



Final Report

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Southwark Council Industrial and Warehousing Land Study

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1. Introduction

- 1.1 Southwark Council commissioned GVA to undertake a review of the industrial and warehousing land and premises supply within the borough. The Study was commissioned jointly by Southwark Council's Planning Policy and Economic Development teams to provide a detailed understanding of existing land and floorspace supply as well as the issues facing businesses located within Southwark's industrial sites. Ultimately the Study will form part of the evidence base for the new Local Plan as well as guide wider interventions by the Council to support local businesses.
- 1.2 The completion of the Study is particularly timely given the publication of the Further Alterations to the London Plan, January 2014, by the Greater London Authority (GLA). The proposed alterations include the designation of the Old Kent Road corridor as a new Opportunity Area, with a suggested growth target of at least 2,500 new homes and the creation of 1,000 jobs.
- 1.3 The Study was commissioned, and much of the analytical work completed, prior to the GLA announcement regarding the Old Kent Road, as such it provides an objective assessment of the quality and functionality of industrial floorspace supply in this area. Whilst not providing a specific focus on this area the Report provides a baseline for understanding the current stock and how the area currently meets business needs.

Study Approach

- 1.4 The study has been commissioned as a response to Southwark Council recognising that the way its industrial stock is utilised is changing dramatically. The principal purpose of this study is therefore to understand how built stock is used and occupied and how it meets this changing need. As such the study, in the first instance, has been less concerned with characterising places by the business activity, instead focussing on places that contain a stock of industrial buildings.
- 1.5 To this end this Study builds on the findings and recommendations of the previous Employment Land Review (URS, 2010) and seeks to deepen the understanding of

each site identified and recommended for protection as “Industrial Land” within the Employment Land Study.

- 1.6 Within this context the Study has been produced to address three core aims: firstly to provide an up to date assessment of the quality and nature of floorspace stock; secondly to establish the core market drivers and changing nature of occupiers; and thirdly to identify the characteristics and needs of businesses who operate from within the industrial sites.
- 1.7 This has been achieved by combining three inter-linked workstreams, each focusing on addressing a specific element of the project brief whilst also ensuring relevant issues, data and observations inform the other elements.
- 1.8 The first workstream has established a detailed market baseline, reviewing market activity at a borough level alongside analysis of take up, value and vacancy trends at a local level. To provide depth and a broader perspective on demand trends this workstream included a workshop session with property agents active within the local market.
- 1.9 The second workstream focussed on the current provision of sites, premises and floorspace within Southwark. Key tasks included a desktop review of existing occupier and planning data and a detailed on-site survey which assessed the overall quality of the built stock, wider infrastructure and amenity provision, local context and occupier activities.
- 1.10 The third workstream focussed on identifying the issues facing businesses themselves and seeking to establish their ‘value’ to the Southwark economy in terms of employment and supply chain links. Businesses were invited to participate in a survey which was distributed in hard copy during site visits and by post, and using an online version. Businesses were also invited to participate in a workshop, hosted by Southwark Council, where they could discuss their views with Council officers and the GVA team.
- 1.11 The findings of each workstream have been drawn together to provide an assessment of each industrial location and also drawn conclusions relating directly to the future strategy for industrial and warehousing land in Southwark.

Consultation

- 1.12 A key element of the study approach has been to engage with the business and commercial property community within the Borough to understand their perspectives of the market, the stock within the borough and the strengths and weaknesses of Southwark as a business location.
- 1.13 Importantly the workshops sought to understand current issues but were also forward looking, seeking to draw out what may be required in the future to improve performance of the borough overall and within individual sites.
- 1.14 The first workshop focussed on the performance and trends within the commercial property market, with agents active within Southwark invited to attend a session hosted at the Biscuit Factory. Fifteen local agents and workspace management companies were invited, of which four attended – each attendee having been (and currently are) active in letting and managing industrial property and also advising on future development.
- 1.15 The workshop was held in October 2013 following completion of the initial research stage, enabling an informed discussion to be held to test the emerging trends from the onsite survey and data analysis tasks to ensure a robust baseline existed for the study.
- 1.16 The workshop took the form of a facilitated round table discussion with participants encouraged to give their views and understanding of the current offer, recent market trends, occupier types, constraining factors and future opportunities.
- 1.17 The second workshop, held in January 2014, focussed on evolving the understanding of resident businesses and their perspective on the offer made by Southwark's industrial sites. Invites were sent to all businesses identified through the on-site survey and data analysis elements of the project. Of those invited 6 businesses (or their representatives) attended the workshop.
- 1.18 The focus of the workshop was to test and confirm the findings of the business survey and also develop a clearer understanding of how property was currently meeting needs. A short presentation was provided at the start of the meeting, providing an overview of the Study, its purpose and the emerging themes and conclusions to

enable attendees to understand how their contributions will be used and the key aims of the Study. The presentation is included as an appendix to this report.

- 1.19 Following the presentation attendees were able to contribute via a facilitated discussion focussed around key questions arising from the business survey. More broadly attendees were invited to comment on the suitability of their premises for their operational needs and also whether they felt there were suitable 'alternative' provision within the borough should they need to relocate.

Report Structure

- 1.20 This Report brings together all of the research and analysis undertaken to inform the Study, these are set out as follows:

Section 2 provides the strategic context and trends that influence the industrial and warehousing market with Southwark. This considers pan-London drivers and the borough-wide property market dynamics;

Section 3 considers in detail each of the identified industrial and warehousing sites, bringing together property market data and site survey observations to identify the strengths and weaknesses of each location;

Section 4 provides analysis of the business consultation exercise; and

Section 5 sets out the key conclusions and future considerations for industrial and warehousing provision within the borough.

2. Strategic Context for Land Demand

- 2.1 The Central London economy is growing, both in gross terms and as a share of the total economic output of London, increasingly economic activity is occurring within the Central Activities Zone at the expense of Outer London centres. This growth is within both the 'traditional' finance and business services sector but also wider commercial activities including creative, arts, retail and leisure activities. As these sectors grow they drive the expansion of a wider set of supporting activities.
- 2.2 The Southwark economy has benefitted from growth and grown significantly over the past decade as the north of the Borough has effectively become an extension of the Central City economy, accommodating a number of large corporates in new, Grade A, office stock. Southwark's combination of accessibility, built stock and amenities has also enabled the borough to become a prime high value residential location, with both new developments and the conversion of existing properties attracting increased demand.

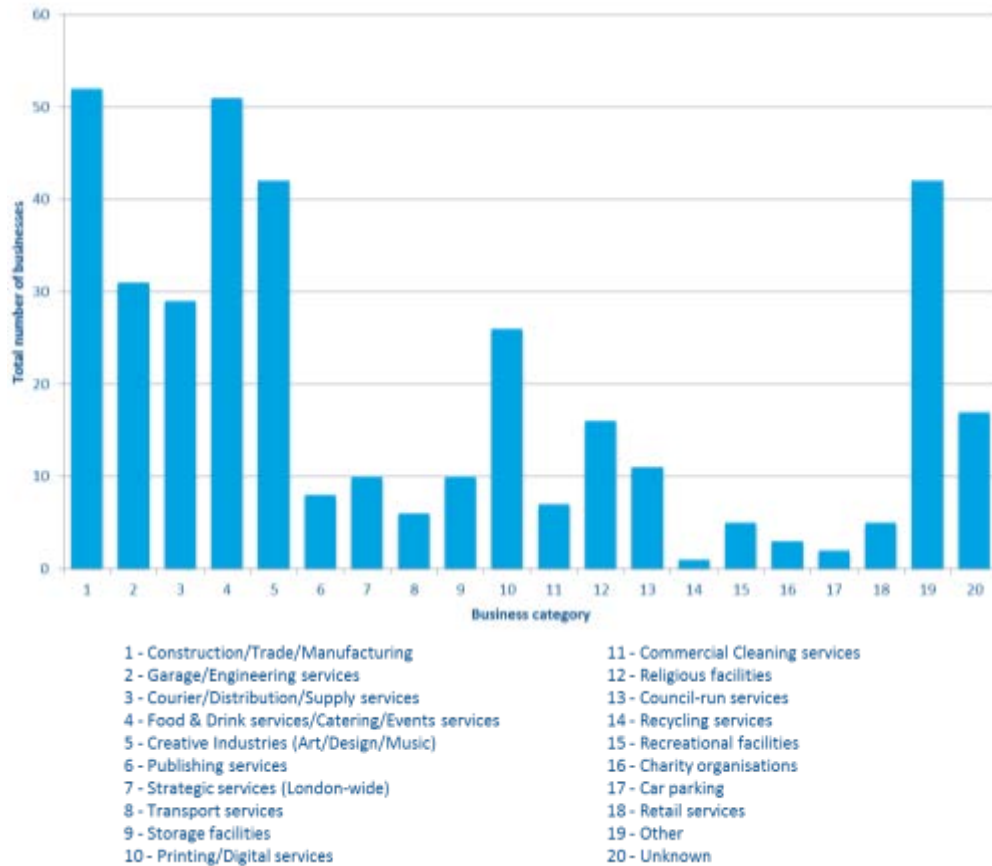
Changing Nature of 'Industrial' Activity

- 2.3 As the core economic functions of the Central City expand and the CAZ grows physically it creates a tension between the demand for and supply of land to service its functions. Increased activity requires a greater level of servicing however it also 'squeezes out' these very activities as competition for land intensifies.
- 2.4 As such users which have traditionally clustered around the fringes of the Central City are now being displaced as property values increase and sites are redeveloped. London's central capacity is particularly being challenged by major regeneration projects in traditional servicing locations such as the area north of King's Cross, Nine Elms and Battersea, and the Lower Lea Valley.
- 2.5 These dynamics are creating a new pattern of demand for industrial workspaces within Zone 2 in particular, where property is cheaper but still provides relatively quick access to the Central City. This is changing the nature of occupiers within Southwark's industrial sites which, rather than predominantly focussing on traditional manufacturing, now serve as locations for a range of 'service' industries including:

- Food production and preparation for restaurants and cafes;
 - Retail wholesale
 - Commercial printing
 - International courier and secure mail service
 - Industrial laundry
 - Document and data storage
 - Waste transfer, management and recycling
 - Building services – heating, ventilation, glazing, alarm services, locksmiths
 - Construction staging, materials and aggregates
 - Administrative support – including bus depots, Metropolitan Police facilities and local authority services.
- 2.6 There is logic to relocating service businesses out to lower property cost locations. However, this increases operational costs given increases distances to the central city locations being serviced. Food deliveries, laundry services, waste collection and processing all become more expensive due to fuel and wear and tear costs on vehicles. There are also cost considerations linked to the associated increase in service and despatch times increase.
- 2.7 As such the ability for continued outward migration is limited by the ‘opportunity costs’ that accrue outside of property considerations. Southwark has become a prime location for these ‘servicing’ activities, with their presence underpinning occupancy rates in a number of locations. Therefore the limitations of business migration need to be considered in setting land use planning given there is a finite resource of suitable spaces that meet occupier needs both in terms of stock and access to markets.
- 2.8 It is not solely industrial and service activity that is affected by the changing value profile within the City fringes. Historic clusters of arts and creative activities, in Hackney and Tower Hamlets for example, are also increasingly displaced as rental levels rise and buildings are redeveloped to accommodate higher value uses.
- 2.9 The presence of the London Overground extension through East London has influenced the migration of these activities south of the Thames, originally being attracted to Deptford but now moving into a number of locations further along the line.

- 2.10 Again, Southwark is experiencing new demand in its industrial sites from these users. They require a broad range of space typologies, from simple storage facilities and workshops for small scale manufacturing and production through to specialised studio spaces. This activity is not universal within the borough but closely tied to the specific building stock and floorspace available and the nature of the wider area.
- 2.11 Similarly, but more locally orientated, the growth and success of Borough Market has created cost pressure for a number of food production business to locate in other areas. A number of these have remained within Southwark, moving further south to occupy refurbished spaces, with a particular focus on Railway Arches. Many of these producers have now joined to form a collective (Spa Terminus) in order to promote and grow the sector within the Bermondsey area.
- 2.12 A further 'external' influence on the nature of activity within Southwark's industrial sites is the growth in demand for non-employment generating uses, with a particular recent demand for new, large scale places of worship. These are increasing clustering in industrial sites where stock is no longer meeting business needs, buildings are vacant and rents low all of which drive landlords to seek any form of occupier to cover costs.
- 2.13 Clusters of this type of activity are particularly noticeable within the Ilderton Road/Penarth Street and Consort Road/Copeland Road areas where the existing supply of space is particularly weak.
- 2.14 Overall, the influence of this changing market can be seen in the 'make up' of occupiers within the sites as shown in the figure below. This data categorises occupiers by type of activity, whilst there is understandably a high concentration of 'traditional' occupiers such as construction and distribution activities, but an equally high number of creative businesses and a strong presence of printers.

Figure 1 – Mix of Occupiers



Source: GVA, Experian, 2013

Employment Contribution

- 2.15 There is no single source of reliable and geographically accurate employment data that enables a robust estimation of the scale of jobs provided businesses within Southwark’s industrial land clusters. Data collated by the Office for National Statistics (ONS) tends to be produced at a larger geographic scale, business databases are not comprehensive and often have a significant time lag and direct survey responses do not capture all occupiers.

- 2.16 To provide some estimate of the potential scale of employment within the clusters we have considered three sources. The most comprehensive data is drawn from the Business Register and Employment Survey (BRES) which is collected at lower level super output area, enabling a reasonable alignment with industrial clusters generally

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- (albeit covering some neighbouring predominantly residential areas) but not allowing sub division between all clusters.
- 2.17 Given the dense urban area surrounding most industrial clusters the inclusion of these areas within any employment data may 'skew' the trends observed. To reduce this impact sectors which tend not to be located within industrial clusters including retail, accommodation, food sales, public administration, care and social work and gambling activities have been removed from the data. We have also excluded the area around Walworth Road given the scale of overlap between the arches in the area and the economic activity along the road itself.
- 2.18 BRES data for the 15 lower super output areas that accommodate industrial clusters identifies almost 9,400 jobs in 2012. These are spread across a range of sectors, with the largest share (15%) being within food and beverage service activities, followed by wholesale activities and storage and transportation. Manufacturing activity represents 8% of total employment, the largest manufacturing sub-sector being printing.
- 2.19 This spread of employment activities reflects the identified businesses within the clusters, as shown in [Figure 1](#), with food businesses, courier services and a range of production activities having a high number of businesses locally.
- 2.20 Data provided by Experian provides a second point of reference, however this relies on data provided by businesses themselves, as such the data is not wholly consistent and there are notable gaps. Data from this source provides an employee estimate of 2,200 although a large number of businesses do not provide employment information.
- 2.21 The final source of data available to the Study is the results of the business survey. The 28 businesses that responded to the survey provided approximately 1,300 jobs. Clearly this is only a small proportion of the total number of businesses present within the clusters.
- 2.22 The response rate for the survey was approximately 10%, suggesting that if all businesses had responded (and assuming the responses provided a representative sample) total employment is likely to be in the region of the BRES estimate.

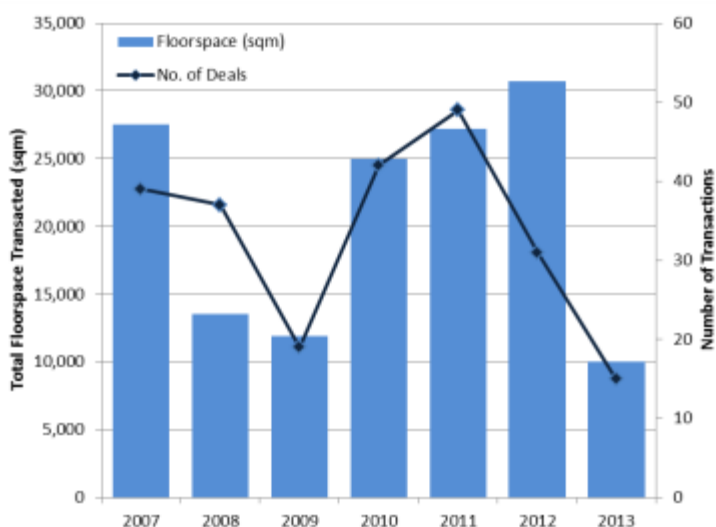
Overview of the Southwark Industrial and Warehousing Market

- 2.23 Southwark continues to play an important role in the industrial proposition for London, with the market continuing to demonstrate an underlying strength even during the recession. The offer and demand profile of the borough sets it apart from much of the traditional industrial land within London.
- 2.24 Whilst the market is strong it is not considered a strategic location for distribution activities or large scale production. This is in part related to the availability of land and building types but also the scale and quality of road infrastructure.

Floorspace Demand

- 2.25 The trends outlined above, alongside more 'traditional' industrial activity, have retained a strong market for industrial floorspace within Southwark. Between 2007 and September 2013 almost 232 deals totalling over 145,000sqm of industrial floorspace had been completed. The strength of demand is reflected in the headline average achieved rents within the borough over the period of £105/sqm (£9.75/sqft), which is higher than many of London's core industrial locations such as the Thames Riverside and Upper Lea Valley.
- 2.26 As shown below whilst the 'headline' level of demand has been strong there are significant annual variations in demand.

Figure 2 - Floorspace Demand by Year

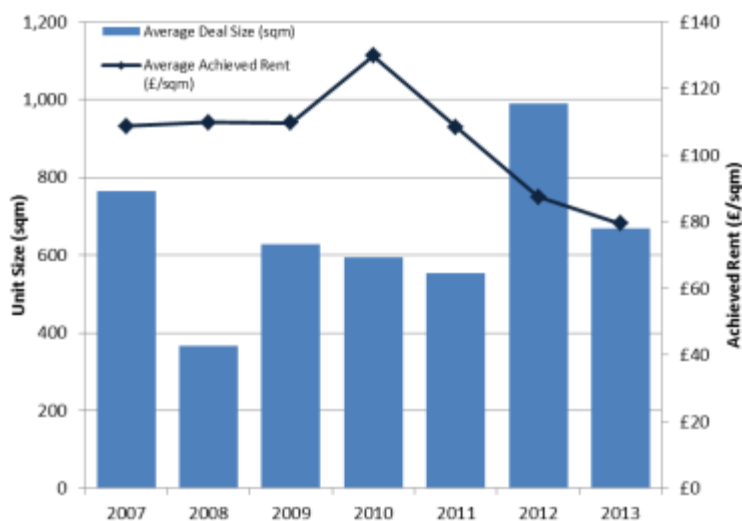


Source: Costar Focus, 2013

- 2.27 The pattern of demand shown in Figure 1 highlights the impact of the recession on the demand for industrial floorspace with less than half the number of deals and quantum of floorspace transacted in 2008 and 2009 than in 2007. Demand recovered quickly in 2010 and 2011, reaching pre-recession levels of circa 25,000sqm per annum and peaking in 2012 at over 30,000sqm. Initial deal data for 2013 suggests demand has fallen back which, if this rate continues for the full year would see total demand at its lowest level since the recession.

- 2.28 Predominantly demand within Southwark is for smaller units and buildings with an average deal size over the past six and half years of 637sqm. This demand in part reflects the nature of the stock within the borough, but also reflects the role the borough plays, with its attractiveness to larger users limited by the road infrastructure and the relative cost of premises compared to other industrial locations.

Figure 3 – Deal Size and Value per Annum



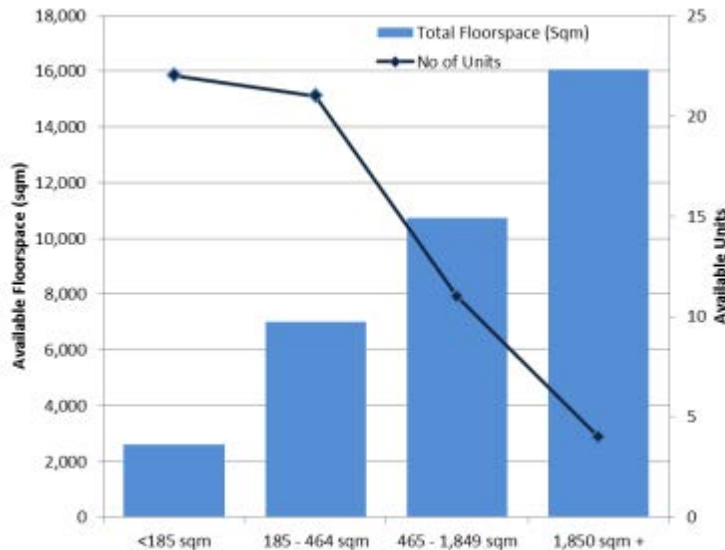
Source: Costar Focus, 2013

- 2.29 Deal sizes have been relatively consistent across the time period, with only 2008 and 2012 showing a significant deviation from the average. The rise in 2012 appears to principally have been driven by a major deal which saw The Stationary Office take almost 6,000sqm of space at Mandela Way. This was augmented by 4 further large individual deals (c.2,000sqm) within the Verney Road and the Six Bridges Estate area.
- 2.30 More significant has been the downturn in values within the industrial market since their peak in 2010 with the average achieved rent in 2013 falling to c.£80/sqm (£7.40/sqft). This trend, if continued, is a concern for the long term attractiveness of Southwark for industrial development given it lies below the 'tipping point' value to make investment in stock attractive to owners. This generally lies around £130/sqm (£12/sqft) a level which at the peak of the market was achieved.
- 2.31 Spatially market activity has tended to be focussed in the locations with a significant stock of premises, the most significant of which is the Old Kent Road, where over a third of all floorspace transactions occurred.
- 2.32 However, this distribution of demand is not reflected in property values, with limited differential between locations. Values are much more closely aligned to the quality of the stock itself, with new or refurbished stock achieving a higher return.

Property Supply

- 2.33 At the headline level in September 2013 there were 58 industrial premises available within Southwark providing a total of 30,000sqm of occupiable space. In truth this figure is likely to underestimate the proportion of space occupied with a large degree of 'hidden vacancy' as a result of buildings being used by other, non-employment generating uses or being used less intensely.
- 2.34 Stock tends to be provided in one of two forms. The major supply component is within purpose built premises, this tends to be older stock which is increasingly of poorer quality. There has been very little new or substantially refurbished space delivered within Southwark, with the most recent developments at Glengall Road and the refurbishment of the Admiral Hysen estate.
- 2.35 The second major component of supply is the conversion of railway arches into work and storage spaces. This supply is again of mixed quality, with a number of locations having been refurbished recently (for example Old Jamaica Road and Rotherhithe Business Park) with others remaining lower quality (for example the Walworth Road area and parts of Raymouth Road).

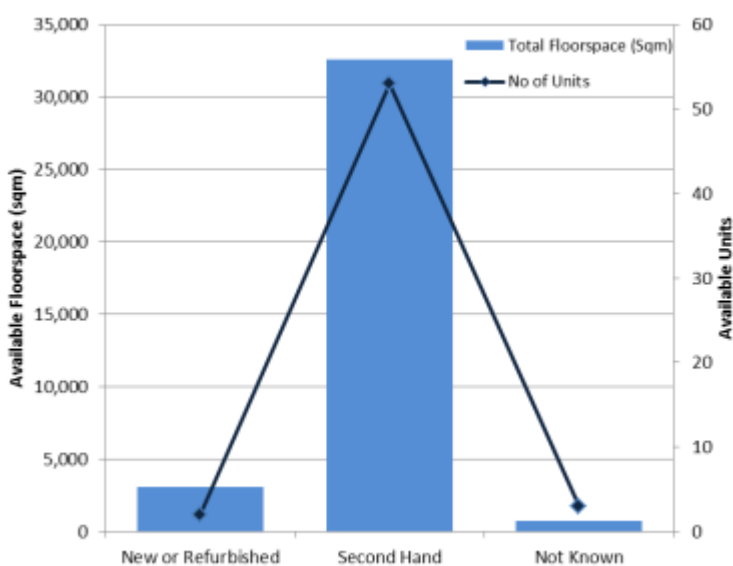
Figure 4 – Available Floorspace – Unit Size



Source: Costar Focus, 2013

- 2.36 In floorspace terms the most significant supply component is larger units, with the four units above 1,850sqm representing half of the total supply within the borough but only 7% of vacant units. Conversely, there is a high supply of very small units but they represent a very small proportion of the available floorspace. Comparing this supply portfolio with average demand suggests that there is a reasonable supply of stock that would, in theory, meet the predominant demand for small to medium sized units. However, agents report that the quality of provision and the specification of space, alongside the size of units means that supply is not meeting demand.
- 2.37 Available floorspace is not concentrated in one specific estate, however unsurprisingly it does reflect the relative scale of each area, with the Old Kent Road accommodating the highest quantum of vacant space and the highest stock of space in total. The ‘pepper-potting’ of vacant stock across the borough reflects the quality of stock, with any ‘clusters’ of vacancy tending to reflect clusters of older poorly maintained units.

Figure 5 – Available Floorspace - Grade



Source: Costar Focus, 2013

- 2.38 Considering the quality of vacant stock the lack of investment in the property portfolio is clearly evident. As shown in Figure 4 there is very limited supply of new or refurbished stock, with a total supply of two units, one a refurbished unit on Ormside Street and the other a collection of arches along Union Street.

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- 2.39 Overall, it would appear that there is an imbalance between demand and supply, largely as a result of the quality of the current stock and a lack of space to deliver new stock. Values have discouraged the redevelopment and refurbishment of existing stock and sites, particularly where land is located in areas of high housing demand.
- 2.40 However there is evidence that where new stock is delivered and, importantly, the mix of space provided is in line with market demand in the specific sub-area there is significant demand. For example the refurbished units at the Admiral Hyson Industrial Estate are reported to have let prior to refurbishment works completing in late 2012/early 2013, the letting agents suggested this was a result of the units providing a relatively 'simple' light industrial space but importantly they incorporate good yard space.

Impacts and Influences

- 2.41 The changing nature of 'industrial' activity is having a number of influences on the demand characteristics within Southwark's industrial and warehousing sites. In effect there are two distinct major markets operating within Southwark. The first is driven by demand for servicing of the Central City, with businesses orientated to meeting client requirements whilst a second provides much more locally orientated activity, meeting the needs of the resident population within the borough.
- 2.42 Our research suggests that there is, to a large degree, these markets create a division between the sites in terms of activity. Those lying in the north of the borough accommodate a much greater concentration of businesses that service the Central City, in turn leading to a much greater diversity of occupier. Local agents have suggested that predominantly the geographic extent of this demand extends as far as Camberwell, reflecting the need for relatively close proximity to the businesses core markets.
- 2.43 Provision south of Camberwell has a much more significant level of activity for more locally orientated business activities, servicing markets located within Southwark itself and in the neighbouring local authority areas.
- 2.44 Whilst proximity to differing markets is important these are not the only drivers of demand within Southwark. The creative/arts business cluster is driven by a much

wider set of characteristics but in particular the nature of the built stock offered. Similarly a number of small 'manufacturing' businesses are located in the borough because it provides a type of stock that allows processes to be undertaken that create dust and dirt – a type of space that is in increasingly short supply. Outside of the physical attributes the workforce and historic links to the area are equally important for some businesses to remain within the borough.

- 2.45 These factors, and changes to industrial processes more generally are also changing the nature of space demand. Even traditional industrial activities require increasing proportions of office floorspace as design and engineering techniques change, this is evident within newer stock at the Bricklayers Arms Distribution Centre and also the Glengall Business Centre.
- 2.46 Across all activities is also a common set of changes to how businesses operate, with a greater reliance on ICT not only by businesses in the 'tech' sector but also in manufacturing and production businesses. Improvements to computer aided design software and computer modelling techniques (for example) allow businesses to prototype designs and concepts virtually before producing a physical product. The sharing of these designs requires reliable, high bandwidth connections.
- 2.47 Unfortunately, as with many industrial locations, broadband services are particularly weak in some parts of the borough, and are likely to hamper businesses as they come more reliant on technology in all process. 'High speed' fibre based broadband networks are currently being delivered across the UK, unfortunately the roll out process does not benefit all areas at the same time, even when exchanges are activated. A summary of provision across the Borough is presented below.

Table 1 – High Speed Broadband Coverage

Exchange	Exchnge Status	Industrial Clusters Served	Site Enabled?	Speed
Southwark	Accepting Orders	C28	Yes	58.5 Mbps
Bermondsey	Accepting Orders	C2	Yes	61.9Mbps
		C3	No	
		C5 Verney Road	No	
		C5 Six Bridges	Yes	75.2Mbps
		C8 Raymouth Rd	Yes	78Mbps
		C8 Bermondsey TE, Galleywall	No	
		C9	No	
		C26 Dockley Road	Yes	75.2Mbps
		C26 Old Jamaica Rd	Yes	77.6Mbps
		C29	No	
New Cross	Accepting Orders	C4	No	
		C6	No	
		C7	No	
		C32	Yes	67.7Mbps
		C36	Yes	51.5Mbps
Walworth	Accepting Orders	C31	Yes	70.5Mbps
Brixton	Accepting Orders	C11	Yes	58.5Mbps
Camberwell	Accepting Orders	C1	Yes	72.9Mbps
Dulwich	Accepting Orders	C34	Yes	70.5Mbps

Source: BT Openreach, 2014

- 2.48 Whilst all of the exchanges serving Southwark's industrial locations are active and able to provide High Speed broadband they only represent the central part of the network with service provided to addresses via local 'boxes'. What is clear from Table 1 is that not all boxes are currently enabled, restricting service to a number of the key clusters. The data shows that the Old Kent Road area (C3, C4, C5, C6 and C7) and parts of Rotherhithe-Bermondsey (C8 and C29) are particularly poorly served.
- 2.49 In locations where High Speed broadband is not available will rely on a 'standard' service provided via the existing cable network. Again provision across the borough is mixed.

Table 2 – Estimated ‘Standard’ Broadband Speeds

Location	Download	Upload
East Dulwich	32Mbps	2Mbps
Norwood	29Mbps	9Mbps
Upper Norwood	25Mbps	2Mbps
Peckham-Nunhead	22Mbps	4Mbps
Upper Sydenham	21Mbps	6Mbps
Peckham	21Mbps	2Mbps
Mandela Way	19Mbps	2Mbps
Bermondsey	15Mbps	3Mbps
Peckham Rye	15Mbps	2Mbps
Surrey Quays	11Mbps	3Mbps
OKR/Walworth	11Mbps	1Mbps
Walworth	11Mbps	1Mbps
Waterloo	7Mbps	956Kbps
East Dulwich-Peckham	2Mbps	3Mbps
West Dulwich	2Mbps	274Kbps
Peckham-Camberwell	1Mbps	1Mbps
Penarth-Old Kent Road	1Mbps	469Kbps

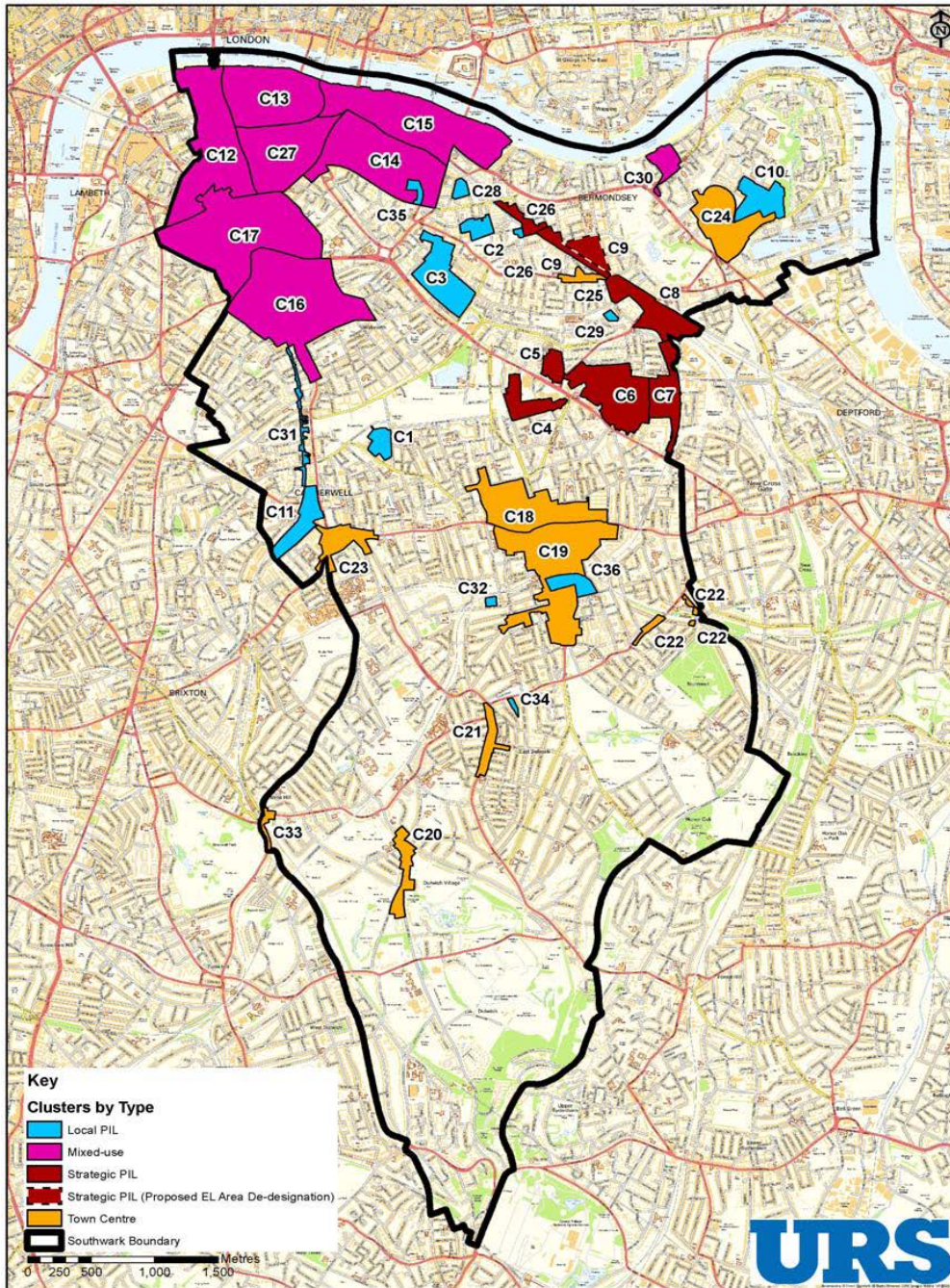
Source: cable.co.uk

- 2.50 As shown above the areas with the greatest concentration of industrial floorspace tend to have broadband speeds below 10Mbps, provision is a particular issue along the Old Kent Road and Peckham. It should be noted that provision can vary considerably, especially as data is based on postcode areas, even where speeds are higher the coverage may not extend across the whole postcode area to serve industrial buildings.
- 2.51 It is clear that the introduction of new users into industrial locations also has a range of influences and diversifies the ‘needs’ of businesses in terms of the physical environment within and surrounding the site. These new impacts and needs in turn have an influence on the functioning of more ‘traditional’ occupiers, particularly in terms of parking, servicing and ‘neighbour’ issues.

3. Analysis of Southwark's Industrial Land

3.1 Within this section we provide a summary of the findings and observations from the employment site surveys undertaken in summer 2013. The surveys covered the portfolio of industrial clusters identified in the previous Employment Land Review, as shown on the map below.

Figure 6: Map of Employment Clusters



Source: LB Southwark Core Strategy (2010)

- 3.2 The site review process is vital to understand how existing provision meets businesses needs and where there are opportunities to with improve the offer within sites and intensify levels of provision activity through redevelopment.
- 3.3 The surveys focussed on updating the information and data first produced to support the 2010 Employment Land Review. Principally the purpose was to ensure the base information reflected recent changes in the occupier base, changes to stock and any wider changes in the area that may affect occupier demand.
- 3.4 The base of the survey was drawn from the site clusters identified within the previous Employment Land Review.
- 3.5 The first focus of the survey was to objectively assess the functionality of the sites in their current form and identify any barriers to their role as an employment site. Secondly, the survey considered the potential role of each site in accommodating future economic activity and growth, either through their current stock, redevelopment or expansion.
- 3.6 The remainder of this section presents an overview of the survey findings, assessing each cluster on its strengths, weaknesses and future.
- 3.7 We also provide an overview of the commercial property market in each of the clusters, looking specifically at transaction and availability data. The data is sourced from the CoStar database which seeks to record actual market activity (i.e. the 'turnover' of occupiers and premises). Whilst CoStar takes every effort to ensure accuracy and coverage it does not capture all activity, therefore there may be discrepancy between recorded levels and actual levels of activity at the local level.
- 3.8 To supplement our understanding and identify trends which CoStar may not capture we have had discussions with key local agents to draw on their experience of the market within LB Southwark.

Cluster 1: Parkhouse Street

Site Photographs



Figure 7: Community Health Service



Figure 8: Babcock



Figure 9: Capital Steel Site Services



Figure 10: Fruitful Office Ltd

Site Description

- 3.9 Parkhouse Street employment area lies centrally within the borough, close to the A202 Peckham Road which connects to the strategic A2 Old Kent Road. The site is a well-established commercial area of around 3.8ha providing a mix of uses and quality. The site provides predominantly storage and warehousing uses however there are also some residential and servicing activities. The site is identified as a Preferred Industrial Location, and is protected for a possible tram depot site (or alternative forms of public transport) in the LB Southwark's Core Strategy.

Figure 11 Map of Parkhouse Street



- 3.10 There are some exceptions to B class uses on site, with religious facilities occupying previously B class accommodation and with residential units close by. The Burgess Business Centre accommodates a mix of uses including health services.
- 3.11 The major occupiers on site are Babcock (engineering services), Continental Hand Car Wash, Pitney Bowes (courier/distribution/supply services), Liberty House (religious facilities) and NHS Community Health Service (Other). A number of properties on the site appear vacant or underused. Business records produced by Experian identify a minimum of 21 people employed within the cluster, however the records are not complete
- 3.12 The Burgess Business Centre has good circulation and parking for vehicles and appears well maintained. Other parts of the cluster are less well maintained and overgrown in places.

Figure 12 List of Occupiers and Employees

Occupiers	Business Type
BCM Scaffolding	Construction
Liberty House	Religious facilities
Pitney Bows	Courier/Distribution/Supply Services
Community Health Service	Health Services

Occupiers	Business Type
Babcock	Garage/engineering services
Continental Hand Car Wash	Garage/engineering services
Vacant	N/A
Capital Steel Site Services	Construction
City Store	Storage
Freight Express	Distribution
Hayes and Finch Ltd.	Church Suppliers
The Whitewall Company	Fabricators

Strengths

- 3.13 The site provides some good quality accommodation able to cater for modern needs. Babcock is one such good quality space with good parking, modern facilities and good circulation. The Burgess Business Centre, a 1990s development, also benefits from good circulation and parking facilities.
- 3.14 The management of traffic flow through the site enables good access for large vehicles and minimises and circulation issues.

Weaknesses

- 3.15 Buildings date from varying decades and the older stock has deteriorated considerably meaning much of the accommodation at Parkhouse Street is now of poor quality (e.g. close to the Parkhouse Street-Southampton Way junction). Despite some parts of the area benefitting from good quality parking and road access, this is not universal.
- 3.16 The proximity to residential units on Parkhouse Street and the on street parking that accompanies this is likely to be a barrier to attracting B class uses at the site, whilst the 'one-way' system seeks to address this it is only of partial success with parts of the road particularly narrow.
- 3.17 With one religious facility (Liberty House, 9-11 Cottage Green) in the area already, an increased creep of non-B class uses may become a trend at the site with some of the poorer quality buildings appearing to be vacant or underused.

Summary of Commercial Property Market

Take up

- 3.18 Analysis of the transaction data over the last six years reveals that there have only been three deals on the business estate since 2008, therefore the conclusions that can be drawn are limited. However, all deals since 2008 have involved medium size, second hand units (between 465 sqm and 1,850 sqm). The average achieved rental value in the cluster is £72 psm based on two transactions in 2013 (£70psm and £74psm).

Table 3: Industrial Take Up 2008-2014, Parkhouse Street

Year	Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£psm)	Average No. of days on market
2009	1	1,161	1,161	-	Not disclosed
2013	2	1,772	886	£72	339
Total	3	2,933	978	£72	339

Source: CoStar Focus, GVA, 2014

Availability

- 3.19 There is only one unit currently available in the Parkhouse Street employment cluster. The unit is a 932 sqm second hand warehousing unit with an EPC rating of F. The asking rent is £97psm which is significantly above the average achieved rent for the cluster, and may have contributed to the length of time the unit has been on the market.
- 3.20 We note that at the time our site visit (September 2013) a number of units appeared vacant, however this is not reflected in the availability data either because of the limitations of the CoStar database or because the sites are not being actively marketed.

Table 4: Industrial Availability 2008-2014, Parkhouse Street

Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£ Sqm)	Average No. of Days on Market	Grade
1	932	932	£97	293	Second Hand

Source: CoStar Focus, GVA, 2014

Conclusions and Recommendations

- 3.21 With some good quality B class employment accommodation, the cluster has the potential to continue to be well used into the future. This part of the borough is less

well connected to central London than the northern parts and so may be less attractive to a number of businesses servicing this market.

- 3.22 The cluster is also within close proximity to residential uses which may deter investment for B class uses as owners seek to deliver additional residential land use with higher land values. Part of the cluster could lend itself to redevelopment provided some capacity can be retained.

Cluster 2: Land Bounded by Spa Road, Neckinger Road, Grange Walk and the Grange

Site Photographs



Figure 13: West Leigh



Figure 14: Oyez Straker and Shore Solutions

Site Description

- 3.23 Grange Yard is a small cluster of 0.6ha, within an old industrial area that has recently experienced high levels of residential development. The site is located in the north of the borough and current occupiers are of a more local significance covering a variety of sectors.
- 3.24 The site is within easy access of the A2206 which connects to the A100 Tower Bridge Road and also to the A2 Old Kent Road. Good connections to central London are available via road and rail in this location. The site would once have been classed as a well-established commercial area however in recent years uses have become mainly residential with a few commercial buildings along Spa Road.

Figure 15 Map of Cluster 2



- 3.25 Occupiers at the site are West Leigh (construction / trade and manufacturing), Oyez Straker (courier / distribution / supply services) and Shore Solutions (food & drink services / catering / events). The stock is made up of 50% pre 1940 and 50% 1970s-1980s accommodation with quality ranging from good to poor, mainly depending on age. There are no vacant units at the site.
- 3.26 Neighbouring amenities comprise of one convenience shop and the quality of the environment is generally good for the current use. Construction of new residential development is on-going at the site. As a result of this, it is unlikely that there is any opportunity for intensification at the site.
- 3.27 Access and parking at the site is reasonable with cars and HGVs benefiting from wider roads. Access to the units themselves is more difficult with a lack of internal roads. This makes internal circulation good for car users and difficult for HGVs. Parking is on street and appears to be suitable for the current uses.

Table 5: List of Occupiers and Employees

Occupiers	Business Type
West Leigh	Construction/trade/manufacturing
Oyez Straker	Courier/Distribution/Supply Services
Shore Solutions	Food & Drink Services/Catering/Events

Strengths

- 3.28 The cluster lies in the north of the borough and within easy access of transport links to central London and also out of London, towards Kent. The buildings are of a good quality, and site access and parking is adequate for the current occupiers. No vacant units were observed on the site visit.
- 3.29 The cluster benefits from an on-site convenience store as well as various takeaway premises (A5 use class) in close proximity.

Weaknesses

- 3.30 Whilst access and parking is adequate for the current uses on the site, the emphasis on on-street parking and lack of internal circulation acts as a barrier to heavier traffic demands and larger vehicles. The proximity to central London could also act as a barrier at certain peak hours in the day as roads become congested.

Summary of Commercial Property Market

- 3.31 There have been no transactions since 2008, and there are no units currently available according to CoStar database. This reflects the fact that the cluster largely comprises of council-owned office buildings, a library and one-stop shop.

Conclusions and Recommendations

- 3.32 The site is well located with good access to central London. The site is fit for current occupiers however due to the scale of residential development at the site, the character of the area has shown significant change and may be seen as a suitable redevelopment opportunity. If occupiers were to relocate, there is potential to support the redevelopment of the site for residential or mixed use.

Cluster 3: Mandela Way

Site Photographs



Figure 16 Mandela Way



Figure 17 Mandela Way



Figure 18 Bricklayers Arms Distribution Centre



Figure 19 Mandela Way

Site Description

- 3.33 Mandela Way is one of the largest industrial sites in the borough with 12.5ha of generally high quality B-use accommodation. The site is located in the north of the borough and current occupiers are of a more regional significance mainly covering distribution and storage (warehousing) sectors.

Figure 20 Map of Mandela Way



- 3.34 The site is within easy access of the A2206 which connects to the A100 Tower Bridge Road and also to the A2 Old Kent Road. Good connections to central London are available via road in this location. The site is a well-established commercial area with new or high quality buildings.
- 3.35 There is a mix of occupiers in the cluster, from distribution to car parking services. The most represented industry is the courier / distribution / supply services with some widely recognised companies located here e.g. Transworld and Royal Mail.
- 3.36 The stock is made up of a mixture of good quality provision ranging from the 1970/80s to contemporary stock. The site offers a spacious environment, with good internal circulation and access for a range of vehicle types. Bricklayer's Arms Distribution Centre provides mixed use buildings with office frontages and warehouses.
- 3.37 There are a few amenities within the immediate area, including a large Tesco store and other convenience / retail outlets, however none are on site.

Table 6 - Mandela Way Occupiers

Occupiers	Business Type
SIG Fixings/CPD Distribution	Construction/trade/manufacturing
PaperCo - The Paper Company Ltd. (Dixon & Roe)	Courier/Distribution/Supply Services
Paperlinx	Courier/Distribution/Supply Services
Transworld	Courier/Distribution/Supply Services
The Delivery Co.	Courier/Distribution/Supply Services
DPD	Courier/Distribution/Supply Services
Interlink Express Parcels	Courier/Distribution/Supply Services
TNT Express	Courier/Distribution/Supply Services
Hayward Bros. Wines Ltd.	Food & Drink Services/Catering/Events
TSO Ltd.	Publishing
London Buses Limited - Go Ahead Group Plc.	Strategic Services (London-wide)
Royal Mail (Southwark & Rotherhithe) Delivery Office	Strategic Services (London-wide)
MET Police Uniform Services	Strategic Services (London-wide)
London Executive Group	Transport Services
Tate and International Portrait Gallery Storage	Storage facilities
Car pound - Apcoa Parking UK Ltd.	Car Parking
Medequip	Other
Owens Garside	Other
FM Conway Ltd.	Transport services

Strengths

- 3.38 The quality of the stock and the wider environment provided at the Mandela Way employment cluster is considered to be generally good, despite a marginal decrease in quality towards the north eastern end of the cluster. The quality of the hybrid units at the Bricklayers Arms Distribution Park, which offer warehousing floorspace with

subsidiary office space, is particularly high. Vacancy rates appear to be very low across the cluster.

- 3.39 The strategic public sector has a presence at the cluster, and occupiers include the Met Police Uniform Services and London Buses Limited. There appears to be some opportunity for intensification, particularly in the north eastern section of the site.

Weaknesses

- 3.40 As Mandela Way is one of the strongest industrial locations in the borough, there are few weaknesses to note. The most significant issue facing the cluster is peak hour congestion, which could act as a barrier to intensification of the site.

Summary of Commercial Property Market

Take up

- 3.41 There have been five deals recorded on CoStar since 2008, three of which took place in 2012. The units are all general industrial/warehousing units, and range in size from 129 sqm to 5,989 sqm. Three of the five units transacted over the last 6 years have been second hand, one was new/refurbished and the condition of the other was not disclosed.
- 3.42 Achieved rental values are recorded for two of the five deals, both of which took place in 2012. A small warehousing unit (136 sqm) achieved £180 psm, whilst a large light industrial unit (5,989 sqm) let for £91 psm (averaging £140 psm for the cluster). Asking rents, which are typically higher than achieved rents, averaged £130psm over the period.

Table 7: Industrial Take Up by Year 2008-2014, Mandela Way

Year	Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£psm)	Average No. of Days on Market
2008	1	129	129	-	271
2011	1	1,371	1,371	-	746
2012	3	9,116	3,039	£140	428
Total	5	10,616	2,120	£140	468

Source: CoStar Focus, GVA, 2014

- 3.43 Analysis of the activity by size shows that there is a clear division in the stock, with two unit falling into the smallest size band (<185 sqm) and two falling into the largest size

band (1,850 sqm +). Units in the largest size band accounted for 85% of the total floorspace leased, and appear to be less in demand as they remained on the market for over double the length of time of the smaller units.

Table 8: Industrial Take Up 2008-2014, Mandela Way

Unit Size	No of Deals	Total Floorspace (sqm)	Average Floorspace (sqm)	Average Rent (£/sqm)	Average No. of Days on Market
<185 sqm	2	265	133	£188	226
465-1,850 sqm	1	1,371	1,371	-	746
1850+ sqm	2	8,980	4,490	£91	675
Total	5	10,616	2,123	£140	468

Source: CoStar Focus, GVA, 2014

Availability

- 3.44 According to CoStar there are no units currently being marketed at the Mandela Way employment cluster. This reflects the high quality of the cluster and supports the recommendations set out below.

Conclusions and Recommendations

- 3.45 As one of the strongest industrial locations in Southwark, the area should be retained in its current use. There is an opportunity to further strengthen the cluster through intensification of the north eastern part of the cluster.
- 3.46 The proximity of retail amenities on the adjacent site (on the eastern side of Mandela Way) is a potential threat to the industrial location and encroachment of the industrial site by alternative land uses should be avoided where possible.

Cluster 3: Rich Industrial Estate

Site Photographs



Figure 21 Hayward Bros: 44 Willow Walk



Figure 22 Page's Walk



Figure 23 Crimscott Street



Figure 24 Rich Industrial Estate

Site Description

Figure 25 Map of Rich Industrial Estate



- 3.47 Rich Industrial Estate is a 2.8ha established commercial area in the north of the borough with residential areas nearby. The southern boundary of the site adjoins the Mandela Way employment cluster, and forms part of the Mandela Way Preferred Industrial Location, designated in LB Southwark's Core Strategy (2010).
- 3.48 The cluster is within easy access of the A2206 which connects to the A100 Tower Bridge Road and also to the A2 Old Kent Road. Good connections to central London are available via road and rail in this location.
- 3.49 The cluster supports a wide range of industries including distribution, storage and food production. The creative industry also has a strong presence in the location, supported by the Bermondsey Project which offers artist studios, exhibition space and training programmes for homeless and ex homeless people. Companies located in the cluster tend to be of a local or regional significance, and include TNT Express (distribution) and Bow Arts Studios - Bermondsey Project Space (creative industry).
- 3.50 The Rich Industrial Estate is divided into two parts by Crimscott Street which runs north to south through the centre of the cluster. The stock on the eastern side of the cluster largely comprises of two-storey 1960s buildings, occupied by catering companies;

whilst the buildings to the west are more varied, including Rich House, a pre-war 7 storey building part converted to artist's studios in 2009, and 61 Willow Walk, a storage facility constructed in the 1990s. The stock across the cluster is generally of a lower quality than the adjoining Mandela Way cluster, with circa 50-75% of the buildings considered to be 'poor'.

Occupiers	Business Type
Plumb Center	Construction/trade/manufacturing
Citylink	Courier/Distribution/Supply Services
TNT Express	Courier/Distribution/Supply Services
Tight End Ltd	Food & Drink Services/Catering/Events
Tastes Catering	Food & Drink Services/Catering/Events
Bow Arts Studios (Bermondsey Project Space)	Creative industries (Art/Design/Music)
Access Self Storage	Storage facilities
Kube	Printing/digital services
F E Burman	Printing/digital services
J&K Services Group	Commercial cleaning services
Webic International HQ	Religious facilities
Sapphire Laundry Ltd.	Other
Communication & Technical Services Ltd.	Other

Strengths

- 3.51 The cluster is easily accessible by car, and parking is adequate, with a mixture of on street parking and on-site parking. Whilst the stock is old, it does currently meet a need and offers an alternative space to surrounding provision (i.e. Mandela Way).

Weaknesses

- 3.52 The stock in general is in relatively poor condition, and a relatively high proportion of the units appear to be vacant or underused, particularly in the older buildings. Accessibility for HGVS is poor due to the prevalence of on-street parking, and sign-posting from Old Kent Road could be improved.

- 3.53 The cluster is located in a predominantly residential area, and the number of recent residential developments in proximity to the site suggests there may be land use pressure from non-B uses, exacerbated by the current underutilisation of employment space.

Summary of Commercial Property Market

- 3.54 Transaction activity has been limited in the Rich Industrial Estate. The CoStar database has recorded just one deal since 2008, involving a large warehousing unit (1,823 sqm) let in 2011 to Tannery Arts Ltd for £49psm, on a five year lease. We note that the CoStar database does have limitations, therefore some smaller or more informal transactions may not have been recorded. Indeed The Rich Group, who owns the freehold of the Rich Industrial Estate note on their website that the property in Crimscott Street has increasingly been let on short term leases to film production companies.

Table 9: Industrial Take Up 2008-2014, Rich Industrial Estate

Year	Total Units	Total Floorspace (Sqm)	Average Rent (£psm)	Average No. of Days on Market
2011	1	1,823	£49	958

Source: CoStar Focus, GVA, 2014

- 3.55 No units on the Rich Industrial Estate are currently being marketed on the CoStar database. This is in contradiction to the apparent high vacancy levels observed during the site survey, and suggests either the units are not being actively marketed, or are being marketed through alternative methods.

Conclusions and Recommendations

- 3.56 Whilst the site currently meets the needs of some businesses, the area is under significant threat. The older stock is in a poor state of repair and in need of investment to counteract vacancy. Without this investment it is likely that the stock will become redundant and alternative land uses may become more attractive at the location.
- 3.57 With additional residential units being delivered close to the site and the impacts of access and parking weakening the appeal of B-class uses at the location there is a possible opportunity for redevelopment.
- 3.58 Much of the stock continues to provide good quality space and it is likely that this will continue into the near future at least. However, it is likely that some of the older stock

is in need of refurbishment if it is to be reoccupied. Therefore, an opportunity for intensification is presented, particularly around the Kube site (Unit 5 Rich Industrial Estate, Crimscott Street) where there are large areas of surface parking.

- 3.59 Since the site surveys were carried out, we are aware that London Square have made an offer to purchase the Rich Industrial Estate with the intention of redeveloping the site to provide 500,000 sq ft of commercial and residential space, including 300 flats¹.

Cluster 4: Glengall Road/Bianca Road, Old Kent Road

Site Photographs



Figure 26: Glengall Business Centre



Figure 27: Haymerle Road Studios



Figure 28: Frensham Street



Figure 29: Travis Perkins

¹ <http://www.egi.co.uk/news/772312.nw>

Site Description

- 3.60 This cluster, lying on the southern side of Old Kent Road is a large site covering 7.3ha. The site is located in the central part of the borough, within easy access of the A2 on the strategic road network allowing easy access to central London or out of London towards Kent.
- 3.61 The site is an established commercial area with residential areas close by. The site also bounded by an ASDA supermarket and a retail park is within close proximity, providing a range of amenities.
- 3.62 The cluster has no dominant sector; however the construction/trade/manufacturing industries are well-represented, along with food & drink services/catering/events, creative industries and printing/digital services. There is also one religious facility on site. Occupiers are varied in terms of customer base, ranging from small local companies such as Mckenzie Clark Ltd, to large national companies such as Travis Perkins.

Figure 30: Map of Glengall Road/Bianca Road



3.63 The Old Kent Road cluster comprises of a number of smaller industrial estates of varying quality as follows:

- The northern tip of the cluster (north of Glengall Business centre) consists of two brick built warehouses dating from the 1990s in good condition, as well as a two pre-war buildings currently used as religious facilities (Christs Embassy and Rhapsody of Realities), one of which is in poor condition.
- To the south of this is Glengall Business Centre, a development of self-contained business units constructed in c. 2007. The units are of a high quality, and the cluster offers good vehicular access, space for loading and adequate parking provision.
- In the south west corner of the cluster, to the north and south of Bianca Road, the stock largely comprises of one/two storey light industrial units, dating from c.1970s. These units are in poor condition, with some appearing vacant or underused. Towards Latona Road, the stock is older, and includes a large pre-war factory unit used for storage of hazardous chemicals (Gadman Ltd), as well as some open storage areas. There are residential units in close proximity.
- The units in the eastern part of the cluster (accessed via Frensham Street) are smaller than the units on the rest of the site, with large servicing/yard areas. These units are predominantly used for depot/transport services (e.g. council depot/Excalibur Transport), as well as construction/trade (e.g. Travis Perkins).

Figure 31 List of Occupiers

Occupiers	Business Type
Coinel Building Services	Construction/trade/manufacturing
Gadmon Industries	Construction/trade/manufacturing
PSG Group Ltd	Construction/trade/manufacturing
Travis Perkins Timber & Building Supplies	Construction/trade/manufacturing
Oriental Supermarket	Food & Drink Services/Catering/Events
Haymede Road Studios	Creative industries (Art/Design/Music)
Excabilur	Transport services
McKenzie Clark	Printing/digital services

Perfect Colours	Printing/digital services
Christ Centre	Religious facilities
Gritters Yard	Council-run services

Strengths

- 3.64 The cluster offers a diverse mix of industrial stock, from high quality business units at Glengall Business Centre to older, light industrial units on Bianca Road/Latona Road, and depot sites at Frensham Street. This cluster therefore offers suitable accommodation to a diverse range of sectors. The cluster is also well served by a range of nearby amenities, and has good access and adequate parking. Strong connections to the strategic road network increase the offer and potential of the cluster.
- 3.65 The lack of vacant units at the Glengall Business Centre suggests strong demand for good quality stock, and therefore suggests there could be development/intensification potential in areas of underused/poorer quality stock.

Weaknesses

- 3.66 Outside of the Glengall Business Centre, vacancy rates across the cluster are higher and the building stock is in poorer condition. We note that Savills are currently marketing 90,000 sq ft of light industrial/warehouse floorspace to the west of Bianca Road suitable for immediate occupation or redevelopment. This opportunity has been on the market since February 2012, suggesting appetite for development is not strong, despite the strategic location of the cluster.
- 3.67 The proximity to residential uses may also be detrimental to some land uses, and may have an impact on parking and access to the site.

Summary of Commercial Property Market

Take up

- 3.68 According to CoStar, there have been two deals recorded in the cluster since 2008, both of which took place in 2013. These units are large (over 465 sqm), second hand, general industrial/warehousing units.

- 3.69 The achieved rental value was recorded for one of the transactions at £99.57 on a 15 year lease subject to a five yearly rent review (12 months rent free). Asking rental values are recorded for both properties, and average at £83psm.
- 3.70 The number of transactions in the cluster is low. As noted above, there are some limitations to the CoStar database which relies on support from local agents to complete data records. Some deals may therefore not have been recorded.

Table 10: Industrial Take Up 2008-2014, Old Kent Road

Year	Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£Sqm)	Average No. of Days on Market
2013	2	2,131	1,066	£99.57	Not disclosed

Source: CoStar Focus, GVA, 2014

Availability

- 3.71 Despite the apparent high levels of vacancy in the cluster, there are no leasehold properties being actively marketed according to CoStar.

Conclusions and Recommendations

- 3.72 The strategic location of this site next to the A2 is particularly attractive as an industrial location. The high quality accommodation at the site has no vacancies and is in demand. This indicates there is an opportunity for intensification and redevelopment of some of the poorer quality areas to match the rest of the site.
- 3.73 The proximity of residential land uses and other land uses could act as a barrier to this redevelopment. The poorer B-class provision could be in danger of encroachment from retail or residential land uses.

Cluster 5: Lovegrove St Estate and Part Cluster 6: Verney Road

Site Photographs



Figure 23 Six Bridges



Figure 24 Lovegrove Street



Figure 25 Newton House, Verney Road



Figure 26 Verney Road

Site Description

- 3.74 This cluster comprises the Lovegrove Street Estate and Six Bridges Trading Estate), which forms part of Cluster 5 in the ELR (2010) and Verney Road, which forms part of Cluster 6. The two estates are functionally linked as they share access to and from the Old Kent Road. Both clusters form part of the Old Kent Road strategic PIL.

Figure 32 Map of Lovegrove St/Verney Road



- 3.75 Lovegrove Street Estate, Six Bridges Trading Estate and Verney Road lie on the northern side of Old Kent Road. The site covers 8ha and is located centrally in the borough. The occupiers are largely locally based, and from a range of sectors including construction/trade/manufacturing and courier/distribution/supply services. In addition to mainly B-class uses some trade counters (e.g. Plumbcentre), corresponding to A-class use, are located in the area.
- 3.76 The stock in this cluster largely consists of 1970/80s commercial stock however the quality varies significantly across the employment site. The Six Bridges Trading Estate, located in the west of the cluster, comprises of good quality workshops, storage and distribution facilities and ancillary offices constructed in the 1980s. Access and parking is good, and vacancy rates are low.
- 3.77 To the west of the Six Bridges Trading Estate are a collection of properties fronting St James Road. These buildings are more mixed in quality and age, with a number of vacant and underused units. The low demand for the units in their current condition, as well as space for expansion/intensification suggests there is opportunity for redevelopment here.

- 3.78 The stock fronting Verney Road comprises of poor quality storage/warehousing units, predominantly dating from the 1960s/70s, with some older brick-built units also present. Some units appear to be vacant; however there are signs of reinvestment in some of the buildings.
- 3.79 Residential and some retail uses are found within the area, in addition to two primary schools that serve the local area. Planning permission has been granted for further education facilities in the area. There is an ASDA supermarket and a retail park within close proximity, providing a range of amenities.

Table 11: Cluster Occupiers

Occupiers	Business Type
John Newton & Co Ltd.	Construction/trade/manufacturing
P Wilkinson Containers Ltd.	Construction/trade/manufacturing
William Say & Co. Ltd	Construction/trade/manufacturing
Wolsely Plumb and Parts Center	Construction/trade/manufacturing
Red Circle Engineering	Garage/Engineering Services
Tower Bridge Diesels	Garage/engineering services
PJ Godfrey Transport	Courier/Distribution/Supply Services
GF Smith Ltd	Courier/Distribution/Supply Services
Nelson Shipping	Courier/Distribution/Supply Services
Seko	Courier/Distribution/Supply Services
Place Settings (London) Ltd.	Food & Drink Services/Catering/Events
Simon Millington Associates	Creative industries (Art/Design/Music)
Souvenir Studios Ltd	Creative industries (Art/Design/Music)
British Museum Company Ltd.	Storage facilities
Jayhawk Limited	Storage facilities
Altodigital	Printing/digital services
SPM Intelligent Print	Printing/digital services
Cibenze Services plc	Commercial cleaning services
Wettons Cleaning Services Limited	Commercial cleaning services
Southwark College (The Southern Learning Group)	Council-run services
Thamesmead Business Service Limited	Other

Strengths

- 3.80 The site is within easy access of the A2 on the strategic road network allowing easy access to central London or out of London towards Kent. Good connections to central London are available via road and public transport in this location.
- 3.81 In terms of access and parking, the area is adequate for car use with good parking on site. Marlborough Grove has traffic calming measures where the school is located, making the environment safer given its variety of B-class, residential and community uses. The stock provided at the Six Bridges Trading Estate is good quality, and low vacancy rates suggest it is functioning well as a commercial location.
- 3.82 The area provides some larger scale stock which is not available in many locations. There is also evidence of reinvestment in stock, particularly at Verney Road, suggesting it is an area that is meeting business needs.

Weaknesses

- 3.83 The quality of the stock varies significantly, with clusters of poor quality, dilapidated building fronting St James Road and Verney Road. The number of vacant buildings in these locations suggests these quality issues undermine the strengths of the site for occupiers. Reinvestment in the stock is likely to be needed to increase the attractiveness of the cluster for occupiers. There is also an opportunity to increase density in these two areas, as plot ratios are currently low.
- 3.84 More specific issues include restricted access to Verney Road and Marlborough Grove due to on-street parking, and poor internal circulation.

Summary of Commercial Property Market

Take up

- 3.85 The market in this cluster has been active compared to other industrial locations, with 15 deals completed since 2008. Activity levels have remained relatively stable across the period; excluding a dip in activity in 2009 when no deals were recorded.
- 3.86 Just under 50% of all transactions involved units in the size bracket 465 sqm to 1,850 (medium – large units), with only unit over 1,850 sqm leased over the period. This unit was on the market for just under three years, suggesting demand for large units is low. In contrast small units (<185 sqm) were on the market for just 67 days on average.

- 3.87 The table below shows a significant increase in the average achieved rental value over the last 6 years. A similar patterns is observed in asking rental values, which increase from £97psm to £125psm over the period. The records suggest a number of refurbished units at the Six Bridges Trading Estate were released onto the market in 2011/2012 which achieved significantly higher rental values than second hand units in the cluster.

Table 12: Industrial Take Up, 2008-2014, Verney Road/Six Bridges

Year	Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£psm)	Average No. of Days on Market
2008	4	1,571	393	£89	220
2010	5	2,028	406	£57	301
2011	3	1,445	482	£124	436
2012	3	4,434	1,478	£117	436
Grand Total	15	9,478	632	£101	341

Source: CoStar Focus, GVA, 2014

Table 13: Industrial Take Up, 2008-2014, Lovegrove St/Verney Road/Six Bridges

Unit Size	Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£psm)	Average No. of Days on Market
<185	2	240	120	£116	67
185-465	6	1,893	316	£57	264
465-1850	6	3,918	653	£97	417
1850+	1	3,427	3,427	£129	981
Total	15	9,478	632	£101	341

Source: CoStar Focus, GVA, 2014

Availability

- 3.88 Despite the high number of vacant/underused units observed during the site visits, there are currently only two units being actively market at the cluster. Both of these units are second hand warehousing units located at Marchant Trading Estate, Verney Road.

Table 14: Industrial Availability 2008-2014, Lovegrove St/Verney Road/Six Bridges

Total Units	Total Floorspace (Sqm)	Average Floorspace (sqm)	Average Rent (£psm)	Days on Market	Grade
2	1,096	548	£132	215	Second Hand

Source: CoStar Focus, GVA, 2014

Conclusions and Recommendations

- 3.89 There is significant variation in terms of both quality of stock and consequence strength of employment locations across this cluster. The Marlborough Grove site has modern, high quality stock, and low vacancy rates, whereas the stock at St James Road and part of Verney road tends to comprise of larger, un-modernised, poorer quality units which are failing to attract occupiers.
- 3.90 This is supported by the property market review which suggests demand for larger units is lower. We therefore suggest that vacant/underused buildings in the St James Road/Verney Road part of the cluster may require refurbishment or redevelopment to be reoccupied. There is also opportunity for some intensification in these areas, as sites are underused with significant parking/yard space surrounding the units.

Cluster 6: Sandgate Trading Estate, Gasworks and Devon Street

Site Photographs



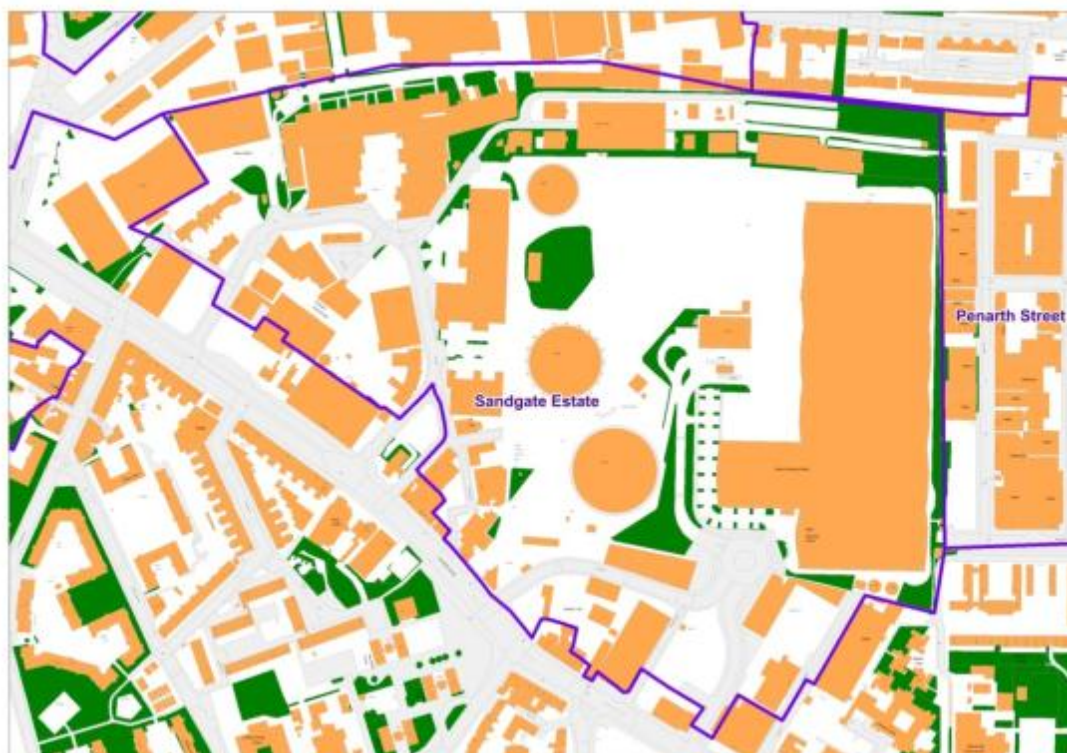
Figure 33 Sandgate Trading Estate

Figure 34 Sandgate Trading Estate

Site Description

- 3.91 The cluster comprises of the Sandgate Trading Estate-Gas Works and Devon Street area which form part of Cluster 6 in the ELR. Verney Road which also forms part of the Cluster in the ELR is considered above as part of Cluster 5.

Figure 35 Map of Sandgate Trading Estate



- 3.92 The Sandgate Estate-Gasworks-Devon Street employment area lies centrally within the borough, to the North of the A2 Old Kent Road. The cluster is the largest within Southwark and is a well-established commercial area of around 20ha providing a mix of uses and quality.
- 3.93 The cluster includes a wide variety of activities with no particular sector dominating. Sectors range from construction/trade/manufacturing to Southwark recycling facilities. The site also hosts a charity headquarters and a number of non-B-class uses such as a nightclub and hot food establishments.
- 3.94 Some of the major occupiers on the site are Southwark Council services, Hertz car hire and Action for Blind People. The cluster has also seen religious groups locate in vacant units. As well as some on-site amenities, the surrounding area includes a range of retail uses from small convenience shops to larger stores e.g. Toys R Us.

- 3.95 The building stock is composed of developments from the mid-20th century to latter half of the century.

Table 15 List of Occupiers

Occupiers	Business Type
Murphy	Construction/trade/manufacturing
H&F Babcock Ltd	Construction/trade/manufacturing
Hertz	Garage/Engineering Services
Madhouse tyres	Garage/engineering services
R.J. Motors Ltd.	Garage/engineering services
Redcoat Express	Courier/Distribution/Supply Services
KFC	Food & Drink Services/Catering/Events
Seafoods Holdings Ltd.	Food & Drink Services/Catering/Events
Gourmet Express (Café)	Food & Drink Services/Catering/Events
Speedicars Coaches	Transport Services
Safe Store	Storage Facilities
World Harvest Christian Centre	Religious facilities
Grace Outreach	Religious facilities
Southwark Reuse and Recycling Centre (RRC)	Council-run services
Southwark Council Cleaning Services	Council-run services
LBS	Council-run services
Southwark Metals	Recycling services
The Prince of Wales	Recreational facilities
Mystique Night Club	Recreational facilities
Action for Blind People	Charity organisations
Edmundson Electrical	Other
Orbis Property Protection Ltd.	Other
Elephant Jobs Ltd.	Other

Strengths

- 3.96 Generally the site is well maintained and the built stock is suitable for use in its current form. Stock closest to the Old Kent Road tends to be weaker due to inefficient use of space and lower quality units.

Weaknesses

- 3.97 The quality of the environment is relatively mixed on site with some roads in adequate condition whilst others, such as the Murdoch Road area, are in poor condition.

Neighbouring uses include retail and residential areas. Some activities on site may conflict with these neighbouring uses such as noise pollution from heavy works and smell pollution from the waste plant.

- 3.98 The number of vacant units in the area is high however many vacant units are of a good standard. This level of vacant units has seen an encroachment of religious facilities moving into the area, particularly into poorer quality stock close to the Old Kent Road.
- 3.99 There is no apparently obvious reason for the high level of vacancy, although the majority is located in one 'block' of units to the east of Ruby Street, suggesting this may be a result of a single occupier relocation or a major lease event.
- 3.100 Whilst access and internal circulation appears to be adequate in most places, some places may be more difficult especially for HGVs. In terms of parking, the number of vacant units makes it difficult to determine the adequacy of parking facilities and the overall effects of on-street parking on circulation and capacity.

Summary of Commercial Property Market

Take up

- 3.101 There have been three transactions recorded on the CoStar database since 2008, all of which took place in 2012 and 2013. All three units were second hand warehousing units, and achieved an average rental value of £107psm.
- 3.102 The units remained on the market for 141 days which is significantly below the average for the borough, suggesting demand for industrial floorspace is high in this location.

Table 16: Industrial Take Up 2008-2014, Cluster 6

Year	Total Units	Total Floorspace (Sqm)	Average Floorspace (sqm)	Average Rent (£psm)	Average No. of Days on Market
2012	1	2,200	2,200	£97	97
2013	2	848	424	£112	163
Total	3	3,048	1,016	£107	141

Source: CoStar Focus, GVA, 2014

Availability

- 3.103 There are no units currently available according to the CoStar database. Given the level of observed vacancies this is unexpected, and suggests the vacant units are

either not being actively marketed, or are being advertised through alternative methods.

Conclusions and Recommendations

- 3.104 This cluster shows a mixed level of adequacy. The stock is generally of a good quality, and the cluster benefits from good links to the strategic road network. However part of the cluster, particularly towards the Old Kent Road, would benefit from investment in the existing stock and intensification of some sites to increase density of units. This would improve the attractiveness of the area to commercial occupiers.

Cluster 7: Ilderton Road

Site Photographs



Figure 29 Canterbury Estate



Figure 30 Ilderton Road



Figure 31 The Penarth Centre



Figure 32 Hatcham Road

Site Description

- 3.105 Penarth Street employment area lies centrally within the borough, to the North of the A2 Old Kent Road. The cluster is one of the largest within Southwark and is an established commercial area of around 11.6ha with residential areas nearby. The cluster forms part of the Old Kent Road PIL.
- 3.106 Ilderton Road runs through the cluster in a north-south direction, from the Canterbury Estate in the south, to a 2 acre commercial vehicle dealership occupied by R J Joyner & Son in the north. The stock varies in quality but predominately comprises of older stock (pre-war-1970s) in poor or very poor condition. This is reflected in the high levels of vacancy or underutilisation observed. Some better quality stock is available within

the area both along Ormside Road and within the Canterbury Estate. The site accommodates a high level of non-employment uses, particularly places of worship.

3.107 The cluster includes a wide variety of sectors with the construction/trade/manufacturing sector the most represented. Other sectors include garage/engineering services, courier/distribution, storage, creative industries and commercial cleaning services. Existing occupiers are mainly of local or regional significance.

Figure 36 Map of Penarth St



3.108 Some of the major occupiers on the site are Diespeker & Co. (construction/trade/manufacturing), James Glancy Design Ltd and Henfield Self Storage. The cluster has also seen religious groups locate in vacant units.

Table 17: Ilderton Road Occupiers

Occupiers	Business Type
Vastate Modern Kitchen Ltd.	Construction/trade/manufacturing
Nemo Productions Ltd.	Construction/trade/manufacturing
A V Baker and Sons Ltd.	Construction/trade/manufacturing
Industrial Plastics Ltd	Construction/trade/manufacturing
Purpose Powder Coatings Ltd.	Construction/trade/manufacturing
Parts Center	Construction/trade/manufacturing
Diespeker & Co.	Construction/trade/manufacturing
Burner and Boiler Spares Ltd.	Garage/engineering services
Anyware Hire Services Ltd.	Garage/Engineering Services
C W Autos	Garage/engineering services
CBK Electrical Supplies Ltd.	Courier/Distribution/Supply Services
Royale Research Ltd	Courier/Distribution/Supply Services
Kumasi Market	Food & Drink Services/Catering/Events
Redsun Chinese Supplies Ltd.	Food & Drink Services/Catering/Events
James Glancy Design Ltd.	Creative industries (Art/Design/Music)
Flux Metal Ltd.	Creative industries (Art/Design/Music)
Stable Taxi Garages Ltd	Transport services
Henfield Self Storage	Storage facilities
Tocron Printing	Printing/digital services
Ductclean (UK) Ltd.	Commercial cleaning services
Christ High Commission International Ministries	Religious facilities
Recovery Chapel International	Religious facilities
Life Changing International Ministries	Religious facilities
Leathams	Religious facilities
Newstart Training Ltd.	Other
Vista Landscaping	Other
MMG Ltd	Other
Belmay Knowledge School	Other

Strengths

- 3.109 The proximity to the strategic road network (A2 Old Kent Road) is the major strength of the cluster and provides good links to other clusters of industrial activity and to the strategic road network.
- 3.110 Whilst much of the built stock is of particularly poor quality there are some clusters of buildings that of a higher standard and clearly serve their occupiers requirements, however these tend to be 'lost' amongst the wider stock.

Weaknesses

- 3.111 The quality of the environment is particularly poor in the area with tight internal streets made worse through high levels of on-street parking, and by the occupiers of the garages/car servicing units using the street for additional storage/parking. This makes parking and internal circulation particularly problematic and inadequate for most needs.
- 3.112 Access into the site is difficult as a result of the busy Ilderton Road. For HGVs this would be particularly difficult. General circulation around the site is challenging for anything larger than a van. These conditions are inadequate for most B-class activities.
- 3.113 The quality of the built stock is particularly poor and a number of non B-class uses (religious facilities) have been introduced to the site to utilise this vacant stock and reduce the cost burden on owners. The high concentration of these uses suggests that stock is not likely to meet any B class user requirements

Summary of Commercial Property Market

Take up

- 3.114 There have been high levels of activity across the cluster since 2008, with 28 deals recorded over the period to 2014. Activity levels have dropped since a peak of 9 deals in 2008, to just 1 deal in 2013. The average unit size transacted is small compared to other industrial estates in Southwark, at just 268 sqm. The largest unit leased during the period measured just 1,858 sqm (general industrial unit, Record Street, leased in 2011), whilst the smallest measured 46 sqm (factory unit, Penarth Street, leased in 2013).
- 3.115 The average achieved rental value over the period is £94psm, decreased from £111 psm in 2008 to just £25psm in 2013. All units transacted were second hand general industrial, warehousing or light industrial units.

Table 18: Industrial Take Up 2008-2014, Ilderton Road

Year	Total Units	Total Floorspace (Sqm)	Average Floorspace(Sqm)	Average Rent (£psm)	Average No of Days on Market
2008	9	2,425	269	£111	319
2009	8	1,581	198	£90	166
2010	3	459	153	-	309
2011	4	2,352	588	£81	377
2012	3	648	216	£81	394
2013	1	46	46	£25	23
Total	28	7,511	268	£94	273

Source: CoStar Focus, GVA, 2014

- 3.116 The analysis by size shows that 26 out of 28 deals involved smaller units (less than 465 sqm), with only one large unit (over 1,850 sqm) leased over the period. The market evidence suggests stronger demand for smaller units, which achieve higher rents and remain on the market for less time.

Table 19: Industrial Take Up by Unit Size 2008-2014, Ilderton Road

Unit Size	Total Deals	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£psm)	Average No. of Days on Market
<185 sqm	12	1,156	96	£105	236
185 - 465 sqm	14	4,005	286	£90	288
465 - 1,849 sqm	1	492	492	£97	324
1,850 sqm +	1	1,858	1,858	£81	441
Total	28	7,511	268	£94	273

Source: CoStar Focus, GVA, 2014

Availability

- 3.117 According to the CoStar database there are five units currently available, all of which are second hand light industrial/warehousing units. Four of the five units are small/medium sized (less than 465 sqm); the two smallest (58sqm and 85sqm) are located in the Canterbury Industrial Park and have been on the market since 2009.

Table 20: Industrial Availability 2008-2014, Ilderton Road

Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£Sqm)	Average No. Days on Market	Grade
5	2,539	507.8	£105	964	Second hand

Source: CoStar Focus, GVA, 2014

Conclusions and Recommendations

- 3.118 Conditions at the site are currently having a significant negative impact on demand for space in the area. It is recommended that redevelopment for more modern space should be supported in order to attract more B-class occupiers. Some recent B-class development is evident (Diespeker on Ormside Street) which suggests that if stock can be delivered there is demand.

Cluster 8: Raymouth Road Railway Arches

Site Description

Figure 37 Map of Raymouth Road Railway Arches



- 3.119 The Raymouth Road Railway Arches lie on the eastern side of the rail line near to South Bermondsey station in the north of the borough. The cluster is a small estate of 0.8ha in an established commercial area with residential nearby. The cluster includes a number of sectors ranging from construction/trade/manufacturing to garage/engineering services.

- 3.120 Some of the major occupiers on the site are Hopfields Auto Repairs, The Olive Oil Company and SGG Glass & Glazing Ltd. The occupiers are mainly of local significance, serving the local area. A breakdown of occupiers is included alongside the rest of Cluster 8 in the next profile.

- 3.121 There are no on-site amenities and the neighbouring area has limited services in close proximity.

- 3.122 The building stock is composed of developments from the latter half of the 20th century and a number of units have been refurbished in more recent times to a good standard. Some of the stock that has not undergone recent refurbishment is of a much lesser quality.

Site Photographs



Figure 38 Raymouth Road Railway Arches



Figure 34 Raymouth Road Railway Arches



Figure 39 Raymouth Road Railway Arches



Figure 36 Raymouth Road Railway Arches

Strengths

- 3.123 The quality of the environment is generally high for the current users of the site. Roads tend to be wider than in surrounding areas and access for both cars and HGVs is adequate. The only exception to this would be access to the units themselves, where HGVs would perhaps struggle. Road side loading is available at the site.
- 3.124 The site provides some good quality accommodation able to cater for modern needs. Vacancy rates are low and there appears to be demand for good quality space in the area.

Weaknesses

- 3.125 Noise pollution from the railway is evident however for the current users of the site it is not anticipated that this should act as a barrier to activity. The car repair sector appears to take up a lot of the potential parking space through storage of vehicles around the site and parking is limited in places. Based on the current use, parking appears to be adequate however additional activity could become problematic in this sense.

Summary of Commercial Property Market

- 3.126 There have been no deals recorded in the cluster since 2008, and there is just one unit currently available according to CoStar, which has been on the market for 686 days.

Table 21: Industrial Availability 2008-2014, Ilderton Road

Total Units	Unit Size (Sqm)	Asking Rent (£psm)	No. of Days on Market	Grade
1	200	£98	686	Second hand

Source: CoStar Focus, GVA, 2014

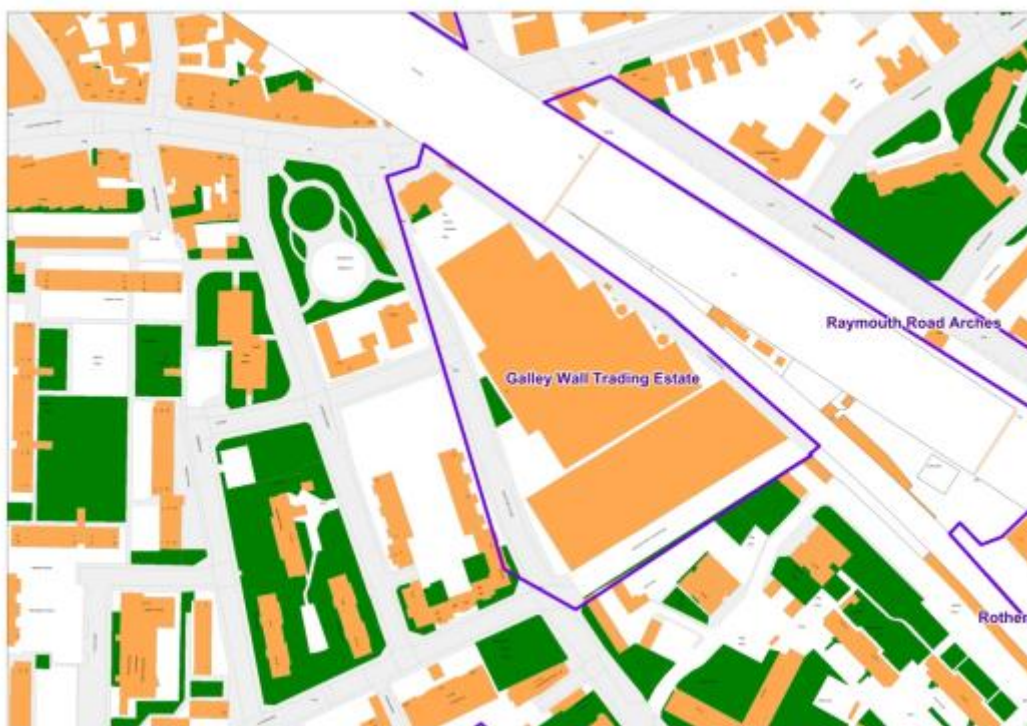
Conclusions and Recommendations

- 3.127 This cluster of railway arches appears to be well used and of high quality. What is evident is that the storage of vehicles due to the nature of car repair units can cause some congestion and better management of the site in this regard could be beneficial for the future sustainability of the site.

3.128 It is recommended that the site is retained and maintained to a high standard. Occupier mix should be managed to ensure that car repair units are kept at a reasonable level to ensure that the negative effects of such sectors does not dominate the cluster and weaken the quality of the provided B-class space.

Cluster 8: Bermondsey and Galleywall Trading Estates

Site Description





- 3.129 The Galleywall Trading Estate (1.9ha), Rotherhithe Business Estate (0.5ha) and Bermondsey Trading Estate (3.2ha) are located at South East Bermondsey, in the north of the borough. The cluster is within an established commercial area with residential nearby.
- 3.130 A mix of uses is accommodated, including non-B class, with most businesses having a regional significance. No particular sector dominates the cluster; construction/trade/manufacturing, garage/engineering services, food & drink services/catering/events and more creative industries all present. There are a number of trade counters within the cluster that account for up to 50% of the occupiers.
- 3.131 Some of the major occupiers on the site are the London ambulance Service (Bermondsey Trading Estate), Pilkington Glass (Bermondsey Trading Estate), Penbra Wyatts Fisheries (Rotherhithe Business Estate) and Jones Yarrell Leadenhall (Bermondsey Trading Estate). The Galleywall Trading Estate is a smaller site with non-B class uses such as religious groups occupying the space. There are no on site and no services within close proximity.
- 3.132 The building stock is composed of developments from the 1970s-80s of a generally good quality.

Table 22 - Cluster 8 Occupiers

Business	Category
SGG Glass & Glazing Ltd.	Construction/trade/manufacturing
Scott's Glass	Construction/trade/manufacturing
LaserCut Works	Construction/trade/manufacturing
Speedy Hire	Construction/trade/manufacturing
Sensornet	Construction/trade/manufacturing
F.E.E.T	Construction/trade/manufacturing
City Electrical Factors	Construction/trade/manufacturing
Screwfix	Construction/trade/manufacturing
Toolstation	Construction/trade/manufacturing
Howdens Joinery	Construction/trade/manufacturing
Pilkington Glass	Construction/trade/manufacturing
Hopfields Auto Repairs	Garage/engineering services
Northwood Taxi Parts Ltd.	Garage/engineering services
Bellissimoto Car Detailing Studio	Garage/engineering services
Blue Anchor Garage	Garage/engineering services
Alwick Engineering Limited	Garage/engineering services
Complete Tyre Service	Garage/engineering services
Trescher Fabrication	Garage/engineering services
Fedex World Service Centre	Courier/Distribution/Supply Services
Blue Apron Transport	Courier/Distribution/Supply Services
Transexpress/ APC	Courier/Distribution/Supply Services
The Olive Oil Co.	Food & Drink Services/Catering/Events
Penbra Wyatts Fisheries	Food & Drink Services/Catering/Events
Balloons of London Limited	Food & Drink Services/Catering/Events
Seymour Valentine	Food & Drink Services/Catering/Events
Smart Hospitality	Food & Drink Services/Catering/Events
Inner Sanctum	Food & Drink Services/Catering/Events
Benugo	Food & Drink Services/Catering/Events
Simply Sausages	Food & Drink Services/Catering/Events
Direct Seafood	Food & Drink Services/Catering/Events
Arctic Ice Ltd.	Food & Drink Services/Catering/Events
Event Concept	Food & Drink Services/Catering/Events
Durrant Wapshott	Creative industries (Art/Design/Music)
Rogue Studios	Creative industries (Art/Design/Music)
Veevers Carter	Creative industries (Art/Design/Music)
Jones Yarrell Leadenhall (JYL)	Strategic services (London-wide)

London Ambulance Service	Strategic Services (London-wide)
RGS - Robert Guy Services Ltd.	Storage facilities
Bloomsbury Auctions	Storage facilities
Mayday Print Finishers	Printing/digital services
Newgate Concise	Printing/digital services
Jig Saw Colour Ltd.	Printing/digital services
PUSH	Printing/digital services
TTG	Printing/digital services
World Mission Agency	Religious facilities
Winner's Chapel	Religious Facilities
The Church Of England Record Centre	Religious Facilities
Sleep Solutions	Retail services
Carpetright Plc	Retail services
E W Marshall Ltd.	Other
Home Furniture Solutions	Other
Heron Property Services Limited	Other
ANA Aviation Services	Other
1666 FIRE Limited	Other
Setline Data	Other
Transure Ltd.	Other
Barefoot Ltd.	Unknown

Site Photographs



Figure 40 Rotherhithe Business Estate



Figure 41 Bermondsey Trading Estate



Figure 42 Bermondsey Ambulance Station



Figure 43 Galleywall Trading Estate

Strengths

- 3.133 The quality of the environment for the current use on site is good. Access for cars and HGV is adequate with enough room for manoeuvring around the site. Parking, despite being busy in places, is adequate. The railway arches located at Rotherhithe Business estate are good quality, and adequately meet the needs of the current occupiers.

Weaknesses

- 3.134 In terms of weaknesses the eastern part of the cluster experiences some parking issues. Busy roads also make the site less accessible. In addition to this there are a number of vacant units across the site; with particularly high vacancy levels observed at the eastern end of the Bermondsey Trading Estate.

Summary of Commercial Property Market

Take up

- 3.135 There have been 12 transactions recorded in the cluster since 2008, with three clear peaks in activity in 2008, 2011 and 2013, accounting for over 66% of all transactions. The largest annual quantum of floorspace leased was recorded in 2011, accounting for 40% of the total floorspace transacted over the entire period, and 3,018 sqm transacted in a single deal. The average achieved rent in the cluster over the period is £106psm, fluctuating from £97 psm in 2011 to £116 psm in 2012.

Table 23: Table 17: Industrial Take Up 2008-2014, Galleywall Trading Estate/Bermondsey Trading Estate/Rotherhithe

Unit Size	Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£psm)	Average No. of Days on Market
2008	3	2,115	705	£104	302
2009	1	455	455	£113	445
2010	1	389	389	-	795
2011	3	4,079	1,360	£97	305
2012	1	455	455	£116	106
2013	2	1,392	696	£104	381
2014	1	1,367	1,367	-	-
Grand Total	12	10252	854	£106	354

Source: CoStar Focus, GVA, 2014

- 3.136 Activity in the cluster is dominated by medium sized units (185 - 1,849 sqm), which account for 85% of the total take up by number of deals, and 70% by quantum of floorspace. In terms of demand, the data suggests that units in medium size band (466-1,850 sqm) are consistently on them market for the shortest length of time, whilst smaller units (185 sqm to 465 sqm) take 50% longer to become occupied.

Table 24: Industrial Take Up by size 2008-2014, Galleywall Trading Estate/Bermondsey Trading Estate/Rotherhithe

Unit Size	Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£psm)	Average No. of Days on Market
<185 sqm	1	128	128	n/a	125
185 - 465 sqm	5	2,225	445	£109	390
466 - 1,850sqm	5	4,881	976	£104	256
1,850 sqm +	1	3,018	3,018	£97	706
Total	12	10,252	854	£106	355

Source: CoStar Focus, GVA, 2014

Availability

- 3.137 There is currently 4,475 sqm of available industrial floorspace within five units in the cluster according to CoStar. Over 50% of the floorspace by quantum is available in a single unit (2,500 sqm) which has been on the market for 291 days.

Table 25: Industrial Take Up by size 2008-2014, Galleywall Trading Estate/Bermondsey Trading Estate/Rotherhithe

Total Units	Total Floorspace (Sqm)	Average Floorspace (sqm)	Average Rent (£psm)	Average No. of Days on Market	Grade
5	4,475	895	£114	750	Second hand

Source: CoStar Focus, GVA, 2014

Conclusions and Recommendations

- 3.138 This cluster shows a mixed level of adequacy. Parts of the site are regarded as adequate enough for large scale B-class activity whilst other parts lie vacant and underutilised. With no particular layout issues, supporting the cluster through road surface and public realm improvements may make the area more attractive to occupiers.

Cluster 9: Tower Bridge Business Square and Discovery Trading Centre – The Biscuit Factory

Site Photographs



Figure 44 The Biscuit Factory



Figure 45 The Biscuit Factory

Site Description



3.139 The Tower Bridge Business complex, also known as the Biscuit Factory, is an established commercial area located in the north east of the borough. The site comprises of a

Victorian factory converted into flexible space for SMES, and post-war industrial sheds to the north. Since refurbishment, the factory building has developed as a 'creative and entertainment' cluster, attracting occupiers such as 'I Heart Studios', 'Bunnyscream Films', and 'London Calling Arts Ltd'. The occupiers are mixed in terms of their reach, with both local and international businesses leasing space. The post-war sheds however, struggle to attract occupiers, and are therefore underused and in poorer condition.

- 3.140 The entire site is subject to a masterplan; permission was granted in 2012 for a residential-led, mixed use scheme which will provide 800 residential units and up to 33,940 sqm of commercial floorspace including retained floorspace in the factory buildings.
- 3.141 The site is well-provided with on-site amenities, including a gym, restaurant and gallery; however there is a dearth of facilities in the neighbouring area. The main factory building is well-maintained, offering tenants a high quality environment; however there is some poorer quality former warehousing stock on part of the site which is more difficult to let.

Table 26: Occupiers

Business	Category
The Victory Plumbing and Heating Ltd.	Construction/trade/manufacturing
Fast Trak Couriers	Courier/Distribution/Supply Services
Maroons Shipping	Courier/Distribution/Supply Services
Dynamic Bars	Food & Drink Services/Catering/Events
XLNT Buffets	Food & Drink Services/Catering/Events
A Suit That Fits	Creative industries (Art/Design/Music)
Art Press Publishing Ltd.	Creative industries (Art/Design/Music)
Bunnyscream Films	Creative industries (Art/Design/Music)
Enypictures Media	Creative industries (Art/Design/Music)
I Heart Studios	Creative industries (Art/Design/Music)
London Calling Arts Ltd.	Creative industries (Art/Design/Music)
Lumacoustics Ltd.	Creative industries (Art/Design/Music)

Business	Category
Printall Studios/ London Screen Service	Creative industries (Art/Design/Music)
PRM London	Creative industries (Art/Design/Music)
Sarah Harvey Publicity	Creative industries (Art/Design/Music)
Say Fromage Limited	Creative industries (Art/Design/Music)
Stitchthat TV	Creative industries (Art/Design/Music)
Studi Photo Gallery	Creative industries (Art/Design/Music)
The Animal Farm	Creative industries (Art/Design/Music)
The Vibe Gallery	Creative industries (Art/Design/Music)
Tinderflint	Creative industries (Art/Design/Music)
Unsigned United	Creative industries (Art/Design/Music)
V22 London	Creative industries (Art/Design/Music)
Williams Bulldog Management	Creative industries (Art/Design/Music)
Southwark News	Publishing
Weekender - South of the River	Publishing
Atticmedia Ltd.	Printing/digital services
Engage Production	Printing/digital services
Finer Vision	Printing/digital services
Teamsport Indoor Karting	Recreational facilities
Hestia Housing & Support	Charity organisations
Alex and Alexa	Other
B&G International Market Research	Other
Berkeley Accountants	Other
Computer Troubleshooters	Other
Cycle Training UK	Other
Forge Dynamic Ltd.	Other
JobSORT	Other
KNK Group	Other

Business	Category
London EBS	Other
Pharma Publications	Other
PPI Business Communications	Other
Sampson Associates	Other
The Bridge Café	Other
Flathead	Unknown
Paper Cavalier	Unknown
Parkville Pictures	Unknown
RALA	Unknown
Van Henderson	Unknown
Working With Men	Unknown

Strengths

- 3.142 The quality of the environment for the current use on site is good, with sufficient access for cars and adequate parking. The redevelopment of the Biscuit Factory site to provide residential and additional commercial floorspace is likely to secure the future of the site as a creative hub for SMEs.

Weaknesses

- 3.143 In terms of weaknesses, part of the site suffers from noise pollution from the adjacent railway line. There are also some vacant buildings on the site, including railway arches that could be brought back into use.

Summary of Commercial Property Market

Take up

- 3.144 Market activity as recorded on CoStar is limited for the cluster. There has been one transaction since 2008, for a 1,052 sqm second hand warehousing unit which was on the market for 2.2 years before a tenant was found.

Table 27: Industrial Take Up, 2008-2014, The Biscuit Factory

Year	Total Units	Total Floorspace (Sqm)	Average Rent (£Sqm)	Average No. of Days on Market
2009	1	1,052	Not disclosed	787

Source: CoStar Focus, GVA, 2014

Availability

- 3.145 Despite the number of vacant units observed during the site visits, there are no units being actively marketed in the cluster.

Conclusions and Recommendations

- 3.146 This is a successful creative cluster in the borough, which offers low cost and flexible space for media, art and other occupiers. When taken into consideration with the planning permission for a residential-led mixed use development, the site is likely to continue as a 'creative' cluster in LB Southwark. There is however, a risk that as the site is redeveloped, rental value increase will exclude some of the creative businesses attracted to the area, having been priced out of East London.
- 3.147 Generally the stock is of a good standard, with good strategic links to London. Vacant units could be more attractive to occupiers through wider improvements to the environment.

Cluster 9: Clements Road Arches

Site Photographs



Figure 42 Clements Road Railway Arches



Figure 42 Clements Road Railway Arches

Site Description

Figure 46 Map of Clements Road Railway Arches



3.148 Clements Road railway arches, otherwise known as Discovery Business Park, are located in the north east of the borough, close to the A200 and Bermondsey Underground Station. The cluster is within an established commercial area with residential nearby, and is used for a mix of uses, including food production, distribution

and storage (warehouse), serving largely a local market. Occupiers on the site include Evergreen Flowers, Tower Pizza, Kappacasein Dairy and Dynamic Vines Ltd.

- 3.149 The stock consists of large Victorian railway arches, recently refurbished and generally of good quality.

Table 28: Clusters Occupiers

Business	Category
S C Hall & Son	Construction/trade/manufacturing
Robert Claire Travel and Freight	Courier/Distribution/Supply Services
Smartvan	Courier/Distribution/Supply Services
Kappacasein Dairy	Food & Drink Services/Catering/Events
Inn or Out	Food & Drink Services/Catering/Events
Natoora	Food & Drink Services/Catering/Events
Sulqui Ltd.	Food & Drink Services/Catering/Events
The Ice Cream Union	Food & Drink Services/Catering/Events
Dynamic Vines Ltd.	Food & Drink Services/Catering/Events
Tower Pizza	Food & Drink Services/Catering/Events
Network Rail	Strategic Services (London-wide)
Brady Mailings	Storage facilities
The St James Tavern	Recreational facilities

Strengths

- 3.150 The quality of the environment for the current use on site is good, with ample parking and a large yard area which provides sufficient space for internal manoeuvring. There is evidence of clustering of 'food production' uses on the site, which supports the case that LB Southwark's industrial stock plays an important role in 'servicing' the wider city, as these uses are priced out of more central areas.

Weaknesses

- 3.151 In terms of weaknesses of the site, access for cars and HGVs is tight in places. The presence of 4 vacant units, which could be let in their current form, suggests there may be low demand. There is also vacant land with some potential for expansion or intensification of industrial uses on the site.

Summary of Commercial Property Market

- 3.152 There have been no transactions recorded in the cluster since 2008 and there are no units currently available, despite four vacant units observed. These units may be being advertised through alternative means, or may be not being actively marketed.

Conclusions and Recommendations

- 3.153 This cluster provides good quality industrial stock in refurbished railway arches. The site appears to be well-used despite some vacancy, and should remain in its current use. Improvements could be made to access for both cars and HGVs, however the site is generally adequate for purpose and well positioned on the strategic road network for distribution to central London. There is some potential for expansion or intensification of commercial uses on the vacant land, if there is demand from occupiers.

Cluster 10: Quebec Way Industrial Estate and Canada Street

Site Photographs



Figure 47 Quebec Way



Figure 48 Quebec Way

Site Description



3.154 Quebec Way Industrial Estate is located in Rotherhithe, in the north east of the borough. The cluster is within an established commercial area with residential nearby. Access is provided off the B205/Redriff Road which links to the A200 c.0.5 miles to the

south of the cluster, and the A101/Rotherhithe Tunnel 0.6 miles to the east. Canada Water Underground Station is located 250m from the cluster.

- 3.155 The cluster is effectively now defunct with majority of the area vacated to enable the delivery of the major residential led regeneration of the area. The cluster formed part of the “area for intensification” within the London Plan and is proposed as a new “Opportunity Area” within the recently published Further Alterations to the London Plan (February 2014).
- 3.156 Delivery of the Opportunity Area vision will see some 3,300 homes and 2,000 jobs delivered within the wider area. The key Harmsworth Quay site (vacated by the Daily Mail) is subject to a mixed use redevelopment proposal which could see the delivery of a new campus for King’s College University.
- 3.157 The sole remaining ‘active’ industrial use at 24-28 Quebec Way has been allocated for residential-led redevelopment within the Canada Water AAP. This will remove all industrial activity from the cluster, as such it should no longer be considered as an industrial location.

Cluster 11: Camberwell Road Bus Garage and Adjacent Businesses

Site Photographs



Figure 49 Camberwell Bus Garage



Figure 50 Walworth Depot



Figure 51 Camberwell Station Road



Figure 52 Camberwell Station Road

Site Description



3.158 Camberwell Garages and Adjacent Businesses are located in Camberwell, in the west of the borough. The cluster is within an established commercial area with residential nearby, and is strategically located off the A202.

3.159 The cluster comprises of two bus depots (Camberwell Garage and Walworth Depot) and some archway units, which are largely used for car-related activities such as vehicle servicing and garages. Occupiers on the site include Britannia Auto MOT, Sahel Coachworks, and the Royal Mail Delivery Office.

- 3.160 The quality of the stock is mixed, however the majority of the archway units are in poor condition, and Camberwell Garages would benefit from refurbishment. The site is close to a town centre with a wide range and quantity of services.

Table 29: Cluster Occupiers

Business	Category
Britannia Autos MOT	Garage/engineering services
Sahel Coachworks	Garage/engineering services
Sandpaints Limited	Creative industries (Art/Design/Music)
Camberwell Bus Garage	Strategic services (London-wide)
Royal Mail Camberwell Delivery Office	Strategic services (London-wide)
Master M	Unknown

Strengths

- 3.161 The quality of the environment for the current use is generally fit-for-purpose, but could be improved. Parking, access and circulation is adequate, although the majority of parking for the railway arches is on-street. The site is located close to a town centre and is therefore well-serviced with a range of services and amenities in close proximity.

Weaknesses

- 3.162 In terms of weaknesses of the site, access whilst adequate is constrained by a one-way system and narrow streets. The stock is mixed, but generally of a lower quality, and there are a number of vacant units. The site also suffers from noise and air pollution due to the proximity of the railway line. The concentration of buses in the area also causes congestion.

Summary of Commercial Property Market

Take up

- 3.163 There have been one transaction in this cluster since 2008; in 2010 62 sqm light industrial unit was leased from National Rail on confidential terms. The unit was on the market for just 49 days at an asking rent of £48 psm

Table 30: Industrial Take Up 2008-2014, Camberwell Garages

Total Units	Total Floorspace (Sqm)	Average Rent (£/Sqm)	Average No. of Days on Market
1	62	N/A	49

Source: CoStar Focus, GVA, 2014

Availability

- 3.164 According to CoStar no units are currently being advertised as available to let.

Conclusions and Recommendations

- 3.165 The Camberwell Garages cluster is a specialised site, acting as a depot for London wide bus services, as well as meeting more localised vehicle servicing needs in the archway units. Whilst some of the units are in poor condition, the site is adequate for needs, and should continue in its current form.

Cluster 26: Dockley Road Industrial Estate & Old Jamaica Rd

Site Photographs



Figure 53 Old Jamaica Road



Figure 54 Old Jamaica Road



Figure 55 Dockley Road Industrial Estate



Figure 56 Dockley Road Industrial Estate

Site Description

- 3.166 The Dockley Road Industrial Estate located in the north of Southwark, comprises of a cluster of small, purpose built units and railway arches. Old Jamaica Road forms part of this wider cluster although has few functional links given the separation by the railway. The site is an established commercial area with residential nearby. There are storage uses on the site, along with other local service and distribution functions such as food and wine production and distribution, laundry services, and printing. Occupiers on the site include SP Food Wholesalers, Thames Digital Reprographics Limited, Mons Fromanger-Affineur Ltd and Kernel Brewery.
- 3.167 The site forms part of the 'Spa Terminus', an area identified as a growing hub for food production and distribution which is being restored in conjunction with Network Rail, and Southwark Council.

Figure 57 Map of Old Jamaica Rd and Dockley Road Industrial Estate



Figure 58 Map of Dockley Road Industrial Estate



3.168 The majority of the stock is good quality, dating from the 1990s, however some buildings are in poorer condition and in need of refurbishment.

Table 31: Cluster Occupiers

Business	Category
Lockseal Group	Construction/trade/manufacturing
Adshead Ratcliffe & Co Limited	Construction/trade/manufacturing
C3 Flooring Ltd	Construction/trade/manufacturing
Academy Flooring Services Ltd.	Construction/trade/manufacturing
Carrington Brown Flowers	Courier/Distribution/Supply Services
Fiveways Express Ltd.	Courier/Distribution/Supply Services
Bayleaf Janitorial Supplies	Courier/Distribution/Supply Services
Daisy Green Food Limited	Food & Drink Services/Catering/Events
Johny's Company (UK) Limited	Food & Drink Services/Catering/Events
SP Food Wholesalers	Food & Drink Services/Catering/Events
Aubert Mascoli	Food & Drink Services/Catering/Events
The Kernel Brewery Ltd	Food & Drink Services/Catering/Events
Mons Fromager-Affineur Ltd.	Food & Drink Services/Catering/Events
London Honey Company	Food & Drink Services/Catering/Events
COMAG Magazine Marketing	Publishing
London News Distribution	Strategic services (London-wide)
Safestore Bermondsey Ltd.	Storgae facilities
Thames Digital Reprographics Limited	Printing/digital services
F S Moore Ltd.	Printing/digital services
RHB Print Finishers	Printing/digital services
Kleen It Up Ltd.	Commercial cleaning services
Grosvenor Contracts London Ltd.	Commercial cleaning services

Business	Category
Synergy Hotels LLP	Other
Robert Ward	Unknown

Strengths

- 3.169 The quality of the environment for the current use is good, and the majority of the stock, particularly the arches, appears well-maintained. The site provides an important local service function.

Weaknesses

- 3.170 Access and circulation is poor, and parking is inadequate as evidenced by significant on-street parking. There are a number of vacant units on the site, however there is no opportunity for further intensification or development. There is evidence of recent residential development in proximity to the cluster, suggesting pressures from higher value uses.
- 3.171 At Dockley Road Industrial Estate the building stock and general environment is poor, and access is difficult. Waste is stored externally suggesting there is insufficient space for storage. There is evidence of recent residential development adjacent to the site, suggesting pressures from higher value uses.

Summary of Commercial Property Market

- 3.172 There has been no activity recorded in this cluster since 2008, and no units are currently available according to CoStar. We note that a planning application for the redevelopment of the site was submitted in September 2013 for the demolition of the industrial units and erection of 15 new industrial units (Class B8) with ancillary B1 use, plus 50 residential units (Class C3) and 13 studio apartments (sui generis) comprising 2-7 storeys. The application is under currently under consideration; it is likely the owners are reserving their position until a decision is made.

Conclusions and Recommendations

- 3.173 Old Jamaica Road provides an important local service function, and in the most part is well-maintained, offering an appropriate environment for commercial uses. However, access and circulation is difficult, and some of the stock is in poor condition with some vacancies. Recent residential development suggests pressure from higher value uses on the land; however we recommend that the site be retained in its current use due to its local importance.

Cluster 28: Bermondsey Metropolitan Police Garage (Tower Workshops)

Site Photographs



Figure 59 Tower Workshops



Figure 60 Tower Workshops

Site Description

Figure 61 Map of Bermondsey Metropolitan Police Garage



3.174 Bermondsey Metropolitan Police Garage, otherwise known as Tower Workshops, is a 0.9 ha council-owned site located in the north of Southwark. The site is strategically located circa 0.1 miles from the A100, and is occupied by creative light manufacturing and storage businesses serving a regional market. Occupiers on the site include Bitter Sweet Bakers, British Red Cross, H & F Polishing, Proactive Joinery and Towerbridge Cabinet Makers.

3.175 Commercial uses are well-established on the site; however the surrounding area is largely residential. The stock, which dates from pre-1940s to the 1960s, is of poor quality and in need of significant refurbishment.

Table 32: Cluster Occupiers

Business	Category
Proactive Joinery	Construction/trade/manufacturing
MJC Plumbing	Construction/trade/manufacturing
Towerbridge Cabinet Makers	Construction/trade/manufacturing
Bullfrog Models Ltd.	Garage/engineering services
Admiral & Amos	Food & Drink Services/Catering/Events
Fayre Do's Caterers	Food & Drink Services/Catering/Events
SHOK Lighting	Food & Drink Services/Catering/Events
Utobeer Limited	Food & Drink Services/Catering/Events
Convivial London Pubs PLC	Food & Drink Services/Catering/Events
Portena Ltd.	Food & Drink Services/Catering/Events
Bitter Sweet Bakers	Food & Drink Services/Catering/Events
Gujarati Rasoi Ltd.	Food & Drink Services/Catering/Events
Classic Pix	Creative industries (Art/Design/Music)
Jonathan Gregson Ltd.	Creative industries (Art/Design/Music)
H & F Polishing	Creative industries (Art/Design/Music)
Craig Robertson Ltd.	Creative industries (Art/Design/Music)
Nato Welton Ltd.	Creative industries (Art/Design/Music)
Pure & Applied Conservation Framing	Creative industries (Art/Design/Music)
Enis Akyuz	Creative industries (Art/Design/Music)
Mr Graham G Playford	Creative industries (Art/Design/Music)
Lee Mawdsley	Creative industries (Art/Design/Music)
Caphe House	Creative industries (Art/Design/Music)
.Cent Magazine	Publishing
W.L Publications	Publishing
Digital Copy	Printing/digital services

Business	Category
D.P. Graphics	Printing/digital services
LBS	Council-run services
London Borough of Southwark	Council-run services
Fisher Amateur Boxing Club	Recreational facilities
British Red Cross	Charity organisations
Capita	Other
The London Plant Company	Other
GBJ Design	Other
Jason Yates	Other
Elborne Mitchell Solicitors	Other
C Time and Space	Unknown
Wink & Nod	Unknown

Strengths

- 3.176 Through consultation with tenants we understand that, whilst in poor condition, Tower Workshops offers greatly needed affordable workshops for more 'polluting' uses excluded from sensitive locations, including 'Live-Work' units. The site therefore meets the niche requirements of an industry, previously based in East London, which is facing increasing cost pressure to relocate out of London. Internal circulation and parking on the site is good, and access for both cars and HGVs is adequate.

Weaknesses

- 3.177 The building stock is generally poor, with a high number of vacant units on the site - a significant proportion of which would require refurbishment prior to being put back into use. There is evidence of recent residential development adjacent to the site, suggesting pressures from higher value uses.

Summary of Commercial Property Market

Take up

- 3.178 There have been 13 transactions in this cluster since 2008. All units were second hand, general/light industrial units. Activity in the cluster peaked in 2011 in terms of number of deals and 2012 based on quantum of floorspace transacted. No deals have been recorded since July 2012. Average achieved rental values over the period are £92 psm, increasing from £82psm in 2008 to £94psm in 2012.

Table 33: Industrial Take Up, 2008-2014, Maltby Street

Year	Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£Sqm)	Average No. of Days on Market
2008	2	253	127	£82	137
2009	1	177	177	-	819
2010	1	46	46	£90	49
2011	5	230	46	£95	532
2012	4	303	76	£94	311
Total	13	1,009	78	£92	388

Source: CoStar Focus, GVA, 2014

- 3.179 Activity in the cluster is dominated by small units (<185sqm), accounting for 92% of the total take up by number of deals, and 81% by quantum of floorspace. Since 2008, only one larger unit has been taken by an occupier (185-465sqm), however this unit achieved a lower rent and was on the market for less time than the smaller units. This pattern of demand is expected given the nature of the occupiers which are predominantly small creative businesses.

Table 34: Industrial Take Up by size 2008-2014, Maltby Street

Unit Size	Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£Sqm)	Average No. of Days on Market
<185	12	818	68	£93	400
185-465	1	191	191	£84	241
Grand Total	13	1009	78	£92	388

Source: CoStar Focus, GVA, 2014

Availability

- 3.180 According to CoStar there is currently 122 sqm of available industrial floorspace within two units. Both units are small, measuring less than 185 sqm and have been on the

market for an average of 284 days, at an asking price above the average achieved rental value.

Table 35: Industrial Availability, 2008-2014, Maltby Street

Total Units	Total Floorspace (Sqm)	Average Floorspace (sqm)	Average Rent (£psm)	Average No. of Days on Market	Grade
2	122	61	£103	284	Second hand

Source: CoStar Focus, GVA, 2014

Conclusions and Recommendations

- 3.181 Tower Workshops provides affordable floorspace for light industrial/manufacturing uses that are being squeezed out of other parts of London, such as the East End. However the stock is of poor quality, and in need of substantial investment to attract new tenants.
- 3.182 Over recent years, there has been a flurry of residential development in the surrounding area, including on the site adjacent to Tower Workshops. This suggests there would be appetite from developers for residential development on the site. Taken into consideration with the poor quality of the existing stock and high vacancy rates, redevelopment to alternative uses such as residential or mixed use is recommended.

Cluster 29: Admiral Hyson Industrial Estate?

Site Photograph



Figure 62 Admiral Hyson

Site Description

Figure 63 Map of Admiral Hyson



- 3.183 The Admiral Hyson Industrial Estate is a small light industrial site lying to the north of the borough close to Cluster 8, lying on the opposite side of Galleywall Road to the Galley Wall Trading Estate.
- 3.184 The buildings have recently undergone refurbishment and, as such are of good quality. They are well let with limited obviously vacant units. Agents report that achieved rents are high, reflecting the quality of the offer.

Strengths

- 3.185 The main strengths of the Admiral Hyson Estate are the quality of the buildings since their refurbishment and the size of the servicing area to the front of the units. Agents for the site cited both these reasons as key reasons for its popularity outside of the unique nature of the stock in this area.

3.186 Another reported strength has been the level of fit out of the units, which provided a ‘blank canvas’ for occupiers to use as they required, they offer limited office space within units promoting them to storage users.

3.187 The estate lies close to other employment locations and has good access to a range of local amenities.

Weaknesses

3.188 The key weakness of the estate is access, with Hyson road being a relatively small, local service road. Strategic access is also weak. Whilst the A2208 lies close by the junction with Galleywall Road is busy and the level of on street parking compromises accessibility.

Summary of Commercial Property Market

Take up

Table 36: Industrial Take Up, 2008-2014, Admiral Hyson

Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£Sqm)	Average No. of Days on Market
5	2,212	442	£119	389

Source: CoStar Focus, GVA, 2014

Availability

- No units are advertised as available

Conclusions and Recommendations

3.189 The site is of good quality and appears to be in high demand. Whilst the location accessibility is not ideal it is clearly fulfilling a market need and therefore should be protected.

Cluster 31: Walworth Road South

Site Photographs



Figure 64 Sutherland Square



Figure 65 Pelier Street



Figure 66 Bullace Road



Figure 67 Blucher Road

Figure 68 Map of Walworth Road South



Site Description

3.190 This site is a cluster of railway arches which run parallel with Walworth Road in the west of the borough. The railway arches are largely occupied by vehicle servicing

workshops and garages, with clusters of food production units, as well as more generalised storage and distribution functions. The area is a mixed of residential and commercial area, with the two uses in close proximity. Occupiers include MOT Garage, Architectural Metal Designs Ltd, Ruskins Depot, Brightside Studios, and Bubble Food.

- 3.191 The stock varies in quality, ranging from high quality, well-maintained units on Blucher Road, to poor quality, underused arches on Empress Street.

Table 37: Cluster Occupiers

Business	Category
Architectural Metal Designs Limited	Construction/trade/manufacturing
ACB- Plumbing, Heating, Bathroom	Construction/trade/manufacturing
Beechway Joinery	Construction/trade/manufacturing
Lucas Garage	Garage/engineering services
MOT Garage	Garage/engineering services
Wonder Value	Garage/engineering services
MOTA TECH	Garage/engineering services
Barrys MOT	Garage/engineering services
VW Enterprise	Garage/engineering services
Tyre Centre Car Wash	Garage/engineering services
Autobahn	Garage/engineering services
MA Autos	Garage/engineering services
Superior Autos	Garage/engineering services
Scott Harris	Food & Drink Services/Catering/Events
Bubble Food	Food & Drink Services/Catering/Events
Bright Side Studio	Creative industries (Art/Design/Music)
Top Design	Creative industries (Art/Design/Music)
Scena	Creative industries (Art/Design/Music)

Business	Category
Ruskin Private Hire	Transport services
W & L Printers	Printing/digital services
Printing Point	Printing/digital services
Councils Environment & Leisure Team	Council-run services
Private parking	Car parking
Morrison	Retail services
Simon J Lycett Ltd	Other
Laura Kuy Flowers	Other
Ewkins Depot	Unknown
Retaies	Unknown

Strengths

- 3.192 Whilst the quality of the stock is mixed, and the surrounding environment relatively poor, the cluster provides necessary local services for the community, such as MOT and car servicing. There are also some clusters of higher quality, refurbished stock which service the wider London market, for example around Blucher Road, which has developed as a hub for production of food and other perishable items, such as flowers.

Weaknesses

- 3.193 The building stock is generally poor, with a high number of vacant units on the site – some of which would require refurbishment prior to being put back into use.

Summary of Commercial Property Market

Take up

- 3.194 There have been 17 transactions in this market area since 2008, 16 of which were second hand units, and 1 new/refurbished unit. Activity in the cluster peaked in 2011 in terms of number of deals and in 2008 based on quantum of floorspace transacted;

however there has been a significant drop in average annual take up since 2008. There have been no deals since May 2012.

- 3.195 Data on achieved rental is only recorded for two transactions, which is not a large enough sample to draw conclusions. Based on this, the average rent for units in the cluster is £29psm, whereas the average asking rent for the period is significantly higher at £79 psm.

Table 38: Industrial Take Up 2008-2014, Walworth Road

Year	Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£Sqm)	Average No. of Days on Market
2008	4	1,717	429	£19	117
2009	1	348	348	-	495
2010	8	1,217	152	-	45
2011	3	557	186	£38	120
2012	1	143	143	-	167
Total	17	3,982	234	£29	108

Source: CoStar Focus, GVA, 2014

- 3.196 Activity is dominated by small units (<185sqm), accounting for 76% of the total take up by number of deals, and 41% by quantum of floorspace. Since 2008, one larger unit has been occupied (466-1,850 sqm), which achieved a lower rent than the smaller units, but was the market for significantly less time than the average for the cluster.

Table 39: Industrial Take Up by size 2008-2014, Walworth Road

Unit Size	Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£Sqm)	Average No. of Days on Market
<185	13	1,649	127	-	88
185-465	3	1,021	340	£38	212
466-1850	1	1,312	1,312	£19	34
Total	17	3,982	234	£29	108

Source: CoStar Focus, GVA, 2014

Availability

- 3.197 According to CoStar there is currently 232 sqm of available industrial floorspace within 2 units. Both units are small (less than 185 sqm) and have been on the market since 2011.

Table 40: Industrial Availability 2008-2014, Walworth Road

Total Units	Total Floorspace (Sqm)	Average Floorspace (sqm)	Average Rent (£Sqm)	Average No. Days on Market	Grade
2	232	116	£112	981	Second hand

Source: CoStar Focus, GVA, 2014

Conclusions and Recommendations

- 3.198 The Walworth Road arches provide both local (LB Southwark) and London wide services, with a particular presence of car servicing and garages, as well as production and distribution of perishable items in the cluster. This is an important function, and whilst the stock is of mixed quality, we recommend that the site is retained in its current use.

Cluster 32: Print Village Industrial Estate

Site Photographs



Site Description

Figure 69 Map of Print Village



3.199 Print Village is a specialist cluster of printing businesses located in the centre of the borough. Whilst occupiers largely offer printing services, there are also wider storage

and trade counter uses on the site. Occupiers include Sonsoles Print Studio, Printworks and ABS Print Finishes as well as Plumb Centre and Glassfrosting. Print Village is a well-established commercial area, occupying a site bounded by railway lines on two sides.

- 3.200 The stock, which dates from the 1970s-1980s is largely of good quality; however some units are in a poorer condition.

Table 41: Cluster Occupiers

Business	Category
Parquet	Construction/trade/manufacturing
Glassfrosting	Construction/trade/manufacturing
Plumb Centre	Construction/trade/manufacturing
ABS print finishers	Printing/digital services
Printworks	Printing/digital services
ODG3	Unknown

Strengths

- 3.201 Whilst there is some evidence of disrepair, the units and surrounding environment are generally fit-for-purpose, meeting the requirements of the specialist occupiers. Access to the site is good, however there is some congestion caused by the one-way system. Parking and internal circulation is adequate, despite the centre of the site being used as open storage.

Weaknesses

- 3.202 Some of the building stock is of a lower quality, and the central area of the site is being used for open storage of pallets suggesting there may be a lack of storage space. There is also some non-B use class present on the site, in the form of a trade counter associated with the plumbing centre. Vacancy rates are c.15% (2 vacant units) which is marginally higher than average.

Summary of Commercial Property Market

Take up

- 3.203 There has been one transaction recorded on this industrial estate since 2008. The deal involved a small second hand, light industrial unit leased to Tower & Print Design for £95 psm.

Table 42: Industrial Take Up 2008-2014, Print Village

Year	Total Units	Total Floorspace (Sqm)	Average Rent (£/Sqm)	Average No. of Days on Market
2011	1	221	£95	47

Source: CoStar Focus, GVA, 2014

Availability

- 3.204 There are two units being actively marketed according to CoStar, both of which are second hand, general industrial units, measuring less than 465 sqm.

Table 43: Industrial Availability 2008-2014, Print Village

Total Units	Total Floorspace (Sqm)	Average Floorspace (sqm)	Average Rent (£psm)	Average No. of Days on Market	Grade
2	638	319	£96	160	Second hand

Source: CoStar Focus, GVA, 2014

Conclusions and Recommendations

- 3.205 The site is specialist cluster for printing businesses, providing largely good quality workshop and gallery space in an environment that is suitable for purpose. The business uses should be retained within the site. The site has been allocated for mixed use development in the draft Peckham and Nunhead Area Action Plan, in light of consultation.

Cluster 34: Goose Green Trading Estate

Site Photographs



Figure 70 Goose Green Trading Estate



Figure 71 Goose Green Trading Estate

Site Description

Figure 72 - Map of Goose Green Trading Estate



3.206 Goose Green is a good quality trading estate in the south of Southwark, bounded to the north by East Dulwich Road. Located the furthest south of all the clusters, the site is somewhat isolated from the remainder of the industrial floorspace in the borough,

however low vacancy rates on the site suggest strong demand for units in this location.

- 3.207 There a mix of uses on the site, including distribution and product manufacturing, however there is evidence of some retail creep. The occupiers, which include Impact Percussion, Howdens Joinery and Southwark Council are largely of local significance.
- 3.208 Goose Green is a well-established commercial cluster, situated in a residential area. The council building occupies a large brick building directly on the East Dulwich Road, whilst the rest of the units are set back and enclosed by gates and railings.
- 3.209 The buildings are c.20 years old, and in good condition. The site is adjacent to a town centre therefore there is good access to a wide range of services and amenities.

Table 44: Cluster Occupiers

Business	Category
Howden	Construction/trade/manufacturing
Deep Books	Publishing
Council	Council-run services
Furniture	Other
Impact Percussion Achive Multi distribution	Unknown

Strengths

- 3.210 The units and wider environment are of good quality, and more than meet requirements. The site is accessed off East Dulwich Road, and is suitable for both HGV and car access. Parking is adequate, even under full occupancy. The lack of vacant units suggests demand is high.

Weaknesses

- 3.211 The site is generally in good condition, however signage to the industrial estate could be improved, and internal circulation is difficult in certain parts of the site. There is also evidence of some retail creep.

Summary of Commercial Property Market

Take up

- 3.212 There have been two transactions on this industrial estate since 2008, both in 2013 and involving second hand, general industrial/warehousing units. The achieved rental value for the units was £94 psm.

Table 45: Industrial Take Up 2008-2014, Goose Green

Year	Total Units	Total Floorspace (Sqm)	Average Floorspace (Sqm)	Average Rent (£Sqm)	Average No. of Days on Market
2013	2	905	453	£94	208

Source: CoStar Focus, GVA, 2014

Availability

- 3.213 There is currently one second hand, general industrial unit available, measuring 653 sqm, which has been on the market for 159 days.

Table 46: Industrial Availability 2008-2014, Goose Green

Total Units	Total Floorspace (Sqm)	Average Floorspace (sqm)	Average Rent (£psm)	Average No. of Days on Market	Grade
1	653	653	£108	159	Second Hand

Source: CoStar Focus, GVA, 2014

Conclusions and Recommendations

- 3.214 The site is a well-functioning industrial site as evidenced by full occupancy. The stock and environment meet the needs of occupiers, although improvements could be made to internal circulation. The site should be retained in commercial use, however the concentration of retail uses should be monitored.

Cluster 36: Copeland Industrial Estate

Site Photographs



Figure 73 Copeland Industrial Estate



Figure 74 Copeland Industrial Estate

Site Description

Figure 75: Map of Copeland Industrial Estate



- 3.215 The Copeland Industrial Estate cluster lies centrally within the borough, close to the A202 Peckham Road which connects to the strategic A2 Old Kent Road. The site is a well-established commercial area of around 3ha, providing a mix of uses. There are three main clusters on the Consort Road site. The first consists of a large retail unit, a building yard and a bus depot. The second is a poor quality former cricket equipment factory, with warehouse/light industrial units largely used for food production, some creative studios and non B-class uses such as religious buildings. The third cluster comprises of good quality railway arches used for light manufacturing.
- 3.216 The site has been allocated for mixed use in the draft Peckham and Nunhead Area Action Plan. The allocation notes the potential to contribute to building a new creative and cultural quarter in Peckham.

Table 47: Cluster Occupiers

Business	Category
Bronzewood Construction Ltd	Construction/trade/manufacturing
CIP House	Construction/trade/manufacturing
Build Base	Construction/trade/manufacturing
PR Freddi Ltd	Construction/trade/manufacturing
Nims Kitchen	Food & Drink Services/Catering/Events
Manu Caterers	Food & Drink Services/Catering/Events
Bus Station	Strategic services (London-wide)
Apex Cleaning Ltd	Commercial cleaning services
Cherubim & Seraphim Movement Church	Religious facilities
Restoration Chapel	Religious facilities
Council Building	Council-run services
Homeseach Centre	Council-run services
Mix Son Callery	Unknown
Krystal Corge	Unknown

Strengths

3.217 The three clusters have different strengths, however in general cluster 1 (depot and retail yard) has good access, parking and internal circulation, and provides an adequate environment for occupiers. The railway arches also provide good quality accommodation, with good parking and good circulation. Copeland Industrial Park (cluster 2) does offer some good quality, low cost studio/workspaces for artists and other creative industries, and there is potential to expand these uses, however the current environment is poor, and in need of extensive refurbishment.

Weaknesses

- 3.218 The weakest site is cluster 2, the former factory, which offers very poor quality accommodation in a poorly-accessed site. Parking and internal circulation is poor, due to narrow roads and a lack of road markings. There is also evidence of creep from religious institutions, which now occupy a number of units on the site. The older stock in particular is in need of refurbishment.

Summary of Commercial Property Market

- 3.219 There has been no activity recorded in this cluster since 2008, and no units are currently being marketed according to CoStar.

Conclusions and Recommendations

- 3.220 Areas 1 (depot and building yard) and 3 (railway arches), are in good condition and appear to be well used. These should be retained as commercial sites in the short term, however the balance of retail and commercial use in cluster 1 should be monitored.
- 3.221 Area 2 (Copeland Industrial Park) is in a poorer condition, with a significant quantum of vacant floorspace. In its current form it is unlikely to attract new occupiers, however with refurbishment the large factory building could offer an attractive environment for creative industries, as evidenced by demand for similar properties in other parts of the borough.

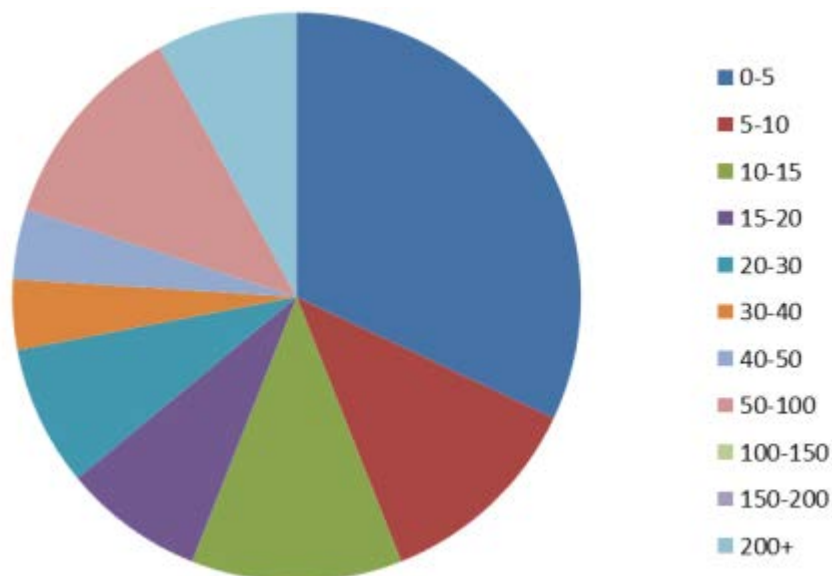
4. Business Survey

- 4.1 To understand in more detail both the nature of businesses operating within Southwark's business sites and their perspective on the current 'offer' of the borough as a business location we prepared an online survey and hosted it on the Survey Monkey online platform. A copy of the survey questionnaire is included within this Report as Appendix III.
- 4.2 Businesses have been signposted and provided with a hard copy of the survey and freepost return envelope via direct distribution during the site visits and through a follow up mail out. The weblink was also promoted via an email sent by Southwark Council to local businesses.
- 4.3 28 responses to the survey were received by February 2014, representing a response rate of approximately 10%. Within those that did respond not all chose to answer every question, the number of responses is noted alongside the data analysis presented below. Given these factors we consider the response level to be sufficient to identify broad trends and conclusions but recognise they should be treated with some caution.
- 4.4 Responses were received from a wide range of business types and, importantly for this Study, a large number of the industrial sites. Whilst a survey was not completed by a company within every site coverage includes occupiers of the major industrial areas including Glengall, Admiral Hyson, Tower Workshops, Penarth Street, Sandgate Industrial, Goose Green, the Print Village and Raymouth Road.

Business Background

- 4.5 The first set of questions within the survey focussed on developing an understanding of the type of businesses located within Southwark, their nature and the length of time they have been located within the Borough.
- 4.6 As shown in Figure 47 businesses within the industrial sites tend to be small, with over half employing less than 15 people. Three businesses did not respond to this question.

Figure 76 – Business Size (number of employees)

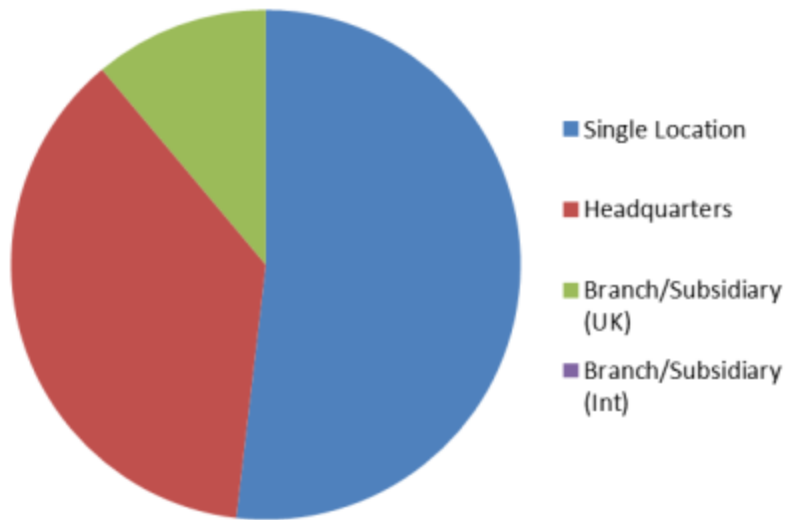


- 4.7 The two largest businesses employed almost 1,000 employees between them, although it is likely that majority of these would not be employed within the industrial sites themselves given they operate within the environmental services industry with most activity occurring across the borough and South East London

- 4.8 Approximately three quarters of the 27 responses identified their business as the only trading from one location in the borough, seven business operated from more than one site within the borough, these tended to be either utilising one or two other sites. Those with multiple business locations were predominantly utilising other industrial space although one food based business identified their retail outlet within Borough Market.

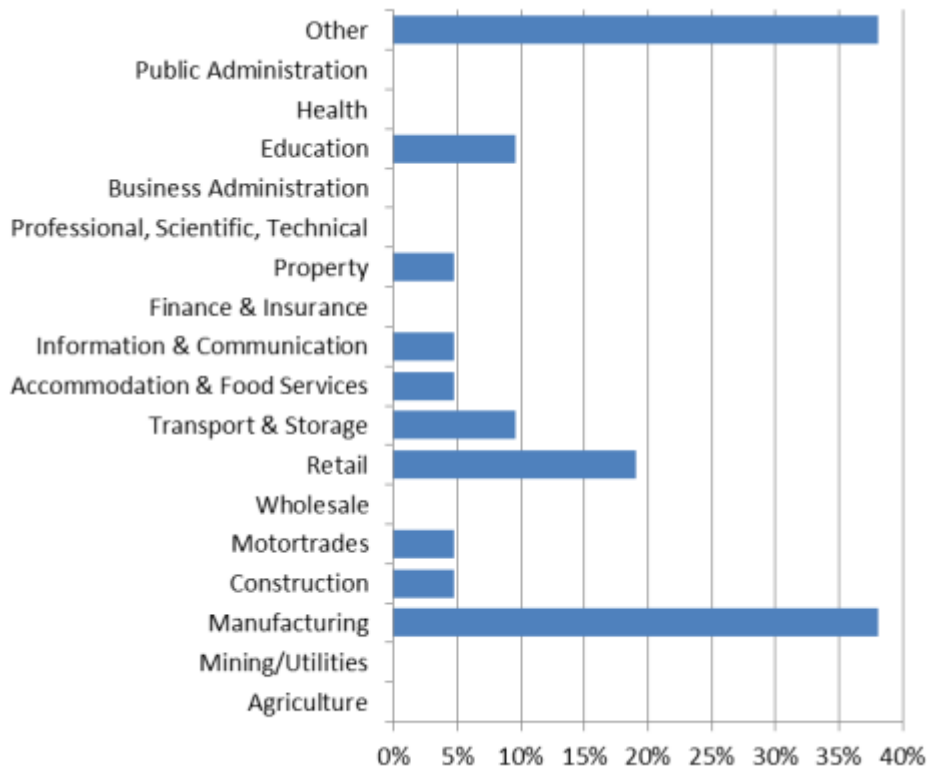
- 4.9 In the main businesses were predominantly UK owned, with only one business identifying they were owned by a foreign business. Unsurprisingly given the predominant scale of businesses the majority were headquartered or solely located within Southwark.

Figure 77 – Business Nature



- 4.10 All branch/subsidiary businesses identified their 'parent' location as being located elsewhere within the UK, none of the businesses were identified as being franchises.
- 4.11 As shown in Figure 49 businesses operate in a wide range of sectors however there is a significant focus on activities that have traditionally located within industrial sites including manufacturing, construction and motortrades.

Figure 78 – Business Sector



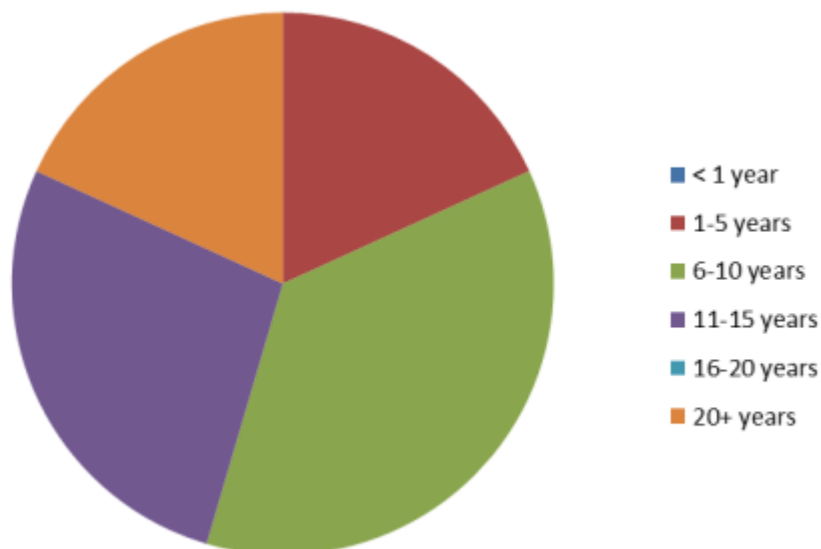
4.12 The responses also highlight the diversification of activity within industrial sites with a number of businesses within retail, food and even education activities. Of the “Other” responses these included commercial printers, distribution activities, sports and leisure and charitable activity, reinforcing the diverse range the industrial sites play within the local economy.

Location and Premises

4.13 The business base within Southwark is relatively stable, with almost 60% of businesses being established for more than 10 years, and a similar proportion having been located within the Borough since start up.

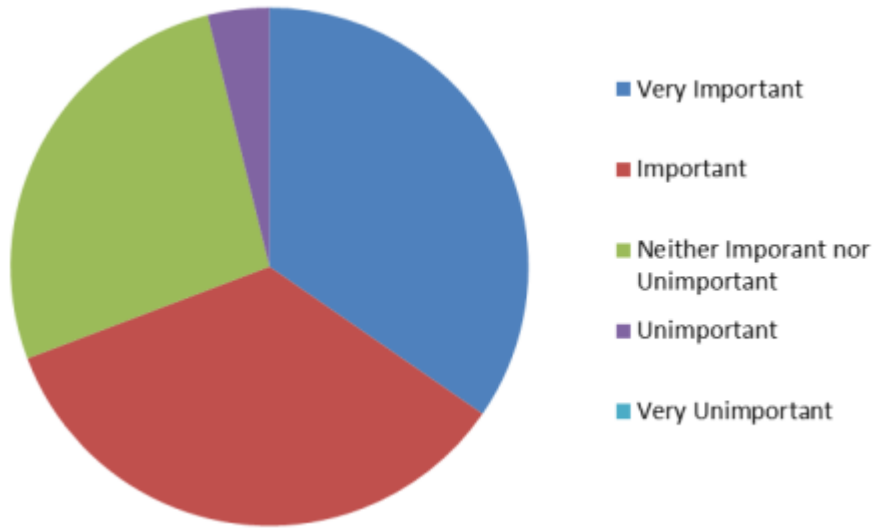
4.14 Businesses also appear to be relatively settled with 45% of business (out of 11 respondents to this question) having been at their current location for over ten years.

Figure 79 – Time at Current Site



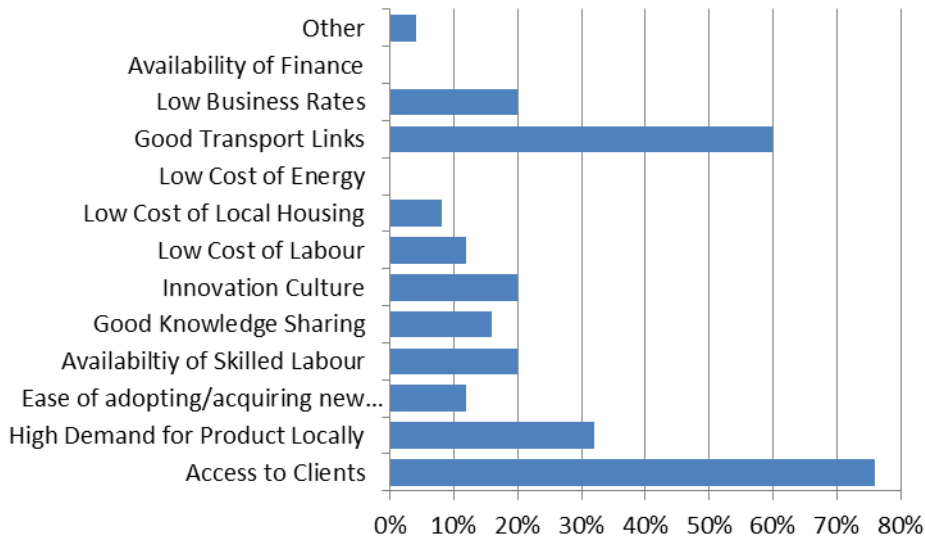
- 4.15 Of those that have moved locations a small number have relocated within the borough, however the majority are relocations from other parts of London including Lambeth, Tower Hamlets and Islington. Predominantly these businesses have relocated as they identified more appropriate premises for their needs, however two did attribute their displacement to their previous premises being 'redeveloped' for alternate uses.
- 4.16 In terms of the importance of the business location to the business operation the majority of respondents feel being located within the borough is a key factor in their activity. Nine businesses felt that their location was very important to their operation, with the same number considering it to be important. Conversely only one business felt their location was not important to their business activity.

Figure 80 – Importance of Southwark to Business Activity



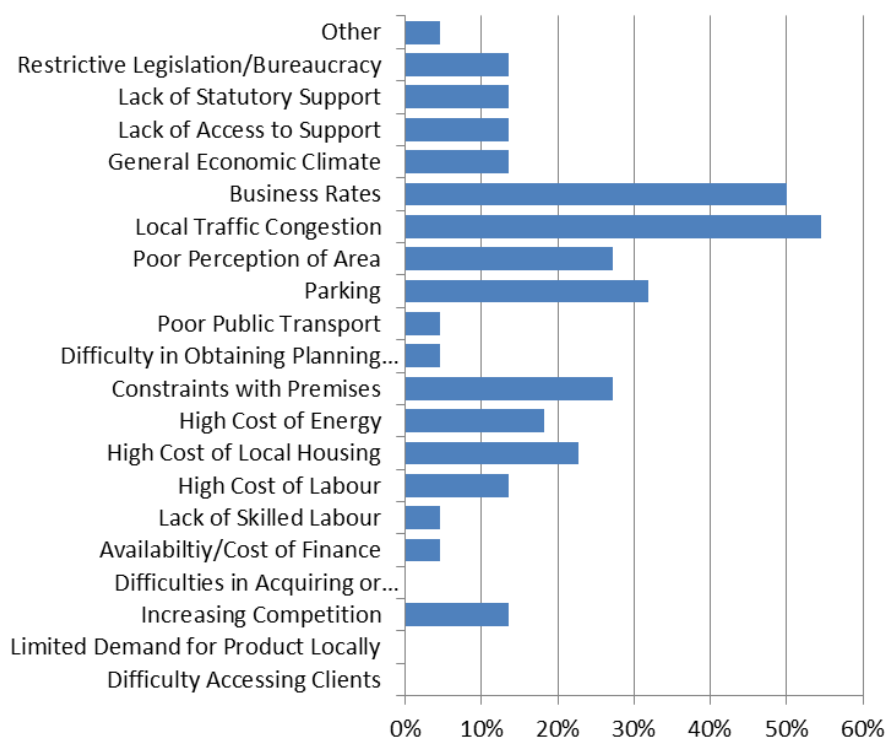
4.17 The main advantages to being located in Southwark were seen as being access to markets, good transport links and a large local market.

Figure 81 – Advantages of Current Business Location



4.18 Conversely the major limitations of Southwark as a business location were seen to be local traffic congestion and business rates. Interestingly those businesses that attended the consultation workshop did not feel congestion was a particular challenge and were more concerned with the quality and cost of their premises.

Figure 82 – Limitations of Current Business Location



- 4.19 General property and location issues were also identified by the business survey. Concerns regarding the poor perception of the area were also highlighted by local property agents who reported a number of clients had expressed concern around community safety issues with their locations (or potential locations) in Southwark. Areas of particular concern were Crimscott Street, Ilderton Road/Penarth Street area and Consort Road/Copeland Road.

- 4.20 Considering these property/place issues in more detail it is clear that the major strengths of locating in the borough are tied to its connections and accessibility. Crucially a large proportion of the respondents to this question (26 respondents in total) identified the suitability of their premises as very good, with a similar proportion identifying their premises as good. Allied to the findings linking a strong proportion of business relocations to their ability to find suitable premises locally suggests that Southwark is providing an important function in the industrial market.

- 4.21 Locations of particular strength were identified as the Print Village, Glengall Business Centre, Tower Workshops and Raymouth Road. Locations where the offer was felt to

be weak and less suited to business needs were Ilderton Road/Penarth Street and the Walworth Road Railway Arches.

Table 48 - Premises Strengths

	Very Good	Good	Neutral	Poor	Very Poor
Suitability for Operation	46%	42%	8%	4%	0%
Cost	0%	50%	27%	19%	4%
Expansion Space	4%	31%	27%	12%	23%
Energy Cost	0%	19%	46%	27%	8%
Location	38%	54%	8%	0%	0%
Accessibility for Staff	19%	62%	19%	0%	0%
Accessibility for Customers/Suppliers	27%	46%	23%	4%	0%
Quality of Environment	8%	35%	31%	27%	0%
Parking	27%	31%	19%	15%	8%
Corporate Image	12%	35%	46%	8%	0%

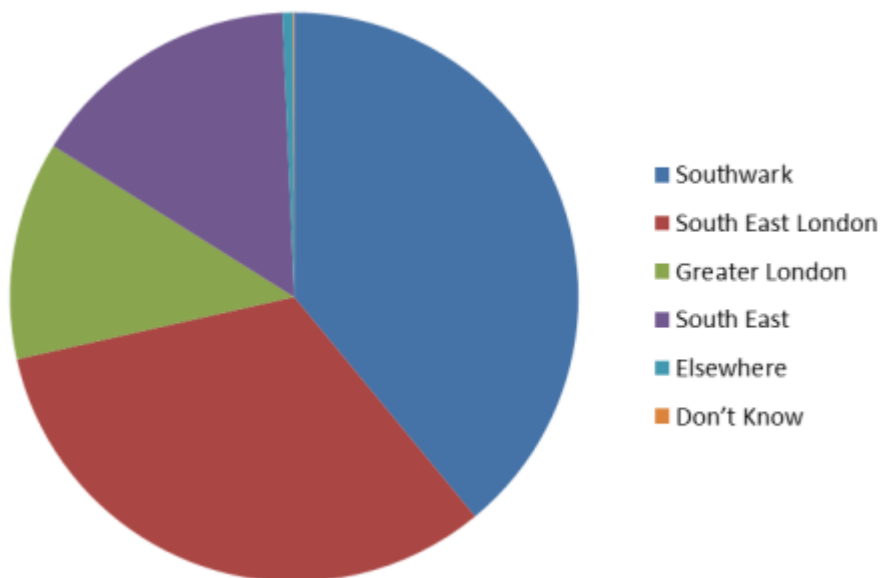
- 4.22 A high proportion of businesses stated that their premises were poor or very poor in terms of expansion space and energy costs (most notably Tower Workshops, Spa Road and the Print Village), reflecting issues already identified regarding the age and quality of the built stock and the relatively limited supply of industrial land.
- 4.23 Around a quarter of respondents felt that the quality of the environment within which they were located was poor, however this appears to have little material impact on the majority of respondents with 80% feeling their premises either had a 'good' or 'neutral' impact on their corporate image.
- 4.24 The suitability of Southwark as an industrial location is reinforced by the high proportion of businesses who intended to remain within the borough. Only one business planned to move out of Southwark in the next two to three years and planned to move elsewhere in the South East. This intention to move was attributed to the high cost of operating within Southwark, particularly in relation to business rates.
- 4.25 ICT infrastructure was not a specific focus of the business survey however it has been raised subsequently at the business workshop. Broadband speeds vary significantly across the borough and the up/download speeds are seen as a major constraint for design and manufacturing businesses that increasingly rely on CAD plans to agree product specifications with clients.

- 4.26 Broadband speeds tend to be higher in locations with higher densities of population, peaking at around 30Mbps at Norwood and East Dulwich. However much of the industrial stock is located in less densely populated areas and speeds around Ilderton Road and the Old Kent Road fall to 1Mbps.
- 4.27 Whilst not reflected within the survey results the 'uncertainty' of the future uses of Southwark's industrial sites was reported as a key challenge for businesses both through the agent and business consultation workshops.
- 4.28 The major loss of industrial floorspace sites over recent years has acted as a disincentive for investment both by businesses themselves (in terms of upgrading their fixed plant) and by property owners (in terms of refurbishing or redeveloping stock). It was felt that the creation of a more 'secure' position regarding the long term retention of industrial sites would remove the 'hope value' landowners currently place in potentially redeveloping sites for higher value (mainly residential) uses. This certainty would also overcome barriers to businesses capital investment.
- 4.29 One participant also noted the nature of the stock being lost was as important as the quantity. It was felt that building types that had helped to attract creative businesses in particular to Southwark were also those that made better quality residential conversions. As such the ongoing loss of this stock had the potential to undermine the diversification of the boroughs economic base.

Staff, Skills and Recruitment

- 4.30 The number of employees ranged from 2 to 700 with a total of approximately 1,300 people employed across the 28 businesses. The median number of employees per business was 12. Approximately 95% of employees working in these 20 businesses were employed full-time.
- 4.31 The economic activity undertaken within Southwark's industrial sites is intrinsically tied to the local population, offering employment opportunities across a range of occupations and skills levels.

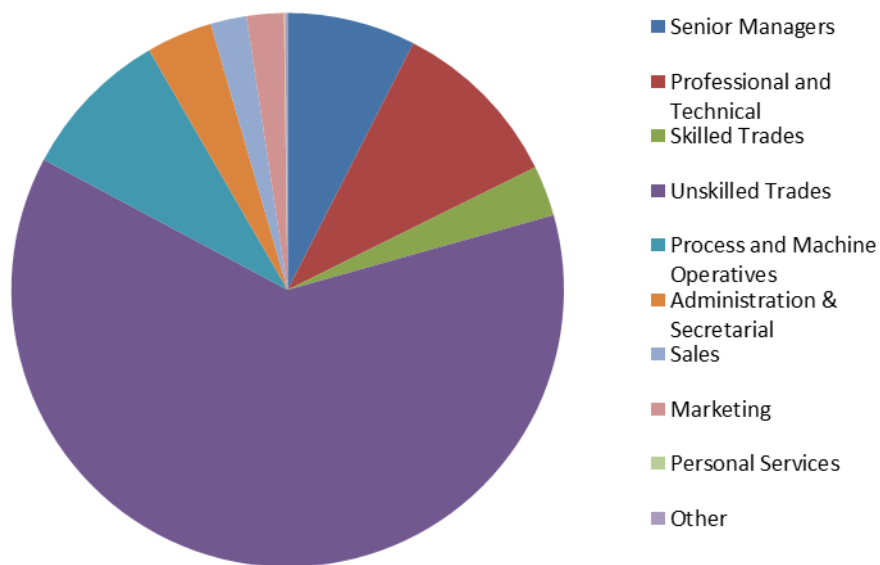
Figure 83 – Location of Employees



- 4.32 Approximately 40% of employees of the 25 responding businesses lived in Southwark with a further 33% living within South East London. With the majority of businesses also being sole or headquarters operations it can be argued that the businesses within Southwark’s sites are deeply immersed within the borough, reflected in the low expectation of relocation to other places.

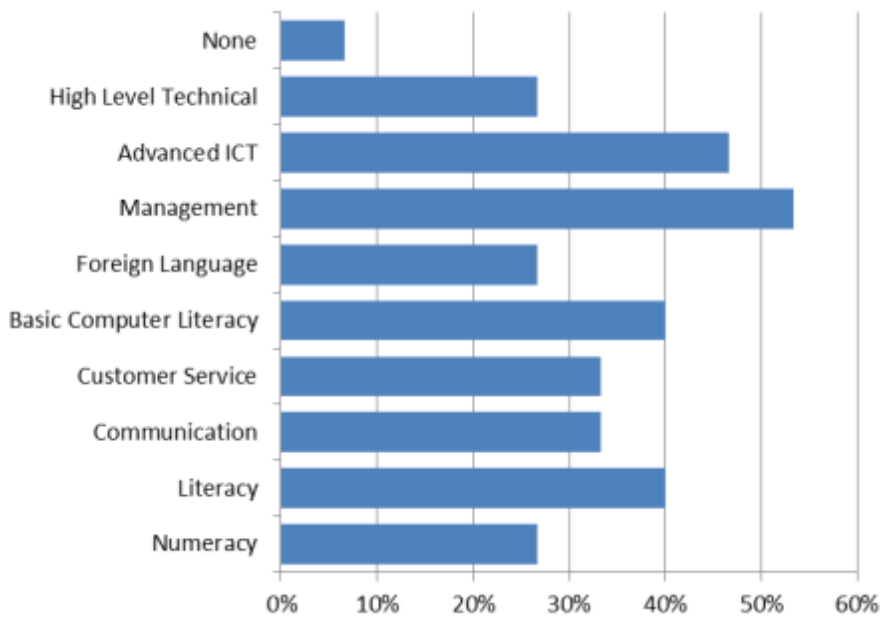
- 4.33 The responding businesses offer a range of employment opportunities, the majority of which lie within unskilled trades. This data should be treated with some caution as a significant proportion of these employees (651) were employed by one environmental services contractor.

Figure 84 – Occupations



- 4.34 Within this sample over 20% of employment was in higher level occupations including management, professional and technical activities and skilled trades. Outside of the main classifications the 'Other' occupations (less than 1% of the total) consisted solely of drivers.
- 4.35 Almost 85% of businesses had undertaken some form of recruitment over the last 12 months with the majority reporting no specific issues in sourcing the labour required. Of those who had experienced difficulties these tended to be within higher level occupations (i.e. managerial level) and skilled trades, albeit these issues were experienced by only 2 businesses.
- 4.36 Of the businesses answered a question relating to their current workforce half reported having experienced skills gaps.

Figure 85 – Skills gaps

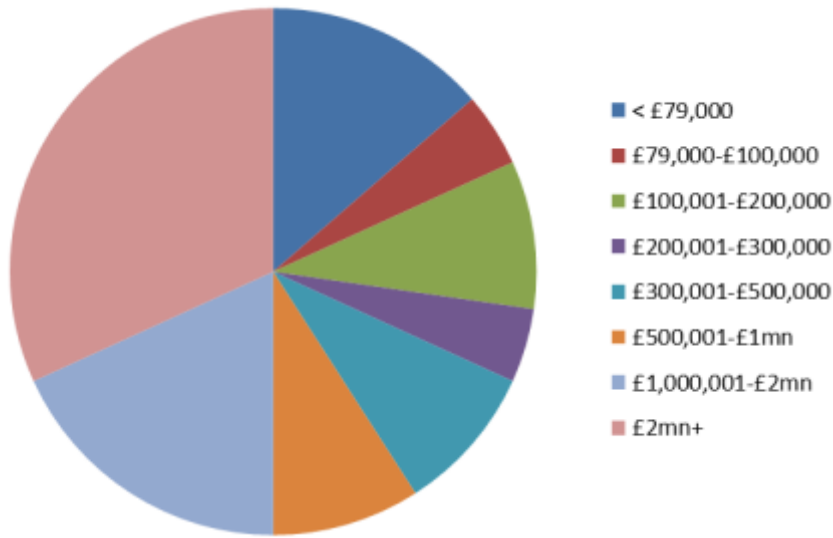


- 4.37 The nature of skills issues is reasonably polarised with the most significant gaps being at the highest (management and advanced ICT) and lowest (literacy and basic ICT) ends of the spectrum. The business workshop reinforced this view with a particular issue highlighted about the ‘work-readiness’ of Southwark residents, particularly for businesses who operated outside of usual core business hours.

Business Performance

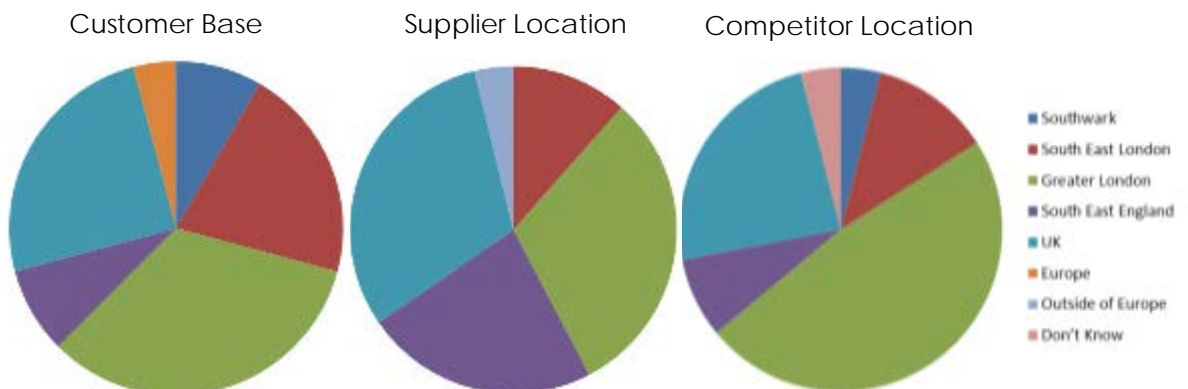
- 4.38 Despite the predominance of SMEs within the Southwark industrial sites there are a high proportion of the businesses with a high turnover. Of the 24 businesses that responded almost 30% reported a turnover in excess of £2 million per annum.

Figure 86 – Business Turnover



- 4.39 The profile of business size by employee suggested that relatively few employed a large number of people. When combining the turnover levels and employment levels this suggests that these businesses are relatively productive, generating good levels of turnover per head.
- 4.40 The ‘reach’ of surveyed businesses in terms of customer base, supplier location and location of competitors is predominantly contained within London, however the majority of respondents noted that Southwark is not their ‘prime’ market or supplier base.

Figure 87 – Business Reach



- 4.41 Despite a strong London focus businesses responding to the survey had a significant reach across the UK drawing on South East and national supply chains and competing with businesses across the Country.

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- 4.42 Whilst the core market focus for the businesses was within London it is clear that a number of businesses service a much larger client base, with one business identifying trade with other locations in Europe.
- 4.43 Over the next year businesses were positive about their prospects with 60% of the 26 respondents expecting both turnover and profitability to grow. However, the general sentiment was that this growth would be delivered within the existing operational capacity with 62% of businesses expecting staffing levels to remain the same.
- 4.44 Business confidence tended to be driven by factors relating to how the businesses themselves operate, particularly through the achievement of greater efficiencies, investment in new machinery, the introduction of new products or marketing strategies and a belief that their activity or product was of higher quality and their customer service offer better than their competitors.
- 4.45 The small proportion of businesses that were more pessimistic based their view on the wider economic and market conditions. Investment and support in certain sectors was also raised as a potential constraint on future activity, particularly were sectors were not viewed as 'modern' or 'knowledge based'.

Summary

- 4.46 Generally the business base within the industrial sites tends to be relatively positive about both their location and the benefits of locating within the borough. The accessibility Southwark offers to businesses that have a core market within London, the size of the labour market from which staff can be drawn and the nature of stock all contribute to the successful operation of businesses in the borough.
- 4.47 The strength and quality of the Southwark offer generally is reflected in the stability of the occupier base in terms of the length of time businesses have remained in the borough and that it has drawn businesses from a number of other London locations.
- 4.48 However, being located in Southwark does present businesses with some challenges. The wider 'context' within which the businesses sit is not always beneficial particularly related to the levels of congestion and the poor quality of the built environment increases concerns about worker safety. The premises themselves, whilst meeting

some needs, are also viewed as low quality and offering little opportunity for expansion.

- 4.49 Overall it is clear that there is an ongoing demand for industrial space within Southwark and businesses are keen to remain within the borough, particularly given their ties to the local workforce.

5. Findings and Conclusions

- 5.1 The analysis presented in this report provides a compelling justification of the ongoing importance of Southwark's industrial sites to the local and pan-London economy. We have identified in excess of 400 businesses operating from the industrial clusters, potentially employing up to 9,500 people on site and as operatives whose 'base' is within the cluster but they operate in 'remote' or multiple other locations.
- 5.2 Importantly it has to be recognised from the outset that the nature of activity within the clusters is diversifying. Occupancy within the industrial sites is moving away from traditional manufacturing and incorporating a wider range of employment and, in some cases, non-employment generating uses.
- 5.3 The general trend is for traditional activities to move out of sites and higher value activities (largely focussed on servicing Central London) taking up space. These encompass a range of activities from printing through to food production, which benefit from the type of space provided and the level of accessibility sites provide. Clusters of activity are emerging as similar businesses and sectors seek to utilise the strategic advantages locating in Southwark can provide.
- 5.4 Generally, this new mix of uses co-exist successfully with more traditional site occupiers and in some cases add to the quality and vibrancy of the locations, introducing new amenity uses alongside the core offer.
- 5.5 Whilst there is a significant strength in the market it should be recognised that the demand for space is highly focussed and in some key sectors is not 'footloose', as such future decisions on development in the clusters need to be taken in light of understanding why businesses choose to locate where they do.
- 5.6 The predominant driver of demand is the ability to access and service central London activities, however the transport infrastructure and land capacity limit the nature of businesses locating in the borough meaning larger distribution focussed activities do not see the borough as a viable base.
- 5.7 This has positive benefits for Southwark, many (although not all) of the new generation of servicing uses have relatively high employment densities and generate a range of

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- skills requirements, providing employment opportunities for the entire profile of Southwark residents. Survey feedback also suggests that despite being predominantly small these businesses generate significant turnover, contributing to the overall economic value of the borough.
- 5.8 For a number of reasons businesses are relocating into the borough from other parts of London, again these tend to be smaller, productive businesses that are in relatively high value sectors (in terms of general industrial activity). This business migration can only be stretched so far geographically before they are lost to London altogether, along with their employment and wider economic benefits.
- 5.9 These suggest there is the potential to continue the diversification of the Southwark economy, particularly as technology enables greater freedoms within 'industrial' and production based activities. Importantly, computer aided design and manufacturing is democratising small batch production and engineering, supporting a new generation of 'makers'.
- 5.10 The attributes that have attracted a range of service businesses to Southwark can also benefit these makers, who provide a physical product counter-point to the software orientated tech-based activity in East London. This will require new, or improved, types of space, offering shared technology infrastructure and equipment to help nurture small start-up businesses.
- 5.11 There are also opportunities to deepen the role of existing, but new, sectors such as food production, the creative and design industry and 'industrial' activity linked to the art industry (servicing, storage, workshops etc). The market presence of the Biscuit Factory, and emerging clusters around Peckham provide a firm foundation for the creative industries whilst refurbished arches in the Tower Bridge cluster provide 'clean' space for food businesses servicing Borough Market and Central London.
- 5.12 To support and grow these clusters will require a combination of delivering the 'right' types of stock, but also ensuring the wider environments are of a high quality to provide an appropriate front door for these client orientated activities. There could also be opportunities for increased support and promotion of the cluster, giving greater visibility to existing businesses and highlighting the strengths of the area for this type of activity can help draw more activity to the cluster.
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- 5.13 The confluence of arts, small scale (high value) manufacturing and design create an exciting milieu of businesses within Southwark which will further catalyse a generation of production orientated activity. The presence of industrial land capacity should be seen as a significant positive to attract this sector, which is seen to be a key component of London's future knowledge based economy.

Site Protection

- 5.14 It has been reported that opportunities and stock that is currently provided within Southwark is in scarce supply within London, particularly in locations which have good accessibility, the future of sites should therefore be carefully considered before any redevelopment is permitted.
- 5.15 This consideration should be given in the knowledge that the businesses that are attracted to the borough are not all low value, low employment generating activity, but include a range of sectors that add considerably both to the range of employment opportunities and are likely to be more closely tied to the local area through staff catchment and the establishment of their primary location.
- 5.16 To enable the new 'industrial sector' to flourish within Southwark it is a necessity to create certainty for both the business and landowners in order to encourage investment in the built stock and operational plant. This can be achieved through the revision of the Local Plan ensuring protection is afforded to a broad portfolio of sites that effectively stops the loss of industrial land capacity that has occurred in recent years and helps to remove the 'hope' value of some land owners.
- 5.17 In protecting sites policies need to consider not just the quality of the specific site or building but also the role it plays and the 'uniqueness' of the offer it presents in terms of the business activity it attracts and accommodates. Sites need to be protected that allow access to the Central City for those businesses that are primarily orientated towards this market, and also sites which are more integrated into the local economy and wider South East London demand.
- 5.18 For example stock within the Tower Workshops site is notably of poor quality however whilst occupiers do note that some refurbishment would be beneficial they recognise that it meets their needs. In part this is related to its proximity to key Central London clients but also in terms of alternative offers elsewhere in the borough it was felt to be

unique in that it provided space where 'dirty' production processes could be undertaken.

- 5.19 Clearly protection needs to respect neighbouring functions, ensuring that one use does not restrict the ability of another to operate, for example the growing food cluster is likely to require some separate from heavier industrial activity. The market is already helping to make these choices, with many of the arches now accommodating the Spa Terminus collective, whilst large scale print activities have clustered at the print village.
- 5.20 These natural 'clusters' are driven by very different factors (proximity to Borough Market for food businesses and the presence of larger industrial spaces for printing) and these need to be understood and planning policy developed that supports and enhances these drivers and spatial opportunities.
- 5.21 Any future release from current protection needs to be carefully consider both in terms of overall 'harm' to the economy given businesses will not be easily transplanted between locations, but also in terms of the timing of release and redevelopment.
- 5.22 If sites are released this should be done only when the Council is satisfied that there is appropriate provision elsewhere, particularly to accommodate particular occupier requirements for dirty and noisy activities or for businesses to access appropriate infrastructure.

Redevelopment Opportunities

- 5.23 Whilst it is not within the scope of this study to forecast the likely future demand for industrial floorspace it is apparent that there is limited slack capacity within the current offer and agents were confident that if new space could be delivered it would be attractive to occupiers.
- 5.24 However, our site analysis suggests there are opportunities for stock redevelopment and diversification of uses within the current portfolio. Focus of redevelopment and consideration of alternate uses should be made in the light over understanding whether stock will meet occupier needs in the longer term (particularly in light of

- understanding changing occupier types) or where the wider infrastructure or environment is not supportive of ongoing 'industrial' provision.
- 5.25 The diversification of the business base and a shift to smaller, cleaner, higher value activities may make employment activity in the clusters more compatible with new uses (such as residential) that could be introduced into, or neighbouring, the clusters. As such employment site protection or redevelopment is not a 'binary' decision. Based on our analysis of the clusters we have developed a matrix that considers the range of opportunities at each site, which is appended to this report.
- 5.26 This clearly highlights the 'choices' which can be made relating to each cluster and that there are opportunities to improve the stock offer whilst also creating capacity to deliver complementary employment generating, amenity and residential floorspace.
- 5.27 The choices will hinge on a number of factors. In the first instance the capacity of the cluster will be critical, ensuring the adequate space exists to deliver floorspace that can be appropriately serviced and also deliver new uses without creating conflicts between the uses.
- 5.28 Within the Rich Industrial Estate area there is a clear scope to reorganise land uses to create additional capacity to retain and enhance the industrial offer and deliver new uses, raising the quality of the wider area. However, locations such as the Tower Workshops do not have the same capacity and are unlikely to offer sufficient space for a suitable mix of uses to be delivered. Here the decision is likely to be more of total loss or reprovision.
- 5.29 Further capacity led work could be undertaken to inform these decisions, reviewing larger clusters in more detail to identify where (and how) a mix of uses could be accommodated.
- 5.30 Decisions will also consider the appropriateness of stock both today and in the future to meet changing needs. Whilst the Old Kent Road is a significant focus of activity in the industrial market there is latent capacity, particularly driven by high levels of vacancy in certain locations where stock is of poor quality. In these areas there may be opportunities for selective redevelopment for other uses alongside the intensification of industrial sites through reorganisation and redevelopment of historic 'ad hoc' development.
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- 5.31 For example the poor quality of stock and lack of significant employment generating uses along Ilderton Road and the Penarth Street area suggest there may be opportunities for redevelopment, particularly if improved links can be established to the rail network and regeneration plans in the Surrey Canal Road area.
- 5.32 The OAPF will play a major role in driving the extent of stock loss required to meet other aims, however this should not encroach on areas where the stock is in high demand or of a type that is not offered elsewhere. Capacity and stock should be retained within the strongest areas, such as Marlborough Grove and the Glengall Business Centre (although some replacement of stock may be required) as well as further north-west at Mandela Way.
- 5.33 In order to identify and realise this potential further work will be required to identify where capacity exists by understanding where stock is unlikely to continue to be 'out-moded' over the long term. This will require further analysis of employment growth opportunities, ensuring that stock and occupier needs in growth sectors are aligned to future plans for the clusters.
- 5.34 The growth and regeneration plans for the borough are likely to have a range of other impacts on the industrial clusters, most notably shifting the infrastructure provision to enhance accessibility. A range of proposals exist, although none are yet to be confirmed, however introducing new public transport will be a catalyst for new development.
- 5.35 The delivery of the Old Kent Road Opportunity Area will require new transport infrastructure, with plans mooted for extension to the Bakerloo line as a potential solution. This may have impacts on a range of sites within the cluster. New stations or transport hubs could increase pressure for development of 'higher value' uses in locations close to where they are delivered. Whilst there is capacity to accommodate a more mixed set of uses in the area this should not necessarily remove the employment offer altogether.
- 5.36 The future of clusters will also need careful alignment of potential redevelopment with wider regeneration aims. For example the Old Kent Road provides good quality accommodation however the area's regeneration has seen the uses increasingly 'squeezed' by residential and leisure uses, creating some challenges for access in particular.
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- 5.37 New infrastructure could create new opportunities to broaden the economic base. The introduction of the Overground to Deptford has helped to generate a new hub of creative industries activity, drawing businesses from Hackney and Dalston (for example) and providing quick access to Shoreditch. Similarly, the introduction of the DLR to Lewisham has supported the economic growth of that part of South East London.
- 5.38 Once a clearer understanding of future infrastructure provision is established further work should consider the opportunities and challenges this presents for industrial activity. It should focus on development pressures but also the new markets that could be accessed by businesses based in Southwark.
- 5.39 It was made clear during the study that any redeveloped space requires careful design if it is to be incorporated within a mixed use environment, ensuring appropriate servicing space and access is provided. Furthermore the configuration of space needs to be carefully related to the local market, for example avoiding over-provision of office space in most locations in the southern half of the borough.
- 5.40 Most consultees advocated the delivery of relatively simple industrial space that would provide flexibility and appeal to a wide range of occupiers, particularly important given the changing dynamics in the occupier market. In some instances this shouldn't seek to 'over-gentrify' space, allowing even micro-manufacturers to access space where they are able to undertake 'dirty' processes – for example creating sawdust.
- 5.41 Redevelopment also needs to understand owner-occupier requirements. With a high correlation of SMEs that are owned and operated within the borough sites and industrial buildings are often owned by their occupier, in many cases these are seen as a 'pension-fund' investment for the business owner. Understanding these types of landownership and the commitment of the occupier businesses will help identify which sites may be 'at risk' of redevelopment as owners seek to 'cash in' their investment.
- 5.42 A 'joined up' strategy is therefore required to bring together all the relevant considerations of 'context' and space requirements to provide a basis for policy development, particularly in informing the appropriate approach to development within the OAs.
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Wider Issues

- 5.43 Whilst the employment offer and market demand for space within the industrial sites has remained strong, even during the recession, there are a number of challenges to their future suitability which extend beyond physical stock issues.
- 5.44 It is clearly beneficial that such a high proportion of employment is noted to be drawn from within the borough, however there are clearly identified challenges in accessing the skills required for the activities undertaken. These issues occur at a range of levels, however it is the reported challenges at the lower end of the skills spectrum which are likely to have the biggest impact on business decisions.
- 5.45 Higher level occupations are likely to have a wider draw as salary levels support increased commuting, however within lower level occupations business tend to rely on a more localised workforce. Of concern in Southwark are the reported poor supply of workers with basic literacy and ICT skills, which are increasingly important to all business activities. This is at times exacerbated by the competition for workers from other industries in the Central City which may offer a more attractive working environment.
- 5.46 Addressing these issues will be a vital component in retaining and helping existing businesses to grow, attracting new businesses to the area and ensuring maximum benefits are experienced within the local community through enhanced employment.
- 5.47 Ensuring the physical context within which businesses operate supports their changing needs is also vital to retain a viable 'industrial' presence. Broadband provision has been raised as a particular issue for some businesses and is likely to become an even greater limitation as computer-aided design, prototyping and production techniques become increasingly commonplace.
- 5.48 Similarly the accessibility and road infrastructure will continue to be a major consideration as businesses seek to access Central London markets. The impact of increased parking as residential densities increase alongside traffic calming both have an effect on the reliability of journey times for businesses and also their ability to transport goods safely and securely. Future road investment schemes and the

delivery of new development should consider the implications they have on the functionality of the existing industrial sites.

- 5.49 The borough as a whole is experiencing significant change which is enhancing the general quality of place in a number of locations. However, many of the sites tend to be located in poorer quality areas and this has impacted on the level of confidence businesses have in their location, particularly related to the 'safety' of their employees when travelling to/from the site outside of core hours.
- 5.50 Whilst residential led redevelopment and community safety programmes are improving the situation there needs to be a greater focus on business zones, ensuring these are not overlooked in the future.

Implications for Southwark Council

- 5.51 Southwark Council faces a choice in terms of its future industrial land strategy, the use of its own assets and the wider regeneration and economic agenda the Council wishes to pursue. On the one hand the protection and enhancement of industrial sites will deliver a range of sustainable employment opportunities for the boroughs residents and help maintain the broad base of the economy. On the other, retention of sites may have implications for the ability of the borough to deliver other aspirations and requirements such as increased housing provision.
- 5.52 The two aren't mutually exclusive as demonstrated in Bermondsey where the delivery of high quality new housing stock and the presence of a growing creative cluster have been mutually reinforcing trends. Indeed, the changes in occupier types increasing lend themselves to improved integration within a wider mix of uses, further potential is identified at a high level within this report.
- 5.53 If Southwark Council wishes to protect and promote the contribution the industrial sites make to the local economy it will need to develop robust and effect **planning policy** that protects those areas and building types that are most suited to meeting business needs and are not readily available elsewhere.
- 5.54 Policies should also proactively identify areas where diversification of the offer would be considered appropriate and set clear parameters for any employment components expected to be delivered within any development. This would create a

- level of certainty for owners and occupiers, enabling them to plan and invest in the future.
- 5.55 Property types need to be aligned to a greater understanding of the likely profile of future growth. On the one hand this is likely to require relatively simple, flexible, good quality units that can be adapted to occupier needs such as those at the Glengall Business Centre and Admiral Hyson Estate.
- 5.56 On the other hand, it may require more bespoke spaces which cater to specific sector requirements. At present there are few examples of these in the borough, however co-working and shared workspaces are becoming increasingly popular in London, particularly in 'new sectors' and where activities require high levels of equipment investment which cannot be borne by start-up businesses.
- 5.57 The Biscuit Factory provides an example of where more bespoke space and facilities can drive occupier demand. It also demonstrates how creating a sense of 'place' and character can be as important as the built stock itself. Whilst it is true that the stock type is attractive to creative businesses it is the wider amenity provision (such as café facilities, shared studios etc) and the management approach to promoting networking that makes the businesses feel part of a 'community'.
- 5.58 The Biscuit Factory also highlights how the employment characteristics link to a sites context. The links from this area to other creative hubs, the nature of the housing offer and the character of the Bermondsey 'neighbourhood' all align with the type of place creative business want to be.
- 5.59 The mixed use development proposals for part of the cluster show how successful employment locations can support and work in harmony with other development types. Where uses are compatible the employment offer can strengthen (and indeed be strengthened by) the delivery of high quality residential development, which improves the image of the area.
- 5.60 What is clear from our analysis is that Southwark Council need to retain a balanced portfolio of stock typologies, recognising the role each plays in supporting the diversity of the borough economy and providing a range of employment opportunities. This will be vital in maintaining the economic health of the borough by providing

accommodation to meet changing needs as some sectors contract, some grow, others diversify and new ones locate here.

5.61 There are a range of stock types available currently and, whilst they take on different physical forms, many are successful at attracting retaining business activity. From the Glengall Business Centre through to Raymouth Road arches the scale and type of stock is different however these successful locations all share a common set of basic credentials and key characteristics including:

- Good quality of provision – they may not be ‘Grade A’ but are clean, modern and well maintained;
- Relatively strong public realm attributes – with good servicing areas that present a smart and tidy ‘first impression’;
- Flexibility of space – both in terms of the scale and internal configuration, enabling users to adapt business processes;
- Appropriate space for activity in the area – providing the appropriate size of space, mixes of floorspace types and permitting certain activities to meet prevailing demand trends; and
- Realistic price point compared to nature of stock – enabling businesses to afford space in the area.

5.62 As highlighted above the policy base will need to recognise the importance of phasing in terms of future development within industrial clusters, ensuring there is sufficient capacity and separation of uses to enable a full range of activities to be undertaken and retained.

5.63 This policy approach will need to be based on robust evidence, of which this report forms a first step. Further work is identified above, but should focus on developing a better understanding of future economic opportunities and the impact this has on space requirements and how they relate to other land uses. This should also inform the basis for considering development opportunities within the OAs.

5.64 Future decisions will need to be made based on a much wider range of factors, but preparing this evidence base will enable the full impacts and implications of any decision to be fully understood.

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- 5.65 The way Southwark Council utilises its own **land and property assets** will also set the tone for the future of the sector. Retaining and improving existing stock will be a first step and could be supported by use of its other land assets to ensure a stock to meet all business needs is provided. The focus should be on ensuring businesses are not squeezed out of the borough and new sectors can be accommodated. The use of its assets should be targeted on ensuring the Council can meet its over-arching economic development and regeneration aims, ensuring balanced growth is achievable.
- 5.66 The Council could work with other land owners and development interests to ensure that, across a portfolio of sites, there is sufficient and appropriate capacity to continue to accommodate existing and new employment activities, particularly in areas of significant change. This could lead to a range of innovative solutions to securing enhanced floorspace capacity, with improved dialogue between landowners and the Council allowing a range of direct and supporting measures to be delivered, potentially also identifying shared approaches to development, infrastructure delivery, business support and external funding applications.
- 5.67 Investment and intervention in the wider infrastructure of the borough should also specifically consider how it impacts and supports industrial sites. Championing the delivery of improved **broadband infrastructure** will be a vital component in the future as all businesses become increasingly reliant on computer based processes. Retaining higher value creative and manufacturing businesses will be intrinsically linked to future ICT connections although at present the economic development role is not a major feature of the provider decision-making process. There is a role for the Council to identify particularly weak areas, coordinate businesses and act as a conduit for discussion with service providers.
- 5.68 Beyond 'hard infrastructure' there will be a need to raise the quality of wider supporting soft infrastructure, particularly in areas where new, higher value activities are being (or could be) attracted to. In general the quality of the urban realm could be improved within the majority of clusters, ensuring what exists already is well maintained, and improving provision alongside improvements to the built stock.
- 5.69 Many businesses are reliant on what is increasingly a highly mobile workforce as such the nature of the wider environment within which the cluster sits is increasingly

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- important to business operators. Future plans for the clusters should seek to ensure environments are safer, particularly where businesses operate outside of core hours, this is likely to be tied to wider community safety initiatives and ensuring these cover industrial locations.
- 5.70 The presence of supporting amenities is also an important consideration and should be encouraged through the planning process. Where employment is sufficiently large there is the opportunity to deliver amenity uses (such as cafes) within the cluster itself, as happens at the Biscuit Factory. However, most sites are likely to be too small to support this, therefore provision close by in the surrounding area will play a vital role, planning decisions could therefore take into account the impact the introduction or loss of amenities could have on nearby industrial clusters.
- 5.71 A fourth key role for the Council will be to work with businesses and education providers to ensure there is an appropriately **skilled labour force** within the borough. This will need to address two aspects. Firstly interventions should ensure residents are generally 'work-ready' and are equipped with the basic numeracy, literacy and ICT skills required to enter employment. This should also be supported by greater careers promotion, highlighting the range of opportunities within the borough.
- 5.72 Secondly there is a need to work more closely with businesses to identify any specific skill shortages relating to particular industries, within our research both catering and engineering skills were raised as particular issues. Issues in these two sectors are not uncommon, with a well reported shortage of engineers nationally and, from our experience, a number of catering businesses in London also reporting recruitment issues.
- 5.73 Addressing these sector specific issues may require the development and funding of bespoke training schemes, assisting SMEs access existing apprenticeship programmes or providing brokerage between LeSoCo (for example as the local FE/HE provider) graduates and local businesses to ensure potential employees are signposted to local opportunities. Financial support may also be required, continuation of funding through developer contributions will be vital in tying employment opportunities from new development to the local community. Supporting the growth of sectors through skills support could also provide a basis for approaches to European funding.
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