

Old Kent Road Area Action Plan
Workspace Demand & Delivery

Presented by:
Martyn Saunders
Joost Beunderman

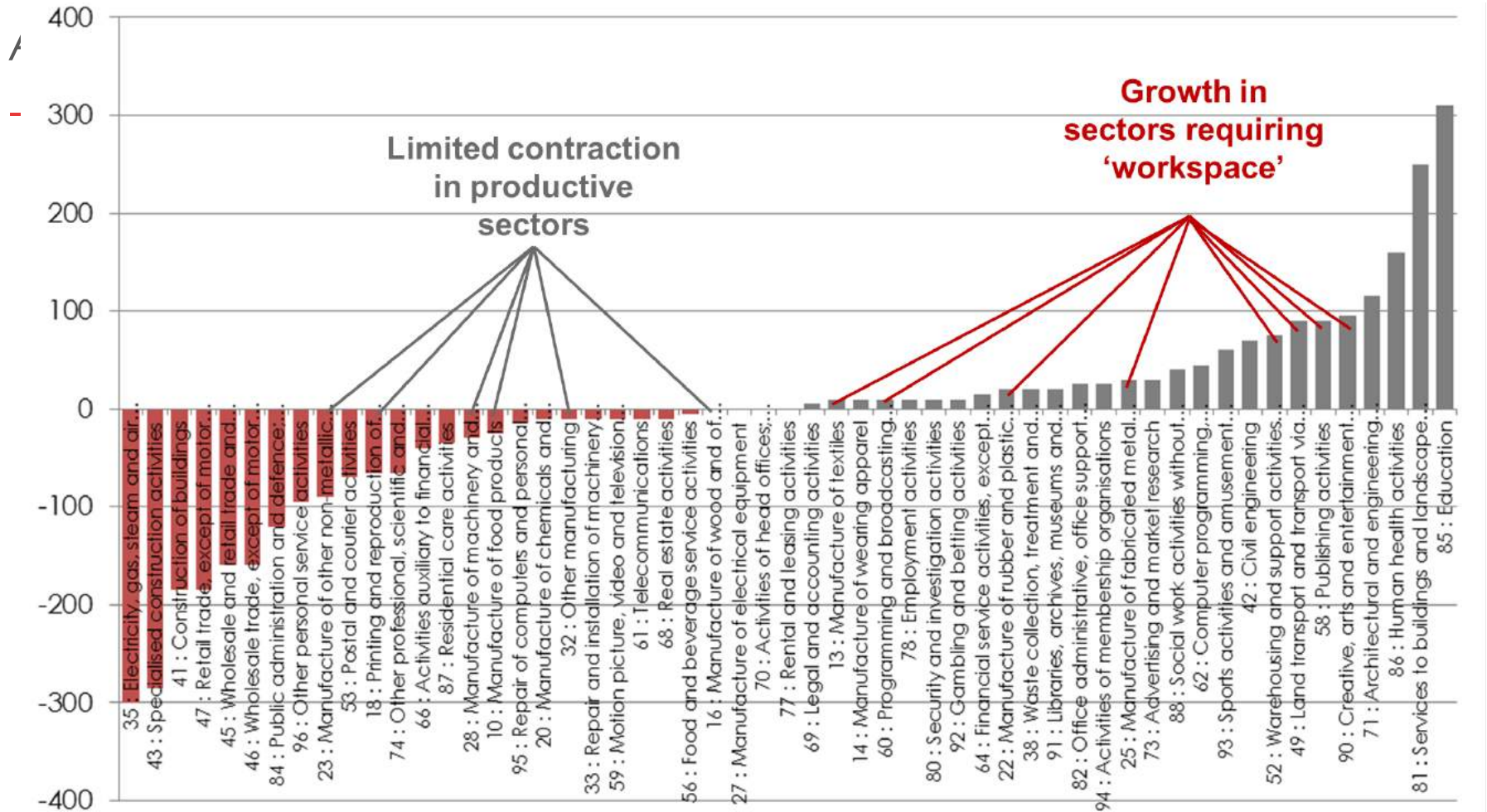


Agenda

- Scale and nature of the current economy
- Future evolution of demand
- Implications for space provision
- Delivery considerations

Nature of the Old Kent Road Economy

A Strong B Class Story



Nature of the Old Kent Road Economy

A Dynamic and Innovative Mix



Freefly VR - B1a/B1c



Flux Metal - B1c



Bianca Road Brewing Co - B1a/B2



Purpose Powder Coatings - B2



BCM Scaffolding Services - B2/B8



Constantine Art storage - B2/B8

Market Dynamics

An Industrial Stronghold

Industrial floorspace c.85% of total stock

Demand fuelling increasing rents and falling vacancy rates

- Less than 3% of space currently vacant
- Average rents in excess of £14/sqft
- Relocation from elsewhere drives further demand

Diversity of use within industrial premises

- Much greater employment density



Source: CoStar



Add caption or credit of image

London's Changing Economic Landscape

Shaping the future opportunity

Broadening of London's economic base

- Embedding of tech and creative activities
- Growth of urban servicing demand

Stabilisation and growth of the production sector

- Remaining industrial activity embedded in economy
- Technology enhancing cost competitiveness

Centralisation 'vs' dispersal of activity

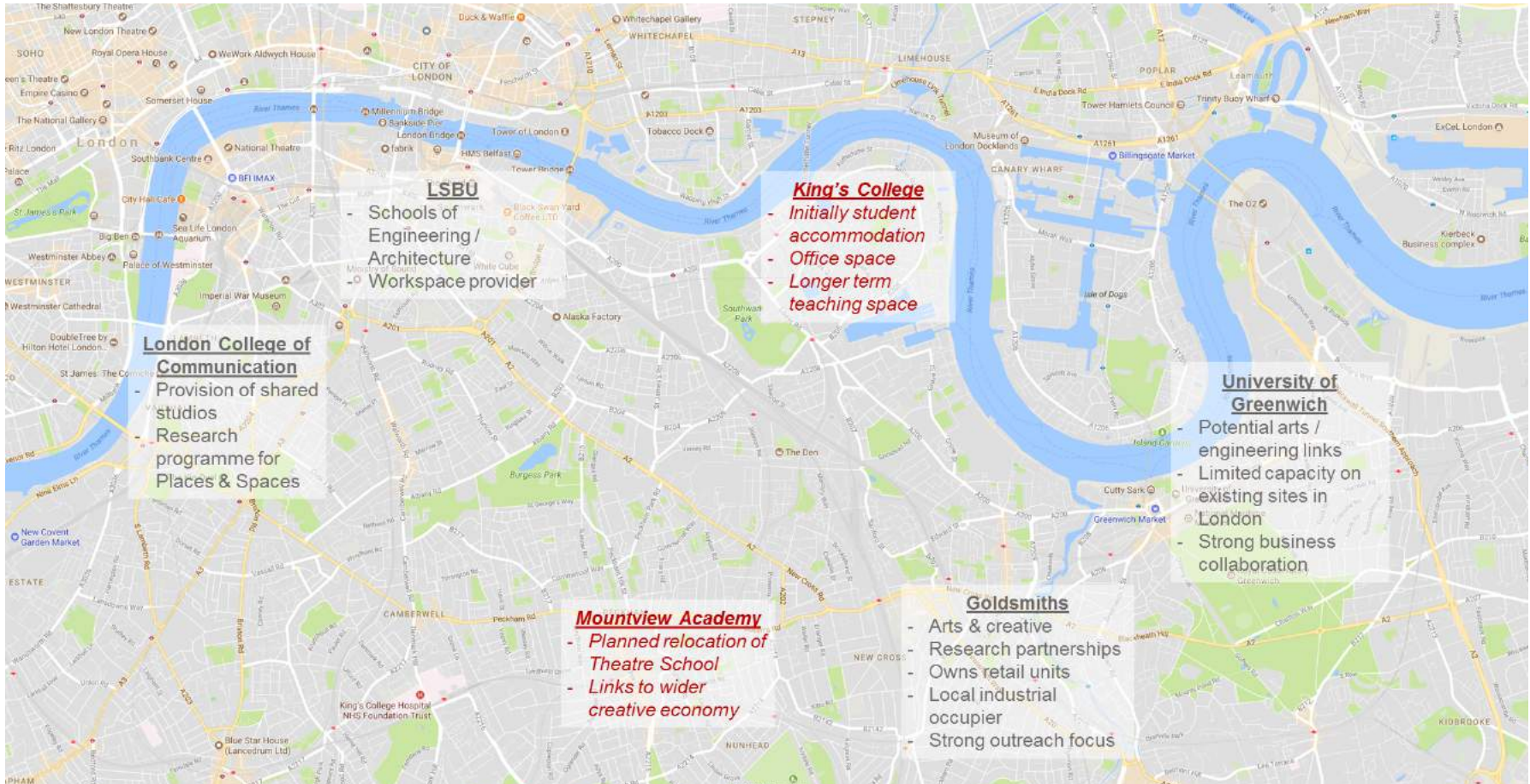
- Growth in the core attracting more office activity
- Technology liberating entrepreneurs

Employment space drives place identity / creates value

- Changing attitudes to work life balance

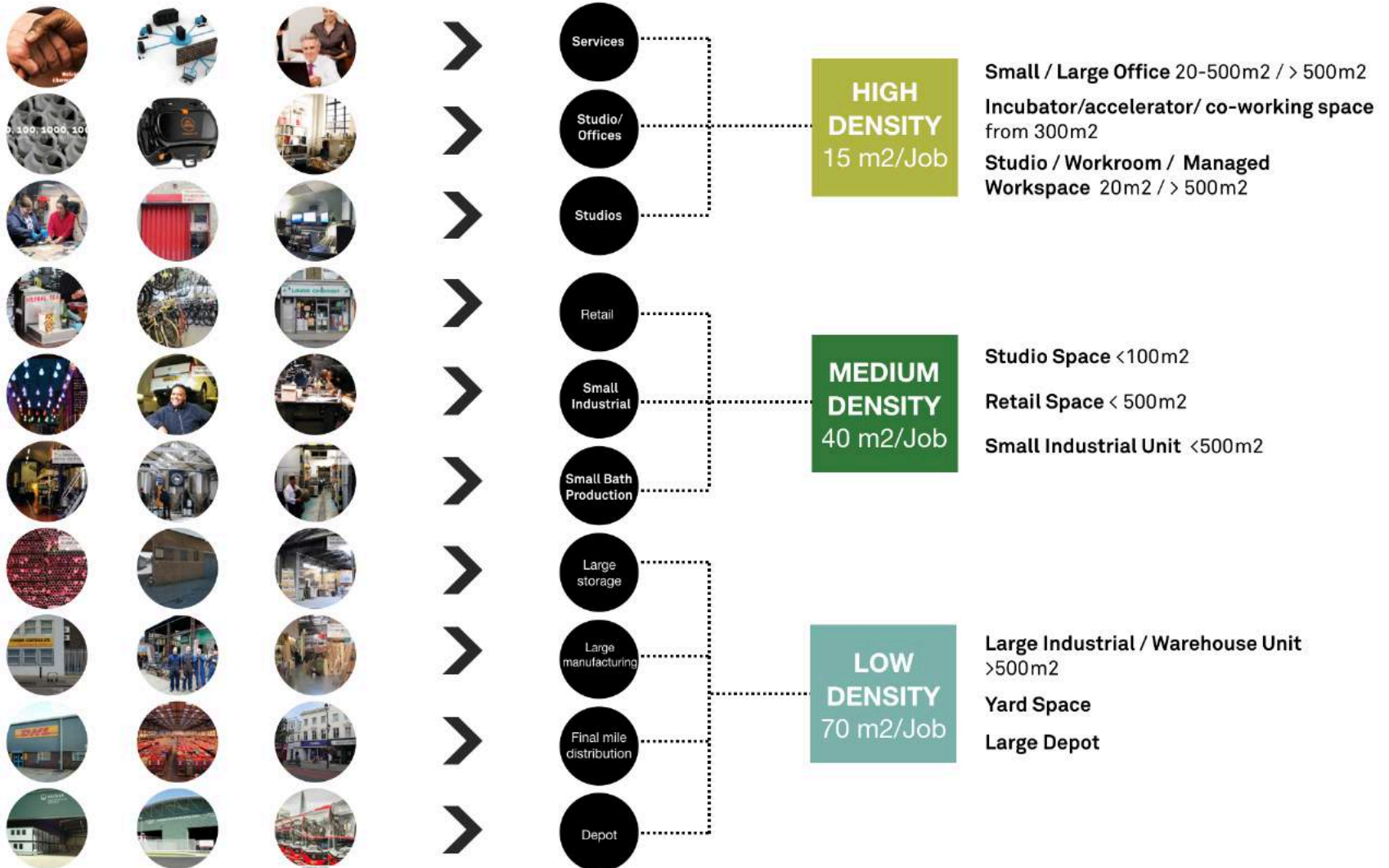
Centre of a Network

Driving Creativity and Production



Need to Think Beyond 'Sectors'

Economy is more flexible, space should be too....



Potential Scale & Nature of Demand

An OKR Specific Approach to Accommodation

Objective to Deliver 10,000 jobs within the area

Focus likely to be on range of productive, creative and service activities

- Not a location for city-centre style office
- Impacts employment density

Will require development innovation

- Requires mix of spaces on ground and upper floors
- Diversity of space across the AAP area

Retention, relocation and displacement are key issues

- Area already intensively occupied
- Scope to create additional initial capacity?

The Implications for Space Provision

The Old Kent Road Needs to Evolve Again

Greater diversity in types of space provided

- Traditional industrial / logistics
- Studio / workroom spaces

A diversity of character across the area

- Respond to occupier requirements/drivers
- Differentiation of station locations, SIL, transition areas, key routes

An new approach and form of development

- The new “London Mix”
- Not just about the buildings but the surroundings



The Implications for Space Provision

The Old Kent Road Needs to Evolve Again

Greater diversity in types of space provided

- Traditional industrial / logistics
- Studio / workroom spaces

A diversity of character across the area

- Respond to occupier requirements/drivers
- Differentiation of station locations, SIL, transition areas, key routes

An new approach and form of development

- The new “London Mix”
- Not just about the buildings but the surroundings



The Implications for Space Provision

The Old Kent Road Needs to Evolve Again

Greater diversity in types of space provided

- Traditional industrial / logistics
- Studio / workroom spaces

A diversity of character across the area

- Respond to occupier requirements/drivers
- Differentiation of station locations, SIL, transition areas, key routes

An new approach and form of development

- The new “London Mix”
- Not just about the buildings but the surroundings



The Challenge for the Old Kent Road

Realising the potential requires innovation

No 'easy' approach to delivery and management

- An unproven development approach in modern London
- No easily identifiable operator to mitigate risk
- Considered high risk for investors and house-builders

Design is crucial to success

- Manage out any 'conflicts' now and in the future - horizontal and vertical mix
- Not just about the buildings but the surroundings - a 'working' public realm

Complex structures have a high development cost

- Increasing rents to create viability
- Pricing out the businesses we want to retain
- Risk of stock obsolescence
- Alternative approaches ...

The Tools and Approaches

Realising the potential requires innovation

Policy

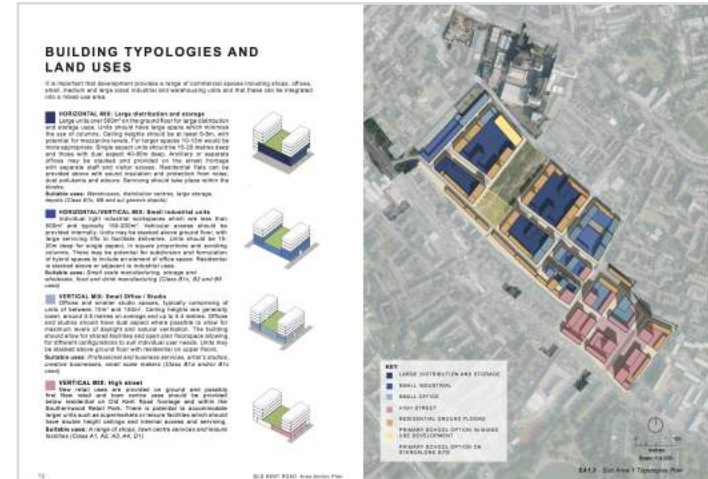
- Recognising the character and attributes of different places
- Not net loss, or 'net gain' – across diverse types of space
- Clear design guidance, e.g. 'all ground floors'
- Focus on additional supply capacity to advance/unlock of regeneration - Council role
- Manage and minimise relocation – single move

Affordability

- Flexibility in approach – not a straight percentage of space
- Ability to pool 'off-site' contributions to deliver bigger/better strategic projects
- Protecting key existing buildings

Operators

- Southwark Council as a broker – approved providers list +
- A public sector (supported) intermediary
- Supporting user-led developments (business freeholders) - e.g. Camley Street



Question for discussion...

What types of space do the businesses want/need to occupy in the future

- o Size
- o Specification
- o Servicing requirements

Do they envisage particular issues with co-location into mixed use environments?

- o Any uses that shouldn't mix
- o How can issues be overcome

Early move opportunities

- o Where can additional space be created?

Where are the pinch points on affordability?

- o Particular space types
- o Particular sectors

Role / help Southwark can play / provide

- o Policy
- o Coordination of investment
- o Owner of space

