally not an outlier within its FEMA and demand is generally stable, but not strong, reflecting the very small size of the market.

Industrial market [B2]

- 1.6.10 Most of the B2 premises are located along or near Kentish Town and Camden Town. The market is characterised by mostly SMEs within small-medium sized premises (under 1,000 sqm). The number of premises as a proportion of total stock which these units account for in Camden is similar to the FEMA. However, a small number of much larger premises in other FEMA boroughs means that the proportion of total floorspace occupied by them is much lower than in Camden at 58%. The average rent per sqm in LB Camden has experienced a significant fall since 2015 while it has increased in the FEMA and London in the same time period. This evidences relatively weaker demand for industrial space in recent years, which is

a manifestation of the trend forecasted for the Borough in the GLA's London Industrial Land Demand report in 2017.

- 1.6.11 Overall, the analysis indicates that LB Camden is generally not an outlier within its FEMA and demand is generally stable but not strong, reflecting the very small size of the market.

Warehousing market [B8]

- 1.6.12 Most of the warehousing premises are located along or near Kentish Town and Camden Town. Trends in demand over the last 10 years indicate vacancy and availability rates in LB Camden have fluctuated, generally falling between 2018 and 2020, before significantly increasing to their current rates. Rents across LB Camden have experienced a decline in recent years, while rental values in the FEMA and London have been increasing over the past 10 years. These issues highlight how market conditions for warehousing in LB Camden are not currently as favourable as they once were.

1.7 Creating a picture of future requirements

Affordable workspace

- 1.7.1 An overview of the background to the policy context for the provision of affordable workspace, and an outline of policy other comparable Boroughs have put forward to support its delivery has been prepared with a view to advising the Council on what its policy should include. The analysis was conducted through desk-based research of the best available data and was complemented by engaging with local partners and groups to capture real-world insights.
- 1.7.2 Workspace affordability has become an area of strategic focus across London in recent years, reflecting constraints in the overall levels of supply, rising rents and evolution in the type and spatial distribution of demand across the city.
- 1.7.3 The consultation touched on a number of topics concerning LB Camden in the Local Plan period to 2041, one such topic being the promotion of affordable workspace within the Borough. The importance of a sound affordable workspace strategy was recognised in the context of facilitating an inclusive economy, which remains a key priority of the Council.
- 1.7.4 It is suggested that the Council needs to be proactive in encouraging businesses to anchor in the Borough and help grow new sectors in Camden; this could even be supported by some form of portal where engagement with charities and local groups is facilitated.
- 1.7.5 Another key finding of the consultation was the appetite for the Council to bring forward an approved occupier list to provide greater confidence that needs have been appropriately assessed. Additionally, it would be desirable to have knowledge of who the approved providers are and what criteria they are being asked to meet. Considerations as to the correct methodology for an affordable workspace policy in LB Camden were also addressed at consultation.

Dark kitchens

- 1.7.6 In recent years, takeaway and food delivery services have become of increasing importance to the restaurant and food sector, with the rise of delivery apps such as Deliveroo, Uber Eats and Just Eat expanding the market for restaurants. A feature of this trend has been the emergence of dark kitchens, also referred to as 'ghost kitchens' or 'cloud kitchens', which are restaurants that sell meals exclusively through delivery and provide no option for dining in or picking up food orders.
- 1.7.7 While there are commercial and environmental benefits to dark kitchens, their operation must be managed to ensure they are compatible with neighbouring land uses. Consultation with stakeholders suggests that dark kitchens in LB Camden are best suited to larger employment sites away from residential properties. On this basis, C5 – Kentish Town Industry Area – Sanderson Close and C8 – Regis Road are considered among the most suitable locations for this activity.

Live-work units

- 1.7.8 'Live-work' units are accommodation that “*combines both living and working spaces, with the workspace forming a permanent component of the accommodation*”⁸. Such units have become popular with SMEs within the creative and IT sectors due to the reduced overhead costs for the businesses, and therefore live-work units have been championed as a means of promoting start-ups and SMEs.
- 1.7.9 However, applications for live-work units over the last 20 years have largely been met with caution from planning authorities. It is widely reported that the employment elements of live-work schemes are being lost over time, allowing developers to deliver residential units in areas previously designated for employment uses⁹.
- 1.7.10 Policy to manage live-work units should target the management of the spaces over the long term. Possible policies could include requirements for employment floorspace management plans as part of applications or requirements on the management model, such as specifying that only housing associations may develop live-work units, or that employment floorspace should be managed by a private business manager.

Retrofitting, Minimum Energy Efficiency Standards and Loss of Employment Floorspace

- 1.7.11 In response to the environmental, economic, social and political impetus to limit the damaging consequences of global climate change, LB Camden declared a climate emergency in 2019 in order to recognise the importance of reducing carbon emissions.
- 1.7.12 The energy performance of buildings in the UK is monitored through the Energy Performance Certificate (EPC) system. Non-domestic private rented properties are awarded a certificate rating between A+ (most efficient) and G (least efficient). In order to drive the decarbonisation of the UK's non-domestic building stock, commitments have been made to encourage the construction of more energy efficient buildings and upgrading/retrofitting existing buildings through the implementation of restrictions on private lettings based on energy performance.
- 1.7.13 Non-domestic buildings must comply with Minimum Energy Efficiency Standards (MEES) to be lawfully leased. At the time of writing (August 2023), MEES regulations apply to those non-domestic buildings which have been awarded an EPC rating of F or G, whereby these properties cannot be leased until improvements have been made.
- 1.7.14 In LB Camden, around 16% of office property EPC certificates are not MEES compliant (i.e. are associated with a rating of F or G). Floorspace information attached to these certificates indicates that 7% of the floorspace associated with an EPC certificate is not MEES compliant (as per the definition above). This suggests that around 368 properties do not meet MEES, reflecting circa. 240,000 sqm of floorspace. For industrial properties, approximately 15% of building certificates, and 4% of floorspace associated with an EPC certificate, indicate non-compliance with MEES (11 properties / 4,500 sqm of floorspace).
- 1.7.15 It is anticipated that the minimum standard will be sequentially increased such that building efficiency expectations are raised in line with Government ambitions to deliver against net zero commitments¹⁰, as the minimum EPC rating for non-domestic properties to be leased will be raised to C by 1st April 2027, and to B by April 2030. The building stock of LB Camden which falls within the scope of tightening regulations to 2030 is greater than the national average, reflecting 91% of office properties and 93% of industrial properties.
- 1.7.16 It is important to consider which typologies are likely to be most affected by retrofitting issues and what the implications of this are. Typical issues in retrofitting buildings that were constructed during the last century range from poor thermal performance to low floor to ceiling heights, to heritage protections. Traditional buildings are the most challenging to improve thermally as they are more susceptible to the effects of moisture ingress. However, it is

⁸ London Legacy Development Corporation. (2014); LLDC Work-Live Study Part I: Research and Case Studies.

⁹ RIBA Journal. (2022); What's the Plan for Live/Work Space?. Available at: <https://www.ribaj.com/products/planning-for-live-work-space-post-lockdown>

¹⁰ HM Government, (2020); Energy White Paper: Powering our Net Zero Future.

recognised that there is a limit to the extent of the changes made to improve a building's thermal performance before jeopardising its appearance and historic fabric.

- 1.7.17 Key considerations for those looking to retrofit will include massing (this is how the building looks in terms of its shape or mass), floor-to-ceiling heights, the depth of the floor plate and the positioning and size of core. The types of measures that are likely to be required to raise the EPC rating of a building include double/triple glazing, LED lighting and new gas boilers / heat pumps. A report into *Costing Energy Efficiency Improvements in Existing Commercial Buildings* by the IPF¹¹ offers multiple examples whereby a combination of such measures would improve the EPC rating of a given building. For example, the replacement of lamps in existing luminaires or potentially replacing boilers is seen as a cost effective way to improve buildings with an EPC rating of below E.
- 1.7.18 For those buildings in Camden that are not owner-occupied, a key challenge for occupiers is that any retrofitting requires the landlord's buy-in as well. Short-term leases for tenants and steady rental streams for landlords can also prove disincentives for the investment in green technologies. Camden's large stock of old premises makes this challenge particularly prevalent in the Borough. Therefore, the Council should further explore ways of encouraging landlords to review the opportunities to improve these assets before they become non-compliant with ESG standards – otherwise the Borough could be left with a large number of 'stranded assets' that are both non-compliant and undesirable to retrofit. There are steps which Camden Council could take to support occupiers/landlords through the retrofitting process, such as providing them with trusted information, coordinating action and supporting the growth of local skills and supply chain to promote accreditation and capacity-building. This problem is anticipated to be less likely for industrial properties.
- 1.7.19 Going forward, it will be important for central government to provide a steer around how commercial premises should tackle the retrofitting issue. This has not been forthcoming so far; expectations on funding and support for retrofits and energy efficiency improvements being unveiled in the Spring 2023 Budget Statement went unmet with no measures proposed. With the next EPC rating compliance milestone for commercial properties set at 2027, uncertainty around what standards will be in place has the potential to cause wider impacts on investments in commercial property generally. Local Authorities such as Camden Council will also need to be proactive where possible and support occupiers/landlords throughout the process; they are uniquely placed to drive forward the retrofitting agenda locally. Support may be forthcoming industry bodies that fund projects to test emerging standards and then lobby the Government to ensure the deliverability of what is being asked.
- 1.7.20 This is not to suggest that landowners and occupiers are to take a passive role in the challenge. There is evidence that some of the private and institutional real estate investors (funds, investment managers and property companies) active in LB Camden will experience severe financial stress if they find that they are unable to relet much of their estate. Because of this, there are some landowners that view retrofitting / greening of assets as a means to realise value. Knight Frank's latest survey of investors active in the UK and Europe found that 58% of these investors were actively seeking to acquire commercial buildings that perform poorly on ESG metrics so that they can improve and upgrade them to meet future environmental standards¹².

Changing office workspace requirements

- 1.7.21 Presently, around 70% of global employees utilise physical office space, leading to a significant impact on real estate portfolio planning. Workplace-based employees are fixed in specific locations due to contractual or operational reasons, while hybrid workers engage in a structured blend of office and remote work based on their roles. This diversity of work arrangements emphasizes the need for flexible real estate strategies that accommodate varying employee needs and preferences.

¹¹ IPF, (2017); *Costing Energy Efficiency Improvements in Existing Commercial Buildings*. Accessed here: <https://www.ipf.org.uk/static/uploaded/5f24165a-8bc5-4b27-a00644c51299c79c.pdf>

¹² BENews (2023): Investors target office stock requiring sustainability upgrades <https://benews.co.uk/investors-target-office-stock-requiring-sustainability-upgrades/#:~:text=Knight%20Frank%20surveyed%2045%20private,upgrade%20them%20to%20meet%20future>

- 1.7.22 The work-from-home shift is a key driver of the evolving landscape, as approximately 60% of London workers now undertake hybrid work¹³, reshaping models, and foretell a lasting change, with 75% anticipating transformed in-person work approaches. Insights from the 2022 Camden Business Survey highlight the surge in flexible and remote work adoption, with 13% of respondents and 5% embracing remote work for operational efficiency and cost reduction.
- 1.7.23 In the context of the evolving office landscape in London, the future of office spaces in the city is set to be shaped by intricate dynamics involving employee attendance rates and the broader economic landscape. The current trend of decreased employee attendance poses a significant challenge for employers. This trend of downsizing of requirements by office occupiers is already driving decisions by businesses to reduce their premises size with impacts on vacancy rates. In turn this may potentially result in new office floorspace being of lower average density than has been typical. This is fully expected to translate into lower space requirements per full-time equivalent office job than has been previously the case.

1.8 Locational requirements of particular sectors and uses

- 1.8.1 A profile of specialist sectors, small business and social value uses in LB Camden and their land and premises requirements has been prepared. This is to understand the importance of these sectors and their role in LB Camden's economy, as well as their strengths and weaknesses and particular needs in terms of location and space typologies or otherwise.

Creative industries

- 1.8.2 In LB Camden, employment in creative industries between 2015 and 2021 has experienced a higher growth in terms of compound annual growth rate (CAGR¹⁴) than the London average (3.0% and 1.8% CAGR respectively). In terms of businesses, according to analysis of the ONS's UK Business Counts¹⁵, the number of creative enterprises has grown at a rate of 3.7% CAGR between 2015 and 2022 and stands at 10,290 enterprises, of which micro businesses represent the largest share (89.1%).
- 1.8.3 The majority of this recent growth in creative industries has occurred in the area¹⁶ spanning between Chancery Lane and Tottenham Court Road, up to and including Russell Square in the north. In terms of space requirements, physical hubs have traditionally been a key part of the creative ecosystem providing coworking space with access to shared resources and enabling networking and collaboration. Studio space, small office units and take-up within larger office buildings also define the sector.
- 1.8.4 For many businesses in the creative industries sector, the most appealing space will be provided in the form of managed space, incubators and coworking spaces, which offer affordable and flexible options that encourage entrepreneurial activity. Additionally, these types of spaces can offer supporting infrastructure such as business advice and mentoring, or networking and collaboration opportunities.

Knowledge activities

- 1.8.5 As described in detail within the KQ2050 report¹⁷, Camden has a thriving knowledge economy with world class academic, cultural, research, scientific and media institutions and organisations. In recent years, these institutions and organisations have clustered in the area surrounding King's Cross, St Pancras, and Euston Stations.
- 1.8.6 There has been a significant acceleration of change in the district in recent years with regards to knowledge activities, including a wave of new arrivals that include the Francis Crick

¹³ KCL (2022): The WFH revolution: how new ways of working are changing London <https://www.kcl.ac.uk/news/the-wfh-revolution-how-new-ways-of-working-are-changing-london>

¹⁴ ONS, (2022); Business Register and Employment Survey (BRES).

¹⁵ ONS, (2022); UK Business Counts.

¹⁶ 'Area' in this instance refers to the mid-layer Super Output Area, as per ONS data

¹⁷ Camden Council, Islington Council, Knowledge Quarter; (2023); KQ2050: A Knowledge Quarter Unlocked.

Institute, the Alan Turing Institute, DeepMind (a British artificial intelligence research laboratory), McKinsey and Universal Music.

- 1.8.7 Between 2015 and 2021, the employment in knowledge activities in LB Camden has experienced appreciably higher growth (3.0% CAGR) than the London average (-1.6% CAGR). Knowledge activities, proportionally, employ more people in LB Camden (11.9%) than in London (4.6%). An area¹⁸ with a notable increase in creative businesses is the area directly to the north of Camden Town between Kentish Town West and Gospel Oak London Overground stations. Between 2016-2021 this area saw the number of knowledge businesses triple from 5 to 15. Given the Knowledge Quarter focus on the area in and around Euston Road, it is likely that there is also significant growth happening here, especially due to the bigger projects that have recently been delivered or are under construction.
- 1.8.8 Demand in the Knowledge Quarter and for knowledge activities is largely in favour of Grade A space, as occupiers seek energy-efficient premises that are 'exciting' workspaces which will both attract staff and achieve compliance with Environmental, Social, Governance (ESG) objectives. Consultation with land and property agents has revealed that companies are increasingly looking to secure co-location benefits, such that much of the demand for offices and laboratory space reflects the desire to be positioned in proximity to other Knowledge Quarter uses. ESG compliance is a large contributing factor to the decision-making of occupiers too, such that some are willing to pay a premium for buildings that are ESG compliant now, due to the difficulties that can arise when retrofitting, as well as the cost implications.

Jewellery

- 1.8.9 The Jewellery industry makes a unique and important contribution to LB Camden's economy and is particularly concentrated around the locale of Hatton Garden. Between 2015 and 2021, employment in the jewellery industry in LB Camden has experienced a significantly higher growth (4.78% CAGR) than the London average (-0.56% CAGR).
- 1.8.10 The introduction of the broad Class E Planning Use allows businesses to change between diverse commercial uses without planning permission, which threatens the future of the jewellery cluster within Hatton Garden as many of the jewellers are likely to occupy small light industrial spaces which could be considered attractive for other uses and easily converted/repurposed.
- 1.8.11 The existing Camden Local Plan (2017) already provides protection of jewellery workshops and prevents the conversion of employment premises in Hatton Garden unless it can be demonstrated that they have been vacant and marketed for at least two years. In this case, they need to be replaced by a mixed-use development that includes premises suitable for use as jewellery workshops as well as other appropriate uses. The Council also requires that newly proposed jewellery workshop spaces consist of cellular spaces of a range of sizes, including those of no more than 30 sqm each and marketed at rents that are demonstrably affordable for jewellery sector workshop occupiers.

Green and Circular Economy and Construction Trades

- 1.8.12 The ONS has identified difficulties relating to defining the Green and Circular Economy, however data at the national level indicates the growth of this sector by 14% between 2010 and 2020. In Camden, businesses operating in the sector range from those in green finance, to insulation companies, to suppliers of heat pumps.
- 1.8.13 The construction sector in LB Camden experienced a slightly higher employment growth (5.7% CAGR) than the London average (5.0% CAGR) between 2015-2021. The development of building projects and the construction of residential and non-residential buildings also saw an increase of employment of 3.1% and 4.3% CAGR, respectively.
- 1.8.14 Given the scale of retrofitting likely to be required within the Borough in the coming years and the limited supply of industrial land, it may prove challenging to retain the employment needed to support this. While some of the Borough's existing businesses operate within the Green

¹⁸ ONS, (2011); UK Business Counts, 2011 Super Output Areas – mid layer

and Circular Economy on a day-to-day basis, the lack of development opportunities and low vacancy rates among industrial premises will make it challenging for the Borough to be able to capture a commensurate share of the employment opportunities arising from the need for premises.

- 1.8.15 In terms of space requirements, the types of premises that businesses such as insulation services or heat pump suppliers require are likely to be similar to those in the Construction Trades. Specifically, these businesses will need to be close to or accessible to their customers. Whilst premises requirements will not be bespoke in the main with typical modern premises likely being suitable, occupiers would require sufficient yard space, to ensure their effective operation. These businesses will also seek to operate out of cost-effective premises.

Charities and Social Value

- 1.8.16 Between 2015-2021, the VCSE (voluntary, community and social enterprises) sector in LB Camden has experienced a slightly higher employment growth (0.8% CAGR) than the London average (0.7% CAGR). Additionally, according to analysis of the ONS's UK Business Counts¹⁹, the number of VCSE enterprises in LB Camden has grown at a rate of 2.7% CAGR between 2015 and 2022, and currently stands at 350 enterprises.
- 1.8.17 The sector principally occupies space in small and medium sized offices, mostly of lower grade in quality reflecting businesses seeking lower rental values. Businesses within this sector are likely to be tenants within affordable workspace provided in new developments, providing businesses with new, higher quality facilities.

1.9 Future demand

- 1.9.1 The future demand analysis presents two employment growth scenarios; a demand-based scenario based on the floorspace and land required to accommodate expected employment in the Borough, and a past take-up rate scenario based on the continuation of historical take-up rates. Analysis under each scenario is conducted for office uses (Office (E(g)(i)) and research and development (E(g)(ii))), as well as industrial uses (Light industrial (E(g)(iii)), general industrial (B2) and storage and distribution (B8)).
- 1.9.2 Scenario 2 (past take-up rates scenario) provides a lower outlook on growth for E(g)(i), E(g)(ii) and B8 than Scenario 1 (demand-based scenario), while demand for B2 space remains relatively consistent and E(g)(iii) increases in Scenario 2.

Office floorspace forecast

- 1.9.3 For the office use class, the floorspace requirements forecasted through Scenario 1 (Demand-based) indicate that there will be significant growth in these sectors in Camden to 2041, equivalent to 26.5% of the current supply of office floorspace in the Borough.
- 1.9.4 While office space is anticipated to grow to the end of the Local Plan period due to the Borough being a high-quality office environment and a hub for knowledge quarter uses, growth of 473,417 sqm over 18 years is not considered a feasible projection in light of local market intelligence, available development opportunities and the property market consultation exercise. Although the Experian forecasts consider wider macroeconomic factors such as social and economic trends, they do not fully capture the individual characteristics and planning arrangements of each Borough, and Scenario 1 is therefore considered to be an overestimate.
- 1.9.5 Sensitivity testing has been undertaken on the projections of the Scenario 1 (Demand-Based) forecast. This found that the floorspace requirements projected under a Suppressed Office Demand Scenario (Scenario 1 + Suppressed Office Demand) amounted to 338,448 sqm, which is considered more realistic given its consideration of employment space utilisation post-COVID. This projection accounts for the potential downsizing of offices as a result of increased remote working – a trend reaffirmed by recent data as well as consultation with land

¹⁹ ONS, (2022); UK Business Counts: Enterprises by industry and employment size band (2018-2022).

agents. This scenario estimates a net requirement of 406,359 sqm once frictional vacancy is accounted for.

- 1.9.6 The floorspace requirements under Scenario 2 (Past-Take Up) show a modest increase in the need for office floorspace in Camden to 2041, if past trends continue. This projection (44,514 sqm) is considered too constrained.

Industrial floorspace forecast

- 1.9.7 For the industrial use class, the land requirements forecasted through Scenario 1 (Demand-based) indicate that there will be a steady growth in employment in these sectors in Camden to 2041, equivalent to 3.5% of the current supply of land in the Borough. This compares to a 41% decrease in industrial land since 2010 based on the London Industrial Land Supply Study (LILS). Whilst, based on the Borough's limited remaining supply, further loss of industrial land is unlikely to proceed at this rate, there is limited to no evidence to assume that the trajectory of the last 10-15 years will reverse such that additional land requirements will be positive to 2041, notwithstanding that intensification of sites to provide new workshop and maker space is expected to deliver additional floorspace on suitable sites.
- 1.9.8 A limitation of the Experian forecast is that it does not sufficiently consider the constraints posed by Camden being an inner London Borough with no vacant development land and limited development opportunity such that it can provide additional floorspace at scale. This is to say beyond the limited amount that could be delivered through infill or intensification or refurbishment on sites where there is the potential viability to do so.
- 1.9.9 The land requirements forecasted under Scenario 2 (Past Take-Up) show a limited decrease in the need for industrial land in Camden to 2041, if past trends are to continue. This trend is considered robust on the basis that it is reflective of the nature and characteristics of the industrial property market in Camden, its limited scale, and its lack of development opportunity counterbalanced by persisting levels of demand, despite a decrease since 2015. It is also reflective of the trend in the supply of land in Camden and London generally as evidenced in the LILS, whereby industrial land is continuing to be lost at a reduced rate most recently (2015-2020) when compared to previously; this is considered set to continue given the viability of providing more space on less land in Camden as part of mixed-use redevelopment, much as is the case in other London boroughs.

Preferred Scenario

- 1.9.10 For the reasons stated above, the Suppressed Office Demand Scenario is considered to provide the most robust projections for office floorspace to 2041 while Scenario 2 (Past Take-Up) is considered the most robust for industrial land. These are therefore the preferred scenarios for assessing the future economic needs in Camden.

1.10 Comparison between supply and demand

- 1.10.1 The projected future demand for office and industrial floorspace between 2023 and 2041 has been compared with existing and projected supply conditions in the Borough. This includes an assessment of the pipelines for development of office and industrial land within the Borough to inform a position of how supply may change over the planning period, and how that influences the overall supply and demand balance.
- 1.10.2 For office floorspace (E(g)(i) and E(g)(ii)) there is projected to be a (net) requirement of approximately 406,359 sqm office floorspace in LB Camden. However, if all approved planning applications concerning office floorspace were to come forward for development, supply of office floorspace in the Borough would increase by 211,028 sqm net internal area, when both gains and losses are considered. Of this space, the large majority, 191,011 sqm is under construction and so is due to be delivered in the near future.
- 1.10.3 A (net) loss of industrial floorspace of 0.8 ha between 2023 and 2041 is also predicted. However, if all approved planning applications concerning industrial floorspace were to come forward for development, supply of industrial floorspace in the Borough would increase modestly by 6,349 sqm.

1.11 Conclusions and recommendations

- 1.11.1 Future demand analysis forecasts moderate increased demand for office floorspace within the district, and a minimal decrease in demand for industrial space over the 18-year Local Plan period to 2041. To meet the additional demand for office space, the Council should ensure that its provision is not eroded by other uses such that Grade A office space in terms of quantity, location and format is compromised. Safeguarding existing industrial sites to ensure there is a ready supply of premises and that intensification opportunities can potentially be realised is considered important for LB Camden.
- 1.11.2 However, while it is important to protect employment land, there is also strong evidence of competition for space other than non-employment uses such as housing; employment land policies will therefore need to accommodate the Council's ambitions and objectives in these areas.
- 1.11.3 In practice, the selective protection of employment land and premises is recommended to ensure that the sites that are unlikely to come forward for employment use during the next Local Plan period are not left vacant. The Council is encouraged to follow a balanced approach such that the employment activities of all business sizes, from start-ups to large headquarters, are supported and encouraged.
- 1.11.4 The following recommendations are made to the Council:

R1 Meeting the additional need for office floorspace should be achieved through encouraging extant permissions, intensifying and re-providing on existing sites where possible preferably through retrofitting.

R2 The Council should seek to support occupiers and landlords in addressing the retrofitting challenge, either in the context of national directives or in the absence thereof. To do so, the Council could draw upon local connections with occupiers and landlords and coordinate action so as to prevent the accumulation of 'stranded assets' throughout the Borough.

R3 The Council should develop an affordable workspace policy which considers a suitable level of on-site contributions and a means for delivering off-site provision via pooled contributions made in-lieu of on-site contributions. In practice, this should provide a range of affordable workspace options across the Borough to cater for the different types of businesses which require it. The Council should also introduce approved occupier and provider lists to provide greater confidence that needs are being appropriately met.

R4 The Council should, through appropriate Local Plan policies, set out a clear plan to ensure the retention of existing industrial land and floorspace at suitable industrial locations in the borough.

R5 To help meet wider strategic objectives the Council could consider a change of use away from industrial employment uses at (C5 Kentish Town Industry Area – Sanderson Close) by redesignating for a mix of uses including employment.

R6 To ensure that non-designated industrial land is retained where appropriate, the Council could adopt a criteria-based policy requirement to assess proposals for conversion of non-designated industrial land. The criteria should be based on what is stated in the London Plan and should therefore include the following:

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

2. Introduction

2.1 Study Context

- 2.1.1 AECOM was commissioned by the London Borough of Camden (hereafter Camden Council) to undertake an Economic Needs Assessment (ENA), hereafter referred to as the 'Study'. The study sets out a detailed evidence base on which an appropriate supply and mix of employment land and premises can be planned for, and provides a strategy for balancing supply and demand. The study forms part of the evidence base for the Local Plan update, and specifically the Borough's future approach to the provision, protection, release and enhancement of employment land and premises. This will enable future economic growth through meeting the needs of local businesses.
- 2.1.2 The scope of the study includes employment land defined as office and industrial land and businesses, falling under the following use classes:
- Offices:
- E(g)(i) Offices; and
 - E(g)(ii) Research and Development.
- Industrial:
- E(g)(iii) Light industrial;
 - B2 General industrial;
 - B8 Storage or distribution;
- 2.1.3 The study also considers Sui Generis (SG) use class, within land in employment uses, although this is not central to the Economic Needs Assessment and forecasting of demand for SG land is not considered. Wider users of industrial employment land, such as utilities, land for transport, waste management and retail, are also taken into consideration as per relevant guidance discussed below.
- 2.1.4 The area of assessment is the whole of the London Borough of Camden (LB Camden). Within the Borough we have surveyed clusters of employment land identified using the LB Camden Local Plan 2017, the Greater London Authority's (GLA) London Industrial Land Supply Study 2020, and officer and consultants' knowledge of the Borough. The review included consideration of all clusters surveyed as part of the LB Camden Employment Land Review (2014) where ongoing employment use was confirmed in addition to a number of clusters comprising non-designated employment land. In summary the clusters surveyed are based on:
- Local Plan Designations, including Industry Area, Hatton Garden and Camden Town Centre;
 - Growth Areas;
 - Non-designated areas, including:
 - Statistical ward boundaries within the Central Activities Zone (CAZ) (for office uses);
 - Office and industrial areas outside the CAZ.
- 2.1.5 All employment land measuring 0.25 hectares (ha) or more has been assessed in this study with sites smaller than this in size, where not within the cluster types listed above, forming part of the total supply identified in land and floorspace for offices and industrial uses.
- 2.1.6 As well as providing an evidence base compliant with the NPPF and PPG, the study content has been shaped by the ambitions and themes of 'We Make Camden', the Borough's shared community vision published in 2022. This aims to change how the local economy functions towards an inclusive model where everyone can benefit and has a stake in, with an emphasis on sustainable growth.

2.2 Objectives

2.2.1 The main objectives of this Study are to:

- Understand the existing situation – Provide a supply-side assessment of the quantity and quality of the Borough’s current employment land provision and its suitability to continue to support employment, and establish the existing Functional Economic Market Area (FEMA);
- Assess future needs and gap analysis – Assess the likely future demand for employment space in the Borough over the proposed Local Plan period to 2041; and compare quantitatively and qualitatively the supply of existing land against forecast future demand; and
- Recommendations and actions – Set out evidence-based recommendations for appropriate employment land policies. This includes an assessment of recommendations for employment land policies that could support a higher jobs growth scenario in the Borough, aligning with broader local economic growth objectives.
- Within these broad objectives are several specific points of consideration, including:
 - Identification of the floorspace and land requirements of growth sectors such as the creative industries, knowledge activities, jewellery, green and circular economy and construction trades and the charitable and social industries;
 - Assessment of the provision of affordable workspace in LB Camden;
 - Addressing specific questions such as how best to support ‘live-work’ units and ‘dark-kitchen’ units, as well as what the implications of new Energy Performance Certificates (EPC) requirements may be for the Borough; and
 - Understanding the space requirements for occupiers in the context of increased hybrid working.

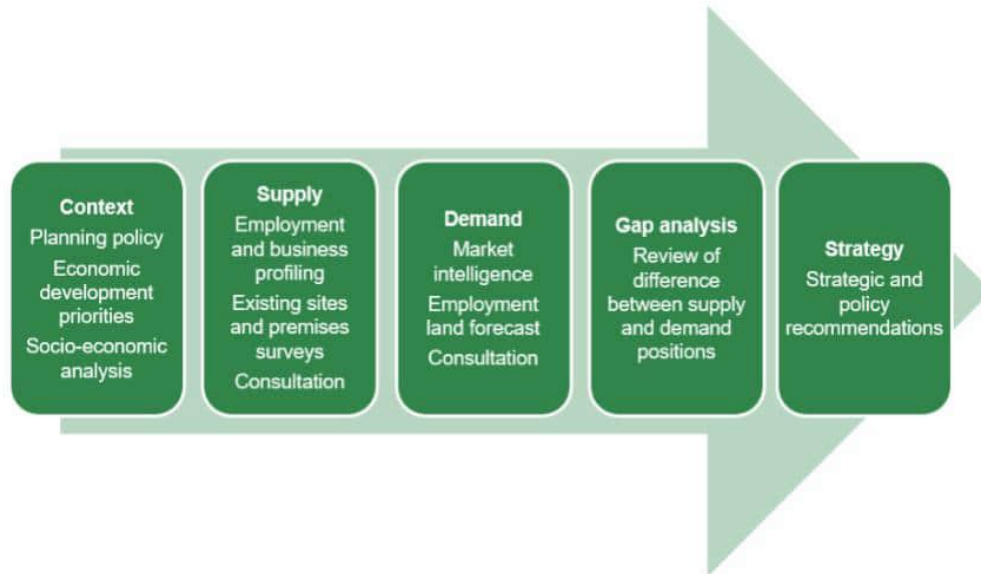
2.3 Approach

2.3.1 The National Planning Policy Framework (NPPF) outlines the principles that Local Planning Authorities should follow in preparing their evidence base to inform employment land policies.

2.3.2 The need for Local Planning Authorities to produce an up to date employment land evidence base and the suggested format is outlined in national Planning Practice Guidance (PPG) published in March 2014. The PPG is periodically updated, with the ‘Housing and Economic Needs assessment’ last being updated on July 22, 2019.

2.3.3 The methodology and tasks forming the approach to this ENA have been designed to conform to the PPG. This approach is illustrated in Figure 2-1.

Figure 2-1: Approach to Study



Source: AECOM

- 2.3.4 To supplement the site surveys, forecasting data and desktop-based research, AECOM hosted consultations with land and property agents as well as local business stakeholders in order to gain further insight into the key drivers behind LB Camden’s employment land market.

2.4 Report structure

2.4.1 The remainder of this report is structured as follows:

- Section 3 presents a review of the relevant policy and strategic context including a review of local economic priorities;
- Section 4 defines the Functional Economic Market Area (FEMA) in which LB Camden is located;
- Section 5 provides a comprehensive analysis of socio-economic baseline conditions relevant to the study;
- Section 6 presents the key qualitative and quantitative results of the existing employment land assessment;
- Section 7 presents a review of the property market indicators in Camden and discusses viability and affordability of the different employment typologies in the Borough. Reference is also made to comparator geographies;
- Section 8 provides an insight into certain specific issues in the Borough, such as the provision of affordable workspace and the necessary approach to retrofitting in response to Minimum Energy Efficiency Standards (MEES);
- Section 9 establishes the locational requirements of specialist sectors, small business and social value uses;
- Section 10 is a Future Demand Assessment and sets out the forecast scenarios used within the study to understand the ‘reasonable alternatives’ for potential future growth;
- Section 11 contains a quantitative comparison of projected supply and demand for employment land and floorspace; and
- Section 12 presents overall conclusions and recommendations.

3. Planning and policy literature review

3.1 Introduction

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

3.2 National planning policy

National Planning Policy Framework (2021)

- 3.2.1 The NPPF consolidates the Government's economic, environmental and social planning policies for England into a single document and describes how it expects these to be applied. It provides overarching guidance on the Government's development aims. The National Planning Policy Framework (NPPF)²⁰ was most recently updated in July 2021, replacing the previous February 2019 version²¹. The new NPPF incorporates policy proposals previously consulted on in the Housing White Paper and the 'Planning for the Right Homes in the Right Places' consultation.
- 3.2.2 The NPPF describes the Government's vision for building a strong, responsive and competitive economy. At the heart of the NPPF is a presumption in favour of sustainable development, which the Government states should be seen as a common theme running through plan-making and decision-taking. The United Kingdom has agreed to pursue the 17 Global Goals for Sustainable Development in the period to 2030. These goals address social progress, economic wellbeing and environmental protection.
- 3.2.3 In relation to the economy and employment land, the NPPF states that:
- "Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. Planning policies should:
 - *Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;*
 - *Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
 - *Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and*
 - *Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances."* (Paragraph 82).

Planning Practice Guidance (2019)

- 3.2.4 In March 2014 the Government published the national Planning Practice Guidance (PPG)²², a web-based resource in support of the NPPF which undergoes regular updates. Guidance includes 'Housing and Economic Needs Assessments', which was updated in December 2020, and the 'Housing and Economic Land Availability Assessments', which was updated in July 2019.

²⁰ Department for Communities and Local Government, (2021), National Planning Policy Framework.

²¹ Department for Communities and Local Government, (2019), National Planning Policy Framework.

²² Ministry for Communities, Housing and Local Government, (2019); Planning Practice Guidance.

3.2.5 'Housing and Economic Needs Assessments' states that authorities need to prepare an evidence base to understand existing business needs, which will have to reflect local circumstances and market conditions. This includes assessing:

- *the best fit functional economic market area (FEMA);*
- *the existing stock of land for employment uses within the area;*
- *the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);*
- *evidence of market demand (including the locational and premises requirements of particular types of businesses) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;*
- *wider market signals relating to economic growth, diversification and innovation; and*
- *any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively.'*

3.2.6 To provide an understanding of the underlying requirements for office, general business and warehousing sites the PPG emphasises the importance of considering projections (based on past trends) and forecasts (based on future scenarios) and sites which have been developed for specialist economic uses. The PPG recommends that analysing supply and demand concurrently will enable conclusions to be drawn on whether there is a disparity between the quantitative and qualitative supply of, and demand for, employment sites. This, in turn, enables an understanding of which market segments are over-supplied and those which are undersupplied. By comparing availability of stock with particular requirements it is possible to identify any 'gaps' in local employment land provision.

3.2.7 'Housing and economic land availability assessment' sets out a general methodology for assessing land availability but focuses primarily on the assessment of housing rather than employment land. With relevance to this Study, the PPG requires Local Planning Authorities (LPAs) to work with other local authorities within the functional economic market area when assessing availability of land. The PPG also requires plan makers to be proactive in identifying as wide a range of sites as possible, including existing sites that could be improved, intensified or have their use changed. The assessment of the suitability of sites for development should be guided by the relevant local development plan, regional, and national policy, as well as market and industry requirements.

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

3.2.8 In 2015, the government introduced permitted development rights (hereafter referred to as 'PDR') allowing certain building and development works to be carried out without the need of the normal planning process²³. These rights exist under the General Permitted Development Order (GDPO) and were introduced to facilitate housing growth to meet targets across England. New types of permitted development have been introduced to make it easier for people to extend their home, create new homes in existing buildings such as offices, shops and warehouses, or demolish vacant floorspace previously classified as B1(a), B1(b), B1(c) or C3 and rebuild with residential use.

3.2.9 The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 3) Order 2020 came into effect on 31 August 2020. This dealt with PDRs for demolition and rebuilding as residential. Article 4 of the 2020 Order added a new class ZA to the 2015 Order, dealing with demolition of buildings and construction of new dwellings in their place. To fall within the scope of this new PDR, the building to be demolished must:

- have been built before 1 January 1990;
- be vacant, redundant or free-standing; and

²³ HM Government (2015), The Town and Country Planning (General Permitted Development) (England) Order 2015, as amended.

- fall within the following use-classes on 12 March 2020:
 - B1(a) offices
 - B1(b) research and development
 - B1(c) industrial processes (light industrial)
 - C3 residential (only applicable for free-standing, purpose-built residential blocks of flats).
- 3.2.10 This PDR is subject to the prior approval process and the building must have been vacant for at least six months prior to the date of the application for prior approval.
- 3.2.11 Class MA of the general committed development order, introduced in August 2021, allows the change of use of commercial, business, and service premises to change to residential without the need for planning permission. The Council made Article 4 Directions to withdraw the Class MA PDR to change from Use Class E to Use Class C3 for parts of the Borough where there exists strong justification; this was done to avoid wholly unacceptable adverse impacts on viable businesses, including potential harm to the vitality of the CAZ and clusters of business activity.
- 3.2.12 The current Use Classes were last updated on 1 September 2020. Class B now comprises B2 General Industrial and B8 Storage and Distribution, while previously classified B1(a), B1(b) and B1(c) uses are now as follows:
- E(g)(i): Offices to carry out any operational or administrative functions;
 - E(g)(ii) Research and development of products or processes; and
 - E(g)(iii) Industrial processes.

The Localism Act 2011 (Duty to Co-operate) (2011)

- 3.2.13 The Duty to co-operate in relation to planning of sustainable development falls under the Localism Act of 2011²⁴. It places a duty on LPAs, County Councils and public bodies in England to undertake active engagement between one another, to share findings and work together across a number of activities relating to planning and sustainable development. More specifically, with regard to this economic needs assessment, it may mean collaborating to resolve any imbalances with supply and demand of employment land across a FEMA.
- 3.2.14 For Camden, this means the requirement of active, on-going, and constructive engagement with the GLA and neighbouring Boroughs and authorities to identify and resolve any strategic issues relating to employment land or the economy. This may result in engagement with any of the following adjacent and/or interested authorities: London Boroughs of Brent, Barnet, Haringey, Islington, Westminster and the City of London.

3.3 Regional planning policy

The London Plan 2021 (2021)

- 3.3.1 The current London Plan²⁵ was published in March 2021 and supersedes the 2016 Plan. As the overall strategic plan for London, it sets out an integrated economic, environmental, transport and social framework for the development of London over the next 20-25 years.
- 3.3.2 The London Plan 2021 outlines six policies central to the overall objective of ensuring that London's growth is '*Good Growth*'. The policy most relevant to employment, the economy, and local development is Policy GG2 '*Making the best use of land*'. This policy suggests that a rounded approach to the way neighbourhoods operate must be taken, making them work more space-efficiently, and better for the people who use them. Creating places of higher density in appropriate locations is encouraged. This not only addresses the need for more

²⁴ UK Public General Acts, (2011); Localism Act 2011.

²⁵ Mayor of London, (2021), The London Plan.

homes and jobs, but also supports the clustering effect of businesses to maximise job opportunities. Additionally, the following policy areas are of relevance to this study:

3.3.3 **Policy SD1 ‘Opportunity Areas’** identifies Opportunity Areas (OA) as “*significant locations with development capacity to accommodate new housing, commercial development and infrastructure (of all types), linked to existing or potential improvements in public transport connectivity and capacity.*” They typically have the capacity to provide a minimum of 5,000 net additional jobs. It suggests that Boroughs, with the aid of Development Plans, should set out how they will encourage growth of Opportunity Areas, as well as support developments which generate employment and housing opportunities.

3.3.4 The London Plan outlines three OAs within London Borough of Camden; Tottenham Court Road, Euston and Kings Cross respectively. The Tottenham Court Road and Kings Cross OAs partially extend into the neighbouring London Boroughs of Westminster and Islington respectively. Table 3-1 presents the London Plan’s indicative home and job targets for the OAs within Camden up to 2041.

Table 3-1: London Plan 2021 Opportunity Areas and indicative capacity for new homes and jobs

Opportunity Area	Indicative Homes	Indicative Jobs
Tottenham Court Road	300	6,000
Euston	2,800 – 3,800	8,600 – 15,000
Kings Cross	1,000	25,000

Source: London Plan (2021)

3.3.5 **Policy SD4 ‘The Central Activities Zone (CAZ)’** highlights the importance of the CAZ as one of the world’s most attractive and competitive business locations. The policy notes the ‘density, scale and mix of business functions and activities’ in the CAZ, which requires different, tailored approaches to the application of policy to address its distinct circumstances.

3.3.6 The policy goes on to say that the nationally and internationally significant office functions of the CAZ should be supported and enhanced by all stakeholders, including the provision and intensification of sufficient space that meets demand for a range of types and sizes. It also expresses the immense pressure on sites in industrial use for conversion to non-industrial uses, given the differentials between industrial and non-industrial land values in CAZ Boroughs; Boroughs are encouraged to take into account the supply and demand for industrial and related uses that provide essential functions and services to the CAZ.

3.3.7 **Policy SD6 ‘Town centres and high streets’** indicates that the viability of town centres should be promoted and enhanced by ensuring they are the “*primary locations for commercial activity beyond the Central Activity Zone (CAZ)*”.

3.3.8 Paragraph 2.6.1B states the importance of high streets as one of the city’s most characteristic urban features and acknowledges their role in terms of local economic and social infrastructure, through their provision of employment opportunities and promotion of community and cultural exchange.

3.3.9 **Policy SD7 ‘Town centres: development principles and Development Plan Documents’** highlights the need for Boroughs to take a town centre first approach when considering development proposals. Boroughs should discourage out-of-centre development, “*with limited exceptions for existing viable office locations in outer London*”. As this refers to outer London, it is not of relevant to Camden.

3.3.10 **Policy E1 ‘Offices’** identifies that, in the wider London area, improvements to the quality, flexibility and adaptability of office floorspace should be supported by new office provision, refurbishment and mixed-use development. It recognises that the agglomeration and clustering of firms in the Central London office market should be developed and promoted. The diverse office markets in both inner and outer London should be consolidated and extended (where viable); new developments should be focussed in town centres and existing office clusters. It also recognises that the office market is going through a period of restructuring with an increasing number of SMEs with changing workstyles and floorspace requirements. Therefore, it states that development proposals related to new office floorspace

should consider the need for a range of suitable workspace including lower cost office and affordable workspace. The conversion of surplus office floorspace to other uses should also be considered where relevant.

- 3.3.11 **Policy E2 ‘Providing suitable business space’** states that Boroughs should include policies in their planning documents which supports the provision and protection of B-use class business space. It states that any development of B-use class space should ensure that space is fit for purpose having regard for the demand for space. Any proposals which involve the loss of B-use class space should demonstrate that there is no reasonable prospect of the site being used as employment land and that an equivalent amount of B-use class space is re-provided where appropriate. This is to ensure sufficient workspace is available to be occupied by SMEs and businesses wishing to start-up or expand.
- 3.3.12 **Policy E3 ‘Affordable workspace’** identifies that, in some circumstances, it will be appropriate to secure affordable workspace at rents maintained below the market rate for a space to meet social, cultural or economic development objectives. The policy states criteria where this may be appropriate, including for disadvantaged groups starting up, for specific sectors that have either social or cultural value, for those supporting educational outcomes, and to support early-stage businesses. Boroughs should set out affordable workspace policies considering local need and viability. This is to ensure that London continues to generate a wide range of economic and other opportunities to ensure that it is a fairer, more inclusive, and more equal city.
- 3.3.13 **Policy E4 ‘Land for industry, logistics and services to support London’s economic function’** states that a sufficient supply of land and premises across London to meet current and future demands for industrial and related functions should be provided and maintained, taking into account evidence-based studies and policies including intensification, co-location and substitution. The policy identifies the types of employment land which should be considered under this policy and states that industrial land falls within three categories: Strategic Industrial Land (SIL), Locally Significant Industrial Sites (LSIS) and Non-Designated Industrial Sites.
- 3.3.14 The policy also states that Boroughs in the Central Services Area, a property market area which includes parts of Camden, should recognise the need to provide essential services to the CAZ. This includes the provision of sustainable ‘last mile’ distribution/ logistics, ‘just-in-time’ servicing, waste management and recycling, and land to support transport functions. This should be taken into account when assessing whether substitution is appropriate.
- 3.3.15 Additionally, policy E4 states that where industrial land vacancy rates are currently above the London average, Boroughs are encouraged to assess whether the release of industrial land for alternative uses is more appropriate if demand cannot support industrial uses in these locations.
- 3.3.16 **Policy E5 ‘Strategic Industrial Locations’** emphasises the importance of SIL in London’s industrial capacity. It states that Boroughs should refuse development proposals for uses in SIL other than industrial, except in areas released through a strategically co-ordinated process of SIL consolidation. Development proposals within or adjacent to SILs should not compromise the integrity or effectiveness of these locations in accommodating industrial-type activities and their ability to operate on a 24-hour basis. No SILs are outlined within Camden, and therefore this policy is not of direct relevance to this study.
- 3.3.17 **Policy E6 ‘Locally Significant Industrial Sites’** states that Boroughs should designate LSIS in policies maps based on evidence provided in employment land reviews, accounting for intensification and co-location policy. Local policy documentation should “*make clear the range of industrial and related uses that are acceptable in LSIS including, where appropriate, hybrid or flexible B1c/B2/B8 suitable for SMEs*.” LB Camden contains one area that is the equivalent to a LSIS – Kentish Town Industrial Area.
- 3.3.18 **Policy E7 ‘Industrial intensification, co-location and substitution’** states that Borough’s development proposals should be proactive and encourage the intensification of business uses in use classes B1c, B2 and B8. Boroughs should be proactive in considering where certain logistics, industrial and related functions in selected parts of SIL or LSIS could be intensified to provide additional industrial capacity. The policy states that intensification can

also be used to facilitate the consolidation of an identified SIL or LSIS to support the delivery of residential and other uses, such as social infrastructure, or to contribute to town centre renewal.

- 3.3.19 The policy goes on to state that mixed-use residential development in non-designated industrial sites can be supported but only where there is no reasonable prospect of the site being used for the industrial and related purposes. Mixed-use development proposals in these sites which co-locate industrial, storage or distribution floorspace with residential and/or other uses should also meet certain criteria such as the intensified industrial, storage and distribution uses having must be completed in advance of any residential component being occupied. All development in designated and non-designated industrial land should not compromise the industrial uses on site in terms of their continued efficient function, access and service arrangements.
- 3.3.20 **Policy E8 ‘Sector growth opportunities and clusters’** states that employment opportunities for Londoners across a diverse range of sectors should be promoted and supported along with support for the development of business growth and sector-specific opportunities. It states that London’s diverse sectors, including start-up space, flexible workspace, conventional space, and affordable workspace should be supported. Research and development of industrial and related products or processes should be supported too as well as higher and further education providers. *“Boroughs are encouraged to identify and support the growth of sustainably located employment clusters in inner and outer London.”*
- 3.3.21 **Policy SI7 ‘Reducing waste and supporting the circular economy’** sets out the strategic waste reduction and recycling targets for London. The policy reiterates the Mayor’s objective to improve resource efficiency, increase material re-use and recycling, as well as reduce waste going for disposal.
- 3.3.22 **Policy SI8 ‘Waste capacity and net waste self-sufficiency’** requires Boroughs to plan for identified waste needs and identify suitable sites/areas and waste management facilities to provide the capacity to manage the apportioned tonnages of waste. The policy directs new waste facilities towards SILs, LSISs and safeguarded wharves with an existing or future potential for waste and secondary material management.
- 3.3.23 **Policy SI9 ‘Safeguarded waste sites’** states that existing waste sites should be safeguarded and retained in waste management use. The proposed loss of an existing waste site will only be supported where appropriate compensatory capacity is made within London that must be at or above the same level of the waste hierarchy and at least meet, and should exceed, the maximum achievable throughput of the site proposed to be lost.

Central Activities Zone Supplementary Planning Guidance (2016)

- 3.3.24 The CAZ SPG was published by the Greater London Authority in March 2016. It supports London Plan policies to realise development capacity and improve infrastructure, movement and services in the CAZ to:
- *Sustain and enhance its varied strategic functions whilst sustaining the attractions of residential neighbourhoods where more local uses predominate and;*
 - *Secure a quality environment that befits the core of a world city.*
- 3.3.25 In 2022, the SPG was revoked and the GLA are preparing new London Plan Guidance (LPG) to support with implementation of the London Plan. At the time of writing it is unclear if a specific guidance document on the CAZ will be prepared. Reference to the SPG has been retained in this study to provide historical context in the absence of supporting documents in respect of office employment land at the regional level.
- 3.3.26 Drawing on London Plan policies, the SPG provided indicative key strategic functions of the CAZ, while recognising that the CAZ is dynamic and new clusters of activities and functions will emerge over time. The SPG noted that employment land reviews and local plan policies should ensure the availability of office and related workspace, including smaller units for start-ups, SMEs, and where there is local evidence of need and viability, affordable workspace.

- 3.3.27 Boroughs were also encouraged to consider the essential services that industrial and related uses provide to the CAZ, such as sustainable distribution/logistics, and ‘just-in-time’ servicing. Employment land reviews play an important role in providing this evidence and should establish future demand for this space and whether these activities can take place in the context of higher intensity redevelopment, amongst other things.
- 3.3.28 The guidance allowed Boroughs flexibility to develop local policy for specific areas within CAZ; by doing so, the guidance ensures that an appropriate balance is struck between CAZ strategic activities and more local uses, whilst allowing local flexibility to take into account diverse local circumstances across the zone.

Land for Industry and Transport Supplementary Planning Guidance (2012)

- 3.3.29 The Land for Industry and Transport Supplementary Planning Guidance (SPG) was published in 2012²⁶, as a supporting document to the 2011 London Plan, to provide guidance on the implementation of policies relating to industrial and transport land. In 2022, the SPG was revoked by the GLA and is to be replaced by London Plan Guidance (LPG) on Industry and Logistics (Industry and Logistics LPG). At the time of writing, this guidance was being prepared with no timetable for publication known. Reference to the SPG has been retained in this study to provide historical context in the absence of supporting documents in respect of industrial employment land at the regional level.
- 3.3.30 The SPG acknowledged the structural change in the London economy and the change in employment away from the traditional manufacturing sector. It further noted the increase in land demand from 2011 to 2031 for other types of industrial functions, such as logistics, waste management, recycling, and environmental utilities. Camden was grouped under the ‘Restricted transfer of industrial sites’ category with regard to the transfer of industrial land to other uses. Borough categorisations for transfer of industrial land are not included in the latest London Plan and as such, given its age and recent revocation, this categorisation provides only a reference to the most recent industrial land management category that applied to Camden. See paragraph 3.3.27 below for further context.
- 3.3.31 The SPG also provided assessment criteria for the appraisal of industrial employment land in London. These remain applicable today despite the revocation of the document.

The Mayor’s Economic Development Strategy for London (2018)

- 3.3.32 In December 2018, the Mayor of London published a new Economic Development Strategy (EDS)²⁷. The purpose of the Strategy is to provide relevant stakeholders, public authorities and interested parties with a vision for London’s future, an analysis of the economy and policy direction for achieving its ambitions; and to clarify roles and responsibilities with other partners who contribute to developing London’s economy.
- 3.3.33 The EDS outlines the Mayor’s commitment to “*creating the most supportive, innovative environment for businesses and entrepreneurs in the world*”, by focusing on several specific policy areas. The ones of relevance to this study are:
- **Space for business and work**, which highlights the recent loss of office and industrial floorspaces to redevelopment/conversion for residential use. It recognises the need for a wide range of different types of workspaces to accommodate businesses of different sizes, sectors, and stages of development. As such, the Mayor will: “*ensure there is sufficient supply of office accommodation and investment in transport and infrastructure; support vibrant local economies outside of central London, including successful town centres, markets, high streets and industrial areas; ensure that London retains sufficient industrial land to keep the economy working sufficiently; and support the provision of affordable and flexible workspace.*”

²⁶ GLA (2012): Land for Industry and Transport Supplementary Planning Guidance 2012.

²⁷ GLA, (2018), The Mayor’s Economic Development Strategy for Greater London 2018.

- **Enterprise and entrepreneurship**, which identifies that London is a hub for some of the most creative people in the world. As such the Mayor will work with key stakeholders to help “*attract and retain investment in London*” and “*support start-ups and business growth.*”

London Industrial Land Demand Study (2017)

- 3.3.34 The London Industrial Land Demand Study²⁸ was published in 2017. It assessed land demand for different types of industry and the amount of industrial land needed in London, including for Camden, “*to ensure it continues to function as a successful and sustainable city*”. Camden, along with the majority of other London Boroughs saw a decrease in industrial floorspace stock over the period 2001 – 2016. Only seven of the other 31 London Boroughs and the City of London saw a greater loss of industrial floorspace over this period, and at the time of writing, Camden had a vacancy rate of industrial land of below 1%.
- 3.3.35 The report states that Camden should be a ‘Retain’ Borough for industrial land based on its below average floorspace vacancy rates and negative net demand translating into the release of 8.4 ha of land by 2041. As noted in 3.3.23, the London Plan, prepared subsequent to this study, did not formally categorise Boroughs in respect of transfer, however the overall context set out in the report in respect of Camden is considered to remain relevant in light of its limited supply and lack of ability to add significant additional land supply.

London Industrial Land Supply Study 2020 (2023)

- 3.3.36 The London Industrial Land Supply Study²⁹ was produced by AECOM for the GLA to provide a comprehensive analysis of London’s supply of land in industrial and related uses such as logistics, waste management, utilities, wholesale markets and vacant land. Supported by desk research, field surveys and Geographic Information System (GIS) mapping, the study’s aim was to provide valuable input into the evidence base for the review of the London Plan, and other reports relating to industrial land. The study will assist the GLA, Transport for London (TfL), London Boroughs, and other partners in implementing a rigorous strategy for industrial land management and investment, and to plan, monitor and manage release of surplus land to contribute to strategic and local planning objectives.
- 3.3.37 The study found that, in 2020, Camden had 36.1 hectares (ha) of industrial land which ranks it amongst the lowest of all London Boroughs in terms of extent. Of this land area:
- 9.0 ha was occupied by industry and 17.8 ha were occupied by warehouses, totalling 26.8 ha of land in ‘core’ industrial use.
 - 9.2 ha was occupied by wider industrial land uses (such as utilities and waste management facilities), and
 - None of the industrial land within Camden was vacant, defined as being cleared and vacant and available for industrial development.
- 3.3.38 In respect of floorspace, the study identified that in 2021 there was around 201,000 square metres (sqm) of industrial floorspace in the Borough within 210 buildings. In all, 3% of the floorspace was vacant which is slightly lower than the London average of 3.25%. The Borough recorded the highest rental values in London, when Boroughs with typically very few transactions are disregarded, standing at £28 p/square foot (sqft) / £302 p/sqm in quarter 4 2021. Excluding the same Boroughs, capital values in LB Camden were also the highest in London at this time at £462 p/sqft / £4,973 p/sqm. This analysis is indicative of the industrial market being small but experiencing low vacancy with robust levels of demand for premises where there is availability.

²⁸ CAG Consultants for the GLA, (2017): London Industrial Land Demand Study.

²⁹ GLA (2023): London Industrial Land Supply Study 2020.

London Office Policy Review 2017 (2017)

- 3.3.39 The London Office Policy Review was published in 2017³⁰, to provide information on the supply and demand for offices in London, as well as analysis of the operation of the office market and its relationship with planning policy.
- 3.3.40 It projected an increase in office employment of 619,300 jobs, from 1.98 million in 2016 to 2.60 million in 2041, corresponding to a rise of 31%. In terms of supply, it forecasted an increase in office floorspace stock of 4.27 million sqm over the same period. Ultimately, the study concluded that there was sufficient potential capacity identified in London to accommodate projected growth, by either increasing the density of existing sites or by developing previously non-office sites. However, the review also noted the low level of outstanding consents at the time it was produced.
- 3.3.41 In total, 574,145 sqm (Gross Internal Area (GIA)) of net additional office floorspace was projected to be demanded in Camden between 2016 and 2041. No updated London Office Policy Review has been prepared since or is in preparation and as such given the passage of time whilst it provides relevant context, the data within it will be out of date and is therefore of limited value for assessment purposes.

Industrial Intensification & Co-Location through Plan-led Approach: Practice Note (2018)

- 3.3.42 London Plan Policy E7 “*supports the intensification of industrial uses within Strategic Industrial Locations (SIL) and Locally Significant Industrial Sites (LSIS) to make better use of land and to strengthen their role in supporting growth in London’s economy and population. The policy also supports plan-led or masterplan approaches to intensify industrial capacity in SILs and LSIS to free up land to meet other planning objectives, such as housing and infrastructure.*” This note outlines good practice principles for plan-led or masterplan approaches to industrial intensification and co-location within the context of Policy E7.

3.4 Local planning policy

Camden Local Plan 2017 (2017)

- 3.4.1 The Camden Local Plan³¹ was adopted in 2017, replacing the Camden Core Strategy³² and Development Policies planning documents (adopted in 2010)³³. The Camden Local Plan was prepared with reference to NPPF 2012 and the London Plan 2016, therefore, due to the publication of NPPF 2021 and the adoption of the latest London Plan in 2021, Camden Council is committed to an update of the Local Plan.
- 3.4.2 The Camden Local Plan sets out planning policies within the Borough and serves as a key delivery mechanism in delivering the priorities outlined within the Camden Plan as well as Camden Council’s Health and Wellbeing Strategy³⁴. The Local Plan covers the period from 2016 to 2031. The following Policies of relevance to this Study are set out below.
- 3.4.3 **Policy G1 ‘Delivery and location of growth’** states that the Council will create the conditions for growth to deliver jobs and infrastructure to meet Camden’s identified needs and harness the benefits for those who live and work in the Borough. This will be achieved by promoting the most efficient use of land and buildings. The policy also identifies a need for 695,000 sqm of office floorspace and 30,000 sqm of retail floorspace up to 2031.
- 3.4.4 The policy outlines that the most significant growth will be delivered through a concentration of development in the growth areas of King’s Cross, Euston, Tottenham Court Road, Holborn, West Hampstead Interchange and Kentish Town Regis Road, and through development at

³⁰ GLA (2017): London Office Policy Review 2017.

³¹ Camden Council, (2017); Camden Local Plan 2017.

³² Camden Council, (2010); Camden Core Strategy 2010-2025.

³³ Camden Council, (2010); Camden Development Policies 2010-2025.

³⁴ Camden Council, (2022); Camden Health and Wellbeing Strategy 2022-2030.

other highly accessible locations and as part of the Council's Community Investment Programme.

- 3.4.5 **Policy E1 'Economic development'** outlines that the Council will secure a successful and inclusive economy within the Borough through promoting economic growth and harnessing the benefits for local residents. This includes maintaining a stock of premises that are suitable for a variety of business activities, directing new office development to growth areas, safeguarding existing employment sites as well as supporting proposals for the intensification of employment sites and premises where these provide additional employment.
- 3.4.6 **Policy E2 'Employment premises and sites'** states that the Council will encourage the provision of employment premises and sites in the Borough. Existing sites fit for continual use will be protected, while redevelopment of business premises for non-business use that are no longer suitable for business use will be permitted. Higher intensity redevelopment of premises will also be considered where this is deemed appropriate.
- 3.4.7 **Policy TC1 'Quantity and location of retail development'** states that Camden Council will focus new retail development in Camden's designated growth areas and existing centres. This will include significant development in the King's Cross / St Pancras Growth Area and the Euston Growth Area.
- 3.4.8 In November 2022 Camden Council began a review of the 2017 Local Plan to feed into the preparation of a new draft Local Plan. This included a call for views from local residents and stakeholders between November 2022 and January 2023.
- 3.4.9 The Council are also currently reviewing the Camden Site Allocations Plan from 2013, as part of the review of the 2017 Local Plan. The new Local Plan will set out the Council's approach to future development of key sites across the Borough, and, once adopted, will replace the policies in the 2013 Site Allocations Plan.
- 3.4.10 A consultation on draft site allocations as part of the updated Local Plan was undertaken in 2020. Further consultation was then undertaken in December 2021 / January 2022.

3.5 Local planning policy evidence base

London Borough of Camden Employment Land Study (2014)

- 3.5.1 The Borough's previous Employment Land Study (ELS)³⁵ was prepared by AECOM, which was then URS, in 2014, and covered the period up to 2031. The study concluded that the demand and supply of employment land in the Borough were broadly in balance and recommended the selective protection of existing employment land.
- 3.5.2 Demand for approximately 695,000 sqm of office floorspace within the Borough was forecasted up to 2031, the majority of which is expected to be for large, high-quality offices in the CAZ. The study identified capacity to accommodate this demand within the Kings Cross and Euston Opportunity Areas as well as the Tottenham Court Road and Holborn Growth Areas. The demand for industrial and warehousing floorspace was forecast to contract by approximately 10,000 sqm, pointing to the need to carefully manage existing provision.
- 3.5.3 It was also noted that there was strong competition for space from other non-employment uses, in particular housing, which the council must also plan for and accommodate. As such, it was deemed suitable for the Council to consider offering protection to employment sites which are important in meeting demand, generating employment and economic wealth, as well as considering the release of some sites where the benefits of the existing employment use are limited and would be outweighed by the benefits of the proposed alternative uses such as housing.

³⁵ URS, (2014); London Borough of Camden Employment Land Study.

3.6 Strategies and other relevant documents

We Make Camden (2022)

- 3.6.1 In 2022, Camden Council published its revised vision for the future of the Borough titled 'We Make Camden'³⁶. The vision document sets out a series of collective goals prompted by consultation with residents and community leaders, and which help address the greatest issues facing the Borough. There are six core ambitions underpinning the vision, including the ambition to ensure that Camden's local economy should be strong, sustainable and inclusive. This ambition sets out the Council's vision for promoting economic development and ensuring Camden residents benefit within an inclusive economy. It emphasises the importance of fostering collaboration between local businesses, employers and residents to shape the local economy and the importance of local supply chains to an inclusive economy. It also states the need to harness the strategic strengths of Camden, including the Knowledge Quarter and anchor institutions based within the Borough.

Camden Climate Action Plan 2020-2025 (2020)

- 3.6.2 In 2019 Camden Council formally declared a Climate and Ecological emergency and subsequently published its Climate Action Plan³⁷ for the period from 2020 to 2025. The plan outlines the Council's progress to date to address the climate emergency within the Borough, as well as its vision for achieving net zero within Camden by 2030. This includes a commitment to improve energy efficiency within buildings across Camden through 11 actions, such as requirements for Camden Council-led developments to be net zero, requirements of major developments to calculate whole-life carbon emissions, and a plan to design a new retrofit policy and programme for Camden, amongst others.

KQ2050: A Knowledge Quarter Unlocked: A Strategy for an Inclusive Innovation District (2023)

- 3.6.3 KQ2050³⁸ is a joint strategy document between Camden Council, Islington Council and the Knowledge Quarter aimed at helping promote the growth of Camden's Knowledge Quarter and ensure any growth remains inclusive, sustainable and community focused. The strategy will focus on three principles: creating an environment for inclusive growth, embedding pathways for local residents to access employment and training, and supporting local organisations to become innovative and responsible employers.

Camden Affordable Workspace Strategy (2023)

- 3.6.4 The Camden Affordable Workspace Strategy was published in April 2023³⁹. It reaffirms the 'We Make Camden' commitment to promoting inclusive growth and ensuring that local residents benefit from the growth they see around them. It notes that affordable workspace is a key mechanism through which to promote inclusive growth by ensuring that Camden's businesses and not-for-profits can access the right workspaces on affordable and fair terms. The strategy sets out how new affordable workspace will be delivered through 20 actions within the following four opportunity areas;
- Camden's Planning Policy Framework and new developments
 - New and better uses of existing assets
 - Evidence-led approach to affordable workspace
 - Co-ordination and collaboration
- 3.6.5 This ENA will contribute to the first two opportunity areas and contribute to future policy for the delivery of affordable workspace across the Borough.

³⁶ Camden Council, (2022); We Make Camden.

³⁷ Camden Council, (2020); Camden Climate Action Plan 2020-2025.

³⁸ Camden Council, Islington Council, Knowledge Quarter; (2023); KQ2050: A Knowledge Quarter Unlocked.

³⁹ Camden Council, (2023); Affordable Workspace Strategy.

Future of Offices in a Post-Pandemic World (2020)

- 3.6.6 In the wake of the Covid-19 pandemic of 2020, architecture, engineering and planning advisory firm, Arup, published a thought-piece on trends within the commercial property sector and the future of commercial offices in the short to medium term⁴⁰. They note the rapid acceleration of the digitalisation of the working environment, the increased adoption of remote working, and the evolving purpose of the office for companies amongst other trends. Looking to the future, the thought-piece examines the ways in which office space might change, including companies prioritising increased flexibility and resilience to change their offices, increased decentralisation of the workspace and embracing remote working, as well as demanding offices which support health and wellness.

Camden Cultural Framework (Forthcoming)

- 3.6.7 Camden Council have produced a draft 'cultural framework'⁴¹ to provide a guiding vision to help increase access to culture for Camden residents by cultivating a stronger connection between the cultural sector, stakeholders and residents within the Borough. The document provides a shared vision around which artists, residents, students, visitors, businesses, cultural organisations, public bodies and professionals, can come together and aligns with the goals outlined in the Camden Local Plan (2017).

Hatton Garden Creative Enterprise Zone Baseline and Evidence Report (2017)

- 3.6.8 The renowned Hatton Garden historic jewellery quarter is unique area of creative production within the centre of London. The Hatton Garden Creative Enterprise Zone Baseline and Evidence Report⁴² provides a detailed review of the current characteristics and performance of the creative cluster and prompted the development of an action plan for the Creative Enterprise Zone. The report identifies rising rents and the loss of workspaces for jewellery trades due to redevelopments providing more lucrative high-grade office space. Wider pressures such as an aging workforce, increased competition, and a lack of visibility also provide challenges for the area. The Report provides longer-term aspirations to help protect and grow the Creative Enterprise Zone, including utilising Camden Council's property portfolio within the area to protect workspace, expanding the remit of the Hatton Garden Business Improvement District, and strengthening connections with local community organisations.

Camden Business Survey (2023)

- 3.6.9 The Camden Business Survey⁴³ provides a survey of businesses operating within the local authority area and follows on from previous surveys in 2017 and 2020. The survey aims to help the council understand the current business environment within the Borough and the current circumstances of local businesses. This will help to inform future policy and support local businesses and promote economic growth.

Creative and Cultural Industries in Camden (2011)

- 3.6.10 The Creative and Cultural Industries in Camden Report⁴⁴ provides evidence of the contribution made by the creative and cultural industries to Camden's prosperity and assesses what measures may be needed to assist businesses in the sector to respond to the current economic climate. The document reports on:
- Research undertaken and reviewed into the economic and employment contribution of the cultural and creative sector;

⁴⁰ Arup, (2020); Future of Offices in a Post-Pandemic World.

⁴¹ Camden Council, (Forthcoming); Camden Cultural Framework.

⁴² Camden Council, Regeneris, We Made That, Tom Flemming, (2017); Hatton Garden Creative Enterprise Zone Baseline and Evidence Report.

⁴³ Camden Council, (2023); Camden Business Survey.

⁴⁴ URS, (2011); Creative and Cultural Industries in Camden.

- An assessment of the level of creative and cultural business activity in Camden's Areas of Focus (AoF) and its Priority Areas for the sector; and
- A coordinated programme of work which prioritises actions against updated information, proposing priority work areas for LB Camden and its partners.

3.6.11 The report sets out a wide range of tables and charts which indicate the significant contribution that the creative and cultural industries (CCI) sector makes to Camden's economy and its communities.

4. Functional Economic Market Area

4.1 Introduction

4.1.1 The PPG requires LPAs to assess development needs working with other LPAs in the relevant functional economic market area in line with the duty to cooperate. It adds, among other things, that local communities, partner organisations, Local Enterprise Partnerships, businesses, business representative organisations and Higher Education Institutions should be involved in the preparation of the evidence base in relation to development needs.

4.1.2 The PPG states that needs for economic uses should be assessed in relation to the functional economic area whilst identifying and recognising smaller sub-markets with specific features and 'market segments'.

4.1.3 The PPG advises there is no standard approach to defining a functional economic market but notes in Paragraph 012 that:

'the geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply, often referred to as the functional economic market area.'

4.1.4 The PPG outlines that it is possible to define functional economic market areas by taking account of a number of factors. The factors include:

- Spatial economic profile
- Travel to work areas
- Commercial property market areas
- Housing market areas
- Consumer market areas
- Transport and infrastructure networks
- Economic governance and partnerships areas

4.1.5 When it comes to statistical data the PPG suggests a single source for defining FEMAs – the Office for National Statistics (ONS) Travel-to-Work Areas (TTWAs), which are based on commuting data only. However, TTWAs ignore administrative boundaries and are therefore of limited value for Duty to Cooperate discussions.

4.1.6 The methodology for defining the FEMA is therefore based on commuting data, administrative boundaries and housing and commercial property markets. The Socio-economic profile presented in Section 5 has therefore been developed with this FEMA in mind.

4.1.7 The objective is to identify an area that records the highest self-containment in terms of commuting flows, and which also best fits the administrative boundaries, housing and commercial property markets.

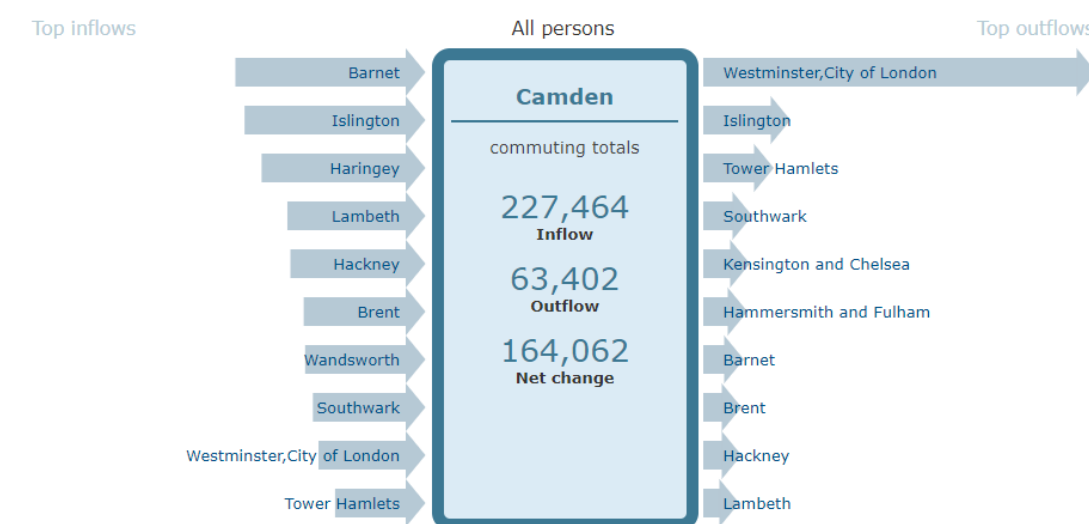
4.2 Travel to work area

4.2.1 The PPG does not prescribe a threshold of self-containment (people who live and work in the same area) to help define the FEMA. AECOM has adopted the ONS's definition of Travel to Work Areas (TTWAs) that states that:

'The current criterion for defining the TTWAs is that generally at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area... however, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted.'

- 4.2.2 The lower 66.7% threshold for self-containment for origin and destination commuting is therefore appropriate in the case of Camden, which has a resident workforce in excess of 25,000⁴⁵.
- 4.2.3 The ONS publishes Origin-Destination data (also known as flow data) which include the travel-to-work patterns of individuals based on data from the 2011 Census. Census 2021 took place during the coronavirus (COVID-19) pandemic, a period of unparalleled and rapid change; the national lockdown, associated guidance and furlough measures will have affected the origin-destination data. Therefore, using these data for planning and policy purposes is cautioned, with the previous Census (2011) likely to be a truer reflection of travel to work origin and destination, albeit the frequency of journeys is likely to have reduced following the pandemic and the proportion of people travelling to work is currently below pre-pandemic levels⁴⁶.
- 4.2.4 Figure 4-1 provides a summary of the top inflows and outflows for Camden. The data indicates that 227,464 people commute into Camden from a different local authority for work, whilst 63,402 commute from Camden to another local authority for work, generating an overall net inflow of 164,062 people.
- 4.2.5 The main flow of workers to Camden are from Barnet, Islington and Haringey, while the main flow of workers from Camden are to Westminster (including City of London), Islington and Tower Hamlets.

Figure 4-1 Camden, Location of usual residence and place of work (2011)



Commuting totals for Camden:

- Inflow: **227,464** all persons commute into Camden from other local authorities in the UK.
- Outflow: **63,402** all persons commute out of Camden to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **164,062** all persons in Camden.

Source: Office for National Statistics, (2011); Census 2011 – Origin-Destination data

Inflow self-containment

- 4.2.6 Detailed Origin-Destination data from the 2011 Census (the latest data available) indicates that in 2011, Camden had a working population (people whose place of work is within Camden) of 250,615 persons⁴⁷, of which 23,151 also live in Camden⁴⁸. This represents a

⁴⁵ ONS, (2012); Census 2011.

⁴⁶ Financial Times (2023) How the pandemic transformed Britain's commuter towns <https://www.ft.com/content/c50a4323-c913-440c-8efe-f9d9fd6ea6a6>

⁴⁷ It should be noted that this number represents the number of people whose place of work is in Camden, whereas the number quoted in Paragraph 4.2.2 represents Camden's resident workforce i.e. the number of working people who live in Camden. As noted in paragraph 4.2.6, 23,151 people both live and work in Camden. The working population of Camden (people whose place of work is within Camden) was 250,615 people in 2011, 9.2% of whom also live within the Borough. The number of people who live and work in the borough (23,151) as a proportion of Borough's working age population in 2011 (residents of Camden aged between 16 and 64 and which totals 86,016) equates to 26.9%.

⁴⁸ ONS, (2012) Census 2011.

share of 9%, well below the 66.7% ONS's self-containment definition of TTWAs. Therefore, based on this definition, Camden is not considered as self-contained and as a travel to work area.

- 4.2.7 Detailed Origin-Destination data (inflows) is presented in Table 4-1 for the top 10 origins. This data suggests that Camden and its neighbouring Boroughs do not form a TTWA (above the 66.7% ONS self-containment definition of TTWA), from an inflow perspective. However, the Borough shares connections, in terms of labour market, with several neighbouring authorities and in particular with Barnet and Islington.

Table 4-1 Camden, Inflows (2011)

Usual place of residence	Working in Camden	Self-containment
Camden	23,151	9.2%
Barnet	14,006	14.8%
Islington	13,297	20.1%
Haringey	11,983	24.9%
Lambeth	9,995	28.9%
Hackney	9,760	32.8%
Brent	8,735	36.3%
Wandsworth	8,626	39.7%
Southwark	8,027	42.9%
Westminster, City of London	7,593	46.0%

Source: Office for National Statistics, (2011); Census 2011 – Origin-Destination data.

- 4.2.8 Data presented in Table 4-1 shows that in terms of inflow commuting, Camden does not form a self-contained area with the other top 10 origins as collectively they are still below the 66.7% ONS's self-containment definition for TTWAs.

Outflow self-containment

- 4.2.9 Detailed Origin-Destination data indicates that Camden had a resident workforce (residents aged 16 and over in employment) of 86,016 persons in 2011, of which 23,151 work in Camden. This represents a share of 27%, which is below the ONS TTWA definition of 66.7%. Therefore, based on this definition, Camden could not be considered as self-contained and as a travel to work area in its own right.
- 4.2.10 Table 4-2 shows the top 10 employment destinations for Camden residents. This data suggests that there is a TTWA made of Camden, Westminster and Islington (above the 66.7% ONS' self-containment definition of TTWA), from an outflow perspective. Therefore, Camden forms a self-contained area made of **Camden, Westminster (including City of London), and Islington**.

Table 4-2: Camden, Outflows (2011)

Usual place of work	Residing in Camden	Self-containment
Camden	23,151	27%
Westminster, City of London	29,719	61%
Islington	5,590	68%
Tower Hamlets	4,192	73%
Southwark	2,507	76%
Kensington and Chelsea	2,371	79%
Hammersmith and Fulham	2,133	81%
Barnet	1,918	83%
Brent	1,677	85%
Hackney	1,636	87%

Source: Office for National Statistics, (2011); Census 2011 – Origin-Destination data

4.3 Housing market area

- 4.3.1 In line with the 2016 London Plan, a Strategic Housing Market Assessment (SHMA) for London Borough of Camden was undertaken in 2016⁴⁹. As part of the study, the Objectively Assessed Needs for the London Borough of Camden were identified. Therefore, in accordance with the SHMA, **Camden is considered to have its own defined HMA**.

4.4 Commercial property market area

- 4.4.1 The FEMA is also influenced by the commercial property market area in which Camden sits.
- 4.4.2 Commercial property market areas are geographic boundaries that serve to define core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific and are non-overlapping contiguous geographic designations.
- 4.4.3 For the purpose of this ENA it is relevant to look at both the office and industrial property markets.
- 4.4.4 CoStar, the most comprehensive database of real estate data throughout the UK, is a useful source of information and provides pre-defined office and industrial property market areas for the entire UK. CoStar defined markets have therefore been assumed as part of this analysis.
- 4.4.5 Both the industrial and office markets are defined as **London**, with **Camden** being defined as its own sub-market within the London property market.
- 4.4.6 The London Industrial Land Supply Study 2020⁵⁰ places Camden in the Central Services Circle Property Market Area, which is made of the **London Boroughs of Lambeth, Westminster, Islington, Kensington and Chelsea, Southwark, Lewisham, Tower Hamlets, Hackney and City of London**.

4.5 Economic governance and partnerships area

- 4.5.1 Camden is a member of the London Economic Action Partnership (LEAP), which is the local enterprise partnership for London. The LEAP brings entrepreneurs and business together with the Mayorality and London Councils to identify strategic actions to support and lead economic growth and job creation in the capital.

4.6 Central Activities Zone

- 4.6.1 The southern portion of Camden is also located within London's Central Activities Zone (CAZ). The CAZ is London's economic and cultural centre which extends into ten London Boroughs and accommodates approximately one third of London's jobs. It is also internationally renowned for its cultural and heritage assets.

4.7 Conclusion

- 4.7.1 Camden is not relatively self-contained economically, with more important connections either from an economic government point of view (administrative boundaries) or market characteristics (housing and commercial property markets).
- 4.7.2 Based on the assessment made in this section, it can be reasonably concluded that Camden is particularly connected with a number of other Boroughs, particularly those which also extend into the CAZ including; the London Boroughs of Islington, Hackney, Tower Hamlets, Southwark, Lambeth, Wandsworth, Westminster, Kensington and Chelsea and the City of London.

⁴⁹ ORS, (2016); London Borough of Camden Strategic Housing Market Assessment.

⁵⁰ AECOM, (2022); London Industrial Land Supply Study 2020.

- 4.7.3 All of the other Boroughs in the CAZ rank within the top 13 destinations for the outflow of Camden residents. All of these Boroughs, excluding Wandsworth, also form part of the Central Services Circle Property Market Area within the London Industrial Land Study 2020. Lewisham is also included within the Central Services Circle but has been excluded from the FEMA due to the weaker outflow of labour from Camden to Lewisham (ranked 24th).
- 4.7.4 On this basis, it is reasonable to assume that Camden forms a FEMA together with the other CAZ Boroughs of; **Islington, Hackney, Tower Hamlets, Southwark, Lambeth, Wandsworth, Westminster, Kensington and Chelsea and the City of London.**

5. Socio-economic profile

5.1 Introduction

5.1.1 This section profiles Camden and its FEMA (i.e. London Boroughs of Camden, Islington, Hackney, Tower Hamlets, Southwark, Lambeth, Wandsworth, Kensington and Chelsea, Westminster and the City of London) using key socio-economic indicators. The analysis informs an understanding of the local economic strengths and weaknesses that may impact upon employment land and premises requirements. Key indicators include:

- Population, including the working population, earnings and skill and occupational profile of residents;
- Commuting patterns;
- The workplace economy, by business stock and size; and
- Workplace employment by industry sector.

5.1.2 To provide a comparative assessment, Camden is benchmarked against averages for the FEMA (as defined in the Functional Economic Market Area section, Greater London and England as a whole.

5.2 Population

5.2.1 The future economic needs of Camden will be driven in part by trends in the size of the resident population. The latest GLA population estimates (2021)⁵¹ indicate that the population of Camden has fallen by 4.3% between the years 2011 to 2021. This growth rate is lower than the growth rate in the FEMA and Greater London, where the population increased by 4.1% and 7.2% respectively over the same ten-year period. However, as noted on Camden Council's website⁵², these figures are likely to have been skewed by the effects of Covid-19 where a large number of usual residents, such as students, temporarily left the Borough. Table 5-1 below shows the trends in more detail.

Table 5-1: Population figures (2010-2021)

Location	2011 Population	2021 Population	Population increase (2011 – 2021)
Camden	220,087	210,584	-4.3%
FEMA	2,215,719	2,310,736	4.3%
London	8,204,407	8,796,374	7.2%

Source: Office for National Statistics, (2021); Population estimates 2020.

5.2.2 The GLA dataset also provides population projections up to 2050, which show that the population in Camden is expected to increase by 6.9% (to 225,141) between 2021 and 2031 (the end of the current Local Plan period for Camden). This is a slightly lower rate of growth than is anticipated over the same time period across the FEMA (7.0%) and Greater London as a whole (8.4%). Local population growth is likely to increase demand for housing, community facilities, infrastructure, and employment land and floorspace over the Camden Local Plan period.

5.2.3 Across Camden, the FEMA and London, the highest growth in population between 2021 and 2031 is expected to be among the over 65 age group (19.7%, 34.6% and 29.7% growth respectively). The working age population (ages 16-64) in Camden is expected to grow by 8.7% over the same period. This is a higher growth rate compared to the FEMA (7.2%) but broadly in line with London as a whole (8.8%).

⁵¹ GLA, (2021); 2021-based projection: 15-year trend.

⁵² Camden Council, (2022); Camden Council joins the campaign to find Census 2021's "Lost Londoners". Available at: <https://news.camden.gov.uk/camden-council-joins-the-campaign-to-find-census-2021s-lost-londoners/>

Earnings

- 5.2.4 Table 5-2 presents the median gross weekly earnings recorded in the Annual Survey of Hours and Earnings (ASHE)⁵³, using the latest available data from 2022. It shows that the median earnings of residents in Camden is approximately £771, which is lower than the median earnings of residents within the FEMA (£817⁵⁴), but higher than the median earnings of residents across London (£765) and England as a whole (£646). The median gross weekly earnings of those working in Camden is approximately £851.

Table 5-2: Comparative Resident and Workplace Median Earnings

Earnings	Camden (£)	FEMA (£)	London (£)	England
Residence-based	771	817	765	646
Workplace-based	851	843	805	646

Source: Office for National Statistics, (2022); Annual Survey of Hours and Earnings – Resident and Workplace Analysis

Deprivation

- 5.2.5 Based on the English Indices of Deprivation 2019⁵⁵, Camden is the 132nd most deprived local authority out of the 317 local authorities in England (where 1 is the most deprived), in terms of overall Index of Multiple Deprivation (IMD). Camden ranks 19th out of 33 Local Authorities in London⁵⁶ (where 1 is the most deprived), suggesting it is relatively less deprived than many other London Boroughs. None of Camden's 133 Lower layer Super Output Areas (LSOAs)⁵⁷ are ranked amongst the 10% most deprived nationally, while 16.5% of its LSOAs in the 20% most deprived. Figure 5-1 shows the proportion of LSOAs ranking in the two most and two least deprived deciles nationally within each Borough within the FEMA. It is evident that Hackney and Tower Hamlets are relatively more deprived than Camden and other Boroughs in the FEMA with 43.9% and 31.9% of LSOAs in these Boroughs ranking within the worst two deciles respectively. Conversely, the City of London is comparatively less deprived, with no LSOAs within the worst two deciles and 33.3% of LSOAs ranking within the two least deprived deciles.

⁵³ Office for National Statistics, (2022), Annual Survey of Hours and Earnings (ASHE).

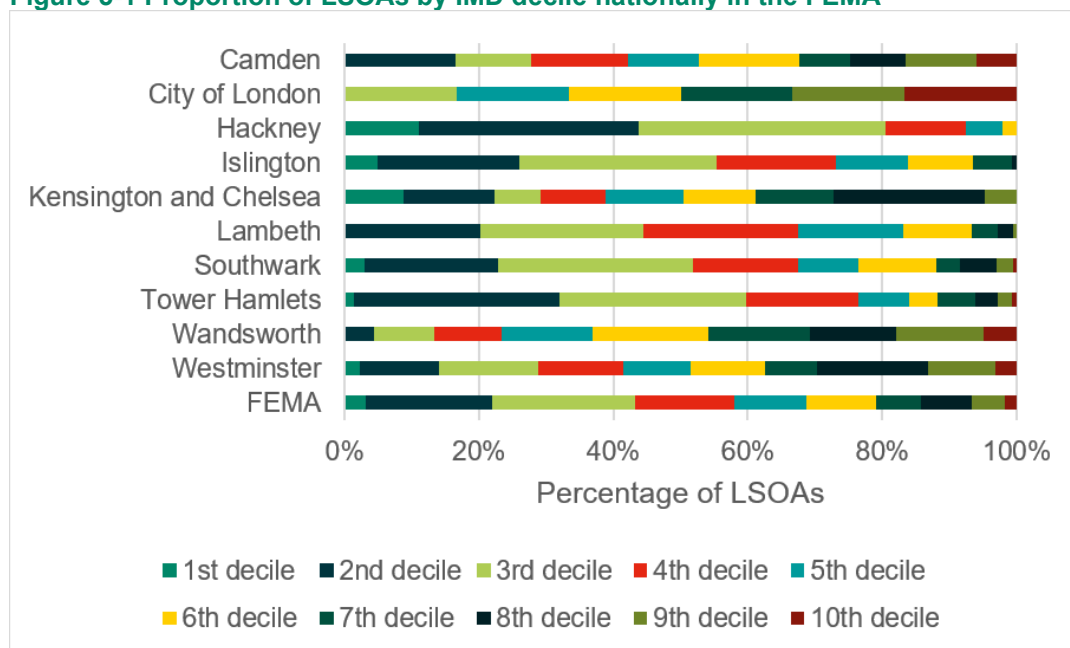
⁵⁴ No data is available for the City of London due to the small number of residents.

⁵⁵ Ministry of Housing, Communities and Local Government (MHCLG), (2019); English indices of deprivation.

⁵⁶ 32 London Boroughs and the City of London.

⁵⁷ A Lower Layer Super Output Area is a geographic area. Lower Layer Super Output Areas (LSOA) are a geographic hierarchy designed to improve the reporting of small area statistics in England and Wales.

Figure 5-1 Proportion of LSOAs by IMD decile nationally in the FEMA



Source: Ministry of Housing, Communities and Local Government (MHCLG) (2019); English Indices of Deprivation

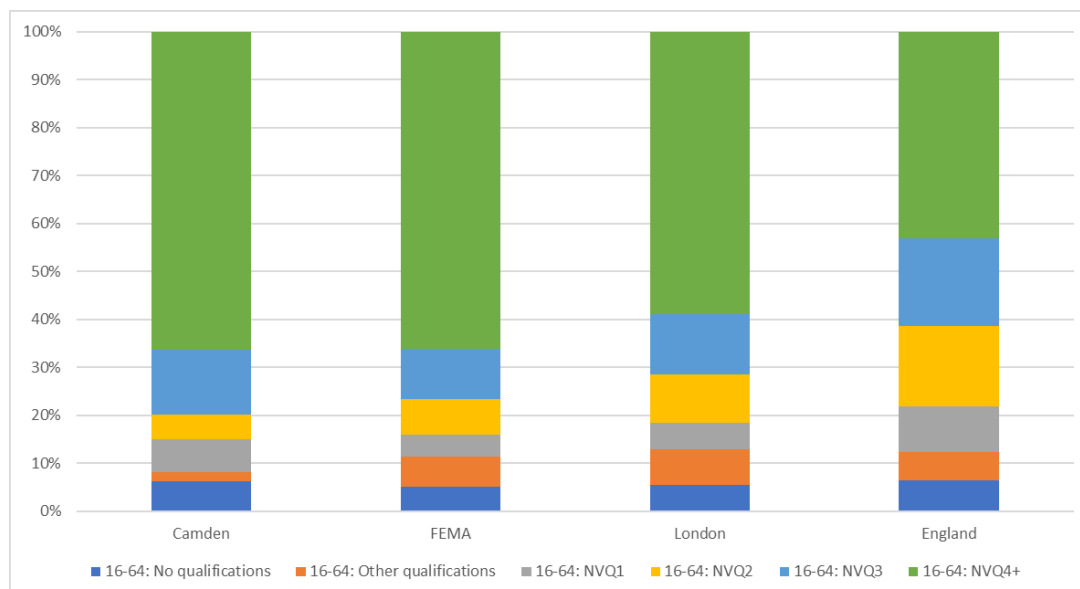
5.2.6 The overall index of multiple deprivation set out above is comprised of a number of domains. Every LSOA in England is also ranked nationally in each of these domains, which include employment, income, and education, skills & training. In terms of employment, Camden is ranked 151st out of 317 local authorities in England, meaning it is ranked amongst the 40-50% most deprived local authorities nationally in that domain. In terms of income deprivation, Camden is ranked 87th out of 317 local authorities, meaning it is ranked amongst the 20-30% most deprived local authorities for that domain. For education, skills & training, Camden is ranked 274th out of 317 local authorities in terms of deprivation, placing it in the 10-20% least deprived local authorities in England for that domain, and so is thus relatively less deprived in this measure than in others.

Skills and training

5.2.7 According to the ONS Annual Population Survey (APS)⁵⁸, The proportion of Camden residents aged between 16 and 64 educated to degree level (National Vocational Qualification (NVQ) 4+) and above is 66.4%; this is broadly in line with the FEMA (66.2%), higher than the London average (59.0%) and appreciably higher than the national average (43.2%). Within the FEMA, Tower Hamlets displays the lowest proportion of residents aged 16 to 64 educated to a degree level and above (52.1%), while the City of London has the highest proportion (93.9%). The breakdown of educational attainment in the FEMA (excluding the City of London for which data is unavailable), London and England is shown in Figure 5-2.

⁵⁸ ONS, (2022); Annual Population Survey (APS) (January 2021 to December 2021).

Figure 5-2: Qualification level by proportion of population (aged 16 to 64)



Source: Office for National Statistics, (2021); Annual Population Survey (January 2021 to December 2021)

Occupational profile

- 5.2.8 The APS⁵⁹ provides the most recent economic activity, employment, and unemployment statistics for the UK. As of December 2022, the economic activity rate (aged 16-64) in Camden is 74.6%. This is lower than the FEMA (80.5%), London (79.8%) and England (78.7%) averages.
- 5.2.9 To provide a more accurate representation for Camden, analysis of average economic activity rates over the 10 years between 2012 and 2022 have been calculated. In this time period, Camden had an average economic activity rate of 72.7%, which was lower than the rates recorded across the FEMA (77.8%), London (78.0%) and England (78.3%). This suggests that a lower proportion of Camden's population have been economically active compared to the national average across the time period.
- 5.2.10 The employment rate in Camden, as of December 2022, is 70.2%. This is also lower than the averages for the FEMA (76.8%), London (76.2%) and England (75.8%). The unemployment rate in Camden as of December 2022 is 5.9% which is higher than the FEMA, regional and national averages of 4.6%, 4.5% and 3.7% respectively.
- 5.2.11 Data for the economic activity rate, employment rate and unemployment rate for all geographies is summarised in Table 5-3 below.

Table 5-3: Economic activity, employment and unemployment rates (aged 16 to 64)

Geography	Economic activity rate (%)	Average economic activity rate (2012-2022) (%)	Employment rate (%)	Unemployment rate (%)
Camden	74.6	72.7	70.2	5.9
FEMA	80.5	77.8	76.8	4.6
London	79.8	78.0	76.2	4.5
England	78.7	78.3	75.8	3.7

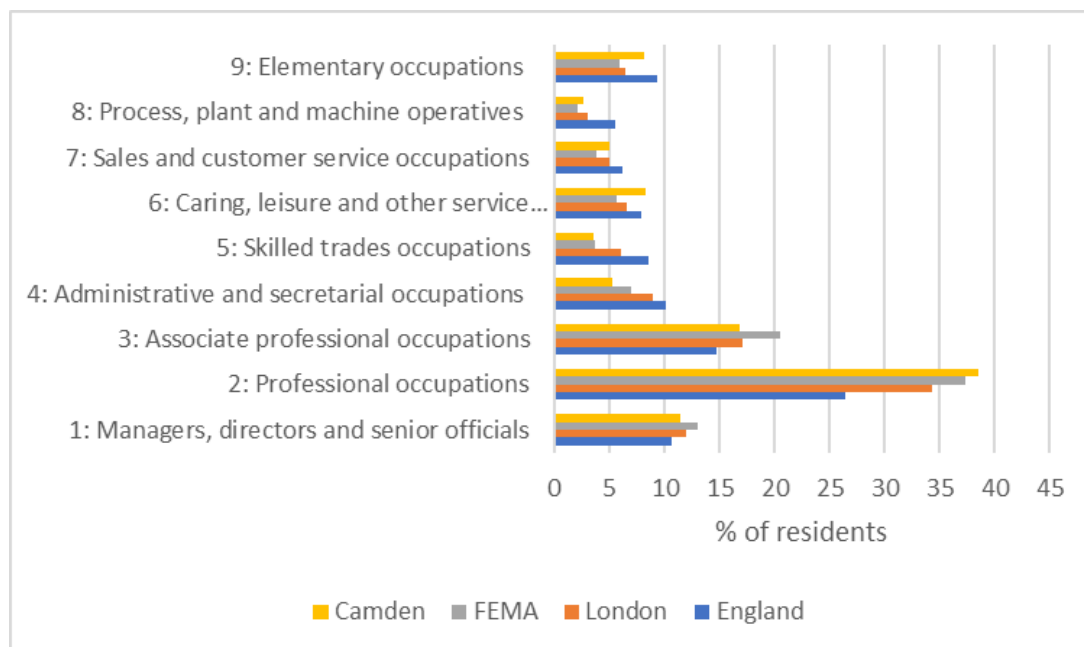
Source: ONS (2023); APS (January 2022 to December 2022).

- 5.2.12 Analysis of the occupational profiles of Camden's residents shows that 67.1% have managerial, professional and technical occupations (standard occupational classification

⁵⁹ ONS, (2023); APS (January 2022 to December 2022).

(SOC) groups 1-3) compared to approximately 71.0% across the FEMA, 63.5% across London and 51.9% nationally. The largest employment category among Camden's residents is 'professional occupations' (38.6%), and the lowest proportion are within 'process, plant and machine operatives' and 'skills trades'. Occupational profiles for the comparative geographies are displayed in Figure 5-3.

Figure 5-3: Occupation profiles



Source: ONS, (2021); Census 2021 – TS063 – Occupation.

5.2.13 The proportion of Camden residents within SOC groups 4-5 ('administrative and secretarial occupations' and 'skilled trades occupations') of 8.9% is lower than the proportions in the FEMA (10.7%), London (15.0%) and England (18.7%). The proportion of Camden's residents within SOC groups 6-9 (which primarily comprise lower skilled occupations⁶⁰) of 24.1% is higher than the proportion in the FEMA (17.4%) and London (21.1%) but lower than the national average (29.0%).

5.3 Commuting Patterns

5.3.1 The most recent travel to work data is provided through origin-destination statistics collated from the 2011 Census⁶¹. While the total figures for employment may be more than ten years old, the figures give a good indication of the pattern of movement of residents and workers into and out of Camden.

5.3.2 Within Camden, 26.9% of working residents aged 16 and over also work there, meaning that around three-quarters of the resident population work elsewhere⁶². The most popular destination is Westminster (which includes the City of London) (34.6%), followed by Islington (6.5%) and Tower Hamlets (4.9%). A breakdown of the principal workplace locations of Camden's residents is presented in Table 5-4.

⁶⁰ Lower skill occupations are defined as: elementary occupations; process, plant and machine operatives; sales and customer service occupations. Medium skill occupations are defined as: caring, leisure and other service; skilled trades occupations; administrative and secretarial. High skill occupations are defined as: associate prof & tech occupations; professional occupations; managers, directors and senior officials.

⁶¹ Office for National Statistics, (2012); Census 2011 – Origin-Destination data.

⁶² As noted in paragraph 4.2.6, 23,151 people both live and work in Camden. The working population of Camden (people whose place of work is within Camden) was 250,615 people in 2011, 9.2% of whom also live within the Borough. The number of people who live and work in the borough (23,151) as a proportion of Borough's working age population in 2011 (residents of Camden aged between 16 and 64 and which totals 86,016) equates to 26.9%.

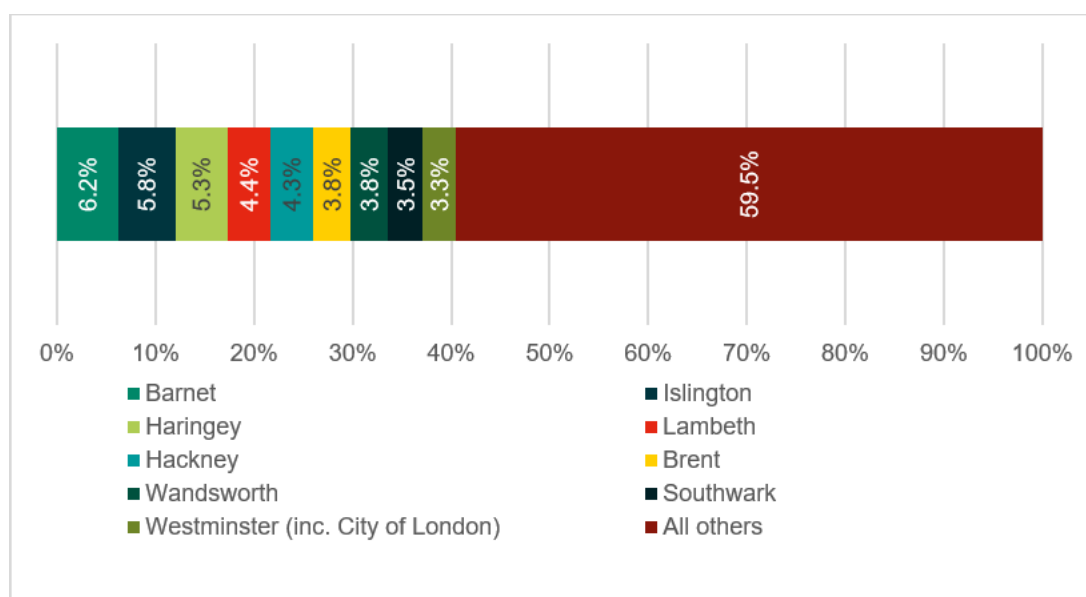
Table 5-4: Location of workplace for residents of Camden (Aged 16+)

Workplace location	Number of Camden residents working in location	Proportion of Camden residents working in location
Camden	23,151	26.9%
Westminster (including City of London)	29,719	34.6%
Islington	5,590	6.5%
Tower Hamlets	4,192	4.9%
Southwark	2,507	2.9%
Kensington and Chelsea	2,371	2.8%
Hammersmith and Fulham	2,133	2.5%
Barnet	1,918	2.2%
Brent	1,677	1.9%
Hackney	1,636	1.9%
All others	11,122	12.9%

Source: Office for National Statistics, (2011); Census 2011: Location of usual residence and place of work.

- 5.3.3 Overall, Camden is a net importer of labour with approximately 227,464 residents of other local authorities commuting to Camden for work, and approximately 62,865 of the Camden resident population commuting to other areas for work. The overall net change in the workforce is approximately +164,500 people. This suggests that there are a large number of employment opportunities within the Borough that draw in labour from surrounding Boroughs.
- 5.3.4 The most common source for in-commuters to the Borough are Barnet (6.2%), Islington (5.8% and Haringey (5.3%). Collectively the Boroughs within the FEMA (excluding Camden) account for 29.4% of in-commuters to Camden, of which Islington (5.8%) and Lambeth (4.4%) provide the greatest share. The other main origins from which people are commuting to Camden are shown in Figure 5-4 below.

Figure 5-4: In-commuters location of origins



Source: Office for National Statistics, (2011); Census 2011: Location of usual residence and place of work.

5.4 The Workplace Economy

Job Density

- 5.4.1 Jobs density⁶³, according to the latest data from 2021, which is calculated by the number of jobs in an area divided by the resident population aged 16-64, is estimated to be 2.73 in Camden. This compares to an average job density of 11.48 across the FEMA, a density of 1.02 in London and 0.86 in England. The high job density in the FEMA is inflated by the job density of the City of London (98.74) which is a major employment centre with few usual residents. Excluding the City of London results in an average job density of 1.79 across the other FEMA Boroughs.
- 5.4.2 This reflects that there are more jobs per number of working aged residents in Camden than across London as a whole and England. This is further evidence that Camden already contains a large amount of employment floorspace and is of high importance to the Greater London economy.

Employment sectors

- 5.4.3 The 2021 Business Register and Employment Survey (BRES)⁶⁴ provides a detailed breakdown of the broad industrial sectors that workers in Camden and London are employed in. Table 5-5 provides a comparison of employment by industry for Camden, London and England.

Table 5-5: Employment by broad industry sector (2021)

Employment sector	Camden		London	England
	Employment (no.)	% of total	% of total	% of total
Agriculture, forestry & fishing	75	0.0	0.0	0.6
Mining, quarrying & utilities	2,000	0.5	0.7	1.2
Manufacturing	3,500	0.9	2.1	7.5
Construction	9,000	2.4	3.5	4.8
Motor trades	1,250	0.3	0.7	1.7
Wholesale	9,000	2.4	3.0	3.7
Retail	21,000	5.5	7.8	9.0
Transport & storage (incl. postal)	9,000	2.4	4.3	5.2
Accommodation & food services	26,000	6.8	7.4	7.5
Information & communication	49,000	12.9	8.4	4.6
Financial & insurance	13,000	3.4	8.0	3.6
Property	9,000	2.4	2.5	1.8
Professional, scientific & technical	78,000	20.5	14.2	9.3
Business administration & support services	28,000	7.4	9.7	9.0
Public administration & defence	11,000	2.9	4.6	4.3
Education	37,000	9.7	7.3	8.7
Health	49,000	12.9	10.6	13.3
Arts, entertainment, recreation & other services	25,000	6.6	5.2	4.2
Total	379,825			

Source: Office for National Statistics, (2022); Business Register and Employment Survey 2021.

⁶³ Office for National Statistics, (2021); Jobs density.

⁶⁴ Office for National Statistics, (2022); Business Register and Employment Survey 2021.

- 5.4.4 The sectors that employ the highest proportion of Camden's workforce are professional, scientific & technical (20.5%), information & communication (12.9%), health (12.9%) and education (9.7%).
- 5.4.5 The proportion of the workforce in Camden employed in the professional, scientific & technical sector is over twice the national average (9.3%) and more than 6% greater than the regional average (14.2%). Moreover, the proportion of the working population of Camden working in the information and communication sector is 4.5% greater than the regional average (8.4%) and is just under three times greater than the national average (4.6%). This indicates the importance of these sectors within the Camden economy.
- 5.4.6 Both Camden and London have a large proportion of their population working across office-related service sectors, namely the information & communication, financial & insurance, and professional, scientific & technical sectors (36.8% and 30.6% respectively). The proportion of workers in office-based employment sectors is appreciably higher than the national average of 17.5%.
- 5.4.7 Conversely, the proportion of employees in industrial sectors is far lower than both the regional and national average. When combined, the construction, manufacturing, transport & storage, and motor trades sectors account for 6.0% of total employment in Camden. This compares to 10.6% of total employment across London and 19.2% in England. Table 5-6 shows the change in Camden's employment between 2015 and 2021 (the longest period over which data is available) by broad industry sector and how this compares with the FEMA as a whole.

Table 5-6 Change in employment in Camden and FEMA by broad industry sector

Employment Sector	Camden Jobs 2015	Camden Jobs 2021	Camden % change (2015 – 2021)	FEMA % change (2015 – 2021)
Agriculture, forestry & fishing	10	75	650.0%	85.0%
Mining, quarrying & utilities	1,750	2,000	14.3%	74.4%
Manufacturing	4,000	3,500	-12.5%	21.1%
Construction	7,000	9,000	28.6%	13.8%
Motor trades	800	1,250	56.3%	-10.3%
Wholesale	6,000	9,000	50.0%	13.6%
Retail	19,000	21,000	10.5%	-2.3%
Transport & storage (incl. postal)	10,000	9,000	-10.0%	-7.8%
Accommodation & food services	28,000	26,000	-7.1%	-1.3%
Information & communication	36,000	49,000	36.1%	24.9%
Financial & insurance	11,000	13,000	18.2%	22.6%
Property	8,000	9,000	12.5%	4.3%
Professional, scientific & technical	75,000	78,000	4.0%	16.6%
Business administration & support services	31,000	28,000	-9.7%	-2.1%
Public administration & defence	12,000	11,000	-8.3%	16.3%
Education	33,000	37,000	12.1%	4.2%
Health	39,000	49,000	25.6%	18.1%
Arts, entertainment, recreation & other services	20,000	25,000	25.0%	14.4%
Total	341,560	379,825	11.2%	11.9%

Source: Office for National Statistics, (2022); Business Register and Employment Survey 2021.

- 5.4.8 The relevant sectors to this economic needs assessment include construction, which experienced growth of 28.6% in Camden, above the growth rate across the FEMA of 13.8%. Professional, scientific & technical and business administration & support services experienced 4.0% and -9.7% growth respectively, both of which were lower than the rates

experienced in the FEMA (16.6% and -2.1% respectively). Manufacturing saw a decline in employment of 12.5% which contrasted to the FEMA where the sector grew by 21.1%. Information & communication grew strongly by 36.1% in Camden which was greater than the 24.9% growth within the sector across the FEMA.

- 5.4.9 Overall, Camden experienced a growth in the number of jobs of 11.2% between 2015 and 2021, slightly below the 11.9% growth across the FEMA as a whole.

Business stock and scale

- 5.4.10 The latest ONS UK Business Counts data⁶⁵ indicates that there are 34,525 businesses located in Camden. Table 5-7 presents the composition of the employment size of Camden's businesses. Micro-businesses (defined as companies employing up to nine employees) represent the vast majority (89.1%) of all businesses in Camden, which is slightly higher than the FEMA average of 87.7%, but slightly lower than both the London (90.7%) and national (89.6%) averages. There are a total of 2,890 small-sized businesses (8.4% of the total) (defined as companies employing between 10 to 49 employees), 675 medium-sized businesses (2.0%) (employing between 50 to 249 employees), and 190 large businesses (0.6%) (employing more than 250 employees). Table 5-7 shows how this compares to the composition across the FEMA, London, and England as a whole.

Table 5-7: Businesses by employment size (2022)

Employment size	Camden		FEMA	London	England
	No. of businesses	% of total	% of total	% of total	% of total
1 to 9 (Micro)	30,770	89.1%	87.7%	90.7%	89.6%
10 to 49 (Small)	2,890	8.4%	9.6%	7.4%	8.5%
50 to 249 (Medium)	675	2.0%	2.1%	1.5%	1.5%
250 + (Large)	190	0.6%	0.6%	0.4%	0.4%
Total	34,525	-	-	-	-

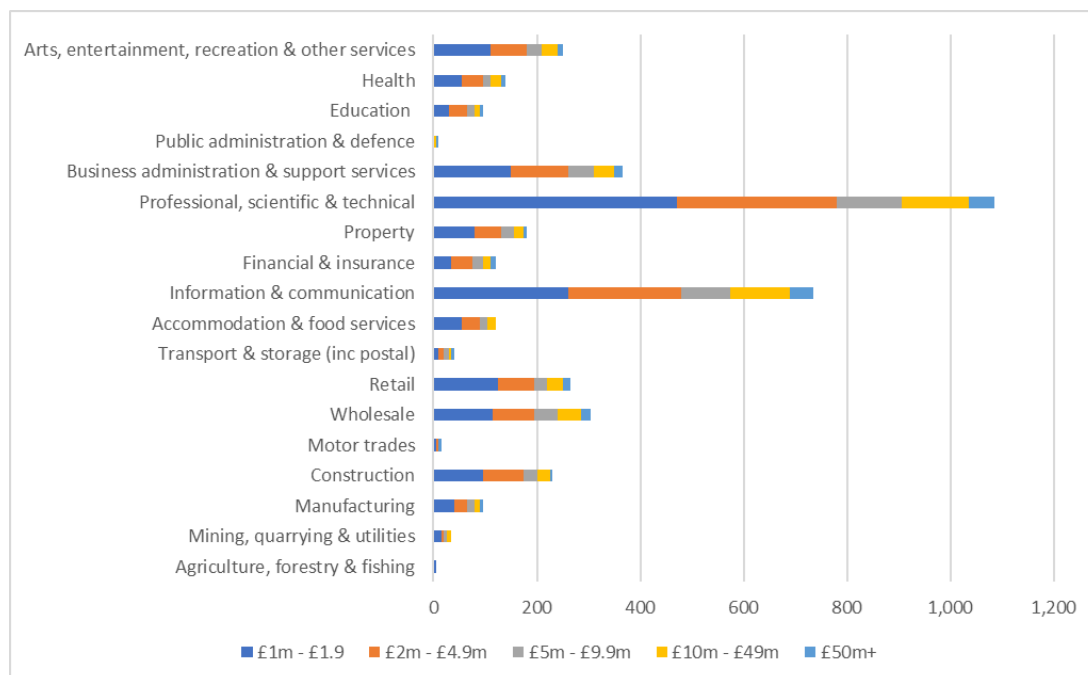
Source: ONS, (2022); UK Business Counts; Local units by industry and employment size band. Note: Figures do not always sum due to source data rounding

- 5.4.11 Of the businesses in Camden, the professional, scientific & technical and information & communication sectors represent the largest share, with approximately 10,020 and 5,230 businesses in Camden respectively, representing 29.0% and 15.1% of the total share. This is followed by the business administration & support services (3,065) and retail (2,750) sectors, with 8.9% and 8.0% of the total share respectively. Of the 190 large businesses in Camden, 170 are in the private sector and 25 are in the public sector⁶⁶.
- 5.4.12 In terms of economic performance, the highest proportion of turnover revenue generated by businesses in Camden is between £100,000-£199,000 (30.6% of businesses). Figure 5-5 shows a breakdown of the businesses in Camden which generated over £1 million in turnover in 2021.
- 5.4.13 Overall, 4,100 businesses generated more than £1 million in turnover, of which the professional, scientific & technical sector had the highest proportion (1,085 business and 26.5% of the total). This was followed by the information & communication and business administration & support services sectors, with 735 and 365 businesses respectively. In total, 15 different sectors generated over £50 million in turnover.

⁶⁵ Office for National Statistics, (2022); UK Business Counts.

⁶⁶ All figures are rounded by the ONS to avoid disclosure of individual businesses' data. Therefore, the total of the figures may not sum.

Figure 5-5: Camden businesses by industry with a turnover of over £1 million (2022)



Source: ONS, (2022); UK Business Counts; Enterprises by industry and turnover size band.

Business registrations and de-registrations

5.4.14 VAT registration and de-registration rates provide an indication of the entrepreneurial characteristics of a statistical area. Data on this indicator is sourced from the ONS business demography publication⁶⁷, which provides numbers for business ‘births’ and ‘deaths’ and is presented in Table 5-8. The data shows that from 2016 to 2021 (the longest period over which data is available), business registrations in Camden grew from 5,525 to 5,600, an increase of around 1.4%. During the same period, the FEMA, London, and England experienced a decrease in business registrations, by 11.1%, 11.3% and 9.5% respectively. Business de-registrations in Camden increased by 35.4% between 2016 and 2021, while in the FEMA, London and England they increased by 7.3%, 15.4% and 21.9% respectively. The greater rate of business registrations and de-registrations in Camden indicates that the Borough has a higher ‘churn’ of enterprises than comparator geographies.

Table 5-8: Business registrations and de-registrations in Camden (2016-2021)

Year	Registration	De-registration	Net change
2016	5,525	3,075	2,450
2017	5,130	3,460	1,670
2018	5,815	3,350	2,465
2019	5,360	3,985	1,375
2020	5,100	3,770	1,330
2021	5,600	4,165	1,435

Source: Office for National Statistics, (2022); Business demography, UK

5.5 Summary

5.5.1 This section has provided an analysis of the socio-economic profile of Camden, drawing on the latest available data and benchmarking against the wider FEMA, London and England where appropriate. This helps provide context when considering the changes to the supply and demand for employment land, which is analysed in the following sections.

⁶⁷ Office for National Statistics, (2022); Business demography, UK.

- 5.5.2 The latest GLA population estimates (2021)⁶⁸ indicate that the population of Camden decreased by 4.3% between the years 2011 to 2021. This growth rate is lower than the growth rate in the FEMA and Greater London, where the population increased by 4.1% and 7.2% respectively over the same ten-year period. The GLA projections up to 2050 show an increase in Camden's population by 6.9% (to 225,141) between 2021 and 2031. This is a slightly lower rate of growth than is anticipated over the same time period across the FEMA (7.0%) and Greater London as a whole (8.4%).
- 5.5.3 Camden residents are, on average, educated to a higher level than the wider region and the national average. The proportion of residents educated to degree level and above is 66.4%, compared to 66.2% in the FEMA, 59.0% in London and 43.2% in England. This is somewhat reflected in gross median weekly earnings, where gross median weekly earnings in Camden (£771.00) are higher than London (£765.40) and England as a whole (£645.80) but are lower than median earnings across the FEMA (£817.30).
- 5.5.4 With regard to occupational profiles, 67.1% of Camden's residents have managerial, professional and technical occupations (standard occupational classification (SOC) groups 1-3), which is slightly lower than the FEMA (excluding the City of London) (71.0%) but higher than the regional (63.5%) and national (51.9%) averages. The proportion of Camden residents in 'lower skilled occupations' (24.1%) is higher than the wider FEMA and London averages (17.4% and 21.1% respectively), but lower than the national average (29.0%). Job density in Camden (2.73) is appreciably lower than the FEMA average (11.48), but higher than the figure for London (1.02) and England (0.86).
- 5.5.5 The economic activity rate in Camden is 74.6%, which is lower than the FEMA (80.5%), London (79.8%) and national (78.7%) averages. Camden's employment rate (70.2%) is also lower than all comparator geographies.
- 5.5.6 The size profile of businesses in Camden is broadly similar to that of the FEMA, with the vast majority of businesses having between 1 and 9 employees (89.1% and 87.7% respectively). These figures are slightly lower than that of London (90.7%) and England (89.6%). There are 190 large businesses in Camden (businesses with more than 250 employees) out of a total of 34,525 businesses in the Borough.
- 5.5.7 The construction sector employs 2.4% of Camden's workforce, a higher proportion than across the FEMA (2.0%), but lower than across London (3.5%) and England (4.8%) as a whole. The professional, scientific & technical sector employs the greatest share of Camden's workforce (20.5%). The manufacturing sector employs 0.9% of Camden's workforce while the information & communication and business administration & support services sectors employ 12.9% and 7.4% of the workforce respectively.

⁶⁸ GLA, (2021); 2021-based projection: 15-year trend.

6. Supply of employment land

6.1 Introduction

6.1.1 This section provides a summary of the key findings and characteristics of the supply of employment land in Camden. The analysis of employment land supply was conducted through a site survey as well as desk-based research. The analysis considers which clusters are currently successfully supporting various types of occupiers as well as identifying any which are unsuitable for different use types and opportunities for intensification and redevelopment. It also recognises the wider context of the Council's commitment to providing new homes and meeting its housing targets. Housing is the priority land use within the forthcoming Camden Local Plan and therefore sites identified as being suitable for ongoing employment use may also have potential to support with providing new homes in the borough.

6.2 Types of Employment Land and Floorspace Supply

6.2.1 Two types of employment space are considered in this analysis: office employment space and industrial employment land.

6.2.2 Office employment space is defined as space falling within the following use classes:

- E(g)(i) Offices;
- E(g)(ii) Research and development; and
- Sui Generis office uses.

6.2.3 Industrial employment land is defined as being space falling within the following use classes:

- E(g)(iii) Light industrial;
- B2 General industrial;
- B8 Storage or distribution; and
- Sui Generis (SG) industrial uses.

6.3 Site Data and Identification

6.3.1 'Clusters' are defined as parcels of employment land, usually of 0.25 ha in size or more, within the Borough and can represent both designated and non-designated land. A total of 27 employment clusters throughout LB Camden were identified for survey with these denoted in this study with a 'C' prefix, followed by a number in ascending order. The identified clusters were informed by a review of the adopted Camden Local Plan (2017), the GLA's London Industrial Land Supply Study (2020), the LB Camden Employment Land Study (2014), as well as the Council's and consultancy team's knowledge of the area.

6.3.2 Since the LB Camden Employment Land Study in 2014, one industrial cluster at 187-189 West End Lane has been fully lost to non-employment uses, and therefore has not been assessed within this study. Two new clusters have been identified as meeting the land area criteria for survey based on CoStar and the London Industrial Land Supply study – C16 and C19, details of which are included below. The new C21 cluster has also subsumed two clusters within the 2014 LB Camden Employment Land Study, Hawley Crescent and Jamestown Road / Oval Road / Centric Close. Due to the loss of employment space since the previous LB Camden Employment Land Study at the Bartholomew Road site, the remaining employment land has been subsumed into the neighbouring C11 cluster at Caversham Road / Gaisford Street.

6.3.3 Table 6-1 below lists the 27 employment clusters within LB Camden alongside their reference numbers (cluster numbers), their designation where applicable, their employment uses, as

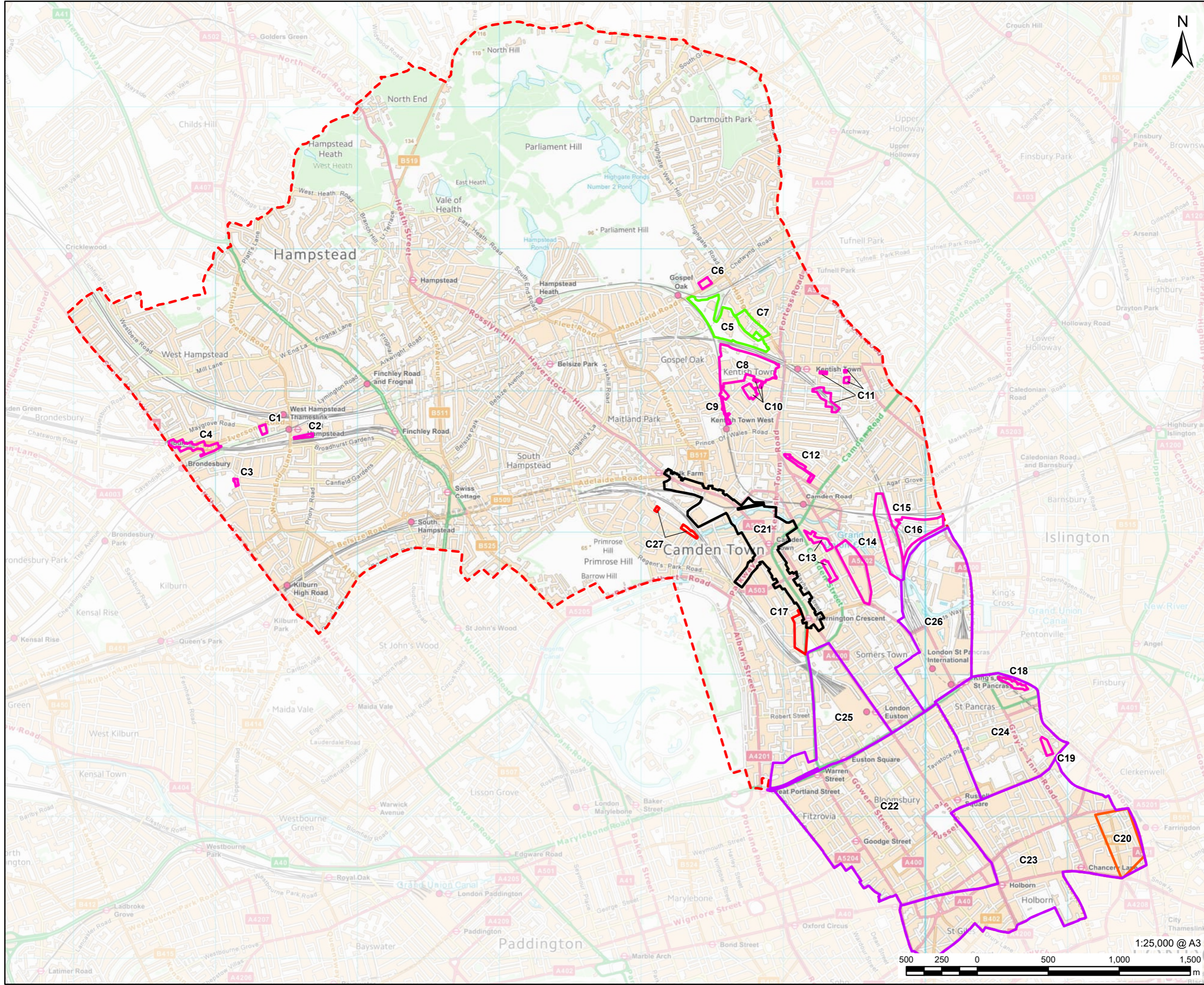
well as their size in hectares. The location of the employment clusters surveyed is shown in Figure 6-1. The employment land surveyed covers the key areas of provision and gives a representative basis from which to draw conclusions but does not include all provision within the Borough as land/floorspace below 0.25ha in size is found elsewhere. The area of each cluster displayed below includes other non-employment uses such as retail, leisure, residential and community uses, and therefore not all of this land can be considered as being part of the Borough's employment land supply. This is best exemplified in the CAZ Offices clusters (C22, C23 C24, C25 and C26) where the majority of the land area is occupied by non-employment uses.

Table 6-1 Surveyed Employment Clusters

Identifier	Name	Designation	Employment Land Uses	Area (ha)	Predominant Business Activities Observed
C1	Iverson Road East	Non-designated	E(g)(iii)	0.3	Construction
C2	Blackburn Road	Non-designated	B8	0.2	Construction
C3	Kingsgate Workshops	Non-designated	E(g)(iii)	0.1	Craft-workers and design
C4	Iverson Road West / Loveridge Road	Non-designated	E(g)(iii), SG	1.7	Construction
C5	Kentish Town Industry Area – Sanderson Close	Local Plan – Industry Area	B2, B8	7.1	Construction
C6	Gordon House Rd	Non-designated	E(g)(i), SG	0.4	Design and technology,
C7	Kentish Town Industry Area – Carkers Lane / Greenwood Place	Local Plan – Industry Area	B8, E(g)(i), E(g)(iii)	2.0	Architecture, technology, legal, storage and warehousing and marketing
C8	Regis Road	Non-designated	B8, E(g)(i), E(g)(iii), SG	7.6	Distribution and automotive
C9	Grafton Road / Wilkin Street	Non-designated	B2	0.5	Food and drink and telecommunications
C10	Holmes Road / Cathcart Street	Non-designated	B8, E(g)(i), E(g)(iii)	0.8	Engineering and digital technology
C11	Caversham Road / Gaisford Street	Non-designated	SG	1.3	Construction
C12	Rochester Place	Non-designated	E(g)(i), E(g)(iii)	0.5	Digital media, digital production and design
C13	Lyme Street / Royal College Street / Camden St	Non-designated	E(g)(i), E(g)(iii), SG	1.5	Digital technology, design, production, craft-workers, fashion, architecture and marketing
C14	St Pancras Way	Non-designated	B8, SG	4.8	Distribution and construction
C15	Camley Street	Non-designated	B2, B8, E(g)(iii)	6.2	Wholesale, food and drink, consultancy and marketing
C16	Freight Lane	Non-designated	B2	4.7	Aggregates
C17	Carreras Cigarette Factory	Non-designated	E(g)(i), SG	2.1	Fashion, digital technology and marketing
C18	Field St / Leeke St/ Britannia St / Wicklow St	Non-designated	E(g)(i), E(g)(iii), SG	0.7	Not-for-profit and production
C19	Pakenham Street	Non-designated	E(g)(iii)	0.5	Light engineering and design
C20	Hatton Garden	Local Plan – Hatton Garden	E(g)(i), E(g)(iii)	9.2	Craft-workers, legal and consultancy
C21	Camden Town Centre	Local Plan – Town Centre	E(g)(i)	27.8	Fashion, production and entertainment
C22	CAZ Offices – Bloomsbury	Non-designated – Bloomsbury Ward area	E(g)(i)	123.5	Telecommunications, consultancy, digital media, legal and Knowledge Quarter uses
C23	CAZ Offices – Holborn and Covent Garden	Non-designated – Holborn and Covent Garden Ward area	E(g)(i)	110.7	Media, consultancy, property, digital technology and legal
C24	CAZ Offices – King's Cross (south of Euston Road)	Non-designated – King's Cross Ward area ⁶⁹	E(g)(i)	48.9	Knowledge Quarter uses, consultancy and architecture

⁶⁹ This cluster is formed of the King's Cross ward area excluding the portion which is to the north of Euston Road.

Identifier	Name	Designation	Employment Land Uses	Area (ha)	Predominant Business Activities Observed
C25	CAZ Offices – Euston and Regent's Place	CAZ Offices – Euston and Regent's Place	E(g)(i)	33.8	Banking, digital media, finance and accountancy
C26	CAZ Offices – King's Cross (north of Euston Road)	CAZ Offices – King's Cross (north of Euston Road)	E(g)(i)	49.8	Digital media and production, finance, marketing, consultancy and Knowledge Quarter uses
C27	Gloucester Avenue / Chalcot Road	Non-designated	E(g)(i), SG	0.4	Digital media, architecture, craftspeople and design



LEGEND

- Camden Borough Boundary
- Cluster Designation**
- CAZ Office Area
- Camden Town Centre
- Hatton Garden
- Industry Area
- Non-Designated - Industrial
- Non-Designated - Office

NOTES

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ISSUE PURPOSE
FINAL

PROJECT NUMBER
60706011

FIGURE TITLE
Camden ENA Clusters Overview

FIGURE NUMBER
Figure 6-1

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6.4 Criteria Identification

6.4.1 In order to characterise the function, quality and development potential of each of the employment sites in Camden, a series of indicative criteria were developed in order to conduct a detailed assessment. The site appraisal criteria were primarily based on those considered in the previous 2014 ELS, and, for industry, the Land for Industry and Transport SPG (2012)⁷⁰ and the more recent GLA Practice Note on Industrial Intensification and Co-location (2018)⁷¹. The appraisal criteria were tailored based on the consultancy team's experience and the specific local context and were subsequently agreed with the Council. Table 6-2 outlines the criteria applied to the appraisal of both office and industrial sites within the clusters.

Table 6-2 Appraisal criteria for office and industrial sites

Criteria	Office	Industrial
Business use / occupier typologies	✓	✓
Main employment / land uses	✓	✓
Quality of environment and public realm	✓	✓
Access to facilities and amenities	✓	✓
Negative effects of businesses on neighbouring sensitive uses		✓
Physical site constraints	✓	✓
Land uses in close proximity		✓
Servicing of businesses in the cluster		✓
Potential for 24-hour working		✓
Parking facilities		✓
Strategic road access		✓
Access to public transport	✓	✓
Building condition	✓	✓
Vacant developable sites	✓	✓
Redevelopment of employment cluster for other uses	✓	✓
Possibilities for intensification / redevelopment.	✓	✓

6.4.2 A detailed assessment of each of the criteria set out above was undertaken for each site, comprising both desk-based investigation and site surveys which took place in May 2023. The site visits were undertaken to confirm and enhance information about the sites, thus picking up any potential information missed from the desktop research.

⁷⁰ GLA, (2012); 'Land for Industry and Transport'.

⁷¹ GLA, (2018); 'Practice Note on Industrial intensification and co-location through plan-led and masterplan approaches'.

6.5 Supply of Office Floorspace

- 6.5.1 The following section provides a description of the employment clusters which contain the majority of LB Camden’s office floorspace. The clusters are grouped into sub-groups based on the types of office floorspace present within the cluster, their designation, and their role within the Camden economy. Evidence from the analysis indicates that newer and high-grade office space generally has greater occupancy rates compared to smaller and older floorspaces, although this varies by cluster and typology. This supports findings from Savills which suggests that across Central London, higher quality office space, especially that with a focus on sustainability, is a key driver for occupiers⁷². They estimate that 92% of take-up over the last year to April 2023 was Grade A quality, 61% of which was recently refurbished or developed. Furthermore, 51% of the take-up of office space was also in buildings with a BREEAM rating (an international environmental assessment methodology for rating buildings) of ‘Excellent’ or ‘Outstanding’.

CAZ Offices Area

- 6.5.2 The CAZ Offices sub-group includes clusters of office uses located within London’s CAZ, and which provide a large proportion of the office floorspace within LB Camden. The sub-group contains five clusters as shown in Table 6-3 below.

Table 6-3 CAZ Office Employment Clusters

Identifier	Name	Designation	Employment Use Class
C22	CAZ Offices – Bloomsbury	Non-designated – Bloomsbury Ward area	E(g)(i)
C23	CAZ Offices – Holborn and Covent Garden	Non-designated - – Holborn and Covent Garden Ward area	E(g)(i)
C24	CAZ Offices – King’s Cross (south of Euston Road)	Non-designated – King’s Cross Ward area ⁷³	E(g)(i)
C25	CAZ Offices – Euston and Regent’s Place	Non-designated	E(g)(i)
C26	CAZ Offices – King’s Cross (north of Euston Road)	Non-designated	E(g)(i)

C22 CAZ Offices – Bloomsbury

- 6.5.3 The CAZ Offices – Bloomsbury cluster is located in the south west of LB Camden and includes the entirety of Bloomsbury ward. The majority of the office floorspace within the cluster is located in Fitzrovia, to the west of the cluster between Cleveland Street and Tottenham Court Road, although there are other smaller concentrations of office floorspace to the north of New Oxford Street and to the south of Euston Road.
- 6.5.4 Offices in Fitzrovia, between Cleveland Street and Tottenham Court Road, are generally newer and of higher grade than most other offices within the cluster. The typology of the area is diverse and includes mews buildings, former warehouses, 20th century townhouse buildings as well as brand new, high-grade offices. This diversity in office typology attracts a range of tenants to the area, including large multi-nationals such as Arup and Boston Consulting Group (BCG), as well as a large concentration of SMEs. Camden Council published the Fitzrovia Area Action Plan in 2014⁷⁴ to develop a vision for the area and coordinate development proposals across a number of significant sites. The Plan outlined several opportunity sites

⁷² Savills, (2023); Market in Minutes: City Office Market Watch – April 2023.

⁷³ This cluster is formed of the King’s Cross ward area excluding the portion which is to the north of Euston Road.

⁷⁴ Camden Council, (2014); Fitzrovia Area Action Plan.

within Fitzrovia which have subsequently been delivered or granted planning permission. This includes a large mixed-use development at 80 Charlotte Street which provides approximately 320,000 sqft of office floorspace and includes Arup and BCG amongst its tenants, and the refurbishment of Arthur Stanley House on Tottenham Street to provide 52,000 sqft of office floorspace with a 'BREAAAM excellent' sustainability rating.

- 6.5.5 Fitzrovia is also home to clusters in media and design, with the flagship BBC Broadcasting House located across the Borough border in Westminster helping to attract other advertising, digital media, music, and public relations companies to the area. Engineering consultant Arup and architecture firm Make, both of which are located along Fitzroy Street, also form part of an architecture and design cluster. Post-production activity from Soho has spread into Fitzrovia, contributing further to the clustering of media activities in this area. Premises in Fitzrovia benefit from their proximity to Euston National Rail Station and several other tube stations, and few vacancies are observed indicating that the varied office floorspace typologies are performing strongly, with the new high-grade developments complementing the existing typologies well.
- 6.5.6 The north east of the cluster, to the east of Tottenham Court Road and south of Euston Road, is largely dominated by the University College London (UCL) and major health and research facilities, and has become a major cluster for life sciences and Knowledge Quarter uses around the Euston Road Area. This includes University College London Hospital's Grafton Way Building which opened to patients in 2021 and houses state-of-the-art treatment facilities. The Royal National ENT and Eastman Dental Hospitals also opened in 2019 on Huntley Street and provide world-leading care for head and neck conditions. The 2020 Draft Site Allocations Plan includes an area-based policy for Bloomsbury which will now be included as part of the area strategy for the south of Borough in the 2023 Camden Local Plan. The area, known as the Bloomsbury Campus, extends over 22 hectares between Euston Station and the British Museum, and contains a concentration of university related activity in Camden. The policy aims to consolidate and increase academic space in the area, improve walkability, legibility and greenspace provision, as well as to promote the use of multi-purpose facilities that are shared with other organisations and the local community. Life science uses in the area require a variety of sizes and space requirements from their floorspaces which can make planning for their needs challenging. This was reinforced by consultation with property agents, where the different costs for life science developments compared to standard office developments was emphasised. For example, lab-enabled floorspace may require adaptations for additional plants (e.g. for air exchanges), plumbing and power upgrades, freight lifts to move equipment and specialist storage for chemicals and gases.
- 6.5.7 There are several other office buildings located amongst the educational and medical uses. This includes the Halo Building at 1 Mabledon Place, a 10-storey building that also contains office and dedicated laboratory space, Lynton House on Tavistock Square, the retrofitted nine-storey Russel House on Russell Square which was originally built in the 1940s and now contains serviced office and co-working space, and Hamilton House on Mabledon Place, a five-storey building from the 1910s which is currently occupied by the National Education Union and Arcus Consulting. The south side of Euston Road is also home to tall buildings occupying large footprints including multiple purpose-built office and institutional uses at numbers 297 to 371, 307 to 317 and 83 to 117, as well as the Wellcome Trust's head office at 215 Euston Road. Few vacancies are observed within this area, likely reflecting its strategic location to regional and international transport links as well as a more general trend for tenants to value high quality or newly retrofitted space to conduct their operations.
- 6.5.8 A large number of retail units occupy the ground floors of buildings along Tottenham Court Road itself, with office floorspace located on the floors above. This includes several large office buildings at the southern end of the road. The Manufactory is a new c. 5,000 sqm = office space located in the refurbished Heals Building, towards the northern end of the road. Other office buildings are located to the east of Tottenham Court Road along Alfred Place, Store Street and Morwell Street amongst others. The office stock in this area also varies in typology but is generally in good condition and appears to have few vacancies, despite being generally older than the office blocks in Fitzrovia. Amoco House, located to the west of Tottenham Court Road, is amongst the largest office buildings in this area. Built in the 1970s, it provides nine-storeys of office floorspace and is occupied by a variety of businesses including Freuds PR firm and Dermalogica cosmetics manufacturer. Office floorspace at the

northern end of the road is primarily located in four to six-storey former town houses, characterised by high ceilings and large windows. There are a larger number of vacancies in buildings of this typology, with prospective tenants looking for smaller offices appearing to prefer alternative typologies such as mews buildings and town houses like those provided in neighbouring Fitzrovia. A co-working space is notable at the Building Centre on South Crescent off Tottenham Court Road.

- 6.5.9 The arrival of the Elizabeth Line to Tottenham Court Road Underground Station has provided a catalyst for regeneration in the area and helped attract investment to develop a number of larger sites. This includes the 'BREAAAM excellent' rated 1 Bedford Avenue, which was built in 2017 and provides c. 7,000 sqm of office space over seven floors, as well as the redevelopment of a site between 247 Tottenham Court Road and 3 Bayley Street into an office-led mixed-use development which is currently under construction. The Council have also invested in improvements to the street environment along Tottenham Court Road and surrounding streets to make the area more pedestrian and cycle-friendly, as well as delivering a new public park in Alfred Place.
- 6.5.10 New Oxford Street to the south of the cluster also provides a number of large high-grade office buildings and links Bloomsbury to the major employment hub of 'Midtown', an area of Camden encompassing Holborn and Chancery Lane. This includes 70 New Oxford Street which was completed in 2015 and provides 1,700 sqm of office space, The Bloomsbury Building was constructed in the 1940s but refurbished in 2015 and provides approximately 23,600sqm of office space, as well as LABS House, a newly renovated nine-storey building with c. 8,000 sqm of office space including co-working space. To the south of New Oxford Street lies The Post Building, a former Royal Mail sorting office which was redeveloped in 2018 to provide c. 27,000sqm of office space as well as retail and residential floorspace. Tenants of the Post Building include McKinsey & Co and Nationwide Building Society. There is also flexible workspace and workspace targeted at SMEs at 23 Southampton Place and 1-5 Southampton Row. The low observed vacancies in the large and newly retrofitted or refurbished buildings in this area evidence the growing popularity for such properties across the CAZ in Camden.

C23 CAZ Offices – Holborn and Covent Garden

- 6.5.11 C23 – CAZ Offices – Holborn and Covent Garden lies to the south of C22 – Bloomsbury and continues east to the border with LB Islington. It comprises Holborn and Covent Garden ward (excluding Hatton Garden) and contains a broad range of office typologies. The cluster forms an important part of London's CAZ and forms a link between the City of London in the east to the West End. Within the 2020 Draft Site Allocations Plan, an area policy was identified for the cluster which will now be included as part of the area strategy for the south of the Borough in the 2023 Camden Local Plan.
- 6.5.12 The largest offices in the cluster are located to the south of New Oxford Street around Holborn, including Centre Point and Central Saint Giles. The area is also attracting new office developments as evidenced by the construction of the Earnshaw building to the north of Central Saint Giles which will become the headquarters of pharmaceutical multi-national Glaxo Smith Kline in 2024. These offices benefit from the highly central location and their proximity to Tottenham Court Road and Oxford Street. The modern offices are complemented by a range of converted warehouses and former industrial buildings along Flitcroft Street which are home to a range of small to medium sized premises. Denmark Street, located to the west of Central Saint Giles, retains a long association with the music industry, and includes a number of office premises occupied by music producers and agents, as well as recording studios. There is evidence that other smaller buildings in less well-configured premises within this area are considered less desirable to prospective tenants, with vacancies in mid-20th Century buildings as well as in offices located above retail units. A large proportion of the area also falls within the Tottenham Court Road Growth Area, designated within the 2017 Camden Local Plan. The designation aims to take advantage of the introduction of the Elizabeth Line and to provide 5,000 new jobs across both the Westminster and Camden portions of the Growth Area, as well as improve the public realm.
- 6.5.13 The area in the south west of the cluster, including Seven Dials, is largely dominated by retail use but also supports a wide range of businesses in smaller premises or in office premises located above street level. In particular, the smaller typology of buildings and concentration of

boutique offices around Seven Dials and the wider Covent Garden area supports a cluster of creative firms, including those operating in the film, television and production industries, as well as in marketing and IT. Office buildings in this area vary in age, but generally accommodate five to six floors of office space. There are a small number of vacancies in this area, but in general evidence suggests that the office market in this area is well-performing.

- 6.5.14 The 'Midtown' area lies at the centre of the cluster and accommodates a large concentration of office premises, primarily focused along the main thoroughfares including, Shaftesbury Avenue, Kingsway, High Holborn and Southampton Row. The largest of the office buildings in this area is the MidCity Place building on High Holborn, a modern office building built at the turn of the millennium and whose occupants include Skipton Building Society and Verizon. Other offices are located in six to nine-storey buildings ranging in age, with limited to no evidence of vacancy observed. A number of co-working offices are also located around Holborn, including three WeWork offices on Bedford Row, Waterhouse Square and Kingsway (correct as of November 2023), and a Work.Life office on Red Lion Street. The area to the north and east of Holborn Underground Station was identified as a Growth Area in the 2017 Camden Local Plan.
- 6.5.15 Lincoln's Inn is located in the south east of the cluster. The building typology is notably different from the rest of the cluster, characterised by tall four to five-storey buildings, some of which date back to the 17th and 18th Centuries. Lincoln's Inn has long been associated with the legal practice and the offices in this area are still largely occupied by law firms and chambers. Buildings around Lincoln's Inn Fields appear to be well maintained. Despite this, there are offices to let on the western side of the open space in a seven-storey building with high ceilings and single pane sash windows. Consultation with the Council and other stakeholders indicates that these buildings are more difficult to let because they are of lower grade than surrounding properties in Holborn and Chancery Lane, although there is some demand from occupiers of educational uses, who are less concerned by the grade of the building. High Holborn lies directly to the north of Lincoln's Inn and contains a range of office types.
- 6.5.16 The northern portion of the cluster to the south of Coram's Field is characterised by three to four-storey town houses, many of which have retail units on the ground floor. The streets are narrower and quieter, and some of the buildings accommodate small office buildings on the first and second floors. These buildings are generally of good quality for their age and had few vacancies despite not being purpose-built for office use. There are several landmark offices including Lacon House on Theobalds Road which is able to accommodate larger tenants. There are also a small number of larger office blocks on Gray's Inn Road, including 222 Gray's Inn Road and the ITN building. The building at 222 Gray's Inn Road is a large seven-storey, purpose-built office which was built in the 1970s. It is still well occupied but does have several vacancies. Given its age, it is considered lower grade than the neighbouring ITN building, which provides office space across nine floors and was built in the 1990s.

C24 CAZ Offices – King's Cross (south of Euston Road)

- 6.5.17 C24 is located to the south east of King's Cross Station and comprises the portion of King's Cross ward which lies to the south of Euston Road. The cluster contains fewer offices than the other CAZ Offices clusters, and in general offices in this area are smaller and of lower grade. Most of the office floorspace within C24 is located along Gray's Inn Road running north to south across the centre of the cluster. Much of the office space along this road is located on the first and second floors of former town houses with retail units located below on the ground floor. The quality of these buildings varies, with some well maintained and recently refurbished, while others appear to be poorly maintained, including a disused solicitors office on the corner of Cromer Street. There is some notable vacancy within these properties, particularly to the north of Gray's Inn Road close to King's Cross Station.
- 6.5.18 However, there is evidence of rising interest in sites on Gray's Inn Road from developers, particularly those sites where Knowledge Quarter uses can be provided. This includes the redevelopment of 330 Gray's Inn Road where a mixed-use development has received planning approval and will result in a net increase of 13,000 sqft of office floorspace including affordable workspace. Planning applications have also been submitted for the redevelopment of 85 Gray's Inn Road and 100 Gray's Inn Road / 127 Clerkenwell Road. At both sites, the applicant's vision includes new office floorspace and the delivery of floorspace which could

support Knowledge Quarter uses. In 2021, UCL began construction works for a new neuroscience centre at 256 Gray's Inn Road, which will include the new National Hospital for Neurology, as well as the headquarters of the UK Dementia Research Institute. Other major planning applications have also been received at 300 Gray's Inn Road, 156-164 Gray's Inn Road / 38 Mount Pleasant which will include provision of new office floorspace. The US biopharmaceutical multinational MSD are redeveloping the Belgrove House site to the south of Euston Road opposite King's Cross Station to provide a new £1bn UK head office and discovery centre. The centre will include approximately 270,000 sqft of office and laboratory floorspace to support Knowledge Quarter uses.

- 6.5.19 There are also many small offices and buildings providing studio / workshop space in the north east of the cluster with creative industries occupying some of this space, including C 18 – Field St / Leeke St/ Britannia St / Wicklow St. Some of the studios and offices are housed in former light industrial and storage buildings, reflecting the industrial heritage of the King's Cross area. These buildings appear to be well occupied, however there are several vacancies in smaller office blocks or offices in converted town house buildings in this area. The public realm within cluster C24 is generally worse than the other two CAZ Offices clusters, but it does contain several green spaces which are well kept and provide amenity space. The area is well located close to King's Cross Station and St Pancras International Station to the north, and Chancery Lane to the south.

C25 CAZ Offices – Euston and Regent's Place

- 6.5.20 A large proportion of the cluster is taken up by Euston Station itself and building sites for the planned HS2 station expansion. A small amount of office space is in the south west corner of the Euston Growth Area around Tolmer Square and to the south of Stephenson Way. Smaller offices are also located on the upper floors of former town houses above ground floor retail units along Euston Street and Drummond Street. These buildings are generally in a good state of repair and the bars and restaurants in the area create a busy and lively environment. Despite this, there are several vacancies in the smaller first and second floor offices. While offices in this location benefit from proximity to the national and international rail stations, they are also challenged by larger, higher grade and purpose-built office blocks in Regent's Place and to the south around Warren Street which lies outside of the cluster. There are a number of vacant buildings or buildings with a meanwhile use which could potentially provide development opportunity for employment space. This includes a former school on Starcross Street. There is also a notable large six-storey building, The Eversholt (163-203 Eversholt Street), located in the north of the cluster accommodating technology and fashion businesses.
- 6.5.21 To the south west of the cluster lies Regents Place, a site characterised by modern office buildings and also includes the New Diorama Theatre. The largest building within the cluster is Euston Tower, a 36-storey office building which was built in 1970 but has been vacant since 2021. British Land owns the building and have a vision to redevelop the site as part of wider efforts to grow a cluster of science, technology and innovation uses at Regents' Place. . Currently, Euston Tower appears dated and in a poor condition, with damage to some of the external panelling.
- 6.5.22 Other large buildings in the cluster include 10 Brock Street, a 16-storey high-grade building built in 2013 and which is occupied by Meta amongst others, and 2 Triton Square which is the head office of Santander Bank UK and provides approximately 20,000 sqm of office floorspace. The building at 1 Triton Square has been recently refurbished in 2021 and consultation with property agents identified that they are now looking to repurpose space for life sciences within this estate. Nearby 338 Euston Road, operated by Storey, provides c.11,500 sqm of office floorspace over 17-storeys as one of their several locations across London. The remainder of the office buildings in the cluster are all between four and seven-storeys and have been built within the last 20 years. Excluding Euston Tower, all other office buildings within the cluster are in very good condition and are surrounded by high-quality public realm. Regent's Place has good transport links, being in close proximity to Euston Rail Station as well as Great Portland Street, Warren Street and Euston Square underground stations.
- 6.5.23 Some of the vacancies observed in this cluster could be partly explained by the ongoing development and leases expiring such as 1 Triton Square as some companies reassess their

floorspace requirements. Floors at 1 Triton Square currently being refitted as laboratory space to meet buoyant demand from such occupiers is a sign of the enduring strength of the area as a location for science, technology and innovation occupiers. That both Regent's Place and King's Cross Central area are managed by one property company: (British Land for the former and Argent for the latter) also provides the benefit of allowing them to manage the overall tenant mix as part of a wider vision and strategy for these landholdings.

- 6.5.24 In 2015, Camden Council jointly published its Euston Area Plan⁷⁵ along with the GLA and TfL to provide a long-term planning framework to guide transformational change in the Euston area. The Plan includes a commitment to provide between 180,000 and 280,000 sqm of employment floorspace, including office uses and a cluster of knowledge based, research and creative uses to help realise Camden Council's shared vision for the Knowledge Quarter. The Plan states that 30% of all commercial floorspace should be dedicated to Knowledge Quarter uses.

C26 CAZ Offices – King's Cross (north of Euston Road)

- 6.5.25 C26 King's Cross (north of Euston Road) extends from Euston Road in the south and includes King's Cross Central to the north. It contains the King's Cross Growth Area as designated in the 2017 Camden Local Plan, and as such, the cluster has seen a large amount of redevelopment over the last 10 to 15 years. The area to the north of King's Cross Station known as King's Cross Central has been regenerated to provide a large supply of new and high-grade office floorspace and has attracted a range of large multinational tenants including Sony Music and Meta. The regeneration of the area has also provided a range of amenities including shops, schools, and brand new green and blue spaces. University of the Arts London Central St Martins were the first tenant at King's Cross Central in 2011 and their presence has helped to catalyse the wider regeneration in this area as a major employer.
- 6.5.26 The south of the cluster, between St Pancras Station and King's Cross Station also contains large high-grade offices which benefit from their strategic proximity to the two stations. Google UK's head office is located at 6 St Pancras Square and contains 49,400 sqm of high-grade floorspace, built in 2015, and Universal Music are located at 4 St Pancras Square which houses c.17,000 sqm of office floorspace. The presence of Meta, Sony Music, Google and Universal Music has helped to develop a digital, media and music production cluster, with other smaller companies such as record company Island Records and software company SPCE Group locating in the area.
- 6.5.27 Investment in office floorspace in the area is continuing with construction of Google's landmark KGX1 building located between King's Cross and St Pancras Stations. The building will provide approximately 60,000 sqft of office space and will form part of a Google digital technology 'campus', contributing to the provision of Knowledge Quarter uses in the Borough.
- 6.5.28 The Francis Crick Institute, a biomedical research institute located to the west of St Pancras Station, also provides additional Knowledge Quarter uses and complements the 11 higher education facilities which are located in the wider Euston and King's Cross area. The state of the art building, which was opened in 2016, includes approximately 29,000 sqm of laboratory space and approximately 230,000 sqft of associated write-up space. The site to the south of the Francis Crick Institute has received planning permission for an extension of the British Library. The extension will provide a new home for the Alan Turing Institute for computer science and artificial intelligence, as well as new laboratory-enabled commercial office space suitable for further Knowledge Quarter uses.
- 6.5.29 Within the CAZ area of Camden, rental values are consistently high in Covent Garden compared to other areas of the Borough, where Grade A⁷⁶ office space is rented for between £75.00 to £85.00 per sqft⁷⁷. This compares to average rents between £67.50 and £82.00 in Holborn and Bloomsbury and £65.00 and £82.50 in Midtown as shown in Table 6-4 below. There is a similar geographic pattern for Grade B office space⁷⁸. The highest rents are found

⁷⁵ GLA, TfL, Camden Council. (2015); Euston Area Plan.

⁷⁶ Grade A office space is defined as new or recently developed office buildings. They are finished in order to compete for premier office users. They may contain raised floors, suspended ceilings, or new HVAC systems.

⁷⁷ Oktra, (2023) The London Office Rent Report 2023.

⁷⁸ Grade B office space is defined as being buildings that are finished to a good or fair standard, where functional materials are used and that contain adequate facilities.

in King’s Cross where the most sought-after Grade A space is rented for £87.50, however less desirable Grade A office space and Grade B office space is less expensive than in the more central areas.

Table 6-4 Average Prime Rental Values in Camden

Area	Grade A Office Space	Grade B Office Space
King’s Cross and Euston	£65.00 to £87.50	£50.00 to £67.50
Covent Garden	£75.00 to £85.00	£55.00 to £72.50
Holborn & Bloomsbury	£67.50 to £82.50	£62.50 to £65.00
Midtown	£65.00 to £82.50	£50.00 to £67.50
Camden & Kentish Town	£45.00 to £60.00	£40.00 to £60.00

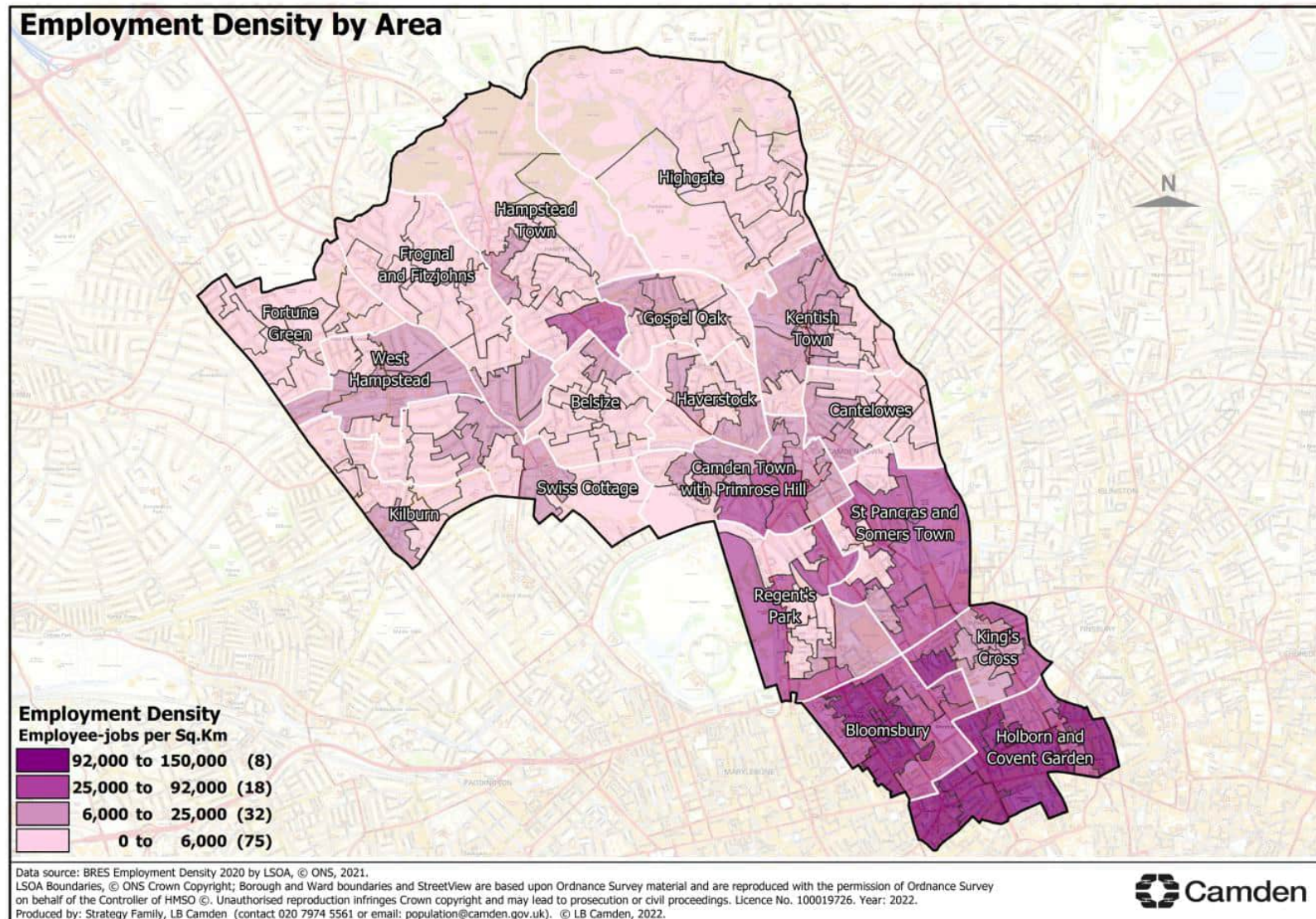
Source: Oktra. (2023); The London Office Rent Report 2023.

- 6.5.30 The high rental values in Bloomsbury, Covent Garden and Holborn & Bloomsbury explain the lower vacancy rates noted above and the strong demand for the newly developed and retrofitted space which has come forward over the past decade, as well as the importance of proximity to transport links for prospective tenants. However, the high rental values amongst Grade B office space may be acting as a barrier to SMEs and start-ups in the area which are then displaced to areas with lower rental values such as Camden & Kentish Town.

Employment Density

- 6.5.31 Figure 6-2 displays the employment density (jobs per square kilometre) across the Borough. Of the CAZ clusters outlined, C23 – Holborn and Covent Garden has the highest employment density which reflects the large number of offices described above and its importance to the Camden and Greater London economies. It is followed by C22 – Bloomsbury, while C24 – King’s Cross has the lowest density of the three clusters reflecting the smaller number of offices and their comparatively smaller size.

Figure 6-2 Employment Density by Area in LB Camden



Other Office Clusters

- 6.5.32 A number of the other smaller clusters together provide a large quantum of office floorspace within the Borough and play an important role in the supply of high-grade office stock within the Borough. This includes Camden Town Centre which is a designated Town Centre in the Camden Local Plan (2017), a cluster around Mornington Crescent, and a cluster around Gloucester Road in Primrose Hill as listed in Table 6-5.

Table 6-5 Other Office Employment Clusters

Identifier	Name	Designation	Employment Use Class
C17	Carreras Cigarette Factory	Non-designated	E(g)(i), SG
C21	Camden Town Centre	Local Plan – Town Centre	E(g)(i)
C27	Gloucester Road / Chalcot Road	Non-designated	E(g)(i)

C17 Carreras Cigarette Factory

- 6.5.33 C17 is located in Mornington Crescent, to the north of the Euston Opportunity Area. The cluster includes the Carreras Cigarette Factory, an art deco building built in the 1920s, and which is now used as office space for a number of large organisations including ASOS and the British Heart Foundation. The building provides a large amount of high-grade office floorspace across its six floors. There is additional office floorspace to the north of the cluster on Carlow Street, where the University and College Union (UCU) head offices are located, in a formerly industrial building. This office is not of the same quality as the landmark Carreras building but it is still in good condition and provides a large area of office floorspace across four floors. The UCU offices sit opposite Carlow House, a former industrial building which has recently been converted into housing and lost from the supply of industrial floorspace.

C21 Camden Town Centre

- 6.5.34 C21 includes all of Camden Town Centre as designated within the Camden Local Plan (2017). The Town Centre forms the largest employment centre outside of the CAZ within the borough, with retail and leisure being balanced by a large supply of office floorspace. The typology of office spaces vary across the cluster. The largest office buildings are located close to Camden Town Underground Station on Hawley Crescent and Jamestown Road and are generally high-grade. Tenants in this area include food and catering firm SSP Group, Starlizard consulting, H Bauer Publishing, fashion retailer Dr. Martens, and Paramount International Networks television studios. There is no obvious evidence of vacancies in these buildings and demand appears to be strong. Along the High Street there are numerous small office spaces located on the first floor of buildings above retail units. These buildings are typically former town house buildings and are not purpose-built for office use; consequently, they are lower grade than the larger purpose-built offices on Hawley Crescent. There are also several vacancies within these buildings on the High Street.
- 6.5.35 To the north of the cluster close to Chalk Farm Underground Station, there are more purpose-built offices. These are generally older than the offices in the centre of Camden Town and are of lower grade. There is evidence of a small number of vacancies within some of these buildings.
- 6.5.36 Camden Town also has a Business Improvement District (BID) which has been highly active in promoting business in the area through working to fund a business rates relief scheme for small businesses and start-ups.

C27 Gloucester Avenue / Chalcot Road

- 6.5.37 C27 comprises several office buildings which vary in size, some of which provide important space for SMEs, start-ups and craftspeople. The cluster is located beyond the West Coast Mainline railway, to the west of Camden Town Centre, a few minutes' walk from Chalk Farm

Underground Station to the north. The cluster includes Primrose Business Centre on Gloucester Avenue which provides over 30 small, serviced office and studio units suitable for SMEs and start-ups, as well as Vineyard Business Centre which provides small, newly refurbished small office spaces ranging from 125 and 400 sqft and is also suitable for SMEs and start-ups. Additional space for small businesses, start-ups and craftspeople is available at Primrose Hill Courtyard and Utopia Village, making the area important for facilitating new business registrations and fostering small business growth. The Primrose Hill Courtyard forms a cluster of creative workspaces set around a mews, with some vacancy evident. Utopia Village on Chalcot Road provides 12 small, serviced units suitable for SMEs and start-ups.

- 6.5.38 Further office space is located within 122a Gloucester Avenue, The Courtyard on Gloucester Avenue, Iron Bridge House, and Berkeley Works, a former factory which has been converted into office space offering a range of unit sizes.

6.6 Hatton Garden

- 6.6.1 The Hatton Garden (C20) area is located in the south eastern corner of LB Camden, within the CAZ. It is a renowned jewellery quarter within London and the centre of the diamond trade in the UK and contains a number of light industrial workshops used by Hatton Garden's jewellers. Hatton Garden is a designated area within the Camden Local Plan (2017) and is subject to policy E2 which seeks to protect the workshop space within the area. In addition to the workshops, there are a range of office buildings within the Hatton Garden area. These vary in height from four to eight stories and also vary greatly in age and include former Georgian townhouses, 1930s blocks, 1970s offices as well as more contemporary offices.

Light Industrial Floorspace

- 6.6.2 The Hatton Garden Creative Enterprise Zone Baseline and Evidence Report (2017)⁷⁹ conducted a survey of jewellery businesses within Hatton Garden and identified a total of 492 businesses in 2017, of which 98% were considered to be micro or small (0-9 employees). During the site visit conducted as part of this ENA, few vacancies were observed among the jewellery workshops within Hatton Garden. These workshops are often small in size and located on the ground or first floors of buildings. They are generally located in older properties and are of good quality, although some workshops appear tired and worn. There is very limited on-street parking to serve these workshops, although the nature of the work means that servicing from vehicles is limited. The area is well located close to Farringdon and Chancery Lane Underground Stations. The small size of the workshops and their location interspersed with office buildings means that intensification of industrial use in this area is difficult without the conversion of neighbouring office spaces. Consultation with property agents revealed that the Hatton Garden area is also becoming increasingly popular with media and digital companies, which has resulted in spaces suitable for jewellers being converted to accommodate these higher value tenants and uses. As such, while it is recognised that the inclusion of light industry within Use Class E presents a threat to this space, policy should aim to protect the supply of such workspaces from conversion to office spaces.

Office Floorspace

- 6.6.3 The site visit identified a large number of vacancies within office buildings across the Hatton Garden area. Vacancies are present across all building typologies and office grades including smaller town house conversions as well as newly-refurbished office buildings such as the Johnson Building on Hatton Garden. This indicates weak demand for office space in the area when compared to other office clusters within the Borough. There are a number of higher grade co-working office spaces including a WeWork and The Record Hall, although their usage is uncertain.
- 6.6.4 Ely Place, to the south of the cluster, includes a number of late 19th Century buildings which have been refurbished to provide very high-grade office space, including Audrey House. These buildings are in a very good condition and the quality of the environment is very high. They are also generally well occupied although some vacancies remain.

⁷⁹ Camden Council, Regeneris, We Made That, Tom Flemming, (2017); Hatton Garden Creative Enterprise Zone Baseline and Evidence Report.

6.7 Industrial Land Supply

- 6.7.1 Industrial employment land is defined as being land falling within the industrial uses identified in the GLA London Industrial Land Supply Study (2020). This includes both 'core' uses such as general industry and warehousing, as well as 'wider' uses, such as land for transport functions, utilities, waste management and recycling, as well as 'vacant' industrial land.
- 6.7.2 A review of industrial land stock identified in the London Industrial Land Supply Study (2020) was undertaken during the site visit. This identified that the total amount of industrial land within LB Camden had fallen to 34.9 ha at the time of the site visit from a previous total of 36.1 ha in 2020.
- 6.7.3 There are two designated industrial sites within the Borough (C5 and C7) which together form the Kentish Town Industry Area, and comprise 8.5 ha of industrial land. However, most of the industrial land lies within non-designated industrial employment sites of over 0.25 ha in size. Two industrial sites which comprise less than 0.25 ha, C2 – Blackburn Road and C3 – Kingsgate Workshops, have been retained from the previous 2014 Camden Employment Land Study due to proximity to a wider development site and due to the provision of locally important affordable workspace respectively. Industrial land on sites smaller than this is also present throughout the Borough, which whilst not surveyed, contribute a small amount of industrial employment land to the supply position recorded in LB Camden. This section describes both the designated and non-designated industrial employment clusters within LB Camden.

Designated Sites

- 6.7.4 Within LB Camden, there are two designated industrial areas (C5 and C7) which are located close to Kentish Town and provide a large proportion of the supply of industrial land within the Borough.

C5 Kentish Town Industry Area – Sanderson Close

- 6.7.5 C5 is formed of one large site owned and operated by Murphy Group, an engineering and construction company, and is currently in general industrial (B2) and warehousing (B8) use. The cluster contains several loading bays and other areas for loading vehicles, as well as ample space for parking on-site. The cluster is flood lit, which along with its location away from residential properties, affords the potential for 24 hour operation. Although the buildings on the site are old and well used, they are generally in a good condition. The site is constrained by narrow access routes which are unsuitable for large and medium sized vehicles and may result in some traffic on local roads as well as noise pollution from heavy goods vehicles (HGVs). The site is well located to serve London's CAZ, although this is perhaps limited by its location away from strategic routes connecting to it. The size of the site and its location away from residential properties makes it suitable for further intensification or redevelopment to accommodate additional uses. Consultation with property agents revealed that due to its size, the site has already attracted attention from developers for housing-led development. To date, proposals have been resisted so as to protect the existing industrial uses. Consultation therefore reiterated the need for future policy to protect the existing industrial uses and balance these with the need for housing in the Borough.

C7 Kentish Town Industry Area – Carkers Lane / Greenwood Place

- 6.7.6 Bordering C5 to the north east, C7 is near Kentish Town Centre and Kentish Town Station. The cluster comprises several sites across a variety of uses including, B8, E(g)(i), E(g)(iii) and SG. The largest site within the cluster is Highgate Studios which contains offices, including some studio spaces, as well as some light industrial workshops (E(g)(iii)) and non-employment uses. These are located in a number of old industrial buildings ranging from three to six stories and which have been recently refurbished to be in good condition. The complex provides a variety of spaces (from 60 sqm), including flexible leasing arrangements, to support a concentration of media, communications, and manufacturing businesses. An additional industrial building that neighbours Highgate Studios is yet to be refurbished and appears to be at least partially vacant. In March 2023, an Environmental Impact Assessment (EIA) Screening Opinion was submitted as part of a planning application for the partial

redevelopment of the Highgate Studios site, including the provision of c. 1,200 sqm of additional office floorspace alongside ancillary facilities such as a cycle hub and nursery.

- 6.7.7 The south east of the cluster along Greenwood Place includes a storage warehouse (B8), an old industrial building containing offices (including vacancies) (E(g)(i)) and a newly renovated building which also has space for offices and studios (E(g)(i)). An area of the cluster which was formerly in industrial use has recently been redeveloped into Greenwood Community Centre and has therefore been lost from the stock of industrial employment land. The cluster is well located off Highgate Road, close to the centre of Kentish Town and associated amenities and transport links. There is limited on-site parking to service the storage warehouse and light industrial uses within Highgate Studios. There is likely to be limited potential to intensify industrial floorspace within the cluster due to the presence other uses such as the community centre and the offices within Highgate Studios.

Non-Designated Sites

- 6.7.8 The remaining 16 clusters that were surveyed are non-designated and contain industrial employment floorspace. These are spread geographically but are generally located in the north and centre of the Borough. The exceptions are C18 and C19 which are located within the CAZ portion of the Borough.

C1 Iverson Road East

- 6.7.9 Cluster C1 is located in West Hampstead in the north west of LB Camden. The cluster contains one E(g)(iii) site used by a decoration business amongst others. A former industrial site located on Liddell Road is now being redeveloped for housing. The cluster is characterised by good quality buildings and small warehouses, along with very good public realm. The cluster contains on-site parking in proportion to the small size of the site. The cluster benefits from its proximity to amenities within West Hampstead town centre including a range of public transport options. The narrow access route along a residential road makes the cluster unsuitable for HGVs and further intensification of the cluster. The cluster is also located away from strategic roads and is likely not well placed to be for servicing London's CAZ.

C2 Blackburn Road

- 6.7.10 Cluster C2 is also located near West Hampstead town centre and associated local amenities, including a range of public transport links. It is comprised of one site bounded by a railway to the south and Blackburn Road to the north. The site is in B8 use and is occupied by a building materials supplier. The buildings and outdoor storage sheds are in good condition and the public realm surrounding the cluster is well kept with good street lighting. The cluster's location bordering the railway and the narrow access road are likely to prevent further intensification of the industrial uses on the site. Blackburn Road is only wide enough to accommodate HGVs and vans in one direction which may cause access issues. This constraint is exacerbated by the lack of on-site parking and loading areas which results in a number of vans parked along the road. A site to the north of the cluster at 156 West End Lane, which was formerly in industrial use, is currently being redeveloped into a residential led mixed-use development.
- 6.7.11 The whole of the cluster is located within the West Hampstead Interchange Growth Area as allocated within the 2017 Camden Local Plan. This was followed by the publication of the West End Lane to Finchley Road Supplementary Planning Document (SPD) to guide development of the area. The SPD identifies the need to provide a high-quality pedestrian route linking West End Lane and Finchley Road, and the Blackburn Road site provides one option for this route. The Blackburn Road site is now subject to a planning application as part of a large redevelopment of the O2 Centre site in neighbouring Finchley Road. The application aims to deliver approximately 1,800 new homes along with up to 16,700 sqm of employment floorspace. The Blackburn Road site will potentially play a pivotal role in the master planning for the emerging O2 Scheme due to its gateway location and Camden Council has approved an outline proposal involving redevelopment of the builder's merchant. Transport for London have also identified the site as a suitable location for a compound to facilitate improvements to the adjacent West Hampstead Underground Station, which the O2 Centre development will help to fund.

C3 Kingsgate Workshops

- 6.7.12 C3 Kingsgate Workshops is a small cluster comprised of a single site within Kilburn in the north west of LB Camden. The site contains a single three-storey building which houses a number of small workspaces and studios currently in E(g)(iii) use. The sizes of the workshops are likely to be suitable for SMEs and start-up craftspeople. There are no obvious vacancies within the building. The building is located in a residential area and close to a school, and as such there is limited opportunity for intensification of the site. The building is an old industrial structure, approximately 100 years old, and is in a poor condition with single glass windows and wooden window frames, some of which are cracked. The access road is quiet and well maintained with no litter and good street lighting. The cluster is located a short walk away from Kilburn High Road town centre and Brondesbury Overground station. The LB Camden ELS (2014) identified an area of industrial land within the cluster to the west of Kilburn Grange Park which has since been redeveloped for residential use. Although this cluster provides fewer

than 0.25ha of employment floorspace, it has been retained within the study due to the significance of the small workshop space to the local economy.

C4 Iverson Road West / Loveridge Road

- 6.7.13 C4 is a collection of small sites located along and underneath a trainline in Kilburn in the north west of LB Camden. Businesses operating from sites within the cluster include auto services (SG), a yard for a building materials supplier (E(g)(iii)), a tyre retailer (SG), and a car wash (SG). The buildings are largely in a poor condition with the exception of the building materials supplier where storage areas are generally in a good condition. The public realm is largely poor with litter on the pavements and railway underpasses restricting light. There is some noise pollution associated with the building materials yard and the automotive services, as well as a large number of HGVs entering and exiting the cluster. The location of the sites under railway arches along with residential properties surrounding the cluster means that there is limited opportunity for redevelopment, expansion or 24-hour working. However, the site does benefit from its location off Kilburn High Road, a major artery into Central London, as well as from local amenities such as Kilburn Underground Station.

C6 Gordon House Road

- 6.7.14 C6 is formed of two adjacent sites located on Gordon House Road in Kentish Town. One of the sites has been converted from former industrial use and is now used for office space (E(g)(i)) offering a range of office sizes, including space for small SMEs and start-ups. The building is an old Victorian structure which has recently been refurbished to a high standard, and the associated public realm is also of high-quality. There is currently a large number of vacancies within the building, but this is likely because it has only recently been refurbished and the space is yet to be let. There is limited parking within the site, though it is well connected by public transport with Gospel Oak Overground Station only a short walk away.
- 6.7.15 The remainder of the cluster is operated by Kwik Fit automotive repairs (SG). This building is of lower quality compared to the newly refurbished office building but is still in good condition. It has limited off-road parking which may lead to vehicles spilling out into neighbouring residential parking spaces. There are no other apparent negative effects on neighbouring properties emanating from the uses on the site such as noise. The garage is small in size and given the parking constraints, there is no opportunity for further intensification or redevelopment of the site.

C8 Regis Road

- 6.7.16 C8 is a large cluster comprising a number of occupants and was formerly designated as an Industry Area in the Camden Core Strategy (2010)⁸⁰, although the subsequent Camden Local Plan (2017) removed this designation. The largest occupants within the cluster are UPS and Royal Mail (both B8 uses), a car dealership (SG), a roofing company (E(g)(iii)), a wholesaler (B8), and a number of small light industrial workshops ((E(g)(iii)) are also located within the cluster. In addition, there is a limited amount of office floorspace (E(g)(i)) and some dark kitchens (SG) located on Regis Road within the cluster. One large warehouse building to the south of the Royal Mail depot appears to be vacant. The public realm within the site is considered to be average, with some litter and weeds, although flood lighting ensures the cluster is well lit and may be suitable for 24-hour working. Approximately three quarters of the buildings within the cluster are in good condition, including the UPS and Royal Mail depots. The remainder of the buildings are aged and in a poor condition, including the vacant site to the south of the cluster.
- 6.7.17 Given the large amount of storage and distribution floorspace within the cluster, there are a n appropriate number of loading bays across the sites within the cluster which ensures that HGVs can be loaded efficiently. The cluster also contains a large amount of dedicated parking space. The cluster is well located to serve London's CAZ as demonstrated by the demand for B8 floorspace within the cluster. One likely limitation is the access route that leads directly through Kentish Town Centre and may be subject to large volumes of traffic, especially with HGVs from C8 using the network. However, the cluster is located away from residential and community uses, and there is opportunity to further intensify or redevelop the cluster to

⁸⁰ Camden Council, (2010) Camden Core Strategy.

increase industrial floorspace or introduce other employment floorspaces such as offices. For example this may be the case for large, low-rise sheds which were not purpose-built for the storage and distribution use they currently serve and therefore do not use the space efficiently.

- 6.7.18 The 2017 Camden Local Plan identified this site as a Growth Area suitable for accommodating employment led redevelopment on account of the low density of existing uses, as well as the large size of the site that would allow for the delivery of a mix of uses, including housing and community facilities. The site has also been allocated within the 2020 Draft Site Allocation for employment-led redevelopment which provides a mix of uses including industry, logistics, and other employment uses and housing. In 2020, the Kentish Town Planning Framework⁸¹ was published, setting out its vision and core aims for the Kentish Town area of the Borough. This document envisages a wide range of uses across a new neighbourhood on the site, with significant improvements to the public realm and improved connections to the surrounding Kentish Town area.

C9 Grafton Road / Wilkin Street

- 6.7.19 C9 is split between two sites. The first, on Spring Place, is an old building in poor condition which is currently vacant and undergoing extensive renovations. The second, is located on Wilkin Street under railway arches and is used by Camden Brewery (B2 use). The buildings associated with the brewery are in very good condition, and the surrounding public realm is also well kept. The access route along Wilkin Street is narrow and there is limited dedicated parking or loading areas for vans and cars. The location benefits from its proximity to amenities within Kentish Town and it neighbours Kentish Town West Overground Station.
- 6.7.20 There is opportunity to redevelop or intensify the buildings at Spring Place, depending on the nature of the redevelopment, given their current vacant status. However, the Wilkin Street site is bounded by the railway line and residential properties to the rear and therefore it is likely unsuitable for intensification. An area of former industrial land bordering the brewery to the north has recently been redeveloped into housing.

C10 Holmes Road / Cathcart Street

- 6.7.21 C10 is located to the south west of Kentish Town Centre and is bounded by C8 - Regis Road to the north and residential streets to the south. Very little industrial land remains within the cluster. The industrial uses that do remain include a last mile distribution hub used by a grocery delivery firm (B8) and a light industrial space occupied by Better Sound, a professional sound equipment supplier (E(g)(iii)). The majority of the cluster has been redeveloped to provide housing and office space. There is a large complex for joint living and working including residential units and small offices which may be suitable for SMEs. The offices in this building are built to a high standard and there is no evidence of vacancies. Other offices within the cluster are located in smaller three-storey buildings and are of lower quality compared to the joint living complex but are still occupied and well used. There is also a large block of newly developed student accommodation above the grocery delivery depot.
- 6.7.22 The cluster is constrained by its location next to two schools and by the addition of residential and student accommodation uses within the cluster. This means that there is little opportunity to intensify the light industrial uses within the cluster, however there may be opportunity to redevelop the lower quality office buildings in the north of the cluster to provide higher quality offices at greater density, or to add additional B8 uses akin to the grocery delivery space.

C11 Caversham Road / Gaisford Street

- 6.7.23 Cluster C11 is comprised of a number of sites located alongside a trainline and split across a number of residential roads in Kentish Town. The largest industrial site within the cluster is located on Caversham Road and is occupied by a building merchant (SG). A further site located on Caversham Road has been partially redeveloped for housing and the remaining land is currently vacant. There are a couple of smaller sites on Islip Street which are now used by a garden centre and one site on Gaisford Street which is also vacant.

⁸¹ Camden Council, (2020) Kentish Town Planning Framework.

- 6.7.24 The industrial buildings within the cluster vary in quality, with buildings associated with the garden centre in better condition than those occupied by the building merchant. The level of parking is proportional to the small sizes of the sites and there are areas to accommodate loading of larger vehicles at the building merchant. The cluster has already lost sites to housing redevelopment and there is little opportunity to intensify industrial uses within the cluster due to the constraints posed by the neighbouring residential properties and the railway line which limits room for expansion. The building merchant also generates some HGV traffic and associated noise which may impact the neighbouring residential properties.
- 6.7.25 There are also a number of office spaces located along Bartholomew Road to the north of the cluster. This includes The Dove Centre, a former industrial building which has been converted for office use and which is suitable for workshops and small light industrial uses. To the north of The Dove Centre lies Workplace Co-operative 155 which was renovated in the early 2000s and provides workspaces for self-employed makers, designers and craftspeople at moderate prices. Additional office spaces are located on the southside of Leighton Place in former industrial buildings. Current occupiers include a film production company and a marketing agency.

C12 Rochester Place

- 6.7.26 C12 includes a row of small workshop units to the north and a small amount of office space to the south. A large proportion of the cluster has recently been redeveloped to provide residential led mixed-use developments on land previously used for industrial uses, resulting in a large loss of industrial employment land stock. The workshops to the north are small in size and of poor quality. There is limited opportunity to intensify these due to their location near to residential properties and a very narrow access route along Rochester Place. The office floorspace is small and accessed down a narrow side street with no parking facilities and poor public realm.

C13 Lyme Street / Royal College Street / Camden Street

- 6.7.27 C13 is bounded by Camden Street to the west and Royal College Street to the east and is divided between three sites. The northernmost site, bounded by Camden Street and Lyme Street, is a large Victorian building containing several offices, small workshops and studios. Some of the small workshops are in light industrial use, including woodwork workshops and artist studios. There is evidence that many of both the offices and light industrial workshops within the building are currently vacant. The building is in good condition, with ample dedicated parking and loading areas, as well as good public realm. A second site is located to the south of Georgiana Street. Half of the site is partially used by National Grid and the other half is now vacant having formally been in industrial use. There is limited opportunity for intensification on the Lyme Street site on account of the residential properties which border it on all sides, however depending on the intended use of the vacant site, there is possibility for redevelopment into new industrial use.
- 6.7.28 The final site is located in the south of the cluster to the north of Plender Street. The site includes a number of newly refurbished office buildings which accommodate a range of office sizes. The largest building is Centro, an old six-storey warehouse which has recently been refurbished into high-grade office space. Other offices include the two-storey Selous House on Mandela Street, which is also a former warehouse and has recently been refurbished to provide office space and is occupied. The offices benefit from proximity to Camden Town Centre to the north and associated local amenities.

C14 St Pancras Way

- 6.7.29 St Pancras Way (C14) is a large cluster bounded by Royal College Street to the west and St Pancras Way to the east. The north of the cluster between Georgiana Street and Pratt Street is currently being redeveloped to provide offices, residential properties, as well as light industrial 'maker space'. A large site in the centre of the cluster is currently occupied by Parcel Force and used as a distribution hub (B8). It includes a number of loading bays and dedicated parking and the buildings on site are all in good condition. The site produces HGV traffic on the local road network as well as associated noise pollution. A smaller site which borders Parcel Force to the west is currently vacant and its future use is unclear. Together, these two sites have been allocated for mixed-use redevelopment within the 2020 Draft Site Allocations

and included within the Council's adopted Canalside to Camley Street Supplementary Planning Guidance⁸² which identifies an opportunity to improve permeability and provide new open space within the area. The size of the site and its proximity to the King's Cross Opportunity Area also makes it potentially suitable for Knowledge Quarter uses.

- 6.7.30 The south of the cluster contains a Travis Perkins warehouse and wholesale site (SG) with student accommodation located above. The site is newly developed and includes good public realm, loading and unloading areas as well as good access from St Pancras Way. There is potential to intensify the Parcel Force site to the north in a similar way to the Travis Perkins site, by adding additional uses above the ground floor distribution uses. There may also be opportunity to redevelop the vacant site on Royal College Street to provide employment floorspace, and any use must be compatible with the neighbouring residential and student accommodation uses. The location of the cluster close to Central London means that it may be able to provide a CAZ supporting function. The cluster would appear to be potentially suitable for protection via appropriate planning policy.

C15 Camley Street

- 6.7.31 C15 is located to the north west of the King's Cross Opportunity Area and south east of Camden Town Centre, along Camley Street. The southern tip of the cluster has been redeveloped into a high-quality residential development which also includes some high-grade office space. The rest of the cluster includes a mixture of light industrial (E(g)(iii)) and general industrial businesses. There is also a large site associated with Booker St Pancras, a wholesale retailer and warehouse.
- 6.7.32 The buildings at the northern tip on Camley St accommodate light industrial and general industrial businesses. The buildings here are of very poor quality and parking is constrained, resulting in car parking spilling out onto the road. The public realm throughout the cluster is poor with litter and residual waste from some of the occupants within the cluster.
- 6.7.33 The centre of the cluster includes the wholesaler and a number of general industrial businesses, such as meat and fish wholesalers and a cheese manufacturer. The buildings on these sites are of average to poor quality though are better than those in the north of the cluster. The cluster is bounded by a residential estate to the west and a rail line to the east meaning there is little opportunity for expansion however the large size of the site affords potential for intensification.
- 6.7.34 The freeholds for sites within the cluster are owned by the Council and are included within the Council's Community Investment Programme which aims to generate benefits for the community from underused or hard-to-maintain Council owned land. Key priorities for the Camley Street area include making the area more vibrant and attractive, enhancing connectivity and public realm, as well as intensifying the land use to provide a mix of uses such as employment floor space and housing.
- 6.7.35 The 2020 Draft Site Allocations also allocates both the northern site (Policy CSP2) and the southern site (Policy CSP3) within the cluster. The northern site is allocated for mixed-use redevelopment and states development must facilitate access to the planned Camden 'High-Line' route as well as contribute connectivity and open space enhancements. The southern site is also allocated for mixed-use development and identifies an opportunity to provide leisure and community space. In May 2023, the Council published a brief for prospective developers of the site, which includes over 200,000 sqft of Knowledge Quarter use-led employment floorspace as well as light industrial and affordable workspace.

C16 Freight Lane

- 6.7.36 Cluster C16 is located to the north of the King's Cross Opportunity Area and is bounded by railway lines to the north, west and south. The largest site within the cluster is occupied by a Tarmac aggregates facility (B2), and other sites are occupied by a council-owned depot and a Transport for London bus depot. All buildings across the cluster are generally of a very good quality apart for a number of temporary sheds on the bus depot site. There is the possibility for 24-hour working within the cluster on account of good flood lighting and railway lines acting

⁸² Camden Council, (2021), Canalside to Camley Street Supplementary Planning Guidance.

as a buffer between the residential and office spaces on the nearby King's Cross Opportunity Area. The Tarmac site causes a high level of HGV traffic and dust which affects the quality of the environment across the whole cluster. This may also act as a constraint to further intensification of the cluster and any additional uses would need to be compatible with the uses on the Tarmac site.

C18 Field Street / Leeke Street / Britannia Street

- 6.7.37 C18 is located between a series of narrow streets off King's Cross Road within the CAZ. Each road is very narrow and there is very limited parking or loading areas, however the public realm is generally in good order. The cluster contains a music studio and a film studio (both SG), office space (E(g)(i)), several small studios, and a small printing workshop (E(g)(iii)). The workshop and studio buildings are in mostly poor condition, with the exception of the music studio which is of good quality. There is limited opportunity for further redevelopment or intensification on account of a railway line which limits space, as well as the small size of the sites within the cluster. The office buildings are of higher quality than the neighbouring studios and workshops, with newly refurbished buildings on Leeke Street and Britannia Street providing small office lets which may be suitable for SMEs. The cluster does benefit from its location within the CAZ and proximity to King's Cross Station, although there are no landmark offices in the immediate vicinity to help build a clustering effect.

C19 Pakenham Street

- 6.7.38 C19 is allocated within the CAZ area to the north west of Farringdon. The cluster includes several light industrial E(g)(iii) businesses including a lighting manufacturer, a bookbinder and a sign / display manufacturer amongst others. The buildings are generally poor, comprising warehouses and a large three-storey Victorian industrial building which is in generally good repair but has some broken windows. There is ample space for loading and parking on site, but the cluster is constrained on all sides by housing. As such, there is limited opportunity to intensify the cluster on site and it is unsuitable for 24-hour working. There are also a number of small workshops to the rear of the Victorian building, some of which appear to be vacant. The public realm surrounding the cluster is very good with limited traffic and newly added cycle lanes. Despite its central location, the cluster is located away from strategic roads and the residential access roads may be unsuitable for HGVs. The site has been identified for potential redevelopment as part of Camden Council's Draft Site Allocations Plan. Policy IDS18 outlines that the site's size and location affords the possibility for intensification to provide education and Knowledge Quarter uses as well as office floorspace.

6.8 Summary

- 6.8.1 AECOM's qualitative survey of employment land within LB Camden comprised a site visit to 27 clusters as well as desk research. Most of the employment clusters are not subject to policy designations. The clusters include eight office employment clusters – five of which are CAZ Office areas – Camden Town Centre, Carreras Cigarette Factory and Gloucester Road / Chalcot Road. There were a further 19 clusters which include industrial employment land, although many also contain office floorspace as well. These clusters comprise two industry area designated sites and the Hatton Garden designated area. The remaining 16 clusters are non-designated. The assessment of existing supply was conducted based on a set of site appraisal criteria (which were agreed upon with the Council in advance) from which detailed analysis was carried out to identify the typologies of employment land within the Borough.
- 6.8.2 The survey identifies that in general employment land within LB Camden is dominated by office floorspace, with 34.9 ha of industrial employment land remaining across the Borough. There is limited designated industrial land remaining within the Borough, with the remaining having undergone some change of use already. The remaining designated industrial land is assessed to be well functioning and there is opportunity to intensify C5 - Sanderson Close which is currently operated by Murphy Group.
- 6.8.3 The non-designated clusters have also seen losses of industrial employment land since the previous Camden ELS (2014), with a particular trend of sites being converted into residential, and to a lesser extent office, developments. Non-designated industrial sites are also largely found to be performing well against the criteria with no vacancies identified, although the loss

of industrial land and the introduction of residential uses has impacted the function of several smaller sites. The Council have noted a higher interest for storage and distribution (B8) floorspace, including last mile delivery, than for other industrial uses. However, B8 planning applications tend to have relatively low employment densities meaning that they do not share the same benefits of new local business creation / start-ups and growth as new office space; they also may have a negative impact on neighbourhood amenity due to 24-hour working arrangements and associated HGV traffic. Therefore, there is a need to carefully balance these considerations against the space required for the CAZ-supporting functions.

- 6.8.4 LB Westminster have recently approved a 'green logistics hub' where last mile deliveries are made via electric vehicles; this model could prove to be worth exploring for future applications in Camden. There is opportunity to intensify the uses at a number of the larger clusters, such as C8 – Regis Road, C15 – Camley Street, and C14 - St Pancras Way, which could support a mixture including offices, light industrial, storage and distribution, and housing. Smaller sites such as C2 – Blackburn Road and C19 Pakenham Street could be subject to redevelopment, whereby the former has been deemed as necessary to redevelop as part of the wider placemaking benefits of the O2 Scheme as well as identified in the short term for its potential role in facilitating improvements to the London Underground Station, and the latter is well located in relation to existing and proposed Knowledge Quarter uses.
- 6.8.5 The majority of the office floorspace is located within the CAZ area, but C21 - Camden Town Centre and C17 - Carreras Cigarette Factory also contain large, high-grade office blocks, while C27 Gloucester Avenue / Chalcot Road provides smaller offices, workshops and maker spaces suitable for SMEs and startups. These are all important to the supply of employment floorspace within the Borough.
- 6.8.6 Most of the office floorspace appraised is occupied, with higher grade offices close to public transport hubs observed to be performing most strongly. There is also strong observed demand for refurbished spaces in older buildings which were not purpose-built for offices. Clusters with weaker observed demand contain fewer large purpose-built offices, and a large proportion of their stock is located in smaller converted buildings or located above retail units. The office areas within C20 - Hatton Garden and C25 - Euston and Regent's Place are observed to be under-performing when compared to elsewhere in the Borough with a high number of vacancies identified across a range of office grades and building typologies. However vacancy of Regent's Place could also be partly explained by ongoing development and leases expiring such as 1 Triton Square as some companies reassess their floorspace requirements. Consultation with property agents identified that they are now looking to repurpose space for life sciences within this estate. The sole management of Regent's Place by British Land and King's Cross Central area by Argent allows them to manage the overall tenant mix as part of the wider vision and strategy for these landholdings.
- 6.8.7 Another key finding from the consultation is the strong demand for Knowledge Quarter uses which contribute towards the Knowledge Quarter 2050 vision. However, it is recognised that there is a need to balance the promotion of Knowledge Quarter uses with other strategic objectives in LB Camden such as housing supply. This is important because many developers are drawn to the lucrative rental values offered by knowledge quarter uses compared to housing.
- 6.8.8 Based on the assessment, it is evident that office floorspace is well occupied and mostly in good to very good quality condition and in the right locations. The assessment identifies that high-grade office space is in particularly high demand, but that a large portion of supply is within lower quality secondary function stock. While local authorities, providers and developers wait to understand the full extent of how it will shape future office demand, the growing trend towards hybrid working is likely to accelerate demand for high-grade office space through the remodelling of the function of the office. Offices have already become a tool for attracting new talent, with greater focus given to floorspaces which provide quality amenities and collaborative spaces. The digitalisation of the workplace driven by hybrid working will also favour higher-grade offices which better support multi-media communication⁸³⁸⁴. Considerations around ESG compliance will also prove to be a big factor

⁸³ Arup. (2020); Future of offices: in a post-pandemic world.

⁸⁴ JP Morgan. (2023); Grappling with office's future. [Online] Available at: <https://www.jpmorgan.com/insights/real-estate/real-estate-banking/the-future-of-office-buildings-and-commercial-workspaces>. [Accessed July 2023].

in the decisions of existing and future office occupiers in LB Camden, as the drive towards 'Net Zero' continues. This is discussed in greater detail within Section 8.4.

- 6.8.9 Bringing forward new high-grade office developments, would serve to meet demand. However, remaining opportunities to do this from undeveloped sites are very few. Camden Council's Climate Change Action Plan and the London Plan's shared concern about the sustainability of demolishing buildings to provide new space points toward a need to facilitate existing office floorspace being made fit for purpose.
- 6.8.10 There is also opportunity to exercise greater flexibility in the use of lower quality secondary function office space in lower performing areas such as C24 – CAZ Offices – King's Cross (south of Euston Road) and C25 – Euston and Regent's Place. This may include the conversion of smaller office spaces in former town houses back into residential use through permitted development policy. Clusters of affordable workspaces are also identified within lower grade office stock, including in C27 – Gloucester Avenue / Chalcot Road, which maintain an important function to the wider Camden economy.
- 6.8.11 Industrial land and floorspace is similarly well occupied. A number of sites also support a unique function within the Borough, such as C3 – Kingsgate Workshops in its support of craftspeople and SMEs. Whilst there are considered to be no non-designated clusters in industrial use suitable for designation as Industry Area (akin to Locally Significant Industrial Site in the London Plan), there is potentially evidence to support a lower tier designation that could better protect a small number of clusters from adverse redevelopment that monitoring policies may not achieve. It is also noted that industrial employment sites such as C15 - Camley Street have emerging allocations for mixed-use development which will help meet strategic needs. Additionally, C2 – Blackburn Road has a role in facilitating the wider development opportunities identified in the planning framework and site allocation for the O2 Scheme. As such, the ongoing suitability for employment use of sites should be balanced against wider needs through appropriate policy.

7. Property market analysis

7.1 Introduction

- 7.1.1 This section presents analysis of the commercial property markets in Camden. Reference is also made to comparator geographies, namely the FEMA⁸⁵ as identified in Section 4 and London. This reflects the fact that the commercial property market in Camden is not self-contained, and instead forms part of a much wider market area encompassing the FEMA and the wider London region.
- 7.1.2 Data presented in this section is derived from CoStar which represents a comprehensive database of up-to-date property market data. Trends are presented where applicable, otherwise data for 2023 Quarter 1 (Q1) is shown, being the most recent period for which complete data is available. All data presented reflects that which is available and is subject to gaps and inaccuracies.
- 7.1.3 Employment-generating properties comprised of office, light industrial, general industrial, and storage and distribution types are considered, in line with the definition of employment land. The relationship between historic and new planning use classes, their relationship to CoStar property type primary and secondary classification, and the nomenclature adopted for this report, are shown in Table 7-1 below. It is recognised that there are other property types which may contribute to employment use activity, but these will not be analysed for the purposes of this evidence base.

Table 7-1: Property Type Classification

Pre-2021 Planning Use Class	New Planning Use Classes	CoStar Primary Type	CoStar Secondary Type
B1a (revoked) – Offices	E(g)(i) – Offices to carry out any operational or administrative function	Office	<ul style="list-style-type: none"> All
B1b (revoked) – Research and Development (R&D)	E(g)(ii) – Research and Development	Industrial	<ul style="list-style-type: none"> R&D
B1c (revoked) – Industrial Processes	E(g)(iii) – Uses which can be carried out in a residential area without detriment to its amenity: industrial processes	Light Industrial Industrial	<ul style="list-style-type: none"> Light distribution Light manufacturing Showroom (light industrial) Light Industrial
B2 – General industrial (other than E(g))	B2	Industrial	<ul style="list-style-type: none"> Food Processing Manufacturing Service
B8 – Storage and Distribution	B8	Industrial	<ul style="list-style-type: none"> Distribution Warehouse Truck Terminal Refrigeration/ Cold storage Showroom (Industrial)

Source: AECOM

- 7.1.4 In this section, we refer to use classes using the new Planning Use Class Order: E(g)(i); E(g)(iii); B2; B8.
- 7.1.5 The section is divided into four sub-sections covering the office market (E(g)(i)) and the industrial market (E(g)(iii); B2; B8; providing an assessment of local and sub-regional floorspace by analysing key property market indicators⁸⁶.

⁸⁵ There are 9 Boroughs within the FEMA (London Boroughs of Camden, Islington, Hackney, Tower Hamlets, Southwark, Lambeth, Wandsworth, Kensington and Chelsea, Westminster, and the City of London).

⁸⁶ Note that E(g)(ii) is not covered in this section as CoStar only returns 1 value for this use class in LB Camden.

7.2 Office market [E(g)(i)]

7.2.1 This section presents findings related to the office property market in LB Camden, along with some comparisons to both the FEMA and London. The principal office areas in LB Camden are located around Bloomsbury, Holborn, Covent Garden, Regent's Place, and Kings Cross.

Buildings and floorspace

7.2.2 CoStar data indicates the office market in LB Camden is comprised of 2,284 properties, i.e. buildings in office use or an office component within a mixed-use building, accommodating approximately 3.5 million (3,498,189) sqm net internal area (NIA) floorspace, including existing space, and space under renovation.

7.2.3 Table 7-2 shows the number of office properties and the corresponding floorspace (in sqm) for LB Camden, the wider FEMA and London overall. LB Camden accommodates around 16.0% of properties within the FEMA, and accounts for 11.9% of the FEMA's total office floorspace. The data also shows that the average building size in LB Camden (1,532 sqm) is significantly smaller than the average in the FEMA (2,066 sqm).

7.2.4 LB Camden has the second highest number of office properties (2,284) in the FEMA, having considerably fewer, unsurprisingly, than the number of properties in the City of Westminster (4,319). In terms of floorspace, City of Westminster (7,669,312 sqm) and the City of London (7,384,151 sqm) have a substantially higher amount of office floorspace when compared to LB Camden (3,498,189 sqm), which has roughly the same amount of space as LB Tower Hamlets (3,465,926 sqm).

7.2.5 It is therefore evident that LB Camden has a considerable supply of small and medium sized premises on the basis that it has the second-largest building stock, but ranks fifth in terms of average building size – clearly there are fewer examples of tall buildings in the Borough than in the City of London or LB Tower Hamlets which exemplifies this. The presence of small and medium sized premises is testament to the Borough's appeal to many start-ups, SMEs and creative industries, whose importance to the local economy are discussed in greater detail in Section 9.

Table 7-2: Office Properties – Buildings and Floorspace

	Number of Buildings	Floorspace (sqm)	Average Building size (sqm)
LB Camden	2,284	3,498,189	1,532
LB Islington	1,365	2,059,043	1,508
LB Hackney	955	1,220,882	1,278
LB Tower Hamlets	920	3,465,926	3,767
LB Southwark	1,074	1,870,167	1,741
LB Lambeth	655	1,023,402	1,562
LB Wandsworth	622	532,960	857
Royal Borough of Kensington & Chelsea	879	747,821	851
City of Westminster	4,319	7,669,312	1,776
City of London	1,193	7,384,151	6,190
FEMA	14,266	29,471,854	2,066
London	22,516	38,694,422	1,719

Source: CoStar, (2023)

Premises

7.2.6 Table 7-3 shows that 34% of all office units in LB Camden are less than 250 sqm in size, however, the floorspace within these premises accounts for only 3% of the Borough's total stock. Approximately 37% of all units are between 250 and 1,000 sqm, 26% between 1,000 and 10,000 sqm and 3% larger than 10,000 sqm.

Table 7-3: Office stock by premises size in LB Camden

Premises Size (sqm)	Units	Proportion of units	Floorspace (sqm)	Proportion of total floorspace stock
Under 250	775	34%	99,180	3%
250 – 499	455	20%	161,765	5%
500 – 999	379	17%	266,365	8%
1,000 – 1,999	300	13%	420,269	12%
2,000 – 9,999	304	13%	1,182,088	34%
Over 10,000	71	3%	1,368,522	39%
Total	2,284	-	3,498,189	-

Source: CoStar, (2023). Figures may not sum due to rounding

7.2.7 As shown above, around 54% of office properties are below 500 sqm in size. These properties are located across LB Camden although there are a number of distinguishable clusters of such properties:

- Fitzroy Square Garden and surrounds: a series of small office properties occupying mews-type buildings and historical townhouse properties, particularly facing Fitzroy Square;
- Goodge Street Station: an area south west of Goodge Street station where small office properties occupy above ground floor spaces, typically atop retail uses;
- Bedford Square and surrounds: typically small properties within older Georgian townhouses, although recently renovated;
- Guildford Street/Grays Inn Road/Theobalds Road: a cluster of small office properties contained roughly by these thoroughfares, similarly occupying above ground spaces within older Georgian townhouses;
- Hatton Garden;
- Neighbourhood centres (Hampstead, Camden Town, Kentish Town): less distinct clusters surrounding 'high street' town centre areas, typically hosting small offices above ground floor retail uses.

7.2.8 Table 7-4 shows the proportion of units across the FEMA. 30% of all units in the FEMA are less than 250 sqm, 37% are between 250 and 1,000 sqm, and 32% are greater than 1,000 sqm. The proportion of total office floorspace over 10,000 sqm is notably higher than LB Camden, with almost 50% of the floorspace being utilised by premises over 10,000 sqm compared to 39% in LB Camden. This is despite the proportion of buildings of this size being similar at 4% of FEMA stock compared to 3% in LB Camden. This is explained by other areas, the City of London particularly, having a considerable stock of tall buildings.

Table 7-4: Office stock by premises size in the FEMA

Premises Size (sqm)	Units	Proportion of units	Floorspace (sqm)	Proportion of total floorspace stock
Under 250	4,311	30%	567,245	2%
250 – 499	2,744	19%	993,820	3%
500 – 999	2,498	18%	1,786,490	6%
1,000 – 1,999	1,912	13%	2,718,468	9%
2,000 – 9,999	2,203	15%	9,071,995	31%

Premises Size (sqm)	Units	Proportion of units	Floorspace (sqm)	Proportion of total floorspace stock
Over 10,000	598	4%	14,333,835	49%
Total	14,266	-	29,471,854	-

Source: CoStar, (2023). Figures may not sum due to rounding

- 7.2.9 Table 7-5 presents the change in office floorspace in LB Camden, the FEMA and London for the period between 2014 and 2023 using data available from CoStar. It shows that the supply of office floorspace in LB Camden experienced an increase of 11.9% during that time, slightly lower than the FEMA average of 12.3%, although higher than the London average of 11.2%. Across the FEMA, Wandsworth experienced the highest increase in office floorspace (by 37.2% from 388,397 sqm in 2014 to 532,960 sqm in 2023), reflecting the development of the Vauxhall Nine Elms Battersea Opportunity Area, whereas Westminster experienced the lowest increase (by 7.2% from 7,154,613 sqm in 2014 to 7,669,230 sqm in 2023). No Borough/area in the FEMA experienced a decrease in office stock.

Table 7-5: Change in office floorspace stock between 2014 and Q1 2023

	LB Camden	FEMA	London
Floorspace in 2014 (sqm)	3,126,617	26,250,726	34,786,504
Floorspace in 2023 (sqm)	3,498,189	29,471,854	38,682,506
Change (%)	11.9%	12.3%	11.2%

Source: CoStar (2023)

Vacancy, availability and absorption rates

- 7.2.10 DLUHC guidance requires us to consider evidence of market failure such as physical or ownership constraints that prevent employment sites being used effectively. Therefore, this section presents data on vacancy, availability, and absorption rates of office [E(g)(i)] premises – class E(g)(i) in LB Camden, the FEMA and London.
- 7.2.11 CoStar records ‘vacancy’ in terms of space which is unoccupied and marketed. Table 7-6 shows the vacancy rate for office floorspace in LB Camden, along with the FEMA and London, in Q1 of 2023. LB Camden has a broadly similar floorspace vacancy rate (8.1%) than the FEMA (8.5%) and London average (8.5%). The City of London has the highest vacancy rate (11.2%) in the FEMA.
- 7.2.12 Availability as recorded in CoStar encompasses floorspace that is available for re-let i.e. encompassing both vacant space and space being let but occupied. As also shown in Table 7-6, the availability rate of office floorspace in LB Camden (8.8%) is slightly lower than the FEMA (9.1%) and London average (9.2%). Across the FEMA, Islington has the highest availability rate (12.3%).

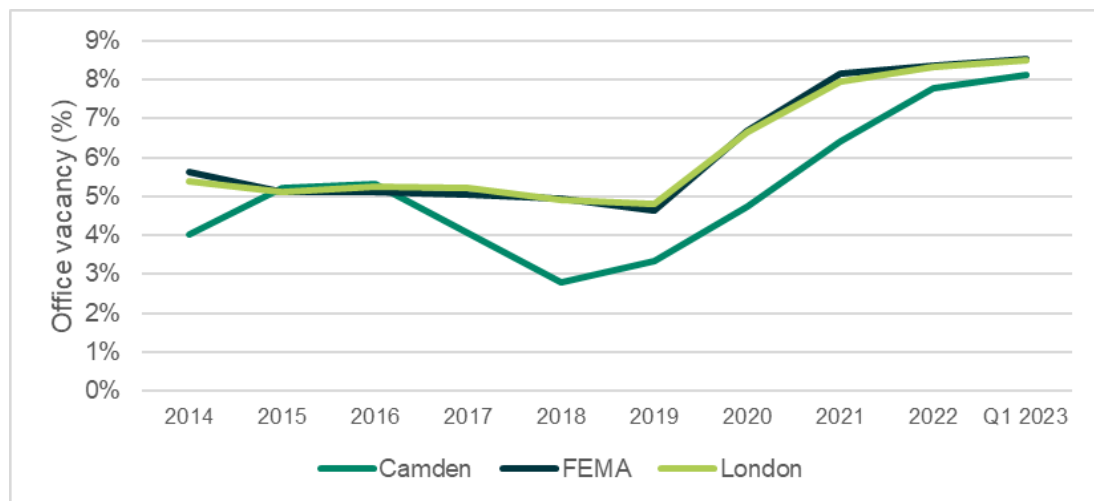
Table 7-6: Vacancy and availability rates [E(g)(i)]

Location	Vacancy (sqm)	Vacancy (%)	Availability (sqm)	Availability (%)
LB Camden	284,234	8.1%	309,496	8.8%
FEMA	2,516,600	8.5%	2,676,044	9.1%
London	3,284,480	8.5%	3,542,224	9.2%

Source: CoStar, (2023). Figures may not sum due to rounding

7.2.13 Figure 7-1 shows the change in office floorspace vacancy rates between 2014 and 2023 for LB Camden, the FEMA and London. The vacancy rate in LB Camden has increased from 4.0% in 2014 to 8.1% in 2023, although the vacancy rate is slightly lower than the FEMA and London average. The FEMA (from 5.6% in 2014 to 8.5% in 2023) and London (from 5.4% in 2014 to 8.5% in 2023) have followed a similar trend in their vacancy rates. Across the FEMA, the City of London has experienced the largest increase in its vacancy rate for office floorspace over the time period (from 3.7% in 2013 to 11.2% in 2023).

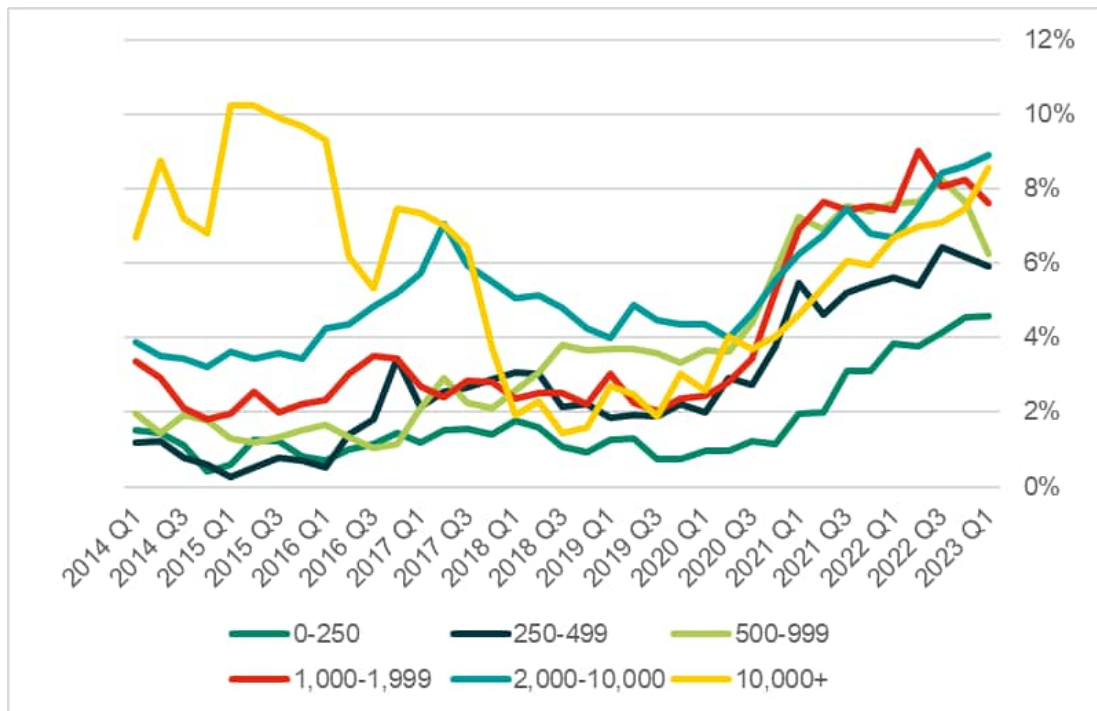
Figure 7-1: Vacancy of office floorspace in LB Camden, the FEMA and London between 2014 and Q1 2023



Source: CoStar (2023)

7.2.14 The vacancy rate of office properties is variable by floorspace size. Figure 7-2 shows the difference in vacancy by size band, whereby premises over 1,000 sqm have seen the greatest increase in vacancy from circa. 3-5% in 2020 to circa. 8-9% in 2023 Q1. Typically, office premises below 250 sqm exhibit lower levels of vacancy, and this trend has persisted over the same period.

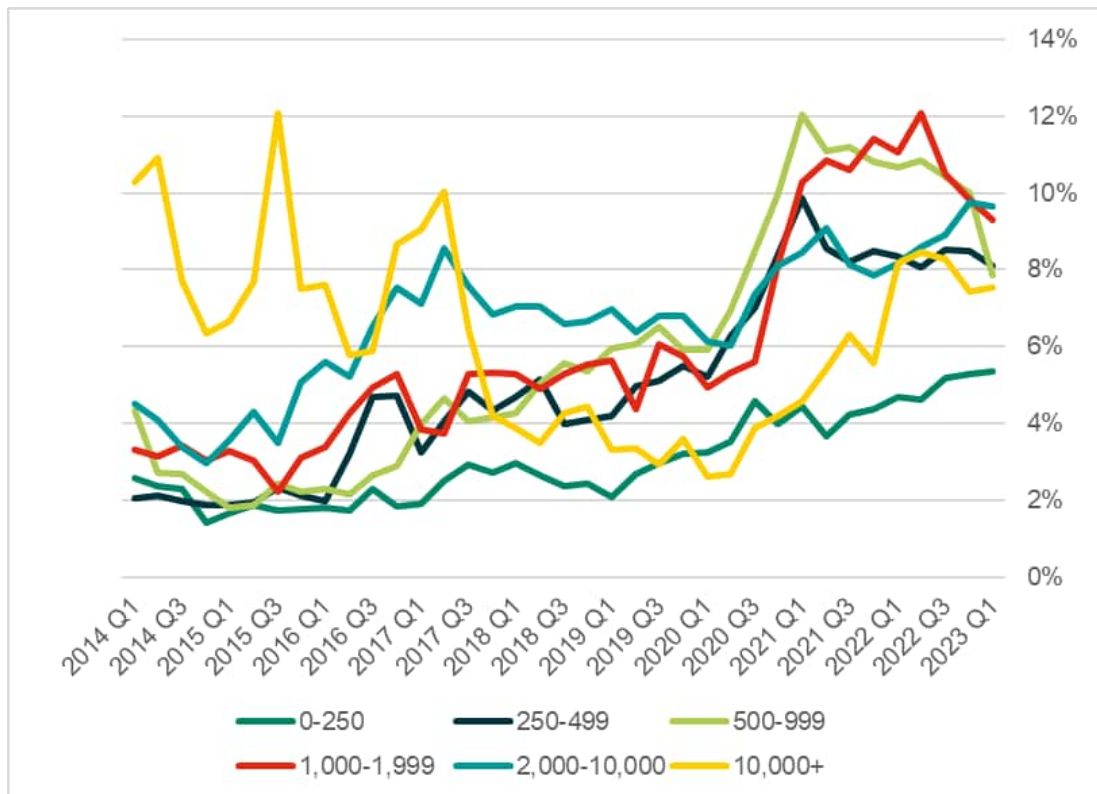
Figure 7-2 Vacancy of office floorspace in LB Camden between 2014 and Q1 2023, by premises size



Source: CoStar (2023)

7.2.15 Availability, as discussed, provides a view on vacant space and space being let but occupied. As such, this is higher than each size band's equivalent vacancy rate, as shown in Figure 7-3. There is some evidence that availability rates amongst office properties between 500 and 1,999 sqm are exhibiting a decreasing trend since 2022.

Figure 7-3 Availability of office floorspace in LB Camden between 2014 and Q1 2023, by premises size

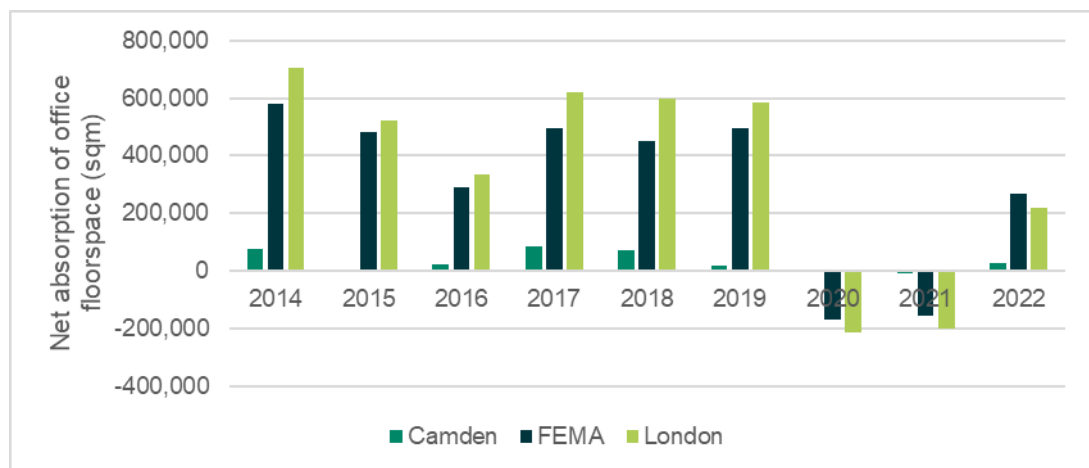


Source: CoStar (2023)

7.2.16 Net absorption provides another angle on demand. The measure expresses the change in the overall quantum of occupied floorspace, typically recorded year on year. Positive annual net absorption means that a greater amount of space has been occupied from a given year to the next. Net absorption is not the reverse of vacancy as vacancy is an expression of the level of non-occupancy against total stock.

7.2.17 Figure 7-4 presents the net absorption of office floorspace in LB Camden, the FEMA and London. Between 2014 and 2019, net absorption was positive overall in LB Camden, the FEMA and London. However, there were negative net absorption rates from 2020 to 2022, due principally to the impact of COVID19 on use of offices. The positive net absorption rates in 2022 indicated that, overall, conditions within the office market were favourable. This observation is corroborated by consultation with land agents, who attest to the strong demand for Grade A space in particular. Despite the evolution of the hybrid working model, demand from largely office-based sectors such as professional services, computing and information services and scientific and technical sectors is presently strong.

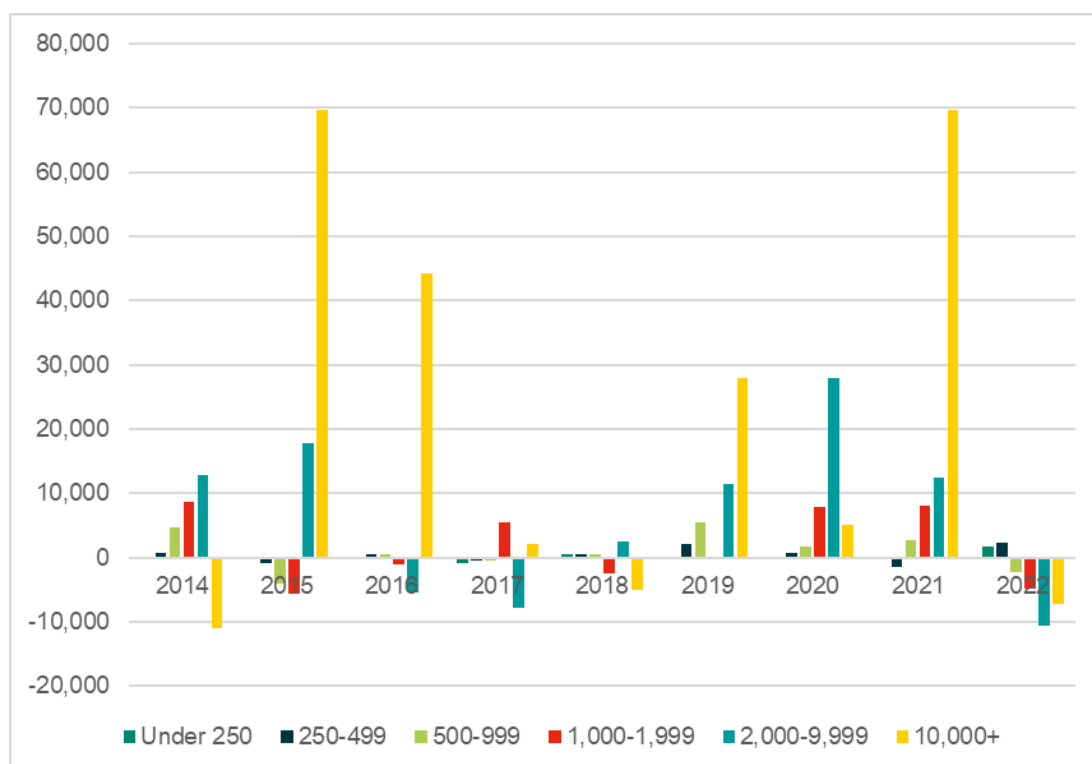
Figure 7-4: Net absorption of office floorspace in LB Camden, the FEMA and London between 2014 and 2022



Source: CoStar (2023)

7.2.18 When disaggregated by property size, net absorption data provides detail on the relative performance, i.e. the change in year-on-year occupancy per size band. Positive net absorption indicates that more space was newly occupied than vacated over the year period. Figure 7-5 shows the net absorption of office floorspace by property size. On the whole, larger floorspace properties show the highest magnitudes of positive net absorption. This is reflective of both the size of the properties, and enduring popularity.

Figure 7-5 Net absorption of office floorspace in LB Camden between 2014 and 2022, by size (sqm)



Source: CoStar (2023)

Rental values

7.2.19 Table 7-7 presents the average rental values recorded in Q1 2023 for office floorspace in LB Camden, the FEMA and London. It shows that LB Camden has a higher average rental value for office floorspace (£616 per sqm) in comparison, being 14.52% (£78) higher than the FEMA average. Across the FEMA, LB Camden has the third highest rental value per sqm (£616), after the City of London (£632) and Westminster (£732). This is a reflection that LB Camden has; a large number of buildings; one of the larger floorspace stocks; a number of high-profile occupiers; a large part of the core of its office offer is within the CAZ, and; new floorspace is available within the Borough at Kings Cross and in 'Midtown'.

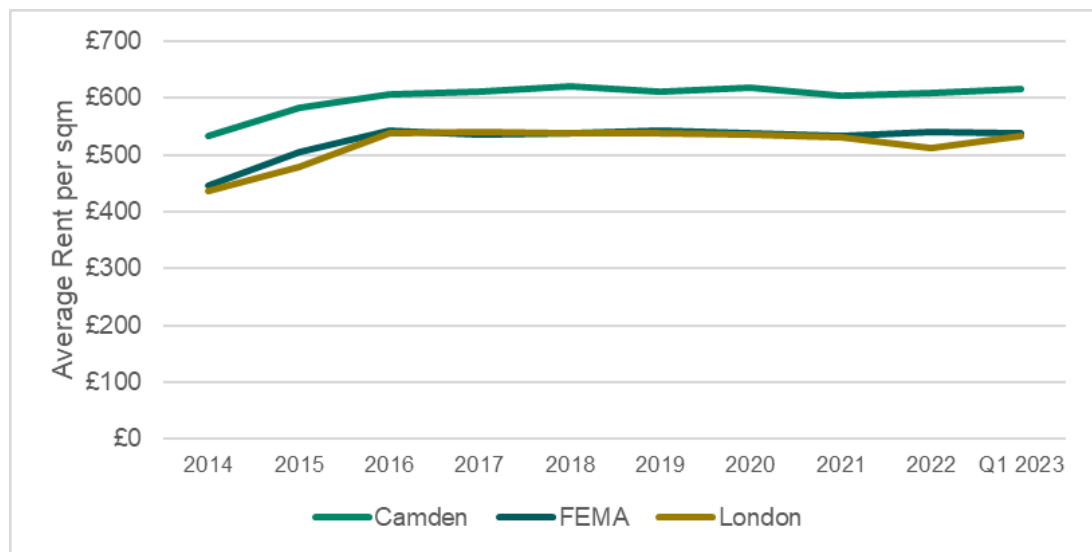
Table 7-7: Average rental values for office floorspace in LB Camden, the FEMA and London (£ per sqm) in Q1 2023

Location	Average £ per sqm
LB Camden	616
FEMA	538
London	532

Source: CoStar (2023).

7.2.20 Figure 7-6 presents the change in rental values in LB Camden, the FEMA and London between 2014 and 2023. The rate at which the average rent per sqm has increased in LB Camden (15.7%) is lower than the rate across the FEMA (20.9%) and London (21.8%). Across the FEMA, Lambeth has experienced the highest growth (55.1%) in terms of average rent per sqm between 2014 and Q1 2023, whereas the values in Kensington and Chelsea have experienced the least growth (3.9%). It is worth noting, however, that average rents began plateauing prior to the COVID pandemic.

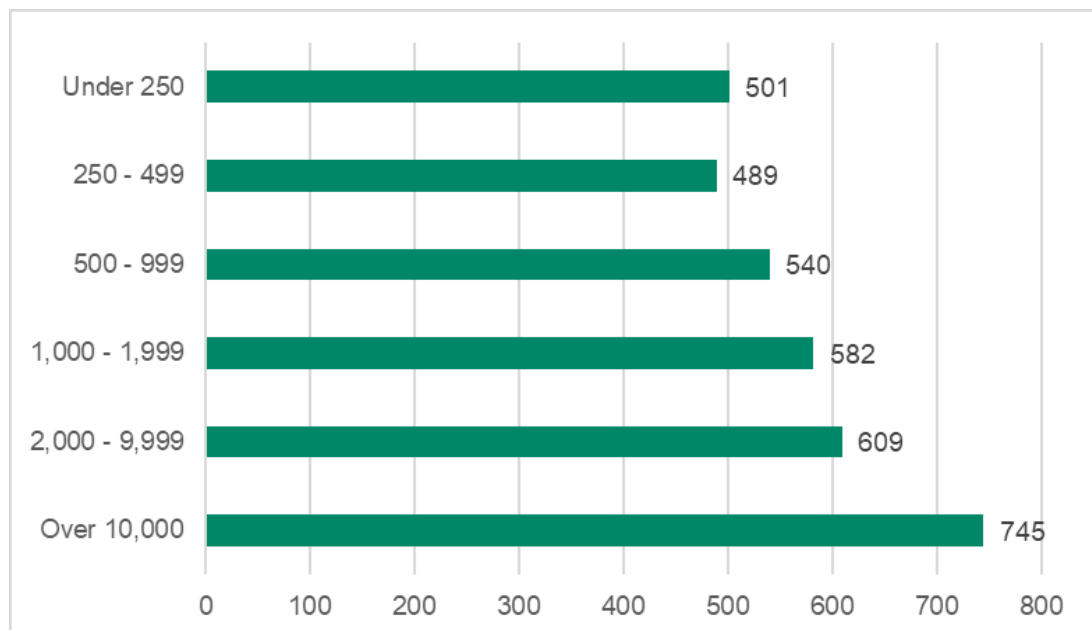
Figure 7-6: Average rent (£ per sqm) for office floorspace in LB Camden, the FEMA and London between 2014 and Q1 2023



Source: CoStar (2023)

7.2.21 The rental value of office properties in LB Camden tends to increase as the overall floorspace of the property increases, wherein those properties with the largest floorspace areas tend to attract the highest rent (£/sqm) on average. This is shown in Figure 7-7. The average rental value of properties over 10,000 sqm in size is approximately £745/sqm, which is around £245/sqm more than is typical for properties below 250 sqm in size.

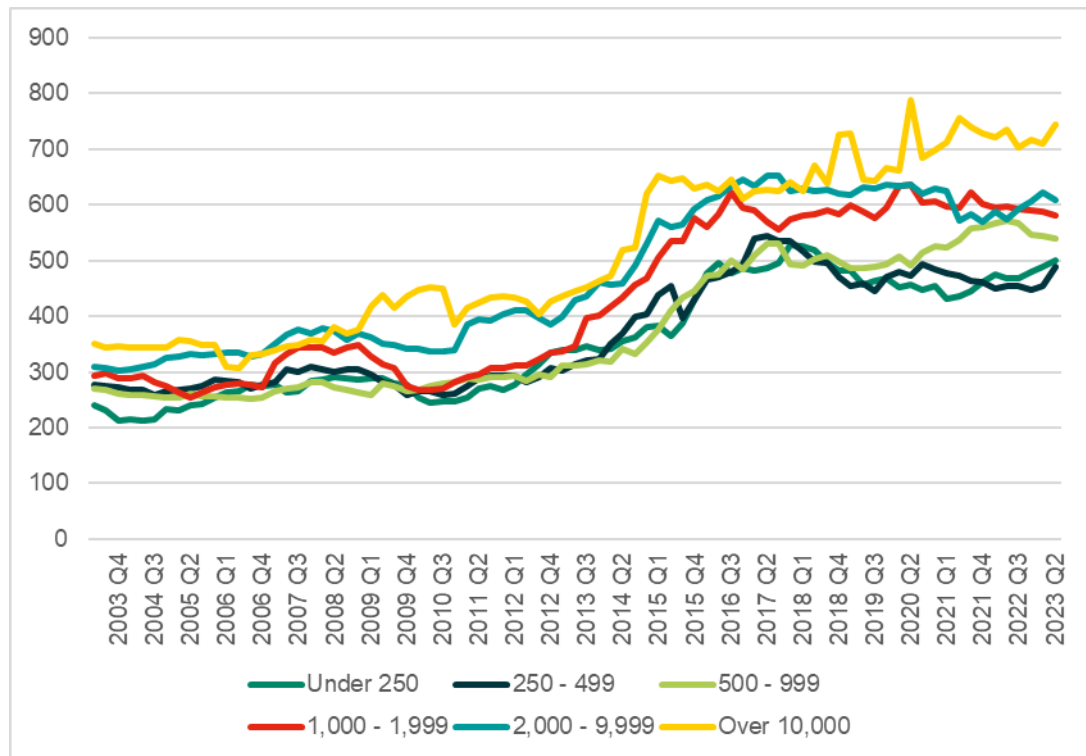
Figure 7-7: Average market rental value of office properties in LB Camden, by size band (£/sqm, 2023 Q2)



Source: CoStar (2023).

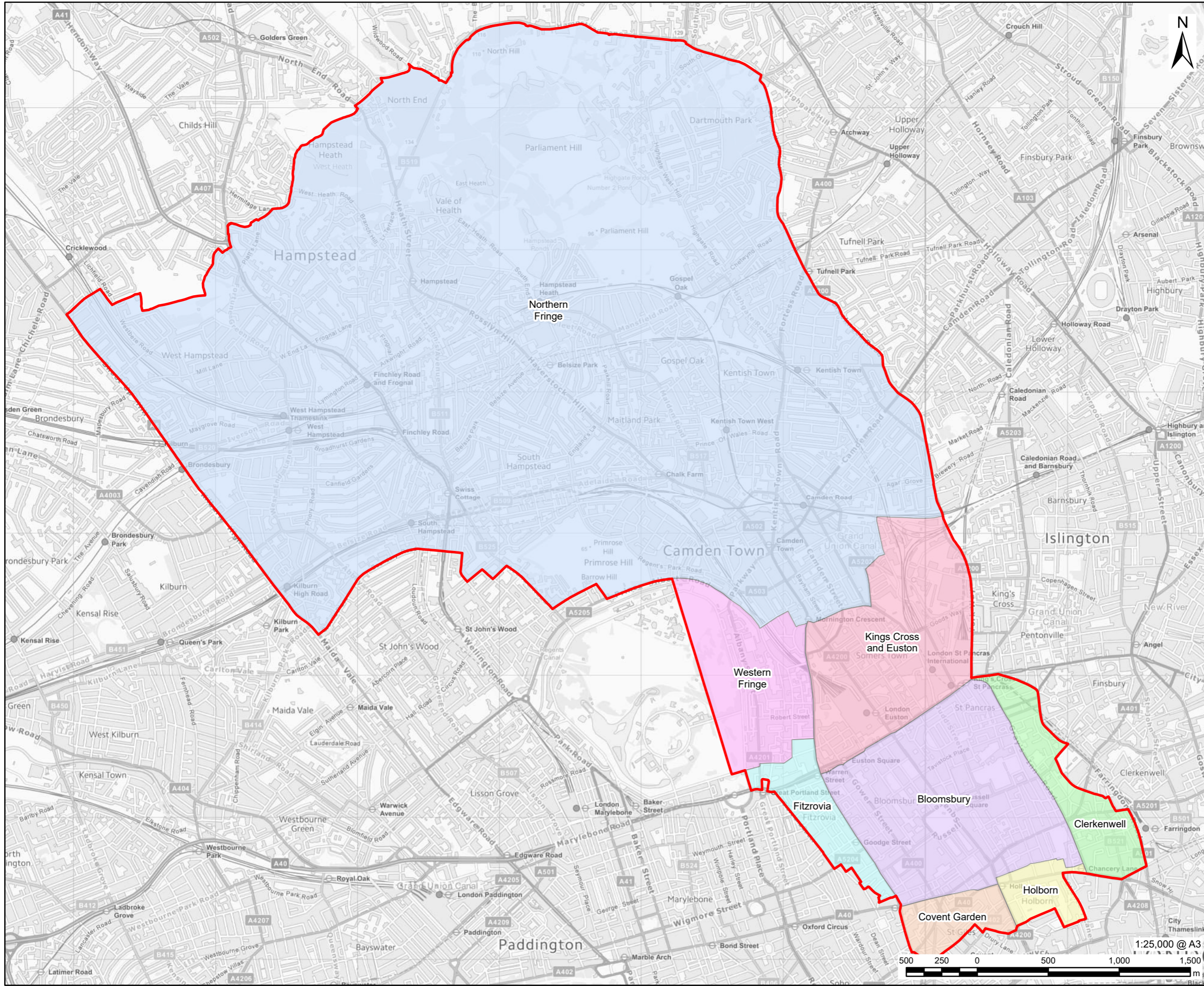
7.2.22 Over the period between 2003 Q2 and 2023 Q2, the market rental values of office properties has unsurprisingly increased across all size bands. On the whole, the observed trend that office properties with the largest floorspace areas attract the highest rents, and smallest floorspace sizes the lowest rent, has persisted over this period. However, the difference in rental values between size bands has become greater. This is shown in Figure 7-8. It is also shown that over the five year period preceding 2023 Q2, on average rental values have increased most significantly in the size band of properties in excess of 10,000 sqm. This contrasts with the relatively consistent rental values exhibited over the same period amongst the other size bands considered.

Figure 7-8: Average market rental values of office properties in LB Camden (£/sqm, 2023 Q2)



Source: CoStar, (2023).

7.2.23 This trend will be welcomed by the large quantity of start-ups and SMEs in Camden, whose presence within the Borough will rely on the provision of this more affordable workspace. Consultation with local businesses found affordability to be the main consideration for start-ups, with smaller businesses currently often priced out of higher-grade office stock and forced to occupy lower-grade space. Affordable workspace considerations are addressed in more detail in Section 8.



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Camden Economic Needs Assessment

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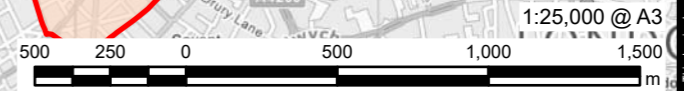
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 - Holborn
 - Kings Cross and Euston
 - Northern Fringe
 - Western Fringe

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ISSUE PURPOSE
FINAL
PROJECT NUMBER
60706011
FIGURE TITLE
Submarket Areas

FIGURE NUMBER
Figure 7-9

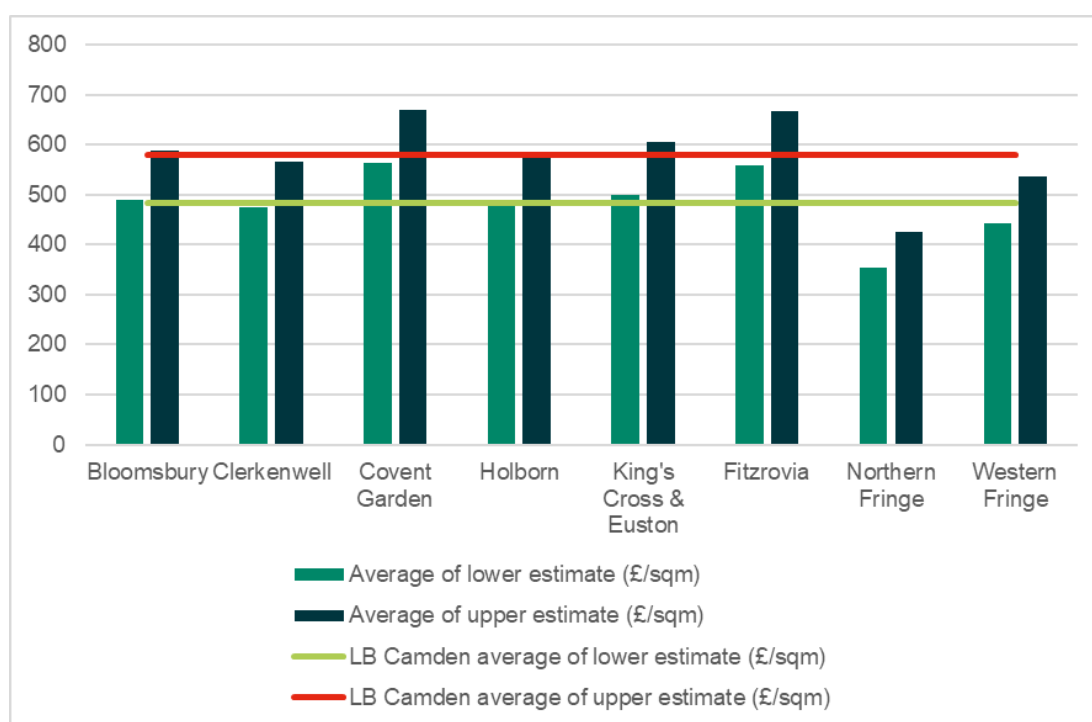


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7.2.24 Spatially, there is an observed variation in the rental values of office properties, by building data⁸⁷, across LB Camden. Figure 7-10 shows the average of the upper and lower estimates of rental values of office buildings in LB Camden, by CoStar submarket area⁸⁸. Although these CoStar submarket areas are wider than the Borough boundary, data shown strictly reflects buildings and floorspace within the Borough boundary. The upper and lower estimates of rental values by sub-area are referenced against the respective average for the borough as a whole. Figure 7-9 presents the geographical extent of the CoStar submarkets within LB Camden.

7.2.25 It can be seen that the Northern and Western Fringes exhibit the lowest rental values across the Borough, while the highest lower and upper estimates are found among the CoStar submarkets concomitant with the CAZ wards. Naturally, this reflects the highest levels of demand for office space in central London, in strategic locations with the best access to public transport.

Figure 7-10: Average upper and lower estimates of building rental value, by CoStar submarket area (£/sqm, 2023 Q2)



Source: CoStar, (2023).

Office market since 2014

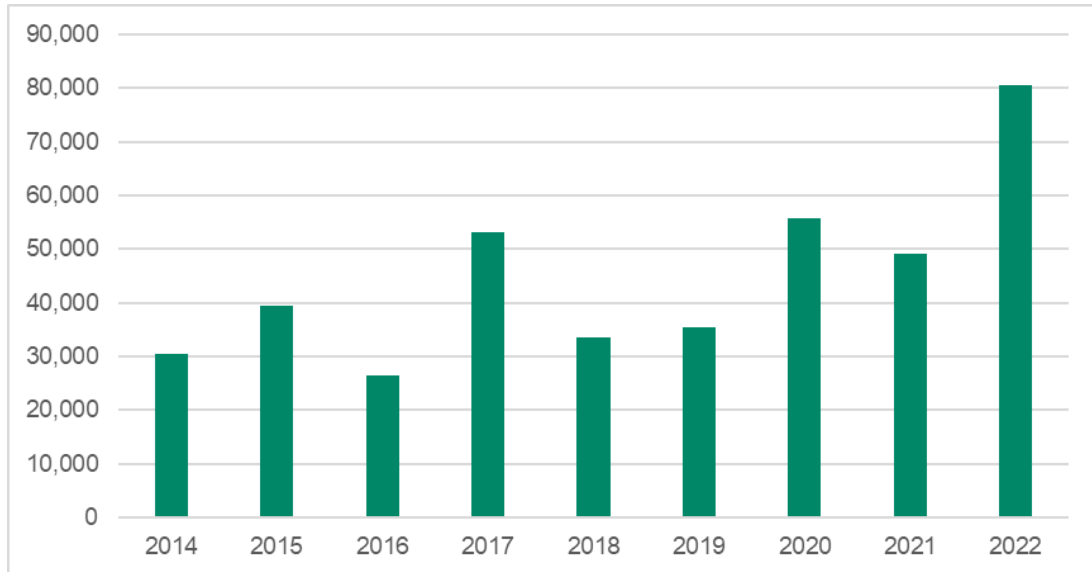
7.2.26 Since the publication of the previous ELS in 2014⁸⁹, approximately 400,000 sqm of office floorspace has been delivered in LB Camden. The overall trend is that office floorspace being delivered has increased over this time period. This is shown in Figure 7-11.

⁸⁷ Data presented spatially is derived from the rental value data for each property provided by CoStar. Rental values for each property are given in a range i.e. an upper and lower value is provided to indicate the range of likely rental values. As a result of this, the rental values provided regarding spatial variation may not align with the overall data for the borough previously presented in this section of the report.

⁸⁸ The CoStar defined submarket areas of 'Bloomsbury', 'Clerkenwell', 'Covent Garden', 'Holborn', 'King's Cross & Euston', 'Fitzrovia', 'Northern Fringe' and 'Western Fringe' have been used to represent the energy efficiency of stock within identified property market submarkets. These submarket areas extend beyond the boundary of LB Camden, however data shown only reflects properties within the borough boundary. Note that the CoStar submarket of 'Noho' has been renamed 'Fitzrovia' for the purposes of this study.

⁸⁹ Office floorspace delivered since 2014 excludes that delivered in 2023 on the basis that at the time of writing, data for 2023 is incomplete and not comparable with the other years in the time series data.

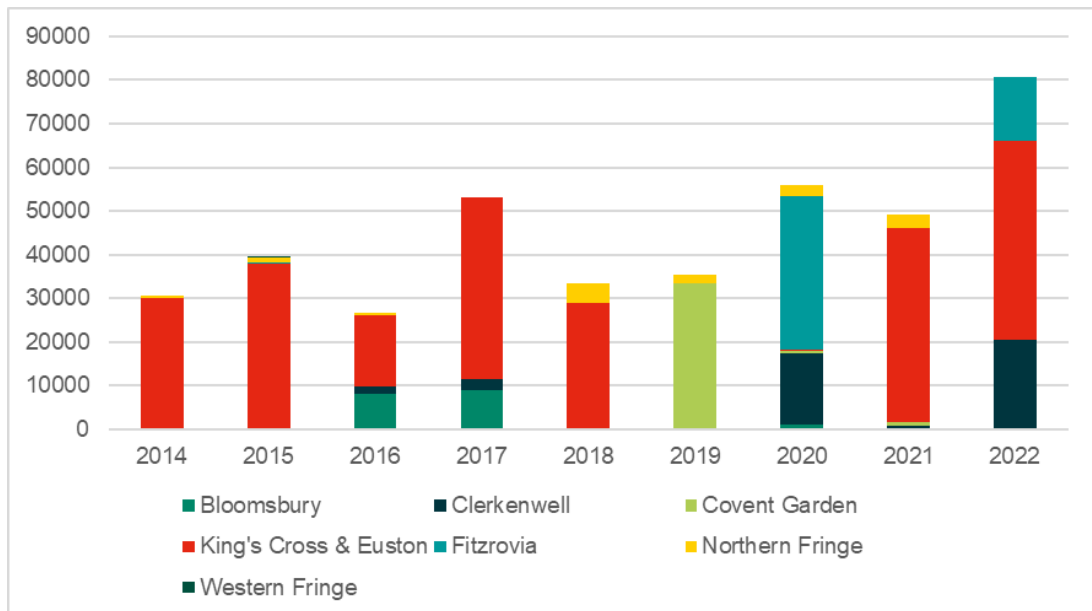
Figure 7-11: Office floorspace delivered in LB Camden (sqm, 2014 - 2022)



Source: CoStar, (2023).

7.2.27 The majority of the office floorspace delivered since 2014 (circa. 60%) is located within the King’s Cross and Euston CoStar submarket area. This is shown in Figure 7-12. There have also been significant additions to office floorspace over this period in the Covent Garden submarket area in 2019, contributed by the completion of The Post Building at 100 Museum Street. Similarly, a large contribution to floorspace over this period was delivered in the Fitzrovia submarket area, contributed by developments such as 80 Charlotte Street, which incorporates 321,000 sq ft of open-plan, flexible office space and marks Derwent London’s largest project to date⁹⁰.

Figure 7-12 Office floorspace delivered in LB Camden between 2014 and 2022, by submarket area (sqm)

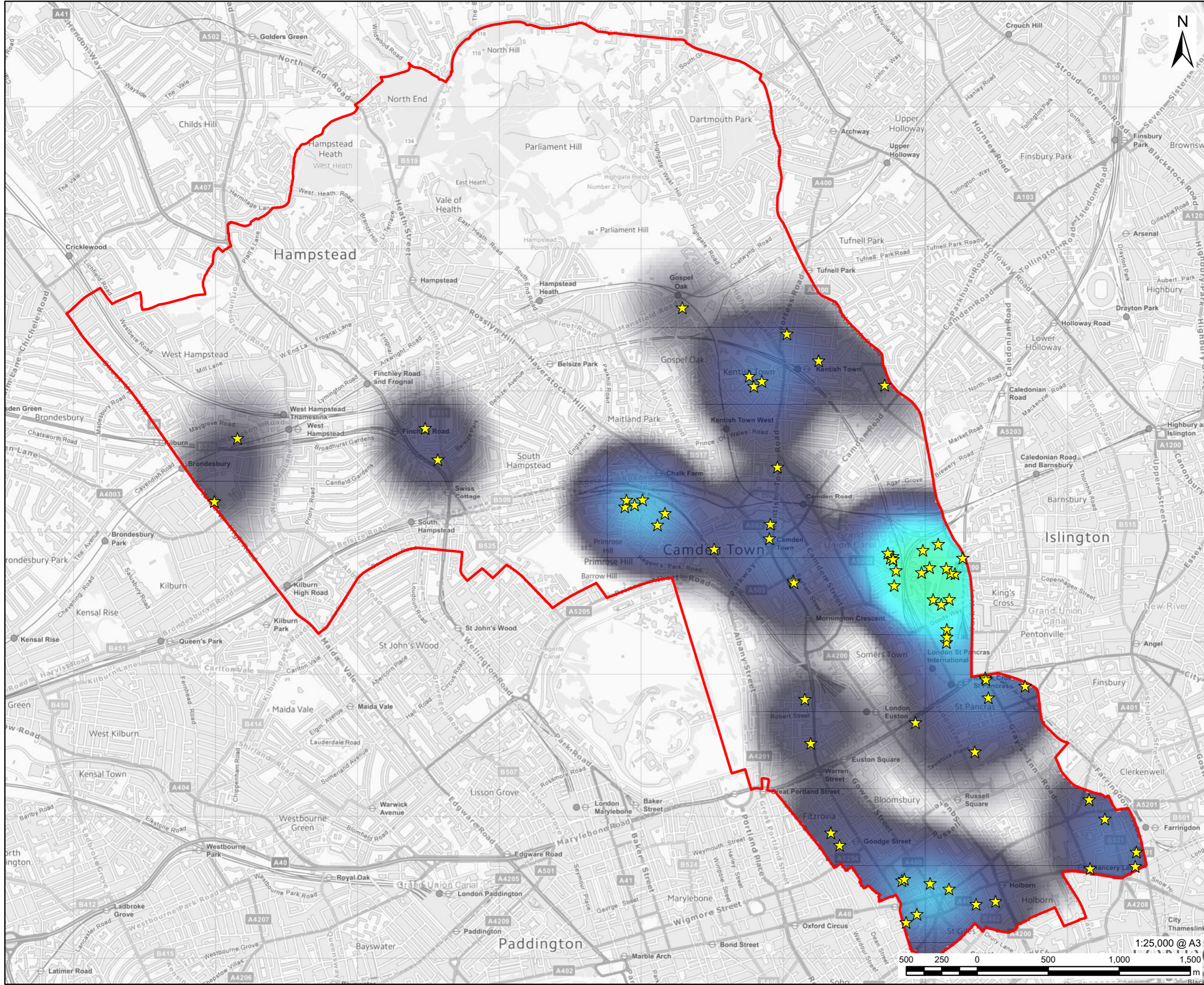


Source: CoStar, (2023).

7.2.28 The geographical distribution of new office floorspace delivered between 2014 and 2022 is shown on Figure 7-13, which shows the amount of new office floorspace expressed in terms of density is illustrated. The area surrounding Kings Cross unsurprisingly displays

⁹⁰ OnOffice, (2021); Make Architects complete Derwent London’s largest-ever project in upscale Fitzrovia. Accessed at <https://www.onofficemagazine.com/interiors/make-architects-derwent-london-fitzrovia>

considerably denser levels of new office floorspace compared to the rest of Borough, while there has also been a notable cluster of new office space delivered at Camden Town Centre / Chalk Farm / Primrose Hill in the last decade. This speaks to the strength of demand among SMEs and start-ups to locate in areas such as Gloucester Avenue / Chalcot Road, as identified in Section 6, as well as the larger corporations occupying new space at Kings Cross.



PROJECT
Camden Economic Needs Assessment

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LEGEND

- Camden Borough Boundary
- ★ Location of New Office

Density of New Office Floorspace

Higher Density

Lower Density

NOTES

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ISSUE PURPOSE

FINAL

PROJECT NUMBER
60706011

FIGURE TITLE
Clustering of New Offices

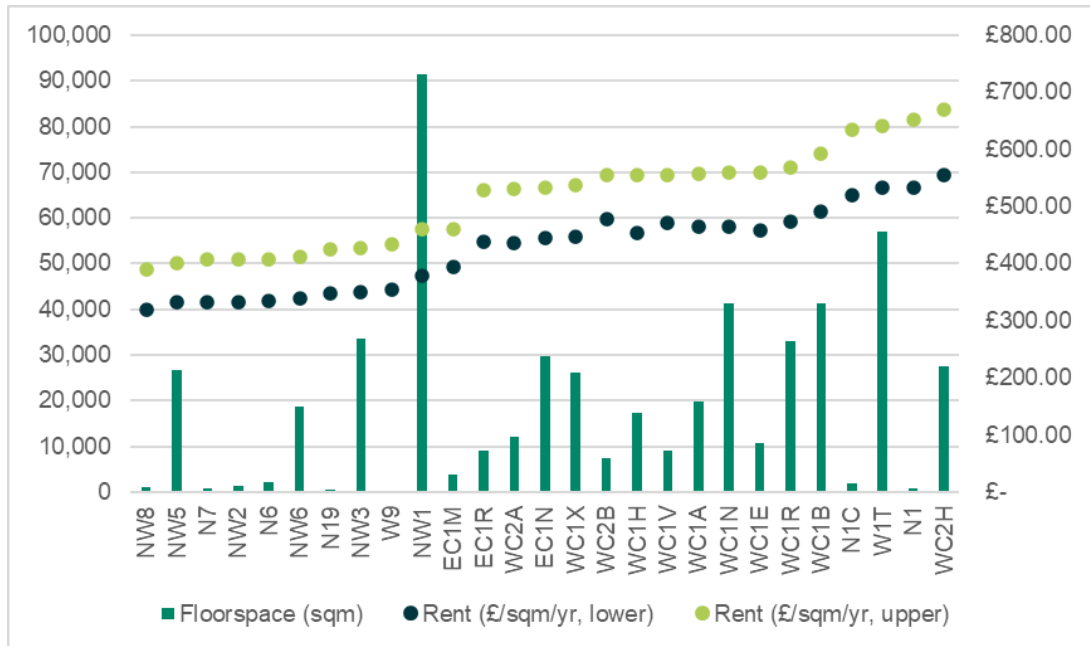
FIGURE NUMBER
Figure
7-13

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Spotlight on smaller space

7.2.29 Smaller office space plays an important role in providing space suitable for LB Camden's many SMEs. These spaces are also the predominant typology of office space present in the borough, and therefore warrant further inspection. The majority of small office floorspace properties (<1,000 sqm) is located within the NW1 postcode area, with other significant contributions located in the W1T, W1CN and W1CB postcode areas. Figure 7-14 shows the amount of floorspace, by location, with the upper and lower bounds of the estimated rental value also shown. The average rental value of smaller offices across LB Camden as a whole is approximately £478 - £571/sqm/yr.

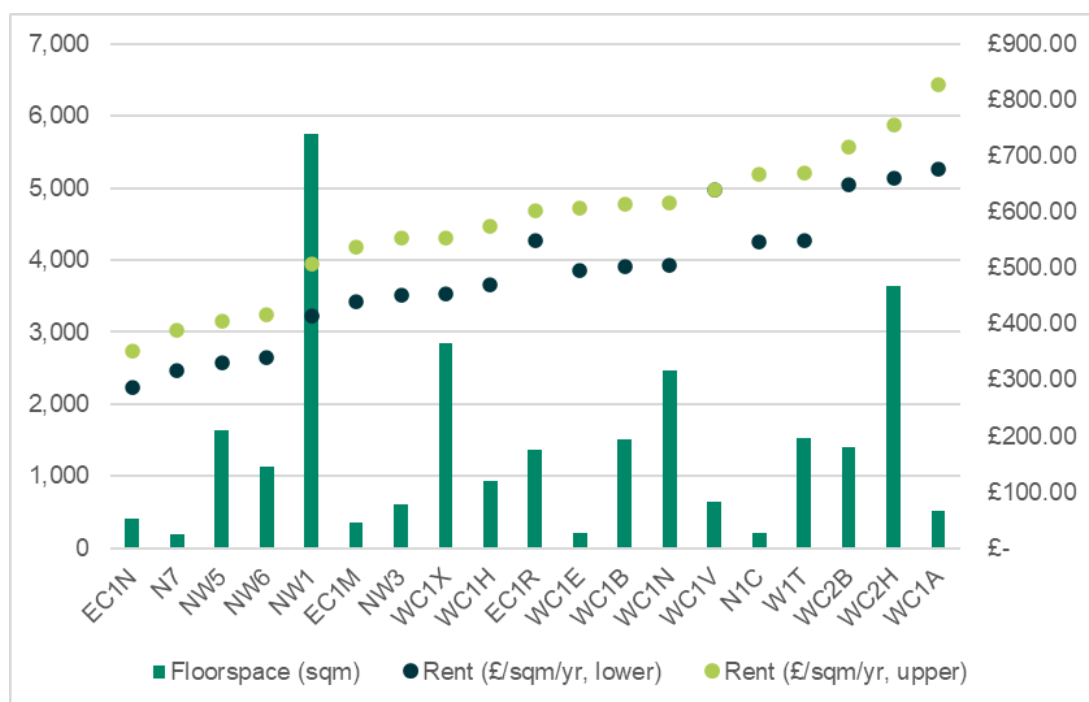
Figure 7-14 Small office floorspace (< 1,000 sqm) in LB Camden, and average rental value, by postcode area



Source: CoStar, (2023).

7.2.30 Given broader demand for modern office space in LB Camden, it is reasonable to expect that this is applicable also to smaller office spaces. Figure 7-15 shows rental values of small office space (<1,000 sqm) which has been built or most recently renovated since 2014. Of the circa. 27,400 sqm of such space across LB Camden as a whole, the majority of this new office floorspace has been delivered in NW1 and WC2H postcode areas. Figure 7-15 also shows the upper and lower bounds of the estimated rental value by postcode area. Despite floorspace of this size being delivered in WC2H since 2014, the recorded rental values attributed to such space are amongst the highest in the borough.

Figure 7-15 Small office floorspace (< 1,000 sqm) in LB Camden delivered since 2014, and average rental value, by postcode area



Source: CoStar, (2023).

Office (E(g)(i)) market conclusions

- 7.2.31 The office market in LB Camden accommodates approximately 3,498,189 sqm of floorspace and comprises 11.9% of the total stock in the FEMA. The majority of premises are small (54% being less than 500sqm) though these account for only 8% of the total floorspace. Medium sized premises (500 to 1,999 sqm) account for more floorspace in LB Camden than in the FEMA, and there are proportionately fewer larger premises than the FEMA overall. The principal office areas in LB Camden are located around Bloomsbury, Holborn, Covent Garden, Regent’s Place and Kings Cross and occupiers are varied, ranging from technology companies, creative industries to charities and small-scale accountancy firms.
- 7.2.32 The analysis shows that the demand for office floorspace in Camden is generally positive. LB Camden has a lower vacancy rate than the FEMA and London, however it is growing at a faster rate. Net absorption rates in LB Camden have been positive overall, although to a limited extent, between 2014 and 2019. There were negative net absorption rates from 2020 to 2021, likely due to COVID, however these returned to positive in 2022 and are anticipated to continue in this trajectory despite increased levels of hybrid working. Demand for office space in the Borough is also reflected in its average rental values, which remain significantly higher than the FEMA and London averages.

7.3 Light Industrial market - [E(g)(iii)]

- 7.3.1 This section presents findings related to the light industrial (E(g)(iii)) class property market, in LB Camden, along with some comparisons to both the wider FEMA and London.

Buildings and floorspace

- 7.3.2 CoStar data indicates that the light industrial market in LB Camden is comprised of 120 properties, with approximately 76,017 sqm net internal area (NIA) floorspace⁹¹, including existing space, and space under renovation.
- 7.3.3 Table 7-8 shows the number of properties and the corresponding floorspace (in sqm) for LB Camden, the wider FEMA and London overall. LB Camden accommodates around 10.9% of

⁹¹ The floorspace data presented within this section is downloaded directly from CoStar and corresponds to floorspace of the buildings *only*, and therefore does not take into account ancillary space such as yard space or parking.

properties within the FEMA, and accounts for 9.8% of the FEMA's total light industrial floorspace. The data also shows that the average property size in LB Camden is smaller than the average in the FEMA and London, with both significantly smaller than that for London. This reflects the relative lack of space for industrial land within the Borough, which was a key finding from consultation with land agents and businesses alike.

Table 7-8: Light industrial (E(g)(iii) use) Properties – Buildings and Floorspace

	LB Camden	FEMA	London
Number of properties	120	1,099	2,797
Floorspace (sqm)	76,017	776,809	2,662,929
Average property size (sqm)	633	706	952

Source: CoStar, (2023).

Premises

7.3.4 Table 7-9 and Table 7-10 show the proportion of both light industrial units and floorspace across LB Camden and the FEMA respectively. This shows that both the Borough and FEMA are characterised by having a large supply of small premises (under 500 sqm), few large premises (over 2,000 sqm) and no very large buildings larger than 10,000 sqm. As shown across the two tables, the spread in terms of premises size by proportion of units and by proportion of floorspace is similar when comparing LB Camden and the FEMA. This is indicative of the market being characterised by mostly SMEs within small-medium sized premises across most of the FEMA, reflecting that there is limited designated land outside LB Southwark and LB Wandsworth which both have higher floorspace stocks.

Table 7-9: Light industrial stock by premises size in LB Camden

Premises Size (sqm)	Units	Proportion of units	Floorspace (sqm)	Proportion of total floorspace stock
Under 250	63	53%	6,613	9%
250 – 499	21	18%	7,733	10%
500 – 999	15	13%	11,154	15%
1,000 – 1,999	12	10%	17,485	23%
2,000 – 9,999	8	7%	33,031	43%
Over 10,000	0	0%	0	0%
Total	120	-	76,017	-

Source: CoStar, (2023). Figures may not sum due to rounding

Table 7-10: Light industrial stock by premises size in the FEMA

Premises Size (sqm)	Units	Proportion of units	Floorspace (sqm)	Proportion of total floorspace stock
Under 250	531	48%	65,535	8%
250 – 499	182	17%	65,068	8%
500 – 999	157	14%	113,238	15%
1,000 – 1,999	137	12%	194,534	25%
2,000 – 9,999	92	8%	338,433	44%
Over 10,000	0	0%	0	0%
Total	1,099	-	776,809	-

Source: CoStar, (2023). Figures may not sum due to rounding

7.3.5 Table 7-11 presents the change in light industrial floorspace in LB Camden, the FEMA and London for the period between 2014 and 2023. It shows that the supply of E(g)(iii)

floorspace in LB Camden has not changed, while the FEMA experienced a limited increase (by 0.6% from 771,953 sqm in 2014 to 776,309 sqm in 2023) and London experienced a higher increase (by 1.3% from 2,629,141sqm in 2014 to 2,662,929 sqm in 2023). The modest changes indicate that the light industrial market has been relatively stable in terms of supply over a long period.

Table 7-11: Change in Light Industrial floorspace stock between 2014 and Q1 2023

	LB Camden	FEMA	London
Floorspace in 2014 (sqm)	76,017	771,551	2,618,290
Floorspace in Q1 2023 (sqm)	76,017	776,309	2,662,929
Change (%)	0.00%	0.62%	1.70%

Source: CoStar, (2023).

Vacancy, availability, and absorption rates

7.3.6 Table 7-12 shows the vacancy rate and availability rate for the light industrial market in LB Camden, along with the FEMA and London, in Q1 of 2023. LB Camden has a lower vacancy rate (2.4%) than the FEMA (4.4%) and London (3.9%). Similarly, the availability rate of light industrial stock in LB Camden (3.0%) is lower than the FEMA (5.6%) and the London average (4.9%).

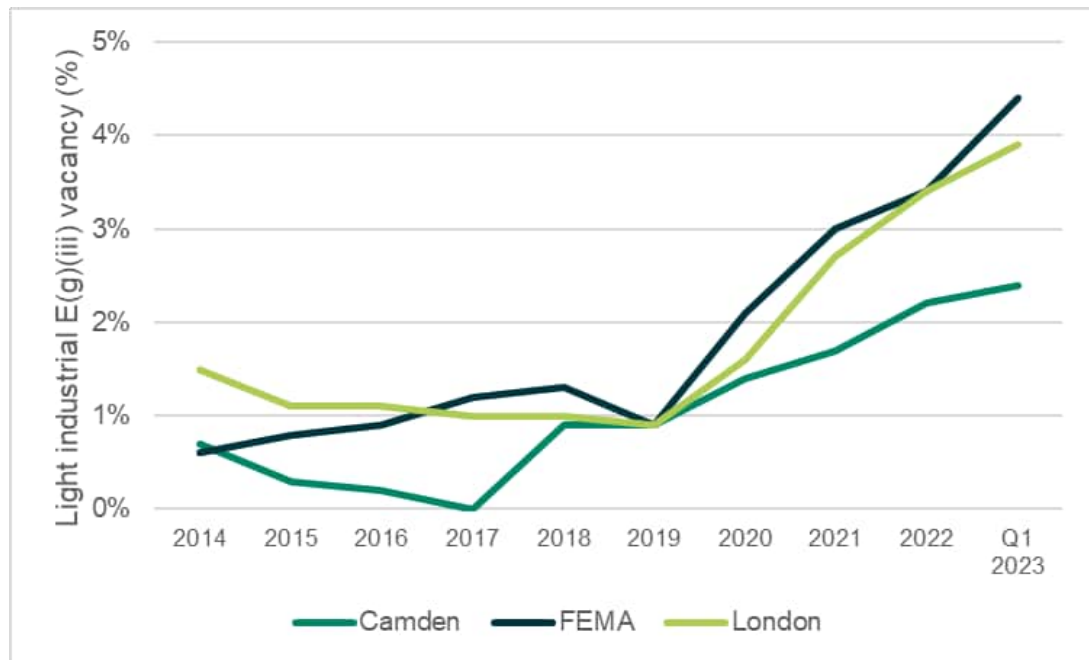
Table 7-12: Vacancy and availability rates Light Industrial floorspace

Location	Vacancy (sqm)	Vacancy (%)	Availability (sqm)	Availability (%)
LB Camden	1,807	2.4%	2,299	3.0%
FEMA	34,286	4.4%	43,390	5.6%
London	104,713	3.9%	131,007	4.9%

Source: CoStar, (2023). Figures may not sum due to rounding

7.3.7 Figure 7-16 shows the change in light industrial floorspace vacancy rates between 2014 and 2023 for LB Camden, the FEMA and London. Vacancy rates in LB Camden have increased from 0.7% in 2014 to 2.4% in 2023, although the vacancy rate is slightly lower than the FEMA (from 0.6% in 2014 to 4.4% in Q1 2023) and London average (from 1.5% in 2014 to 3.9% in 2023).

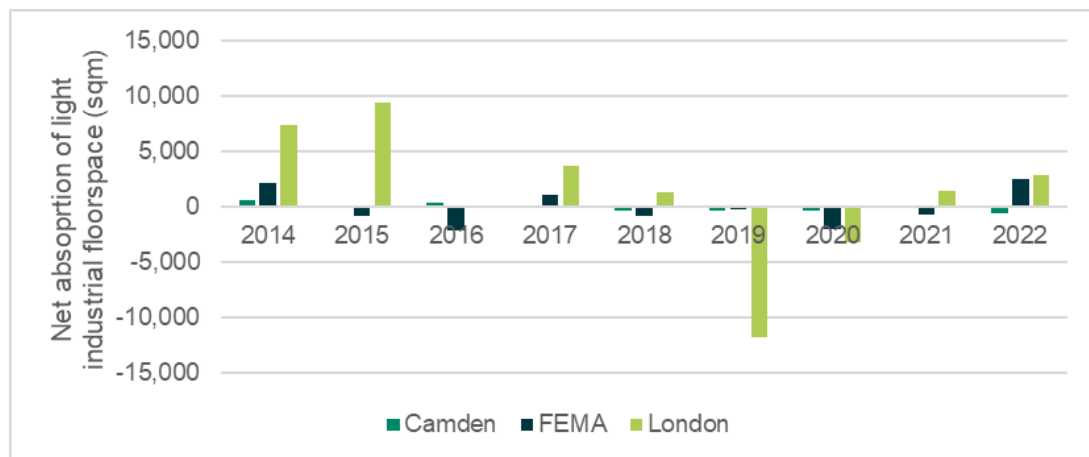
Figure 7-16: Vacancy of Light Industrial floorspace in LB Camden, the FEMA and London between 2014 and Q1 2023



Source: CoStar (2023)

7.3.8 Figure 7-17 presents net absorption for the light industrial floorspace in LB Camden, the FEMA and London. Between 2014 and 2017 the rate of net absorption was positive in LB Camden. However, between 2018 and 2022, the net absorption has been negative, with the exception of 2021 where there was no net increase in the absorption rate. In the FEMA, the net absorption has generally been negative, with the exception of 2017 and 2022 where it was positive.

Figure 7-17: Net absorption rate of Light Industrial floorspace in LB Camden, the FEMA and London between 2014 and 2022



Source: CoStar (2023)

Rental values

7.3.9 Table 7-13 presents the achieved average rental values in Q1 2023 for light industrial E(g)(iii) floorspace in LB Camden, the FEMA and London. It shows that LB Camden has a lower average rental value for light industrial E(g)(iii) floorspace (£264 per sqm) than the FEMA (£294 per sqm). This is 10.2% (£30) lower than the FEMA average, and likely reflective of the relatively suppressed levels of demand for this type of employment space within the Borough.

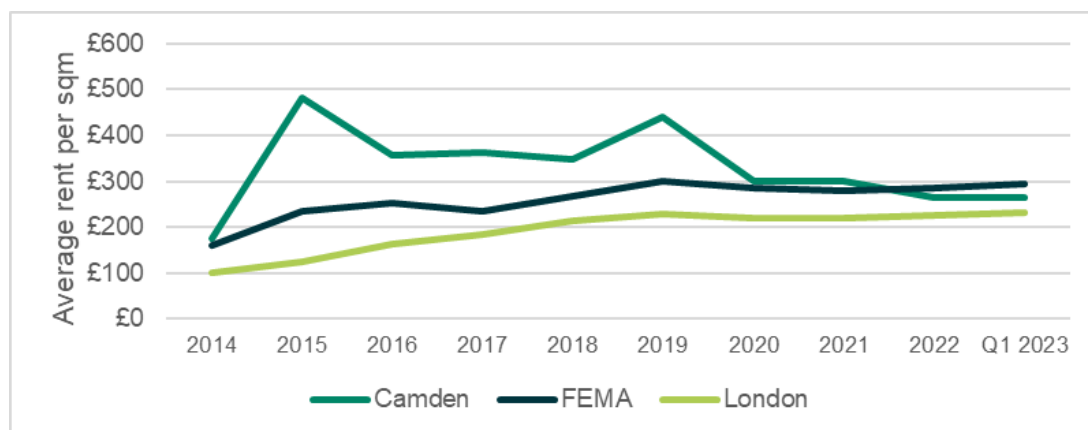
Table 7-13: Average rental values for Light Industrial floorspace in LB Camden, the FEMA and London (£ per sqm) in Q1 2023

Location	Average £ per sqm
LB Camden	264
FEMA	294
London	230

Source: CoStar, (2023).

7.3.10 Figure 7-18 presents the changing rental values in LB Camden, the FEMA and London between 2014 and 2023. The rate at which the average rent per sqm has increased in LB Camden (50.8%) is lower than the rate across the FEMA (83.8%) and London (127.9%). This could be due to the small size of the market and the influence that the number of transactions can have on trend analysis, given that in some years this could be very few and thus more skewed than in larger markets.

Figure 7-18: Average rent per sqm for Light Industrial floorspace in LB Camden, the FEMA and London between 2014 and Q1 2023



Source: CoStar (2023)

Light industrial (E(g)(iii) use) market conclusions

7.3.11 The local light industrial market in LB Camden accommodates approximately 76,017 sqm of floorspace and comprises 9.8% of the total stock in the FEMA. Most premises are located along or near Pancras Road, Pakenham Street, Kilburn, Kentish Town, Russell Square and Camden Town. The market is characterised by mostly SMEs within small-medium sized premises. The profile by unit size and floorspace proportion is very similar to the FEMA, indicating that supply is typical of the wider area and of its central London location. Trends in demand comprise vacancy and availability rates that have increased since 2017, but to a lesser extent than the FEMA and London, with rental values sitting mid-way between the FEMA and London average. Overall this indicates that LB Camden is generally not an outlier within its FEMA and demand is generally stable, but not strong, reflecting the very small size of the market.

7.4 Industrial market - [B2]

7.4.1 This section presents findings related to the industrial property market, specifically B2 class (General Industrial), in LB Camden, along with some comparisons to both the wider FEMA and London.

Buildings and floorspace

7.4.2 CoStar data indicates that the industrial market in LB Camden is comprised of 45 properties, with approximately 16,612 sqm net internal area (NIA) floorspace, including existing space, and space under renovation.

7.4.3 Table 7-14 shows the number of B2 industrial properties and the corresponding floorspace (in sqm) for LB Camden, the wider FEMA and London overall. LB Camden accommodates around 5.6% of properties within the FEMA, and accounts for 3.5% of the FEMA's total industrial floorspace. The data also shows that the average property size in LB Camden is significantly smaller than the average in the FEMA and London. Again, this is reflective of the space constraints for businesses operating within this market in LB Camden.

Table 7-14: Industrial properties – Buildings and floorspace

	LB Camden	FEMA	London
Number of properties	45	790	3,299
Floorspace (sqm)	16,612	476,247	2,642,774
Average property size (sqm)	369	603	801

Source: CoStar, (2023).

Premises

7.4.4 Table 7-15 and Table 7-16 show the proportion of both industrial units and floorspace across LB Camden and the FEMA respectively. This shows that both the Borough and the FEMA are characterised by having a large supply of small and medium premises (under 1,000 sqm). There are no larger industrial premises (over 1,000 sqm) in LB Camden, while they only account for 4% in the FEMA – a reflection of most areas being within Central London. In terms of proportion of floorspace, all of the industrial floorspace is distributed among smaller premises (under 1,000 sqm) in LB Camden. In the FEMA however, despite having a large supply (96%) of small and medium premises (under 1,000 sqm), they only account for 58% of the total floorspace reflecting the fact that some larger premises remain, principally in the Old Kent Road / Surrey Canal area (LB Southwark).

Table 7-15: Industrial stock by premises size in LB Camden

Premises Size (sqm)	Units	Proportion of units	Floorspace (sqm)	Proportion of total floorspace stock
Under 250	19	42%	2,366	14%
250 – 499	11	24%	3,874	23%
500 – 999	15	33%	10,372	62%
1,000 – 1,999	0	0%	0	0%
2,000 – 9,999	0	0%	0	0%
Over 10,000	0	0%	0	0%
Total	45	-	16,612	-

Source: CoStar, (2023). Figures may not sum due to rounding

Table 7-16: Industrial stock by premises size in the FEMA

Premises Size (sqm)	Units	Proportion of units	Floorspace (sqm)	Proportion of total floorspace stock
Under 250	322	41%	40,772	9%
250 – 499	202	26%	72,833	15%
500 – 999	237	30%	164,265	34%
1,000 – 1,999	13	2%	17,322	4%

Premises Size (sqm)	Units	Proportion of units	Floorspace (sqm)	Proportion of total floorspace stock
2,000 – 9,999	10	1%	49,870	10%
Over 10,000	6	1%	131,186	28%
Total	790	-	476,247	-

Source: CoStar, (2023). Figures may not sum due to rounding

- 7.4.5 Table 7-17 presents the change in industrial floorspace in LB Camden, the FEMA and London for the period between 2014 and 2023 using data available from CoStar. It shows that the supply of B2 industrial floorspace in LB Camden and the FEMA has not changed, while the London average experienced a slight increase (by 1.2% from 2,610,152 sqm in 2014 to 2,662,929 sqm in 2023). The modest changes indicate that the industrial market has been relatively stable in terms of supply over a long period.

Table 7-17: Change in Industrial floorspace stock between 2014 and Q1 2023

	LB Camden	FEMA	London
Floorspace in 2014 (sqm)	16,612	476,247	2,610,152
Floorspace in Q1 2023 (sqm)	16,612	476,247	2,642,774
Change (%)	0%	0%	1.2%

Source: CoStar, (2023).

Vacancy, availability and absorption rates

- 7.4.6 Table 7-18 shows the vacancy rate and availability rate for the industrial market in LB Camden, along with the FEMA and London. In 2023 Q1, all the industrial properties in LB Camden are fully occupied and therefore the vacancy and availability rates are zero. The FEMA has a higher vacancy (5.2%) and availability (5.7%) than the London average (2.9% and 3% respectively).

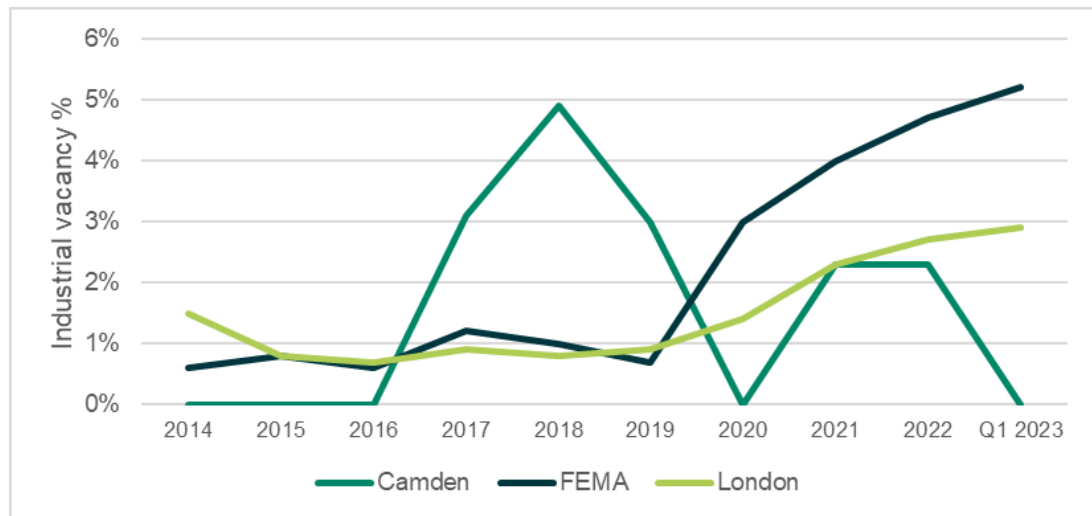
Table 7-18: Vacancy and availability rates Industrial floorspace

Location	Vacancy (sqm)	Vacancy (%)	Availability (sqm)	Availability (%)
LB Camden	0	0	0	0
FEMA	24,280	5.1%	27,182	5.7%
London	72,892	2.8%	75,333	2.9%

Source: CoStar, (2023). Figures may not sum due to rounding

- 7.4.7 Figure 7-19 shows the change in industrial floorspace vacancy rates between 2014 and Q1 2023 for LB Camden, the FEMA and London. Vacancy rates in LB Camden have fluctuated significantly from 2017 to 2022, peaking in 2018 (4.9%), and currently standing at 0%. Since 2019, the rates for both the FEMA and London have increased considerably.

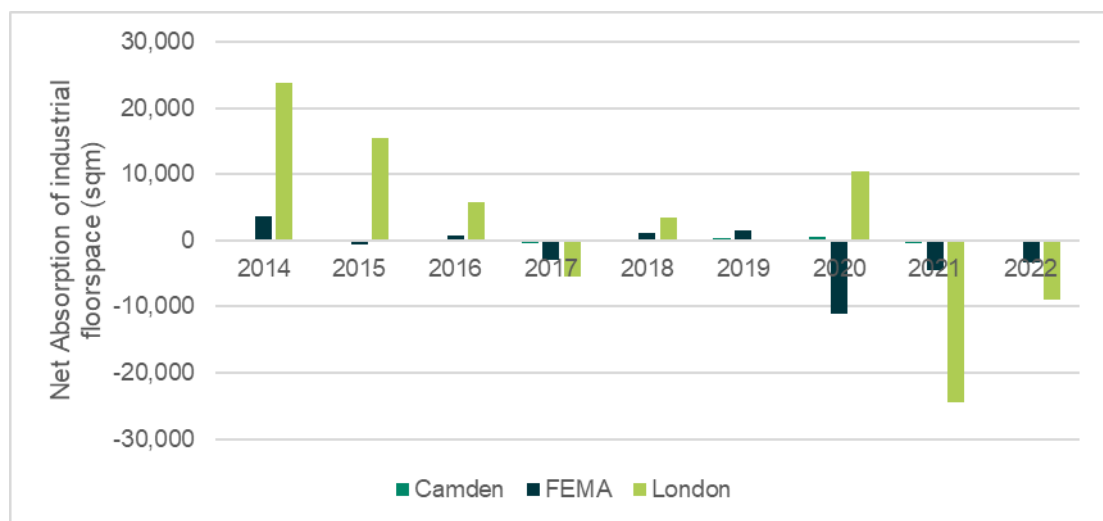
Figure 7-19: Vacancy of Industrial floorspace across the FEMA between 2014 and Q1 2023



Source: CoStar (2023)

7.4.8 Figure 7-20 presents net absorption for the industrial floorspace in LB Camden, the FEMA and London. In LB Camden, between 2014 and 2017 there was no net increase in the absorption rate of the industrial floorspace, fluctuating between 2017 and 2021, and then no net change in 2022. The FEMA and London have experienced a declining trend from positive absorption rates in 2014 to negative absorption rates in 2022.

Figure 7-20: Net absorption rate of Industrial floorspace in LB Camden, the FEMA and London between 2014 and 2022



Source: CoStar (2023)

Rental values

7.4.9 Table 7-19 presents average achieved rental values in 2023 for industrial spaces in LB Camden, the FEMA and London. It shows that LB Camden has an average rental value for industrial floorspace (£221 per sqm), notably lower than the FEMA (£269 per sqm). However, the rates in LB Camden are 8.8% higher than the London average (£203 per sqm).

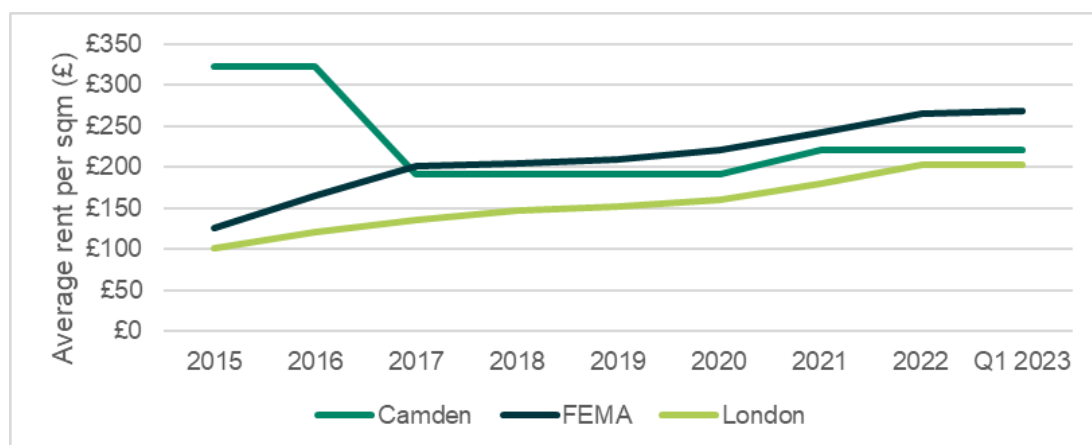
Table 7-19: Average rental values for Industrial floorspace in LB Camden, the FEMA and London (£ per sqm) in Q1 2023

Location	Average £ per sqm
LB Camden	221
FEMA	269
London	203

Source: CoStar, (2023).

- 7.4.10 Figure 7-21 presents the changing achieved industrial rental values in LB Camden, the FEMA and London between 2015⁹² and Q1 2023. The average rent per sqm in LB Camden has experienced a fall (from £323 per sqm in 2015 to £221 per sqm in Q1 2023), while the FEMA and London experienced a significant increase. This could be a reflection of the very small size of the market meaning there are few transactions on which an assessment of achieved rental values is based making it susceptible to large skews in values based on the quality of stock transacted, and other factors such as leasing terms.

Figure 7-21: Average rent per sqm in LB Camden, the FEMA and London between 2015 and Q1 2023



Source: CoStar (2023)

Industrial (B2 use) market conclusions

- 7.4.11 The industrial market in LB Camden accommodates approximately 16,612 sqm of floorspace and comprises 3.5% of the total stock in the FEMA. Most of the B2 premises are located along or near Kentish Town and Camden Town. The market is characterised by mostly SMEs within small-medium sized premises (under 1,000 sqm). The proportion of unit size in LB Camden is similar to the FEMA, however, it only accounts for 58% of the floorspace in the FEMA. The average rent per sqm in LB Camden has experienced a significant fall since 2015 while it increased in the FEMA and London in the same time period. This may in part be explained by the small size of the market and therefore the low number of transactions upon which the assessment is made, however it does also represent a manifestation of the trend of relatively weaker demand forecasted for the Borough in the GLA's London Industrial Land Demand report in 2017⁹³. Overall, the analysis indicates that LB Camden is generally not an outlier within its FEMA and demand is generally stable but not strong, reflecting the very small size of the market.

7.5 Warehousing market - [B8]

- 7.5.1 This section presents findings related to the B8 use class property market (Warehousing, Storage and Distribution) in LB Camden, along with some comparisons to both the wider FEMA and London.

⁹² CoStar does not provide a rent per sqm for Camden in 2014 for B2 industrial space

⁹³ GLA, (2017); London Industrial Land Demand

Buildings and floorspace

- 7.5.2 CoStar data indicates that the warehousing market in LB Camden is comprised of 27 properties, with approximately 94,800 sqm net internal area (NIA) floorspace⁹⁴, including existing space, and space under renovation.
- 7.5.3 Table 7-20 shows the number of warehousing properties and the corresponding floorspace (in sqm) for LB Camden, the wider FEMA and London overall. LB Camden accommodates around 5.5% of properties within the FEMA, and accounts for 7.4% of the FEMA's total warehousing floorspace. The data also shows that the average property size in LB Camden (3,511 sqm) is bigger than the average in the FEMA (2,579 sqm) and, notably London (3,250 sqm) which is contributed to by very large properties adjacent to the railway infrastructure near Kentish Town and Cedar Way.

Table 7-20: B8 properties – Buildings and floorspace

	LB Camden	FEMA	London
Number of properties	27	494	4,065
Floorspace (sqm)	94,800	1,274,069	13,211,706
Average property size (sqm)	3,511	2,579	3,250

Source: CoStar, (2023).

Premises

- 7.5.4 Table 7-21 shows that 92% of all warehousing units in LB Camden are more than 1,000 sqm in size and account for about 99% of the total floorspace. There are only two units smaller than 1,000 sqm in size. Across the FEMA, As shown in Table 7-22 the distribution of stock by size is largely similar with 82% of all units being more than 1,000 sqm in size which account for about 97% of the total floorspace. Approximately 10% of all units are below 500 sqm and the rest (8%) are between 500 and 999 sqm in size, between them accounting for 3% of floorspace.

Table 7-21: Warehousing stock by premises size in LB Camden

Premises Size (sqm)	Units	Proportion of units	Floorspace (sqm)	Proportion of total floorspace stock
Under 250	1	4%	229	0%
250 – 499	0	0%	0	0%
500 – 999	1	4%	733	1%
1,000 – 1,999	7	26%	8,776	9%
2,000 – 9,999	17	62%	66,899	71%
Over 10,000	1	4%	18,164	19%
Total	27	-	94,800	-

Source: CoStar, (2023). Figures may not sum due to rounding

Table 7-22: Warehousing stock by premises size in the FEMA

Premises Size (sqm)	Units	Proportion of units	Floorspace (sqm)	Proportion of total floorspace stock
Under 250	34	7%	4,516	0%
250 – 499	16	3%	5,513	0%
500 – 999	38	8%	31,356	3%
1,000 – 1,999	185	37%	265,430	21%

⁹⁴ The floorspace data presented within this section is downloaded directly from CoStar and corresponds to floorspace of the buildings *only*, and therefore does not take into account ancillary space such as yard space or parking.

Premises Size (sqm)	Units	Proportion of units	Floorspace (sqm)	Proportion of total floorspace stock
2,000 – 9,999	212	43%	775,311	61%
Over 10,000	9	2%	191,943	15%
Total	494	-	1,274,069	-

Source: CoStar, (2023). Figures may not sum due to rounding

7.5.5 Table 7-23 presents the change in warehousing floorspace in LB Camden, the FEMA and London for the period between 2014 and 2023 using data available from CoStar. It shows that the supply of warehousing floorspace in LB Camden has decreased over time (-4.8%), although less than the FEMA (-8.7%), while the London average experienced an increase (1.2%).

Table 7-23: Change in Warehousing floorspace stock across between 2014 and Q1 2023

	LB Camden	FEMA	London
Floorspace in 2014 (sqm)	99,616	1,274,069	13,087,680
Floorspace in Q1 2023 (sqm)	94,800	1,431,238	13,211,706
Change (%)	-4.83%	-8.69%	1.15%

Source: CoStar, (2023).

Vacancy, availability and absorption rates

7.5.6 Table 7-24 shows the vacancy rate and availability rate for floorspace in the warehousing market in LB Camden, along with the FEMA and London, in Q1 of 2023. Although it has fewer premises than both areas in both relative and absolute terms, LB Camden has a significantly higher vacancy rate (7.4%) than recorded in the FEMA (3.7%) and London (4.6%). Similarly, the availability rate of B8 warehousing floorspace in LB Camden (16.6%) is much higher than the FEMA (5.2%) and the London average (6.4%).

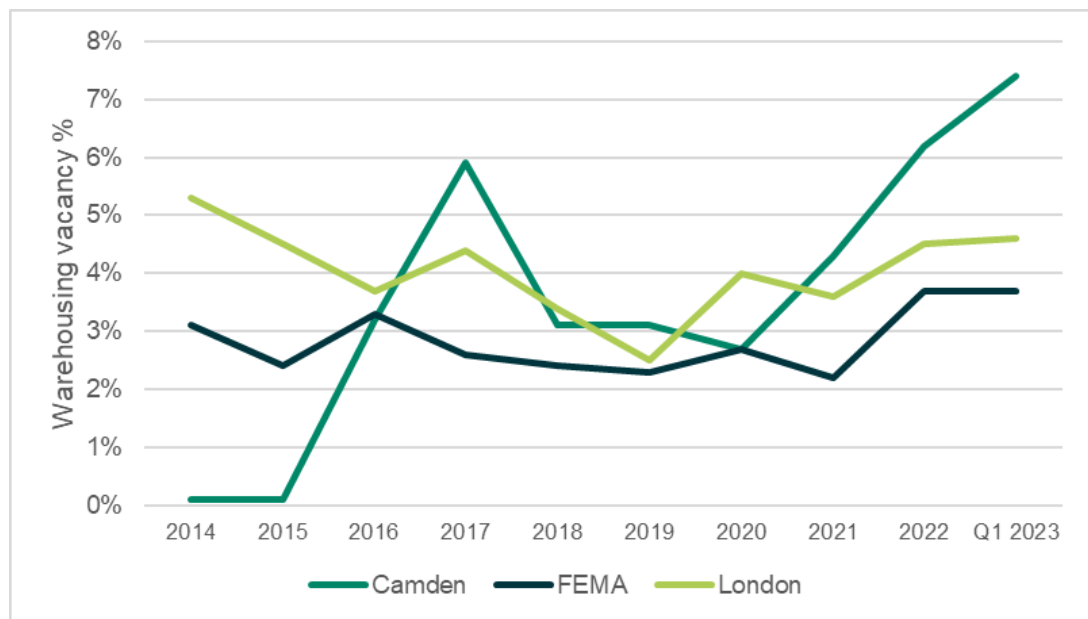
Table 7-24: Vacancy and Availability Rates B8

Location	Vacancy (sqm)	Vacancy (%)	Availability (sqm)	Availability (%)
LB Camden	7,044	7.4%	15,772	16.6%
FEMA	47,732	3.7%	66,037	5.2%
London	605,406	4.6%	860,568	6.4%

Source: CoStar, (2023). Figures may not sum due to rounding

7.5.7 Figure 7-22 shows the change in warehousing floorspace vacancy rates between 2014 and 2023 in LB Camden, the FEMA and London. Vacancy rates in LB Camden have increased significantly since 2015, experiencing a fall between 2017 and 2020, although they now stand above the FEMA and London averages.

Figure 7-22: Vacancy of Warehousing floorspace in LB Camden, the FEMA and London between 2014 and Q1 2023

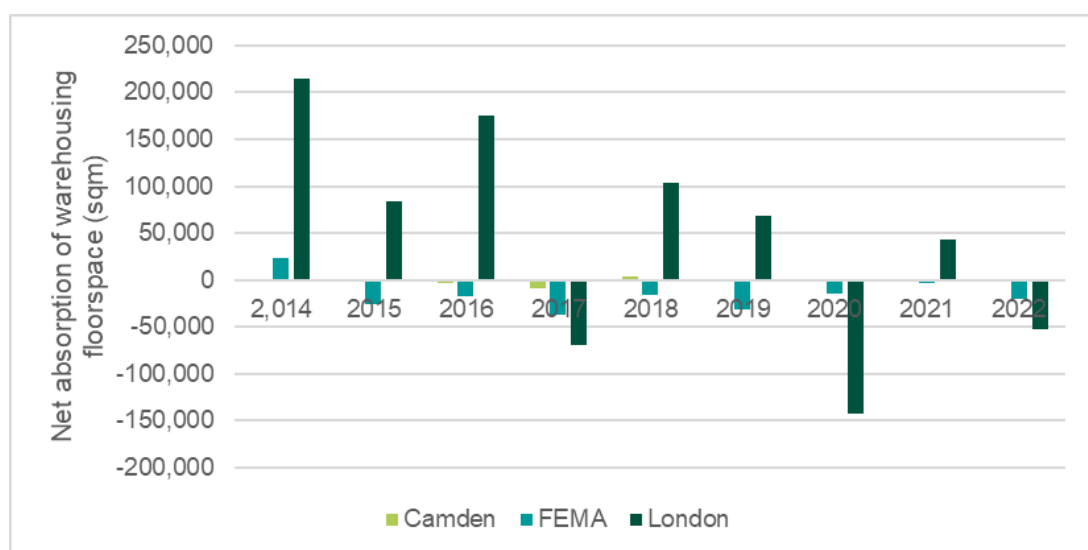


Source: CoStar (2023)

7.5.8 It can be seen that vacancy rates began a sharp upward trajectory at the onset of the COVID pandemic in 2020, to where it lies today above the FEMA and London averages. However, this gap is not anticipated to continue expanding, as recent consultation with land and property agents suggested that the market is returning to pre-pandemic trends.

7.5.9 Figure 7-23 presents net absorption for warehousing floorspace in LB Camden, the FEMA and London. Between 2014 and 2017, net absorption was negative overall in LB Camden, positive until 2020, and negative since to varying degrees. The FEMA has followed a similar trend with overall negative absorption rates from 2014 and 2022. However, the net absorption rate for London has experienced more significant fluctuations.

Figure 7-23: Net absorption rate of Warehousing floorspace in LB Camden, the FEMA and London between 2014 and 2022



Source: CoStar (2023)

Rental values

7.5.10 Table 7-25 presents the average achieved rental values in Q1 2023 for warehousing spaces in LB Camden, the FEMA and London. It shows that LB Camden has an average rental value

for this type of floorspace (£171 per sqm) significantly lower than the FEMA (£221 per sqm) and London (£190 per sqm).

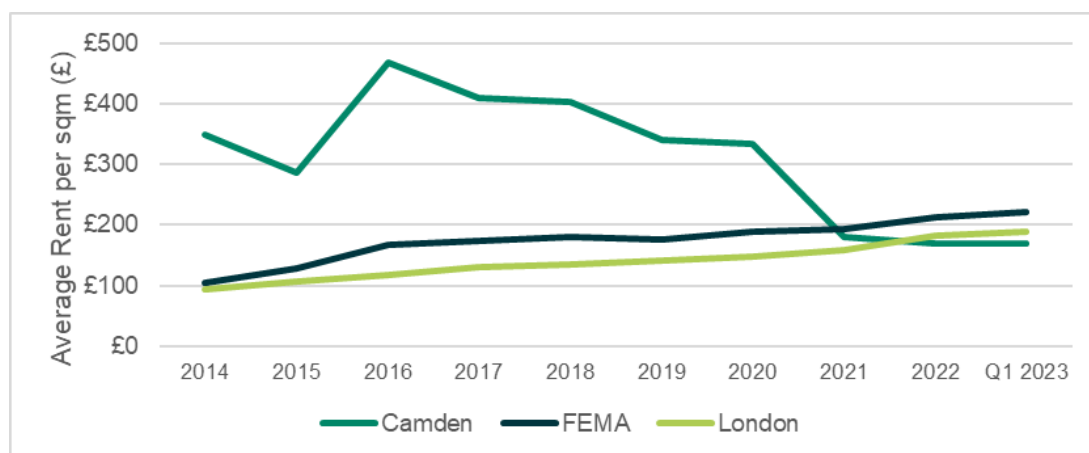
Table 7-25: Average rental values for the Warehousing floorspace in LB Camden, the FEMA and London (£ per sqm) in Q1 2023

Location	Average £ per sqm
LB Camden	170
FEMA	221
London	190

Source: CoStar, (2023).

7.5.11 Figure 7-24 presents the changing rental values in LB Camden, the FEMA and London between 2014 and 2023. The average rent per sqm in LB Camden was significantly higher than the FEMA and London between 2015 and 2021. It now stands below the FEMA and London average. The decline of average rental values in the Borough since 2020 is concomitant with increased vacancy rates over the same period, suggesting that the market for warehousing space in LB Camden was perhaps more strongly affected by the pandemic than other Boroughs. As with other industrial premises in the Borough, this could be a reflection of the small size of the market meaning there are few transactions on which an assessment of achieved rental values is based making it susceptible to large skews in values based on the quality of stock transacted or other factors such as leasing terms.

Figure 7-24: Average rent per sqm for Warehousing floorspace in LB Camden, the FEMA and London between 2014 and Q1 2023



Source: CoStar (2023)

B8 Warehousing (B8 use) market conclusions

7.5.12 The B8 warehousing market in LB Camden accommodates approximately 94,800 sqm of floorspace. Premises are predominantly large - 92% of all B8 units in LB Camden are more than 1,000 sqm in size and account for about 99% of the total floorspace (between 1,000 and 10,000 sqm), but reflecting the profile for premises by size across the FEMA. Most of the warehousing premises are located along or near Kentish Town and Camden Town. Trends in demand over the last 10 years indicate vacancy and availability rates in LB Camden have fluctuated, generally falling between 2018 and 2020, before significantly increasing to their current rates. Rents across LB Camden have experienced a decline in recent years, while rental values in the FEMA and London have been increasing over the past 10 years. These considerations likely highlight how the small market size and lack of new build and/or high quality stock influence key indicators of performance and translate into need for space in the borough becoming increasingly muted.

8. Creating a picture of future requirements

8.1 Affordable workspace

8.1.1 This sub-section provides an overview of the background to the policy context for the provision of affordable workspace, and an outline of policy other comparable Boroughs have put forward to support its delivery with a view to advising the Council on what its policy should include. The analysis was conducted through desk-based research of the best available data and was complemented by engaging with local partners and groups to capture real-world insights.

Background

8.1.2 The British Council for Offices (BCO)⁹⁵ indicates that the availability of affordable and flexible office space is vital for innovation and growth. It helps generate economic growth and jobs, by supporting entrepreneurs in the early stages of their businesses.

8.1.3 Workspace affordability has become an area of strategic focus across London in recent years, reflecting constraints in the overall levels of supply, rising rents and evolution in the type and spatial distribution of demand across the city. Some of the evidence of this is set out in the following documents:

- The Mayor of London published a new Economic Development Strategy (EDS)⁹⁶ in 2018. The EDS outlined the Mayor's commitment to "creating the most supportive, innovative environment for businesses and entrepreneurs in the world" by focusing on several specific policy areas.
- In the London Plan 2021⁹⁷, the GLA defined affordable workspace as "*Workspace that is provided at rents maintained below the market rate for a specific social, cultural, or economic development purpose*". The plan introduced a new strategic policy (E3) seeking the provision of affordable workspaces from commercial development in areas where a local authority has identified a need and considering the overall viability of development.
- As already set out in section 3.6, the Draft Camden Affordable Workspace Strategy notes that affordable workspace is a key mechanism through which to promote inclusive growth by ensuring that Camden's businesses and not-for-profits can access the right workspaces on affordable and fair terms. Ways in which Camden Council can promote and facilitate the provision of affordable workspace in the right areas and to the right occupiers is discussed in greater detail below; the topic also forms part of the Conclusions and Recommendations.
- BusinessLDN⁹⁸ in its report "*Delivering affordable workspace in London*" suggested that although there are local policies to set Borough wide objectives and that there is high-quality office space being delivered in prime employment hubs, this space may not be suited for the demands of the affordable workspace provider or the tenants in need of space in local communities.

Comparable Boroughs

8.1.4 Based on the above, it is considered appropriate that the Council plan for the delivery of affordable workspace as part of the policies put forward in its Local Plan review. To frame this, recently adopted policies by other comparable boroughs have been reviewed with an overview provided below:

⁹⁵ BCO, (2021); July 2021 Briefing note.

⁹⁶ GLA, (2018); The Mayor's Economic Development Strategy for Greater London 2018.

⁹⁷ Mayor of London, (2021); The London Plan.

⁹⁸ BusinessLDN, (2022); Delivering affordable workspace in London.

- Hackney Council⁹⁹ indicates that new major employment or mixed-used development in the Borough’s designated employment areas and town centres should provide affordable or low-cost workspace. Developments in the Shoreditch Priority Office Area (POA) should provide at least 10% of the new floorspace (gross) and it should not be at no more than 40% of the locality’s market rent in perpetuity, subject to viability. In the remaining POAs, at least 10% of the new floorspace (gross) should be affordable at no more than 60% of the locality’s market rent in perpetuity, subject to viability.

The Local Plan states that only in exceptional circumstances where it can be demonstrated robustly that this is not appropriate in terms of the policies in this Plan, it may be provided off-site. A cash-in-lieu contribution will only be accepted where this would have demonstrable benefits in furthering affordable workspace in the Borough and other policies in the Local Plan.

- Brent Council, in its Affordable Workspace Strategy¹⁰⁰, indicates that in mixed-use developments totalling 3,000 sqm or more in growth areas, the affordable workspace should total 10% of the total floorspace. The applicable discount should not exceed 50% of open market rents. Off-site provision is only allowed in exceptional circumstances and cash in lieu is possible with case made.

In acknowledgement that exceptional circumstances can exist, the Council in its “Affordable Workspace Supplementary Planning Document”¹⁰¹, sets out a financial contribution in lieu of onsite provision:

*“[50% of market rent/sqft/annum * floor area (GIA) of proposed Affordable Workspace as per policies BE1¹⁰² - 4 (sf)] * [1 / yield]”*

- Lambeth Council, in accordance with the draft London Plan policy E3, requires major developments that include B1 floorspace to provide a proportion of affordable workspace in the following locations:
 - In Waterloo and Vauxhall major developments should provide 10% of B1 floorspace at 50% of market rents for a period of 15 years.
 - In Oval, Kennington and Clapham major developments should provide 10% of B1 floorspace at 80% of market rents for a period of 15 years.
 - In the Brixton Creative Enterprise Zone (CEZ) all developments that include B1 floorspace should provide 10% of this as affordable workspace for a period of 25 years.

Affordable workspace should be provided on-site and be designed to meet a local need. A payment in lieu may be accepted in limited circumstances where it can be demonstrated to the satisfaction of the council that a greater economic impact could be secured through off-site provision.

- In Southwark, the Council requires a proportion of at least 10% of commercial floorspace to be provided as affordable workspace at discounted market rent. If it is not feasible to provide affordable workspace on site, an in-lieu payment will be required for off-site affordable workspace.

8.1.5 These Boroughs allow on-site affordable workspace provision to be mitigated by off-site and cash in lieu payments, where this clearly demonstrates positive economic impacts for the area; however, this tends to be on a ‘by exception’ basis. Such a policy could nevertheless be used more proactively to cultivate clusters of affordable workspaces by sectoral or geographic relevance.

Consultation findings

8.1.6 The consultation touched on a number of topics concerning LB Camden in the Local Plan period to 2041, one such topic being the provision and delivery of affordable workspace within the Borough. The importance of a sound affordable workspace strategy was recognised in the

⁹⁹ Hackney Council, (2020); Local Plan 2033.

¹⁰⁰ Brent Council, (2020); Affordable Workspace Strategy.

¹⁰¹ Brent Council, (2022); Affordable Workspace Supplementary Planning Document.

¹⁰² The policy indicates – “10% of employment floorspace within major developments exceeding 3000sqm employment as affordable workspace”.

context of facilitating an inclusive economy, which remains a key directive of the Council. Central to this is defining what we mean by 'affordable workspace', which is especially important for the thousands of SMEs and start-ups in the Borough who rely on this categorisation of space. This is an ongoing challenge, as the Borough looks to house a growing proportion of small-medium size businesses to support thriving sectors such as the creative industries.

- 8.1.7 Another sentiment that emerged from the consultation was the notion that an inclusive economy in Camden will rely on being selective over who locates in the Borough. For example, at the time of writing there is a lot of lab space in the pipeline, but it will be important for the continued health of the business ecosystem that prospective occupiers share the Borough's values and will ensure diversity within the local economic base. As such, it was suggested that the Council needs to be proactive in encouraging businesses to anchor in the Borough and help grow new sectors in Camden; this could even be supported by some form of portal where engagement with charities and local groups is facilitated.
- 8.1.8 Another key finding of the consultation was the appetite for the Council to bring forward an approved occupier list to provide greater confidence that needs have been appropriately assessed. Additionally, it would be desirable to have knowledge of who the approved providers are and what criteria they are being asked to meet.
- 8.1.9 With regards to methodology for contributions, it was stressed that above all else the contributions should refrain from being too formulaic so as to not sufficiently consider the nuances of different types of spaces in different areas of the Borough. It was suggested that the best approach would be to have a system whereby contributions are staggered as opposed to having a blanket rent for all smaller businesses. Finally, the preferred discount arrangement among those consulted is for the discount to be provided on the uplift, as opposed to the gross amount, and should be applied solely to the commercial element if part of a mixed-use scheme.
- 8.1.10 The next local plan period may prove to be a defining period for affordable workspace provision in LB Camden, given the growth of sectors within the Borough who are likely to be looking to occupy this space, as well as the increasing pressures on the commercial rental market as the wider economy grapples with high inflation and interest rates. The provision of affordable workspace must continue to be provided to those most in need, which in Camden comprise mostly local residents, university start-ups and social enterprises. It is also important for the affordable workspace policy to work in tandem with the net zero agenda and the ensuing retrofitting / refurbishment of large quantities of office stock over the coming years; as such, the policy must provide flexibility in allowing redevelopment of 'lower quality secondary' stock without prejudicing the loss of affordable space / inclusive economy objectives.

8.2 Dark kitchens

- 8.2.1 In recent years, takeaway and food delivery services have become of increasing importance to the restaurant and food sector, with the rise of delivery apps such as Deliveroo, Uber East and Just Eat expanding the market for restaurants. A feature of this trend has been the emergence of dark kitchens, also referred to as 'ghost kitchens' or 'cloud kitchens', which are restaurants that sell meals exclusively through delivery and provide no option for dining in or picking up food orders. Dark kitchens allow restaurants to sell more meals in areas of high demand, and without the need to invest in a new restaurant with the associated costs of front of house staff and floorspace for dining in. The model may also help to make the takeaway food sector more sustainable. By clustering restaurants together in one site, there is greater opportunity for delivery drivers to consolidate multiple orders from different restaurants to the same area, thereby reducing the delivery mileage per meal. There are also efficiencies and environmental benefits to be gained from restaurants sharing energy intensive equipment such as freezers.
- 8.2.2 Dark kitchens are beginning to appear across London. In particular, Deliveroo have invested in building dark kitchens through the roll out of 'Deliveroo Editions', clusters of five to ten dark kitchens across the capital as well as in other UK cities. Currently, there are Deliveroo Editions located in Camberwell, Battersea, Canary Wharf and Brent Cross amongst others. There are

also a number of dark kitchens located within the London Borough of Camden, with the London Industrial Land Supply Study (2020) identifying 0.06 ha of floorspace used by dark kitchens. Existing sites are located on the Regis Road industrial estate (C8) and on Finchley Road. Additional research has identified another individual dark kitchen located between Randolph Street and Rousden Street in Camden Town.

- 8.2.3 While there are commercial and environmental benefits to dark kitchens, their operation must be managed to ensure they are compatible with neighbouring land uses. For example, while Regis Road fits the description of a large employment site with 24-hour working, meetings with Camden Council representatives highlighted that there is some conflict between residents of Kentish Town and the delivery drivers visiting the Regis Road dark kitchen site. Residents reported disturbance from the noise of delivery mopeds and drivers late at night and found the presence of a large number of drivers to be intimidating after dark. Therefore, dark kitchens may be better suited to employment sites located away from residential properties such as C5 – Kentish Town Industry Area – Sanderson Close. C8 – Regis Road is also a viable location provided noise impacts on surrounding residential areas are appropriately managed. It should be noted that these clusters are also in areas of change with sensitive uses either present or nearby.

8.3 Live-work units

- 8.3.1 'Live-work' units are accommodation that "*combines both living and working spaces, with the workspace forming a permanent component of the accommodation*"¹⁰³. They are considered to be distinct from 'working from home' arrangements because the workspace is purpose-built. This hybridity means that they fall between residential and employment use classes and are classed as sui generis, making policy to regulate their use more difficult for planning authorities.
- 8.3.2 Live-work accommodation is not a new phenomenon in the London context, first appearing in the city in the 1990s and providing a means of regenerating former industrial buildings and inner-city areas. Live-work units were initially promoted by other London Boroughs, most notably Hackney, as a means of retaining employment floorspace in areas where demand for employment space was declining, whilst also introducing residential uses to the area. Such units have become popular with SMEs within the creative and IT sectors due to the reduced overhead costs for the businesses, and therefore live-work units have been championed as a means of promoting start-ups and SMEs.
- 8.3.3 This model has a number of other benefits including encouraging regeneration of formerly industrial buildings, encouraging mixed-use development and efficient use of land, as well as reducing car use and supporting flexible working. However, applications for live-work units over the last 20 years have largely been met with caution from planning authorities. It is widely reported that the employment elements of live-work schemes are being lost over time, allowing developers to deliver residential units in areas previously designated for employment uses¹⁰⁴. If residents are able to demonstrate residential use over four years, the payment of Council tax, and the absence of business rates, then they can establish lawful residential use and the employment land is lost from the local supply.
- 8.3.4 Research by the London Legacy Development Corporation (LLDC) highlights the difficulty in protecting employment floorspace within live-work units¹⁰⁵. They note difficulties over obtaining access to monitor developments, and the absence of management by landlords once developers have sold the properties. The report concludes that careful management is necessary to ensure that live-work units remain sustainable and retain any employment use. The report's review of case studies identifies that housing associations are generally more successful in managing live-work properties than private landlords as they are "more motivated to maintain ongoing use in the manner intended". Partnerships between multiple organisations such as housing associations and private business managers has also been successful in ensuring the longevity of live-work spaces, with each partner having oversight

¹⁰³ London Legacy Development Corporation. (2014); LLDC Work-Live Study Part I: Research and Case Studies.

¹⁰⁴ RIBA Journal. (2022); What's the Plan for Live/Work Space?. Available at: <https://www.ribaj.com/products/planning-for-live-work-space-post-lockdown>

¹⁰⁵ London Legacy Development Corporation. (2014); LLDC Work-Live Study Part I: Research and Case Studies.

over their respective areas of expertise (i.e. management of residential property and commercial floorspace).

- 8.3.5 Policy to manage live-work units should target the management of the spaces over the long term. Possible policies could include requirements for employment floorspace management plans as part of applications or requirements on the management model, such as specifying that only housing associations may develop live-work units, or that employment floorspace should be managed by a private business manager. Policies that promote designs including centralised and shared workspace between residents may also be more successful in preventing a total conversion of employment floorspace into residential floorspace over time.

8.4 Retrofitting, Minimum Energy Efficiency Standards and Loss of Employment Floorspace

Context

- 8.4.1 In response to the environmental, economic, social and political impetus to limit the damaging consequences of global climate change, LB Camden declared a climate emergency in 2019 in order to recognise the importance of reducing carbon emissions. LB Camden sets out in its Camden Climate Action Plan 2020-2025¹⁰⁶ the ambition to become 'net zero carbon by 2030'.
- 8.4.2 The contribution of buildings to greenhouse gas emissions is increasingly recognised. This understanding presents both challenges and opportunities, given the potential for emissions savings to be made. It is estimated that buildings are responsible for between 17% and 31%¹⁰⁷¹⁰⁸ of national emissions. In LB Camden, the Climate Action Plan estimates that 'electricity and gas used by buildings for power and heating causes 85% of the direct carbon dioxide emissions in Camden', of which two thirds derive from non-domestic buildings¹⁰⁹.
- 8.4.3 The energy performance of buildings in the UK is monitored through the Energy Performance Certificate (EPC) system. Non-domestic private rented properties are awarded a certificate rating between A+ (most efficient) and G (least efficient). Properties awarded an A+ rating are considered to achieve Net Zero CO₂. In order to drive the decarbonisation of the UK's non-domestic building stock, commitments have been made to encourage the construction of more energy efficient buildings and upgrading/retrofitting existing buildings through the implementation of restrictions on private lettings based on energy performance. Non-domestic buildings must comply with Minimum Energy Efficiency Standards (MEES) in order to be lawfully leased. At the time of writing (August 2023), MEES regulations apply to those non-domestic buildings which have been awarded an EPC rating of F or G, whereby these properties cannot be leased until improvements have been made. A number of exemptions apply¹¹⁰¹¹¹ including that improvements must be 'permissible', 'appropriate' and 'cost effective'¹¹². As of 1st April 2023, MEES apply to existing leases, not solely new leases as had been the case previously¹¹³.

¹⁰⁶ LB Camden, (2020); Camden Climate Action Plan 2020-2025.

¹⁰⁷ HM Government, (2021); Net Zero Strategy: Build Back Greener.

¹⁰⁸ This figure includes only emissions from direct energy use in buildings.

¹⁰⁹ LB Camden, (2020); Camden Climate Action Plan 2020-2025.

¹¹⁰ <https://www.gov.uk/energy-performance-certificate-commercial-property/exemptions>

¹¹¹ Additional exemptions to the new regulations are set out by RICS at <https://www3.rics.org/uk/en/journals/property-journal/epc-requirements-commercial-property.html>. Exemptions apply: to leases less than 6 months or greater than 99 years; to the need to perform upgrading works until a new EPC is triggered; where the costs of works would be greater than the energy saving over seven years; where third-party consent precludes works e.g. planning permission refusal where reasonably sought; where works would devalue property by over 5%; where the landlord has recently become one.

¹¹² RICS, (2018); Minimum Energy Efficiency Standards (MEES): Impact on UK property management and valuation.

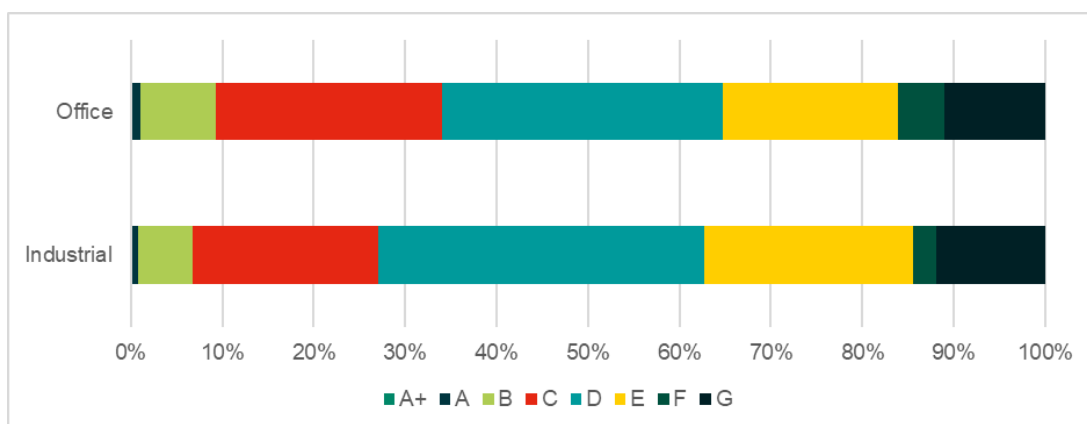
¹¹³ <https://www3.rics.org/uk/en/journals/property-journal/epc-requirements-commercial-property.html>

Present Ratings and Compliance

Overview

- 8.4.4 A breakdown of the EPCs awarded by use type¹¹⁴ in LB Camden is shown in Figure 8-1. The following commentary is based on the application of the relative proportion of EPC certificates, as provided by Department for Levelling Up, Homes and Communities, to the building stock information derived from CoStar previously presented in order to indicate the energy performance of the building stock of LB Camden. This approach allows for the indicative characterisation of the entire building stock of LB Camden, given that CoStar represents a robust and comprehensive dataset of building stock. However, this commentary does not take into account the stock of non-domestic buildings which are exempt from MEES regulations; the Government is engaging in further consultation on the development of a robust 'exemptions database' such that the scale of current and future exemptions can be further understood¹¹⁵.
- 8.4.5 Figure 8-1 shows that in LB Camden, around 16% of office property EPC certificates are not MEES compliant (i.e. are associated with a rating of F or G). Floorspace information attached to these certificates indicates that 7% of the floorspace associated with an EPC certificate is not MEES compliant (as per the definition above). To estimate the number of non-compliant buildings, and non-compliant floorspace, the proportion of certificates, and the proportion of floorspace associated with EPC certificates is applied to the identified office properties and floorspace in the property market analysis section. This approach is subject to the limitations set out above. This approach would suggest that around 368 properties do not meet MEES, reflecting circa. 240,000 sqm of floorspace. In relation to industrial properties, approximately 15% of building certificates, and 4% of floorspace associated with an EPC certificate, indicate non-compliance with MEES. Applying the same proportions to the property market information would suggest that around 29 properties do not meet MEES, or around 7,500 sqm of floorspace, although this observation is subject to a small number of properties.

Figure 8-1: EPC Certificates in LB Camden by building use type

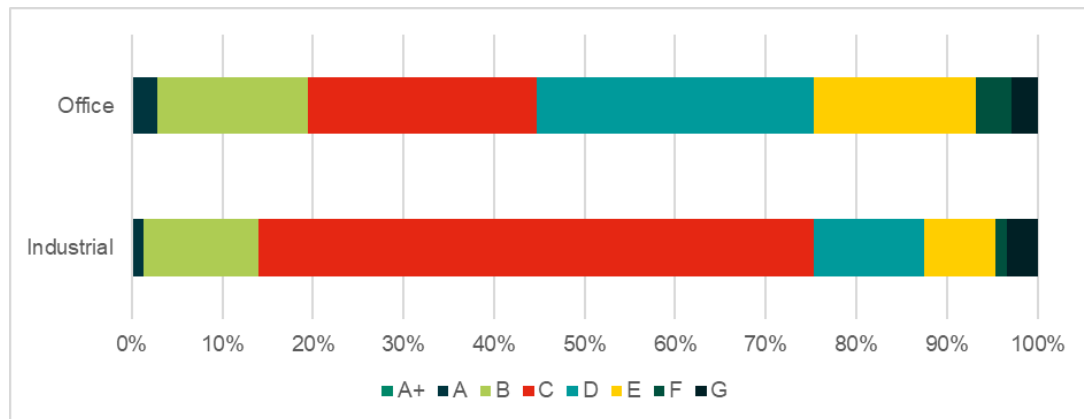


Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

¹¹⁴ It should be noted that the use types employed by DLUHC to categorise buildings do not directly align with those categories applicable to CoStar data presented in the property market analysis section of the report. Data is therefore presented by considering the broad use types shown to comprise buildings categorised by DLUHC as follows: Office: 'B1 Office and Workshop Businesses' and 'Office'; Industrial: 'B2 to B7 General Industrial and Special Industrial Groups', 'B8 Storage or distribution' and 'Warehouse and storage'.

¹¹⁵ Department for Business, Energy and Industrial Strategy, (2021); The Non-Domestic Private Rented Sector Minimum Energy Efficiency Standards: Implementation of the EPC B Future Target.

Figure 8-2: Floorspace associated with EPC certificates in LB Camden by building use type



Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

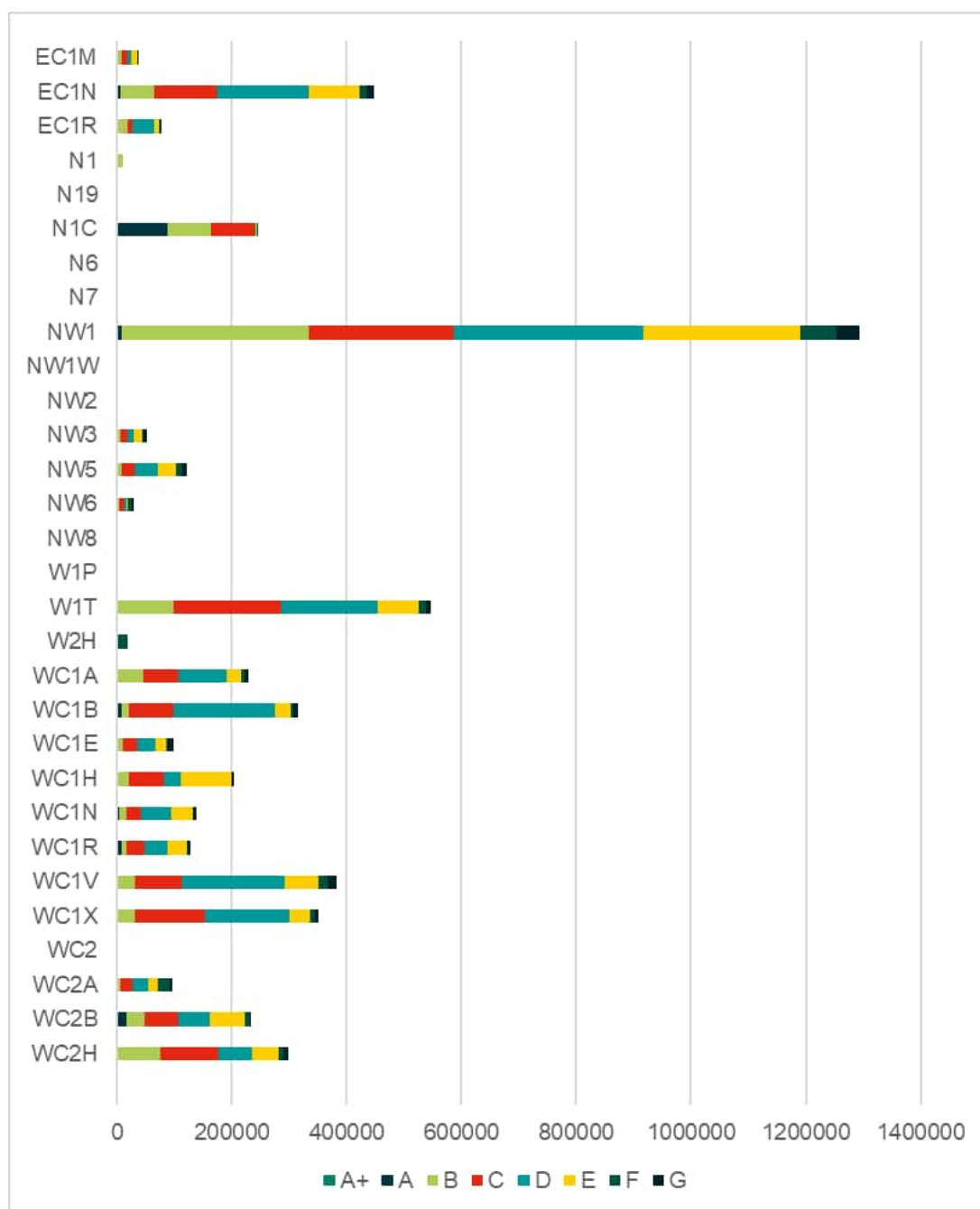
8.4.6 The incidence of presently MEES non-compliant buildings and floorspace is spatially variable across LB Camden reflecting variability in the age and condition of building stock across the Borough. The following sections provide a breakdown of the compliance of office and industrial stock within the Borough.

Office floorspace

8.4.7 The office floorspace attributed to each EPC rating in each postcode area¹¹⁶, as derived from DLUHC data, is shown in Figure 8-3. Large amounts of EPC B rated floorspace is located in the NW1 postcode area, which encircles Camden Town. This represents the largest repository of floorspace which will be compliant with all MEES in 2030. Postcode areas EC1N (Hatton Garden), W1T (area to the west of Tottenham Court Rd between Tottenham Court Road Underground Station and Warren Street Underground Station), and WC2H (area surrounding Seven Dials Market and Leicester Square) also have notable amounts/proportions of EPC B rated floorspace. The greatest amount, and main location, of EPC A rated floorspace (representing the best quality stock in terms of energy efficiency) is located in the N1C postcode (area to the north of Kings Cross & St Pancras Rail Stations).

¹¹⁶ Only datapoints within Camden for these postcode areas have been analysed.

Figure 8-3: Amount of office floorspace attributed to each EPC rating, by postcode area (sqm)



Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

8.4.8 Table 8-1, Table 8-2 and Table 8-3 present the current percentage of MEES non-compliant office floorspace as a proportion of total office floorspace by postcode area, CAZ ward and CoStar submarket area respectively. Current non-compliance is referred to as the floorspace with an EPC rating of F to G.

Table 8-1: Percentage of MEES non-compliance in office floorspace by postcode area

Postcode District	Percentage (%) of total office floorspace rated F-G
EC1A	N/A
EC1M	5.0%
EC1N	5.7%

Postcode District	Percentage (%) of total office floorspace rated F-G
EC1R	6.4%
N1	N/A
N19	100.00%
N1C	0.1%
N6	26.1%
N7	10.2%
NW1	7.8%
NW11	N/A
NW2	65.9%
NW3	16.0%
NW5	14.4%
NW6	34.2%
NW8	25.9%
W1D	N/A
W1T	4.3%
W9	N/A
WC1A	4.8%
WC1B	4.0%
WC1E	9.4%
WC1H	1.7%
WC1N	4.9%
WC1R	4.4%
WC1V	8.1%
WC1X	4.9%
WC2A	28.6%
WC2B	4.1%
WC2H	10.8%

Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

Table 8-2: Percentage of MEES non-compliance in office floorspace by CAZ Ward

CAZ Ward	Percentage (%) of total office floorspace rated F-G
Bloomsbury Ward	7.1%
Holborn & Covent Garden Ward	6.0%
St. Pancras & Somers Town Ward	7.4%
King's Cross Ward	1.3%
Regent's Park Ward	3.6%

Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

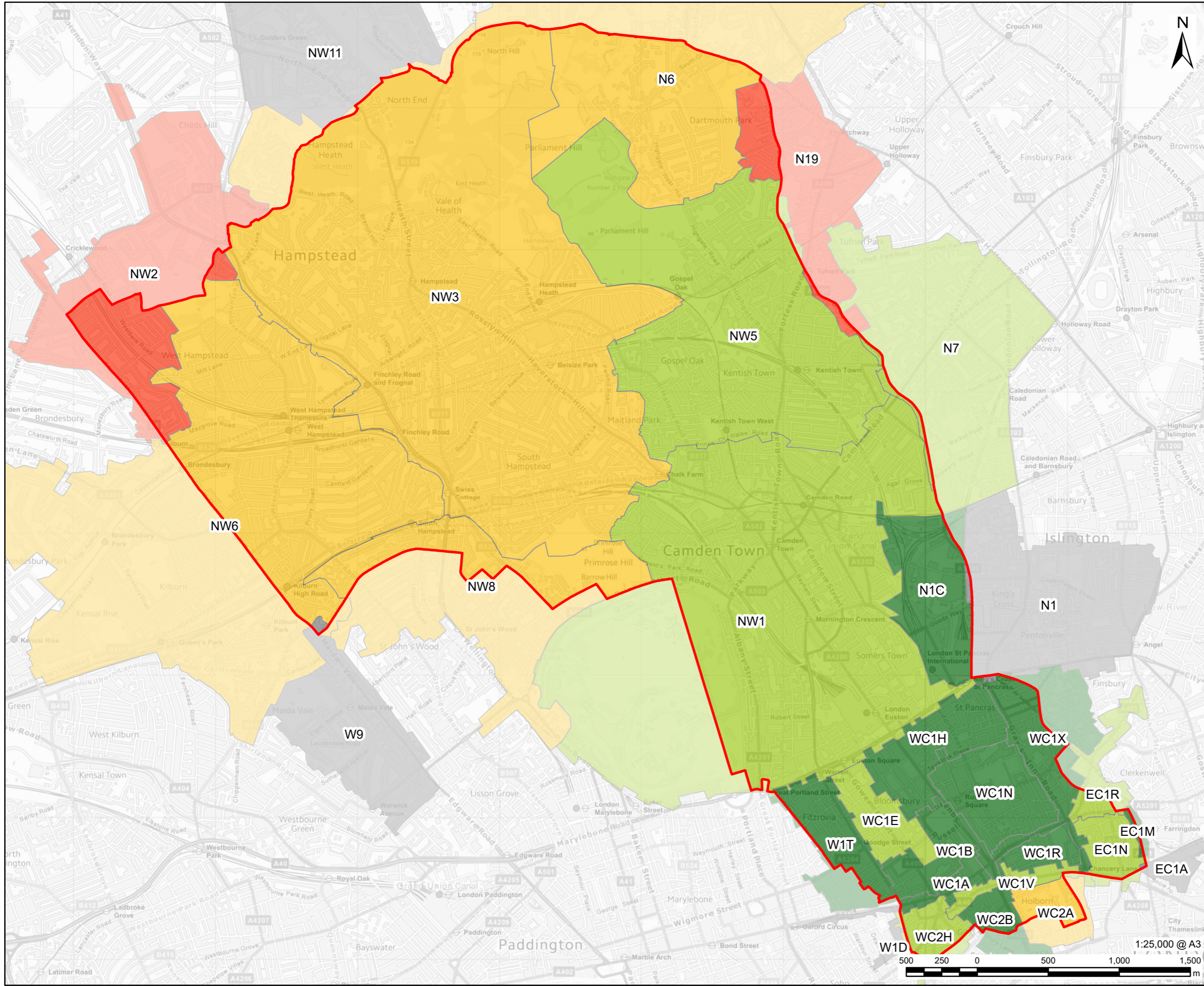
Table 8-3: Percentage of MEES non-compliance in office floorspace by CoStar submarket

CoStar Submarket	Percentage (%) of total office floorspace rated F-G
Bloomsbury	6.7%
Clerkenwell	5.4%
Covent Garden	7.7%
Fitzrovia	2.4%
Holborn	6.6%
Kings Cross and Euston	5.2%
Northern Fringe	14.2%
Western Fringe	4.4%

Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

8.4.9 The following figures (Figure 8-4, Figure 8-5 and Figure 8-6) show the geographical distribution of this data by postcode area, CAZ ward and CoStar submarket area respectively. Figure 8-6 is mapped by CoStar submarket area¹¹⁷, the geographies of which were introduced in Section 7.

¹¹⁷ The CoStar defined submarket areas of 'Bloomsbury', 'Clerkenwell', 'Covent Garden', 'Holborn', 'King's Cross & Euston', 'Fitzrovia', 'Northern Fringe' and 'Western Fringe' have been used to represent the energy efficiency of stock within identified property market submarkets. The submarket areas extend beyond the boundary of LB Camden, data reflects properties within the borough boundary. Note that the CoStar submarket of 'Noho' has been renamed 'Fitzrovia' for the purposes of this study.



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LEGEND

- Camden Borough Boundary
- Percentage (%) of Total Office Floorspace With EPC Rating F-G by Postcode District**
- 0.1 - 5.0
- 5.1 - 15.0
- 15.1 - 35.0
- 35+
- No offices within LB Camden

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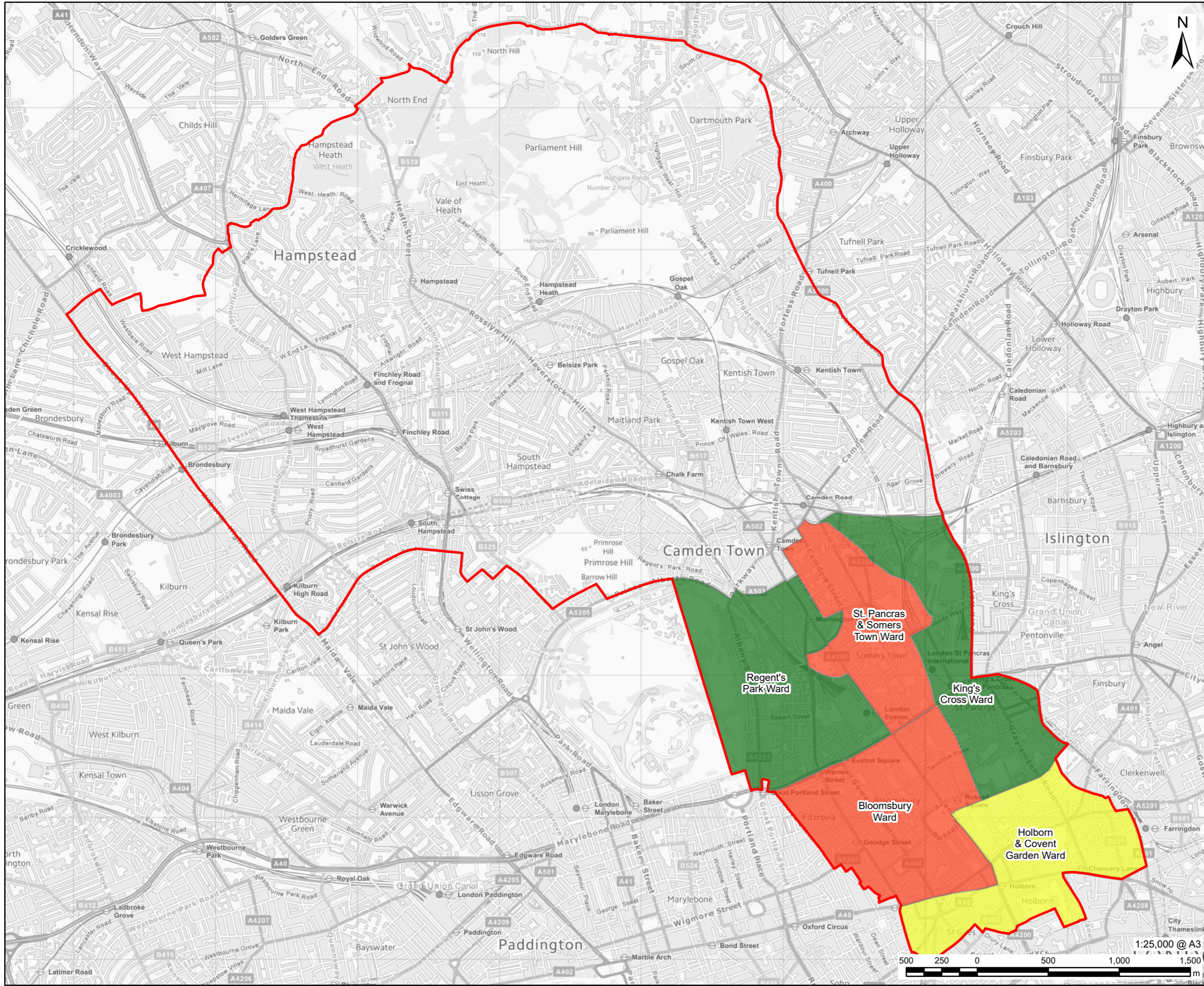
ISSUE PURPOSE
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PROJECT NUMBER
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FIGURE TITLE
Percentage of Total Office Space With EPC Rating F-G by Postcode District

FIGURE NUMBER
Figure 8-4

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LEGEND

- Camden Borough Boundary

Percentage (%) of Total Office Floorspace With EPC Rating F-G by Ward

- 1.30 - 4.00
- 4.01 - 6.00
- 6.01 - 7.50

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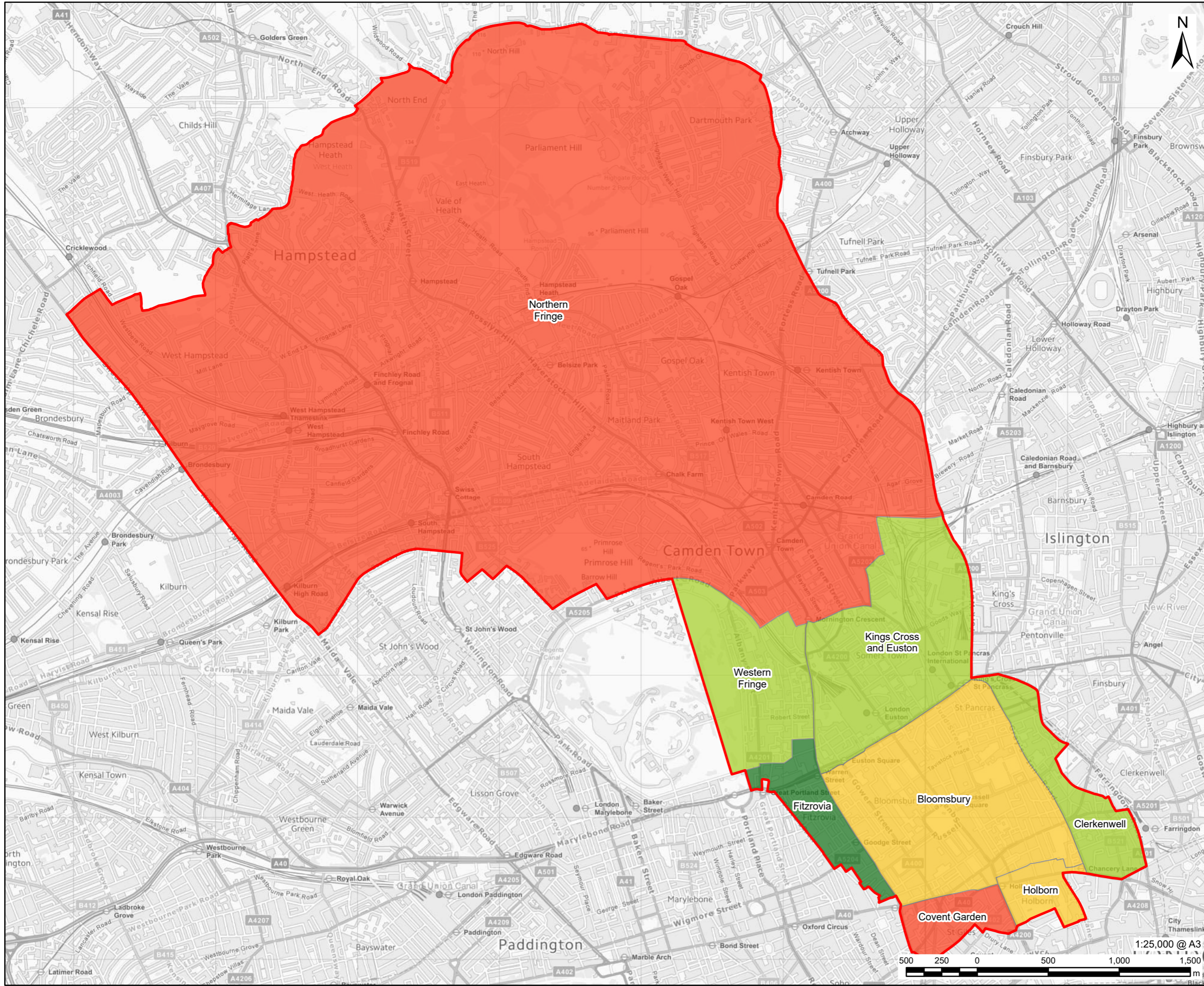
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PROJECT NUMBER
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FIGURE TITLE
Percentage of Total Office Space With EPC Rating F-G by Ward within London CAZ

FIGURE NUMBER
Figure 8-5

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Camden Borough Boundary

Percentage (%) of Total Office Floorspace With EPC Rating F-G by Submarket

- 0 - 2.50
- 2.51 - 5.50
- 5.51 - 7.50
- 7.51 - 14.50

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PROJECT NUMBER
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FIGURE TITLE
Percentage of Total Office Space With EPC Rating F-G by Submarket Area

FIGURE NUMBER
Figure 8-6

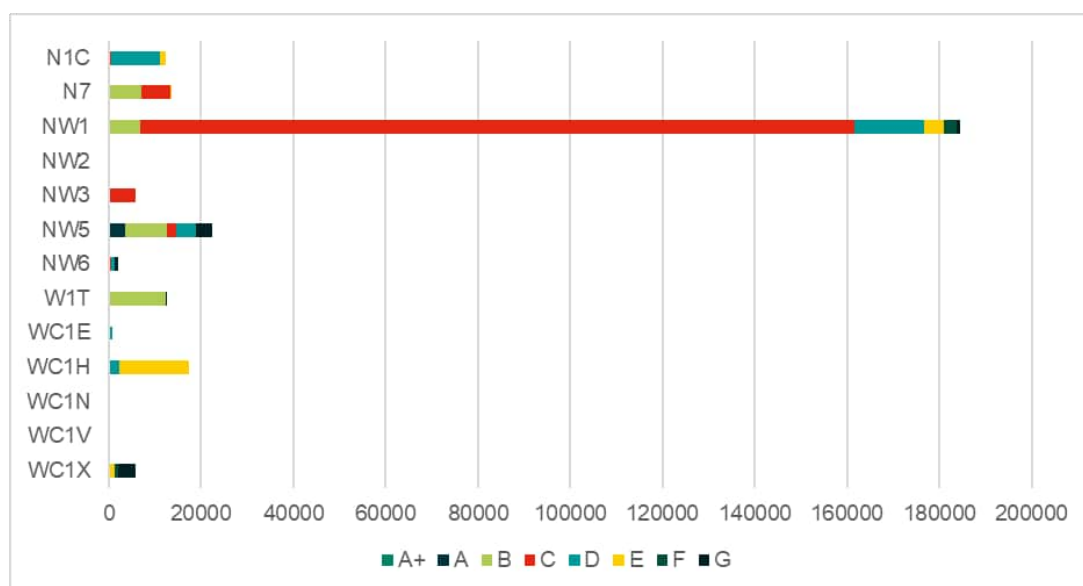


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Industrial floorspace

- 8.4.10 The industrial floorspace attributed to each EPC rating in each postcode area, as derived from DLUHC data, is shown in Figure 8-7. Industrial floorspace in LB Camden is highly concentrated in very few postcode areas. Accordingly, it is shown that the majority of such floorspace is found in the NW1 postcode (surrounding Camden Town), whereby most of the space, and by extension most of the industrial space in the Borough, is considered EPC C rated.

Figure 8-7: Amount of general industrial floorspace attributed to each EPC rating, by postcode area (sqm)



Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

- 8.4.11 Table 8-4 presents the current percentage of MEES non-compliant industrial floorspace as a proportion of total industrial floorspace by postcode area. Current non-compliance is referred to as the floorspace with an EPC rating of F to G.

Table 8-4: Percentage of MEES non-compliance in industrial floorspace by postcode area

Postcode District	Percentage (%) of total industrial floorspace rated F-G
EC1A	N/A
EC1M	N/A
EC1N	N/A
EC1R	N/A
N1	N/A
N19	N/A
N1C	1.0%
N6	N/A
N7	0.00%
NW1	1.9%
NW11	N/A
NW2	50.0%
NW3	0.00%

Postcode District	Percentage (%) of total industrial floorspace rated F-G
NW5	14.9%
NW6	42.8%
NW8	N/A
W1D	N/A
W1T	1.1%
W9	N/A
WC1A	N/A
WC1B	N/A
WC1E	3.2%
WC1H	0
WC1N	100.0%
WC1R	N/A
WC1V	0
WC1X	100.0%
WC2A	N/A
WC2B	N/A
WC2H	N/A

Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

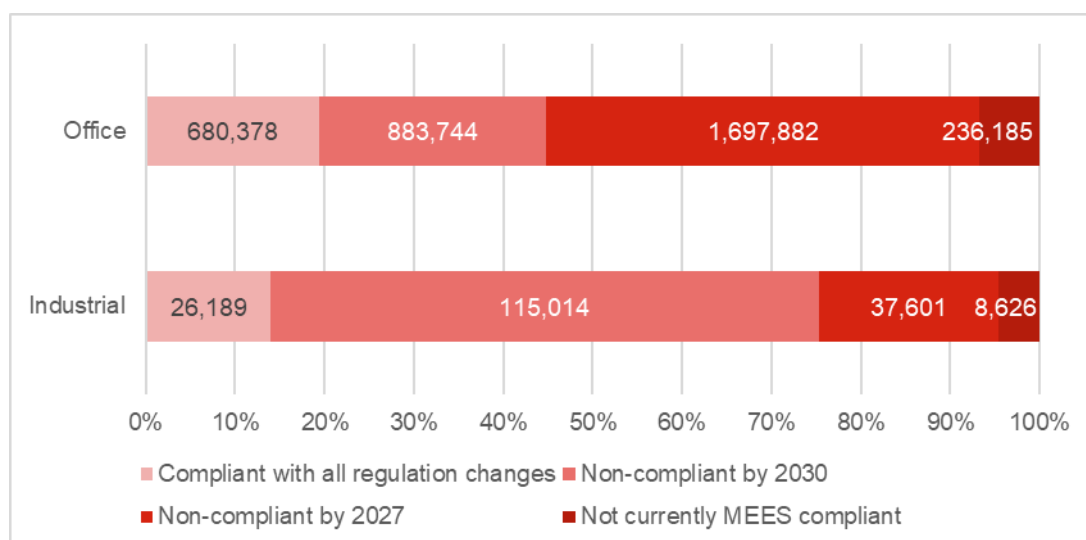
8.4.12 Figure 8-8 shows the geographical distribution of this data by postcode area.

Ratings and Compliance in 2027/2030

Overview

- 8.4.13 It is anticipated that the minimum standard will be sequentially increased such that building efficiency expectations are raised in line with Government ambitions to deliver against net zero commitments¹¹⁸, as the minimum EPC rating for non-domestic properties to be leased will be raised to C by 1st April 2027, and to B by April 2030. Figure 8-9 shows the current proportion of floorspace that will be non-compliant with MEES in relation to these anticipated dates for the raising of minimum EPC rating. This proportion has been applied to property market floorspace information to indicate applicable floorspace in these scenarios. It is clearly evident that the scale of upgrading, retrofitting, and replacing building stock to comply with anticipated MEES is considerable. As set out, current and potential future exemptions may apply, nonetheless the significant proportion of buildings which are likely to not meet the correct standard presents challenges in terms of implementation, enforcement, and compliance.
- 8.4.14 In 2021, the Department for Business, Energy and Industrial Strategy (BEIS) engaged in consultation on implementation of the EPC B target by 2030¹¹⁹ which highlighted the significant implementation issues that would need to be addressed. It is recognised nationally that the proportion of non-domestic rented stock within the scope of the regulations would increase from approximately 10% to 85% (1,000,000 buildings across England and Wales). The building stock of LB Camden which falls within the scope of tightening regulations to 2030 is therefore greater than the national average, reflecting 91% of office properties and 93% of industrial properties. The use of phased 'compliance windows' is viewed to encourage the market to respond positively to regulation changes, and enforcement measures such as the development of a compliance and exemptions database, financial penalties, and powers to local authorities to inspect properties are being developed by Government.

Figure 8-9: MEES compliance of present EPC certificates with anticipated regulation changes (sqm)



Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

- 8.4.15 As previously discussed, in relation to the spatial variation in EPC ratings of buildings and floorspace across LB Camden, the number of buildings and floorspace which become non-compliant with MEES sequentially as regulations are tightened varies geographically across the Borough. The following suite of maps shows the geographical distribution of MEES compliance with respect to building use type.

¹¹⁸ HM Government, (2020); Energy White Paper: Powering our Net Zero Future.

¹¹⁹ Department for Business, Energy and Industrial Strategy, (2021); The Non-Domestic Private Rented Sector Minimum Energy Efficiency Standards: Implementation of the EPC B Future Target.

Office floorspace

8.4.16 Table 8-5, Table 8-6 and Table 8-7 present the percentage of office floorspace which will be non-compliant by 2027, including currently MEES non-compliant office floorspace, as a proportion of total office floorspace by postcode area, CAZ ward and CoStar submarket area respectively. MEES non-compliance by 2027 is inferred by the floorspace that currently has an EPC rating of D to G; therefore including EPC bands D and E to the previously depicted floorspace.

Table 8-5: Percentage of office floorspace non-compliant by 2027 by postcode area

Postcode District	Percentage (%) of total office floorspace rated D-G
EC1A	N/A
EC1M	61.1%
EC1N	34.2%
EC1R	49.4%
N1	0.00%
N19	100.0%
N1C	0.3%
N6	100.0%
N7	64.5%
NW1	52.0%
NW11	N/A
NW2	100.0%
NW3	61.7%
NW5	61.3%
NW6	42.3%
NW8	80.2%
W1D	N/A
W1T	29.4%
W9	N/A
WC1A	23.3%
WC1B	56.5%
WC1E	52.4%
WC1H	59.2%
WC1N	70.2%
WC1R	62.9%
WC1V	68.0%
WC1X	57.1%
WC2A	69.8%
WC2B	50.6%
WC2H	43.1%

Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

Table 8-6: Percentage of office floorspace non-compliant by 2027 by CAZ Ward

CAZ Ward	Percentage (%) of total office floorspace rated D-G
Bloomsbury Ward	22.7%
Holborn & Covent Garden Ward	38.6%
St. Pancras & Somers Town Ward	50.9%
King's Cross Ward	4.00%
Regent's Park Ward	51.21%

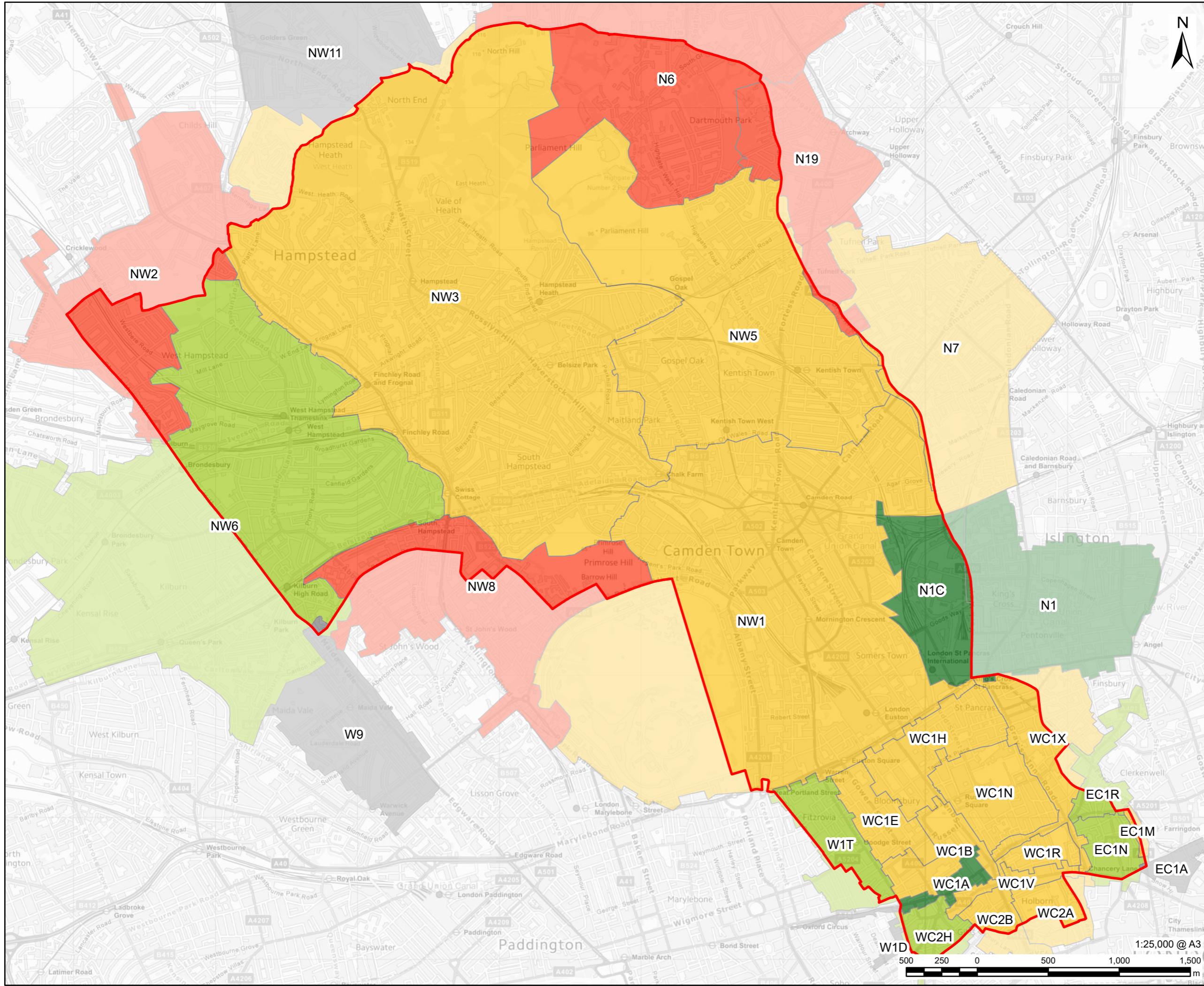
Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

Table 8-7: Percentage of office floorspace non-compliant by 2027 by CoStar submarket

CoStar Submarket	Percentage (%) of total office floorspace rated D-G
Bloomsbury	45.6%
Clerkenwell	43.2%
Covent Garden	50.8%
Fitzrovia	36.2%
Holborn	66.8%
Kings Cross and Euston	11.2%
Northern Fringe	55.8%
Western Fringe	14.0%

Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

8.4.17 Figure 8-10, Figure 8-11 and Figure 8-12 show the geographical distribution of this data by postcode area, CAZ ward and CoStar submarket respectively.



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LEGEND

- Camden Borough Boundary
- Percentage (%) of Total Office Floorspace With EPC Rating D-G by Postcode District**
- 0.00 - 25.00
- 25.01 - 50.00
- 50.01 - 80.00
- 80+
- No offices within LB Camden

NOTES

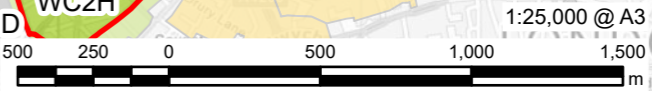
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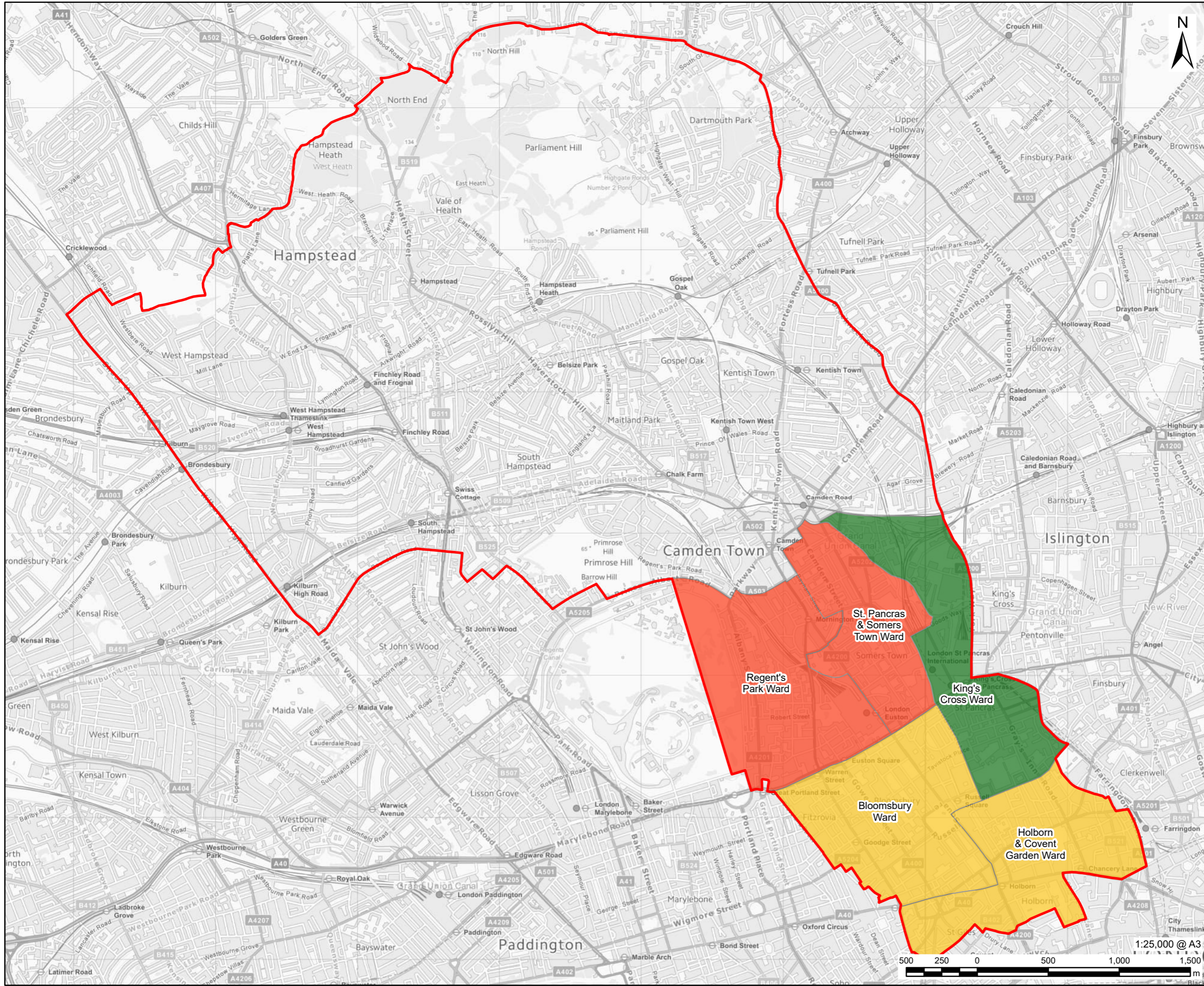
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FIGURE TITLE
Percentage of Total Office Space With EPC Rating D-G by Postcode District

FIGURE NUMBER
Figure 8-10



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LEGEND

- Camden Borough Boundary

Percentage (%) of Total Office Floorspace With EPC Rating D-G by Ward

- 4.00
- 35.00 - 50.00
- 50.01 - 52.00

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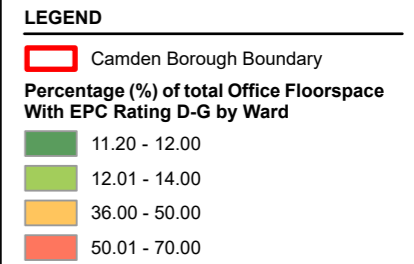
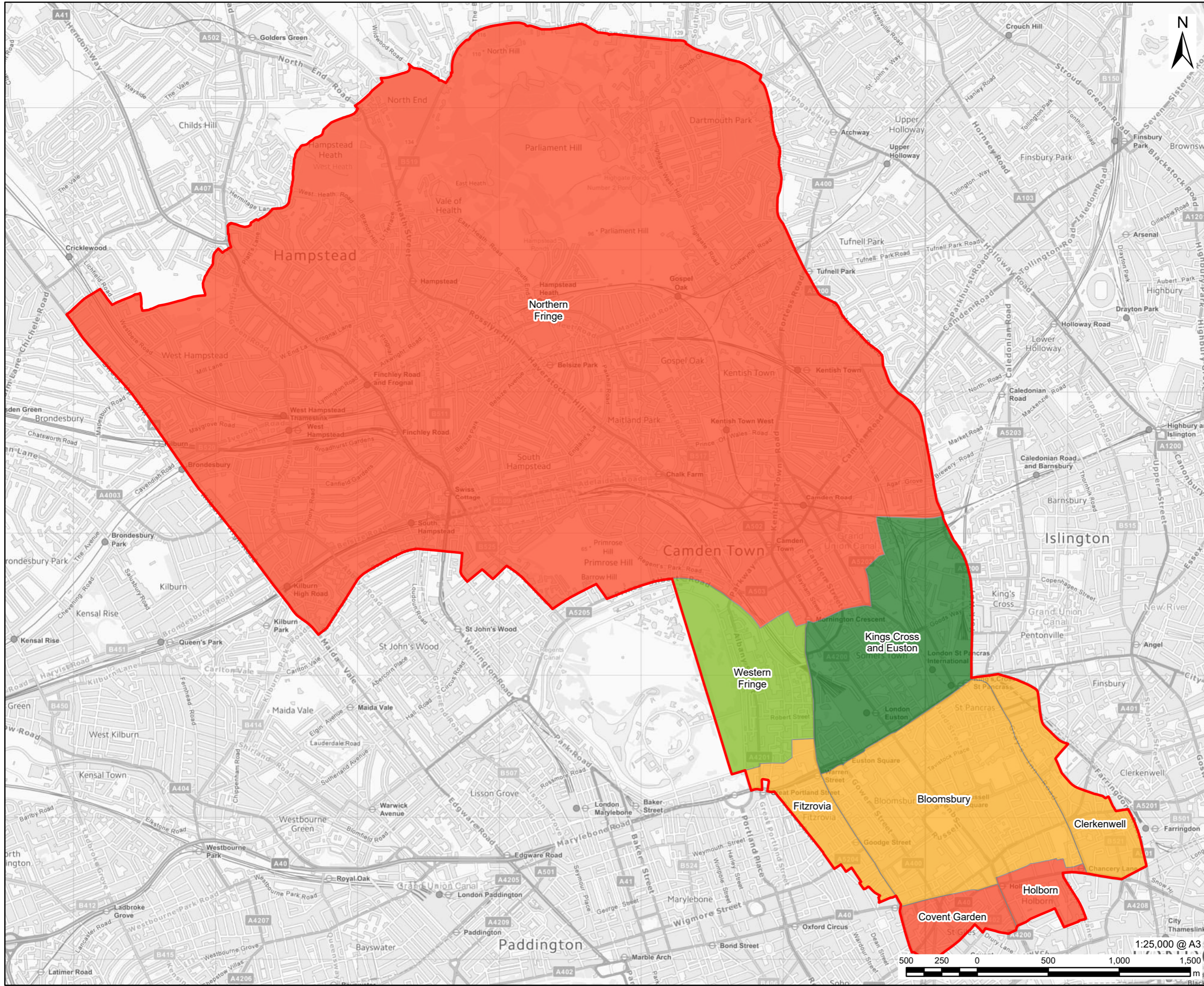
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FIGURE TITLE
Percentage of Total Office Space With EPC Rating D-G by Ward within London CAZ

FIGURE NUMBER
Figure 8-11



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FIGURE TITLE
 Percentage of Total Office Space With EPC Rating D-G by Submarket Area

FIGURE NUMBER
 Figure 8-12



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Industrial floorspace

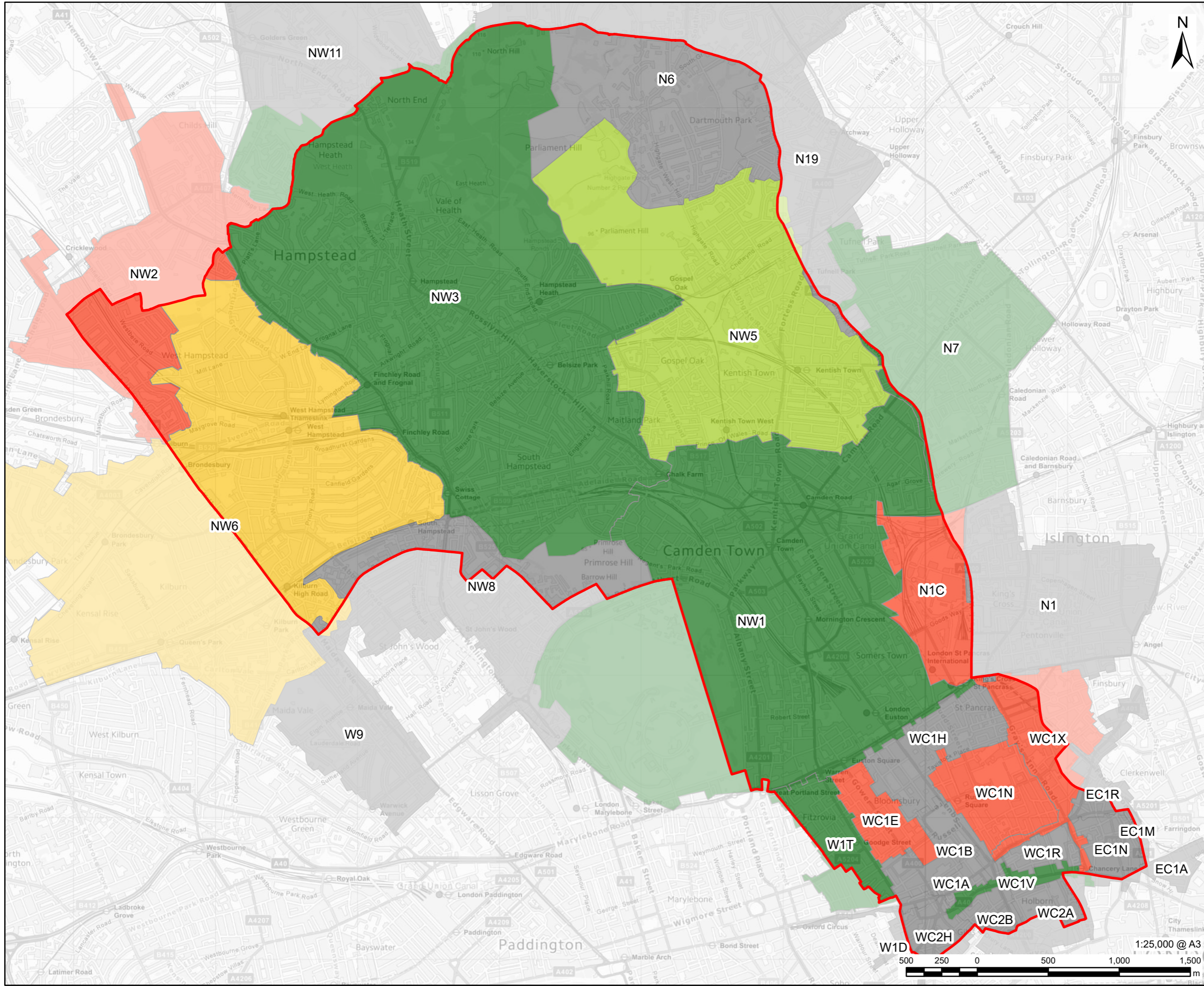
8.4.18 Table 8-8 presents the percentage industrial floorspace that will be MEES non-compliant by 2027, including currently MEES non-compliant industrial floorspace, as a proportion of total industrial floorspace by postcode area. MEES non-compliance by 2027 is inferred by the floorspace that currently has an EPC rating of D to G; therefore including EPC bands D and E to the previously depicted floorspace.

Table 8-8: Percentage of industrial floorspace non-compliant by 2027 by postcode area

Postcode District	Percentage (%) of total industrial floorspace rated D-G
EC1A	N/A
EC1M	N/A
EC1N	N/A
EC1R	N/A
N1	N/A
N19	N/A
N1C	89.4%
N6	N/A
N7	0.6%
NW1	11.8%
NW11	N/A
NW2	100.0%
NW3	0
NW5	34.6%
NW6	72.0%
NW8	N/A
W1D	N/A
W1T	1.1%
W9	N/A
WC1A	N/A
WC1B	N/A
WC1E	100.0%
WC1H	100.0%
WC1N	100.0%
WC1R	N/A
WC1V	0%
WC1X	100.0%
WC2A	N/A
WC2B	N/A
WC2H	N/A

Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

8.4.19 Figure 8-13 shows the geographical distribution of this data by postcode area.



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LEGEND

- Camden Borough Boundary
- Percentage (%) of Total General Industry Floorspace With EPC Rating F-G by Postcode District**
- 0.00 - 12.00
- 12.01 - 35.00
- 35.01 - 75.00
- 75.01 - 100.00
- No Industrial

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FIGURE TITLE
 Percentage of Total Industry Floor Space With EPC Rating D-G by Postcode District

FIGURE NUMBER

Figure 8-13



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Implications for future needs

Context

8.4.20 For several decades, buildings such as office blocks weren't designed or built with longevity in mind. When parts of the building such as windows or lifts became worn, landlords would opt for demolition over refurbishment¹²⁰. However, employment spaces not just in Camden but across the country are now increasingly subject to retrofitting considerations as a means of minimising their carbon footprint in the face of the climate crisis and ESG strategies.

8.4.21 For the purposes of this study it is therefore important to consider which typologies are likely to be most affected by retrofitting issues and what the implications of this are. This will provide us with a spatial understanding of the stock that is most at risk.

8.4.22 There is substantial variation in both the scale and composition of energy use within building types (whether the building is used for offices, industrial, retail, warehousing or storage). To provide an indication as to the challenge facing LB Camden (and primarily its office stock), below sets out some of the typical issues¹²¹ in retrofitting London buildings constructed during the last century:

1980s-1990s

- Poor thermal performance
- Inefficient building layout
- Deteriorating / poorly maintained building fabric

1950s-1970s

- Poor structural integrity
- Low floor to ceiling heights
- Asbestos risk

1910s-1940s

- Poor thermal insulation
- Poor window performance (perhaps from the size and spec of the windows)
- Outdated heating and electrical systems
- Heritage protections

8.4.23 Traditional buildings are the most challenging to improve thermally because of their use of lime mortar and porous construction, which makes them the most susceptible to the effects of moisture ingress. The above list presents some of the challenges facing buildings built in the last century, however some of the most difficult buildings to tackle were constructed prior to this. This is because they not only have the challenge of balancing cost and environmental impact but must also account of additional considerations such as the aesthetic and cultural significance of the building and place, as well as its context as part of the built heritage. It is recognised that there is a limit to the extent of the changes made to improve a building's thermal performance before jeopardising its appearance and historic fabric – this creates a tension between the 'competing demands of heritage preservation and the pressures to reduce the environmental impact of buildings in use'¹²².

8.4.24 One of the key differences between modern buildings and older stock is how each building type manages air flow and moisture; new buildings are built to be airtight, but this capability

¹²⁰ The Guardian, (2022): Drive for net zero fuels UK boom in retrofitting buildings for new use. Accessed here: <https://www.theguardian.com/business/2022/apr/24/drive-for-net-zero-fuels-uk-boom-in-retrofitting-buildings-for-new-use>

¹²¹ JLL, (2023): Retrofit First, Not Retrofit Only. Accessed here: https://issuu.com/ldnpropalliance/docs/wpa_retrofit_first_031223/6?ff&experiment=flat-plan

¹²² Institute of Historic Building Conservation, (2020); How to deal with retrofit risks. Accessed here: https://www.designingbuildings.co.uk/wiki/How_to_deal_with_retrofit_risks#:~:text=Traditional%20buildings%20are%20the%20most,the%20effects%20of%20moisture%20ingress.

has not always been possible. Common features of older office stock are historic windows, which are one of the main culprits for heat loss. New windows are crucial to improved energy performance and tend to make more of a difference to the heat loss than the wall insulation. However, the older the office building, the more sensitive one must be in updating the windows. For example, Georgian sash windows can be sensitively updated to enable high energy performance, but this is likely to be at prohibitive cost¹²³.

Retrofitting requirements

8.4.25 Key considerations for those looking to retrofit will include massing (this is how the building looks in terms of its shape or mass), floor-to-ceiling heights, the depth of the floor plate and the positioning and size of core¹²⁴. To raise the EPC rating of a building, multiple measures are likely to be required, some of which may include double/triple glazing, LED lighting, a new gas boiler, new heat pump and a new high efficiency air handling unit (AHU), among others. A report into *Costing Energy Efficiency Improvements in Existing Commercial Buildings* by the IPF¹²⁵ offers multiple examples whereby a combination of such measures would improve the EPC rating of a given building. Figure 8-14 provides an example for an office building:

Figure 8-14: Example packages for EPC improvement

Package	Standard refurbishment	EPC	Package	Energy efficient refurbishment	EPC
Office One					
C0	T5 lights + 91% eff. boiler + PFC	78	C1	LED lights + controls + 95% eff. boiler + pumps + PFC	63
			C2	LED lights + controls + 95% eff. boiler + pumps + PV + PFC	59
			C3	LED lights + controls + ASHP + pumps + PFC	40
			C4	LED lights + controls + ASHP + pumps + PFC + 50kWp PV	35
L0	T5 lights (20%) + 95% eff. boiler + PFC (95) + pumps	88	L1	LED lights (20%) + controls + ASHP + pumps + PFC	69
O0	T5 lights (80%) + controls	107	O1	LED lights (80%) + controls	106

Source: IPF, (2017): *Costing Energy Efficiency Improvements in Existing Commercial Buildings*

8.4.26 The numerical scores in the table above are divided into the following bands as per the government's Standard Assessment Procedure (SAP)¹²⁶:

- EPC rating A = 92-100 SAP points (Green)
- EPC rating B = 81-91 SAP points (Green)
- EPC rating C = 69-80 SAP points (Green)
- EPC rating D = 55-68 SAP points (Yellow)
- EPC rating E = 39-54 SAP points (Amber)
- EPC rating F = 21-38 SAP points (Orange)
- EPC rating G = 1-20 SAP points (Red)

8.4.27 Accordingly, in order to meet regulations by 2027, i.e. achieve a C rating or above, properties must be awarded a score in excess of 69 SAP points. To achieve at least a B rating by 2030, the target is 80 points and higher. The measures needed to achieve an increase in a rating will vary from property to property given that it may score well in one respect and less well in others. For one property, retrofitting lighting may be enough to achieve an improved rating, in

¹²³ Passive House, (2018): Historic London house gets near passive transformation. Accessed here:

<https://passivehouseplus.ie/magazine/upgrade/historic-london-house-gets-near-passive-transformation>

¹²⁴ AECOM, (2023): The carbon and business case for choosing refurbishment over new build. Accessed here:

<https://aecom.com/without-limits/article/refurbishment-vs-new-build-the-carbon-and-business-case/>

¹²⁵ IPF, (2017); *Costing Energy Efficiency Improvements in Existing Commercial Buildings*. Accessed here:

<https://www.ipf.org.uk/static/uploaded/5f24165a-8bc5-4b27-a00644c51299c79c.pdf>

¹²⁶ energyperformancecertificates.co.uk (2023): EPCs The Ultimate Guide <https://energyperformancecertificates.co.uk/epcs-the-ultimate-guide>

others more significant issues may need to be addressed, such as the external fabric or heating systems. There is no component-by-component guideline for what complies with a given rating. Instead the use of the points system provides flexibility to account for the fact that, for some buildings, making retrofitting improvements in every respect will be difficult due to factors such as age, but if they can focus on elements that they can improve they can still achieve/retain compliance.

- 8.4.28 The Government has previously engaged in a consultation process on the implementation of setting a long-term regulatory target of EPC B by 2030¹²⁷. Responses from consultees, including landlords and organisations, generally supported both the target and the date of implementation. The sequential 'compliance window' approach is deemed to aid the transition of buildings to the ultimate EPC B target.
- 8.4.29 The report also provides various cost benchmarks having studied six building archetypes (including four offices, a retail warehouse and an industrial building), assessing combined packages of improvement measures for their impact on EPC ratings. In all buildings, it was possible to identify some measures that met the MEES regulations' cost effectiveness test and brought the rating of the building to an EPC rating of E or above – these measures cost between £10 and £20 per sqm. It was also found that replacing older, less efficient lights (such as T8 compact fluorescent tubes) with more efficiency versions within the same luminaire is highly cost effective in improving EPC rating and saving money; this is reflected by a typical Internal Rate of Return (IRR) of at least 20%.
- 8.4.30 Therefore, it is considered possible to 'cost effectively' improve buildings with an EPC of below E through the replacement of lamps in existing luminaires or potentially replacing boilers or other measures, such as installation of variable speed pumps. Overall, it was found that there is a strong correlation between the level of investment and the improvement in EPC rating.

What this means for Camden

- 8.4.31 A key challenge that occupiers face is that they are just tenants, i.e. they do not own the buildings that they occupy. Therefore, they require their landlords buy-in before any retrofitting can take place. This can create another tension as a tenant with only a short-term interest (which is often the case in the UK's leasing model) may not have enough of an incentive to invest sufficiently in green technologies. A landlord may feel similarly disinclined if it has a full roster of tenants and a steady rental stream¹²⁸, however in some cases this approach will come under pressure if the landlord feels it necessary to retrofit mid-tenancy for fear of not being able to renew the lease.
- 8.4.32 This presents a challenge given the trend that the lower the EPC rating, the greater the improvement required to the building and therefore the greater the investment cost. This is a challenge that will be present throughout the country, not just Camden. However, LB Camden has a large stock of older office premises across the Borough, and therefore the changes to EPC ratings suggest a substantial retrofit programme will be required that is affordable for most office types and landlords. Otherwise, LB Camden could face a situation where it has offices which are 'stranded assets' that are both non-compliant and undesirable to retrofit.
- 8.4.33 Landowners of premises which are scheduled to become non-compliant may also have to consider undertaking retrofit works mid-tenancy so that they do not risk being unable to extend/renew the existing tenant leases. In practice, this might involve taking space out of use temporarily such as for the replacement of windows and could prove costly for landowners if required to cover disruption payments.
- 8.4.34 Industrial properties are expected to prove less difficult to retrofit but as shown earlier there is nevertheless a significant portion of stock which does not or will not meet existing and planned minimum energy efficiency standards.
- 8.4.35 The Royal Institute of British Architects (RIBA) recently launched the Retrofit First campaign, which champions the reuse of buildings. The campaign highlights the long-running problem of a 20% VAT levy on refurbishments as opposed to the 0-5% levy on new builds; this also

¹²⁷ Department for Business, Energy and Industrial Strategic, (2021); The Non-Domestic Private Rented Sector Minimum Energy Efficiency Standards: Implementation of the EPC B Future Target.

¹²⁸ Lewis Silkin, (2022): A case for retro-fitting. Accessed here: <https://www.lewissilkin.com/en/insights/a-case-for-retrofitting>

acts as a disincentive for refurbishing instead of building new. RIBA is campaigning to cut this tax to 5% for refurbishments as well to bring some alignment between the two types¹²⁹.

- 8.4.36 To add to the challenge, there has so far been a lack of central government steer around how commercial premises should tackle the retrofitting issue, which increases the possibility of stranded assets in the future. Expectations on funding and support for retrofits and energy efficiency improvements being unveiled in the Spring 2023 Budget Statement went unmet with no measures proposed. In responses it was suggested that the government could be doing more to 'boost retrofit demand' and create a generation of skilled retrofit workers¹³⁰. With the next EPC rating compliance milestone for non-exempt commercial properties being a C rating by 2027, uncertainty around what standards will be in place has the potential to cause wider impacts on investments in commercial property generally.
- 8.4.37 There is a clear opportunity for the government to work with industry in order to package together skills, training, funding, standards and advice into a national retrofit strategy, as it is currently believed that the UK only has half the skilled workers needed to retrofit all old buildings. The issue is even more pressing for historical buildings, of which Camden has many. There are estimated to be 100,000 people who now work on historical buildings, but being able to adapt these buildings requires more specialist skills and training, such as plumbers working with heat pumps and hydrogen boilers. More than 105,000 new workers, including plumbers, electricians, carpenters and scaffolders, will be needed to work consistently on decarbonising the UK's historical buildings over the next three decades if the UK is to meet its 2050 net zero target¹³¹.
- 8.4.38 In addition to national directives, there are steps that Camden Council, and other Local Authorities, can take to support occupiers/landlords throughout this process. Councils are uniquely placed to drive forward the retrofitting agenda locally. They can do this through acting on their own stock and utilising their local connections with landlords and occupiers within the Borough. Councils face funding constraints that can limit the Council's resource and capacity to lead, however, there are several different roles they can play, including:
- Facilitation – acting as convenor to bring a 'coalition' of willing individuals and groups together;
 - Marketing and communication – a key, relatively resource-light role, providing trusted information to landlords and occupiers;
 - Coordination – acting as the 'lynchpin' in terms of coordinating action
 - Being a trusted partner – local authorities are often more trusted than national government and other stakeholders;
 - Supporting the growth of local skills and supply chain – working with the supply chain to promote accreditation and capacity-building; and
 - Partnering with the private sector – to facilitate retrofit finance to all occupiers, regardless of tenure¹³².

8.5 Changing office workspace requirements

- 8.5.1 This sub-section delves into the recent evolution of changing space requirements for office and knowledge work.

¹²⁹ AECOM, (2023): The carbon and business case for choosing refurbishment over new build. Accessed here: <https://aecom.com/without-limits/article/refurbishment-vs-new-build-the-carbon-and-business-case/>

¹³⁰ Building, (2023): Spring Budget broadly welcomed but criticised for lack of retrofit progress. Accessed here: <https://www.building.co.uk/news/spring-budget-broadly-welcomed-but-criticised-for-lack-of-retrofit-progress/5122302.article>

¹³¹ The Guardian, (2023): How retrofitting the UK's old buildings can generate an extra £35bn in new money. Accessed here: <https://www.theguardian.com/business/2023/mar/06/retrofitting-old-buildings-uk-energy-efficiency#:~:text=The%20report%2C%20which%20will%20be,next%20three%20decades%20for%20the>

¹³² Ashden, (2021): Local authorities can drive a home retrofit revolution. Accessed here: <https://ashden.org/news/local-authorities-can-drive-a-home-retrofit-revolution/>. The bullets set out in the provided link were targeted more towards residential retrofitting, so the principles deemed relevant have been adapted to apply more broadly to how the Council can interact and collaborate with partners to retrofit commercial premises.

- 8.5.2 Presently, around 70% of global employees spend days working in the office, leading to a significant impact on real estate portfolio planning. In this context, employee categorization becomes crucial. Workplace-based employees are fixed in specific locations due to contractual or operational reasons, while hybrid workers engage in a structured blend of office and remote work based on their roles. Meanwhile, mobile workers remain agile with no fixed office, and home workers are contractually bound to remote work from their residences. This diversity of work arrangements emphasizes the need for flexible real estate strategies that accommodate varying employee needs and preferences.
- 8.5.3 There has been a significant increase in hybrid work arrangements, as many companies now even take this stance as a default but with variations in the total numbers of days that employees are required to attend the office. The total number of fully remote workers has also increased, albeit their absolute numbers remain small. The work-from-home shift is a key driver of the evolving landscape, as London workers embrace hybrid work, reshaping models, and foretelling a lasting change, with 75% anticipating transformed in-person work approaches. Insights from the 2022 Camden Business Survey highlight the surge in flexible and remote work adoption, with 13% of respondents and 5% embracing remote work for operational efficiency and cost reduction. This is also evidenced in public transport data particularly from Mondays to Fridays and the reduced sales of season tickets.
- 8.5.4 In the context of the evolving office landscape in London, the future of office spaces in the city is set to be shaped by intricate dynamics involving employee attendance rates and the broader economic landscape. While projections indicate that traditional office-based jobs are anticipated to grow substantially according to the Greater London Authority, the current trend of decreased employee attendance poses a significant challenge for employers. Faced with this new reality, employers are confronted with strong incentives to strategize ways to entice employees back to the office environment, thus influencing decisions related to office expansion, right-sizing office spaces, and delaying real estate investments. It also highlights the need to invest in the local office environment and local amenities to draw people back into the workplace.
- 8.5.5 The inertia within the office market, characterized by extended leases held by tenants and landlords alike, suggests that a time lag will occur before a decrease in demand for office space is fully evident. This delay provides a window during which office job numbers might increase, employee attendance rates could experience a partial recovery, and a pursuit of high-quality office environments may persist, collectively contributing to a relatively gradual and controlled transition for office providers. This temporal overlap also affords occupiers, developers, landlords, and policymakers the opportunity to proactively adapt to these evolving trends. However, it is noteworthy that peripheral locations and areas with limited premium office offerings might experience a more pronounced impact due to the variable nature of the flight to quality across central London.
- 8.5.6 Furthermore, the seismic shift in working patterns following the pandemic, commonly referred to as the 'work from home' revolution, is fundamentally reshaping London's working landscape. Hybrid working also emphasises the value of more diverse and accessible workplaces, as women, people with disabilities and people with caring responsibilities might now be able to access jobs that were historically only performed in the workplace. Employees in London have undergone a substantial transformation in their work routines compared to the pre-pandemic era, and the consensus among the majority is that there's no turning back. A survey commissioned by Kings College London¹³³ in mid-2022 found that approximately 60% of London workers now undertake some hybrid working, a configuration defined by working remotely at least one day a week and being present at the workplace for fewer than five days a week. This statistic marks a significant shift from the pre-pandemic norm, where only 37% of workers reported working from home at least once a week on average. This figure has now surged to an impressive 75%, exemplifying the profound impact of remote work on daily routines.
- 8.5.7 Amid this evolving landscape, the Camden Business Survey of 2022 uncovered substantial changes in business practices. Notably, 13% of respondents reported embracing flexible or

¹³³ KCL (2022): The WFH revolution: how new ways of working are changing London <https://www.kcl.ac.uk/news/the-wfh-revolution-how-new-ways-of-working-are-changing-london>

remote working practices, a trend that corresponds with the broader shift towards hybrid work arrangements albeit lower than the 60% found for London as a whole perhaps due to the types of businesses in Camden (e.g. creative industries and law firms where there is greater emphasis on face to face interaction). Additionally, 5% of businesses indicated that they had introduced home-working or hybrid working specifically as a means to reduce overhead costs. These findings underscore the relevance of remote and flexible work options in the evolving business landscape and the decreasing dependence on physical floorspace stock, leading to downsizing of requirements.

- 8.5.8 This trend of downsizing of requirements by office occupiers is already driving decisions by businesses to reduce their premises size with impacts on vacancy rates. There is also an increasing emphasis on high quality meeting and collaboration spaces rather than desk-based work, and densities will continue to respond to these changes in how office spaces are used for work. In turn this may potentially result in new office floorspace being of lower average density than has been typical. At present this may not be translating into smaller buildings being planned as there remains a strong demand for new/ 'grade A' space which complies with MEES and attracts staff, which is not fully met in the London market generally. This is fully expected however to translate into lower space requirements per full-time equivalent office job than has been previously the case.

9. Locational requirements of particular sectors and uses

9.1 Introduction

9.1.1 This section sets out the profile and land requirements of specialist sectors, small business and social value uses in LB Camden. This is to understand the importance of these sectors and their role in LB Camden's economy, as well as their strengths and weaknesses and particular needs in terms of location and space typologies or otherwise. The analysis was conducted through desk-based research of the best available data, and was complemented by engaging with local partners and groups to capture real-world insights. In agreement with the Council, the sectors/uses considered in this section comprises the following, with each defined sector¹³⁴ reviewed in the sub-sections that follow:

- Creative industries;
- Knowledge activities;
- Jewellery;
- Green and circular economy & Construction Trades;
- Charitable and social value.

9.2 Creative industries

9.2.1 The creative industries play a vital role in the economic and cultural landscape of LB Camden. In 2021, Camden Council identified the creative industries as a growth sector in its planning guidance¹³⁵ report relating to employment sites and business premises.

9.2.2 The Department for Culture, Media, and Sport (DCMS)¹³⁶ defines the creative industries as *“Those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”*.

9.2.3 DCMS identified thirteen sub-sectors¹³⁷ under the term ‘creative industries’ and these are: advertising; architecture; the art and antiques market; crafts; design; designer fashion; film and video; interactive leisure software; music; the performing arts; publishing; software and computer games; and television and radio. Seventy-four-digit SIC codes were examined and combined into thirteen industries. Categorising the different industries was informed by the Camden Creative and Cultural Industries Report 2011¹³⁸.

9.2.4 In LB Camden, employment in creative industries between 2015 and 2021 has experienced a higher growth in terms of compound annual growth (CAGR¹³⁹) than the London average (3.0% and 1.8% CAGR respectively). Certain industries experienced an increase in employment¹⁴⁰ greater than the Borough average, such as video, film, and photography (8,050 to 12,300, 7.3% CAGR), music, the visual and performing arts (7,040 to 9,955, 5.9% CAGR), software and electronic publishing (14,475 to 18,150, 3.8% CAGR), and advertising (15,000 to 18,000, 3.1% CAGR). However, there was a considerable fall in those engaged in the design (2,000 to 1,750, -2.2% CAGR) and the designer fashion industry (765 to 130, -25.9% CAGR).

¹³⁴ Appendix A contains a full breakdown of the Standard Industry Classification (SIC) codes.

¹³⁵ Camden Council, (2021); Camden Planning Guidance – Employment Sites & Business Premises.

¹³⁶ Department for Culture, Media and Sport, (2016); Creative Industries: Focus on Employment.

¹³⁷ Jewellery is included in the definition but is not included in the analysis as it has been considered separately.

¹³⁸ Camden Council, (2011); Camden Creative and Cultural Industries: An evaluation.

¹³⁹ ONS, (2022); Business Register and Employment Survey (BRES).

¹⁴⁰ Employment is defined as Full time and Part time employees and covers employment within LB Camden.

- 9.2.5 According to analysis of the ONS’s UK Business Counts¹⁴¹, the number of creative enterprises has grown at a rate of 3.5% CAGR between 2016¹⁴² and 2022 and stands at 12,295 enterprises, of which micro businesses represent the largest share (91%). The radio and TV sector showed the highest performance in terms of enterprise growth (from 55 to 95, 8.1% CAGR).
- 9.2.6 The majority of this recent growth in creative industries has occurred in the area¹⁴³ spanning Holborn, St Giles and Bloomsbury South, where the number of creative businesses has increased from 2,100 in 2016 to 4,405 in 2022 (13.1% CAGR). Whilst it is evident from the data that the majority of this growth has been among 'Micro' enterprises (0 to 9 employees), it is not possible to identify from the source what is underpinning this substantial rate of change to confirm that it is entirely based on genuine growth in entrepreneurial activity and not practices such as the registration of limited companies at particular addresses where the business may not have a physical presence which may skew the trend. Other areas that have experienced good growth in the same period are Swiss Cottage (from 150 to 205, 5.3% CAGR), Hatton Garden and Theobalds Road (from 1,150 to 1,505, 4.6% CAGR) and Somers Town (from 140 to 180, 4.3% CAGR)¹⁴⁴.
- 9.2.7 Continued growth in the creative industries sector, particularly for those businesses operating within the arts, crafts and design sphere, will rely on continued access to light industrial spaces in the Borough such as studios. Camden Council has already acknowledged the importance of increasing the provision of and access to affordable artists’ studios and creative workspaces as part of its 2022 Cultural Framework¹⁴⁵, and this must be maintained given the importance of the creative industries sector as a source of local employment.
- 9.2.8 To give an impression of the key factors influencing the growth and expansion of the sector as a whole, Table 9-1 provides a summary of the strengths, weaknesses, opportunities, and threats considered relevant to the creative industries in LB Camden. The analysis has been developed by combining a review of evidence derived from the sector data with insights gleaned from Council reports relating to the creative industries sector.

Table 9-1 SWOT analysis of the Creative industries in LB Camden

Category	Comment
Strengths	Cultural diversity ¹⁴⁶ : LB Camden is known for its cultural diversity and vibrant artistic communities, attracting creative talents from around the world. This diversity fuels creativity, innovation, and collaboration within the sector.
	Infrastructure and facilities ¹⁴⁷ : LB Camden offers a well-developed infrastructure and a range of specialised facilities to support the creative industries. This includes theatres, galleries, production studios, coworking spaces and creative hubs.
Weaknesses	High operating costs ¹⁴⁸ : The cost of operating a business in LB Camden can be relatively high – particularly given its location in the CAZ – including rent, business rates and other overheads. This may pose challenges, particularly for small or emerging creative enterprises with limited resources.
	Concentration of businesses: LB Camden has a high concentration of creative businesses, particularly in areas such as Camden Town, King’s Cross, Chalk Farm, Bloomsbury, and Holborn. These are popular destinations for creative entrepreneurs, offering spaces for artists and designers.
Opportunities	Collaboration and networking: Camden Council fosters a collaborative and networking-oriented environment for creative professionals. The Knowledge Quarter ¹⁴⁹ , an innovation district which includes parts of LB Camden, facilitates collaboration between the creative industries, academia, and research institutions.

¹⁴¹ ONS, (2022); UK Business Counts.

¹⁴² While data on creative industry employees is available from 2015-2021, data on the number of creative industry *enterprises* is only available from 2016.

¹⁴³ ‘Area’ in this instance refers to the mid-layer Super Output Area, as per ONS data

¹⁴⁴ ONS, (2011); UK Business Counts, 2011 Super Output Areas – mid layer

¹⁴⁵ Camden Council, (2022); Cultural Framework

¹⁴⁶ Camden Council, (2023); Equality. Available here: <https://www.camden.gov.uk/equality>.

¹⁴⁷ Camden Council (2022); The Way We Work.

¹⁴⁸ Camden Council (2023); Cost of living crisis support for Camden businesses.

¹⁴⁹ Camden Council, (2020); Site allocations report – Knowledge Quarter.

Category	Comment
	Brexit ¹⁵⁰ : The UK's withdrawal from the EU may have implications for creative industries, including potential changes in regulations, international collaborations, and access to funding. Adapting to new policies and trade dynamics will be essential.
Threats	Competitive landscape: LB Camden faces competition from other Boroughs in London and international creative hubs. To maintain its position as a leading creative destination, LB Camden must continuously innovate, support emerging talent, and secure suitable low cost and affordable workspace.

- 9.2.9 Based on Open Data Camden¹⁵¹ mapping, there is a concentration of the creative businesses registered in Camden Town, King's Cross, West Hampstead, Belsize Park, Bloomsbury, and Holborn. The Borough's advantageous geographical position, well-connected transportation network, and the cumulative influence of its artistic community have contributed to its status as a thriving creative hotspot. Repurposed historic and flexible spaces, vibrant cultural scene and collaboration opportunities further attract creative professionals, making it a thriving hub for the industry.
- 9.2.10 In terms of space requirements, physical hubs have traditionally been a key part of the creative ecosystem providing coworking space with access to shared resources and enabling networking and collaboration. Studio space, small office units and take-up within larger office buildings also define the sector. For example, Camden Town has historically been an attractive destination for businesses in the creative industries sector as it provides the kind of space that nurtures these businesses as opposed to larger corporate buildings in the central London market area.
- 9.2.11 For many businesses in the creative industries sector, the most appealing space will be provided in the form of managed space, incubators and coworking spaces, which offer affordable and flexible options that encourage entrepreneurial activity. Additionally, these types of spaces can offer supporting infrastructure such as business advice and mentoring, or networking and collaboration opportunities. An obvious benefit of shared workspace is the opportunity for SMEs (of which in creative industries there are many) to network and exchange ideas, which can support the development of innovative concepts.

9.3 Knowledge activities

- 9.3.1 As described in detail within the KQ2050 report¹⁵², Camden has a thriving knowledge economy with world class academic, cultural, research, scientific and media institutions and organisations. In recent years, these institutions and organisations have clustered in the area surrounding King's Cross, St Pancras, and Euston Stations. Providing some further focus in 2022 Camden Council released the STEAM (Science, Technology, Engineering, Arts and Mathematics) strategy, where the Council sets out its aims to create inclusive opportunities and innovation¹⁵³ based on the uses/sectors outlined in these scientific R&D activities and higher education institutions.
- 9.3.2 There has been a significant acceleration of change in the district in recent years with regards to knowledge activities. The previous six years have seen a wave of new arrivals that include the Francis Crick Institute, the Alan Turing Institute, DeepMind (a British artificial intelligence research laboratory), McKinsey and Universal Music. The next few years will also see the Knowledge Quarter become home to Google's European headquarters, the UK Dementia Research Institute, a new extension of the British Library, MSD's Discovery Centre, a new site for Moorfield's Eye Hospital¹⁵⁴ and Tribeca London (London's largest purpose-built life science campus).

¹⁵⁰ DCSM, (2018); The potential impact of Brexit on the creative industries, tourism, and the digital single market.

¹⁵¹ Open Data Camden, (2023); Companies registered in Camden. Values may differ from the information provided by BRES.

¹⁵² Camden Council, Islington Council, Knowledge Quarter; (2023); KQ2050: A Knowledge Quarter Unlocked.

¹⁵³ Camden Council, (2022); Science, Technology, Engineering, Arts and Mathematics (STEAM) Strategy.

¹⁵⁴ Camden Council, Islington Council, Knowledge Quarter; (2023); KQ2050: A Knowledge Quarter Unlocked.

- 9.3.3 Between 2015 and 2021, the employment in knowledge activities in LB Camden has experienced appreciably higher growth (3.0% CAGR¹⁵⁵) than the London average (-1.6% CAGR). Knowledge activities, proportionally, employ more people in LB Camden (11.9%) than in London (4.6%).
- 9.3.4 Employment in technical testing and analysis and research (40 to 1,500, 82.9% CAGR) and experimental development on natural sciences and engineering (200 to 1,500, 40.0% CAGR) have seen the highest CAGR growth in LB Camden. On the other hand, post-secondary (1,000 to 500, -11.0% CAGR) and educational support services (1,500 to 1,000, -6.5% CAGR) have experienced the biggest fall in employment.
- 9.3.5 According to analysis of the ONS's UK Business Counts¹⁵⁶, the number of knowledge activity enterprises has grown at a rate of 5.1% CAGR between 2015 and 2022 and stands at 1,210 enterprises, of which micro businesses represent the largest share (84.7%). Most of these current enterprises are concentrated around the area surrounding King's Cross, St Pancras, and Euston Stations.
- 9.3.6 In terms of where the most growth has been located in recent years, the area¹⁵⁷ with the largest increase in creative businesses is the area directly to the north of Camden Town between Kentish Town West and Gospel Oak overground stations. Between 2016-2021 this area saw the number of knowledge businesses triple from 5 to 15. This is followed by the area surrounding Camden Square to the east of Camden Town, where knowledge businesses have doubled from 5 to 10 in the same period. Another area where businesses have almost doubled (from 210 to 405) is the area spanning between Chancery Lane and Tottenham Court Road, up to and including Russell Square in the north¹⁵⁸.
- 9.3.7 In recent years the Knowledge Quarter has seen significant growth, in terms of employment and businesses, due to its excellent transportation links, highly skilled workforce, high-quality office and lab spaces and enhanced retail, art, and leisure offer.
- 9.3.8 To give an impression of the key factors influencing the growth and expansion of the sector, Table 9-2 provides a summary of the strengths, weaknesses, opportunities, and threats of the knowledge activities in Camden. The analysis has been developed by combining evidence derived from sector data with insights gleaned from Council reports relating to the knowledge activities.

Table 9-2 SWOT analysis of the Knowledge activities in LB Camden

Category	Comment
Strengths	Knowledge Quarter: While its identification as an innovation district has been over the last 10-15 years, The Knowledge Quarter contains already well-established institutions with long lasting relationships and adequate space for innovation.
	Technological infrastructure: The Borough has well developed infrastructure and access to advanced technologies, including high-speed internet connectivity and digital facilities.
Weaknesses	Cost of living: In 2018, the Science and Innovation audit (SIA) ¹⁵⁹ highlighted that pressure on commercial and housing land makes it very expensive to live and work in LB Camden and that some small start-ups could be priced out.
Opportunities	Growth of the digital economy ¹⁶⁰ : The increasing importance of the digital economy presents opportunities for knowledge activities for LB Camden. The Borough can attract digital start-ups, tech companies and entrepreneurs by leveraging its existing technological infrastructure and fostering an ecosystem supportive of innovation and digital entrepreneurship.
	Unlocking the potential of life sciences: The Knowledge Quarter possesses world-class expertise in data and life sciences. The Borough can build on its robust ecosystem of world-leading research institutes and universities, with over 60,000

¹⁵⁵ ONS, (2022); Business Register and Employment Survey (BRES).

¹⁵⁶ ONS, (2022); UK Business Counts.

¹⁵⁷ ONS, (2011); UK Business Counts, 2011 Super Output Areas – mid layer

¹⁵⁸ ONS, (2011); UK Business Counts, 2011 Super Output Areas – mid layer

¹⁵⁹ Knowledge Quarter Partners, (2018); Science and Innovation Audit.

¹⁶⁰ DCSM, (2022); Digital Strategy.

Category	Comment
	employees across 117 organisations already. To meet the significant demand for space in this sector, the conversion of older office space into lab space offers a potential opportunity to enable further growth of this sector now that the major site development opportunities have been realised.
	Collaboration and Networking: The Knowledge Quarter will facilitate knowledge exchange and identify opportunities for openness, collaboration, and networking between its members. Additionally, the collaboration with the Golden Triangle ¹⁶¹ region will make the knowledge industry stronger and globally more competitive if presented as a whole.
Threats	Brexit: Reduced rights ¹⁶² to stay in the UK for EU citizens will inevitably lead to less mobility, and therefore a drop in researcher numbers ¹⁶³

- 9.3.9 Camden Council's policy KQ1¹⁶⁴ indicates that in order to ensure the growth and success of the Knowledge Quarter, major proposals for additional employment floorspace must be supported by evidence that the type of floorspace being provided reflects current and emerging needs of the knowledge economy. Additionally, it needs to ensure the draft policy indicates that at least 20% of floorspace should be affordable workspace.
- 9.3.10 In terms of space requirements, consultation with property agents revealed that a two-tier market is in operation for office space. Demand in the Knowledge Quarter and for knowledge activities is largely in favour of Grade A space, as occupiers seek energy-efficient premises that are 'exciting' workspaces which will both attract staff and achieve compliance with ESG (Environmental, Social, Governance) objectives. Companies are increasingly looking to secure co-location benefits, such that much of the office demand includes the desire to be positioned so as to be able to capitalise on the Knowledge Quarter. Proximity to established institutions such as UCL, UCLH and the Francis Crick Institute is considered favourable by potential occupiers.
- 9.3.11 In addition, flexible and affordable workspaces have become a core part of the industry and do not simply apply to organisational culture. Flexibility needs to be applied to buildings as well, which is why it is important that buildings are designed to be long life, low energy and loose fit, enabling them to support future reconfiguration for different activities/users.
- 9.3.12 However, there are still occupiers willing to accept Grade B space provided that there are plans in place for retrofitting when ESG compliance requires it. ESG compliance is a large contributing factor to the decision-making of occupiers, such that some are willing to pay a premium for buildings that are ESG compliant now, due to the difficulties that can arise when retrofitting, as well as the cost implications. As alluded to in Section 6, there is a large amount of secondary office stock in the Borough, particularly within the NW1 postcode area which encircles Camden Town. Therefore, demand for office space in areas such as this is likely to be largely affected by the plausibility of ESG compliance with minimal financial repercussions.
- 9.3.13 A key imperative of the KQ2050 Strategy¹⁶⁵ is the joint action for developers, businesses and community groups to understand the current demand for different types of spaces within the Knowledge Quarter and strive to incorporate this intelligence into the development and planning process. Belgrove House offers an example of a development that has been designed to meet the needs of the Knowledge Quarter tenants, MSD. The building will comprise nine floors of research laboratory and office space and will demonstrate how the carbon emissions of a life science research building may be reduced in construction, operation, and future refurbishment.
- 9.3.14 Vacant or underused premises in the Borough can also offer great spaces for meanwhile uses to support Knowledge Quarter activities. The proactive use of these spaces for activities such as meeting spaces, informal training and learning spaces, pop-up shops and exhibitions can

¹⁶¹ New London Architecture, (2020); Knowledge Networks: London and the Ox-Cam Arc

¹⁶² Centre for Global Higher Education (CGHE), (2017); Brexit, trade, migration and higher education

¹⁶³ It is recognised that this may be mitigated somewhat from the UK's readmission to the EU Horizon programme whereby researchers can again apply for grants from Horizon Europe.

¹⁶⁴ LB Camden, (2020); Knowledge Quarter.

¹⁶⁵ Camden Council, Islington Council, Knowledge Quarter; (2023); KQ2050: A Knowledge Quarter Unlocked.

bring these spaces back into commercial use while the landlord continues to search for a permanent commercial occupant. Anchor organisations, developers, businesses and civic institutions can play a big role in this, particularly in facilitating access to employment, training and business enterprise programmes for local residents. As per the KQ2050 Strategy, anchor organisations are encouraged to work with the local community to optimise the Knowledge Quarter's growth.

- 9.3.15 As also highlighted in the KQ2050 Strategy, the 2018 Science and Innovation audit noted a number of infrastructural and operational risks which need to be addressed when it comes to the supply of space for knowledge quarter uses. One such example is securing supply for move-on and lab space, particularly for the life sciences and university spin-outs, as well as ensuring the availability of an adequate and coordinated incubator, accelerator and investment support within the KQ area.

9.4 Jewellery

- 9.4.1 As expressed within the Hatton Garden BID¹⁶⁶ proposal, the Jewellery industry makes a unique and important contribution to LB Camden's economy. It is particularly concentrated around the locale of Hatton Garden where it remains one of London's only clusters that groups all jewellery related business functions. Additionally, Council planning guidance¹⁶⁷ published in 2021 sets out the Council's aims to protect and increase provision of jewellery workshops in Hatton Garden, securing no net loss.
- 9.4.2 The Jewellery industry is considered to be part of the creative industries as defined by the DCMS¹⁶⁸. However, given the relevance of the jewellery industry in Camden, this section explores the industry in isolation in order to obtain a more holistic understanding of its value to the Borough and the key factors influencing it.
- 9.4.3 Between 2015 and 2021, employment in the jewellery industry in LB Camden has experienced a significantly higher growth (4.8% CAGR¹⁶⁹) than the London average (-0.6% CAGR), and currently stands at 1,985 employees. The manufacture of jewellery experienced a significant decline in 2020, likely due to COVID 19, when employment in the industry experienced a steep decline (600 to 200). This figure has since recovered to pre-pandemic levels. However, the number of employees working on the *repair* of watches, clocks and jewellery has been reduced by more than half since 2018 (150 to 75)¹⁷⁰. London followed a similar trend for the same period.
- 9.4.4 According to analysis of the ONS's UK Business Counts¹⁷¹, the number of jewellery enterprises in LB Camden has grown at a rate of 2.3% CAGR between 2015 and 2022 and stands at 535 enterprises. Specifically, retail sale of watches and jewellery in specialised stores experienced the biggest increase in the number of enterprises (115 to 195, 7.8% CAGR), while the wholesale of watches and jewellery experienced a fall in the number of enterprises (170 to 140, -2.7% CAGR). Micro businesses represent the largest share (94.4%) of the jewellery industry in LB Camden, slightly higher than the London average (93.3%). Most of these enterprises are concentrated around the locale of Hatton Garden.
- 9.4.5 To give an impression of the key factors influencing the prosperity of the sector, Table 9-3 provides a summary of the strengths, weaknesses, opportunities, and threats relevant to the jewellery industry in LB Camden. The analysis has been developed by combining a review of evidence derived from sector data and Council reports.

¹⁶⁶ Hatton Garden, (2020); Hatton Garden Bid Proposal.

¹⁶⁷ LB Camden Planning Guidance, (2021); Employment site and Business premises.

¹⁶⁸ Department for Culture, Media and Sport, (2016); Creative Industries: Focus on Employment

¹⁶⁹ ONS, (2022); Business Register and Employment Survey (BRES).

¹⁷⁰ Note this refers to the number of employees working specifically in the *repair* of watches, clocks and jewellery. This does not therefore provide a like-for-like comparison with the overall enterprise numbers presented in the following paragraph. It is however plausible for the number of repairer jobs to be lower than the number of total jewellery enterprises if not every company offer repairs as part of their service.

¹⁷¹ ONS, (2022); UK Business Counts.

Table 9-3 SWOT analysis of the Jewellery industry in LB Camden

Category	Comment
Strengths	Long standing tradition ¹⁷² of jewellery craftsmanship: LB Camden is home to renowned jewellery designer and brands, which adds prestige to the industry.
	Tourist attraction: LB Camden is a popular tourist attraction, drawing visitors from all over the world. This provides a significant market for jewellery sales, particularly for tourists seeking unique ¹⁷³ and authentic pieces.
Weaknesses	Competition: The jewellery industry in LB Camden faces intense competition from established stores and brands. This saturation could make it challenging for new or small businesses to stand out.
	Online commerce ¹⁷⁴ : The rise of online shopping presents an opportunity for jewellery businesses to expand the customer base beyond the local market. Establishing a strong online presence and offering convenient purchasing options can help businesses reach a wider audience.
Opportunities	Unique pieces: There is an increased demand for personalised and unique jewellery pieces. Jewellers in Camden can capitalise on this trend by offering customisation services, allowing customers to create unique pieces tailored to their preferences.
	Counterfeit products ¹⁷⁵ : The jewellery industry is vulnerable to counterfeit products, which can damage the reputation of legitimate business. LB Camden should take measures to ensure the authenticity and quality of their products to maintain customer trust.
Threats	Class E Planning Use: The introduction of this single new use class allows businesses to change between diverse commercial uses without planning permission. This threatens the future of the jewellery cluster within Hatton Garden as many of them are likely to occupy small light industrial spaces which could be considered attractive for other uses and easily converted/repurposed. Permitted Development Rights allow premises up to 1,500sqm to be converted from light industrial use to residential use.

9.4.6 In line with Local Plan policy E2¹⁷⁶, the Council takes a specific approach to development in Hatton Garden reflecting its unique character. The conversion of employment premises in Hatton Garden will only be permitted where it can be demonstrated that they have been vacant and marketed for at least two years. In this case, they need to be replaced by a mixed-use development that includes premises suitable for use as jewellery workshops as well as other appropriate uses.

9.4.7 Where proposals in Hatton Garden increase the total gross internal floorspace by more than 200 sqm, the Council seeks that 50% of the additional floorspace must be affordable premises suitable for the jewellery sector. The Council requires that newly proposed jewellery workshop spaces consist of cellular spaces of a range of sizes, including those of no more than 30 sqm each and marketed at rents that are demonstrably affordable for jewellery sector workshop occupiers.

9.5 Green and Circular Economy & Construction Trades

9.5.1 A key *We Make Camden*¹⁷⁷ ambition is that the Borough should be a green, clean, vibrant, accessible, and sustainable place with everyone empowered to contribute to tackling the climate emergency. This envisages that, by 2030, LB Camden's estates and the neighbourhoods are healthy, sustainable, and unlock creativity, and that the local economy tackles the climate emergency. For the purposes of this analysis, the Construction Trades sector is discussed in tandem with the Green and Circular economy due to the interconnectedness of the sectors. With opportunities around retrofitting and the scale of

¹⁷² Hatton Garden, (n.d); A brief history of Hatton Garden jewellers.

¹⁷³ Hatton Garden Diamond, (2019); a guide to buy jewellery in Hatton Garden.

¹⁷⁴ McKinsey & Company, (2021); State of Fashion: Watches and Jewellery.

¹⁷⁵ The New York Times, (2022); Jewellery Counterfeits: The Age-Old Problem Just Keeps Growing.

¹⁷⁶ LB Camden, (2017), Local Plan.

¹⁷⁷ LB Camden, (2022); We Make Camden report.

commercial development in Camden that will require this in the near future, there are opportunities for job creation in the Construction Trades sector to continue supporting this and wider decarbonisation.

- 9.5.2 The ONS have consulted on defining "green jobs"¹⁷⁸. They recognise two definitions: Environmental Goods and Services Sector (EGSS), which is areas of the economy 'engaged in producing goods and services for environmental protection purposes' and Low Carbon and Renewable Energy Economy (LCREE), which defines sectors as 'economic activities that 'deliver goods and services that are likely to help generate lower emissions of greenhouse gases, predominantly carbon dioxide'. However, the second definition does not include some activities that might be considered 'green', such as recycling and the protection of biodiversity. Therefore, the first definition has been explored for the purposes of this analysis.
- 9.5.3 In Camden, consultation with the Council has revealed that the businesses operating within the Green and Circular economy within the Borough range from those in green finance, to insulation companies, to suppliers of heat pumps. However, the metadata behind the datasets using the above EGSS definition does not neatly specify which SIC code industries comprise the data, and therefore trends in the Green and Circular economy can only be provided at the national level.
- 9.5.4 The ONS has a clearer definition¹⁷⁹ for the Construction Trades sector. It is defined as encompassing a wide range of activities involved in the construction, alteration, repair, and demolition of buildings, as well as specialised construction activities such as electrical work, plumbing and roofing.
- 9.5.5 While it is not readily possible to gauge the trend of specific activities related to the Green and Circular economy beyond the national level, it is likely that Boroughs such as LB Camden are at the forefront of growth within this industry due to London's considerable drive towards a low carbon future in recent years. According to the ONS, using the EGSS definition for "green jobs", employment in this industry has grown by 14% between 2010 and 2020, from 350,300 jobs to almost 400,000 jobs. The vast majority of the employment is within 'Waste' (27%), however the second highest proportion is attributed to 'Environmental related Construction', which consists of 12% of all "green jobs" in the UK. This is likely to comprise some of the activities associated with retrofitting along with 'Insulation activities', which has grown in employment size in the 10-year period to 2020.
- 9.5.6 For Construction Trades, it is possible to disaggregate the data further to understand the trends within Camden. Employment in the construction sector in LB Camden accounts for 2.3% (9,030 employees) of the total workforce. This is slightly lower proportionally than the figure recorded for London as a whole (3.5%). Between 2015-2021, the construction sector in LB Camden has experienced a slightly higher employment growth (5.7% CAGR¹⁸⁰) than the London average (5.0% CAGR). The development of building projects and the construction of residential and non-residential buildings have seen an increase of employment of 3.1% and 4.3% CAGR, respectively. The construction of railways has experienced the highest growth in jobs (15 to 1,000, 101.4% CAGR) which is likely explained by the HS2 development plans and related rail infrastructure developments.
- 9.5.7 In terms of specialised construction activities, these represent 24.36% of the jobs within the construction industry, and have experienced a 5.8% CAGR growth over the past six years. However, the growth is significantly lower than the London average of 9.0%. Joinery installation (40 to 250, 35.7% CAGR) and roofing activities (5 to 35, 38.3% CAGR) have seen the highest growth in employment in percentage terms within specialised construction activities.
- 9.5.8 With regards to the prevalence of construction enterprises in LB Camden, this has grown at a rate of 6.7% CAGR¹⁸¹ between 2015 and 2022, and currently stands at 1,685 enterprises. The plastering sector experienced the highest growth in number of firms (from 5 to 15, 17.0% CAGR), followed by companies dedicated to electrical installation projects (50 to 135, 15.2%

¹⁷⁸ ONS, (2021); The challenges of defining a "green job". Accessed here:

<https://www.ons.gov.uk/economy/environmentalaccounts/methodologies/thechallengesofdefiningagreenjob>

¹⁷⁹ ONS, (2021); Construction sector.

¹⁸⁰ ONS, (2022); Business Register and Employment Survey (BRES).

¹⁸¹ ONS, (2022); UK Business Counts.

CAGR) and joinery installation (20 to 45, 12.3% CAGR). Micro businesses represent the largest share (95.3%) of construction enterprises in LB Camden, slightly below the London average (96.4%).

9.5.9 Table 9-4 and Table 9-5 provide a summary of the respective strengths, weaknesses, opportunities, and threats influencing the green and circular economy and construction trades sector in LB Camden, derived from the review of sector data combined with insights gleaned from relevant Council reports.

Table 9-4 SWOT analysis of the Green and Circular economy in LB Camden

Category	Comment
Strengths	Climate change performance: Camden Council is rated as the top 6th local authority ¹⁸² in England and Wales and highest in London for performance on tackling climate change.
Weaknesses	Self-sufficiency: The ability to be self-sufficient in waste is limited by the urban character and lack of sites on which to build waste management facilities.
Opportunities	Recycling targets: Camden Council already meets the Mayor's minimum recycling collection service requirements and is committed to collectively achieving the waste and recycling targets of the Mayor's Environment Strategy. Jobs creation: The scale of retrofitting programme required in Camden, as well as other boroughs, to bring buildings in line with ESG compliance will support a significant amount of jobs in the construction industry.
Threats	Minimum Energy Efficiency Standards (MEES): The volume of buildings in borough that will need retrofitting in the near future for ESG compliance. The large quantity of older, hard-to-convert buildings in areas such as Camden Market will present a significant challenge for the Borough in the next 10-20 years. There is likely to be variation in landowners' abilities to act promptly due to factors such as balance sheet and their prioritisation of ESG. Financial constraints: The reduction in funding from central government and growth of demand for services presents a substantial tension between the ability to achieve the Mayor's waste targets whilst managing services with considerably restricted budgets. This ENA has also evidenced the quantity of properties likely to require retrofitting in the near future, and while there is some retrofitting taking place, the lack of central guidance on energy efficiency building standards is creating uncertainty for investors, landlords and occupiers alike. This means that they often do not always have sufficient information to make sound financial decisions. Uncertainty: The uncertainty regarding the timing and affordability of MEES compliance results in businesses delaying wider investment. There is also uncertainty over the capacity of the supply chain, with the potential of there being an insufficient pool of contractors for the number of businesses requiring their assistance over a short time frame.

Source: Camden Council, (2018); London Borough of Camden Reduction and Recycling Plan: 2018-2022

Table 9-5 SWOT analysis of the Construction Trades sector in LB Camden

Category	Comment
Strengths	Skills: The ONS ¹⁸³ indicates that LB Camden benefits from a pool of skilled workers, including engineers, architects, and construction professionals. This skilled workforce contributes to the high-quality construction output and innovative designs. Location: The location of LB Camden provides easy access to a large customer base. This combined with the transport infrastructure reduces logistical challenges and enables timely completion of projects. There is also large investor appetite for large-scale construction projects, especially in the CAZ, which has been demonstrated by the types of schemes delivered in Camden over the last decade.

¹⁸² Camden Council, (2018); London Borough of Camden Reduction and Recycling Plan: 2018-2022.

¹⁸³ ONS, (2022); Annual Population Survey.

Category	Comment
Weaknesses	Cost of property: As highlighted in the LB Camden profile ¹⁸⁴ , the Borough is considered one of the most expensive Boroughs for property. Average house prices in Camden are the 4th highest in the country after Kensington & Chelsea, Westminster and Hammersmith & Fulham. This can lead to increased project costs and potentially limit the affordability of the developments. The Mayor of London has also alluded to the impact of the pandemic and Brexit forcing up the cost of building materials and causing workforce shortages, which is slowing house-building progress in London ¹⁸⁵ .
Opportunities	The Community investment programme (CIP ¹⁸⁶): The programme is Camden Council's ambitious plan to invest in schools, homes and community facilities in Camden. This additional investment will mean building: 4,850 new homes, including 1,800 council homes; and 350 Camden Living Rent homes for nurses, teachers, keyworkers, and other middle-earners. Wide ranging development opportunities: The Local Plan presents the ambition of Camden Council for the potential of a mix of residential, cultural, and commercial developments. This suggests a steady flow of opportunities for construction companies. There is already a huge variety of schemes with high levels of investment interest. Additionally, the scale of retrofitting required in the Borough in the next 10 years or so will require significant input from the construction trades sector.
Threats	Inflation: High inflation (8.7% in May 2023) is impacting the construction industry adversely. Rising costs of raw materials, such as steel and timber, along with increased wages and transportation costs, are straining construction budgets and potentially slowing down projects. Economic uncertainty: The construction sector is severely influenced by economic fluctuations. Economic downturns and recessions have previously impacted the construction sector, by leading to reduced demand for construction services.

- 9.5.10 Construction companies often establish a physical presence near construction projects. This proximity offers logistical advantages by reducing transportation costs and enabling quick responses. It allows for regular site visits by project managers and supervisors, promoting effective communication and problem solving. Being close to the development project fosters collaboration and networking opportunities with the stakeholders while gaining local knowledge on regulations, labour markets and suppliers. Some larger companies may have multiple offices to cater to different regions while maintaining a central headquarters.
- 9.5.11 As an example, the Murphy's Yard site (C5 Kentish Town Industry Area – Sanderson Close) is home to a large construction yard operated J. Murphy & Sons Ltd., which occupies a site comprising both yard space and storage facilities. There are currently plans¹⁸⁷ to deliver a mixed-use scheme on this site to complement and enhance Kentish Town, Gospel Oak, and other surrounding areas.
- 9.5.12 It's important to consider the amount of space available for businesses within the Construction Trades sector working within the Green and Circular Economy. Given the scale of retrofitting likely to be required within the Borough in the coming years and the limited supply of industrial land, it may prove challenging to retain the employment needed to support this. While some of the Borough's existing businesses operate within the Green and Circular Economy on a day-to-day basis, the lack of development opportunities and low vacancy rates among industrial premises will make it challenging for the Borough to be able to capture a commensurate share of the employment opportunities arising from the need for premises. The significant premises churn required for businesses to move to or expand in the Borough would rely on other businesses in the Borough leaving in large numbers given Camden has among the smallest industrial land supply in London, which is not likely or necessarily

¹⁸⁴ Mayor of London, (2022); Camden Council, (2023); Camden Profile.

¹⁸⁵ House building slowing in London as cost of construction rises <https://www.london.gov.uk/press-releases/mayoral/rising-cost-of-construction-slowing-house-building#:~:text=The%20Mayor%20of%20London%2C%20Sadiq.house%2Dbuilding%20progress%20in%20London>.

¹⁸⁶ Camden Council, (2022); Community Investment Programme – an introduction.

¹⁸⁷ Studio Egret West, (2022); Murphy's Yard

desirable. However, given its location it is nevertheless likely that the number of businesses engaged in these activities or its supply chain increases in the near term.

- 9.5.13 In terms of space requirements, land agents consulted as part of this study suggested that the types of premises that businesses such as insulation services or heat pump suppliers require is likely to be similar to those in the Construction Trades. Specifically, these businesses will need to be close or accessible to their customers. Whilst premises requirements will not be bespoke in the main with typical modern premises likely being suitable, occupiers would require sufficient yard space to ensure their effective operation. These businesses will also seek to operate out of cost-effective premises.

9.6 Charities and Social Value

- 9.6.1 In 2020, the Cabinet Office, through the Procurement Policy Note (PPN)¹⁸⁸, 11/20 defined the voluntary, community and social enterprises sector (VCSE) as “*any organisation working with a social purpose. This ranges from small community-based groups/schemes, through to larger registered charities and social enterprises, public service mutuals and cooperatives that operate locally, regionally, and nationally. This term is often interchangeable with the terms ‘third sector’ or ‘civil society’ organisations*”.
- 9.6.2 DCMS¹⁸⁹ suggested that the VCSE sector could include organisations such as charities, public service mutuals, social enterprises and many other non-profits. This analysis therefore focuses on the activities of membership organisations including charities, trade unions, and religious organisations.
- 9.6.3 Particularly, in 2015, Camden Council developed a consultation paper¹⁹⁰ for the Voluntary and Community Sector (VCS) Investment programme, where the Council highlighted the strong civil society in LB Camden. It emphasised the idea that in a Borough where people come from all over the country and all over the world with different ideas, cultures and needs, the voluntary sector is the glue which holds everyone together.
- 9.6.4 Between 2015-2021, the VCSE sector in LB Camden has experienced a slightly higher employment growth (0.8% CAGR¹⁹¹) than the London average (0.7% CAGR). The activities of business and employers’ membership organisations and the activities of other membership organisations have seen an increase of employment of 4.9% and 12.2% CAGR, respectively. On the other hand, the activities of political organisations have experienced the biggest fall (-16.7% CAGR) as this sector peaks during election years (2015 and 2020). This contrasts with the impact that the political activities have had in London as a whole, where they experienced a growth of 7.0% CAGR for the same period.
- 9.6.5 According to analysis of the ONS’s UK Business Counts¹⁹², the number of VCSE enterprises in LB Camden has grown at a rate of 2.7% CAGR between 2015 and 2022, and currently stands at 350 enterprises. Activities of political organisations experienced the highest enterprise growth (5 to 10, 10.4% CAGR), while the activities of trade unions experienced a fall in the number of enterprises (15 to 10, -5.6%). Micro businesses represent the largest share (70%) of VCSEs in LB Camden, slightly below the London average (72.2%). However, we do not have the data to understand what the proportions of land use type occupied by businesses in this sector are.
- 9.6.6 Table 9-6 provides a summary of the strengths, weaknesses, opportunities and threats relevant to the VCSE sector in LB Camden. The analysis has been developed by combining evidence derived from sector data with insights gleaned from relevant Council reports.

¹⁸⁸ Procurement Policy Note, (2020); Reserving Below Threshold Procurements.

¹⁸⁹ DCMS, (2022); The role of Voluntary, Community, and Social Enterprise (VCSE) organisations in public procurement.

¹⁹⁰ Camden Council and Camden Voluntary and Community Sector, (2015); Investing in a sustainable strategic relationship.

¹⁹¹ ONS, (2022); Business Register and Employment Survey (BRES).

¹⁹² ONS, (2022); UK Business Counts.

Table 9-6 SWOT analysis of the VCSE sector in LB Camden

Category	Comment
Strengths	Local knowledge: According to the ONS, over 75% of VCSEs deliver public services where they are based, with strong links to that locality. Their place-based solutions can create a greater impact for those most in need, who are hard for the traditional public sector to reach.
	Significant base of national trade union offices: The Borough is home to the following trade union offices: Unison, RMT (Rail, Maritime and Transport), UCU (University and College Union), NUJ (National Union of Journalists), NEU (National Education Union), GMB (General, Municipal, Boilermakers' and Allied Trade Union), Unite, NASUWT (National Association of Schoolmasters and Union of Women Teachers), and TUC (Trades Union Congress), among others.
	Strong community engagement: In the resident and partner engagement report ¹⁹³ (2018), the Council presents the community as engaged and active and maps a plan for future engagement that will facilitate VCS' efforts to address local and environmental challenges effectively.
Weaknesses	Competition for resources: The VCS in LB Camden includes a wide range of organisations ¹⁹⁴ and may create competition for the limited funding and volunteers. The sector has a requirement for affordable workspace and is vulnerable to decreases in the supply of such space.
	Government support: In 2020, Camden Council invested £1 million to help local groups in Camden to support local voluntary organisations in their fight against Covid-19. Currently, through round 2 of the Resilience Fund ¹⁹⁵ , the Council will provide £1m of funding to support Camden's Voluntary and Community Sector organisations to address immediate risks in the short-term and to make changes that will increase organisational sustainability through planning for the longer term.
Opportunities	Anchor institution commitments: The ESG (environmental, social and governance) commitments of anchor institutions in the Knowledge Quarter presents a key opportunity for businesses in the VSCE sector, as this ensures the collective commitment to community wellbeing ¹⁹⁶ which helps to foster an environment where these businesses can thrive.
	Strategic partners: The Strategic Partner Fund programme (2017 to 2024) focuses investment on the changing pattern of need across the Borough. Many councils are cutting such investment to zero, so this is a major expression of the council's belief in the local voluntary sector's expertise, trust, and connections with residents, as well as its proven ability to innovate and stimulate community resilience.
Threats	Cyber security ¹⁹⁷ : Cyber security risk is also noted as posing a significant threat to the VCSE sector in the UK and is therefore included as a key supply-side barrier. The implications of this can be seen generally, and within the procurement process.
	Affordability and access to premises: Businesses in the VSCE sector are amongst those who have the strongest need for affordable and accessible workspaces given the budgetary constraints of their practices. A lack of supply of such space threatens the presence of the sector within LB Camden.

9.6.7 The sector principally occupies space in small and medium sized offices, mostly of lower grade in quality reflecting businesses seeking lower rental values. The sector is though likely to be key in take-up of space within affordable workspace provided in new developments, providing businesses with new, higher quality facilities.

¹⁹³ Camden Council, (2018); Resident and Partner Engagement report.

¹⁹⁴ Camden Council, (2023); Cindex. Available here: <https://www.camden.gov.uk/cindex1> .

¹⁹⁵ Camden Council, (2022); Community Impacts Resilience Fund Round 2.

¹⁹⁶ London Anchor Institutions' Network Place Based Working Group ,(2022); Building Community Benefit

¹⁹⁷ National Cyber Security Centre (2018) Cyber Threat Assessment.

10. Future Demand

10.1 Introduction

10.1.1 The approach to assessing future employment floorspace and land requirements below is in line with Planning Practice Guidance on Economic Needs Assessments. The analysis in this section considers two employment growth scenarios, including:

- Scenario 1: Demand-based scenario – based on the floorspace and land needed to accommodate expected employment growth in the Borough, as per the latest employment forecasts from Experian.
- Scenario 2: Past take-up rates – trend-based scenario based on the continuation of historical take-up rates, sourced from CoStar. This analyses take-up rates by use class over the last 10 years and extrapolates these trends over the assessment period.

10.1.2 Employment sectors have been mapped to the current core B and E(g) use classes:

Office uses (former B1a, B1b):

- E(g)(i) Offices; and
- E(g)(ii) Research and development.

Industrial uses (former B1c, B2, B8):

- E(g)(iii) Light industrial;
- B2 General industrial; and
- B8 Storage or distribution.

10.1.3 Job numbers for each use class have been calculated, and these have been converted to floorspace requirements by applying appropriate employment density assumptions. To calculate land requirements for industrial uses, plot ratios have been applied to convert floorspace into land (hectares). The employment densities and plot ratios used draw on the HCA Employment Densities Guide 3rd Edition (2015) and the consultants appreciation of prevailing rates/ratios, and are summarised in Table 10-1 below.

Table 10-1: Employment density and plot ratio assumptions

Use class	HCA Employment Density Guide (2015)	Employment density assumption used (sqm per full-time equivalent (FTE) job)	Plot Ratio (% of site area)
E(g)(i)	Offices – 8-13 sqm NIA per FTE job	11.3	Not applicable
E(g)(ii)	R&D space – 40-60 sqm NIA per FTE job	50	Not applicable
E(g)(iii)	Light industrial – 47 sqm NIA per FTE job	47	65%
B2	Industrial & Manufacturing – 36 sqm GIA per FTE job	36	65%
B8	Storage & Distribution – 70-95 sqm GEA per FTE job	70	50%

10.1.4 It should be noted that employment ratios can vary significantly depending on location and the exact type of use. The HCA Employment Densities Guide allows for this by providing density ranges against uses. This study has taken a mid-point approach to applying these ranges. The exception to this is for B8 uses where an average density towards the higher end of the HCA Employment Densities Guide has been applied – reflecting the density ascribed to final mile distribution uses (rather than regional or national hubs, which are generally of

lower employment density per sqm of space). This is considered appropriate for LB Camden, where most storage and distribution uses serve a local or sub-regional market (CAZ) rather than being of a larger scale.

- 10.1.5 The densities guidance, published in 2015, took account of then emerging trends regarding the changing utilisation of office floorspace representing the more efficient use of space due to a higher frequency of flexible working and hybrid working. It is acknowledged that the popularity of these working models has increased markedly in the most recent years since this. The British Council of Offices, in its latest guidance on office design¹⁹⁸ advised that 10 sqm per job be designed for in new floorspace planning, recognising that 8 sqm per job did not reflect latest requirements. Accounting for some existing floorspace being at lower densities which will continue to meet some needs, it is considered that the 11.3 sqm per job applied in this forecasting exercise reflects the current situation in respect of flexible working and hybrid working. Noting that the situation is still evolving, adjustments to reflect scenarios whereby increased remote working occurs has been tested for as part of the Sensitivity Testing of demand projections set out in Section 10.4 below.
- 10.1.6 The scenarios discussed in this section should be treated as broadly indicative. Predicting future economic trends and corresponding employment land requirements is not an exact science. The assessment needs to be based on a series of assumptions, including the future performance of individual business sectors, the proportion of employment in each sector that corresponds to each of the B and E(g) use classes, and the future employment densities and plot ratios for each use class. Furthermore, the future economic performance of LB Camden's economy is subject to external factors that are hard to predict in the context of this study, such as political and economic changes at the national and international levels¹⁹⁹.
- 10.1.7 With the above caveat in place, the scenarios presented in this section provide an indication of future economic trends and are a useful tool for informing employment land policy. It should also be noted that all figures presented in this section have been rounded and therefore may not completely add up.

10.2 Scenario 1: Demand-based scenario

- 10.2.1 According to Experian's April 2023 employment forecasts, full time equivalent (FTE) employment across all sectors in Camden is forecast to increase from 310,300 in 2023 to 363,500 in 2041, an increase of approximately 17.1% (Table 10-2). The biggest growth sectors in terms of absolute number of FTE employment growth include: Professional Services, Computing & Information Services and Administrative & Supportive Services.
- 10.2.2 The sectors forecast to decline the most in absolute terms include Public Administration & Defence, Other Private Services and Land Transport, Storage & Post.

Table 10-2: Forecast growth or decline by employment category 2023-2041

Employment Sector	FTE change 2023-2041
Professional Services (Thousands)	28,200
Computing & Information Services (Thousands)	7,400
Administrative & Supportive Services (Thousands)	5,400
Accommodation & Food Services (Thousands)	4,800
Health (Thousands)	3,000
Real Estate (Thousands)	1,900

¹⁹⁸ British Council of Offices (2023) BCO announces new recommendations for greener and healthier offices <http://www.bco.org.uk/News/News59242.aspx>

¹⁹⁹ Given that the Experian employment data drives the floorspace requirements of the Borough, it is important to consider how the forecasts take into account the increasing role of automation and artificial intelligence. Within the data, labour force size is an independent variable, alongside lagged employment and total hours worked (and lagged total hours worked). Total hours worked is dependent on Gross Domestic Product (reflecting the strength (or not) of the economy), and labour augmenting technical progress. The latter considers the impact of automation and artificial intelligence on hours and shows a negative coefficient.

Employment Sector	FTE change 2023-2041
Recreation (Thousands)	1,400
Residential Care & Social Work (Thousands)	800
Wholesale (Thousands)	800
Education (Thousands)	700
Media Activities (Thousands)	200
Retail (Thousands)	100
Agriculture, Forestry & Fishing (Thousands)	0
Air & Water Transport (Thousands)	0
Chemicals (manufacture of) (Thousands)	0
Computer & Electronic Products (manufacture of) (Thousands)	0
Extraction & Mining (Thousands)	0
Finance (Thousands)	0
Fuel Refining (Thousands)	0
Insurance & Pensions (Thousands)	0
Machinery & Equipment (manufacture of) (Thousands)	0
Metal Products (manufacture of) (Thousands)	0
Non-Metallic Products (manufacture of) (Thousands)	0
Pharmaceuticals (manufacture of) (Thousands)	0
Specialised Construction Activities (Thousands)	0
Telecoms (Thousands)	0
Transport Equipment (manufacture of) (Thousands)	0
Utilities (Thousands)	0
Wood & Paper (manufacture of) (Thousands)	0
Civil Engineering (Thousands)	-100
Other Manufacturing (Thousands)	-100
Printing and Recorded Media (manufacture of) (Thousands)	-100
Textiles & Clothing (manufacture of) (Thousands)	-100
Construction of Buildings (Thousands)	-200
Food, Drink & Tobacco (manufacture of) (Thousands)	-200
Land Transport, Storage & Post (Thousands)	-200
Other Private Services (Thousands)	-200
Public Administration & Defence (Thousands)	-300
All sectors	+53,200

Source: Experian employment forecasts

- 10.2.3 Employment in office and industrial use class sectors makes up approximately 55% of all employment in Camden in 2023 (169,480 out of a total of 310,300 FTE jobs). Experian forecasts employment in office and industrial sectors to increase overall by 39,890 jobs over the period 2023-2041, an increase of approximately 23.5%.

Table 10-3: Employment forecasts by use class, 2023-2041 - Demand-base Scenario

Use class	Total jobs					Change 2023-2041
	2023	2028	2033	2038	2041	
E(g)(i)	144,289	154,580	164,956	176,081	183,025	38,736
E(g)(ii)	3,061	3,270	3,464	3,659	3,775	714
Total office jobs	147,350	157,850	168,420	179,740	186,800	39,450
E(g)(iii)	7,470	7,470	7,430	7,350	7,310	-160
B2	1,200	1,200	1,160	1,110	1,040	-160
B8	13,460	13,790	13,970	14,130	14,220	760
Total industrial jobs	22,130	22,460	22,560	22,590	22,570	440
Total office and industrial jobs	169,480	180,310	190,980	202,330	209,370	39,890

Source: AECOM 2023

- 10.2.4 The greatest increase in absolute terms is forecast to take place in use class office E(g)(i) jobs (+38,736 jobs), followed by storage and distribution B8 jobs (+760 jobs) and research and development E(g)(ii) jobs (+714 jobs). Employment in light industrial E(g)(iii) jobs and general industrial (B2) sectors is forecast to decrease marginally.
- 10.2.5 It is noted that employment in use class E(g)(ii) (research and development) is forecast to increase by +714 jobs, however there are currently limited premises in Camden in this use (based on CoStar data).
- 10.2.6 Based on the above employment forecasts and the employment density assumptions summarised in Table 10-1, Camden floorspace requirement forecasts over the period 2023-2041 are presented in Table 10-4 and Table 10-5 below.

Table 10-4: Camden additional floorspace need (sqm) - Demand-based scenario

Use class	2028	2033	2038	2041	% change 2023-2041
E(g)(i)	+116,300	+233,500	+359,200	+437,700	26.5%
E(g)(ii)	+10,500	+20,200	+29,900	+35,700	23.3%
Office floorspace need	+126,800	+253,700	+389,100	+473,400	26.5%

Source: AECOM 2023

Table 10-5: Camden additional floorspace need (sqm) - Demand-based Scenario

Use class	2028	2033	2038	2041	% change 2023- 2041
E(g)(iii)	0	-1,900	-5,600	-7,500	-2.1%
B2	0	-1,400	-3,200	-5,800	-13.3%
B8	+23,100	+35,700	+46,900	+53,200	5.6%
Industrial floorspace need	+23,100	+32,400	+38,100	+39,900	3.0%

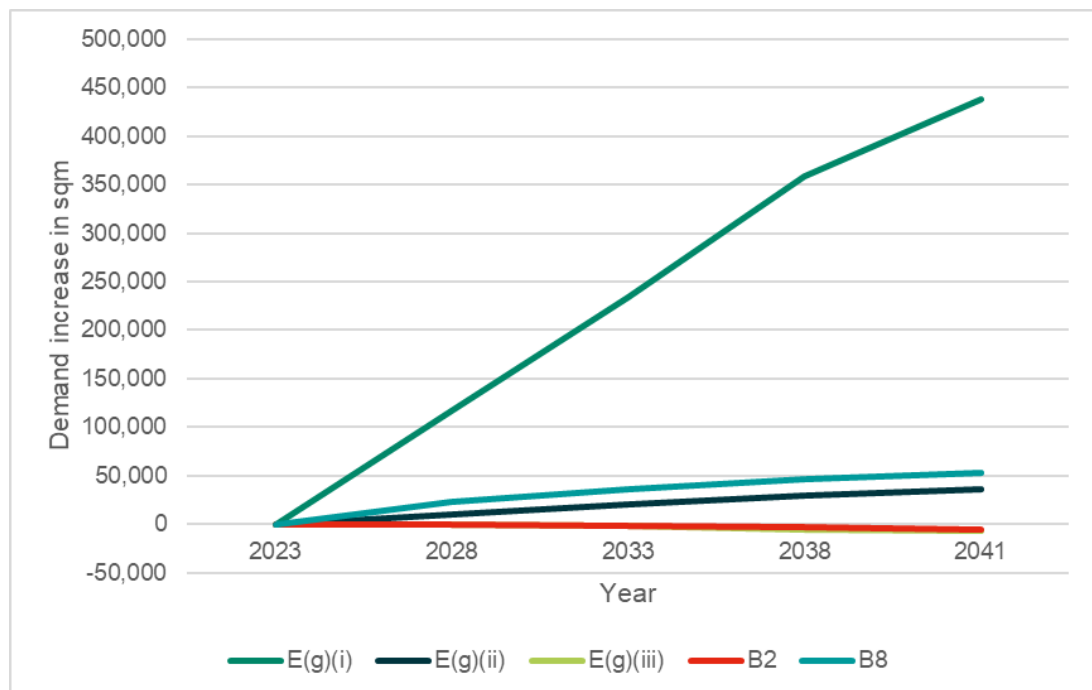
Source: AECOM 2023

10.2.7 Overall based on the Experian demand-based scenario, Camden is projected to undergo a relatively large change in office floorspace requirements across the Borough over the period 2023-2041 (+473,400 sqm), and would add 39,900 sqm more industrial floorspace.

10.2.8 Figure 10-1 shows the evolution of floorspace requirements in Camden between 2023 and 2041. This shows that based on employment forecasts, by 2041 there would be a requirement for:

- +437,700 sqm of E(g)(i) floorspace;
- +35,700 sqm of E(g)(ii) floorspace;
- -7,500 sqm of E(g)(iii) floorspace;
- -5,800 sqm of B2 floorspace; and
- +53,200 sqm of B8 floorspace

Figure 10-1: Floorspace Requirement (sqm) (2023-2041) - Demand-based Scenario



10.2.9 Finally, applying relevant plot ratios, floorspace requirements can be converted into land requirements (presented in hectares), which has been done for industrial uses only.

10.2.10 Based on this, the evolution of land requirements in Camden to 2041 indicates a requirement for +8.6ha of industrial land, comprising the following:

- -1.2 ha of land for E(g)(iii) use;
- -0.9 ha of land for B2 use; and
- +10.6 ha of land for B8 use²⁰⁰.

10.3 Scenario 2: Past take-up rates scenario

10.3.1 To determine the needs arising from a scenario of change based on 'past take-up', AECOM used data from CoStar on net absorption of employment floorspace by planning use class for Camden. CoStar provides data from 2009.

10.3.2 The historical net absorption (annual average), by planning use class, is projected forwards to inform the future demand for employment floorspace. As part of this exercise, several

²⁰⁰ Note, these three numbers don't total 8.6ha exactly due to rounding.

historical periods were considered (past 5 years, past 10 years, past 13 years). It was considered that the past 10-year average was the most robust, as it was not overly impacted by the 2008 financial crisis and was long enough to smooth the impact of Covid-19 (unlike the past 5-year average).

10.3.3 The average historical annual absorption of employment floorspace was projected forward to 2041 from the 2023 baseline position.

10.3.4 Table 10-6 provides a summary of the average net absorption of employment floorspace by planning use class over the past 5, 10 and 14 years.

Table 10-6: Average Annual Net Absorption of Floorspace (sqm)

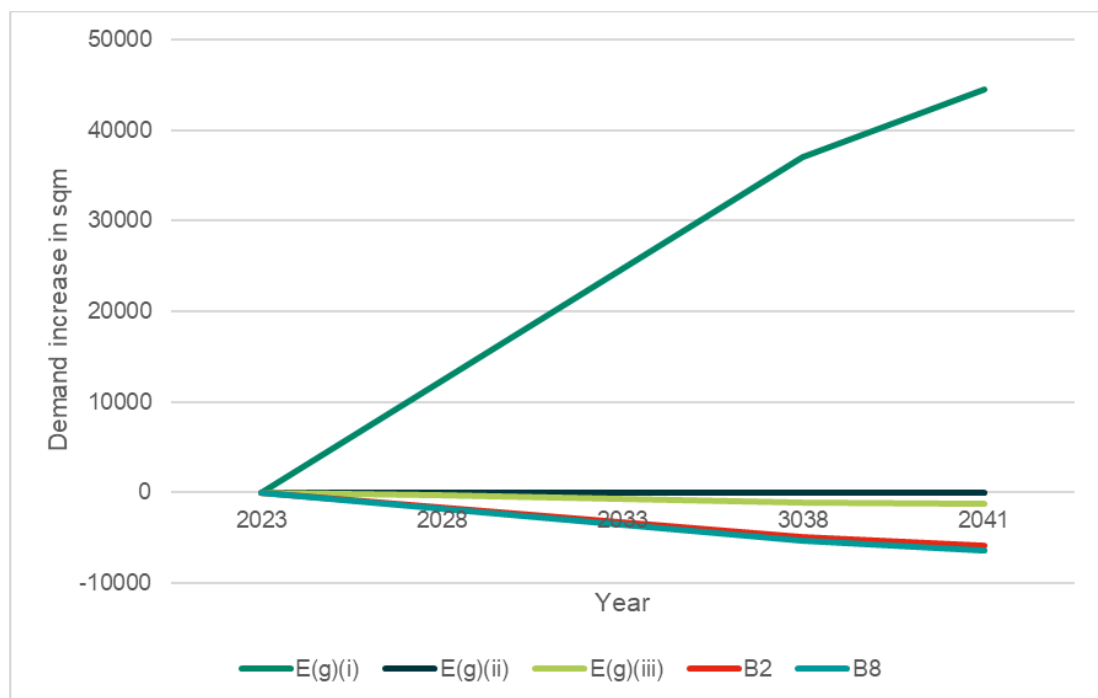
	5-Year	10-Year	14-Year
Office (E(g)(i))	137	2,473	3,980
R&D (E(g)(ii))	-	-	-
Light Industrial (E(g)(iii))	(147)	(72)	(77)
Industrial (B2)	(23)	(323)	(364)
Warehouse (B8)	(54)	(356)	(384)

Source: AECOM 2023, based on CoStar

10.3.5 Figure 10-2 shows the projected evolution of floorspace requirements in Camden between 2023 and 2041. This shows that based on the continuation of past trends by 2041 there is a projected requirement for:

- +44,514 sqm of E(g)(i) floorspace;
- +0 sqm of E(g)(ii) floorspace;
- -1,296 sqm of E(g)(iii) floorspace;
- -5,814 sqm of B2 floorspace; and
- -6,408 sqm of B8 floorspace

Figure 10-2: Floorspace Requirement (sqm) (2023-2041) - Past Take-up Scenario



10.3.6 Finally, applying relevant plot ratios, floorspace requirements can be converted into land requirements (presented in hectares) for industrial uses.

10.3.7 Based on this, the evolution of land requirements in Camden to 2041 indicates a requirement for -2.4ha of industrial land, comprising the following:

- -0.2 ha of land for E(g)(iii) use;
- -0.9 ha of land for B2 use; and
- -1.3 ha of land for B8 use

10.4 Sensitivity Testing

10.4.1 Sensitivity testing has been undertaken on the floorspace/land requirement forecasts in order to gauge how demand might change when certain variables are adjusted. The sensitivity tests have been undertaken for Scenario 1 (Demand-based) but not for Scenario 2 (Past Take-Up) as this is informed by observed data and therefore isn't subject to change.

Suppressed Office Demand (Employment Densities)

10.4.2 To reflect the possible changes to employment space utilisation post-COVID19 pandemic, a sensitivity test was undertaken that adjusted the employment densities informing overall land requirements. Namely, the employment densities for E(g)(i) and E(g)(ii) were adjusted downward to account for the potential downsizing of offices since the pandemic due to increased remote working.

10.4.3 The employment density for E(g)(i) was revised from 11.3 sqm per FTE to 8 sqm per FTE and the employment density for E(g)(ii) was revised from 50 sqm per FTE to 40 sqm per FTE. Both of the revised figures represent the low end of the respective scales as per the Employment Density Guide.

10.4.4 The results of this sensitivity test on office employment space are presented in Table 10-7.

Table 10-7 Suppressed Demand Sensitivity Test Results – Office

Change (sqm) 2023-2041	Demand-based Scenario	Suppressed Demand
Office (E(g)(i))	+437,717 sqm	+309,888 sqm
R&D (E(g)(ii))	+35,700 sqm	+28,560 sqm
Total	+473,417 sqm	+338,448 sqm

Source: AECOM

Plot Ratios for Industrial Demand

10.4.5 The second sensitivity test undertaken was to adjust the plot ratios for each industrial unit type. The changes are reflected in Table 10-8.

Table 10-8: Plot Ratio Adjustments

Use Class	Baseline Plot Ratio	Adjusted Plot Ratio
Light Industrial (E(g)(iii))	65% of site area	55% of site area
Industrial (B2)	65% of site area	55% of site area
Warehouse (B8)	50% of site area	60% of site area

Source: AECOM

10.4.6 The results of the sensitivity test on the central scenario (Demand-based Scenario) are presented in Table 10-9.

Table 10-9: Plot Ratio Sensitivity Test Results

Change (ha) 2023-2041	Demand-Based Scenario	Amended Plot Ratio
Light Industrial (E(g)(iii))	-1.2 ha	-1.4 ha
Industrial (B2)	-0.9 ha	-1.0 ha
Warehouse (B8)	+10.6 ha	+8.9 ha
Total	+8.6 ha	+6.5 ha

Source: AECOM

10.5 Conclusion

- 10.5.1 The two scenarios outlined above (Demand-based vs. Past Take-up Rates) suggest two different projections for employment in Camden over the new Local Plan period. The past take-up rates scenario provides a lower outlook on growth for E(g)(i), E(g)(ii) and B8 than the central (Demand-based) scenario, while demand for B2 space remains relatively consistent and E(g)(iii) increases in the past take-up rates scenario.

Summary of Office Floorspace Forecast

- 10.5.2 For the office use class, the floorspace requirements forecasted through Scenario 1 (Demand-based) indicate that there will be significant growth in employment in these sectors in Camden to 2041, equivalent to 26.5% of the current supply of office floorspace in the Borough. While office space is anticipated to grow to the end of the Local Plan period due to the Borough being a high-quality office environment and a hub for knowledge quarter uses, growth of 473,417 sqm over 18 years is not considered a feasible projection in light of local market intelligence, available development opportunities and the property market consultation exercise.
- 10.5.3 Although the Experian forecasts consider wider macroeconomic factors such as social and economic trends, they do not fully capture the individual characteristics and planning arrangements of each Borough. Over the last 5-10 years, the vast majority of development in LB Camden has been concentrated in one area: Kings Cross & Euston, however much of this development is now delivered and the rate of completions will slow. Additionally, some employment sites have permissions for housing or have been identified as mixed-use sites in draft/emerging site allocations to meet local housing demand, such as C19 Packerham Street. These local factors, coupled with ongoing uncertainty around the permanence of hybrid working and how this will influence office demand in the long term, are likely to result in lower floorspace being delivered than is suggested by the Experian forecasts.
- 10.5.4 The floorspace requirements (338,448 sqm) projected under the Suppressed Office Demand Sensitivity Scenario (Scenario 1 + Suppressed Office Demand) are considered more realistic given its consideration of employment space utilisation post-COVID. This projection accounts for the potential downsizing of offices as a result of increased remote working – a trend reaffirmed by recent data as well as consultation with land agents.
- 10.5.5 The floorspace requirements under Scenario 2 (Past-Take Up) show a modest increase in the need for office floorspace in Camden to 2041, if past trends continue. This projection (44,514 sqm) is considered too constrained.

Summary of Industrial Land Forecast

- 10.5.6 For the industrial use class, the land requirements forecasted through Scenario 1 (Demand-based) indicate that there will be a steady growth in employment in these sectors in Camden to 2041, equivalent to 3.5% of the current supply of land in the Borough. This is compared to the 41% decrease in industrial land since 2010 based on the London Industrial Land Supply Study (LILS). Whilst, based on the Borough's limited remaining supply, further loss of industrial

land is unlikely to proceed at this rate, there is limited to no evidence to assume that the trajectory of the last 10-15 years will reverse such that additional land requirements will be positive to 2041.

- 10.5.7 A limitation of the Experian forecast is that it does not sufficiently consider the constraints posed by Camden being an inner London Borough with no vacant development land and limited development opportunity such that it can provide additional floorspace. This is underpinned by the assertion that in most cases intensified typologies that deliver additional floorspace on the same land areas are less likely to come forward and be successful in Camden. This assertion was largely supported by the findings of the consultation with land agents which highlighted – outside of the Kentish Town Industrial Area – a lack of sites of any significant size and appropriate transportation access.
- 10.5.8 The land requirements forecasted under Scenario 2 (Past Take-Up) show a limited decrease in the need for industrial land in Camden to 2041, if past trends are to continue. This trend is considered to be robust on the basis that it is reflective of the nature and characteristics of the industrial property market in Camden, its limited scale, and its lack of development opportunity counterbalanced by persisting levels of demand – Section 7 details how industrial rental values remain above the London average, despite a decrease since 2015. It is also reflective of the trend in the supply of land in Camden and London generally as evidenced in the LILS, whereby industrial land is continuing to be lost at a reduced rate most recently (2015-2020) when compared to previously.

Preferred Scenario

- 10.5.9 For the reasons stated above, the Suppressed Office Demand Sensitivity Scenario (Scenario 1 + Suppressed Office Demand) is considered to provide the most robust projections for office floorspace while Scenario 2 (Past Take-Up) is considered most robust for industrial land to 2041 to provide the preferred scenario for assessing economic needs.

11. Comparison between supply and demand

11.1 Introduction

- 11.1.1 This section compares the projected future demand for office and industrial floorspace between 2023 and 2041, described in Section 10, with existing and projected supply conditions in the Borough. This section also analyses the pipelines for development of office and industrial land within the Borough to inform a position of how supply may change over the planning period, and how that influences the overall supply and demand balance.
- 11.1.2 Broadly, supply in excess of demand suggests a demand constrained position; and where demand is in excess of supply, a supply constrained position with the requirement to identify additional land for employment use activities and ensure growth is adequately supported.
- 11.1.3 It is emphasised that the position presented here reflects the position for the Suppressed Office Demand Sensitivity Scenario (Scenario 1 Demand-based + Suppressed Office Demand) for office floorspace, and Scenario 2 (the Past Take-Up Scenario) for industrial land. Further consideration of the balance of supply and demand in terms of quantitative and quality requirements is given in the conclusions and recommendations section.

11.2 Office Space

Net requirement for office floorspace

- 11.2.1 The forecast net requirement for office space (E(g)(i) and E(g)(ii) uses) is set out in Table 11-1. The table identifies all the parameters which are used to inform the supply/demand balance. The existing supply position is informed by CoStar data on supply of office floorspace (in sqm) and vacancy of floorspace (% of total stock available) as of quarter 1 2023.
- 11.2.2 The current supply of available floorspace is factored into the assessment after it is netted off against the optimum frictional vacancy rate (assumed to be 10% for office floorspace). This is because vacant, available employment floorspace could help to meet some of the identified needs.
- 11.2.3 Net requirements for office floorspace are identified for the Borough in its entirety.

Table 11-1: Supply/demand balance for office floorspace 2023 to 2041

Parameters	Land (sqm)
A. Supply of occupied office floorspace (Q1 2023)	3,183,000
B. Current vacant office floorspace (9.0%)	284,234
C. Total stock of office floorspace [A+B]	3,467,234
<i>Forecast</i>	
D. Gross Floorspace demand to 2041 (Weak Demand Scenario)	338,448 ²⁰¹
E. Optimum frictional vacancy at 2041 [10% of A+D]	352,145
F. Surplus/deficit of vacant floorspace in 2041 [E-B]	67,911
G. Gross requirement for office floorspace 2023-2041 [C+D+F]	3,873,593
H. Net requirement for office floorspace 2023-2041 [G-C]	406,359

²⁰¹ This includes floorspace requirements for both E(g)(i) and E(g)(ii).

- 11.2.4 This shows that up to 2041 there is a projected (net) requirement for approximately 406,359 sqm office floorspace in LB Camden.

Pipeline

- 11.2.5 If all approved planning applications concerning office floorspace were to come forward for development, supply of office floorspace in the Borough would increase by 211,028 sqm net internal area, when both gains and losses are considered. Of this space, the large majority, 191,011 sqm is under construction and so is due to be delivered in the near future.

Table 11-2: E(g)(i) / E(g)(ii) Pipeline

Net E(g)(i) / E(g)(ii)	NIA (sqm)
Gained	256,391
Lost	-45,363
Total	211,028

11.3 Industrial Space and Land

Net requirement for industrial land

- 11.3.1 The forecast net requirement for industrial space is set out below in Table 11-3. The table identifies all the parameters which are used to inform the supply/demand balance. The existing supply position is informed by data published in the London Industrial Land Supply Study and has been updated based on the findings of the site survey of employment land conducted by AECOM in May 2023 for this ENA. The update resulted in a relatively modest decrease in the total stock of industrial land compared to the previous 2021 position.
- 11.3.2 The current supply of available floorspace is factored into the assessment after it is netted off against the optimum frictional vacancy rate (assumed to be 5% for industrial floorspace). This is because vacant, available employment floorspace could help to meet some of the identified needs.
- 11.3.3 Land demand and net requirements for industrial space are identified for the Borough in its entirety.

Table 11-3: Supply/demand balance for industrial land 2023 to 2041

Parameters	Land (ha)
A. Supply of occupied industrial land (2023) including land for utilities, bus and rail depots, and waste management	34.9
B. Current vacant industrial land	0
C. Total stock of industrial land (2023) [A+B]	34.9
<i>Forecast</i>	
D. Land demand to 2041	-2.4
Additional demand for waste and recycling facilities 2023 to 2041	0.0
E. Optimum frictional vacancy at 2041 [5% of A+D] ²⁰²	1.6
F. Surplus/deficit of vacant land in 2041 [E-B]	1.6
G. Gross requirement for industrial land 2023-2041 [C+D+F]	34.1
H. Net requirement for industrial land 2023-2041 [G-C]	-0.8

²⁰² For Camden a suitable frictional industrial floorspace vacancy rate would be 5% according to the Mayor of London's Land for Industry and Transport Supplementary Planning Guidance, as currently levels are under 5%.

11.3.4 Between 2023 and 2041, the analysis predicts a (net) loss of 0.8 ha of land for industrial floorspace.

Pipeline

11.3.5 If all approved planning applications concerning industrial floorspace were to come forward for development, supply of industrial floorspace in the Borough would increase modestly by 6,349 sqm.

Table 11-4: E(g)(iii) /B2/B8 Pipeline

Net E(g)(iii)/B2/B8	NIA Gained (sqm)	NIA Lost (sqm)	Net NIA (sqm)
E(g)(iii)	9,110	-1,596	7,514
B2	0	-1,250	-1,250
B8	10,705	-10,620	85
Total	19,815	-13,466	6,349

12. Conclusions and recommendations

12.1 Introduction

- 12.1.1 This section concludes our assessment by reviewing the balance of projected demand and existing supply and, drawing on the findings from preceding sections, provides options for the policy direction regarding employment land in LB Camden.
- 12.1.2 The demand analysis above forecasts moderate increased demand for office floorspace within the Borough, and a minimal decrease in demand for industrial space over the 18-year Local Plan period to 2041. To meet the additional demand for office space, the Council should ensure that its provision is not eroded by other uses such that Grade A office space in terms of quantity, location and format is compromised. Safeguarding existing industrial sites to ensure there is a ready supply of premises and that intensification opportunities can potentially be realised is considered important for LB Camden.
- 12.1.3 However, while it is important to protect employment land, there is also strong evidence of competition for space other than non-employment uses such as housing; employment land policies will therefore need to accommodate the Council's ambitions and objectives in these areas. This will require a flexible approach that considers the merits of each individual site and which use they are best suited for.
- 12.1.4 In practice, the selective protection of employment land and premises is recommended to ensure that the sites that are unlikely to come forward for employment use during the next Local Plan period are not left vacant. This approach would ensure that the over protection of sites, which could result in the inefficient use of assets and blight and deter investment, does not occur. Similarly, the under protection of sites, whereby the market intervenes prematurely to short-term demand indicators and adversely impacts the long term provision of employment land, also does not occur.
- 12.1.5 When forming employment land policies, the Council should follow a balanced approach such that the employment activities of all business sizes, from start-ups to large headquarters, are supported and encouraged. The Council should also recognise that demand will vary by type of space and will therefore be geographically varied.
- 12.1.6 This is one of a number of evidence base documents the Council will be considering that will feed into and inform its Local Plan evidence base. These are AECOM's independent recommendations and the Council will subsequently consider these before drafting its own Local Plan policies.

12.2 Conclusions and recommendations

Office space (E(g)(i), E(g)(ii) and Sui Generis Office Use Classes)

- 12.2.1 The latest published CoStar data shows there is approximately 3,498,189 sqm NIA office space across LB Camden. The survey identified that in general, employment land within LB Camden is dominated by office floorspace, most of which is located in the CAZ area. There are also large, high-grade office blocks within clusters C21 – Camden Town Centre and C17 – Carreras Cigarette Factory, as well as smaller offices, workshops and maker spaces within C27 Gloucester Avenue / Chalcot Road.
- 12.2.2 Most office floorspace in LB Camden is currently occupied, in generally good to very good condition and in the right locations. Higher grade offices close to public transport hubs have been observed as being the best performing spaces with the highest demand. That said, there is also a strong observed demand for refurbished spaces in older buildings, too. The clusters observed to attract the least demand are those which comprise office stock in smaller converted buildings or above retail units, which doesn't have the same appeal for prospective

occupiers as large purpose-built offices. Consultation with property agents and business stakeholders also attested to the strong demand for Knowledge Quarter uses which contribute towards the Council's KQ2050 vision. Shared workspaces and co-working spaces are popular.

R1 Meeting the additional need for office floorspace should be achieved through encouraging extant permissions, intensifying and re-providing on existing sites where possible preferably through retrofitting.

Justification

- 12.2.3 The projected demand for office floorspace up to 2041 is for an estimated gross additional 338,448 sqm (under the Suppressed Office Demand Scenario), excluding pipeline supply. This equates to a net requirement of 406,359 sqm once frictional vacancy is accounted for.
- 12.2.4 Of this figure, 211,028 sqm has been identified as being in the pipeline based on extant permissions and this should help meet need in the near term, with a very high likelihood that most or all of this floorspace will be delivered. While it is not possible to disaggregate the potential future demand for space by location across the Borough, it is reasonable to project that a large proportion of the demand for additional space projected will be for newer or refurbished office stock, given present demand for space to attract staff and need for premises which are compliant with MEES. Furthermore a degree of losses can be expected, including through PDR and through space becoming non-compliant with MEES; a change which could represent a significant pressure on the supply of second hand office accommodation in itself. There is some uncertainty on future office usage patterns given continuing evidence of downsizing and prevalence of hybrid working patterns which further underlines the importance of taking a long-term outlook.
- 12.2.5 On this basis, as well as encouraging the completion of remaining permissions, it is important to seek to retain the existing stock and encourage additional floorspace to be brought forward principally through refurbishing. It is preferable to see premises refurbished through retrofitting rather than redevelopment whilst recognising that this will not always be viable. The best performing locations remain most of the CAZ and Camden Town centre where re-provision will be suitably accommodated. Policy should provide some flexibility for allowing change of use at premises where retrofitting is unviable or unfeasible such as within town house conversions or potentially in less suitable locations.

R2 The Council should seek to support occupiers and landlords in addressing the retrofitting challenge, either in the context of national directives or in the absence thereof. To do so, the Council could draw upon local connections with occupiers and landlords and coordinate action so as to prevent the accumulation of 'stranded assets' throughout the Borough.

Justification

- 12.2.6 A key responsibility for the Council over the next Local Plan period will be to remain cognisant of national government policy direction regarding the drive towards net zero and retrofitting requirements. This issue is even more pertinent given the large quantity of offices in Camden including significant numbers of older office buildings. Over the coming years employment space in LB Camden, but primarily office space, will be required to meet energy efficiency standards above those met by the existing stock in the Borough. This could place a significant constraint on the supply of lettable office space in the Borough.
- 12.2.7 Section 8 spatially presented the office floorspace in LB Camden according to MEES non-compliance now and MEES non-compliance by 2027 to illustrate the large amount of office stock which requires either redevelopment or retrofitting in the next few years. It is anticipated that the minimum standard will continue to be sequentially increased such that building efficiency expectations are raised in line with Government ambitions to deliver against net zero commitments. Subsequently, 91% of office properties in the Borough fall within the scope of tightening regulations to 2030, slightly greater than the estimated national average of 85%.
- 12.2.8 While there has so far been limited government steer into how commercial premises should tackle the retrofitting issue, with findings from the 2021 consultation remaining unpublished

there are steps that the Council can take to support occupiers and landlords throughout this process. The Council could seek to drive forward the retrofitting agenda locally by acting on its stock and utilising local connections with occupiers and landlords, all while keeping abreast of national policy on the topic. It is anticipated that the government will release some form of guidance into a retrofitting approach given the national reach of this issue and the Council should seek to promptly apply this at the local level.

R3 The Council should develop an affordable workspace policy which considers a suitable level of on-site contributions and a means for delivering off-site provision via pooled contributions made in-lieu of on-site contributions. In practice, this should provide a range of affordable workspace options across the Borough to cater for the different types of businesses which require it. The Council should also introduce approved occupier and provider lists to provide greater confidence that needs are being appropriately met.

Justification

- 12.2.9 Our analysis of market rents provided in the Section 7 of this Assessment shows that rents for office premises vary considerably in different parts of the Borough. One of the primary reasons for this was the varying level of building quality found throughout the Borough. A spatial analysis of this was provided.
- 12.2.10 The extent to which workspace is deemed 'affordable' varies considerably based on the type of business which the workspace is provided to accommodate. The Assessment has identified that there are many SMEs in the creative and cultural industries operating within the Borough. This includes charitable organisations and small-scale consultancies and business services firms operating in the local/sub-regional market which are not yet financially proven. These firms are likely to be distributed across the Borough and require good quality office floorspace including in Camden Town Centre and some areas of the Central Activities Zone.
- 12.2.11 With regards to affordable contributions workspace methodology, the Council should refrain from being too formulaic in its approach, such that it is flexible to the nuances of different types of spaces in different areas of the Borough. The Council should refer to other successful affordable workspace strategies employed elsewhere in London when setting out what any financial contribution should be in lieu of onsite provision. It is important that a cash-in-lieu contribution is only accepted where it is demonstrated to have considerable benefits in furthering affordable workspace in the Borough. The Council should also, where possible, be selective over who locates in the Borough, and look to encourage businesses to anchor in the Borough and help grow new sectors in LB Camden. The introduction of approved occupier and provider lists will help to provide greater confidence that needs are being appropriately met and is recommended.
- 12.2.12 To stay competitive and to ensure LB Camden's economy continues to be diverse, the Council should take a proactive approach such as that set out in the Camden Affordable Workspace Strategy: promoting inclusive growth by ensuring Camden's businesses and not-for-profits can access the right workspaces and on affordable and fair terms. This fostering of inclusion and diversity will be important for the Borough's community wealth building.

Industrial space (E(g)(iii), B2, B8 and Sui Generis Industrial Use Classes)

- 12.2.13 The latest published CoStar data indicates there is approximately 34.9 ha industrial floorspace within LB Camden. Net demand for industrial floorspace is projected to decline by 0.8 ha up to 2041 (under the preferred, Past Take-Up scenario). This decline is reflective of the constraints on industrial land supply within Camden, as an inner London Borough with a large portion of its area within the CAZ. However, while a decline is anticipated, as a proportion of existing stock, the effect is projected to be modest over the 18-year plan period.
- 12.2.14 Our appraisal of the Borough's industrial sites revealed a majority of them to be built up to low densities, predominantly occupied by single-storey light industrial and warehousing type units. Our site appraisal and property market analysis indicate that the current supply of premises is largely fit-for-purpose for existing occupiers, and vacancy rates are generally very low in %

terms and in absolute terms given the size of the market. The potential to provide additional supply within the Borough is extremely limited on the basis that there is no suitable developable vacant land. Given that the forecast need for industrial land in 2041 is only slightly less than the existing estimated stock, it is considered appropriate generally to safeguard industrial employment space as much as possible, especially where it is of good quality and in appropriate locations. The Council will need to regularly monitor changes to industrial floorspace in the Borough to be able to respond appropriately. Safeguarding of industrial land should be balanced alongside meeting wider objectives such as provision of housing.

- 12.2.15 As above, emerging national government policy proposals regarding the decarbonising of sectors of the UK economy to meet the national net zero target by 2050 is likely to impact employment space, including industrial space over the coming years. The Council could seek to support this through developing services to provide support for industrial businesses.

R4 The Council should, through appropriate Local Plan policies, set out a clear plan to ensure the retention of existing industrial land and floorspace at suitable industrial locations in the borough.

Justification

- 12.2.16 The forecasting exercise estimates a modest decline of 0.8 ha of industrial land over the plan period to 2041. Whilst this is a small decline in the context of the scale of industrial land supply across the Borough the small absolute level of supply means that it is therefore important that the Council ensures there is a sufficient level of suitable land required to meet the needs of businesses over the plan period. To ensure no shortfall in space, the Council should seek to safeguard sufficient industrial space across the Borough through appropriate means and policy.
- 12.2.17 Industrial employment land surveyed largely fulfils local needs and provides local employment. Through the field survey and property market assessment the sites were generally judged to be suitable for continued industrial use. Industrial land in LB Camden also has a role in supporting the Borough's specialisms such as creative workspaces and artist studios, which will continue to play an important part given the high levels of growth in creative industries as highlighted in Section 9.2, such as C7 Kentish Town Industry Area – Carkers Lane / Greenwood Place and C3 Kingsgate Workshops..
- 12.2.18 The potential for new demand arising to meet requirements for retrofitting supply chains identified in Section 9.5 underscores the justification for protecting the small and medium-sized industrial sites that characterise supply in the Borough that will be well-placed to accommodate such businesses where premises are available.
- 12.2.19 In line with the principles of the NPPF it is considered that demand should continue to be accommodated at the most appropriate locations for these uses within the Borough. The PPG states that Councils should identify a future supply of land which is suitable, available and achievable for economic development uses over the plan period. This corresponds to the principles set out in the London Plan policies E4, E5 and E6. To ensure that the Borough can meet its demand over the plan period, this study recommends that the Council identify sites for protection based on suitable criteria.

R5 To help meet wider strategic objectives the Council could consider a change of use away from industrial employment uses at (C5 Kentish Town Industry Area – Sanderson Close) by redesignating for a mix of uses including employment.

Justification

- 12.2.20 Murphy's Yard site (C5 Kentish Town Industry Area – Sanderson Close) is home to a large construction yard operated J. Murphy & Sons Ltd. There are currently plans to deliver a mixed-use scheme on this site to complement and enhance Kentish Town, Gospel Oak, and other surrounding areas.
- 12.2.21 Whilst well-used the site forms part of a remnant of a once larger industrial area located in close proximity to residential uses. Plans for the site include proposals for a mixed-use scheme which would provide industrial and office floorspace. The delivery of this space would

likely result in a considerable increase in employment to that found currently alongside provision of housing and community space in an appropriate spatial location to best serve need in a Borough of constrained development opportunity.

- 12.2.22 Given this consideration and the fact that the study has concluded that there is a forecast modest negative demand for industrial land in the Borough to 2041 it is recommended that the designation of this portion of land, be removed and instead be re-designated for a mix of uses, including employment. Given there remains demand for small industrial workspace in the Borough it is recommended that new light industrial and office employment space for SMEs be sought at the site as part of any redevelopment. Such provision of new space would represent an increase in the intensity of employment uses compared to that at present on the site.

R6 To ensure that non-designated industrial land is retained where appropriate, the Council could adopt a criteria-based policy requirement to assess proposals for conversion of non-designated industrial land. The criteria should be based on what is stated in the London Plan and should therefore include the following:

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

Justification

- 12.2.23 The current Local Plan, at Policy E2, seeks to safeguard all forms of employment land. Land parcels have been identified in the supply assessment of this study where they are over 0.25ha, while industrial land under 0.25ha in size has mostly not been identified in this study but is known to be dispersed across the Borough. These areas, regardless of size, generally meet a local business need. Although the preferred forecast scenario for industrial space (Past Take-Up) in this study suggests that the demand for industrial land is projected to decline minimally, it is recommended that the Council could more clearly distinguish the role of smaller industrial sites in updated planning policy.
- 12.2.24 The London Plan sets out criteria to apply when managing the release of non-designated industrial land. The criteria is a response to years of declining industrial land supply across London. Camden's mostly central London location and high land values mean that it is more at risk of losing industrial land supply to higher value land uses including residential, albeit its remaining supply is amongst the lowest of all London boroughs. This study therefore recommends that the Borough, to ensure that non-designated land is protected where appropriate, apply the criteria set out in the recommendation above. This will ensure consistency with what is set out in the London Plan.

Appendix A

Standard Industrial Classification (SIC) Codes

Table 0-1 Creative Industries ²⁰³SIC Codes

Code	Description	Code	Description	Code	Description
7311	Advertising agencies	1520	Manufacture of footwear	5812	Publishing of directories and mailing lists
7312	Media representation	3212	Manufacture of jewellery and related articles	5813	Publishing of newspapers
7111	Architectural activities	9101	Library and archive activities	5814	Publishing of journals and periodicals
7112	Engineering activities and related technical consultancy	9102	Museum activities	5819	Other publishing activities
7490	Other professional, scientific and technical activities n.e.c.	9103	Operation of historical sites and buildings and similar visitor attractions	6391	News agency activities
4741	Retail sale of computers, peripheral units and software in specialised stores	9104	Botanical and zoological gardens and nature reserve activities	6399	Other information service activities n.e.c.
4742	Retail sale of telecommunications equipment in specialised stores	3220	Manufacture of musical instruments	6010	Radio broadcasting
4753	Retail sale of carpets, rugs, wall and floor coverings in specialised stores	5920	Sound recording and music publishing activities	6020	Television programming and broadcasting activities
4764	Retail sale of sporting equipment in specialised stores	7810	Activities of employment placement agencies	5821	Publishing of computer games
4765	Retail sale of games and toys in specialised stores	9001	Performing arts	5829	Other software publishing
4776	Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores	9002	Support activities to performing arts	6201	Computer programming activities
4777	Retail sale of watches and jewellery in specialised stores	9003	Artistic creation	6202	Computer consultancy activities

²⁰³ Jewellery is included in the definition but is not included in the analysis as it has been considered separately. Other businesses have been excluded from the analysis as it does not align with the thirteen sub-sectors.

Code	Description	Code	Description	Code	Description
4778	Other retail sale of new goods in specialised stores	9004	Operation of arts facilities	6209	Other information technology and computer service activities
4779	Retail sale of second-hand goods in stores	9329	Other amusement and recreation activities	8551	Sports and recreation education
7410	Specialised design activities	7740	Leasing of intellectual property and similar products, except copyrighted works	9312	Activities of sport clubs
1411	Manufacture of leather clothes	8030	Investigation activities	9319	Other sports activities
1412	Manufacture of workwear	8230	Organisation of conventions and trade shows	5911	Motion picture, video and television programme production activities
1413	Manufacture of other outerwear	8291	Activities of collection agencies and credit bureaus	5912	Motion picture, video and television programme post-production activities
1414	Manufacture of underwear	8299	Other business support service activities n.e.c.	5913	Motion picture, video and television programme distribution activities
1419	Manufacture of other wearing apparel and accessories	1811	Printing of newspapers	1820	Reproduction of recorded media
1420	Manufacture of articles of fur	1812	Other printing	5914	Motion picture projection activities
1431	Manufacture of knitted and crocheted hosiery	1813	Pre-press and pre-media services	7420	Photographic activities
1439	Manufacture of other knitted and crocheted apparel	1814	Binding and related services		
1512	Manufacture of luggage, handbags and the like, saddlery and harness	5811	Book publishing		

Source: Companies House, (2018); Standard Industrial Classification (SIC) codes

Table 0-2 Construction industry SIC Codes

Code	Description	Code	Description
4110	Development of building projects	4312	Site preparation
4120	Construction of residential and non-residential buildings	4313	Test drilling and boring
4211	Construction of roads and motorways	4321	Electrical installation
4212	Construction of railways and underground railways	4322	Plumbing, heat and air-conditioning installation

Code	Description	Code	Description
4213	Construction of bridges and tunnels	4329	Other construction installation
4221	Construction of utility projects for fluids	4331	Plastering
4222	Construction of utility projects for electricity and telecommunications	4332	Joinery installation
4291	Construction of water projects	4333	Floor and wall covering
4299	Construction of other civil engineering projects n.e.c.	4334	Painting and glazing
4311	Demolition	4339	Other building completion and finishing
4391	Roofing activities	4399	Other specialised construction activities

Source: Companies House, (2018); Standard Industrial Classification (SIC) codes

Table 0-3 Jewellery industry SIC Codes

Code	Description	Code	Description
47770	Retail sale of watches and jewellery in specialised stores	46480	Wholesale of watches and jewellery
95250	Repair of watches, clocks and jewellery	32120	Manufacture of jewellery and related articles
26520	Manufacture of watches and clocks		

Source: Companies House, (2018); Standard Industrial Classification (SIC) codes

Table 0-4 Green and Circular economy SIC Codes

Code	Description	Code	Description
36000	Water collection, treatment and supply	38220	Treatment and disposal of hazardous waste
37000	Sewerage	38310	Dismantling of wrecks
38110	Collection of non-hazardous waste	38320	Recovery of sorted materials
38120	Collection of hazardous waste	39000	Remediation activities and other waste management services
38210	Treatment and disposal of non-hazardous waste		

Source: Companies House, (2018); Standard Industrial Classification (SIC) codes

Table 0-5 Knowledge economy SIC Codes

Code	Description	Code	Description
71121	Engineering design activities for industrial process and production	85410	Post-secondary non-tertiary education
71122	Engineering related scientific and technical consulting activities	85421	First-degree level higher education
71129	Other engineering activities	85422	Post-graduate level higher education
71200	Technical testing and analysis	85510	Sports and recreation education
72110	Research and experimental development on biotechnology	85520	Cultural education
72190	Other research and experimental development on natural sciences and engineering	85530	Driving school activities
72200	Research and experimental development on social sciences and humanities	85590	Other education n.e.c.
85320	Technical and vocational secondary education	85600	Educational support services

Source: Companies House, (2018); Standard Industrial Classification (SIC) codes

Table 0-6 Voluntary and charitable sector SIC Codes

Code	Description	Code	Description
94110	Activities of business and employers membership organisations	94910	Activities of religious organisations
94120	Activities of professional membership organisations	94920	Activities of political organisations
94200	Activities of trade unions	94990	Activities of other membership organisations n.e.c.

Source: Companies House, (2018); Standard Industrial Classification (SIC) codes

