

# LONDON BOROUGH OF TOWER HAMLETS

Poplar Riverside Land Audit  
June 2020 - Final Draft

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## EXECUTIVE SUMMARY

Poplar Riverside and the Lower Lea is set to experience transformational change over the next 20+ years as former industrial sites change to residential uses, large estates are regenerated and focus grows on employment and industrial uses. The findings of this study should be further considered to ensure LBTH, LBN and LLDC manage, support and enable the level of development projected and help to create a diverse, thriving and attractive place to live and work.

Key findings from this study include:

- 24 sites identified within the core study area (CSA) and 56 sites across the wider study area (WSA). Six of these sites are non-residential/ employment sites which are anticipated to retain commercial uses, the majority are residential.
- The scale and pace of change is greater than previously anticipated. 28,609 new (gross) residential units were identified in the WSA in the baseline data. This study identified 41,775 new units (gross), representing a difference of +46%.
- 14,176 (34% of the total) new (gross) units are anticipated to be delivered in the CSA. This is +58% higher than the <9,000 units anticipated within the Poplar Riverside Housing Zone, although it is important to recognise that this is a finding mechanism and not a spatial / planning designation.
- The pace of development is different to earlier projections in the baseline, with a larger number of units being delivered over a longer period, with some sites taking longer to get off the ground than originally anticipated.
- In general, development across the study area may be characterised as piecemeal as there are 42 separate developers/ landowners identified to bring the 50 development sites forward. This fragmented ownership pattern suggests opportunistic developers have sought to gain a position in an area that is rapidly changing.
- Over the past ten years, sales values for new residential property in the CSA have increased by 105%, explaining the interest developers have shown in the area. This data suggests the area has outperformed equivalent new residential property in LBTH and Greater London, which have grown by 72% and 92% respectively.
- Development in the study area is concentrated in a small number of key sites and developers, with the top 10 sites containing 62% of the units. The developer with the largest number of units in the pipeline is Berkeley Homes and its various subsidiaries. In total, it could have up to 10,390 residential units (subject to planning) across four schemes, three of which are former gas holder sites which have been entered into the JV between National Grid and St William. These four sites account for 25% of the total pipeline.
- Employment within the study area is diverse in terms of sectoral make up, making it distinct from the LBTH average. The area also supports a higher proportion of local jobs.
- The variety of jobs, and concentration of industrial sectors (manufacturing, wholesale & retail trade, construction) with larger floorplates, means that employment is less dense than other parts of LBTH and inner London.
- The study areas are growing at a relatively high rate, and this growth is distributed across a wider range of sectors than the borough average.
- This report has assessed the economic contribution of four employment sites in the CSA. The majority (70%) of the occupied space at these sites is B1c (light industrial) and A1 (retail warehouse) uses. The employment density varies significantly and is highest in Blackwall Trading Estate and Empson Street. Both sites are denser than the average across all SILs in London but significantly less dense than Park Royal, indicating that intensification may be possible if existing economic assets are utilised more efficiently.
- There is a view that a two tier market has emerged at these employment sites, with (i) demand for older, affordable space (however, with high vacancy seen in these sites due to land banking), and (ii) at the same time, new space considered less affordable, with evidence of vacancy.
- It is anticipated that a total of 63,100 sqm of (gross) new commercial space will come forward in the CSA and 281,600 sqm across the WSA to 2041. This space is concentrated in a small number of major sites. Four fifths of the total new space in the WSA is delivered in 10 sites.
- The analysis reviews the commercial trajectory to provide several scenarios of likely economic impact to 2041. In the strong demand and intensification scenarios, the CSA and WSA are expected to grow faster than the LBTH and LBN averages. The growth in the limited take up scenario is below the borough average (22%) in both study areas, indicating the possible downside risk of limited demand in the area. That said, employment growth under all scenarios is at least as high as forecast growth across London (14%). The study areas are therefore important growth areas.
- Specific observations noted in this study include:
  - land ownership and development is fragmented;
  - supporting infrastructure will need to support the scale and pace of growth identified in this study; and
  - the vision for the area could be more clearly defined. There is a need for a more cohesive / stronger brand for the area given the scale of regeneration identified.
- To achieve the more ambitious scenarios and maintain the diverse, local jobs supported in the study area, this report makes several recommendations including: direct s106 monies towards local employment and affordable workspace initiatives, retain strategic employment allocations whilst enabling flexibility, deliver a spatial strategy aligned across the fragmented landowners, develop the area's branding and promotion, and facilitate business support.

## INTRODUCTION AND METHODOLOGY

### Purpose

Gerald Eve LLP and Volterra were commissioned by the London Borough of Tower Hamlets (LBTH) to prepare a land audit of Poplar Riverside and surrounding areas. The study provides an overarching assessment of the likely change in terms of housing output and economic growth in the Lower Lea over the next ten to twenty years. As well as providing an important planning and regeneration tool, it will be helpful to LBTH, London Borough of Newham (LBN), London Legacy Development Corporation (LLDC) and other partners, by way of demonstrating the Lower Lea's importance as a driver of London's growth and making the case for investment and other strategic interventions to ensure the scale of planned growth is sustainable and successful.

The study includes a full assessment of current land issues and uses in Poplar Riverside from an ownership, planning and development perspective. It also provides an up to date understanding of sites in LBTH's current Strategic Housing Land Availability Assessments (SHLAA) and within the designated employment locations, and identifies other potential sites within the area, including an analysis of the market intentions and potential of these sites.

This short report includes analysis of residential development (1), LBTH vision (2), commercial/ employment growth (3) and land ownership (4), and concludes with observations and next steps (5).

### Tasks

The brief set out the following tasks and outputs:

Table 1: Tasks and outputs

Task	Output
A: Review of Sites currently on the LBTH trajectory – to cover the wider study area	1. Residential trajectory within the Local Plan 5-year phases – all major schemes and any recent market activity.
B: Review of designated Employment Sites/ commercial clusters – to cover the wider study area	2. Details of economic activity in terms of; a) use class; b) economic indicators; and c) any growing sectors 3. Commercial trajectory – major schemes and recent market activity.
C: Identification of any potential additional sites – core area only	4. Current market intentions, estimate of potential capacity and inclusion within the trajectories.
Cross cutting tasks	5. Title number and land ownership for sites in the Leaside area of Newham, focussed on: Empson Street; Leaside Business Centre; Blackwall Trading Estate; and Teviot Estate and its environs. 6. Challenges and opportunities for intensification and land assembly in the areas identified in output 5. 7. Analysis of development trajectories developed for outputs 1 and 3. 8. Analysis of changes to residential and commercial values over time. 9. Estimate of the overall economic value and growth of the potential scale of development in terms of future job numbers, economic activity, units. 10. Review and analysis of the overall scale of land held by the public sector and core public sector partners, such as Registered Providers (RPs). 11. Analysis of land ownership and unit numbers held by asset holding RPs and other affordable housing providers.

## Study area

The study includes two areas:

- a core study area (CSA) of focus centred on immediate Leaside areas of LBTH where a considerable scale of development is anticipated and where detailed special planning is required. This is the area shown in pink in Figure 1 overleaf; and
- a wider study area (WSA) stretching east into neighbouring areas of LBN, and encompassing a number of proposed developments and strategic sites, and west and north into LB Tower Hamlets, coterminous with the Poplar Riverside Housing Zone boundary and the London Legacy Development Corporation (LLDC) planning jurisdiction. This is the area shown in blue in Figure 1 overleaf. Throughout this report any analysis of the WSA includes the area and sites within the CSA.

The study identified 24 sites within the CSA and 56 sites across the WSA. The sites are shown in Figure 1 overleaf. Please note that site boundaries are illustrative and cannot be relied on.

Out of the 24 sites in the CSA, it is assumed that 18 will come forward for residential development as these sites are either completed, under construction, in the planning process, under review or allocated. Six sites are currently non-residential/ employment sites and/ or are identified in planning terms as a Strategic Industrial Location or a Local Industrial Location.

A table referencing the individual sites is attached at Appendix G.

## Baseline data

Baseline information was provided by LBTH, LBN and LLDC as raw data in spreadsheet format, drawn from SHLAA and Local Plan allocations. This information was compiled into a master database and formed the basis of this study.

## Study data

The baseline data was supplemented by further investigations using public sources, including planning applications and websites, as well as through discussions with developers and landowners. The data includes projections (estimated using densities consistent with the study area) and developer aspirations, which may reflect a greater quantum than is ultimately deliverable. The study has identified sites within the CSA and WSA where residential or commercial development is expected to come forward within the next 20 years. A database has been created to record site specific information and establish an annual pipeline of completions which is then grouped into the five year plan periods as per the Local Plan (2016-21, 2021-26 and so on). The status of the sites is recorded as at January 2020 (completed, under construction etc.). A copy of the database has been submitted to LBTH for internal use only.

Economic data and analysis on sectors, employment data and GVA was prepared by Volterra using publicly available information and primary data. Employment data is not available at the site level so it has been developed specifically for this study. A bottom up approach has been taken, using industry standard assumptions and methodology described below. However, this approach is limited by the fact that site level employment data is not available and therefore can only be seen as an illustrative set of estimates.

Employment has been estimated using the following approach:

- Map layer created containing all the employment sites
- All addresses in these locations identified based on AddressBase Premium data
- Valuation Office Agency database used to find data on businesses and floorspace
- Occupied sites identified and reviewed, utilising Gerald Eve market research and CoStar data
- Employment estimated based on the floorspace and standard employment densities, providing a range
- Review of publicly available information (Ailsa St Development Framework, employment land review)

## Limitations

The information contained in this report and the database has been developed using publicly available information from planning applications and assumptions. The analysis seeks to use best available data to estimate the overall growth quantum. The data reflects information as at January 2020, it is highly sensitive to change and should not be relied on. Some of the figures within this report are forecast projections made by Gerald Eve to illustrate the trajectory of housing delivery for a particular site. These projections are indicative only and may be subject to change.

Any data associated with a site that doesn't have planning permission does not indicate the Local Planning Authorities (LPA) endorsement of that growth figure. LBTH is currently undertaking a separate site capacity study which will consider key sites in the core area which will update the trajectories set out in this report.

A copy of the database has been submitted to LBTH for internal use only. The information within the database and within this report does not contain any material that would be commercially sensitive. Gerald Eve does not hold proprietary information on landowners or developers and cannot confirm the accuracy of the information contained in the database or this report. Any figure associated with a site that doesn't have planning permission does not indicate the Local Planning Authorities (LPA) endorsement of that growth figure. LBTH is currently undertaking a separate site capacity study which will consider key sites in the core area which will update the trajectory.

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## RESIDENTIAL DEVELOPMENT IN THE STUDY AREA

### Existing population

Population estimates show that as of 2018, approximately 26,300 individuals reside within the CSA, whilst 63,000 reside within the WSA<sup>1</sup>. The total number of households in the CSA and WSA equates to c.9,600 and c.24,000 respectively. This has been calculated by estimating the average size of a household (based on census data)<sup>2</sup> and then applying this average to current population statistics. Of these households, it is estimated that c. 50% are socially rented across both the CSA and WSA, which is 10% higher than the LBTH average (40%) but almost 3 times greater than the national average (18%).

Table 2: Existing households (Source: Volterra)

	Owned	Shared Ownership	Social Rented	Private Rented	Rent Free	Total
CSA	1,800	300	4,700	2,700	100	9,600
WSA	4,500	700	11,900	6,600	300	24,000

The population density of the CSA is c.163 residents per hectare, which is in line with the borough average but 35% higher than the inner London average and approximately 3-times higher than the London average, which indicates that the CSA is denser than other areas of comparison.

Table 3: Population density (Source: Volterra)

Task	Population density (residents/ha 2018)
CSA	163
% of LBTH	-
WSA	115
% of LBTH & LBN	-
LBTH	161
LBN	97
Inner London	121
London	57

### Scale and quantum of residential development in the study area

The analysis suggests that the number of new residential units that could come forward in the CSA, and within the Poplar Riverside Housing Zone, may be +58% higher than the <9,000 anticipated. The original Poplar Riverside Housing Zone estimate was the product of the assumed level of growth in the ten sites which comprised the zone. This study has identified a number of additional sites and is also able to reflect the numbers permitted on some of the sites. It is also important to note that this is a finding mechanism and not a spatial / planning designation and the Housing Zone boundary simply incorporates the 10 designated sites and doesn't have wider significance. Further information on the Poplar Riverside Housing Zone is shown at Appendix A.

- 28,609 new (gross) residential units identified in the WSA across the plan period in the baseline data provided by LBTH, LBN and LLDC.
- 41,775 new (gross) residential units identified in the WSA over the same period through this study, representing a difference of +46%.
- 14,176 (34% of the total) of these new (gross) units are anticipated to be delivered in the CSA
- 21,088 (50% of the total) of these new (gross) units are anticipated to be delivered in LBTH

Some of this change is down to new sites coming forward that have not been previously identified in the baseline data. Others, where the number of units varies significantly from the information recorded in the baseline data.

The scale and quantum of development in the study area is significant especially when compared to other key development zones across London, see table 4.

<sup>1</sup> ONS (2018) Mid-year population estimates by LSOA

<sup>2</sup> ONS (2011) Census data, Households by tenure



Table 4: Comparable development zones across London (Source: GLA)

	Area (Ha)	Minimum new homes	Indicative employment capacity
Vauxhall, Nine Elms, Battersea	227	20,000	25,000
Greenwich Peninsula	259	13,500	7,000
Brent Cross	324	10,000	20,000
Croydon	194	7,300	7,500
White City	110	6,000	10,000
Elephant & Castle	88	5,000	5,000

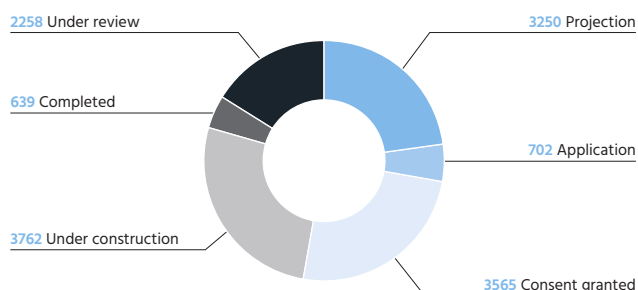
### Status of sites

Figure 2 shows the status of sites in the CSA and WSA as at January 2020. Within the CSA there is a relatively even split with 27% under construction, 25% with planning permission granted and 23% projected. The remaining sites are either completed (5%), under review (16%) or at application stage (5%). A similar pattern is shown in the WSA.

Figure 2: CSA Sites status as at January 2020 CSA to the left and WSA to the right

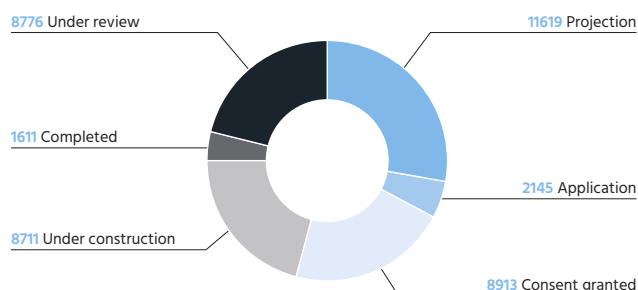
#### CSA Sites status as at January 2020

Source: Gerald Eve



#### WSA Sites status as at January 2020

Source: Gerald Eve



### Key landowners/ developers and sites

In general, development across the study area may be characterised as piecemeal as there are 42 separate developers/ landowners identified to bring the 51 development sites forward.

However, development is also concentrated in a small number of key sites and developers. Within the CSA, 10,000 units, or over two-thirds of the total units, are likely to be delivered on just five of the sites. This demonstrates the strategic importance of key landowners/ developers who control these sites – St William (Berkeley Homes) and Ballymore Group to the development pipeline in the area.

1. Leven Road Gas Works, St William – 2,780 units
2. London City Island, Ballymore Group – 1,706 units
3. Goodluck Hope, Ballymore Group – 834 units

The developer with the largest number of units in the pipeline across the WSA is Berkeley Homes and its various subsidiaries. In total, it has a pipeline of 10,390 residential units across four schemes, three of which are former gas holder sites which JV between National Grid and St William. These four sites account for 25% of the total WSA pipeline. The Bromley By Bow (Twelvetrees) Gas holder site is the only site, out of the four, not to have a planning application submitted or consent in place.

Table 5: CSA sites (Source: Gerald Eve)

GE Map Ref	Site Name	Secondary Title/ Address	Landowner/ Developer	Borough/ Area	Ward (LS)	Study Area	Status as at Jan 2020
1	Leven Road Gas Works	n/a	St William (Berkeley/ National Grid)	Tower Hamlets	Lansbury	Core Area	Consent Granted
4	London City Island	Leamouth Peninsula North	Ballymore Group	Tower Hamlets	Blackwall and Cubitt Town	Core Area	Under Construction
6	Goodluck Hope	Leamouth Peninsula South, Hercules Wharf, Union Wharf and Castle Wharf	Ballymore Group	Tower Hamlets	Blackwall and Cubitt Town	Core Area	Under Construction
20	Ailsa Wharf	Ailsa Street, London	Country Garden Holdings	Tower Hamlets	Lansbury	Core Area	Consent Granted
14	Bow Enterprise Park	Merchants Walk/ Lime Quarter	Workspace Group/ Peabody/ Linden Homes	Tower Hamlets	Bromley South	Core Area	Under Construction
23	Tram Shed/ Poplar Bus Garage	n/a	RER London/ Orlandis Capital	Tower Hamlets	Lansbury	Core Area	Application
7	Orchard Wharf/ Castle Wharf	Old petrol station Leamouth Road	Galliard Homes	Tower Hamlets	Poplar	Core Area	Under Construction
16	Three Waters/ Bromley Mills Wharf	Barratt Industrial Estate, 20-22 Gillender Street, London, E3	Mount Anvil/ Peabody	Tower Hamlets	Lansbury	Core Area	Under Construction
13	Lansbury Square	160 to 166 Chrisp Street	Bellway Homes Ltd	Tower Hamlets	Lansbury	Core Area	Completed
12	The High Line	134-156 Chrisp Street	M&G	Tower Hamlets	Lansbury	Core Area	Completed
24	Leven Wharf	Glaucus Works, Leven Road, E14	English Rose	Tower Hamlets	Lansbury	Core Area	Completed
21	Islay Wharf	n/a	SN Developments	Tower Hamlets	Lansbury	Core Area	Application
19	Bromley Hall and Old Poplar Library	43-45 Gillender Street	Poplar Housing and Regeneration Community Association Limited	Tower Hamlets	Lansbury	Core Area	Application
Potential capacity							

Footnote: Only those sites with planning permission have endorsement from the LPA in terms of unit numbers.

Baseline	Baseline source	Updated total units (projected and completed)	Updated source	% Uplift	"P1 2016-21"	"P2 2021-26"	"P3 2026-31"	"P4 2031-36"	"P5 2036-41"	Site area (Ha)	Units per Ha	Hab rooms per Ha
990	Allocation	2,780	Landowner	181%	0	1,800	980	0		8.10	343.21	1,030
1,706	Application	1,706	Website	0%	1,706	0	0	0		4.63	368.47	1,105
834	SHLAA	834	Application	0%	240	594	0	0		2.70	308.89	927
785	SHLAA	785	Landowner	0%	0	785	0	0		2.37	331.22	994
528	Application	557	Application	5%	557	0	0	0		1.90	293.16	879
170	SHLAA	547	Application	222%	0	547	0	0		1.22	448.36	1,345
335	Application	338	Application	1%	240	98	0	0		0.81	417.28	1,252
196	Application	327	Application	67%	240	87	0	0		0.52	628.85	1,887
290	Application	273	Application	-6%	273	0	0	0		0.67	407.46	1,222
206	Application	206	Application	0%	206	0	0	0		0.41	502.44	1,507
160	Application	160	Website	0%	160	0	0	0		0.46	347.83	1,043
130	Application	133	Application	2%	0	133	0	0		0.18	738.89	2,217
0	n/a	22	Application	0%	22	0	0	0		0.22	100.00	300
1,285		5,508										
7,615		14,176		86%	4,314	4,894	2,540	888	1,540	2.11	371	1,112

## Delivery of units and trajectory

The information presented below is an estimate of the potential delivery of residential units on an annual basis. It provides an update to the baseline data, using the latest understanding of site status and market facing absorption and delivery rates. It is subject to change dependent upon prevailing market conditions.

The analysis suggests that on average the sites in the CSA will deliver 172 units per annum. This is lower than the WSA where it is estimated that 204 units may be delivered per annum on average across all the sites. This includes the construction of affordable units. Most importantly, the delivery rate assumed in this study is significantly higher than the assumption adopted by LBTH in its housing trajectory, which is based on a site build out rate limited to 500 units over 5 year period (or 100 units a year), unless specific evidence suggests otherwise.

Developers with larger sites will be able to control phasing and delivery. For these sites a much more ambitious programme of up to 400 units per annum was adopted for this study. The fastest construction programme is shown at Thameside West, where a rate of 455 units per annum has been applied, or 37 units per month. This relates to all units (including affordable) and equates to 24 units per month, if 35% of the units are affordable and these are excluded from the calculations. This is extremely ambitious and may only be achieved where multiple buildings/ phases can come forward at the same time and where a variety of products (including Build to Rent) can be incorporated.

Table 6 below shows the completion of residential units in the CSA and the WSA in five-year bands. Figures 3 and 4 then show how the units may be delivered on an annual and cumulative basis, compared to the base data provided by councils.

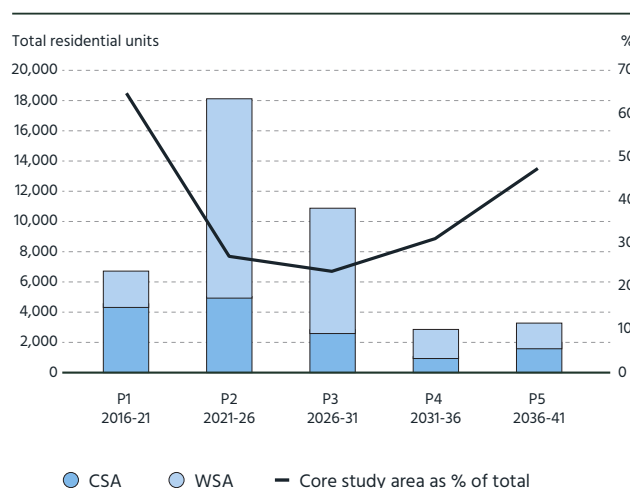
Table 6: Delivery of new (gross) residential units (Source: Gerald Eve)

	P1 2016-21	P2 2021-26	P3 2026-31	P4 2031-36	P5 2036-41
<b>Core Study Area</b>					
Total	4,314	4,894	2,540	888	1,540
Cumulative	4,314	9,208	11,748	12,636	14,176
Average pa	863	979	508	178	308
<b>Wider Study Area</b>					
Total	6,695	18,092	10,836	2,872	3,280
Cumulative	6,695	24,787	35,623	38,495	41,775
Average pa	1,339	3,618	2,167	574	656
<b>Core Area As % of total</b>	<b>64%</b>	<b>27%</b>	<b>23%</b>	<b>31%</b>	<b>47%</b>

Figure 3:

## Delivery of new (gross) residential units

Source: Gerald Eve



It would appear that the timing of delivery anticipated in the baseline data provided by the councils and the trajectory anticipated in the study differs significantly, with a larger number of units being delivered over a slightly longer period of time, with some sites taking longer to get off the ground than originally anticipated. The study data also suggests that the development pipeline could taper off towards the end of the 2030's as the number of sites available for redevelopment reduces and sites under construction move closer towards completion.

Figure 4:

### Annual delivery of new (gross) residential units across the WSA

Source: Gerald Eve

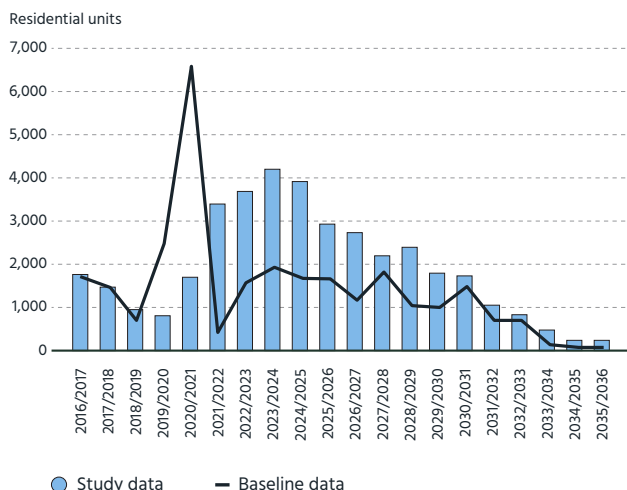
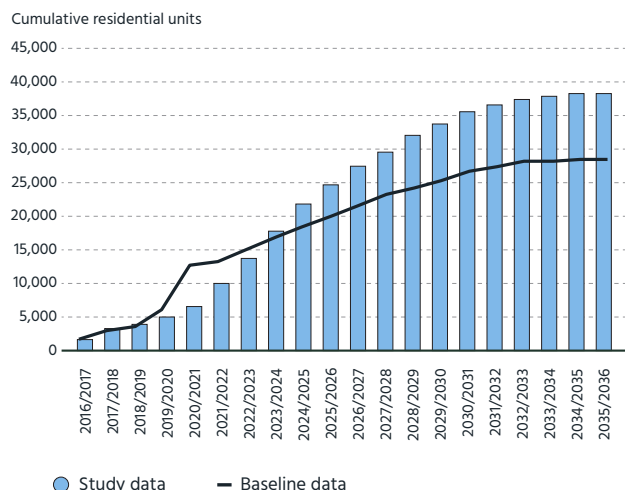


Figure 5:

### Cumulative delivery of new (gross) residential units across the WSA

Source: Gerald Eve



### Density of development

The average site within the WSA is c.2.6 Ha, suggesting that the average development density would be 362 units per Ha or 1,086 Hab rooms per Ha (assuming 3 Habitable rooms per unit). In reality, there is a large discrepancy between the size of the site and the density of development.

### Price growth over the past 10 years

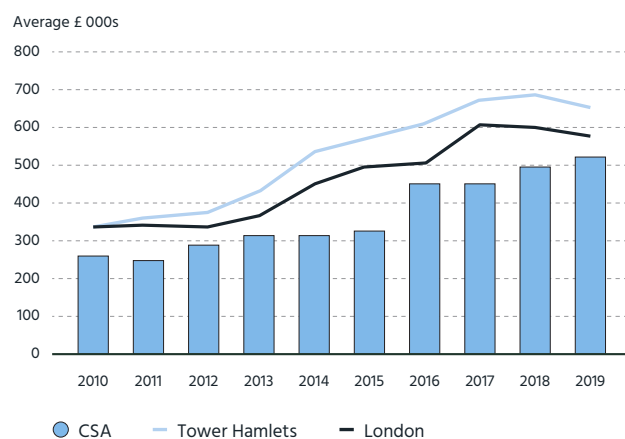
Over the past ten years, sales values for new residential property in the CSA<sup>3</sup> have increased by 105%. This data suggests the area has outperformed equivalent new residential property in LBTH and Greater London, which have grown by 72% and 92% respectively. This also reflects changing stock in the area - i.e. in 2010 there was primarily older, council/ RP stock. Only recently has there been significant new residential development. The average sales price for new residential property in the CSA in 2010 was £252,862. In 2019 it had grown to £518,033, representing average year on year growth of 9%. This is shown in Figure 6 below. Sites in the CSA also continued to see growth (+5%) in 2019 whilst new build residential prices in LBTH and London fell by c. 5%.

If an average unit size of 750 sq ft is applied to prices above then it becomes even more apparent why developers see sites in the CSA delivering strong returns relative to other sites across London. In 2010, the average £psf for sites in the CSA equated to 76% of the average £psf for sites in LBTH and 75% of sites across London. By 2019 the relative growth of sites in the CSA meant that the relative average £psf had increased to 90% of sites in LBTH and 80% of sites across London.

Figure 6:

### Average residential sales values price by area

Source: Land Registry



<sup>3</sup> The data is taken from Land Registry House Price Data for New Build only and focuses on sales only in E14 0 and E3 3.



Table 7: Average £psf, assuming average unit size of 750 sq ft (Source: Land Registry)

Average £psf	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CSA	337	321	380	413	414	432	597	597	657	691
Tower Hamlets	447	448	444	485	601	660	669	809	800	769
London	452	478	498	574	713	761	817	894	915	868

### Affordable housing provision

The average provision of affordable housing across the sites identified in the WSA is 36%. If extrapolated, it would suggest that c.15,000 affordable units could be delivered across the WSA. Given the provision of affordable housing Registered Providers (RPs) clearly play an important role in the delivery of new units across the core and the wider area. Some of the largest schemes identified in the study are estate regeneration programmes led by the RP, in partnership with an investment and development partner.

- Poplar Harca are the most significant RP, with a pipeline of c.5,000 units in the core area and c.8,365 in the wider study area.
- Peabody also have a large interest, but their units are being delivered in partnership with Mount Anvil.

RPs own 7,532 units within the wider study area (LBTH only, not LBN or LLDC). These units are held by 36 separate RPs. However, the majority of the units (64%) are held by Poplar Harca (4,281 units across the various estates).

RP holdings are summarised in table 8 below. A map locating the individual holdings by RP is shown at Appendix B.

Table 8: RP holdings within the wider study area - LBTH only, not LBN or LLDC (Source: LBTH)

Landlord	Total Number of Properties	% of Total
Poplar Harca	4,821	64.01%
Swan Housing Association	555	7.37%
Gateway Housing Association	319	4.24%
One Housing Group	249	3.31%
Peabody Trust	221	2.93%
THH	190	2.52%
Circle 33 Housing Trust Ltd	182	2.42%
Old Ford Housing Association	173	2.30%
Southern Housing Group	158	2.10%
East End Homes	123	1.63%
Wilfred East London Housing Co-op	92	1.22%
Glenkerry Shared Ownership Co-op	79	1.05%
Spitalfields Housing Association	76	1.01%
Genesis Housing Association	65	0.86%
East Thames	48	0.64%
North London Muslim Housing Association	35	0.46%
Providence Row Housing Association	30	0.40%
Unknown	24	0.32%
Network Stadium	18	0.24%
Look Ahead Housing Association	17	0.23%
East London Property Serv Ltd	12	0.16%
Elliot Leigh Management Ltd	11	0.15%
Hamletts Ltd Property Services	11	0.15%
Metropolitan Housing Trust	5	0.07%
MBRC Investments	3	0.04%
Fairview Lets Ltd	2	0.03%
London and Quadrant	2	0.03%
Theori Investments Ltd	2	0.03%
Tower Estates (Lodge) Ltd	2	0.03%
Adam Harris Estates	1	0.01%
Community Housing Association	1	0.01%
Fortune Property Ltd	1	0.01%
Limeco Associates Ltd	1	0.01%
Pathmeads Housing Association Ltd	1	0.01%
T I Estates Ltd	1	0.01%
Terrafirma Property Services	1	0.01%
Total	7,532	100.00%

## COMMERCIAL/ EMPLOYMENT GROWTH IN THE STUDY AREA

### Existing economic activity

Economic activity in the study areas differs to the rest of LBTH. The sectors with the highest representation in the CSA and WSA tend to be industrial sectors, such as manufacturing, wholesale & retail trade and construction. These sectors tend to be less dense in terms of employment, but they provide important, diverse roles for a variety of individuals. This contrasts to the rest of the borough, where officed-based sectors dominate the workforce, driven by major financial districts in Canary Wharf and the City Fringe.

It is estimated that there were approximately 6,400 jobs within the CSA and 21,600 jobs in the WSA in 2018.<sup>4</sup> Whilst the WSA provides for a greater number of jobs, it is larger and both areas have a similar density of jobs per hectare.

The data suggests that employment is varied across most sectors in both the CSA and WSA, indicating the mixed nature of the area. Manufacturing is the most prominent sector in the CSA and WSA, supporting 17% and 11% of jobs respectively. By comparison, the manufacturing sector in LBTH only accounts for 1.2% of total employment. Whilst financial and insurance activities form 22% of total employment within LBTH, these sectors only account for 2% in the WSA and 0% in the CSA, highlighting the very different types of employment in this part of the borough. A full breakdown of employment is shown at Appendix C.

The table below shows that the employment density in both areas is c.40 jobs per hectare, which is 57% lower than the inner London average but 15% higher than the London average.

Table 9: Total employment by area (Source: Volterra)

	Total Employment (2018)	Employment Growth (2009-18)	Commercial Floorspace Growth (2009 – 2018)	Employment Density (jobs/ha 2018)	CSA Workforce – Place of Residence	WSA Workforce – Place of Residence
CSA	6,400	36%	22%	40	-	-
WSA	21,600	68%	32%	39	-	-
LBTH	300,000	44%	4%	153	22%	22%
LBN	110,000	50%	1%	31	12%	24%
Inner London	2,750,000	25%	3%	92	-	-
London	5,300,000	24%	0.1%	34	-	-

Data on commuting patterns from the 2011 census shows that 22% of CSA workers live within LBTH and 12% live within neighbouring LBN.<sup>5</sup> Across LBTH only 14% of workers also live in the borough, whilst 5% commute from LBN, indicating that the CSA supports a relatively high proportion of local jobs.

In terms of growth, employment in the CSA increased by 36% between 2009 and 2018, equivalent to an additional c.1,700 jobs over the period. WSA employment increased by 68% over the period, adding c.8,700 jobs. Comparatively, employment grew by 44% across LBTH, suggesting that the CSA is underperforming whilst the WSA is performing relatively well. It should be noted that employment growth within both study areas was still above the London average of 24%.

<sup>4</sup> Office for National Statistics (2018), Business Register and Employment Survey. The employment data does not perfectly align with the study areas and the total number of jobs in each area is relatively low. The employment data is good but not completely accurate at these geographies so the estimates must be treated with caution.

<sup>5</sup> Office for National Statistics (2011), census. Location of usual residence and place of work.

Commercial floorspace has increased in the study areas at a faster rate than the comparators: the CSA and WSA have seen growth of 22% and 32% compared to the inner London average of 3%. Despite this, employment in inner London has still increased by 25% over the same period. With limited growth in commercial space, this employment growth must be due to intensification of existing commercial space in inner London. This could also be from a reduction in vacancy in the existing commercial floorspace, the movement towards sectors which occupy space at higher densities and/or businesses increasing their employment density due to trends in working patterns such as flexible working and hot-desking. These trends are particularly relevant for office-based jobs where these agile forms of working have been most pronounced. The employment growth in the CSA and WSA is across a wider range of sectors than the comparators presented in the table – where growth is driven by office-based sectors. These sectors have been less able to use space more efficiently so the employment growth in the study areas is driven by the provision of new commercial space, rather than intensification of exiting space.

In the CSA, manufacturing, transportation and storage, and food and accommodation made the largest individual absolute contributions to overall growth (each sector generating an additional c.300 jobs within the CSA). However, many sectors – apart from retail trade and construction which fell – made a positive contribution to growth. This contrasts with borough trends where three sectors – professional, scientific and technical activities, admin and support services, and human health – account for the majority (60%) of employment growth between 2009 and 2018.

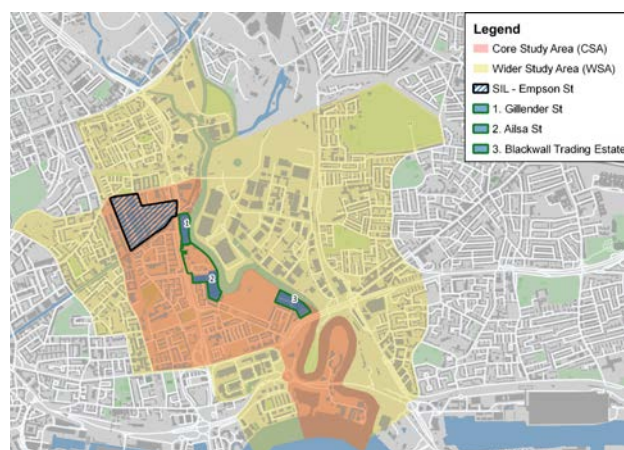
Overall, the data shows that the study areas are distinct from surrounding areas. The employment is more varied than the borough average and supports a higher proportion of local jobs as there are more job types to cater for local people. The variety of jobs, and concentration of manufacturing and wholesale businesses with larger floorplates, means that employment is less dense than other parts of LBTH and inner London. The study areas are growing at a relatively high rate, and this growth is distributed across a wider range of sectors than the borough average.

## Employment sites in the CSA

The LBTH vision anticipates that the Lower Lea Valley has and will continue to see comprehensive regeneration and redevelopment of former and unused industrial areas. However, there is an understanding that the LPAs will want to retain significant employment in the area, and commercial activity and employment will be promoted across the area and not just on the designated employment sites. The four sites within the CSA that continue to generate the most economic activity are shown in Figure 7 and studied in greater detail here.

- **Empson Street - Strategic Industrial Location (SIL)**  
The site plays an important sub-regional industrial, warehousing and waste management role serving not just the borough but other parts of Central London. Housing is not suitable in this location due to potential conflict with existing and future industrial uses.
- **Ailsa Street - Site Allocation Land Use Requirements**  
include: Housing, Employment (provision of employment numbers through a range of floor space sizes which support small-to-medium enterprises, creative industries and retail) and retention of the safeguarded waste site
- **Blackwall Trading Estate - Local Industrial Location (LIL)**  
Industrial sites to be protected to support the long term needs of the borough through the retention of SIL's and LIL's to secure the long term provision of industrial space.<sup>67</sup>
- **Gillender Street - Local Industrial Location (LIL)**  
Above designations/policies apply here

Figure 7: Employment sites (Source: Volterra)



<sup>6</sup> Policy D.EMP3: Loss of employment space

"Development resulting in the net loss of employment floorspace within (inter alia) Local Industrial Locations will not be supported"

<sup>7</sup> Policy D.EMP4: Redevelopment within designated employment locations

"The redevelopment of Local Industrial Locations (LILs) to include non-employment uses will only be supported if the existing industrial floorspace is re-provided on-site."

- It is accepted that there are opportunities to redevelop or intensify some LILs and LELs and that in some cases the introduction of residential uses may be appropriate.  
- Parts 4 and 5 of the policy seek to strike an appropriate balance between employment and other uses (particularly housing) to ensure that the employment function of LELs and LILs is maintained.

- Where development is proposed within a LIL, appropriate justification should be provided to demonstrate that conflict between current and future industrial uses at the site would be avoided and that non-industrial uses are compatible with the function of the site.

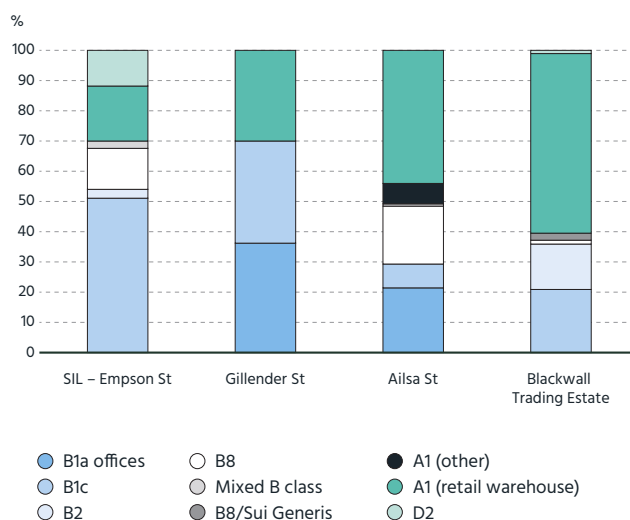
### Use classes within the employment sites

Most of the employment sites are designated for a variety of different use classes. The actual uses at each of the sites are summarised in the figure below.

Figure 8:

### Uses across the employment sites

Source: Volterra



Across all employment sites, the majority of the occupied floorspace is B1c and A1 (retail warehouse) uses. Indeed, a combined 70% of all the occupied floorspace across the employment sites is B1c or A1 (B1c = 42%, A1 = 28%). This average hides some variation at the site level. Empson Street mainly consists of B1c light industrial space (51% of total floorspace), whilst at the Blackwall Trading Estate, approximately two thirds of total floorspace is made up of A1 retail warehouse uses.

Table 10: Total number of occupiers by employment site  
(Source: Volterra)

	SIL - Empson St	Gillender St	Ailsa St	Blackwall Trading Estate
Total number of occupiers	38	4	33	15

Based on SIC2007 code designation, approximately 60% of the combined occupied floorspace across all sites supports industrial activities, whilst the remaining 40% comprises service-based activities. Within these broad sectoral breakdowns, manufacturing and wholesale/retail trade are the most prominent sectors in terms of floorspace distribution, with the two sectors respectively accounting for c.25% and c.19% of combined occupied floorspace. Further analysis shows that there are a range of manufacturing activities that occur within these sites,

including the manufacture of food & beverages, clothing apparel, paint, glass, machinery, medical instruments and a variety of other goods. It should also be noted that site-level employment estimates suggest that many of these manufacturers are independent firms with small-medium scale levels of production.

Table 11: Designated Employment Sites Analysis (Source: Volterra)

Map ID	Location	Employment estimates, 2019					
		Low		Central		High	
		Total Employment	Emp Density (jobs per ha)	Total Employment	Emp Density (jobs per ha)	Total Employment	Emp Density (jobs per ha)
–	SIL - Empson Street	505	45	625	56	845	76
1	Gillender Street	20	13	25	17	30	20
2	Ailsa Street	65	11	75	12	90	15
3	Blackwall Trading Estate	115	52	140	63	180	82
<b>Comparators</b>							
–	SIL - London <sup>8</sup>	N/A	N/A	154,000	40	N/A	N/A
–	SIL - Old Kent Road <sup>9</sup>	N/A	N/A	6,090	18	N/A	N/A
–	SIL - Park Royal <sup>10</sup>	N/A	N/A	28,400	122	N/A	N/A

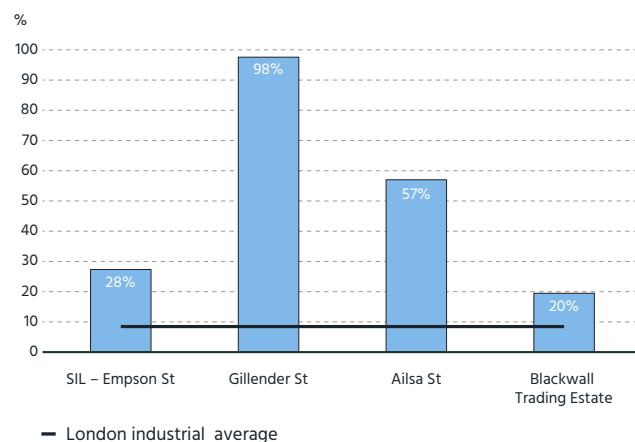
The above table shows the job estimate and employment density for each of these sites. It presents a low and high estimate which is based on the ranges presented for use classes in the Homes and Communities Agency Employment Density Guide.<sup>11</sup> It is estimated that between 700 and 1,100 jobs across c.80 employers, are supported across all the employment sites, equivalent to 11%-18% of CSA employment. Most of the on-site employment is derived from industrial-related sectors, such as manufacturing as well as transportation & storage. On average, the size of each business is approximately 10 employees per firm, which implies that a significant number of SMEs are situated within these areas.

The employment density varies significantly by site. The highest density is found at Blackwall Trading Estate and Empson Street which are both denser than the average across all SILs in London. However, the employment density at these sites is significantly below the density achieved at Park Royal, indicating that intensification may be possible. The employment densities at Gillender Street and Ailsa Street are significantly below the average employment density of SILs in London. This is attributable to the fact that the areas are principally set aside for redevelopment and now comprise abandoned industrial buildings. Figure 9 below shows that the vacancy at all the sites is significantly above the London industrial average (9%).<sup>12</sup>

Figure 9:

#### Vacancy rate by site

Source: Volterra



<sup>8</sup> London Industrial Supply & Economy Study (2015)

<sup>9</sup> Source: London Industrial Supply & Economy Study (2015)

<sup>10</sup> Old Oak and Park Royal Industrial Land Review (2017)

<sup>11</sup> Employment Density Guide 3rd Edition (2015)

<sup>12</sup> GLA London Industrial Land Demand Study (2017)



Empson Street and Blackwall Trading Estate are estimated to contribute an estimated £42m and £9.5m in GVA, respectively, to the local economy. The GVA contribution across all employment sites is estimated to be c. £60m.<sup>13</sup> If all employment sites were to operate at full capacity, the total contribution of GVA would be c. £170m (assuming average GVA per head rates), meaning that the local economy would benefit from an additional £110m of GVA on existing levels.

Anecdotal information based on discussions with landowners and occupiers provides useful background information on the four employment sites.

- The sites are very mixed in terms of employment opportunities, offering diverse opportunities for a range of different skill sets. Empson Street alone offers different jobs from transportation and logistics to SME office space and construction company to a photography studio. This is viewed as a strength of the area, offering local people jobs.
- It would appear that a two-tier market is emerging, in terms of demand for commercial space, with price expectations driving demand. There is evidence of significant demand for the more affordable existing/traditional space across the study area. At the same time, there is a view that there is less demand for new space in new developments due to unrealistic price expectations. For example, the commercial space on the ground floor at Leven Wharf has been left vacant due to the asking rents that are considered 'unaffordable' for many occupiers.
- There were mixed views on what sectors and industries are growing in the area. Some stakeholders are of the view that the area should retain its mixed offer in terms of employment opportunities, so that it continues to offer diverse opportunities for residents. This view is corroborated by sectoral trends which have shown growth across many different sectors. There is also a view that the fashion and creative sectors are growing but are stalling due to a lack of available and affordable space in east London.
- Poplar HARCA has plans for creating a fashion and creative cluster – to return design and manufacturing to the area. Nine 'opportunity sites' for creative and fashion industries have been identified in the area, including Poplar Works, Leaside Business Centre, Ailsa Wharf. Whilst most sectors acknowledge the opportunity for growth in the creative sector, some are sceptical about the scale of demand for these uses and whether it is a reasonable aspiration for this area.
- Commercial market trends (rents and yields) are shown at Appendix D. The figures show market trends for rents, yields, vacancy rates and market values over a 10 year period in the CSA, the WSA, LBTH and London. The patterns are broadly similar at each geographic area and point towards increased value being generated at industrial/ employment sites. Rents have risen by 5.7% per annum in the CSA from £9.75 per sq ft in 2009 to £16.67 per sq ft.

## New commercial development

It is anticipated that a total of 63,100 sq m of new (gross) commercial space will come forward in the CSA and 281,584 sq m (gross) across the WSA.

This new space is concentrated in a small number of major sites. 227,912 sq m, or 80% of the total new commercial space is expected to be delivered in 10 sites across the WSA. These are shown in Appendix E. The phasing and delivery of this space is summarised in table 12 below.

**Table 12: Total new (gross) commercial space in sq m**  
(Source: Gerald Eve)

Area	Total	P1 2016-21	P2 2021-26	P3 2026-31	P4 2031-36	P5 2036-41
CSA	63,100	27,277	28,197	5,738	1,888	0
WSA	281,584	30,053	104,117	104,311	43,103	0
CSA / WSA %	22%	91%	27%	6%	4%	

<sup>13</sup> Gross value added is a sub-regional measure of the value of economic activity in the study. This has been estimated by multiplying the average GVA per worker in LBTH (excluding financial and insurance activities which skews the data) by the number of workers.

It has not been feasible to estimate the net delivery of commercial floor space for the purposes of this study due to data availability. However, based on LBTH policy which limits loss of commercial space and a high level assessment of the largest schemes, it would appear that commercial floorspace is unlikely to reduce across the study area. In fact, it is possible that on some sites, new development will create more floorspace than is lost on site. The economic forecasts described below therefore includes conservative assumptions on growth so that the scale of economic growth is not overstated.

The projected increases in commercial floorspace are equivalent to 36% of existing floorspace in both the CSA and WSA. This is significantly higher than the projected growth across LBTH, LBN and London based on historic growth.

It is just as important to consider the type of commercial floorspace that comes forward and how this differs to existing space on sites. Most developers seek flexibility through the planning process and the applications generally do not specify a use class. The majority of new commercial space (49%) is identified as flexible B1 uses. This is driven by the large amount of new office space proposed at Sugar House Island (57,971 sq m) and Thameside West (19,441 sq m).

There are a few cases where specific use classes have been identified by the developer. For example, Royal Gateway, Bow Exchange and Azam House specify B1c uses.

Table 13: New (gross) commercial development by use across the WSA (Source: Gerald Eve)

Total (sq m)	Flexible (A1-5, B1, D1-2) (sq m)	Flexible B uses (sq m)	B1c (sq m)	B2 (sq m)	B8 (sq m)	Flexible D uses (sq m)
281,584	91,398	138,197	6,343	0	0	45,646
	32%	49%	2%	0%	0%	16%

## Scenario modelling economic impacts

This analysis reviews the commercial trajectory to provide several scenarios of likely impact in terms of economic activity. The employment trajectory is estimated in each scenario and then translated into GVA and tax revenues.<sup>14</sup> The scenarios are as follows:

Limited take up	Strong demand	Intensification of existing sites and strong growth
<p>Scenario sees limited take up of new space and the area fails to respond to change:</p> <ul style="list-style-type: none"> <li>Some vacancy in new space (28% vacancy based on the current vacancy at Empson Street)</li> <li>Vacancy rate increases in existing employment sites (increases from 66% to 75%)</li> </ul>	<p>Strong demand for new space but no major change in existing employment sites:</p> <ul style="list-style-type: none"> <li>Limited vacancy among new space (9% vacancy based on London industrial average vacancy rate)</li> <li>Business as usual in existing employment sites – employment is fixed at current levels (i.e. 66% vacancy across designated employment sites is unchanged)</li> </ul>	<p>Strong demand for new space and area takes opportunities for intensification in existing employment sites:</p> <ul style="list-style-type: none"> <li>Limited vacancy among new space (1.5% vacancy based on existing industrial trends from CoStar data)</li> <li>Promote densification at industrial sites – uplift in employment density, bringing all employment sites in line within SIL average across London (40 jobs per hectare)</li> </ul>

<sup>14</sup> 1. Employment is estimated based on the HCA Employment Densities Guide, which provides employment densities by use class. Where there are flexible use classes, an average of the employment density for those uses is applied.

2. GVA is estimated based on ONS data. The estimate is calculated based on the average GVA within LBTH, excluding financial and insurance activities which would overestimate GVA effects due to high productivity of the financial cluster on the Isle of Dogs.

3. By comparing national statistics on GVA in the years 1997 to 2017 with public sector receipts in each year, it can be estimated that tax revenues typically account for between 30% and 40% of GVA. Tax revenues are estimated based on this range.

Since these scenarios are based on the gross floorspace delivery across the study areas, the analysis has used conservative assumptions on the likely vacancy and intensification of new and existing sites.

The following table summarises the economic impacts under each development scenario. In the central scenario, where strong demand is anticipated for new space but there is no major change in the existing employment sites, there are expected to be 1,700 new jobs in the CSA to 2041. This growth would increase the number of jobs in the CSA by 26%. There is anticipated to be higher relative job growth in the WSA, where there will be an additional 7,300 jobs to 2,041, an increase of 34% on existing levels. Compared to the employment growth performance of other parts of East London, the projected growth for both study areas in the strong demand scenario is slightly below these comparators. On average, employment in Newham, Hackney, and Waltham Forest increased by c.42% between 2009 and 2018.<sup>15</sup> Essentially, in order to match the impressive growth that has been generated in these neighbouring boroughs, the study areas would need to undergo a transitional period that mirrors the intensification scenario.

Over the same period, the GLA forecast employment across LBTH to increase by 22%.<sup>16</sup> LBN employment is forecast to increase by a 33%.

In the strong demand and intensification scenarios, the CSA and WSA are expected to grow faster than the LBTH and LBN averages. The growth under the limited take up scenario is below the borough average in both study areas. This indicates the possible downside risk of limited demand in the area. That said, employment growth under all scenarios is at least as high as forecast growth across London (14%). The study areas are therefore important growth areas.

Whilst the growth in the study areas is less than the historic growth rates identified previously, the growth is larger in absolute terms – i.e. the historic percentage increases are greater because they are growing from smaller bases. For example, the CSA grew by 36% between 2009 and 2018 and it is also expected to grow by 36% in the intensification scenario. However, in absolute terms, this historic growth was equivalent to 1,700 jobs but in the future, growth of 2,300 is expected in the intensification scenario; the absolute growth is higher despite it being similar in percentage terms. It is also worth pointing out that the future growth is within uses that are considered to be less dense than the historic growth and so the floorspace growth translates into fewer jobs.

**Table 14: Growth scenarios (Source: Volterra)**

	Scenarios		
	Limited take up	Strong demand	Intensification
CSA additional employment to 2041	900	1,700	2,300
% change in CSA jobs	14%	26%	36%
WSA additional employment to 2041	5,600	7,300	9,400
% change in WSA jobs	26%	34%	43%
Gross additional GVA - CSA	£60m	£115m	£155m
Gross additional tax revenue – CSA	£18m – £24m	£34m – £45m	£47m – £63m
Gross additional GVA - WSA	£375m	£495m	£635m
Gross additional tax revenue – WSA	£115m – £150m	£150m – £200m	£190m – £255m

The increase in GVA in the CSA is relatively small in the context of the borough – the increase in the strong demand scenario of £115m is 0.4% of existing GVA in LBTH. However, this increase is still a significant sum and relatively similar to the GVA in other industrial areas that are in close proximity. For instance, a study estimated that GVA in the Blackhorse Lane & Lea Bridge industrial area was c.£373m in total.<sup>17</sup> In this context, the increase in GVA across the CSA in the ‘strong demand’ scenario would be equivalent to 31% of this industrial total, and even the ‘limited take up’ scenario would create additional GVA across the WSA equivalent to the total GVA produced by this whole area.

<sup>15</sup> Office for National Statistics (2018), Business Register and Employment Survey

<sup>16</sup> GLA (2019), London Long Term Labour Market Projections, 2017. GLA

<sup>17</sup> Industry in the Upper Lea Valley (2016)

## LAND OWNERSHIP CONSIDERATIONS

The study looked in detail at property titles within four specific areas, shown in Figure 10. A complete list of freehold title interests in these areas was shared with LBTH as an output. In general, land ownership appears to be fragmented, with a range of private and public landowners. This would make land assembly challenging given the number of interests and any intensification of economic uses would rely on collaboration with private developers/ landowners.

A summary of land registry titles and ownership is provided below, with further information provided at Appendix F.

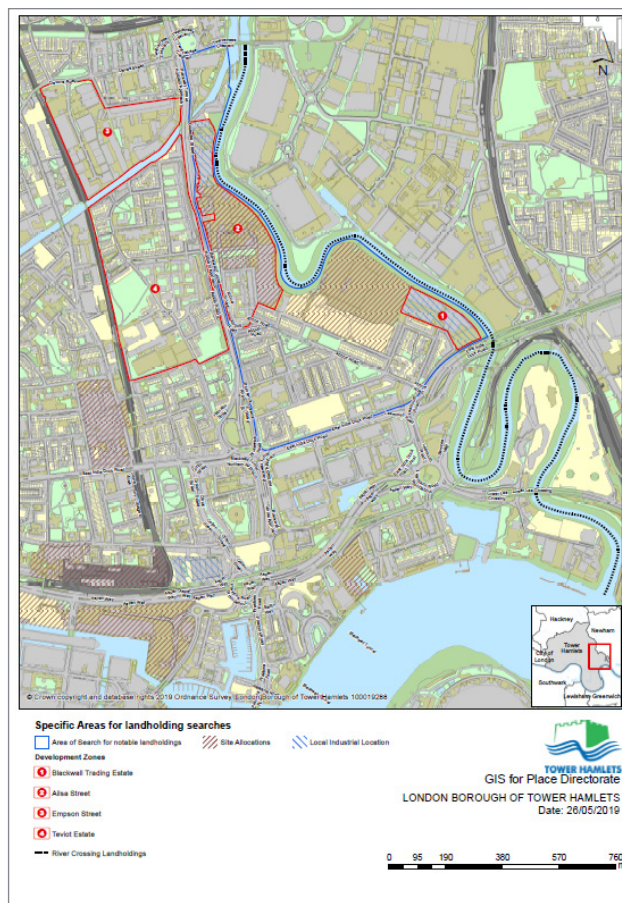
### Empson Street and its environs

- 49 individual titles within the area.
- 42 are held under private ownership, accounting for 88% of total area by acres.
- 26 different private landowners, with the largest single interests held by Lascalle Augustus Barrow/ Martin Dix (9 titles covering 32% of the total area) James Lee Taylor (6 titles covering 5% of the total area) and Fabrix capital (4 titles covering 5% of the total area).
- The diverse mix of landowners and uses at Empson Street means that intensification of the site will be challenging.

### Teviot Estate and environs

- 221 individual titles within the area.
- 18 titles held by seven different Registered Providers.
- Poplar Harca has the largest individual holding with 10 titles, accounting for 57% of the total area by acres.
- 30 titles held by LBTH, accounting for 35% of the total area by acres.

Figure 10: Areas identified for title review



### **Blackwall Trading Estate, Lanrick Road and environs**

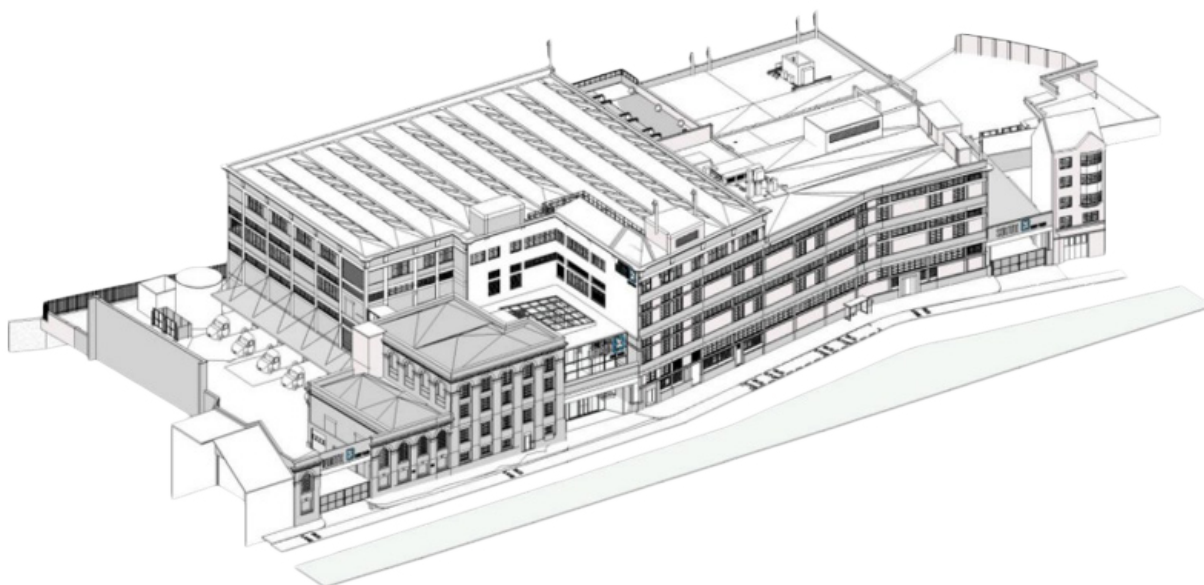
- 12 individual titles within the area.
- 11 are held under private ownership, accounting for 80% of total area by acres.
- 8 different private landowners, with the largest single interests held by Nagrecha Brothers Ltd (2 titles covering 29% of the total area) and Legal and General (2 titles covering 17% of the total area).
- The diverse mix of landowners Blackwall Trading Estate means that intensification of the site will be challenging.

### **Leaside business centre, Ailsa Street, Iron Mountain facilities and environs**

- 70 individual titles within the area.
- 7 are held under private ownership by separate landowners, accounting for 49% of total area by acres.
- Two of the largest sites within the area are changing from industrial to residential uses – Ailsa Wharf and the Tram Shed.

Perhaps the most interesting and unique commercial development coming forward in the study area (and within the CSA) is 'Bow Yard', the proposed repurposing of the former Jam Factory by Prologis. We understand this will be a test bed to see how different commercial and employment uses, including B1c, B2 and B8, can work together on multiple levels. The application for restoration and refurbishment of the existing buildings was submitted in December 2019.

Figure 11 Illustrative view of the Gillender Street Frontage, Prologis (Source: Planning Application)





## OBSERVATIONS

The data and information presented above captures the potential growth in residential and commercial development in the study area. It is clear that:

- Poplar Riverside and the Lower Lea is set to experience significant change over the next 20+ years as former industrial sites continue to change to residential uses and large estates are regenerated;
- the scale and pace of change is greater than previously anticipated; and therefore
- the findings of this study should be further considered to ensure LBTH, LBN and LLDC manage, support and enable the level of development projected and help to create a diverse, thriving and attractive place to live and work.

### **Land ownership and development is fragmented:**

There is a large and diverse mix of developers active in the area and there is a risk that sporadic and isolated development could spring up that is not connected. This could make it difficult to establish a strong sense of place. The area lacks a central point and a 'town centre' or high street and it is understood that further work is being undertaken to consider what form and where a focal point could be established.

### **Supporting infrastructure will need to support the scale and pace of growth identified in this study:**

The area suffers from significant existing physical constraints with the river Lea and the A12 acting as severance between sites, amenities and transport nodes. There is a need to understand and articulate movement patterns across the area and ensure that new development improves this situation. Consideration should be given to:

- Transport (the area is not close to rail infrastructure, can an enhanced bus network address this?)
- Community infrastructure (to be assessed: schools, doctors' surgeries, community services etc.).
- Timing of supporting infrastructure to be assessed to align with housing trajectory
- Review of child yield in the context development trajectory and housing mix

Given the scale of development identified in the study, receipts from the Community Infrastructure Levy (CIL) could be significant and this should be explored and tested further to help fund the package of supporting infrastructure identified to support development.

### **The vision for the area could be more clearly defined:**

There is a need for a more cohesive / stronger brand for the area given the scale of regeneration identified compared to other areas with lower growth but stronger brand identity – e.g. Greenwich peninsula.

- Data / findings from study can be used to create a more visual, externally focussed, compelling inward investment case or prospectus for the boroughs to coalesce/ collaborate and jointly work on.
- Residential / Business Improvement District could be set up to bring private developers and landowners and the public sector.

### **Potential policy implications could include:**

- Direct s106 monies towards local employment (including trainee/ apprenticeships) and affordable workspace initiatives.
- Allow developers to be flexible through the planning process and to provide commercial space that meets specific needs, in sufficient quantum and at price points that make them appealing and used.
- Work with fragmented private sector land owners and other partners to deliver a spatial strategy for the area. There is potential to intensify the uses at the employment sites which would increase development potential of the area but it would require active engagement with landowners.
- Retain strategic employment sites allocations which provide an important source of affordable workspace whilst enabling some flexibility of uses so that developments and sites remain viable for future investment and intensification.
- Promote the Poplar Riverside and Lower Lea area through plans for the area and transparent policy that articulates reasons for businesses to move to the area. Stronger branding and marketing for the area will help raise awareness as a business location.
- Business support programmes to target selected local firms.



# APPENDICES

## APPENDIX A – LBTH POLICY BACKGROUND

*Tower Hamlets Local Plan 2031 Managing growth and sharing the benefits* was formally adopted by Full Council on 15 January 2020. The Local Plan sets out the vision and the policy framework for growth in LBTH during the plan period.

### **The Proposed Vision for Tower Hamlets<sup>18</sup>**

As the centre of London expands east, Tower Hamlets will embrace its role as a key focus for London's growth, making best use of the economic benefits from Canary Wharf, the City of London and Stratford. The connections between the borough and surrounding areas will be improved, whilst maintaining our distinct East End identity.

This growth will be primarily delivered in the City Fringe, the Lower Lea Valley and Isle of Dogs and South Poplar and at key locations along transport corridors. The benefits of the transformation of our borough will be shared throughout Tower Hamlets, including all our residents, ensuring no-one is left behind.

Tower Hamlets will continue to be home to a wide range of diverse communities. We will support our existing communities and welcome new residents to make their home within liveable, mixed, stable, inclusive and cohesive neighbourhoods, which contribute to a high quality of life and more healthy lifestyles.

These neighbourhoods will contain a broad mix of housing types, prioritising family and affordable housing, and will be served via a range of excellent, shared and accessible community, cultural and recreation facilities and infrastructure. These will be green, safe and accessible to all, promoting walking and cycling and the use of public transport as well as making best use of our network of parks and waterways, including Victoria Park, Mudchute Park and Mile End Park; the Thames and Lea rivers; and our dock basins and canals. Neighbourhoods will be transformed with high quality buildings and well-designed spaces, while the character of the borough's 24 places that make Tower Hamlets unique, including its cultural heritage, will be protected and enhanced ensuring a sensitive balance between, and integration of, old and new. High standards of environmental sustainability will result in improvements in air quality, carbon emissions, recycling and climate change mitigation. Innovative and smart technology will enhance the provision of services. This will ensure the ongoing social and environmental sustainability of greater levels and higher densities of development.

Alongside high quality residential neighbourhoods, Tower Hamlets will play a significant role in London's global economy, ensuring it remains an evolving, creative and dynamic borough.

The strategic roles of Canary Wharf as a global financial and business hub and the City Fringe and Whitechapel as emerging hubs for life sciences, bio-tech and digital industries will be strengthened. This is alongside nurturing and developing our thriving small-and-medium enterprise sectors, properly recognising the need to support the entrepreneurial and business-focussed dynamism of many of our residents and workers, preserving our remaining industrial heritage and promoting our historic and distinctive town centres, markets and heritage and cultural attractions.

This economic growth will be sustained through the enhancement of our public transport network.

### **Vision for Lower Lea Valley<sup>19</sup>**

By 2031, the Lower Lea Valley will experience comprehensive regeneration and redevelopment of former and underused industrial areas. Connectivity will be transformed with a series of new bridges and riverside walkways across the River Lea, and crossings along the A12 and A13, which will integrate existing and new communities in the area.

The development of the Lea River Park (including the Leaway) will provide a new strategic publicly green space and a series of new pedestrian and cycling routes, linking the River Lea to London's wider green grid network.

Development in the area will have sufficient transport and social infrastructure to facilitate the creation of thriving mixed communities alongside vibrant neighbourhood centres. Housing provision will be accelerated through the Poplar Riverside Housing Zone and delivered alongside new local employment, enterprise and business opportunities.

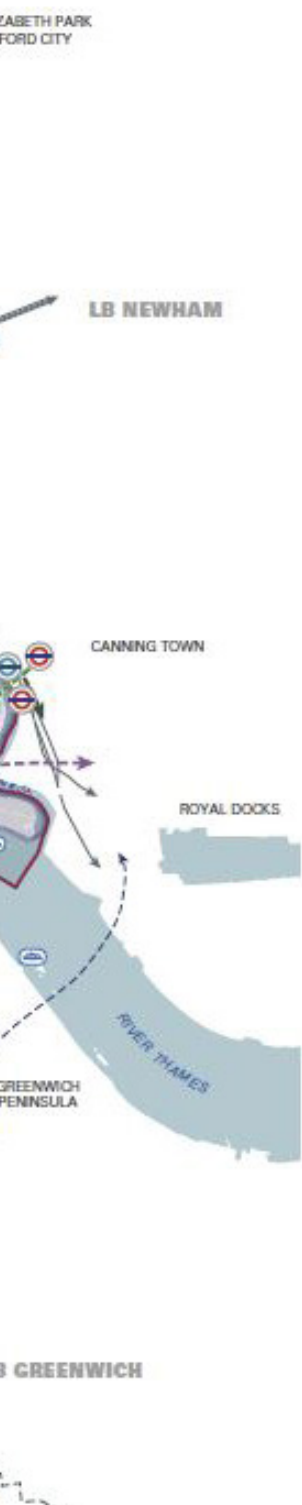
<sup>18</sup> Section 4.1

<sup>19</sup> Section 4 p234

The Key Diagram (Source: LBTH Local Plan)







## KEY

### Opportunities

- London Borough of Tower Hamlets boundary
- City Fringe sub area - opportunity area
- Central sub area
- Lower Lea Valley sub area - opportunity area
- Isle of Dogs & South Poplar sub area - opportunity area
- City Fringe (Central Activities zone)
- Canary Wharf
- London river services - proposed
- Med City
- Tech City
- Proposed green spine in Whitechapel
- Improved green grid connections
- New pedestrian/cycle river crossing - proposed
- Silvertown tunnel - proposed

### Existing features

- Town centres
- Open space
- Water space
- World heritage site
- World heritage site buffer zone
- London Legacy Development Corporation area boundary
- London underground station
- London overground station
- DLR station
- Elizabeth line station
- National rail station
- London river services
- The Leaway
- Existing river crossings
- Major road tunnel
- Elizabeth line
- Railway line
- Safeguarded wharves



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The Local Plan includes a target for new homes within **Policy S.H1 Meeting housing needs:**

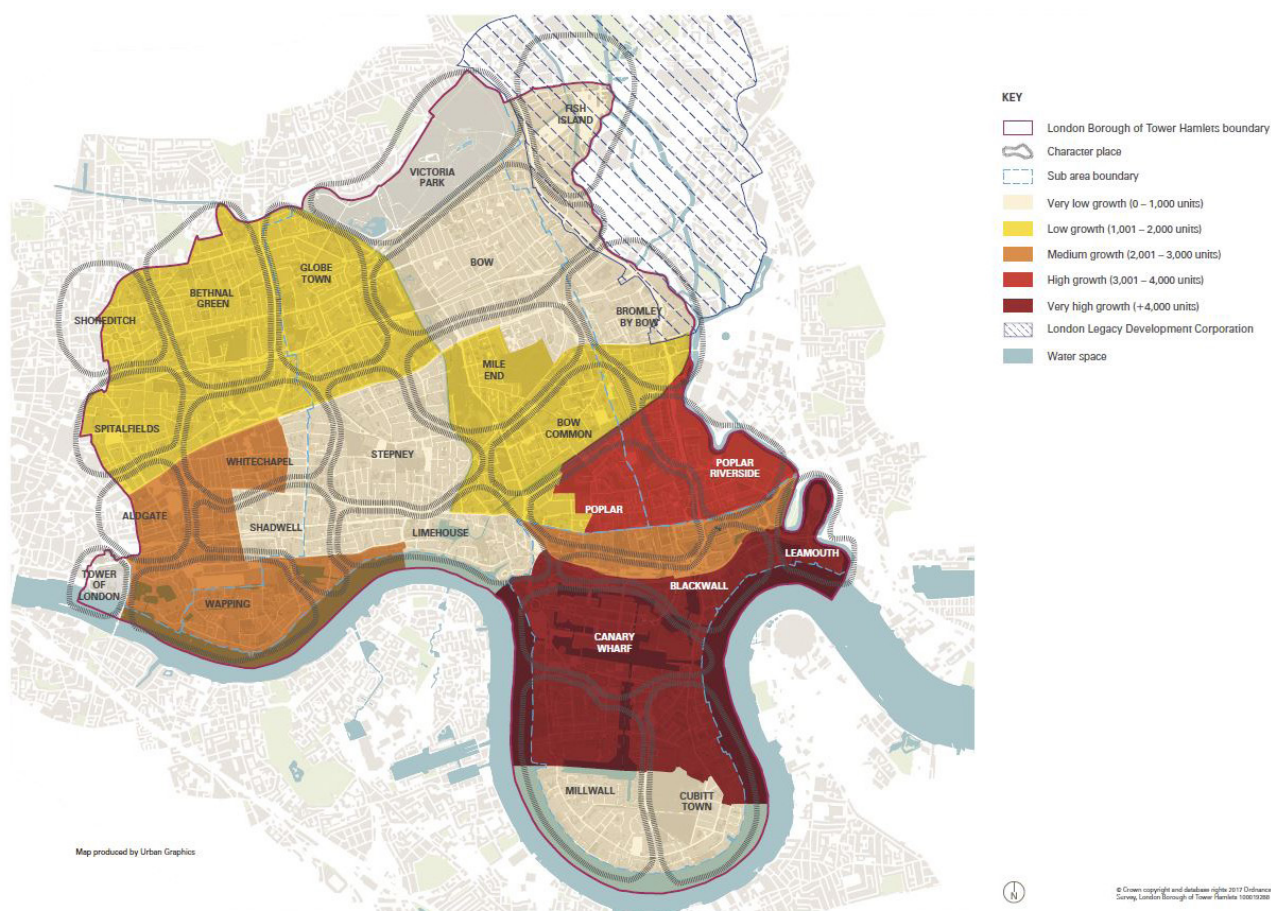
“We will secure the delivery of at least 58,965 new homes across the borough (equating to at least 3,931 new homes per year) between 2016 and 2031.”

Policy S.H1 assumes net additional housing of 19,655 units is delivered within each of the five year housing periods across the borough. This is based on the housing trajectory which is broken down by sub area, as summarised in the table below. The CSA and WSA do not neatly follow the boundary lines of the LBTH sub areas and the WSA includes land within LBN and LLDC, making a direct comparison with the projections set out in the table difficult.

**Housing trajectory by sub area**

	Isle of Dogs & South Poplar	City Fringe	Lower Lea Valley	Central	Total
Minimum number of additional homes between 2016-31	31,209	10,334	5,748	7,597	54,889
Percentage of total	57%	19%	10%	14%	

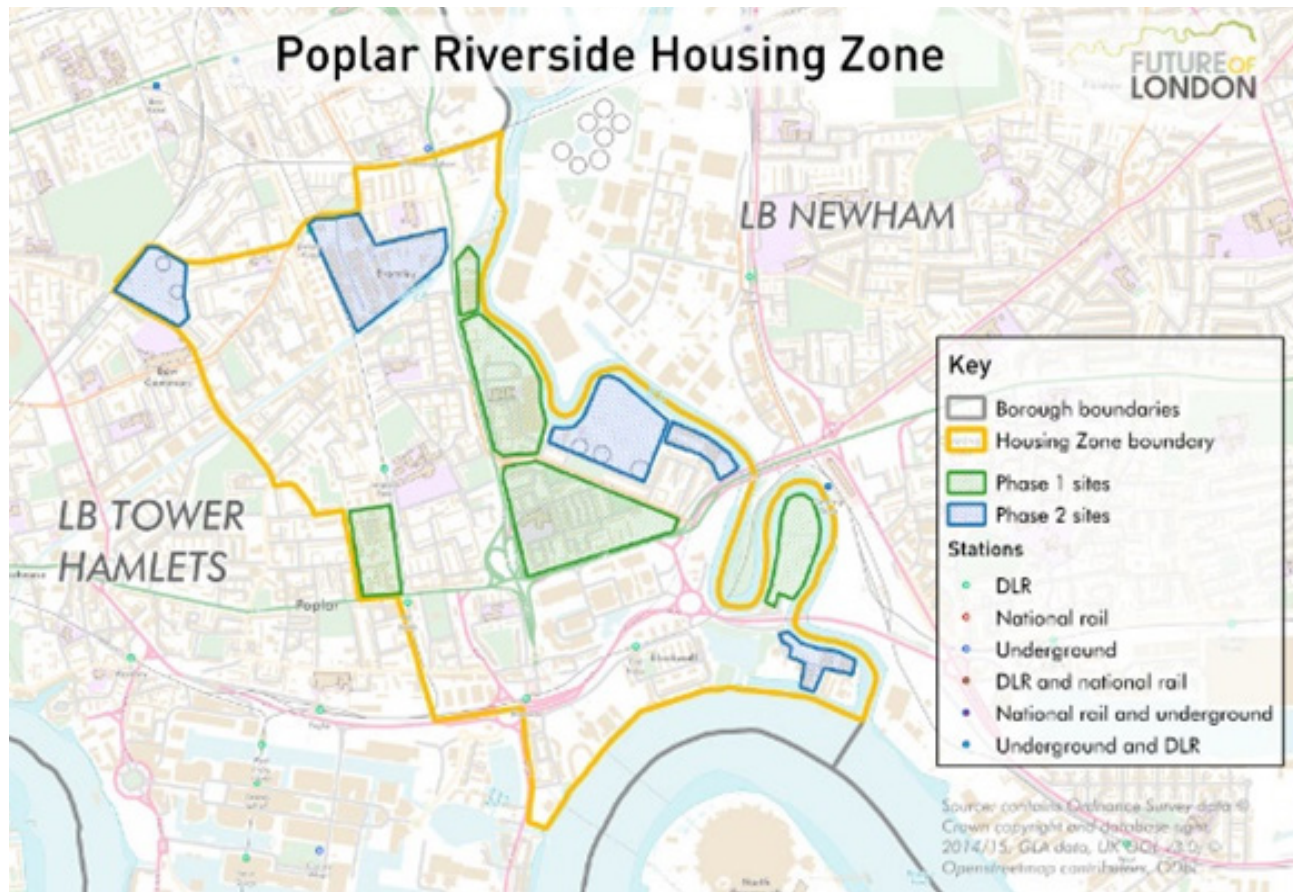
**Housing distribution across 24 places (Source: LBTH Local Plan)**



### Poplar Riverside Housing Zone<sup>20</sup>

The CSA broadly covers the same area as the Poplar River Housing Zone, although there is a slight difference between the borders in the area to the south of the Blackwall DLR station.

Poplar Riverside Housing Zone (Source: Future of London)



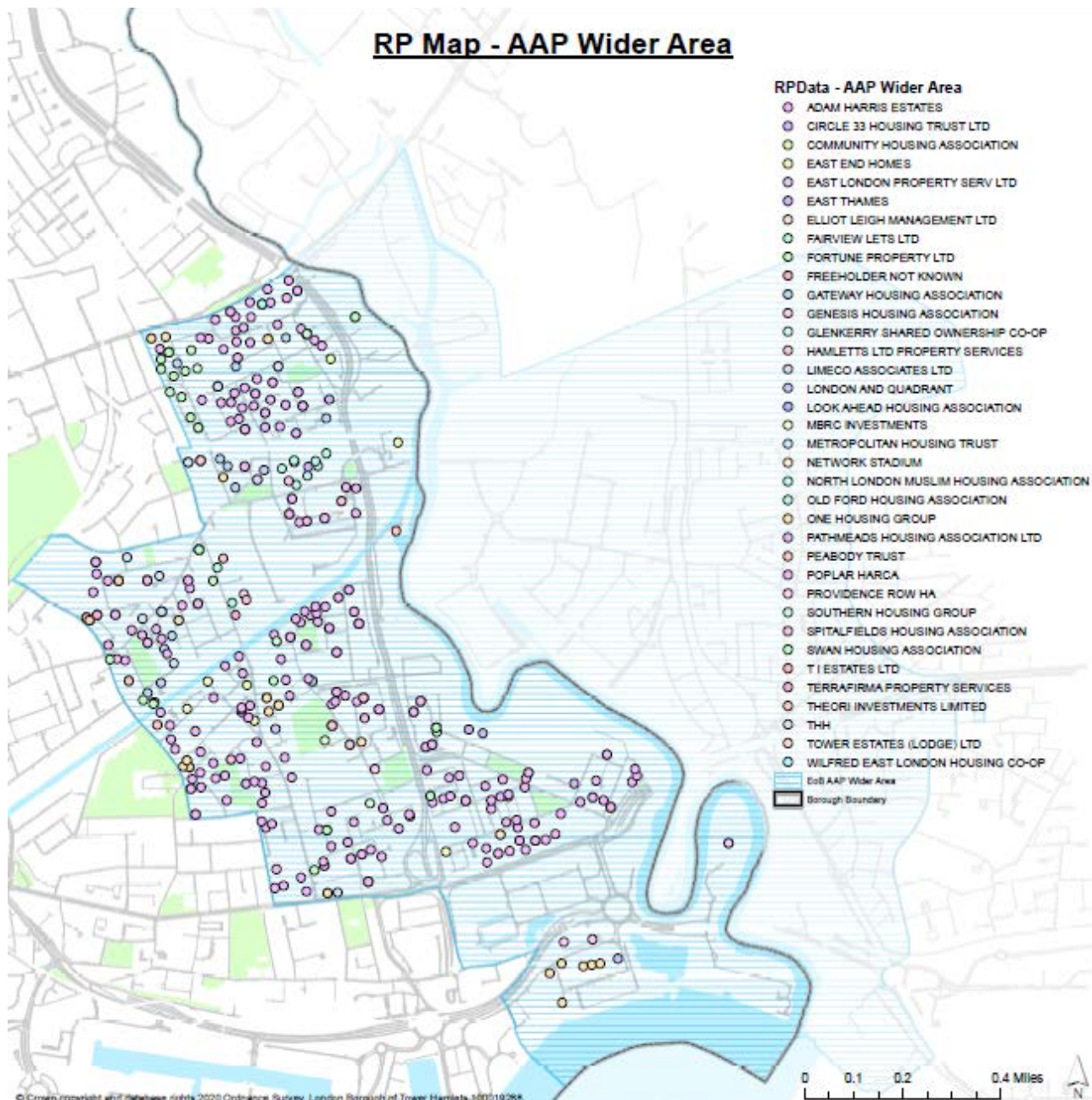
The Mayor has set forward plans for the development of 30 Housing Zones in partnership with London boroughs and their development partners as part of his Housing Strategy. Poplar Riverside was designated as a Housing Zone by Mayoral Decision 1545 on 9 November 2015. The Housing Zone contains 10 development sites which have been split across two phases. In the first phase, 3,034 homes are planned across five sites. The GLA has allocated £52m for the first phase (a mixture of grant and loans), which could rise to £78m in the second phase, with the potential for 6 – 9,000 homes overall. The new homes will be accompanied by measures to increase connectivity between sites and with neighbouring areas.

<sup>20</sup> [<https://www.futureoflondon.org.uk/2016/04/25/housing-zones-poplar-riverside/>]



## APPENDIX B – REGISTERED PROVIDERS PROPERTY OWNERSHIP

RP holdings within the wider study area - LBTH only, not LBN or LLDC (Source: LBTH)

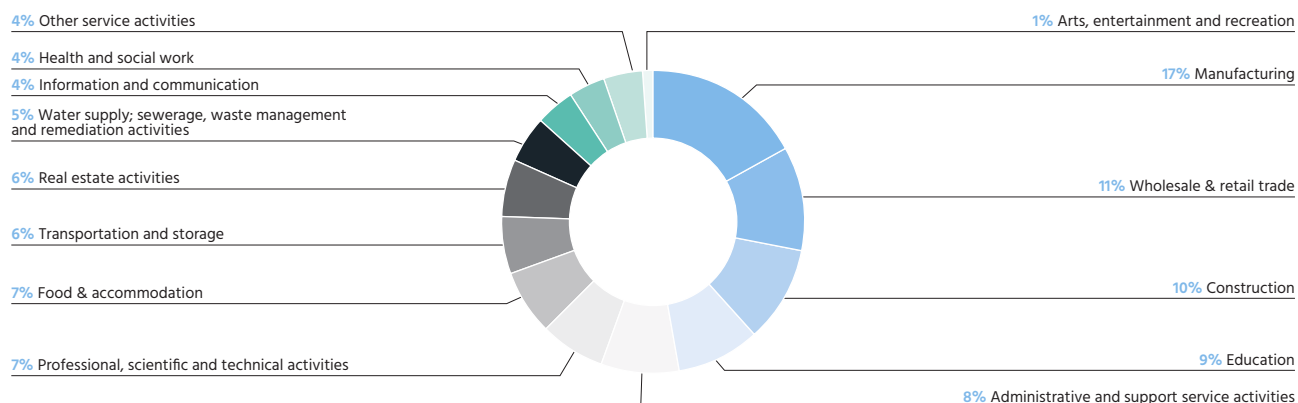


## APPENDIX C – EMPLOYMENT BY STUDY AREA

Employment by economic sector within the CSA and WSA (Source: Volterra)

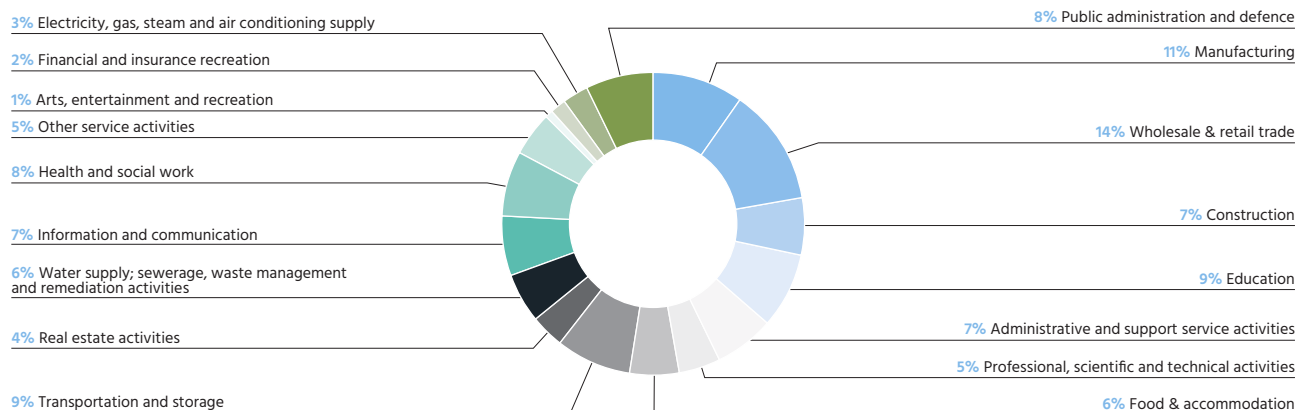
### CSA

Source: Volterra



### WSA

Source: Volterra



## APPENDIX D – COMMERCIAL MARKET DATA

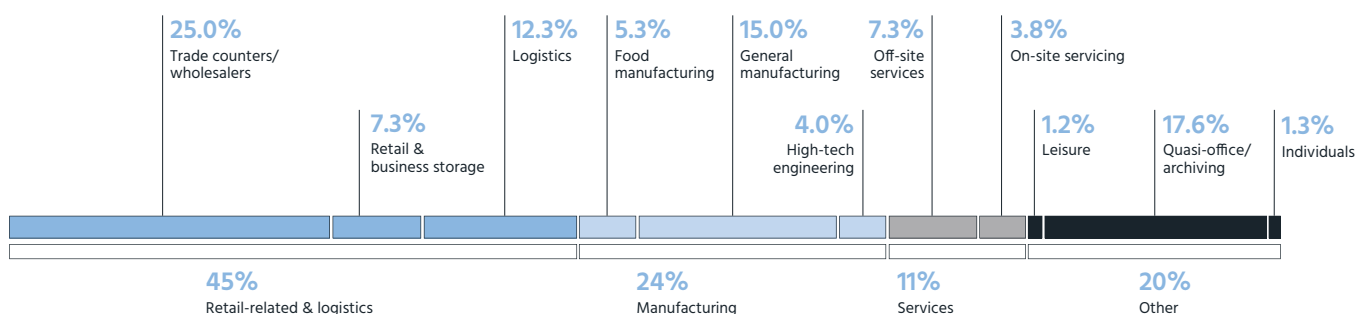
The multi-let industrial market continues to perform well. 'Gentrified' activities dominate much of the multi-let property market now, which includes retail & logistics, quasi office/ archiving and leisure.

Trade counters/ wholesalers hold the highest individual proportion of multi-let space across London and the South East. There has also been a crossover as gentrified became the dominant occupier type in London and the South East from around 2013, and the sharp increase in this trend between 2014 and 2016.

What is perhaps most interesting is that in London and the South East, the second largest occupier type by floorspace in multi-let property is the quasi-office occupier. This has now overtaken general manufacturers and is an important component of multi-let in the South East, where traditional office space is particularly expensive.

Multi-let property by occupier across London & South East (Source: Gerald Eve)

### London & South East



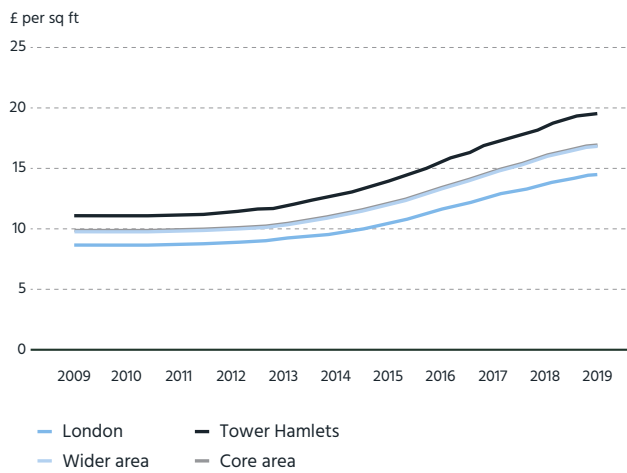


The figures below show the market trends for rents, yields, vacancy rates and market values over a 10 year period in the CSA, the WSA, LBTH and London. The patterns are broadly similar at each geographic area and point towards increased value being generated at industrial/ employment sites.

Rents have risen by 5.7% per annum in the CSA from £9.75 per sq ft in 2009 to £16.67 per sq ft.

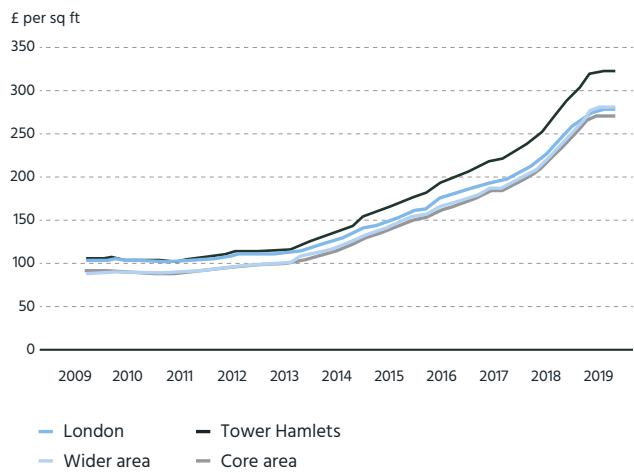
### Industrial Market Rent (Q1 2009 – Q3 2019)

Source: CoStar



### Industrial Market Value (Q1 2009 – Q3 2019)

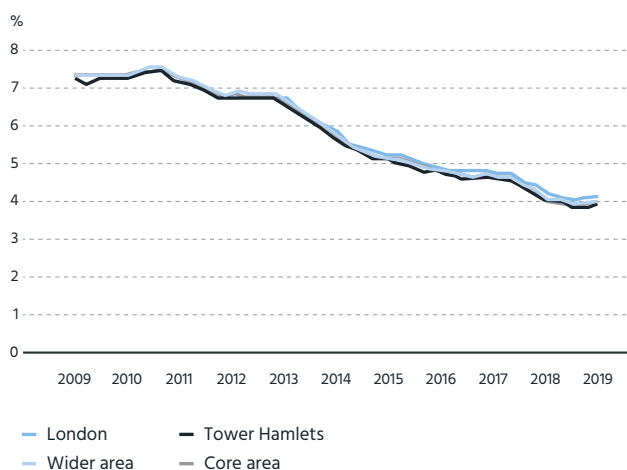
Source: CoStar



Over the same period yields have moved in considerably from c.7% to c.4% in the CSA.

### Industrial Market Yield (Q1 2009 – Q3 2019)

Source: CoStar



## APPENDIX E – KEY COMMERCIAL DEVELOPMENTS

Commercial development (Source: Gerald Eve)

GE Map Ref	Site Name	Secondary Title/ Address	Landowner/ Developer	Borough/ Area	Ward (LS)	Study Area
48	Sugar House Island	n/a	Vastint	LLDC	Stratford and New Town	Wider Area
56	Stephenson Street	Parcelforce site	Berkeley Homes	Newham	Canning Town North	Wider Area
37	Chrip Street Market	n/a	Poplar HARCA and Telford Homes	Tower Hamlets	Lansbury	Wider Area
4	London City Island	Leamouth Peninsula North	Ballymore Group	Tower Hamlets	Blackwall and Cubitt Town	Core Area
1	Leven Road Gas Works	n/a	St William (Berkeley/ National Grid)	Tower Hamlets	Lansbury	Core Area
14	Bow Enterprise Park	Merchants Walk/ Lime Quarter	Workspace Group/ Peabody/ Linden Homes	Tower Hamlets	Bromley South	Core Area
Potential capacity						

Status as at Jan 2020	Flexible (A1-5, B1, D1-2) (sqm)	Flexible B uses (sqm)	Specific provision of B1c (sqm)	B2 (sqm)	B8 (sqm)	C1 Hotel (beds)	Flexible D uses (sqm)	TOTAL
Under Construction	12,593	57,971	0	0	0	0	0	70,564
Consent Granted	14,710	7,152	0	0	0	0	12,394	34,256
Consent Granted	19,418	0	0	0	0	0	0	19,418
Under Construction	1,759	7,433	0	0	0	0	9,498	18,690
Consent Granted	2,500	2,700	0	0	0	0	2,500	7,700
Under Construction	490	6,220	0	0	0	0	0	6,710
	13,640	46,643	0	0	0	0	10,290	70,573
	65,110	128,120	0	0	0	0	34,682	227,912

## APPENDIX F – LAND OWNERSHIP IN SPECIFIED AREAS

### Empson Street

Total site area	23.82
Titles	49 individual titles
Key private landowners	42 titles (86%) held under private ownership, covering c.21 acres (88%) of the site area Lascalle Augustus Barrow/ Martin Dix x 9 titles James Lee Taylor (Mixit) x 6 titles Fabrix Capital x 4 titles
Key public landowners	Hampshire County Council x 2 titles LB Tower Hamlets x 2 titles Transport for London x 2 titles London Ambulance Service NHS Trust x 1 title

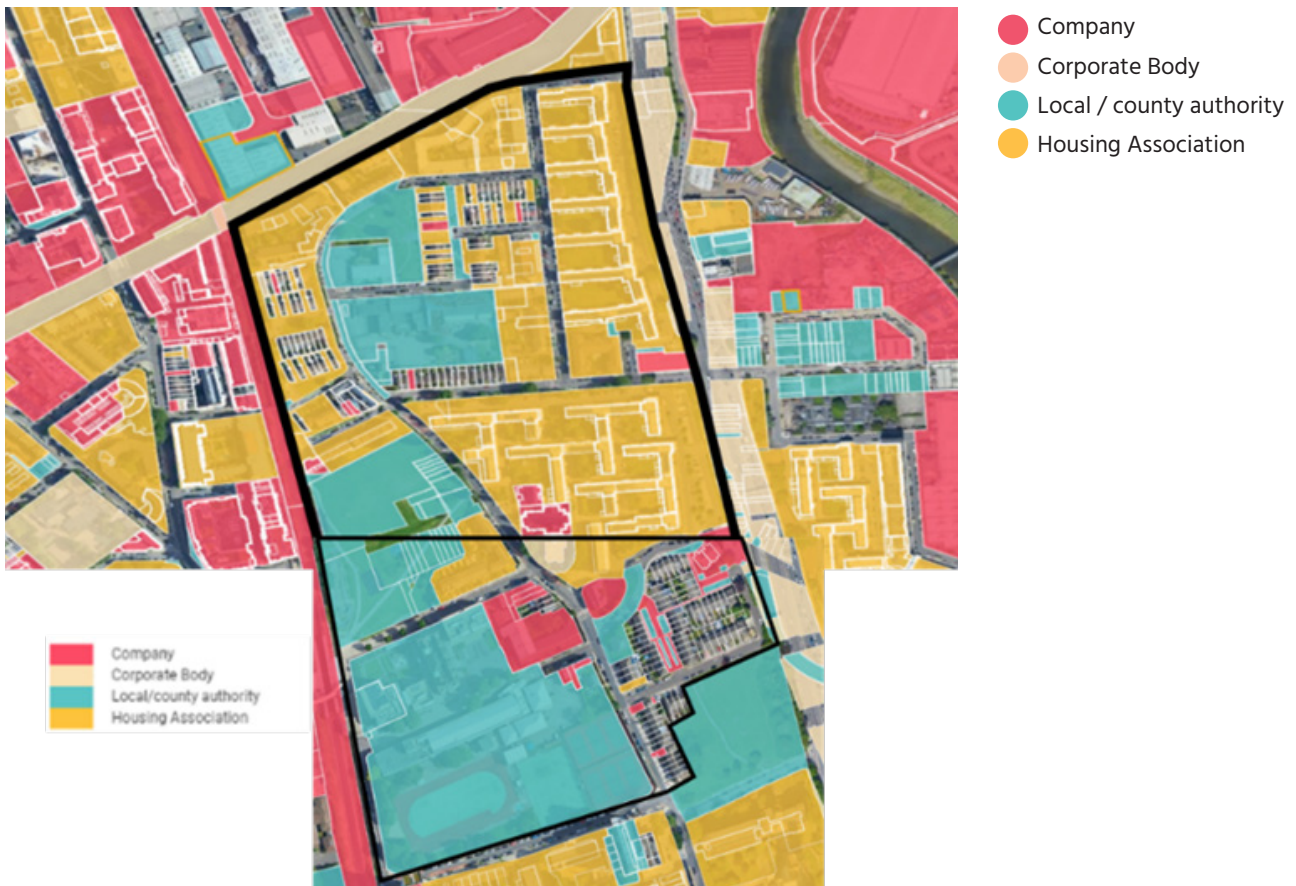


- Company
- Corporate Body
- Local / county authority
- Housing Association

Map, shading and boundaries for illustrative purposes only  
(Source: Land Insight and Land Registry)

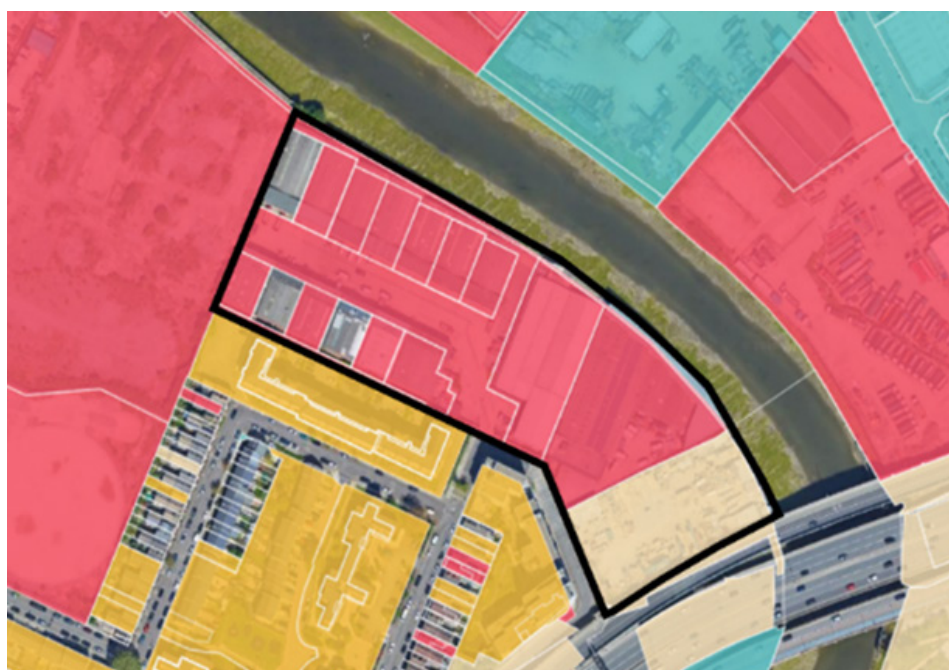
## Teviot Estate

Total site area	31.14 acres identified. NB - this does not cover the whole site/ unknown titles.
Titles	221 individual titles
Key private landowners	173 titles (78%) held under private ownership.
Registered Providers	18 titles (8%) held by RPs. Seven different RPs include: Poplar Housing x 10 titles Spitalfields Housing Association x 3 titles Southern Housing Group x 1 title Newlon Housing Trust x 1 title London & Quadrant Housing Trust x 1 title Gateway Housing Association x 1 title Clarion Housing Association x 1 title
Key public landowners	30 titles (14%) held by LB Tower Hamlets



## Blackwall Trading Estate

Total site area	5.62 acres total site area
Titles	12 individual titles
Key private landowners	11 titles (92%) held under private ownership, covering 4.52 acres (80%) of the site area. Legal and General x 2 titles Nagrecha Brothers x 2 titles
Key public landowners	1 titles (8%) held under public ownership, covering 1.1 acres (20%) of the site area. Moody Wharf/ Pallet Site is held by Transport for London. This is referenced as the corporate body in the map to the right.



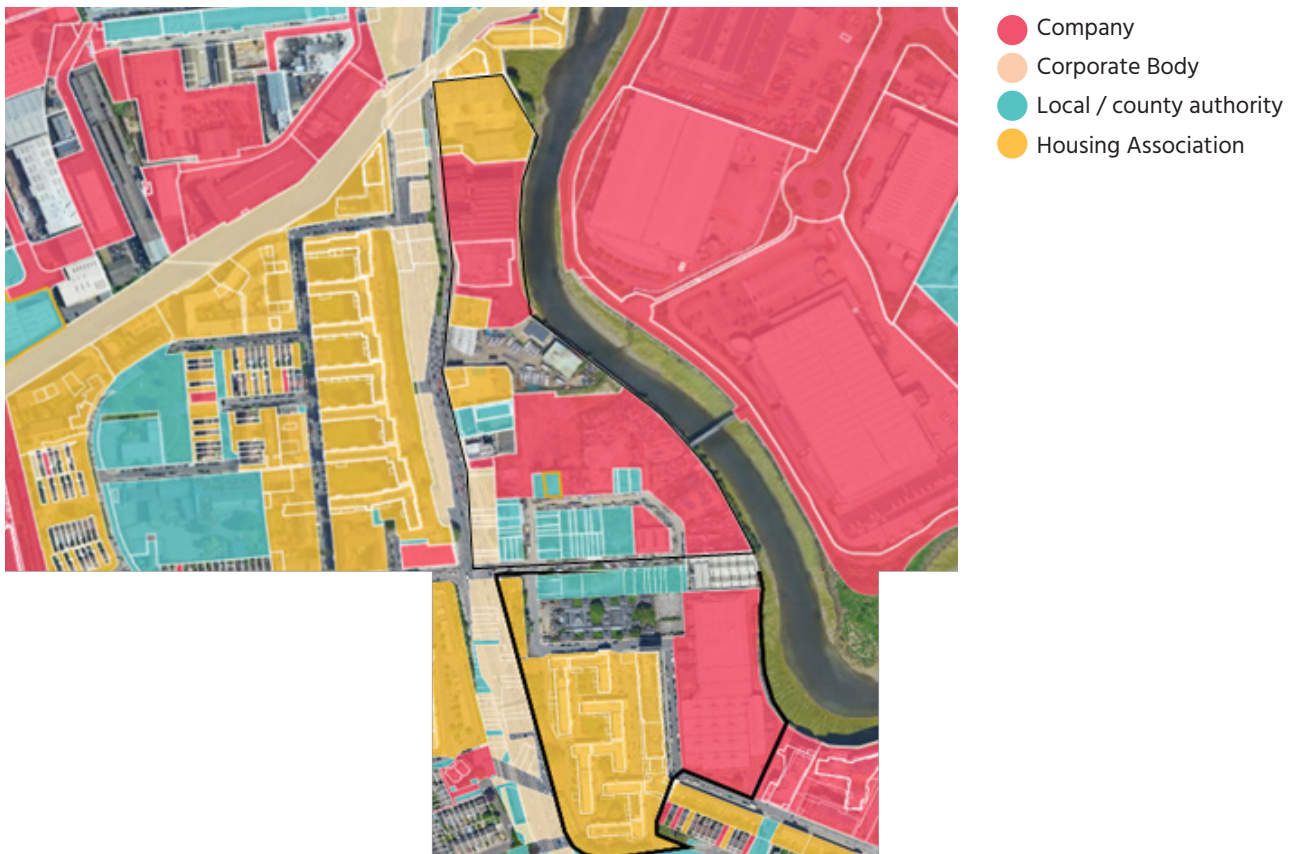
- Company
- Corporate Body
- Local / county authority
- Housing Association

Map, shading and boundaries for illustrative purposes only  
(Source: Land Insight and Land Registry)



## Leaside Business Centre, Ailsa Street, Iron Mountain

Total site area	21.59 acres total site area
Titles	70 individual titles
Key private landowners	7 titles (10%) held under private ownership, covering 10.62 acres (49%) of the site area. Key private landowners include: Prologis (Gillender Street) 2.03 acres London Riverlea One Ltd (Ailsa Wharf) 3.68 acres Leven Road LLP (Tram site) 3.01 acres
Registered Providers	9 titles (13%) held under public ownership, covering 6.40 acres (30%) of the site area. Key RPs include: Poplar Harca x 4 titles Swan Housing Association x 3 titles Peabody x 2 titles
Key public landowners	54 titles (77%) held under public ownership, covering 4.57 acres (21%) of the site area. Key public landowners include: LB Tower Hamlets x 44 titles Transport for London x 10 titles



Map, shading and boundaries for illustrative purposes only  
(Source: Land Insight and Land Registry)

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