

# EMPLOYMENT & MARKETING STRATEGY

21-57 WILLOW WAY, SYDENHAM, SE26 4AR

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# 1 INTRODUCTION

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This Employment and Marketing Strategy has been prepared by Kitewood Estates Ltd ('Kitewood') in support of a full planning application for the redevelopment of the application site ('the site'), known as 21-57 Willow Way, Sydenham, SE26 4AR.

This Strategy focuses on the employment floorspace proposed within the redevelopment, assess it against the existing commercial use of the site and highlights how it would be marketed, managed, as well as outlining the economic benefits of the redevelopment.

The description of development is as follows:

*Demolition of existing buildings and redevelopment to provide employment floorspace (Use classes E(g)(i)(ii)(iii)) and residential dwellings including 50% affordable housing and amenity space.*

The site extends 0.16 hectares and comprises a collection of single storey, double storey buildings shipping containers, yard and parking areas. The existing buildings on the site contain a mixture of garage / vehicle repair, office and warehousing space as well as one residential apartment. The existing uses (including the residential unit) comprise a total of 1,341 sqm of floorspace.

As set out in the National Planning Policy Framework (NPPF) (July 2021), the main purpose of the planning system is to contribute to the achievement of sustainable development. One aspect of achieving sustainable development is the economic objective - to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and, by identifying and coordinating the provision of infrastructure.

## Structure

This report consists of the following sections:

- Chapter 2: sets out the current and emerging policy context for the employment strategy for the site;
- Chapter 3: describes the proposed development including the design specification of the employment floorspace;

- Chapter 4: sets out an assessment of the existing and proposed workspace;
- Chapter 5: assesses the employment and other economic benefits arising from the proposed scheme;
- Chapter 6: sets out the marketing strategy; and,
- Chapter 7: draws overall conclusions on the employment and marketing strategy and economic impacts of the proposal.

## 2 POLICY CONTEXT

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This chapter sets out the key planning policies of relevance to the employment and marketing strategy for the redevelopment of the site at 21-57 Willow Way.

### **National Planning Policy Framework**

At a national level, the National Planning Policy Framework (NPPF) was adopted in 2012 and most recently updated in March 2021. It sets out the Government's planning policies for England. It states that the purpose of the planning system is 'to contribute to the achievement of sustainable development'.

Paragraph 81 of the NPPF sets out that planning decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should then allow each area to build on its strengths, counter any weaknesses and address the challenges of the future.

Paragraphs 119 and 120 of the NPPF sets out that planning decisions should make the most effective use of land and encourage multiple benefits from both urban and rural land, including through mixed use schemes and taking opportunities to achieve net environmental gains. It also confirms that planning decisions should give substantial weight to the value of using suitable brownfield land within settlements for homes and other identified needs, as well as promote and support the development of under-utilised land and buildings, especially if this would help to meet identified needs for housing where land supply is constrained and available sites could be used more effectively.

### **London Plan (2021)**

At a regional level, The London Plan was adopted by the Mayor of London in March 2021. The London Plan is the Spatial Development Strategy for Greater London. It sets out a framework for how London will develop over the next 20-25 years and the Mayor's vision for Good Growth. To ensure that London's growth is 'Good Growth', each of the policy areas in the Plan is informed by six Good Growth (GG) objectives.

GG1 sets out that all growth should be inclusive growth and to build on the city's tradition of openness, diversity and equality, and help deliver strong and inclusive communities, planning and development must seek to ensure changes to the physical environment to achieve an overall positive contribution to London.

GG2 sets out that to create successful sustainable mixed-use places that make the best use of land, planning and development must enable the development of brownfield land, particularly in Opportunity Areas, on surplus public sector land, and sites within and on the edge of town centres, as well as utilising small sites. It also confirms that planning should prioritise sites which are well-connected by existing or planned public transport. Objective GG2 confirms that planning decisions should proactively explore the potential to intensify the use of land to support additional homes and workspaces, promoting higher density development, particularly in locations that are well-connected to jobs, services, infrastructure and amenities by public transport, walking and cycling.

GG5 sets out that to conserve and enhance London's global economic competitiveness and ensure that economic success is shared amongst all Londoners, planning must promote the strength and potential of the wider city region, as well as seek to ensure that London's economy diversifies and that the benefits of economic success are shared more equitably across London.

Policy E2 seeks to protect B Use Class business space, in terms of type, use and size, at an appropriate range of rents, to meet the needs of micro, small and medium-sized enterprises and to support firms wishing to start-up or expand. It also sets out that development of B Use Class business uses should ensure that the space is fit for purpose having regard to the type and use of the space.

Policy E6 sets out that Councils should identify Locally Significant Industrial Sites (LSIS).

Policy E7 sets out development proposals should be proactive and encourage the intensification of business uses in Use Classes B1c, B2 and B8 through:

- 1) introduction of small units
- 2) development of multi-storey schemes
- 3) addition of basement

- 4) more efficient use of land through higher plot ratios having regard to operational yard space requirements (including servicing) and mitigating impacts on the transport network where necessary.

### **London Borough of Lewisham Development Plan**

The Local Development Plan comprises the Core Strategy (2011) and the Development Management (DM) Plan 2014. At a local level, the site is identified as a Local Employment Location (LEL) within the Development Plan.

Core Strategy Spatial Policy 3 (Strategic Industrial Locations and Local Employment Locations) states that the Council will protect the Local Employment Locations (LELs) for a range of uses within the B Use Class (B1, B8 and where appropriate B2 industry) and also appropriate sui generis uses, to support the functioning of the local economy.

DM Policy 10 (LEL) sets out that the Council will support uses within the B Use Class and appropriate sui generis uses, within a LEL subject to the use being appropriate in the location in relation to the surrounding built context, the intensity of the use and the new use meeting the aims in the CSP3. It states that premises in these locations will be required to be flexibly specified and provided with an internal fit out to an appropriate level to ensure the deliverability of the units and the long term sustainability of the employment uses. It also states that change of use to residential would not be permitted due to the effect the proposal would have on the continued commercial functioning of the area as a whole and their incompatibility with the uses on the LEL.

### **Emerging Lewisham Local Plan (2022)**

Lewisham's new Local Plan will set out a shared vision for the future of the borough along with the planning and investment framework to deliver this vision through to 2040. The Regulation 19 draft Local Plan was considered by Mayor and Cabinet Committee on 7<sup>th</sup> Dec 2022. The Draft Plan was approved to proceed to Regulation 19 Consultation and is now expected to be consulted on in early 2023.

The emerging Regulation 19 Local Plan allocates the application site as a Locally Significant Industrial Site (LSIS) under Policy EC6. The allocation is for a comprehensive employment led mixed-use redevelopment comprising 6,705 sqm of commercial space and 175 residential units. The allocation seeks the co-location of compatible commercial, main town centre and residential uses. It states that

reconfiguration of buildings and spaces to facilitate a new layout with new and improved routes, both into and through the site along with public realm and environmental enhancements.

### 3 PROPOSED DEVELOPMENT

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#### Summary

The site is located in the Forest Hill Ward, within the London Borough of Lewisham authoritative area. The site extends to 0.16 hectares and comprises a mix of single and double storey commercial buildings with shipping containers located in parking and yard areas between the buildings.

The application proposes the creation of a high-quality employment led mixed-use development.

The proposed development is for the:

*Demolition of existing buildings and redevelopment to provide employment floorspace (Use classes E(g)(i)(ii)(iii)) and residential dwellings including 50% affordable housing and amenity space.*

#### Employment Floorspace

The proposal would deliver 1,403 sqm of flexible employment workspace (Use Class E(g)(i)(ii)(iii)) at ground floor level with ancillary space provided at mezzanine floor level. The employment space would be provided in three separate units, broken down as follows:

	Ground Floor (sqm)	Mezzanine Floor (sqm)	TOTAL (sqm)
<b>Unit 1</b>	300	64	364
<b>Unit 2</b>	429	366	795
<b>Unit 3</b>	195	49	244
<b>TOTAL</b>	924	479	1,403

The units could accommodate a range of medium, small and micro businesses for light industrial and creative industries, workshop uses. The units would be completed to a shell and core fit out to ensure flexibility for all potential end users.

The floor to ceiling heights of the double height areas would be 5.3m and the floor to ceiling heights under the mezzanine space would be 2.4m. The mezzanine floor to ceiling heights would be 2.2m. An additional allowance for services, ducting, vents and other equipment has been made in the plans and has not been included in the above figures.

Separate level access would be provided for each unit from Willow Way. Units 1 and 2 would have rear access to an amenity space that could be used by the staff of the commercial units. Lift and stair core access would be provided from ground floor to mezzanine floor level for all three commercial units.

Separate refuse storage would be provided for each unit that is accessible internally from the relevant unit and also externally accessible from Willow Way.

Cycle parking would be provided in a separate dedicated cycle parking store. Servicing to the separate commercial stores would be from the on-street servicing / deliveries / loading bay located centrally along Willow Way, adjacent to Unit 2.

### **Residential Floorspace**

The application proposes 60 residential units above the ground floor commercial space spread over part-three and part-four storeys. 50% of the residential units are proposed as affordable housing units. The residential units would be divided equally between two cores providing stair and lift core access to each residential floor level.

Communal amenity areas are proposed across three roof terraces located at the southern end, centrally and the northern end of the development. Children's play space (0-11 year olds) would be provided on each of the three roof terraces.

Separate refuse stores and cycle parking stores would be provided for the residential floorspace within the relevant cores, both located at ground floor level.

Two blue badge parking spaces are proposed from first occupation of the development to the rear of the building with a provision for four additional spaces if required during the occupation of the development.

An amenity and landscaped area is proposed to the rear of the building and along the eastern boundary to provide residential and visual amenity for the prospective residents .

## 4 WORKSPACE ASSESSMENT

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This section sets out an assessment of the existing and proposed workspace on site in terms of quantum of floorspace and uses, the quality of the existing provision and the proposed provision. This section also outlines the proposed management procedures that would be in place for the proposed workspace.

### Existing Workspace

The site extends 0.16 hectares and comprises a collection of single storey and double storey buildings and shipping containers. Yard areas and parking areas are located between the buildings and shipping containers. The existing buildings on the site contain a mixture of garage / vehicle repair, office and warehousing / storage space as well as one residential apartment.

A site walkover survey was carried out to determine the existing uses and areas on site, and are broken down as follows:

	<b>Ground Floor (sqm)</b>	<b>First Floor (sqm)</b>	<b>TOTAL (sqm)</b>
<b>Warehouse / Storage</b>	679	255	934
<b>Vehicle repair</b>	85	0	85
<b>Office</b>	113	50	163
<b>Residential</b>	8	93	101
<b>Other (circulation / display)</b>	31	27	58
<b>TOTAL</b>	<b>916</b>	<b>425</b>	<b>1,341</b>

The existing site currently contains a garage / vehicle repair business in the northern area of the site, a catering equipment hire business in the central area and drinks machines repair / servicing business in the southern area of the site. Parking, yard areas and containers are interspersed between the existing buildings.

In addition to the commercial uses, there is a residential unit (101 sqm) located above the garage / vehicle repair business located at first floor level in the northern extent of the site. The property is known as 21A Willow Way and is recognised on the Local Council's Tax Register under reference

number 09140002100004. Records confirm that it has been recognised as a property since September 1995.

In total, there is currently 1,239 sqm of commercial floorspace and 101 sqm of residential floorspace on site. However, for completeness and to ensure the proposal re-provides the entirety of the existing floorspace, the commercial and residential floorspace area have been combined and the existing provision is considered to be 1,341 sqm.

The general condition of the existing workspace is considered to be relatively poor. The buildings have been extended and redeveloped organically over time and a large proportion of the space is used for storage / warehouse uses and is considered that it would not be appropriate for conversion to alternate commercial uses. It is also worth noting that a proportion of storage is also currently housed in shipping containers and portacabins on site.

The majority of the single storey workspace comprises a floor to ceiling height of around 3.0m and the double storey comprises a floor to ceiling height of around 4.0m. Refer to the accompanying Design and Access Statement prepared by DC Architecture and Design for images and further details of the condition of the existing workspaces on the site.

As part of the evidence base for the emerging New Lewisham Local Plan, the Council commissioned an updated Employment Land Study (2019). The Study confirmed that some of the units within the Willow Way Local Employment Location are of reasonable quality, but there are some industrial units which are dated and coming to the end of their economic life. The study also recognised that industrial uses would have a low compatibility with the surrounding area, particularly in the context of nearby residential development.

#### Proposed Workspace

As identified in the previous section. The proposed commercial workspace would be provided across three separate units of varying sizes, predominantly at ground floor level with ancillary space provided at mezzanine levels.

The proposed uses are broken down as follows:

	<b>Ground Floor (sqm)</b>	<b>Mezzanine Floor (sqm)</b>	<b>TOTAL (sqm)</b>
<b>Unit 1</b>	300	64	364
<b>Unit 2</b>	429	366	795

<b>Unit 3</b>	195	49	244
<b>TOTAL</b>	924	479	1,403

The application seeks permission for a range of commercial uses identified below, under Class E – Commercial, Business and Services. Sub-category (g) of Class E relates to uses which can be carried out in a residential area without detriment to its amenity, as follows:

- **E(g)(i)** *Offices to carry out any operational or administrative functions,*
- **E(g)(ii)** *Research and development of products or processes*
- **E(g)(iii)** *Industrial processes*

It is considered that a range of potential end users could be accommodated in the proposed units, for example they could be used as ‘maker spaces’, workshops, co-working space or microbreweries.

The commercial units would be completed and fitted out to a shell and core level. The units are all of a different size and configuration and would allow for different end users to occupy different units dependent on their specific needs. The units would be provided with relevant supporting facilities such as policy compliant levels of refuse storage, cycle parking, sprinkler tank requirements and plant room requirements to provide optimum flexibility for all users.

The commercial units would be provided with large amounts of glazing to Willow Way and to the rear boundary to provide natural daylight into the commercial units. The floor to ceiling heights of the double height areas would be 5.2m and the floor to ceiling heights under the mezzanine space would be 2.4m. the mezzanine floor to ceiling heights would be 2.2m.

As part of the Good Growth by Design agenda, the GLA commissioned an Industrial Intensification Study to provide guidance on the acceptability of industrial intensification and co-location with residential uses, known as the Industrial Intensification and Co-Location Study. The study confirms that for light industrial / workshop / studio units ranging in size from 32-500 sqm such as the three units proposed, a floor-to-ceiling height of 3.5m – 4.4m would be recommended. Therefore, the proposed floor-to-ceiling heights of 5.2m comfortably exceed the recommended levels and would provide very high-quality space that would be appropriate for a range of end users.

### Management

The management of the proposed workspace would be undertaken by an independent management company. It is the intention that Kitewood would retain the freehold of the site and the

management company manage the commercial space. Therefore, Kitewood will retain a long-term interest in ensuring the employment space is successfully constructed and occupied.

### Summary

The existing site comprises 1,341 sqm of floorspace, of which 1,239 sqm is a mix of warehouse / storage, vehicle repair / garage, office and ancillary space and 101 sqm is in residential use. The redevelopment proposals would provide more commercial floorspace than in comparison to the existing provision with an overall provision of 1,403 sqm which represents an uplift of 62 sqm, noting that the uplift includes the residential provision in the existing area.

The existing provision of workspace is recognised to be in poor quality condition as shown by the site photographs in the accompanying Design and Access Statement, but also in the Council's Employment Land Study (2019). The proposal would deliver three high-quality flexible commercial units with more on-site facilities, greater floor to ceiling heights, more activation to Willow Way and ancillary mezzanine floorspace to support the main function of the individual commercial units.

For the reasons set out above, it is considered that the redevelopment proposal would represent an improvement in terms of the quantity of employment floorspace, but also a significant improvement in terms of the quality of employment floorspace that could cater to a range of end user's needs.

## 5 ECONOMIC IMPACTS

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This section considers the economic impacts that will arise from the operation of the proposed development, including the direct employment generation, the additional resident spending and local employment that will be supported once the development is occupied.

### Existing Employment

As part of the evidence base for the emerging Lewisham Local Plan, the Council commissioned an updated Employment Land Study (2019). The study confirmed that the Willow Way LEL generated 80 jobs (66 jobs/ha), of which 15% were consumer, 14% industrial and 72% office based jobs. However, it should be noted that this relates to the wider LEL boundary area.

A survey of the existing businesses operating on the site was carried out, and it is understood that the existing employment levels on site are as follows:

Address	Business	Employment levels (Full-time employment)
21-25 Willow Way	Delta Motors Garage	3
27-49 Willow Way	Hallmark Catering Hite	10
51-57 Willow Way	Beeline Services	6
TOTAL		19

As set out above, it is estimated that the existing site generates 19 full-time equivalent jobs (119 jobs/ha) in its current condition.

### Proposed employment

The number of jobs generated within the development has been calculated by applying the average job / floorspace ratio set out in the GLA Guidance document – Flexible Workspaces on our High Streets (March 2021). The employment densities for different use classes identified in the document are set out below:

**Employment Density**



- General office: 10-13 sqm/job
- R&D space: 40-60 sqm/job
- Light industrial: 47 sqm/job
- Storage & distribution: 70-96 sqm/job
- Incubator: 30-60 sqm/job
- Maker spaces: 15-40 sqm/job
- Studio: 20-40 sqm/job
- Co-working: 10-15 sqm/job
- Managed workspace: 12-47 sqm/job

Source: [Homes and Communities Agency, Employment Density Guide 3rd Edition \(2015\)](#)

On the basis of the above uses, the table below identifies the level of jobs that would be created on site on the basis of the 1,403 sqm of employment floorspace proposed. Where there is a range of sqm/job the midpoint has been taken.

<b>Use Class</b>	<b>Job / Floorspace Ratio</b>	<b>Midpoint</b>	<b>Jobs Generated (full-time equivalent)</b>
General Office	10-13 sqm/job	11.5 sqm/job	122
R&D Space	40-60 sqm/job	50 sqm/job	28
Light Industrial	47 sqm/job	47 sqm/job	30
Storage & Distribution	70-96 sqm/job	83 sqm/job	17
Incubator	30-60 sqm/job	45 sqm/job	32
Maker Spaces	15-40 sqm/job	27.5 sqm/job	51
Studio	20-40 sqm/job	30 sqm/job	47
Co-working	10-15 sqm/job	12.5 sqm/job	112
Managed workspace	12-47 sqm/job	29.5 sqm/job	48

It is not expected that the proposed workspace would be occupied entirely for one of the above uses. Taking the average of the above uses, the development proposals would generate 54 full time equivalent jobs (338 jobs/ha), therefore representing an uplift of 35 jobs in comparison to the existing employment levels.

**Indirect and Induced employment**

Indirect jobs will be supported by companies based at the application site purchasing goods, supplies and services from firms in the surrounding area. The spending of wages by both employees of firms on the site and of the local firms supplying goods to these companies will also support induced employment in local shops, services and other firms.

Based on the characteristics of the proposed development, its local economic context and labour market, a combined employment multiplier of 1.2 is considered appropriate to estimate both indirect and induced employment for the local area. This multiplier is based on the latest English Partnerships' guidance on calculating the additionally of economic regeneration projects.

If it is assumed that all jobs generated by the commercial space of the scheme only will be additional, this local area multiplier can be applied to the estimated net additional direct FTE jobs, equating to 35 in this case. This results in a significant further 'spin-off' FTE job in local services and other firms in the area.

On this basis, the operational phase of the proposed development is estimated to support, directly and indirectly, approximately 61 direct and indirect jobs in total across the local area. This is based on 54 deriving from the table above and using the multiplier of 1.2 on the net additional 35 FTE jobs which equates to 7 additional FTE jobs.

Overall, the proposals will provide uplift in employment opportunities to those which exist on the site, in premises of far higher quality which will attract new occupiers. The long term, employment-generating potential of the site will therefore be greatly enhanced.

## 6 MARKETING STRATEGY

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Kitewood would introduce the workspace units to local businesses and will commence marketing 9 months prior to Practical Completion. In order to get the appropriate occupier for the workspace Kitewood would look to target local, start-up businesses and small to medium sized businesses who are currently located in the area, or looking to move to the locality.

The employment workspace will be advertised locally in both press and on social media, using a variety of recognised agents designed to target specifically those cultural and creative industries and Information Technology businesses providing them with an opportunity to establish and grow without the need to look for new employment floorspace outside of their local catchment.

Kitewood would focus their search for workspace provider partners locally and engage with commercial agents with established local contacts and a strong track record of delivery.

If the search for suitable local tenants proves unsuccessful then after a reasonable timeframe and after taking advice from appointed agents, Kitewood would begin to explore expressions of interest from businesses located outside the local area marketplace. This change of strategy will not exclude any local businesses from being considered during this process.

Other marketing methods recommended by the agents include:

- Website specifically designed for the scheme
- Agents Websites
- Branding/Naming of the scheme
- Banners and Boards on Brighton Road frontage
- Vinyl wrap signage at street level
- 4-page colour pdf brochure incorporating floor plans, CGI's and appropriate imagery and photos
- Initial launch advert within publications like the Estates Gazette and Property Week
- Direct mail to specific business sectors
- Commercial Agency Portals including Focus, EGI, City Agents Club and West End & Office Agents Club.

## 7 CONCLUSION

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In summary, the proposed redevelopment would provide an uplift in the overall provision of commercial floorspace, whilst also delivering significantly improved quality and flexibility of workspace that would also generate an increase in jobs in comparison to the existing condition on the site.

The existing site comprises 1,341 sqm of floorspace and the proposal would deliver 1,403 sqm of commercial floorspace. Therefore, the proposed redevelopment would deliver an uplift of 62 sqm of employment floorspace compared to the existing provision, however the existing provision calculation includes 101 sqm of residential floorspace, and therefore the 'actual uplift' would be higher than 62 sqm.

The redevelopment would replace poor quality commercial units, yard space and shipping containers with three high quality and flexible units. The commercial accommodation has been designed to include units of varying scale and configurations. The design of the units and the flexibility they will offer is entirely consistent with the strategic and local policy objectives to provide commercial units for small to medium sized enterprises of 'gritty', light industrial uses.

In terms of employment, combining direct and indirect jobs, it is expected that the site would generate approximately 61 full-time equivalent jobs, of which 54 would be permanent on-site and 7 would be indirect by applying a multiplier of 1.2 to net additional FTE jobs which is considered reasonable. The existing site generates approximately 19 full-time jobs in its current condition and therefore the proposals in isolation would represent an uplift of 35 full-time equivalent jobs on-site.

Kitewood will undertake a thorough marketing strategy, focussing on local connections and the local market to ensure the units would be given the best chance of being occupied by a local business.

In conclusion, the development will deliver a range of significant economic, housing and regeneration benefits. The scheme will strengthen and diversify employment, bring sustained economic vitality and vibrancy, and contribute to local sustained employment provision in the area in accordance with the NPPF, the London Plan, the Lewisham Core Strategy / Development Management Local Plan and emerging development plan policies.