

Flexible Workspaces on our High Streets

rehearsal space

shared and private offices for start-up businesses

desk space

shared kitchen space

bookable meeting rooms

maker space

lab space

printers and framers

recording studios

community health and wellbeing hub

artist studios

Foreword by Simon Pitkeathley

The pandemic has significant ramifications for the future of how workspaces will be serving entrepreneurs and businesses post Covid. As Co-Chair of the Mayor's Workspace Advisory Group (WAG), I and my fellow co-Chair Sarah Ellis, and all members of the Group, have been focusing on how the sector could adapt to this new landscape. I believe that in its various forms, workspace could be a vital tool in helping London to recover from the impact of vacancy rates, from small units on local neighbourhood high streets, to towering office blocks within the CAZ.

We must explore new concepts such as 'deep work' – repurposing traditional office space for the temporary use of remotely based companies for periods of intense, in-person work. This could give London's CAZ a unique

role in the post-COVID world. High streets will benefit from a customised meanwhile use approach, and as CEO of the Camden Collective co-working space, I know that such projects have the agility to respond to struggling local economies with imaginative installations that fill vacant spots with an energetic community of entrepreneurs.

This pamphlet identifies where and how these new types of flexible workspace models could flourish and help London to recover quicker whilst building its resilience as a flexible and responsive city. Uncertain times lie ahead, but this package of ideas poses some thought provoking and ambitious possibilities for the building of our future city.

Simon Pitkeathley
Co-Chair Workspace Advisory Group

Foreword by Jules Pipe

The last few months have seen numerous debates reflecting on the potential impact of the pandemic in the future use of office spaces. With the vaccine being rolled out across the UK and with expectations that the summer will see the situation improve, we will start understanding how offices will be used in a post-pandemic world.

In parallel, employers of all sizes are exploring how to adapt their working patterns to combine use of central headquarters, with employees both working from home and using flexible workspaces in offices local to their neighbourhood.

These new ways of working will change how we perceive, design and use both London as a global city and our local neighbourhoods within it. This is an opportunity to use the recovery from the pandemic to transform our city, to make it a more people-friendly place with more self-sufficient neighbourhoods where Londoners can access everything they need within a short walk or bike ride away. In this new type of city, the flexible workspace sector could play a significant role in achieving this objective.

Existing workspace operators, landlords and developers have already started exploring how to reconfigure or redesign their surplus or empty premises by converting some of it into flexible offices. It is expected that over the coming months, new flexible workspaces will be opening across outer and inner London locations.

This pamphlet proposes a range of scenarios that can be adapted to the needs of private and public sector landlords thinking of repurposing their premises. The conversion of surplus space into flexible workspaces could ensure our high streets are more vibrant and sustainable, while providing the right type of working spaces to small, medium and large businesses.

Jules Pipe CBE
Deputy Mayor for Planning, Regeneration and Skills

Introduction

This pamphlet has been commissioned by the Greater London Authority and the London Economic Action Partnership (LEAP) following the advice of the Mayor of London's Workspace Advisory Group to provide propositional guidance on how new flexible workspace can be brought forward through the repurposing of existing high street buildings. The changing economies for the retail sector, alongside the shifting patterns of how and where people choose to work, highlight significant opportunities to bring back into use vacant retail spaces, while providing flexible workspaces closer to where people live.

This pamphlet provides practical guidance and propositions for a reimagination of the relationships between landlords, tenants, operators, and local authorities, with the purpose of reducing the risk profile of vacant units, while ensuring that high street assets create social value by making space accessible for local business and enterprise. Four scenarios presented focus on how large public-sector owned assets, empty shopping centre units, large retail space in the Central Activities Zone (CAZ), and small units on a high street, can be repurposed for flexible workspace. The scenarios present different ownership, delivery and operational methods, outline the benefits from different stakeholder perspectives, and showcase existing examples of how such innovations are already coming forward.

We are grateful to the members of the Workspace Advisory Group, GLA officers, and all those who gave their time to contribute to our research and development of proposals:

Alastair Parvin, Open Systems Lab
Alex Woolf, Romulus
Alison Partridge, Capital Enterprise
Andrew Catchside, LB Enfield
Anisha Jogani, LB Croydon
Ashleigh Watkins, LB Barnet
Ben Oliver, KLM Retail
Benjamin Carew, Othership
Blossom Young, Poplar HARCA
Charlotte Healy, LB Westminster
David Conboy, Newsteer
Duncan Ray, Remarkable City
Emily Berwyn, Meanwhile Space
Gabriela Spangenthal, LB Brent
George McCullough, LB Sutton
Gerard Burgess, GLA
Gordon Innes, Bloomberg Associates
Hannah Clayton-Peck, Ashford Council
Indy Johar, Dark Matter Labs
Ion Fletcher, British Property Foundation
James Child, Estates Gazette
James Sheppard, Kadans Science Partners
Jayne Smith, Hammond Associates
Je Ahn, Studio Weave
John Desmond, BWA
Julie Khan, LB Redbridge
Marcel Baettig, Bow Arts
Mark Bourgeois, Hammerson

Martyn Saunders, Avison Young
Matthew Rust, LB Croydon
Michael Davis, JLL
Mike Nisbet, Landsec
Nimrod Vardi, Arbeit
Ojay McDonald, Association of Town Centre Management
Olly Olsen, The Office Group
Paul Hammond, Hammond Associates
Paul Hodgson, GLA Data
Philip Bier, CEO Bier Retail Ltd
Rebecca Trevalyan, Library of Things
Richard Pestell, Stantec
Sally Williams, Retail Revival
Sara Turnbull, WorkWild
Sarah Musgrove, Urban Land Institute
Shamim Akhter, LB Redbridge
Simon Pitkeathley, Camden Town Unlimited
Siobhan Jared, TFL
Vanessa Hale, Urban Land Institute

A call to action

Shake-ups to the retail sector, predominantly as a result of fast growing e-commerce and the experience economy, have challenged traditional assumptions of anchor retail tenants, and resulted in a domino effect of high street vacancy. The compounding impact of coronavirus on high street retail has been well documented, with a growing number of high profile administrations and record numbers of store closures and job losses.

The reductions in high street market yields (documented by [Savills](#) and [Knight Frank](#)) also challenge the valuation process, as there is increasing difficulty in putting a value on assets where rents may not have been paid for many months.

Alongside rising vacancy in retail spaces, London is experiencing shortages of flexible workspace (and in particular [artist workspaces](#)) as a result of development pressure, rising land values, and Permitted Development policies. This trend has meant that neighbourhoods are lacking access to affordable, secure, long-term space for business and community enterprise start-up and growth.

While initiatives around affordable workspace policy, provision, and meanwhile activation of vacant retail stores have achieved some improvements in high streets, the underlying conditions of fragmented land ownership, risk aversion, as well as the lack of coordination in governance and curation, continue to challenge any long-term, sustainable high street recovery.

The scale of opportunity

This pamphlet sets out the scale of opportunity that London faces in addressing these interlocking challenges to kickstart high street recovery, namely:

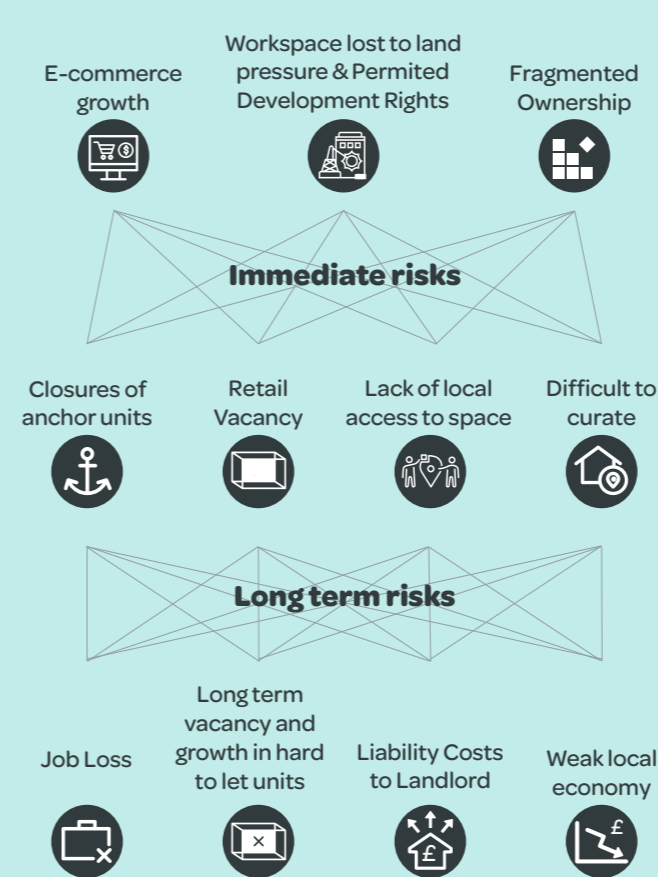
- Alleviate landlords of liability costs from empty units
- Create and share new contractual models for flexible leasing
- Secure space for entrepreneurship and build a pipeline of local business
- Build new multi-stakeholder partnerships to support high street curation and manage risk
- Ensure asset resilience, with long-term quality of tenants and income

Who this pamphlet is for

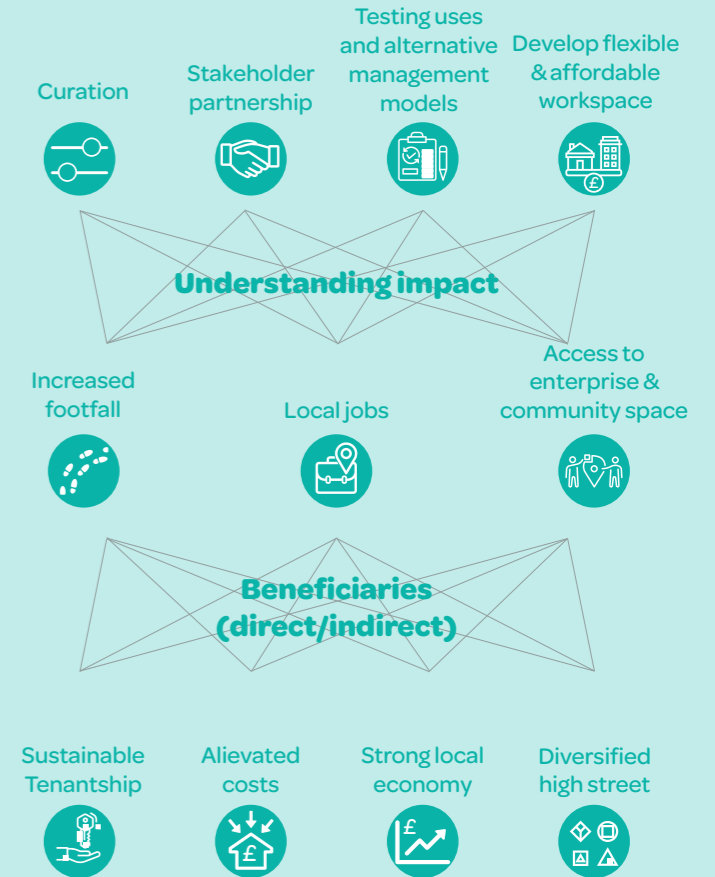
Reimagining vacant and underused spaces on high streets requires deep collaboration and participation by all stakeholders across the public, private and community sectors. The scenarios explore the roles of public and private landowners on high streets and shopping centres, the agents and advisors involved in letting and managing units, the workspace operators and organisations supporting businesses to access workspace, and the local interest groups such as BIDs and community businesses.

The scenarios focus on contexts where the traditional commercial model is no longer viable, and therefore not looking to replicate the existing workspace provision.

What is happening now



A new way forward



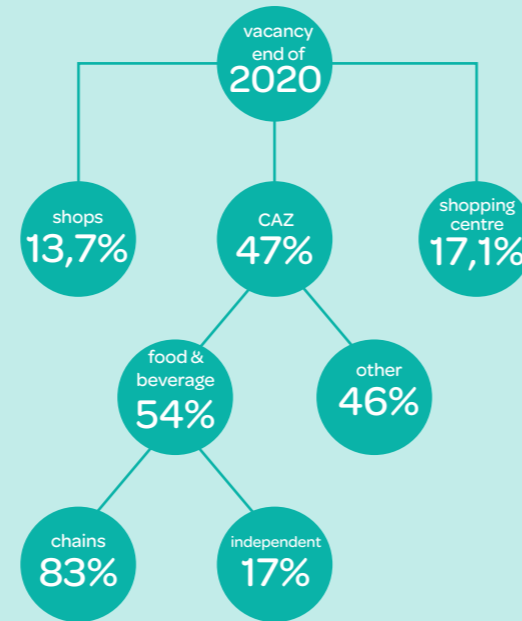
“It’s all about flexibility”

Shifts in retail property

The major shifts in the retail sector over the last decade have been well documented, with coronavirus amplifying many pre-existing trends, and necessitating a repurposing of high streets beyond shopping.

- We have seen a number of high profile retailers going into administration and liquidation ([Deloitte](#)), challenging the reliance on anchor tenants for many high streets and shopping centres, as well as what constitutes a strong covenant for granting leases.
- Increases in the online shares of sales, which precede coronavirus, continue to change the business models for retailers, and reduce the need for large retail units for a single business.
- An overhaul of traditional retail leases, (20+ years and income-driven rent agreements) is already underway, with many landlords adopting flexible lengths and turnover rent agreements. These shifts will inevitably lead to changes in how valuations are set, as a set market rent for retail is replaced by more flexible contractual agreements and appreciation of broader tenant outputs.

- Vacancy monitors show the rise in retail vacancy across London, as it follows:



Data source
Shops & Shopping Centres: [BRC and Local Data Company](#)
Central Activities Zone:
a. vacancy: [Local Data Company](#)
b. footfall: [Springboard](#)

“The words ‘Landlords and Tenants’ are archaic terms that set the tone for hostile relationships. Retailers and Owners need to work in partnership because only when they BOTH succeed will the retail industry as whole become successful”

Philip Bier
CEO Bier Retail Ltd

The future of work

Coronavirus has also accelerated the trends towards more flexible working arrangements with a likely rise in demand for working closer to home for part of the week. Large [tech-sector companies are announcing](#) new “work from anywhere” policies, and “distributed first” models, which signal towards a trend of rising demand for facilities which enable collaboration for a distributed workforce. New working patterns will not only lead to [new partnerships between landlords, operators and tenants](#), but will also need to be reinforced by a more careful curation of the high street.

The announcements from employers of “home office allowances” for their workers, and the already established models of corporate memberships to facilities, gives rise to the viability of the ‘hub and spoke’ flexible workspace hubs across the city. Outer London’s high streets can benefit from this latent demand, with the end of line stations in particular being able to serve their residential neighbourhoods, as well as their wider commuter catchments.

The CAZ, on the other hand, has the additional opportunity to capture the demand for “[deep work](#)” - where newly distributed teams and decentralised companies, wanting to gather for a series of days in an easily accessible location, can collaborate and access specialist facilities. Including ancillary facilities as part of the flexible workspace offer, such as meeting spaces, exhibition spaces, video conferencing

equipment, on-site childcare, or recording studios, can fill a gap currently in traditional office provision, and make workspaces more accessible.

“We are starting to see people who say they need a desk for a couple of days a week as their home circumstances mean they need a different environment”

Blossom Young
Poplar HARCA

Recovery strategies

The London Recovery Board has developed [nine 'missions'](#) for the city's social and economic recovery, which have emerged following close collaboration between local authorities, health and care bodies, business groups, trade unions, the voluntary sector, academia, national Government and other bodies. The missions aim to restore confidence in the city, minimise the impact on London's communities and build back better the capital's economy and society.

The 'High Street for All' mission advocates for the diversification of the high street offer, the bringing into use of vacant and underused buildings, and introducing new types of business and civic organisations. The emphasis on repurposing existing infrastructure is an integral part of responding to the [declared climate emergency](#) and meeting the UK's carbon zero targets, as further outlined in [JLL's research report](#).

Using meanwhile use coworking spaces (such as the [Camden Collective precedents](#)) can contribute to boosting the local economy by injecting a new community of entrepreneurs, with their every day spend and socialising supporting the trading environment, and building up local supply chains.

Planning changes

The Government's changes to the Use Classes Order which came into effect in September 2020, have significant impacts in terms of granting new flexibility for landlords to change between retail and workspace uses, and the abilities of councils to plan the activity mix on high streets.

There is an opportunity for high street retail units to switch to workspace and other (former) B1 employment activities with greater flexibility and room for hybrid models that combine retail and workspace functions.

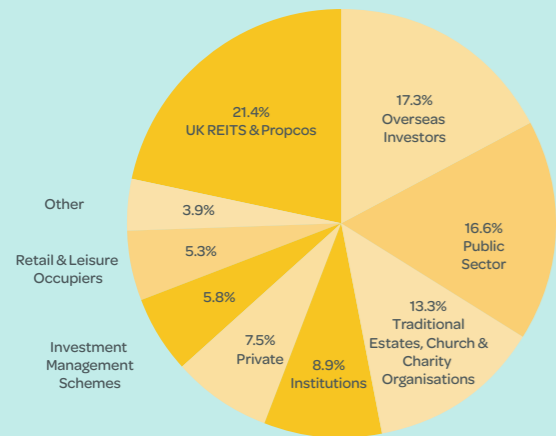
A challenge however, for Local Authorities and landlords of vacant units in town centres, is that the new changes provide a means to circumvent the sequential test and move away from the principle of 'town centre first' for main town centre uses. This will, in some locations, make vacant units within centres more difficult to fill as shops and restaurants are encouraged to proliferate elsewhere.



High Street Governance

Different configurations of high street ownership and governance impact on the capacity to curate and coordinate activity on high streets. While large estate owners are able to manage commercial assets as a portfolio and cross subsidise their income, the more common fragmented ownership on high streets is often a cause of vacancy and oversaturation of homogenous retail.

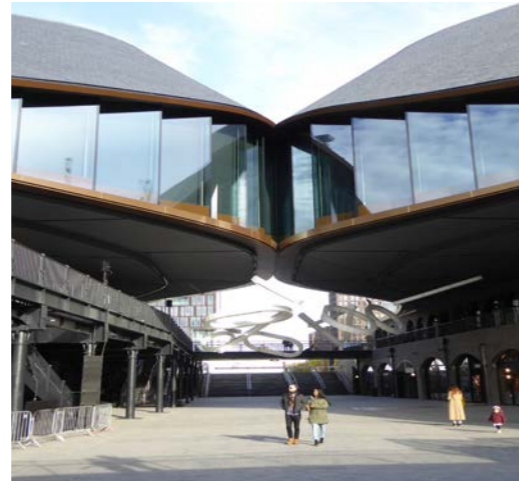
High streets across the city also vary in the “attention per square foot” that they receive, with some high streets benefiting from the programming and investment by Business Improvement Districts, landlord forums, Local Authority regeneration teams, and active civic sector, while others lack any coordination or strategic investment (reflecting the baseline of only 10% of town centres and high streets in London that have a strategy).



Ownership of top UK high streets by investor type
Source: Radius Data Exchange, Land Registry, Scottish Assessors Association

Large estate owner

A single owner of a large estate across one geographical area



Source: Clem Rutter (CC BY-SA 4.0)

- +** Pros
 - Able to pool resources and have large stakehold in governance
 - Able to cross subsidise income across the portfolio
 - Wider curation potential
- Cons
 - Too large to be nimble and experimental and tuned into hyper local talent and potential
 - Health of high street is dependent on success of estate portfolio

Larger-stake owner

A high street with one or two owners who have a larger stake with a number of units



Source: Architecture 00

- +** Pros
 - Portfolio of different types of units to offer
 - Tuned into local governance
- Cons
 - Rely on agents for promotion
 - Typically traditional lease agreements
 - Vitality of high street depends on interest of landlord who may prioritise profits (not always to benefit of diversity and offer)

Fragmented ownership + governance vehicle

A high street with fragmented ownership, but with a governance body in place such as a Business Improvement District



Source: Carron Brown (CC BY-NC 2.0)

- +** Pros
 - BID or landlord forum takes on promotion role + coordinating maintenance services, events and place marketing
 - BIDs can facilitate public-private relationships which make innovative meanwhile use possible
- Cons
 - Some BIDs are limited in pooling large resource
 - Lack of landlord presence in governance limits coordination

Fragmented ownership

A high street with fragmented ownership, but no governance body in place



Source: Architecture 00

- +** Pros
 - Successful landlord may secure key tenant which anchors the high street and drives footfall
- Cons
 - No coordination, relying on council's capacity to fund improvements
 - Each landlord looking to extract highest income from individual unit

Types of workspace

Definitions of 'Flexible Workspace' vary across the industry and by sector. General principles of a flexible workspace include having an easy in-out lease, tenancy or membership agreements, and a strong wraparound community offer. The following categories of space, operation, and activity are provided as an outline, and can be co-located within a workspace to enable hybrid business models.

- Shared Kitchen**
Individuals or businesses prepare value added food products and meals.
- Lab Workspace**
Controlled conditions for scientific or technological research and experiments.
- Accelerator**
Business access specialised support to accelerate growth Support lasts for a short, fixed period.

- Co-working**
Open plan, informal spaces combining workstations and supporting facilities such as meeting room
- Incubator**
Mixed facilities. Provides business support Often have relationships with universities
- Managed Offices**
Basic amenities with no furnishing, business support or dedicated meeting rooms.
- Serviced Offices**
Furnished and usually available with instant occupation. Shared meeting rooms, business equipment and other resources

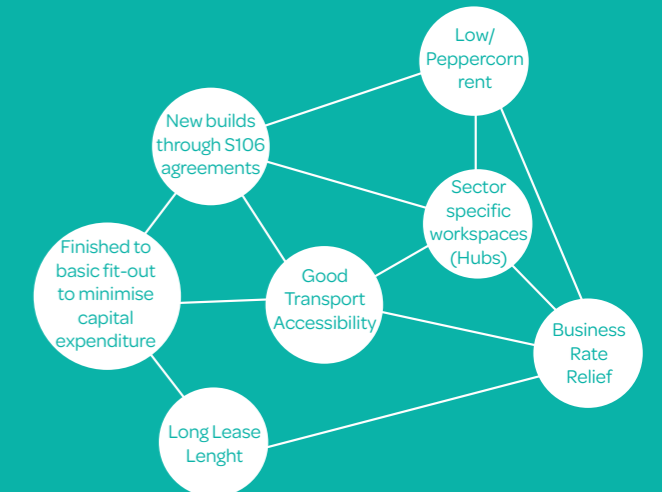
- Creative/artist studios**
Managed by an operator and offers space for artistic activity, typically in self-contained studio units.
- Creative co-working**
Desk space; often with shared amenities. Typically, no creative or technical facilities for making on site.
- Creative facilities**
Technical, creative facilities (eg. recording studio, darkroom, workshop) often alongside a desk space or studio
- Makerspace**
Shared technical or workspace facilities for physical making or production of goods. Often with supporting technicians onsite to assist and manage the workspace

Types of facilities

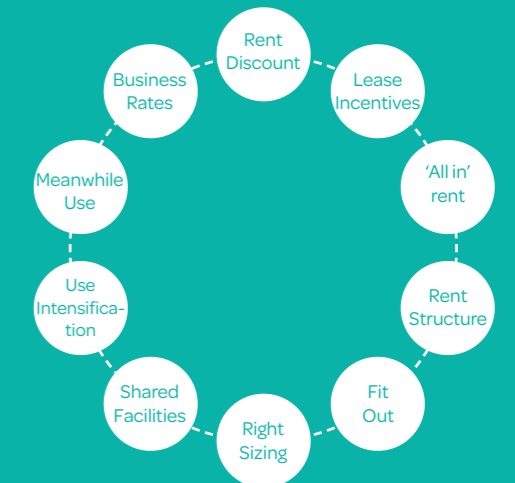
- Meeting room**
- Event / exhibition space**
- Specialist equipment**
- Recording studio**
- Strong internet**
- Kitchen space**
- Storage**
- Bike storage**
- Cafe**
- Creche**
- Parking**
- Showers**
- Business support**
- Lockers**
- Outdoor space**
- Host**

Affordability

While the 2021 London Plan policy E3 defines affordable workspace as rents maintained below market rent for a period of at least 15 years, there are a number of other factors that contribute to affordability for end users:



Factors mentioned by Workspace Operators as attractors to deliver affordable workspaces



Defining/Achieving Affordability
Source: Avison Young/00

Suitable Areas

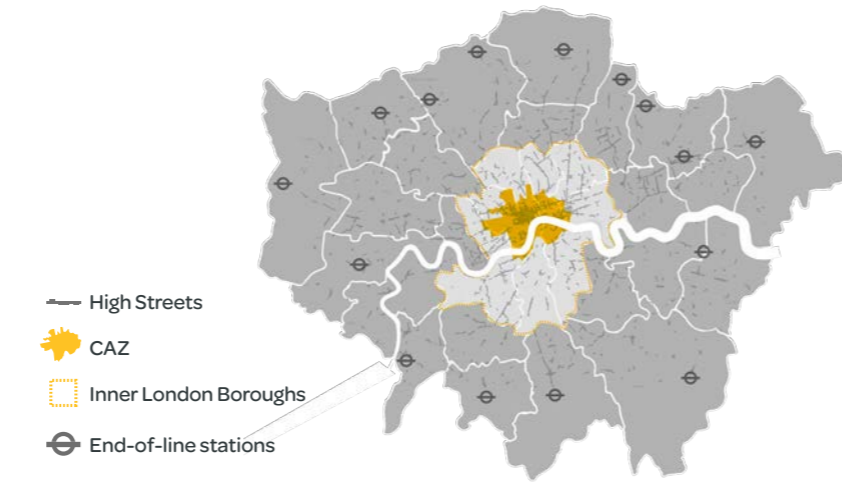
The need and approach to repurposing vacant and underused high street units will differ across London's boroughs and zones, as the land values, high street character, and severity of impact from the pandemic have varied across the capital.

As documented in the [CAZ Economic Futures Research](#), Central London's consumer economy, as well as its social and cultural fabric, are facing a deeper and more protracted crisis than other parts of the city. Regardless of which 'back to work' predictions materialise following the pandemic, the CAZ will undoubtedly experience post-pandemic period of vacancy and under-use. There is therefore a need to explore how the CAZ can shape its recovery and repurpose its vacant ground-floor assets towards broader strategic aims.

Outer London by contrast, is experiencing a different set of challenges and new-found demand. Outer London's towns have a wealth of existing amenities, good transport connections, and wide residential and commuter catchments, but, however, vastly differ in terms of infrastructure, governance, and resident demographics.

The city scale

A series of urban conditions can support the development of flexible workspace on high streets. The illustrative map shows some of the characteristics which could help local authorities, developers or landlords prioritise intervention. An overlap of three or more of these parameters, for example an area undertaking large scale housing growth where there is an end-of-the-line/outer Zone station and a retail dominated high street, could signal a latent opportunity.

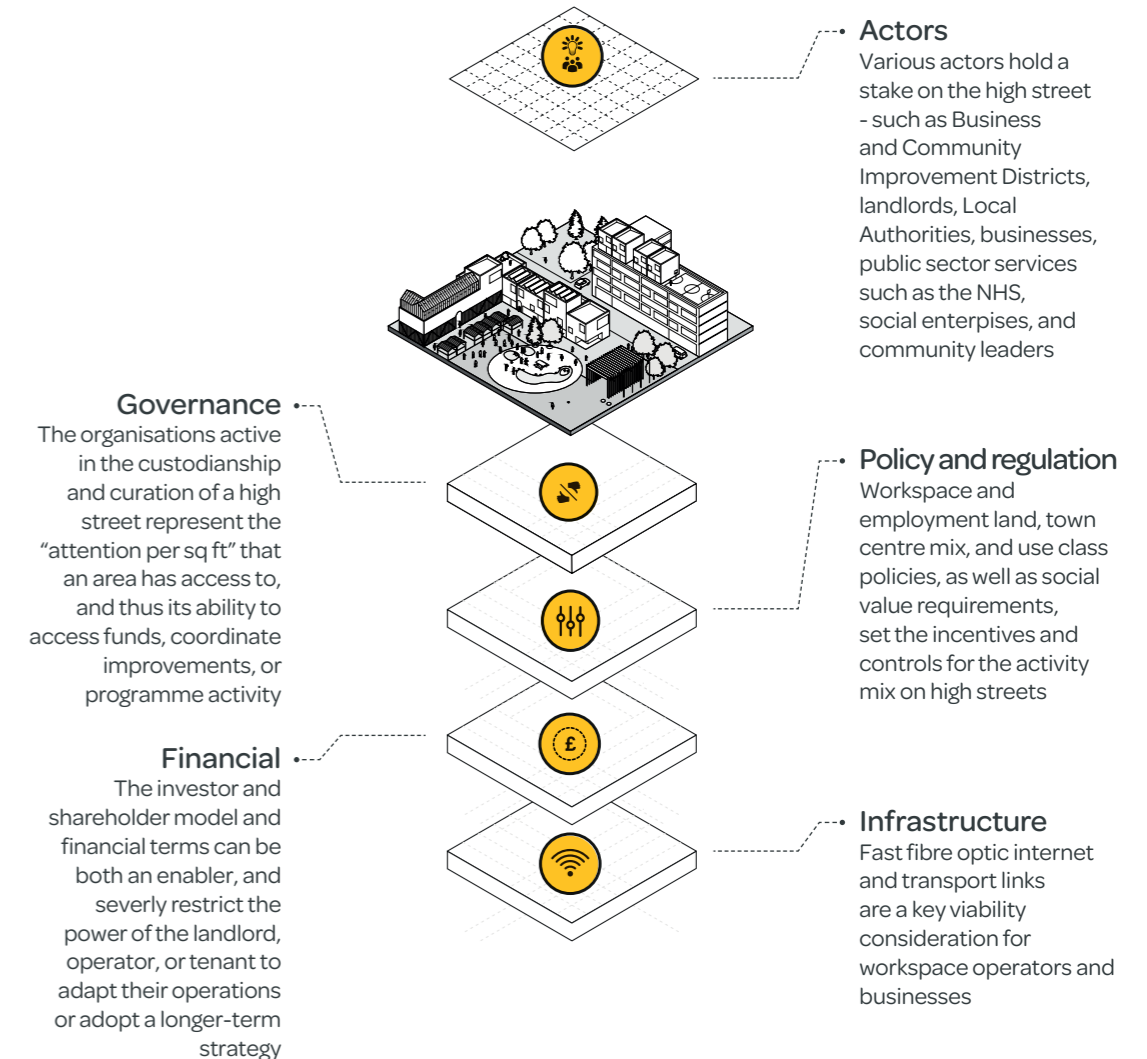


Area considerations

- Areas of housing growth
- Areas with a higher demand for office
- Areas with a higher demand for flexible workspace
- Areas with a higher demand for artist studios
- Areas with a significant loss of B1c space
- Retail dominated high street
- High Vacancy Rates
- Flats as dominant residential typology
- High Land Values
- Areas of rising house prices and rents
- Fast fibre optic internet

Structural conditions

Layers of underlying contractual agreements, governance structures, and infrastructure underpin the activities and users on a high street:

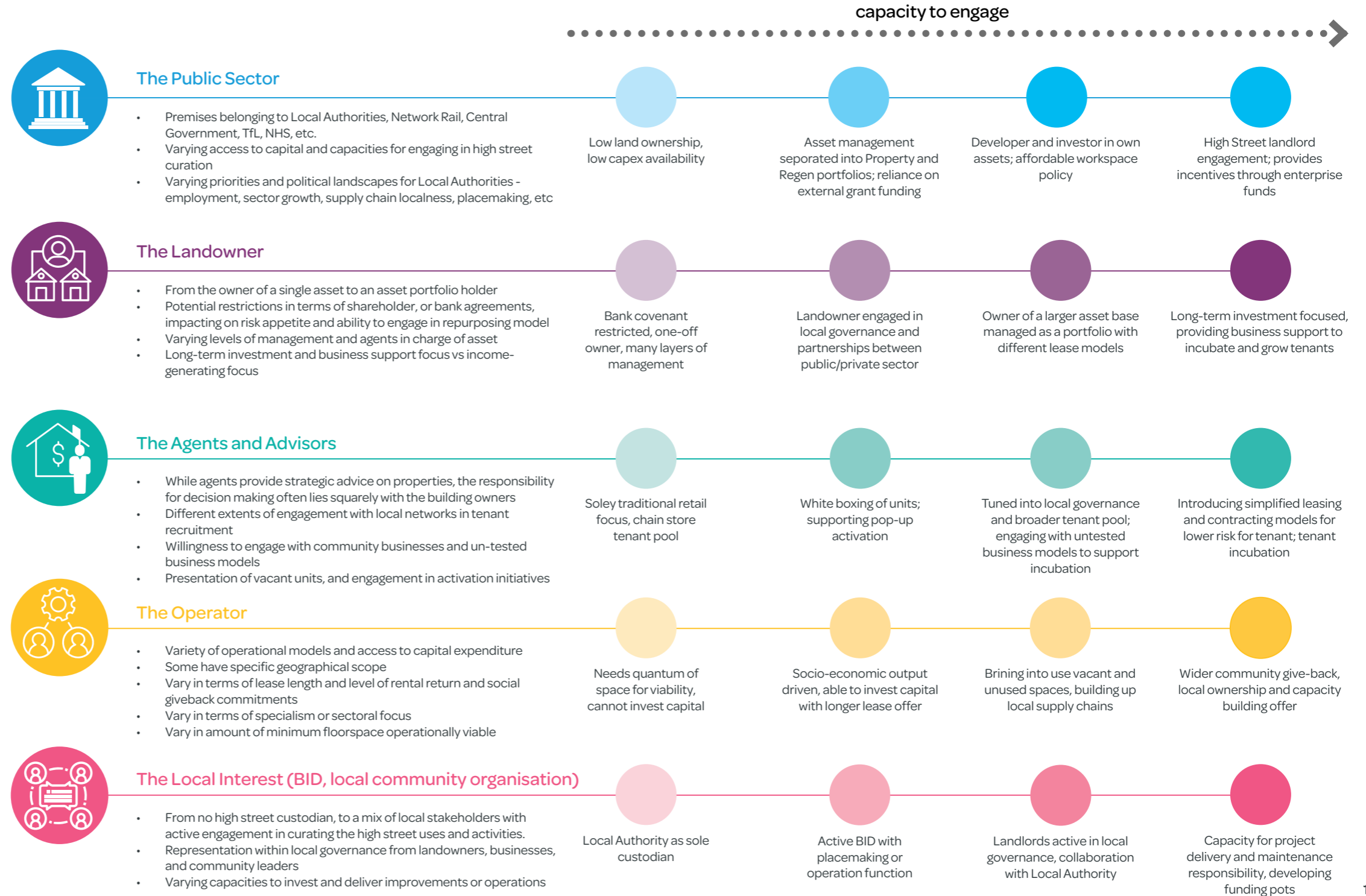


Stakeholders

Strategically curating and repurposing underused high street assets requires more systemic intervention, which goes beyond the physical redesign and unlocking capital expenditure, to ongoing collaboration, agreements, and inputs by various stakeholders.

Stakeholders can vary significantly even within the groupings of 'landlord' or 'Local Authority', as individual organisations will have differing access to finance, organisational makeup, missions, and experience in delivery and operations. The Business Improvement District model, for example, emerged in North America, where due to the particular property tax system, embedded landowners within its membership. The extent to which a high street governance and ownership model has representation of landlords, businesses, community leaders, and public and private organisations, determines its 'attention per square foot'.

Here we outline the characteristics of the different typical stakeholder groups involved in high street governance, and highlight their various conditions and capacities which need to be acknowledged when tailoring the approach to collaboration.



Glossary of tactics

Throughout conversations with landlords, local authorities, agents and operators, a number of tactics have been highlighted which demonstrate some of the innovations in repurposing and letting of spaces. This is by no means an exhaustive list, but provides a scan of the types of tools that are starting to be applied in various contexts, and can support greater flexibility, risk mitigation, and collaboration between stakeholders.

Further [research by the Local Government Association](#), outlines the powers available to Local Authorities in tackling vacancy - such as Planning tools, asset management, targeted investment, enforcement and licensing.



Services contracts and SLAs

- Negotiate terms which form part of the lease and outline the social value, services, and programming that the operator or end tenant will provide, often in return for lower rent obligations
- Haringey's [Community Wealth Building Lease](#) is an example of this approach



Meanwhile activation

- Window of opportunity for a number of years before a redevelopment comes forward, or future use is established
- Meanwhile activation should be a window of opportunity to test, prototype, and capacity build a future use or activity
- There is potential for very short occupation of space, typically enabled by tech, through platforms such as [Sook](#)



Open call out Platform

- Landlord(s) advertise their vacant units on a shared online platform, with an open callout for tenants to propose uses and activities within the available spaces
- Spaces available on flexible terms, and the platform makes the process transparent, lowering the barriers for local entrepreneurs to access space
- This was an approach launched in the [Open Poplar](#) platform, and recently recommended in the [Meanwhile Use report](#)



Corporate sponsorship

- Opportunity for flexible and shared workspace to be in part subsidised by large employers and corporates, allowing their staff access to professional workspaces closer to home



Business Rate strategy

- Some councils have been taking an approach to discretionary Business Rate relief for 'Open Workspaces' and meanwhile uses in pre-development sites. Since 2018, LB Waltham Forest have offered 'Targeted Relief' for workspace providers who are not-for-profit, reinvest surpluses into affordable workspace within the borough, and achieve 'local social, economic and cultural benefits'
- Rates relief can also target specific sectors in need or stimulate economic activity in a location ([LB Brent Affordable Workspace Strategy](#))



Multi-use and hybrid spaces

- Multi-Use Buildings providing a startup ecosystem where free space is cross-subsidised by rented spaces; provision of on-site business support; providing a mix of production, office, and point of sale space to enable hybrid business models; and multiple users based in same unit to relieve pressure on small businesses to commit to long-term.



Flexible lease length

- Low-risk leases for tenants, allowing start-up businesses to fail and grow



Customer networks

- A landlord or operator can partner with organisations that have access to networks of potential users, such as the network around [Othership](#)



Turnover rents

- Rent agreement between landlord and tenant based on turnover of tenant - landlord has a stake in the longevity and success of the business
- [Savills research](#) has found that 33% of retailers undergoing a Company Voluntary Agreement in 2020 have requested some form of turnover rents compared with 0% in previous years, highlighting the growth of this form of lease structure



Consortium asset management

- A vehicle by which multiple landowners or small units in high streets can partner with an operator to manage their vacant assets



Culture in identity making

- Providing a platform for the arts and cultural production activities can embed a local identity and nurture local talent



Enterprise funds

- Councils and local stakeholders developing a fund for enterprises to start-up and grow, as well as funds towards improving high street units and shop fronts



'Every town centre' policy

- A policy of a flexible workspace hub in every town centre (as adopted by [Barnet Council](#))
- Provision may be is generic or specialist, to support clustering, knowledge networks, and developing a town centres niche



Empty property tax

- The [Belgian city of Roeselare](#) is widely cited as an example of an effective, locally implemented taxation system for empty properties that, combined with business grants and a pop-up matching platform, has succeeded in reducing growing vacancy



Curation Strategy + scoring matrix

- A co-developed curation strategy with key stakeholders, identifying types of activities and services that high streets need, and the types of businesses and organisations in need of space.
- An allocations policy to select tenants, including local-giveback commitments



White boxing

- Presenting a vacant unit as a white box, ready for occupation by tenant who can more easily imprint their own identify and fitout.



Community business and ownership

- The [Power to Change guide](#) on Community Businesses demonstrates the capacity of this locally-rooted sector to generate income while meeting the key aim of providing local services and social value



Scenarios

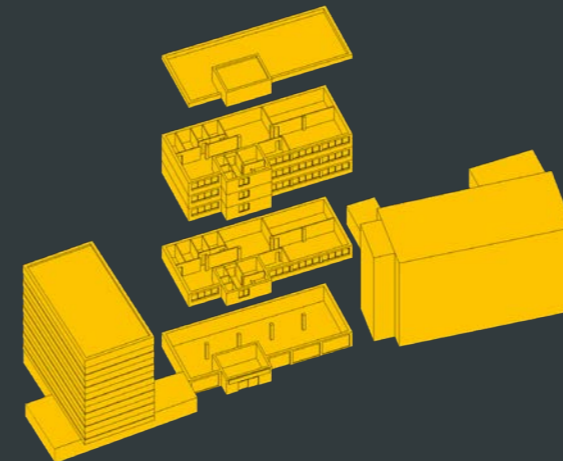
To illustrate the scales and diversity of opportunities for repurposing existing, underused assets into flexible workspace, we delve into four scenarios. The scenarios are designed to be widely applicable, and explore a spectrum of conditions in terms of:

- ownership - private and public sector owned
- scale - small high street units to larger multi-storey assets
- location - Outer London high streets and within the CAZ
- longevity - meanwhile window of opportunity to long-term agreement

Flexible workspace here includes a broad range of activity - from desk-based, to workshop and artist space. Focusing on units which are hard to let long term, we explore new operational models and the introduction of 'deep work' activities. Each scenario also presents different ambitions of intervention, with some backed by existing precedents of operational schemes elsewhere, while others may have some ingredients of partnerships and funding availability, but will require new models of management and ownership to be viable and impactful.

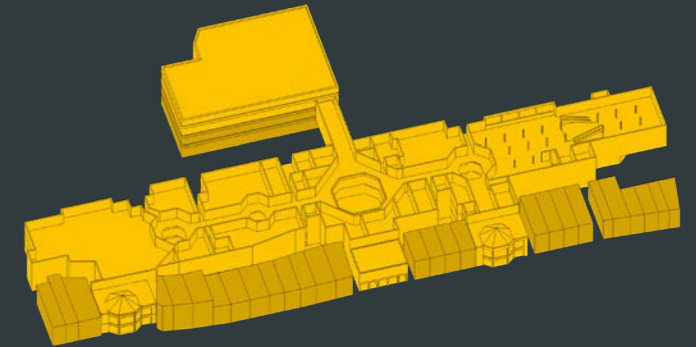
Public Sector Assets

Conversion of large underutilised public sector assets



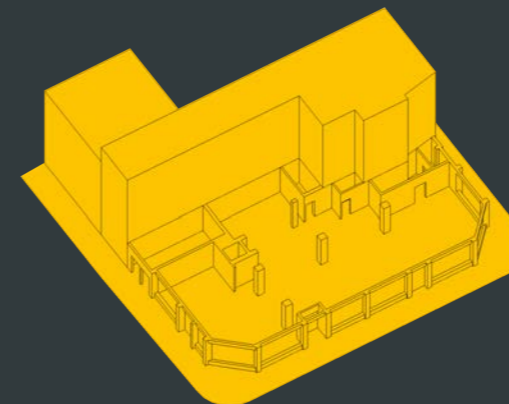
Shopping Centres

Creation of flexible workspace in empty shopping centre units



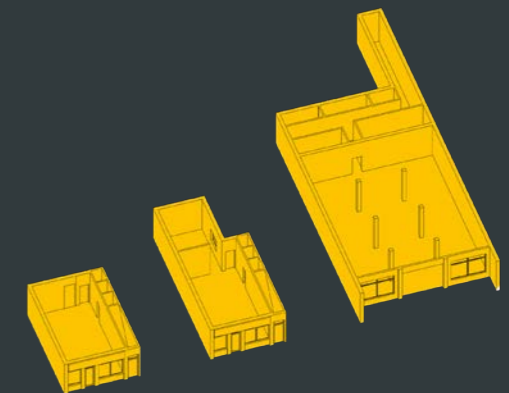
Retail in the Central Activities Zone

Conversion of a retail space, owned by a private landowner, within the Central Activities Zone



High Street Units

Conversion of space in high street units



Rules of thumb

Across the four scenarios, there are some general rules of thumb which can be used as guidance on the typical considerations and metrics which support viability in existing projects. These considerations may of course vary across different contexts and depending on the project delivery route, but can support the scoping phase.

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 \(2015\)](#)

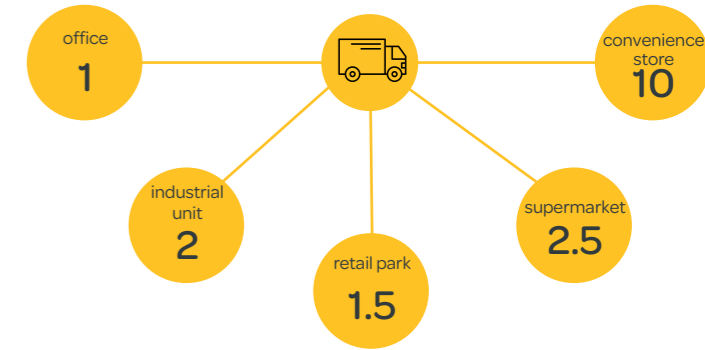
Power Supply



Level of power supply is dependent on workspace requirements, subdivision of units and user occupancy rates. Non office based may need to consider 3 phase power higher than average office requirement for small power supply. Co Working Spaces may need a higher than average office requirement for small power.

Traffic Impact

Approximate number of daily goods vehicles / 1,075 sqft



Source: [Urban Flow](#)

Ceiling Height



Some workspace types require clear ceiling height of 2.7m and above. 1.5 storey conditions should be considered for some workspace types.

Retrofit Cost



Typical costs for 'making usable' (cleaning, electrics, checking certify services, but no structural changes or new building systems installation) a 1960/70s former office block ranges between £3.5 to £11/sqft depending on condition.

The cost for CAT A fitout ranges between £75-100/sqft.

Fit-Out



Tenants on a long lease (10 years plus) will likely want to fit out the space from [shell and core](#) condition to design the space bespoke to their needs in return for a rent free period or cost contribution from landlord.

Most tenants would prefer a [Cat A](#) fit out ie with ceilings, carpet, power etc but without partitions or any other customisation to allow them to personalise the space to suit their own requirements.

Some tenants prefer for landlords to provide a "turn key" space and would therefore be more suited to a [Cat B](#) fit out provision.

Micro Sites



Micro sites (less than 150-200sqm) would typically require more significant operational overhead and management.

Public Sector Assets

Conversion of large underutilised public sector assets

Repurposing of underused Local Authority owned assets, such as former council offices, or underused spaces within Libraries.

This scenario considers a spectrum of opportunities from:

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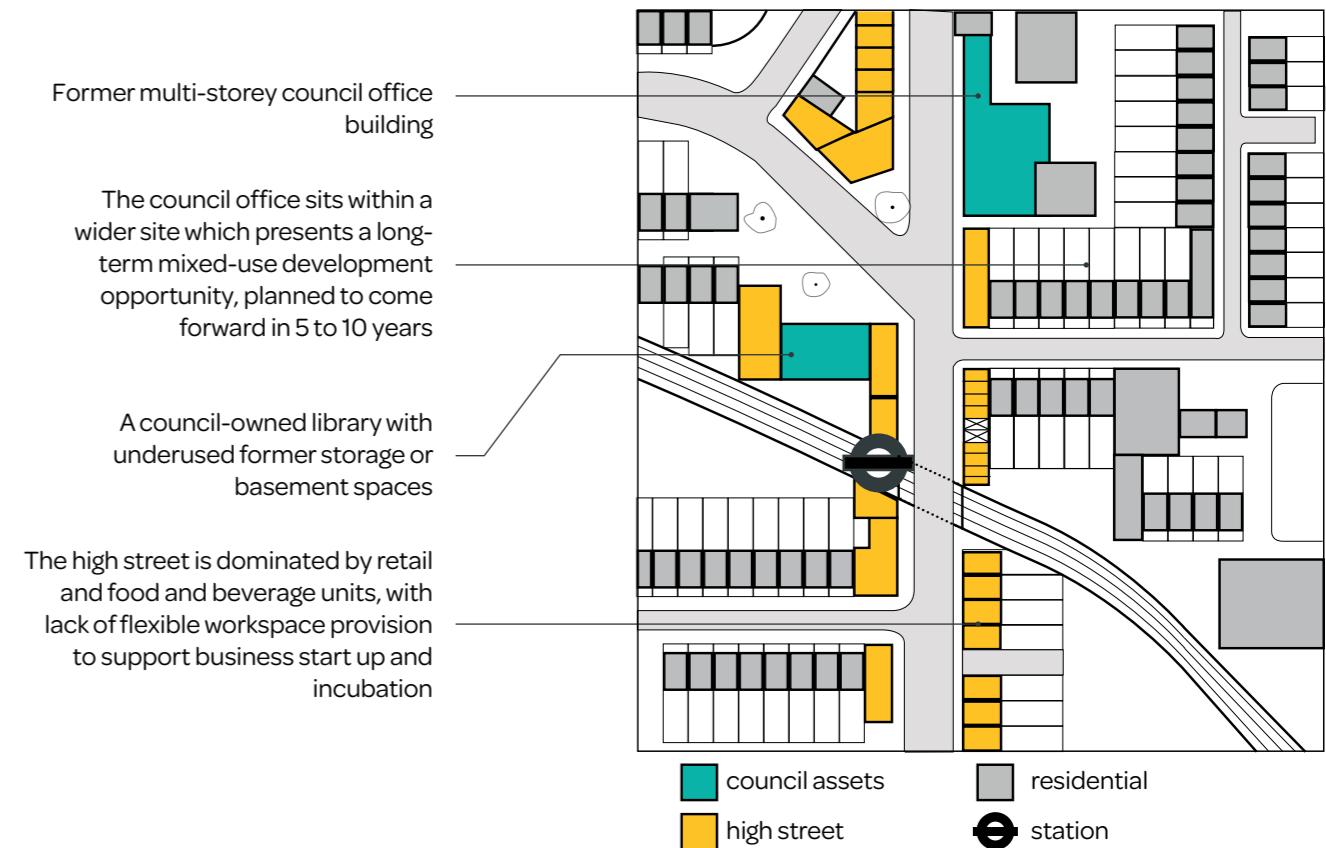
- Repurposing underused spaces within libraries and other service centres - Local Authorities and service providers have brought underused basements, former storage areas, and underused rooms into use for workspace of various types
- Bringing into use large former council office buildings - as Councils modernise their civic centres and consolidate their office requirements, a number of former offices and large assets can be repurposed for various types of workspace and innovative offers tailored to local communities

Location Context

- ✘ End of line tube station on a high street in Zone 4
- ✘ Predominantly fragmented ownership, with local authority owning two large civic assets
- ✘ Residential catchment consisting of high portion of flatted development

A outer London high street in which the Local Authority owns a large office block which is becoming surplus to requirement as the organisation consolidates its office space into the new Civic Centre. This move creates a long-term redevelopment opportunity for the council, and a temporary opportunity to repurpose the aging office block to provide flexible workspace.

This may be a high street which has suffered from a large loss of office space as a result of Permitted Development Rights, and therefore lacking in space for early business start up and incubation, as well as grow-on space in larger high street units.



Delivery Considerations

Generic

Scoping

- Landlord to:
- **Survey** the building condition
 - Aim for **Cat A fitout** - the more the landlord does in fitout, the more affordable/attractive the offer is to the operator/tenant
 - Factor in **power upgrade** requirements and **internet speeds**
 - Develop priorities around which **sectors to support locally** based on sector growth analysis, wider London industrial strategy, and engagement with key institutions and stakeholders, soft market testing with workspace operators

Design

- Operator & Advisors to:
- Explore potential of **retaining internal layouts** to save on repurposing cost

Activity

- Operator & Local Interest Group to:
- Explore potential space for local custodian group to **engage with the community** from - ie BID office, or Regen team outreach
 - Potential for local groups to lever in **external funding** to deliver services

Leasing

- Landlord & Operator to:
- **Agree lease option** of 3-5 year Interim period before future development comes forward (less operator capital commitment), or 5-20 year period investing to extend the life of the building (more operator capital investment)
 - Ensure **affordability for end user** through terms with the operator - ie a profit share agreement instead of set rent
 - Potential for **subsidised memberships** for local groups or residents

Outcomes

- Remove empty unit liability costs for landlord
- Provide space for innovation and invest in developing a strategically important sector or skills base
- Bringing an underused building into use for an interim period before redevelopment, or investing in extending the life of the building
- Support the development of a pipeline of businesses and enable the provision of grow on space
- Support the council's aims in responding to local workspace need
- Secure space to grow the local custodian role

Space In Library

- Landlord & Operators to:
- Engage in **soft market testing** of operational models and fitout requirements

- Operator & Advisors to consider:
- **Access** alongside Library function (entrances and hours of operation)
 - **Separation** between the private and public facing workspace offers
 - Ensuring noiseproofing and **mitigating disturbance** to Library function


- Operator, Local Authority & Local Interest Group to:
- Explore opportunities for **community programming** and services alongside workspace offer

- Support the core service function - such as through operations to enable the library to have longer opening hours

Ex-Council Office

- Landlord & Advisors:
- Procure advice with experienced knowldege of **end of life buildings**

- Operator to:
- Negotiate **hours of operation** with Planning and potential for evening/ night-time uses on ground floor or roof

-  Floors can have multiple workspace functions and leasing models to enable diversity of occupants, and cross subsidy model

- Maintaining a civic use for the vacant ex-council office building

Ex-Council Office

Ex-council office which is vacant once the council moves into a new Civic Centre building. 1970s block that is coming to end of life and in need of some urgent repairs by the landlord before operator can take on the building and prioritise fitout and any modernising works. Site is a future development opportunity, and there is an interim period of 5-7 years before the redevelopment comes forward.

If the asset is not developed the yearly costs would need to cover empty business rates, security and maintenance, adding up to £150,000.

Operation

- Council enters into lease with workspace operator to manage and sub-let the spaces
- Some spaces are let to tenants with own dedicated space, requiring less operation than areas that need more curation with multiple users or hot-desking spaces
- Ground floor can be activated for events and programming of activities

1 Community & Start up Space (3,575 sqft)

Uses:

- community room
- pop-up/testing space
- building management & operations office

Lease: half of the space is let to a community-focused organisation at a capped end-user rate of £4/sqft. The remaining half is let at £40/day or £10/hour for pop-up uses and meeting spaces.

2 Flexible workspace (3,575 sqft)

Uses:

- desk space
- meeting rooms
- shared facilities
- business support

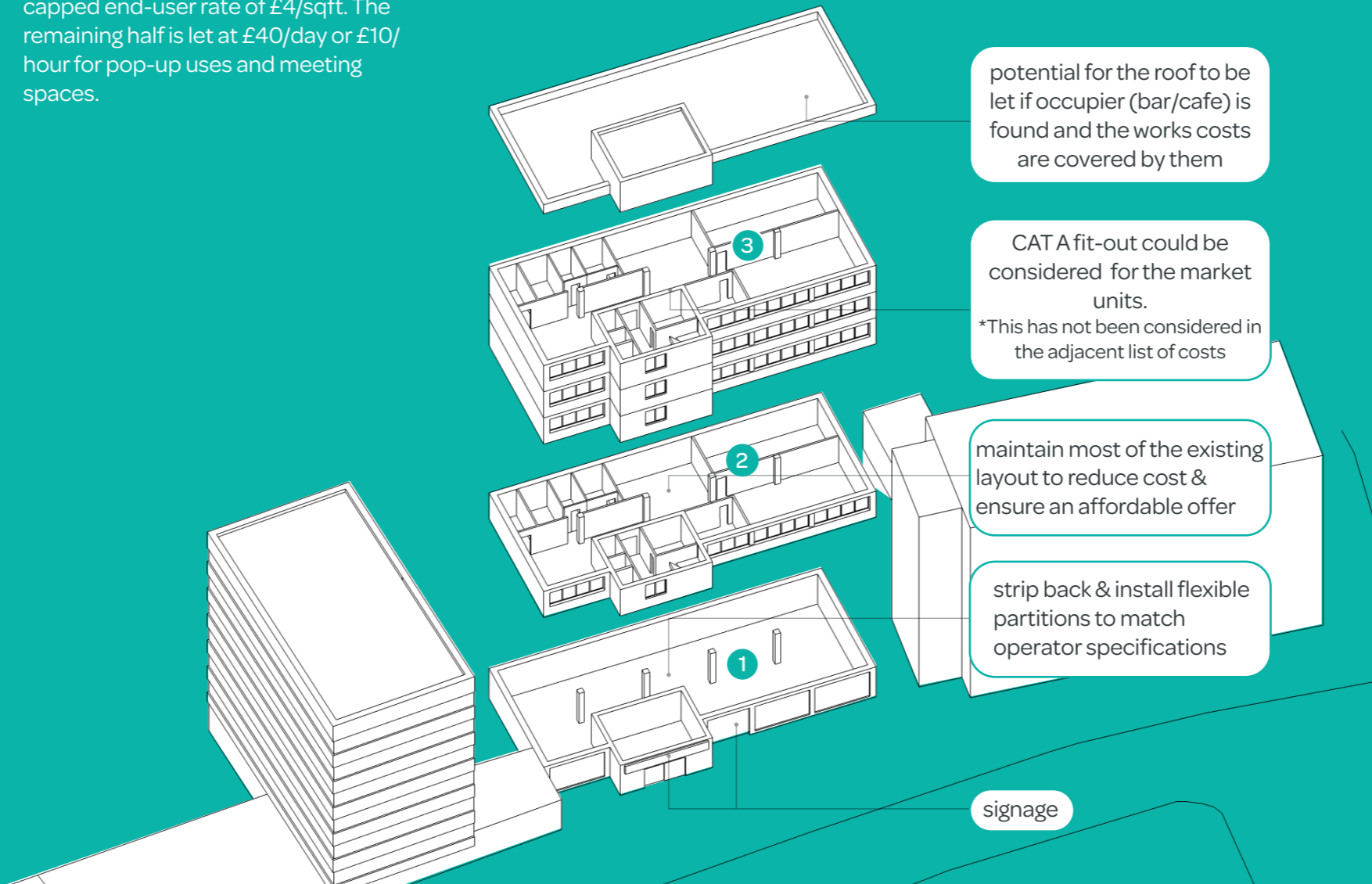
Lease: membership (£150/mo)

3 Studio/Office space (10,725 sqft)

Uses:

- individual businesses
- grow-on space
- satellite office
- artist studios

Lease: short flexible leases at £18/sqft (all up)



potential for the roof to be let if occupier (bar/cafe) is found and the works costs are covered by them

CAT A fit-out could be considered for the market units.
*This has not been considered in the adjacent list of costs

maintain most of the existing layout to reduce cost & ensure an affordable offer

strip back & install flexible partitions to match operator specifications

signage

£ Cost & Returns

- Costs

Fitout Costs (approx. £130,000 exc.VAT)
(50% is covered by the Local Authority and the remaining half is amortised over 10 years)

- Minimal strip out
- Clean/repair WC's
- Clean/repair carpets
- Decorations to perimeter walls
- Repair ceiling (20% assumed)
- Tidy up reception
- New furniture
- Check certify services, lift, etc
- Urgent fabric repairs

Running Costs (approx. £210,000/ p.a.)

- Rent
- Business Rates (assumed 20% as charity)
- Utility costs
- Cleaning
- Maintenance
- Amortised fitting out costs (10 y)
- Building management

+ Returns (approx. £214,000/ p.a.)

- **Community & Start up Space** approx. £10,000
- **Co-working Space** approx. £45,000
- **Studio/Office Space** approx. £156,000 @ 80% uptake
- **Events:** approx. £3,000

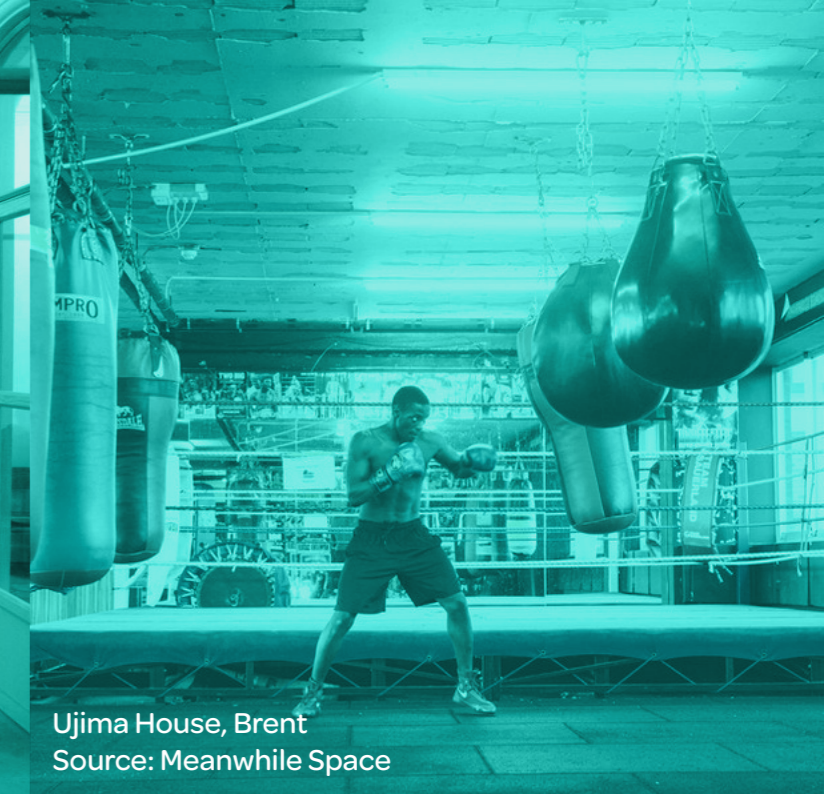


“Libraries already have the infrastructure & conditions suitable for work”

Olly Olsen
The Office Group



Old Manor Park Library, Newham
Source: [Bow Arts](#)



Ujima House, Brent
Source: [Meanwhile Space](#)

“Sutton’s strategy for leveraging council assets, creating partnerships has unlocked regeneration opportunities for Sutton High Street and will help in maximising social value benefits for our community.”

George McCullough
London Borough of Sutton



International House, Lambeth
Source: [GLA](#)

“To encourage more diversity in the high street it is critical all landlords engage and consider alternate futures for their assets. Many will view change as a high risk strategy, particularly if their assets are small. The public sector should help overcome this barrier by aggregating these small spaces into a portfolio, either directly or through a SPV they back. The public sector covenant can de-risk the proposition for landlords and, through scale, create sustainable returns to the SPV to maintain its operation”

Martyn Saunders
Avison Young



Ingestre Court - Huckletree, Camden
Source: [JLL](#)

Inspiration: Ujima House

Meanwhile project showcasing how local authorities can activate an underused public asset which sits in the development pipeline.



Location
Wembley, LB Brent



Finance
Capital costs: £22,400
Potential revenue:
£105,000 (full occupancy)
Rent: 50-80% market rate dependant on duration of lease and condition of property.
Mixed-use spaces offer opportunity for a mixed affordability / mixed tenure model



Lease
Meanwhile Space has a peppercorn lease. Tenants are responsible for the business rates themselves. The council have committed to reimburse any maintenance costs over £500.



Activities
office space
maker space,
community training,
football academy,
community boxing club



Spatial Provision
kitchenette on every floor, secure 24/7 fob access, high speed internet, access to private car parking, office spaces between 12 and 115 sqm

Ujima House is a five storey building owned by London Borough of Brent and it has been made available for meanwhile use, pending longer term redevelopment. The tenants have been a mix of shared community maker space, subsidised boxing gym, community learning center, football academy school, youth club.



Key Learnings

- It has been challenging finding a replacement tenant for the available floor earlier in the year. This was primarily due to remaining lease length and fit-out works required for the prospective tenants needs
- The spaces had to be brought back into a usable state. This included electric, gas and fire safety, new access control, fibre broadband, health and safety, pest control, intercom repair, lift repair and maintenance, asbestos surveys, and repair of the car park barrier.
- The business rates team were crucial to reducing the risk for this project. They undertook the VOA split by floors so each tenant is responsible for their own rates. Moreover, they also ensured the rate relief to Meanwhile Space on vacant periods.



Shopping Centres

Creation of a flexible workspace in empty shopping centre units

This scenario focuses on the opportunities for repurposing retail units when the model of an anchor tenant driving footfall is at risk, there is increasing vacancy, or potential for future redevelopment. Changes to lease models and design can enable hybrid activities to activate vacant units (such as workspace, leisure, and community uses) alongside the existing retail.

Options presented explore:

- Repurposing individual retail units on a temporary basis to provide workspace for makers and artists on flexible terms, to alleviate vacant unit costs, animate the centre and provide a flexible offer to tenants
- Long lease agreement scenario which allows the operator and occupiers to raise higher investment and enable more specialist workspace
- Repurposing existing infrastructure within shopping centres to provide workspace and trial business concepts - ie food courts into kitchen workspace; as well as former retail units into retail incubator models

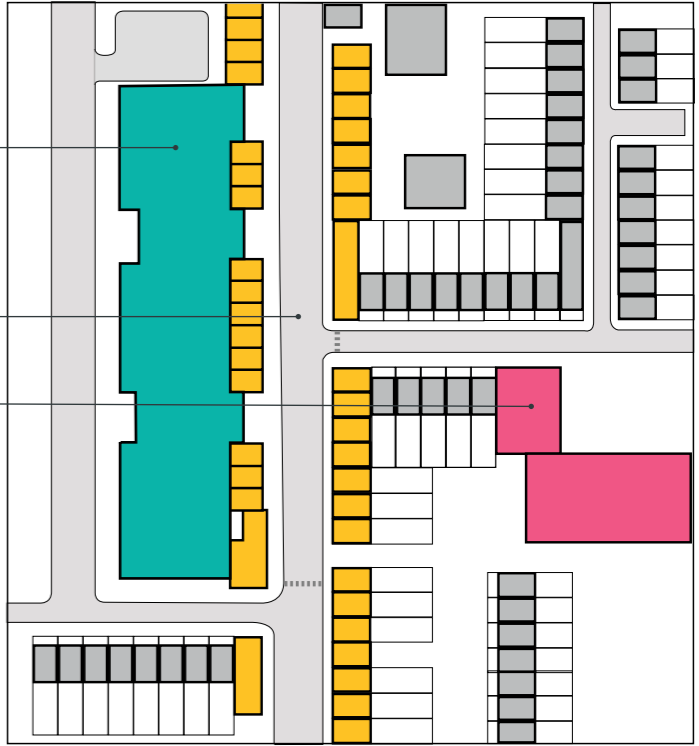
Location Context

- ✘ In proximity to an end of line tube station on a high street in Zone 5
- ✘ Fragmented ownership, with high street BID in place
- ✘ Residential catchment with a formerly large commuter base into central London

An outer London location with a 1970s-era shopping centre located on a pedestrianised high street. The high street is dominated by chain retail businesses, and increasingly high vacancy, with the shopping centre itself suffering from former anchor tenants going into administration.

The high street has a large residential catchment, and a lack of civic assets that can enable vibrant gathering spaces for the community.

- Shopping centre with existing food court and large former anchor tenant unit
- Retail dominated pedestrianised high street, with predominantly chain F&B businesses
- A vocational college drawing a large student base into the high street



- shopping centre
- residential
- high street
- educational

↑
+
impact
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Delivery Considerations

Generic



Scoping



Design



Activity



Leasing



Outcomes

- Operator & Advisors to:
- Consider **access arrangements** during and outside of opening hours of the shopping centre

- ! Service charges can vary considerably depending on the shopping centre - need to ensure that service charges are not prohibitive to end user affordability

- Landowner & Advisors to:
- Identify organisations/charities that can take on management to fill units on a **temporary flexible basis**

- Landlord, Operator & Advisors to:
- Explore **light-touch fitout** to make space flexible for various activities
 - Explore suitability for artists, makers; equipment that can be accommodated - less suited to office work due to **lack of natural light**
 - Window display and **opportunities to animate** the shopping centre

- Operator to:
- Consider how to **cater to various needs** for production, point of sale, exhibition, events and gathering

- Landlord, Operator & Advisors to:
- **Agree lease terms** - temporary, rolling break, option to cover costs with peppercorn rent, or turnover rent if centre can support through footfall and promotion

- Remove landlord liability for vacant unit
- Activate the shopping centre and support existing retail tenants
- Provide low-risk flexible space to trial a business idea, gain access to new customer base, or access to a production site in a convenient location

Meanwhile

- Landowner & Operator to:
- Identify partnerships to explore more **specialist workspace provision** which requires higher initial capital costs that are made viable by a longer lease (engage with STEM workspace operators, specialist making or digital arts spaces etc).

- Landlord, Operator & Advisors to:
- Identify the necessary investments in **extending the life of the building** (energy performance etc)
 - Opportunity for a **phased fitout** of space to test the model and grow the user base

- Operator to:
- Consider how to **cater to various needs** for production, point of sale, exhibition, events and gathering

- Landlord, Operator & Advisors to:
- Agree **long lease** with operator - 10 years and up will allow operator to raise the capital for specialist fitout and equipment
 - Agree **Service Level Agreement** - to define the operator's agreed outputs

- Operator and businesses have long term security and can raise larger investment into asset and local area
- Enables more specialist workspace types, and destination facilities
- Extends the life of the building

Long Lease

- Landowner & Operator to:
- Explore opportunities and fitout costs involved in **adapting existing Food & Beverage business units** to kitchen workspace and food business incubator offer
 - **Soft market test** with kitchen space operators

- Operator to explore:
- Providing **self contained** and **shared facilities**
 - **Dinning area** as former food court, and enabling supper club events
 - **Access arrangements** for delivery bikes to enable takeaway

- Landlord, Operator & Advisors to:
- **Agree model** of kitchen units managed through a co-working shared kitchen membership model, or largely self-managed direct let to single tenants
 - Explore opportunity to **repurpose vacant retail units** into temporary or longer term retail incubators

- Landlord, Operator & Advisors to:
- Agree **3-10 year interim** before redevelopment, or long-term investment in the asset
 - If **capital expenditure** is required from operator then 8+ year lease may be required depending on operator
 - Option for **turnover rent** model

- Utilise existing infrastructure to enable more dense employment uses
- Supporting the food and retail sectors
- Providing more experiential customer offer of food court and retail function but with more locally rooted and curated offer

Repurpose existing infrastructure

Repurpose existing infrastructure

Shopping centre on an outer London pedestrianised high street. The centre has seen a decrease in footfall and many small units are vacant, including former food & beverage business units which have the required infrastructure for such uses. With current rates for a 590 sqft food production unit at around £80/sqft (rent, business rates and service charge), these are too high for independent and start up businesses. As such, our proposal is focused on mitigating end user costs with minimal physical intervention and an aim of achieving all inclusive rates of under £50/sqft, in line with market values.

The carpark can be open and free of charge for food and drink delivery workers. This would allow food businesses to take on orders, contributing to the units' marketability and ensures the shopping centre reflects current trends in food production.

There is an opportunity to explore the potential for multi-use activation, such as [Peckham Levels](#) in London Borough of Southwark

Allow after-hours access to the food hall area

The open area surrounding the units could be repurposed into a community [food hall](#)

Larger units can be subdivided to fall under the rateable value threshold for business rates

£ Do-nothing cost

Financial

- Empty Business Rates (approx. £17/sqft)
- Service Charge (approx. £10/sqft)

Other negative outputs & costs

- Reduced footfall
- Further vacancy & delapidation
- Security
- Maintenance

Intervention Benefits

- Shopping Centre Independent Identity
- Grow-on potential for business moving to larger unit
- Footfall increase
- Sole trader moving to registered business
- Employment creation (min. 1FTE/unit)
- Local supply chain

1.a Food production units (3,750 sqft total)

Investment: potential to push back the front wall line to reduce the size of the units under the business rates threshold

Rates: £25-30/sqft(all up)

Size Range: 270-700 sqft

Uses:

- grow on space for businesses which might start in the shared kitchen space
- pop-up businesses - trial & error
- food pop-up businesses

Lease: longer term leases with a 3 months rent-free period as well as short term lettings with no reduction

1.b Shared kitchen space (1,100 sqft)

Investment: new work stations might be required

Rates: £25/hour

Uses:

- food production
- culinary workshops
- community kitchen

Lease: long lease to operator at an affordable rate

2 Vacant anchor unit (10,000+ sqft)

Large, multi-story vacant unit could be developed into hybrid models which combine leisure, retail and workspace facilities. Given the deep plan and lack of natural ventilation and light, suitable uses include, but are not limited to, recording studios, dry-labs and video production facilities.

Operation

- Landlord enters into lease with workspace operator to manage and sub-let the spaces - a charity or CIC operator would reduce the end user costs
- Independent kitchen spaces are let through the operator to tenants
- Vacant retail units can be let to start-up businesses or community groups for pop-up and meanwhile activation
- Large 'anchor units' to be let to a specialist operator or institutional tenant



“There is a huge opportunity for Local Authorities and developers who own shopping centres to quickly re-animate them by bringing interesting and innovate workspaces into these units, creating attractive weatherproof ‘villages’ and help stimulate sustainable footfall into the future.”

*Michael.P Davis
Head of London Unlimited
JLL*

Small food production unit
Source : Snappy Goat



Ten87 Studios, Haringey
Source: [Ten87](#)



Shared Kitchen Space
Source : [Mission Kitchen](#)

“Activating unused space reduces our liability and rates costs, offers community benefits and in some cases contributes to reducing anti-social behaviour”

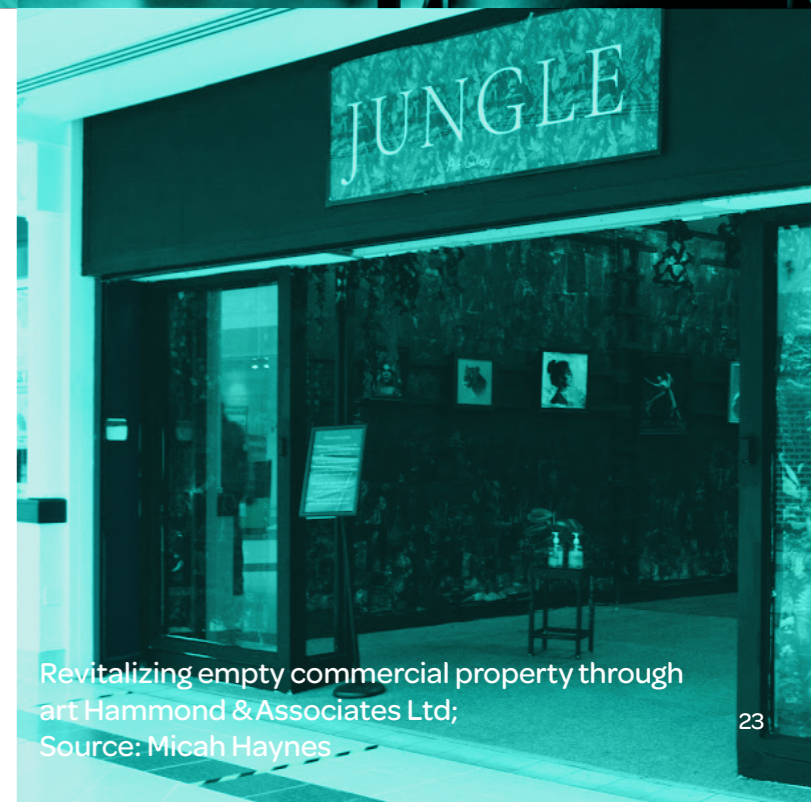
*Blossom Young
Poplar Harca*



Lab Space
Source: [Queen Mary Bio Enterprises](#)

“We begin with the number on the ‘To Let’ board, we just want agents to let their clients know these schemes exist and are beneficial. We also need Local Authorities to get on board.”

Hammond & Associates Property Management



Revitalizing empty commercial property through art Hammond & Associates Ltd;
Source: Micah Haynes

Inspiration: Croydon Arts Store

Project which tests the role of arts & culture in large scale redevelopments, reduces the liability costs and mediates the impact of footfall reduction in the pre-development stage.




-  **Location**
Whitgift Centre, Croydon, London
-  **Funding**
Delivered by the Croydon Placemaking Team as part of the Croydon Growth Zone, a £500m programme of works in partnership with TfL and GLA. Jointly funded by Croydon's Cultural Partnership Fund
-  **Operational Model**
Operated by a consortium of organisations:
 - Turf Projects
 - Kingston University (now no longer part of the consortium)
 - First Floor Space
 - Croydon Council (founding partner)
-  **Lease**
short term lease
-  **Activities**
GF & 1st floor: Turf Projects
3rd floor: Art Halo
Research Space
4th floor: The Loft

The four floor arts space provides a collaborative and participatory visual arts and events programme with a focus on youth engagement and learning. It acts as an action research space to test the role of arts and culture in a shopping centre, and aims to inform how the visual arts can be integrated in to future developments and recovery in Croydon. The store is a collaboration between Croydon Council; Turf Projects, a Croydon-based artist-run contemporary art space that hosts free exhibitions, workshops and events; Art Halo, an award-winning organisation working towards the vision of making high-quality art activity available to all; and Kingston School of Art. The space was taken over with the support of the Croydon Partnership, a joint venture between Hammerson and Westfield.



Inspiration: Park Mall

Local Authority taking a proactive stake in the town centre through ownership and curation of the high street offer.

-  **Location**
Ashford, Kent
-  **Funding**
The council's purchase of the site is through a mixture of borrowing, leveraging commercial income, and grant funding for smaller projects
-  **Lease**
Leases to tenants are flexible - most of them are at least 1 year and flexible as they are mostly to start-up businesses.

While service charges are largely set, the flexibility is within the rent arrangement with each tenant, which take each case on its regeneration potential and impact for the town centre holistically.

Council purchased the 1970s shopping centre 5 years ago with the long-term aim of realising the development opportunity on site. The centre is let to a mix of high street chains alongside predominantly independent local businesses, with the aim of providing low-risk start-up space. The centre has seeded a number of successful and diverse local businesses, a number of which function as social enterprises, providing retail alongside community services. The long-term intention is that businesses seeded in the centre can grow to occupy retail units on the high street and contribute to regenerating other parts of the town centre.



Retail in CAZ

Conversion of a retail space, owned by a private landowner, within the Central Activities Zone

This scenario explores how landlords within the CAZ can respond following the initial shock after Covid lockdown is lifted, to bring visitors back into Central London, and diversify the flexibility of the offer to be resilient against further decline in retail, to support the hospitality sector after a significant shock, and respond to future work trends.

This scenario considers a spectrum of opportunities from:

- Activating underused spaces within hospitality or food and beverage venues to provide flexible workspace, and facilities to meet the demand for 'deep work' collaboration activities.
- A year-long programme for culture-led recovery, which offers vacant retail units within the CAZ for cultural production 'residencies', in partnership with cultural institutions, educational bodies, BIDs and the creative sector. This idea builds on the Centre for London [proposals for a recovery for the West End](#).

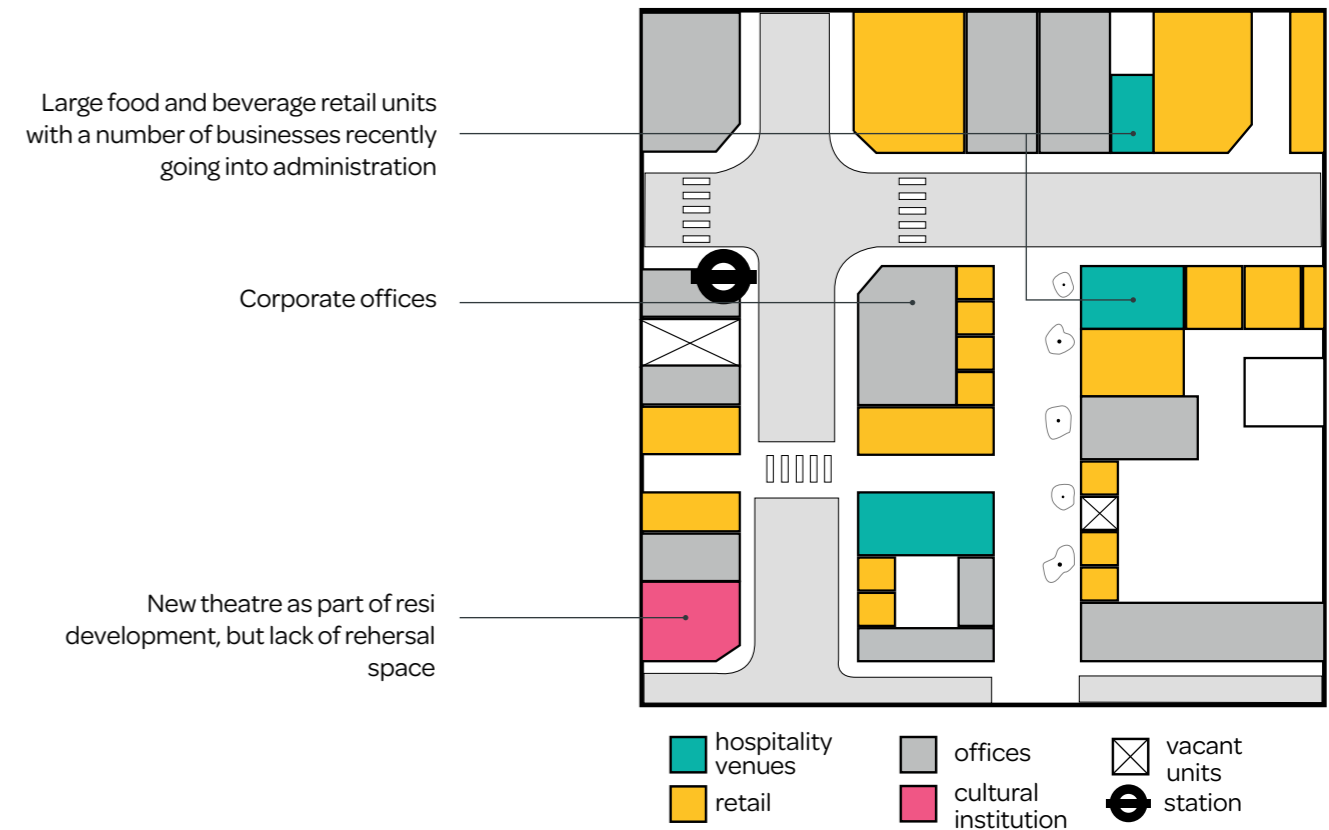
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Location Context

- ✘ Busy high street in Zone 1
- ✘ A mix of large estate ownership and individual owners, with BID in place
- ✘ Large commuter base makes up majority of the footfall, with low footfall in the evening and on weekends

A secondary street within the Central Activities Zone, with a large portion of take away food and beverage retail, previously supported by a large office worker population. Land values and high rental expectations are prohibitive for independent and start-up businesses to locate here beyond pop-up opportunities.

The surrounding office provision is made up of dedicated corporate offices, with little opportunity for flexible space to dock down for the day or access specialist facilities for collaboration.



Delivery Considerations

Workspace in hospitality venues

Scoping

Landlord & Local Interest Groups to:

- Engage organisations with **customer networks** of desk-based freelancers
- **Target venues** (such as hotels, cafes and restaurants) with surplus space due to reduced operations since the pandemic
- Scoping **available budgets** for enabling workspaces or types of deep work facilities

Design

Operator, Advisors & Local Interest Groups to:

- Guide on **optimum layouts** and types of space for both freelancers and types of facilities to enable teams to collaborate
- Identify **types of facilities** and their usage (meeting and phone booths, charging points, security of equipment, etc)
- Explore positioning of workspace by a window to **signal the opportunity**

Activity

Operator, Advisors & Local Interest Groups to:

- Provide opportunity for flexible **desk-based work**
- Provide facilities responding to need for **deep work and collaboration**, with opportunity for residencies
- Enable a **host at the venue** to welcome users and provide support and networking

Leasing

Landlord & Operator to:

- Explore flexible **membership model** and corporate memberships as part of hub and spoke models

Outcomes

- Supporting hospitality venues through a difficult recovery phase, and testing the co-location with workspace for the long-term business model
- Providing access to workspace and facilities for deep collaboration throughout various locations

Cultural Recovery

Landlords, Local Authorities, Operators & Local Interest Groups to:

- **Target units** with businesses going into administration
- **Partner with cultural organisations** to develop a 1 year programme for CAZ post-covid recovery
- Identify potential for **grants and funds** to support unit fitout and programme delivery

Landlord, Operator, Advisors & Local Interest Groups to:

- Activate windows to animate the street, engage the public, and **showcase cultural activities**
- **White boxing** of units to allow occupants to adapt for their needs

Landlord, Operator, Advisors & Local Interest Groups to:

- Repurpose and programme units across the CAZ to **provide for different cultural activities** - rehearsal space for theatre companies, production and fabrication, performance, exhibition and point of sale/public engagement

Landlord, Operator, Advisors & Local Interest Groups to:

- **Open callout for ideas**, with Open Poplar-style online platform advertising opportunities
- Provide **flexible leases**, with tenants covering own costs

- Supporting the CAZ to recover and bring visitors back
- Provide affordable space and capacity building to cultural producers, with potential that they become long-term future tenants

Workspace in hospitality venues

A large scale unit on a high street with previously good level of footfall supporting other retail and leisure uses, occupied by a restaurant and cafe business. Due to the impact of COVID-19, the business has seen a high reduction in customers and has decided to dedicate some of its space to flexible workspace.

The 'do nothing' scenario risk is that the F&B business is unable to meet its rent and rates obligations without the customer base that the model previously relied upon.



Host model benefits

- Increased customer base and potential increase in sales during 'quiet periods' such as during weekday work hours
- By hosting flexible workers, meetings, and events, the business is able to diversify its service offer
- Street presence and a 'busy venue' appearance

The scale of services and returns

The level of return is relative to the services and facilities which the hospitality venue is able to provide, as illustrated below.

Wi-Fi & Plug

No investment is required on behalf of the tenant. Instead, members of staff are trained to host the space for freelance and remote workers.

Free coffee and discounts

No investment is required, yet the tenant can increase desirability by offering affordable packages for food and drink.

Printers, access to meeting room

The tenant can share or invest in printing facilities as well as dedicate part of the space to bookable meeting rooms which can be used during quieter hours.

Collaboration space

Investment required in dedicated work areas to provide the necessary audio-visual and other facilities required by collaborative working. Tenant should work closely with the service provider to ensure best return on investment.

Free of charge

While there are no financial returns in this scenario, the tenant will see an increase of customers during quiet periods.

Membership (£20/week)

The affordable membership ensures a base return and has the potential of creating a regular customer base.

Membership + (£75/week)

The membership plus ensures a base return, as well as a varied income from one off bookings. Moreover, these facilities can attract a wider range of workers.

Deep work facilities (£100/day)

Deep work facilities will generate letting income, with potential for corporate sponsorship, as well as periodic large groups of people which spend money on food and beverages.

Designated workspace area (85 sqm)

Space designated to workspace members with facilities such as shared work desks, private booths and meeting rooms

Booths shared between the wider public and workspace members

secondary street within the core commercial area



Operation

- An operator with a customer base is brought on board to assess the space and offer guidance on the spatial arrangement and service offer based on the scale of space and tenant ambition
- The tenant is trained and advised by the operator on workspace management procedures and client interaction
- The tenant is charged £1 per booking or 10% of the transaction, whichever one is the greatest



Cultural Recovery

Parts of the basement could be hired for larger events or cultural uses (eg. rehearsal space)

Benefits:

- animated ground floor unit
- time limited support to cultural institutions to re-open and reactivate the CAZ
- charitable status to mitigate empty rates



“Busy-venue” appearance
Expressway Silvertown
Source: Architecture 00

“The property industry can use this opportunity of a new way forward to ensure their portfolios are on a firm footing and support diverse, thriving high streets with tenants new and old.”

Siobhan Jared
Senior Business and Customer Performance
Manager at TfL



Workspace with Childcare,
Third Door-Nurser
Source: [Third Door](#)



Rehersal Space in basement
Camden People’s Theatre
Source: [Rehersal Space Finder](#)

“In a global context, cities are finding their niche or new role in attracting business and employees. Whilst Paris is building the 15 Minute City, London could find its role in being the place for ultra safe deep work in high quality workspaces.”

Simon Pitkeathley
Co-Chair Workspace Advisory Group



Work booths
Hub Birmingham
Source: Architecture 00

“Having people running it who understand the local area is key to the hosting model”

Benjamin Carew
Othership



Collaboration space
Hub Brixton
Source: Architecture 00


Inspiration: Othership

Service providers which link free-lancers and self-employed workers with member hospitality and community venues providing dedicated workspace facilities

 Location
Across London

 Cost
Othership charges the venues £1/booking or 10% of the transaction, or if they provide members with a discount of >25% or a free coffee then there is no fee. Venue receives:
– Dedicated support by phone or email
– Free advertising for your space
– Advice and analytics to increase performance

 Operational Model
The hospitality venue puts forward their space, Othership assesses it, provides fit-out recommendations and general advice as well as runs through the hosting mechanism. Ultimately, the hospitality tenant operates the workspace while Othership provides support in deciding the schedule, prices and requirements for workers, as well as markets the spaces to their members


 Facilities
Amix of free and paid workspaces (the latter being dedicated coworking spaces mainly with monthly, daily or hourly passes) as well as team meeting and events spaces. Members are offered a virtual workspace online, weekly events, and partner perks similar to a physical coworking space

Othership offers its members access to a range of spaces across London where they can work, meet and collaborate. These spaces are generally in areas of different hospitality venues which put themselves forward as member-venues. Othership assesses, makes recommendations and trains the future hosts to manage the workspace section of their property. The facilities put forward differ between venue but range from a basic offering such as plugs and free wi-fi, to a more dedicated one which includes printing and scanning facilities, meeting rooms, audio and video equipment and event spaces. Access to these spaces can be free or paid, mostly depending on the facilities being offered by the host.



Inspiration: Appear Here

Landlord dashboard which provides an easy to use platform for landlords to track their lettings and revenue, and discover and match with entrepreneurs.

 Location
Across London

 Cost
Market stalls from £20 a day, shop units in high streets and malls from £100 a day or a residency from £50 a day.

From market stalls to flagship stores, Appear Here lists thousands of spaces on popular high streets, major shopping centres, local neighbourhoods, outdoor markets and even underground stations. Book by the day, week or month.

Appear Here, pick your perfect space and pitch your idea to the landlord. Once your idea and dates are approved, you can pay for your space and sign the licence agreement, all online. We also have Additions services where you can book everything you need to bring your store to life, from the fit out to the final touches (furniture and staff).

Whether you want to test a new product, connect with a new audience or boost your sales, we've created a series of expert How To Guides to ensure your store is successful.



High Street Units

Conversion of space in high street units

This scenario focuses on how multiple vacant retail units along one high street, or a number of high streets, can be brought back into use in a way that stimulates the local economy, gives identity and curation to the high street, and resolves the current issues of fragmented land ownership.

This scenario explores the options of:

- Multiple private and public sector landowners developing a management agreement with operators to manage the units on their behalf, so that units are occupied, refurbished, and curated to provide locally needed services and activities, workspaces and employment opportunities.
- Multiple private and public sector landowners pool their vacant assets into creating a High Street Trust that manages the units as a portfolio of assets, let at scales of flexible leases, which enable different activities and types of grow-on space to be provided on high streets.

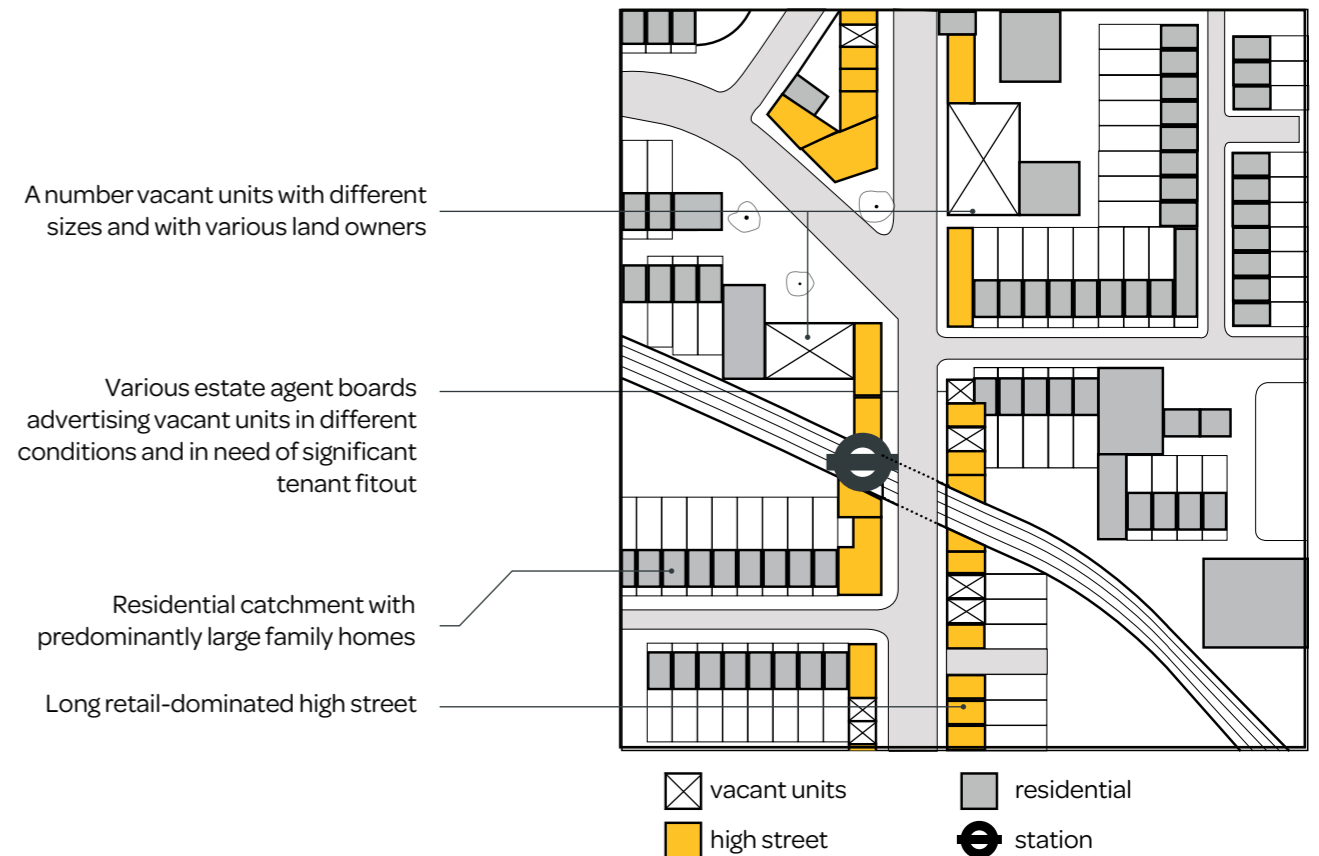
+
impact
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Location Context

- ✘ Zone 6
- ✘ Fragmented ownership and no high street governance vehicle
- ✘ Large former commuter base into central London who have been a new audience on the high street during the pandemic

A long high street in outer London, with rising and persistent vacancy of retail units. Many units are dated and in need of significant tenant fitout. The street benefits from a mix of unit sizes, but some units are in less desirable locations on the high street, and proving difficult to let long-term.

The anchor supermarket has recently vacated, contributing to further declining footfall. There is no BID, with some custodianship provided by the council through public realm improvements. A number of local entrepreneurs and groups have struggled to access retail units to trial their business ideas as rents and rates are prohibitive.



Delivery Considerations

Generic

Scoping

Landowners, Operator, Advisors & Local Interest Group to:

- **Survey the offer** of the high street and identify what is missing for effective curation.

Design

Landowners, Operator, Advisors & Local Interest Group to:

- Consider **suitability of units** to different uses, and impacts on neighbouring residential properties

Activity

Leasing

Landowners, Operator, Advisors & Local Interest Group to:

- Explore potential for **subsidised memberships** for local groups or residents.
- Explore potential for local groups to **lever in external funding** to deliver services

Outcomes

- Mitigating security costs, guardianship fees, and anti-social behaviour
- Reverse perception of a declining high street and boost local trading environment
- Provide access to businesses and community entrepreneurs to start and grow their venture

Management Agreement

Landowners, Operator & Local Interest Group to:

- Identify vacant units along high street and those with particular **long-term vacancy issues**
- **Engage operators** with an operation model that enables management of multiple smaller units across a geographical area

Landlord, Advisors & Operator to:

- Define **operational model** - which units can be self contained and let to individual businesses and occupiers, or managed on a membership basis to enable sharing of facilities

Landowners, Operator, Advisors & Local Interest Group to:


- **Agree lease model** with operator taking a head lease for multiple units, with income from units covering costs for operator + small profits to landlords

- Lower management overheads split across a larger portfolio of units

High Street Trust

Landowners, Operator, Advisors & Local Interest Group to:

- Identify the factors presenting **barriers to finding long term tenants** for the units - ie- building condition, ceiling heights, rent asks, service charges, footfall etc

 Units positioned in areas of higher footfall can suit workspace needs with more customer facing activity (retail incubators and other points of sale), while units in quieter locations on the high street can accommodate more maker and production-type activities

Landlord, Advisors & Operator to:

- Define the different **types of grow-on space** needed locally, and target occupiers for suitable unit

Landowners, Operator, Advisors & Local Interest Group to:

- Create **template agreements and governance structure** for units to be pooled together into a High Street Trust to manage units and let through a portfolio approach

- Provide grow-on space for businesses to build a pipeline of businesses invested in the area long-term
- Share risk and profits among landowners
- Curate the high street to serve local need

High Street Trust

A high street with high vacancy, close proximity to transport links, and relatively fragmented ownership. Units have historically been hard to let, experiencing high churn or long-term vacancy. There is an opportunity for a new governance model for the high street to include landowners, who pool their assets into an agreed management agreement with an operator, and a profit share across the portfolio.

The 'do nothing' scenario involves the ongoing costs of empty unit liability, and a deepening of high street decline.

£ Do-nothing cost

Empty Business Rates

- Small (590sqft): N/A
- Medium (860sqft): £8,850/y
- Large (2500 sqft): £14,250/y
- Light industrial (1250 sqft): £3,450/y

Other negative outputs & costs

- Reduced footfall
- Vacancy & delapidation
- Security
- Maintainance

- 1 Community Health and Wellbeing Hub**
(large 2,550 sqft unit, formally occupied by a supermarket)

Uses:

- health centre
- community room
- meeting rooms

Lease: long lease @ £15/sqft for the whole space. Tenant to set up and charge £10/h for meeting rooms.

Area Benefits:

- public programme
- access to health facilities
- increased footfall and street presence

- 2 Artist studios**
(a range of 530 to 1,075 sqft units with partial subdivisions)

Investment: low level partitions for studio subdivision

Uses:

- studios
- pop-up galleries and project spaces

Lease: short and medium term leases

End User Rate: £10/sqft (all in)

Area Benefits:

- street presence
- potential for community engagement

Portfolio Property (tertiary)

Light Industrial Units
(1,000-1,600 sqft)

Lease: long lease @ £10-15/sqft; The discounted rent is to be provided as part of a Service Level Agreement which stipulates the provision of 1 local traineeship/year.

Uses:

- printers
- framers
- furniture makers

Portfolio Property (prime)

Use-Restaurant

Lease-Long lease @ £25/sqft

Portfolio Property (secondary)

Use-Barber

Lease-long lease @£20/sqft

Long High Street connecting a series of District Centres

3 min

! Incentives

Local authorities can offer incentives in the form of financial support for businesses which take up hard-to-let units. [The Bedminster Business Improvement District](#) is offering grants of up to £10,000 to regenerate currently underused shops, cafes, artists studios and offices in strategic locations.

⚙️ Operation

A High Street Trust is created to manage and operate vacant units on the high street.

Landlords offer their vacant unit in return for a minimum assured rent of £5/sqft. The surplus of rent from the entire portfolio is shared between the different landlords, at their individual units' rental coefficient (calculated based on location and rental potential).

The High Street Trust combines landlords, Local Authority, businesses and community leaders, as well as workspace operators, ensuring that future occupancy is responsive to local needs, viable, desirable and resilient.

High Street Trust

Establishing a High Street Trust which creates an ownership, management, and governance vehicle for activating underused high street units, can take the following steps:



Stakeholders

- Consortium including council and public asset holders, private landlords and institutional investors
- Local stakeholders such as residents, organisations and businesses to support the core team in decision making and the definition of strategic objectives



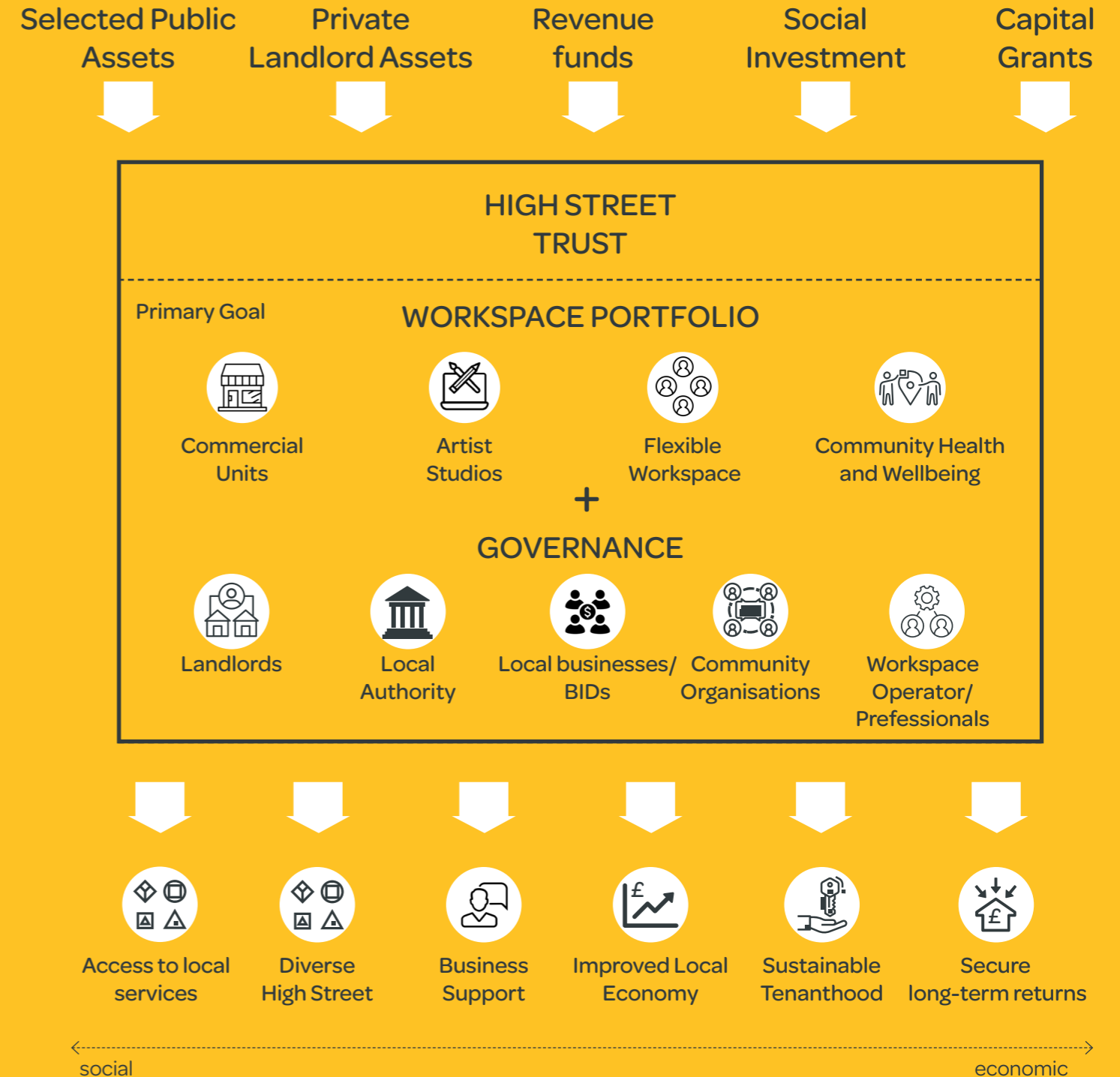
Mechanism

- Begin by establishing a Landlord Forum which brings interested parties around the same table and generates a series of actions to boost the local economy and improve the high street
- Partner with Workspace Operator or establish management vehicle to manage the properties across one or multiple high streets
- The High Street Trust forms a portfolio of units which are let at different rates depending on location and affordability for target tenants
- Returns on each of the units are put in a shared pot, with share allocations being distributed based on a coefficient of valuation for each individual property
- Capital grants could be offered for bringing into use long term vacant and hard to let units
- Opportunity for Social Investment to be used as a rate relief mechanism by the end tenant
- Template leases and to be created and shared amongst the trust members and beyond



Strategy

- A strategy to be devised by the High Street trust stakeholders which takes into consideration local needs, medium and long term area objectives as well as workspace trends
- Rent and business rates discounts could be used strategically to attract desired tenants, and support businesses to grow





Pop Up uses
The WorkShop- by Michael Gozo
Source: [Theatrum Mundi](#)

“The reality is most town centres are not owned by anyone. They have many stakeholders, community, businesses, local government, developers, but not owners. Town centre management remains a critical, sometimes overlooked, function geared towards bringing stakeholders together to curate a common vision and purpose for a town centre.”

Ojay McDonald
CEO Association of Town & City Management



Market Parade, Leyton Green
Arbeit + London College of Fashion
Source: [Arbeit](#)



Testing High Street Uses, Retail Revival & Architecture 00, Ruislip
Source: [Architecture 00](#)

“The disparate ownership of the high street, as highlighted by EG’s research, goes some way towards explaining why so many of the country’s town centres are suffering. Disjointed ownership makes it difficult to create streamlined and accountable town centre plans, with the patchwork of proprietorship enabling landlords to focus their concerns on return on their individual investments rather than the wider community landscape.”

James Child
Head of Retail & Industrial Research, EG



Willesden Green Library Lab
[Architecture 00](#)

“To manage change within the high street, Councils need to develop closer relationship with landlords, in order to allow them to identify commonalities between a very diverse set of ambitions.”

Marcel Baettig
CEO, Bow Arts



Barn the Spoon shop, Hackney
Source: [Barn the Spoon](#)

Inspiration: Open Poplar

Showcasing an example of public and private assets being pulled together, and marketed under the same strategy



Location
Poplar,
London



Types of spaces
Retail units
Pram Sheds
Garages
Community Centres
Flats
Pubs



Leases
Flexible and varied, depending on the space and project proposed. On longer leases (10 years+) they were able to provide flexible rates for the first 3 years.



Activities
To be put forward by applicants in the application process. Current projects include Baring House, a co-working space, community café and pub and many others, accessible [here](#).

Open Poplar is a programme initiated in 2015 and delivered by Poplar HARCA and a group of interested partners, not for profit organisations and landlords looking to enliven Poplar. The aim of the project is to make the most of the underused space and facilities available in the area by marketing and opening the applications to local businesses and community groups as well as national and more established enterprises. The only requirement for applications is that the proposed use must benefit Poplar and its people, and is supported by a sustainable business plan. The advertised spaces range from service centres, garages, storage spaces and even flats. These come in a range of different sizes and conditions, requiring different degrees of capital investment.

Carradale Roof Room
Carradale House, St. Leonards Road,
Poplar, London
E14 0SW
A spacious roof-top unit at Carradale House. Just 3 minutes walk from Langdon Park DLR, and served by a number of bus routes.
Availability: Semi-permanent
Internal Size: 34.42 sqm or 370.50 sqft
Estimated market price:
£370 per month (VAT and service apply)
Interested in using this space? [Apply >](#)

Step 1 Find the spaces on offer [here](#)
Step 2 Tell us what you want to do using this [simple form](#)
Step 3 We'll get in touch to discuss options

Inspiration: Arbeit

Showcasing an example of an operational model providing flexible workspace across a number of sites, and fitting out spaces in various conditions.

Baring House - Arbeit took on a derelict basement of a residential block from Poplar HARCA on a long lease with peppercorn rent in 2017. With a budget of £30k, the operator enabled a workspace with 12 self-contained units ranging from 100sq ft to 750sq ft, dedicated to a wide range of practitioners. Due to the nature of the site and its limited light, many of the tenants are those who does not require natural light, such as photographers, graphic designers, and film makers.

Leyton Green - showcasing a flexible structure to transform an unused retail unit into a workspace with 13 self-contained units ranging from 100sq ft to 120sq ft, and a gallery space, hosting a wide range of activities.

Arbeit is a workspace operator taking on underused and empty sites in pre-development stages, utilising empty spaces and providing affordable workspace for creatives in London. Provision ranges from desk space, shared and individual studio spaces, catering to artists, designers, small businesses and start-ups, alongside business support, event/gallery space and a shared environment for innovative collaboration and community involvement.

Baring House (before)



Baring House (after)



Leyton Green



Recommendations

There is vast opportunity now to prototype various iterations of the repurposing model, to provide much needed flexible workspace, and support high street recovery. The following recommendations outline a series of approaches for the next steps towards implementing the scenarios in strategic and scalable ways.



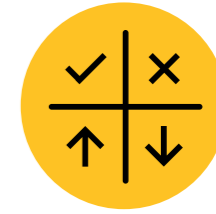
Portfolio approach to asset management

Prototype the model of private landlords and public sector asset holders with vacant properties on one or multiple high streets to partner with an operator to manage and curate units on their behalf (agree leases + SLA).



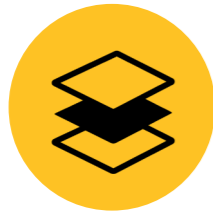
Practical templates for new contractual agreements

As part of future prototype funding for this model, develop templates for flexible leases and contractual agreements between landowners, operators, and end-users, that can be widely adopted and streamline the process.



Identity making value matrix

Develop locally specific high street plans, which recognise local identity and develop place marketing and areas of specialism (build on institutional presence, business clusters, local community capacities and heritage). A social value charter as part of this can provide the guidance and support to businesses in providing local give-back through their work.



Shared platform for best practice

Establish a shared platform, co-owned by public and private sector partners, to showcase emerging best practice, and including helpful resources such as the practical templates for new contractual agreements. The platform is an opportunity for industry leaders, both public and private, to showcase their adaptations to the unprecedented challenge facing landlords, and to begin the process of mainstreaming those innovations.



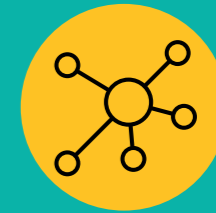
High Street Trust approach

Develop prototypes of the approach whereby landowners pool their assets and set up a local High Street Trust which manages the assets as a portfolio - ensuring all are filled with tenants, provide local benefit, a diversity of business space types (making and production, desk space, retail incubators, etc) and flexible lease terms. This approach takes the management agreement model further by pooling the individual assets to share the risk and uplift of each unit.



Forum for relationship building with landowners

Develop a programme for partnership building, bringing together key stakeholders to scope out the locally specific barriers and conditions, develop policy proposals with Local Authorities and Central Government, prototype experiments and incentives to attract businesses that will have positive impact on the high street.



Data Partnership

The GLA is developing a Data Partnership as part of London's recovery strategy, to enable access to data on high streets, to understand trends and share knowledge to inform decisions. There is opportunity for public and private sector organisations to buy into the data partnership to source insights and ensure this knowledge is shared and inputted into by the civic sector.

Further support resources

Beyond the resources provided throughout the document, there are several more which could be used to inform the scoping, delivery and operation of workspaces on high streets.

For further information about this pamphlet, please feel free to contact us!

- [Greater London Authority - Places of work](#)
- [LEAP \(The Local Enterprise Partnership for London\)](#)
- [WAG \(Workspace Advisory Group\)](#)
- [London Business Hub](#)
- [Architecture 00](#)

Contact Alice Fung at: alice@project00.cc

[London co-working assembly](#)

Networking group for operators of co-working spaces, to access and share support and best practice.

[Co-working library](#)

This project's goal is to provide an interdisciplinary open online database in which current and former research about coworking can be found.

[Research group on collaborative spaces](#)

An independent network and a think tank gathering researchers in the fields of humanities and social sciences, practitioners and activists around the theme of work practices.

[Brent Council's Affordable Workspace Strategy](#)

The London Borough of Brent's (LBB) Affordable Workspace Strategy (AWS) and Action Plan presents the borough's workspace research and policy development for enabling more affordable workspace.

[Better Space, Islington](#)

Joint venture between Islington Council and City University, providing 7,000 sqft of affordable co-working and incubation space for digital and creative entrepreneurs.

[Wet Lab vs. Dry Lab for Your Life Science Startup](#)

Guidance on the characteristics of wet and dry labs.

[Crowdfunding Community Investment Toolkit by Nesta](#)

A set of activities to facilitate community projects in exploring the potential of crowdfunded community investment tools in their organisation's next steps.

[Association of Town & City Management](#)

A not-for-profit organisation with members that come from the public, private and third sectors. They include key stakeholders and thought leaders who develop and implement shared visions, strategies and action plans for town and city centres throughout the UK and Ireland.

[Open Workspace map](#)

Interactive guide to London's incubators and co-working spaces alongside other start-up workspaces, artists' studios and maker-spaces.

[London Data Store](#)

A free and open data-sharing portal with access to over 700 datasets relating to the capital

[London Connectivity Map](#)

Map of estimated coverage of broadband services across London by Postcode, Ward or Borough