

London Borough of Tower Hamlets



Preferred Office Locations Boundary review

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Final July 2017

Project Ref 40408

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Revision	Date	Description	Prepared	Reviewed	Approved
1	23 rd May '17	draft	AL	RP	RP
2	24 th July '17	Final	AL	RP	RP

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1 INTRODUCTION

- 1.1 At London's heart is a core area that is home to so many national and international institutions, the offices of state, places for leisure, culture, shopping, heritage, and commerce of international standing. It is an area that makes London a city of true world renown. In combination this 'offer' makes the Central Activities Zone (CAZ) as it is known, a very attractive place, and one of the world's most competitive business locations, providing huge numbers of jobs and generating almost 10% of national output.
- 1.2 The fundamental role performed by this relatively small area means it's future development needs to be carefully planned to ensure that the use of the land is optimised to support its role providing these strategic functions. To facilitate this the Mayor of London has recently prepared Supplementary Planning Guidance (SPG) for the CAZ.
- 1.3 The SPG identifies an indicative boundary for the CAZ stretching from Kensington and Paddington in the west across to the Tower of London, Aldgate and Broadgate areas in the east. It also includes the North of the Isle of Dogs area (NIoD), which the London Plan says should be treated in the same way as the CAZ.
- 1.4 The London Plan tasks the Boroughs with defining the precise boundaries for CAZ and NIoD, and this report sets out the findings of a study to define the boundaries and the zones within those boundaries for the London Borough of Tower Hamlets' five areas identified in the emerging Local Plan (and in the Borough's Core Strategy) as Preferred Office Locations (POLs). Four of the five areas are located within the CAZ City Fringe area, with the other - Canary Wharf located in the NIoD area.
- Canary Wharf
 - Aldgate
 - Around Tower Gateway South
 - Around Tower Gateway West
 - Bishopsgate Road Corridor
- 1.5 The SPG Table 1.1 identifies that there are three geographical CAZ zones – referred to as A, B & C, and each has a different balance of priorities:
- within Zone A – residential development is not appropriate;
 - within Zone B - offices and other CAZ strategic functions should be given **greater weight** relative to new residential; and
 - within Zone C - offices and other CAZ strategic functions may be given **equal weight** relative to new residential.
- 1.6 We note that there is no guidance on how the terms '*greater weight*' and '*equal weight*' should be applied. As a guide, and to help inform how we define the boundaries, our view is that for Zone B the Council should seek at least 75% office or other 'core CAZ' uses as part of any development proposal. This is on the

assumption that this 75% will not be achievable on all sites, and other development management factors may reduce the final yield. But, starting at 75% should ensure that CAZ uses are predominant in the Zone B areas and active consideration is always given to the 'greater weight' for offices and other CAZ strategic functions in the Zone B area.

- 1.7 Assuming at least 75%, means that Zone B sites must be suitable to come forward as major office (or other CAZ use) sites. Because the CAZ uses are generally high trip generating uses they must be close to key public transport nodes, and because they are likely to be office development they should be well located relative to the existing office core area.
- 1.8 In Zone C the Council should seek at least 50% office and/or strategic functions floorspace, but this will be dependent on the balance of supply and demand at the time, and the supply of CAZ uses coming forward in Zone A and B. Zone C areas are characterised as being less well connected to the core office areas, and generally have lower levels of public transport accessibility. Consequently, they have lower proportions of existing commercial activity, and the provision that there is, and what may come forward in the future will be less intensive and more secondary in nature compared to that found in Zones A or B.
- 1.9 Due to the vagaries of individual sites it is not sensible to prescribe rigid targets, and the broad percentage targets referred to above should be applied pragmatically to account for individual site specific circumstances. Where schemes seek to depart from the broad minimum targets this should be supported by clear evidence why a higher figure is not deliverable.
- 1.10 Table 1.1 of the SPG also provides some general geographical guidance:
 - Zone A - comprises the commercial cores of the City of London and the NIoD area;
 - Zone B – other parts of City of London and north of the Isle of Dogs commercial core and inter alia areas identified in the City Fringe/Tech City Opportunity Area Planning Framework, and clusters of specialist CAZ strategic activities, Strategic Cultural Areas (SCA), CAZ Frontages and locally identified Special Policy Areas (SPA); and
 - Zone C - Predominantly residential neighbourhoods, areas or wholly residential streets (with exceptions in appropriate circumstances – for example clusters of specialist CAZ strategic activities, SCAs SPAs and CAZ Frontages).
- 1.11 Thus, in the Borough only the commercial core of the NIoD can be considered to be Zone A, and the guidance indicates that the remainder of the NIoD is to be considered Zone B. By implication the outer boundary of the NIoD area will be either Zone A or B, and there will be no Zone C areas within the NIoD area.
- 1.12 In regard to the four POLs in the City Fringe, as noted above the SPG restricts the definition of Zone A to the commercial cores of the City of London and the NIoD area. Thus according to this definition, there are no Zone A areas in any of Tower Hamlets' City Fringe POLs even though three of them actually share boundaries with the City.

In the City Fringe areas where office and other strategic functions predominate these will be identified as Zone B, and where residential is the predominant use these areas, which will be all other land within the POLs, will be identified as Zone C.

- 1.13 The Local Plan Activity Areas designation identifies three locations in the NLoD area and a number in the City Fringe area, but the latter are very largely outside of the CAZ. Activity Areas have potential to accommodate growth, including delivering employment floorspace. Some, such as the two Activity Areas to the north of the Canary Wharf POL already host a high proportion of CAZ strategic functions and should be capable of delivering more in the future, including offices ranging from A Grade to affordable workspace. The area to the south of Canary Wharf POL is more residential in nature, but should also be capable of contributing some future employment floorspace. The only City Fringe Activity Area within the CAZ is the very western end of the London Dock (News International) site that is currently being redeveloped. Otherwise all the Activity Areas are outside of the CAZ. Development in the Activity Areas should seek to maximise the provision of employment floorspace, particularly those Areas in or close to Tech City, to provide the types of flexible space (studios, incubator/co-working and serviced space) that changing workstyles demand.
- 1.14 The tasks for this study are therefore to:
- define the Zone A boundary in the NLoD area,
 - define the extent of Zone B in the NLoD area, which will define the outer limits of the NLoD area (i.e. no Zone C areas within the NLoD),
 - define the extent of Zone B areas within the four City Fringe POLs, and
 - all other land within the POLs that is neither Zone A nor B is identified as Zone C.
- 1.15 In undertaking this study the assessment of the four City Fringe areas takes a different approach to that for Canary Wharf because in the CAZ only areas within the City of London can be considered potentially within Zone A. Where appropriate we do comment on this rigid interpretation of the definition of the CAZ commercial core because it could be advisable for reasons of functional relationships to override a definition based simplistically on an administrative boundary.
- 1.16 The reviews commence in chapter 4 below with NLoD (Canary Wharf), followed by the City Fringe locations, starting with Tower Gateway, considering the two POL areas – Tower Gateway south and west, then Aldgate before finally considering Bishopsgate. First though the report provides an overview of the Borough-wide office floorspace demand supply balance and then explains the method for the boundary review assessments.

2 OVERVIEW OF THE BOROUGH-WIDE OFFICE FLOORSPACE DEMAND SUPPLY BALANCE

- 2.1 Before looking in detail at the individual areas we first re-cap the broad demand/need balance for the Borough. This draws on the 2016 Employment Land Review (the ELR), and we benchmark against the recently updated GLA publication London Office Policy Review (LOPR) 2017¹.
- 2.2 The 2016 ELR found that Tower Hamlets has always benefited from a large pipeline supply of office space, dating back to the early days of the Isle of Dogs Enterprise Zone. The ELR found that, as with the past, supply still exceeds any estimate of demand today. But, that the supply is reliant on a small number of very large sites in the NIoD area. The vast majority of the Borough's entire office floorspace future pipeline is currently held on only three sites (Riverside south, North Quay and Wood Wharf), and aside from these only Billingsgate Market has the potential to possibly contribute to the longer term pipeline.
- 2.3 So the Borough's pipeline could be considered very fragile; should any of these four sites 'fail' in any way the Borough would be unable to meet its future demand for office floorspace. It is also reasonable to query whether this large supply meets market demand because choice (of competing schemes and/or promoters) is so limited.
- 2.4 It is also the case that office demand forecasts (from an economic forecast or the GLA) should not be considered as a maximum. This is especially the case in the NIoD given its status as one of the main office locations in London, and a key driver of the whole London economy.
- 2.5 The table below summarises the demand supply balance set out in the 2016 ELR report (table 7.5²).

Table 2.1 Demand supply balance to 2030

	Demand (net change)	Committed losses	Gross demand	Outstanding permissions	Forecast market balance - 2015-2030
	sq m	sq m	sq m	sq m	sq m
Borough-wide	435,879	293,257	729,136	1,369,225	+640,089

Source: Table 7.5 LB Tower Hamlets, 2016 Employment Land Review, PBA

- 2.6 Comparison of these figures with the new 2017 LOPR shows the two are very closely aligned. The ELR has a net demand figure of approximately 436,000 sq m, which is

¹ London Office Policy Review 2017, GLA published June 2017

² Adjusted to include the extant North Quay scheme

close to the new LOPR figure of 490,000 sq m³. The capacity figures, based on the planning pipeline are almost identical as would be expected, with the ELR's figure for outstanding permissions 1,369,225 sq m, and the LOPR capacity figure marginally higher at 1,387,640 sq m. Thus there is agreement between LOPR and the ELR in terms of future demand and supply of office floorspace in the Borough.

- 2.7 Table 2.1 goes on to show that the current pipeline of extant permissions is sufficient to deliver an approximate 640,000 sq m floorspace surplus for offices in the plan period to 2030. The current planning pipeline provides a baseline that later in this report we test against scenarios based on different boundary definitions that include/exclude these sites within Zone A.

³ LOPR Table 9.16 identifies a demand figure of 815,700 sq m for Tower Hamlets for the 25-year period 2016-41, which on a pro-rata basis gives 490,000 sq m for the 2015-30 period, and an existing capacity figure of 1,387,640 sq m.

3 METHOD FOR BOUNDARY ASSESSMENTS

3.1 Building on the above this assessment considers:

- the built form in terms of land use mix, age, quality and density of the stock;
- the surrounding context – to identify where use and/or defining structures mark ‘break points’, critically the areas where residential is the dominant land use;
- planning permissions that provide evidence of the scale of development that can be achieved; and
- Public transport accessibility level (PTAL) ratings, and barriers to movement.

3.2 PTAL is particularly important because it guides where high trip generating uses should be located.

3.3 In examining the land options to meet the office floorspace projections requires a note of caution because how much office development is viable will be dependent on the vagaries of economic cycles, and the complexities of individual site scale and massing considerations. For example, in the last few years we have seen a number of permitted schemes re-negotiated to improve viability or market attractiveness to better match market conditions at the point of delivery. In the current market this has tended to reduce the quantum of office floorspace, but in previous cycles developers have sought to maximise office space. In this regard we note that the latest planning revisions to the 10 Bank Street scheme in the NLoD area proposes larger office floor plates in response to market conditions.

4 NORTH OF THE ISLE OF DOGS (CANARY WHARF) - BOUNDARY ASSESSMENT

- 4.1 The assessment of the boundary between commercial core (Zone A) and Zone B in NIoD focuses on the four key sites with substantial development potential - North Quay, Riverside South, Wood Wharf and Billingsgate Market. These sites are fundamental to the Borough's ability to deliver new office floorspace.
- 4.2 The key consideration for defining the outer boundary of Zone B in the NIoD is to ensure all areas included are highly accessible and well related to the commercial core (Zone A). The indicative area depicted in the SPG is drawn very widely, and it will be important to avoid including areas that are too remote from Zone A.
- 4.3 Given the priority the SPG places on the NIoD, a long term view of demand and supply should be sought when applications propose a lower mix of CAZ uses. This is to ensure that the reservoir of employment land and property is able to respond to peaks and troughs in the property market cycle, and also to ensure that the high accessibility of these areas (due to the significant and long term investment in public transport in the area) is not wasted on lower trip generating uses because of short term fluctuations in market demand.

The potential for intensification

- 4.4 Older generations of office in the POL area were developed at lower densities than schemes that came forward later on. So a case could be made that intensification of the existing POL will effectively minimise the need to allocate Zone B land.
- 4.5 The existing POL could provide sites that can be redeveloped to intensify the use, and meet future demand without the need for a Zone B reservoir. However, we consider that it would be very risky to make an assumption that redevelopment within Zone A alone will be sufficient to meet the requirements for the future demand for new office floorspace.
- 4.6 This is for two main reasons. Firstly, the Mayor's SPG is explicit that a Zone B is needed, and the policy intention is that the 'core' (Zone A) grows over time. Secondly, we are aware that the development industry is currently seeking to reduce the quantum of office space on exiting permitted sites. Part of the rationale for this is that market demand (and viability) is too weak to secure the same quantity of office space as previously permitted. This is despite some sites benefiting from new Crossrail stations, and being adjacent to the existing core. Given this context we cannot safely assume that nearby sites (in the POL) will come forward for 100% office redevelopment in the current market. It is safer to assume that owners will maintain the status quo, and the majority of new office space will come forward as part of some form of mixed use development within the POL, but beyond the commercial core, i.e. in Zone B.
- 4.7 So when setting the Zone B boundary, we make no assumption about further intensification in the core area (Zone A).

Boundary review

- 4.8 The following review applies the method discussed above, and is illustrated on the accompanying Maps 1 to 4 that present four different boundary scenarios discussed later in this report.
- 4.9 To the south - the boundary is defined by South Quay Dock which is a strong edge, corresponding to a break in the building typologies (much higher density in the north) and the PTAL ratings – 4-6 north of the dock and 2-3 to the south, and the solidly commercial stock north of the dock contrasts to the mixed nature of the land uses to the south. The area beyond South Quay Dock to the south has seen largescale redeveloped over the past 30 years, which has been predominantly residential in nature, although the area between South Quay Dock and Byng Street /Marsh Wall is more mixed, with employment areas such as Harbour Exchange and the Skyline Business Village. There are pockets of existing low density that could be redeveloped at much higher density - for example the Millwall Fire Station, the office /light industrial units fronting Marsh Wall and the areas of two-storey low density residential that could in the longer term offer up opportunity for mixed use redevelopment. This area could be argued Zone B, but in the context of the prevailing largely residential areas immediately to the south is on balance all Zone C, where residential is afforded equal weight to CAZ uses. Thus, in terms of applying the CAZ SPG this area would be outside of NIoD, as the SPG excludes Zone C from the definition of NIoD.
- 4.10 To the west – the area east of Westferry Road / Circus was one of the earliest parts of the Canary Wharf estate to be developed, and the uses and building typologies in this location are solidly commercial, high density and with a high (5) PTAL rating. We note that whilst the area west of Westferry Road is also afforded a PTAL score of 5, the road which has a minimum of four lanes at this point creates a clear separation between the areas. The distinction between the areas east and west of Westferry Road/Circus is also evident in land use and building typology terms, with the landmark Canary Riverside residential/hotel complex in sharp contrast to the office buildings to the east. Thus, we conclude that Westferry Road is a logical delimiter of the Zone A area, with the area to the west of Westferry Road, but south of Westferry Circus being identified as Zone B. Whilst there could be longer term scope west of Westferry Road and north of the Limehouse Link either side of Milligan Street where there is largely low rise low density housing, Westferry Road acts as a very strong barrier at that point, firmly separating this area from the POL.
- 4.11 To the north-west - the dock delineates the Zone A boundary, with the heritage buildings of the Cannon Workshops and the buildings of the Museum of London that provide employment space and CAZ compliant tourist and visitor attractions identifying the Zone B area. The area bounded by Westferry Road and Aspen Way, incorporating the tourist/visitor attractions and some medium rise residential may offer longer term redevelopment opportunities and should define the extent of Zone B.
- 4.12 To the north –the commercial activity is presently all south of West India Dock, but the Crossrail station that opens next year and pedestrian links over the West India Dock will provide much improved accessibility improving the PTAL rating from its

present 3-4. The North Quay site will benefit from excellent transport accessibility, but the dock will continue to isolate the area from the commercial core. The pedestrian links across the dock will help to make this area potentially part of the commercial core, but the heritage buildings immediately to the west suggest North Quay should also be Zone B.

- 4.13 To the north-east – West India Dock wraps around the commercial core with the Billingsgate Market site wedged between the dock and Aspen Way. Whilst the Crossrail station and the introduction of pedestrian bridges over the dock will bring a marked improvement in accessibility, the site has the same issues as North Quay; the dock physically separates the site from the commercial core. Immediately to the east beyond Trafalgar Way is comparatively low density residential, which with the Zone B heritage area and North Quay immediately to the west suggests Billingsgate Market should also be included within Zone B. Aspen Way acts as a major barrier to north south movement and shared activity, which at this point limits the redevelopment potential of sites immediately to the north, that include the DLR depot and Poplar rail and DLR stations that wrap behind Poplar High Street, and beyond that the Poplar Business Park, all of which could inter-relate with the Billingsgate site, but for the Aspen Way barrier.
- 4.14 To the east – the open water of South Dock separates the established commercial area from Wood Wharf. PTAL ratings in this area are generally lower than in the core. There are currently a large number of commercial and residential schemes coming forward at Wood Wharf, and the area's mixed use nature distinguishes it from the commercial core immediately to the west. Thus, Wood Wharf should be considered Zone B, delineating the eastern boundary of Zone B.

Assessing the capacity of different POL configurations

- 4.15 This section presents a number of development capacity scenarios, and is set against the Local Plan need figure identified in the table above. In considering these scenarios, the reader should bear in mind the need to meet the GLA and London Plan floorspace need figures, both in respect of the current and next London Plan.
- 4.16 The floorspace scenarios for Zone B sites adopt the greater weight approach discussed above. This generally accords with current market evidence that suggests that in any redevelopment opportunity on the margins of the core, the market will press for a mixed use solution. The assessment is based on the planning permission data for the key sites under consideration, and uses this data as a template for the assessment of the other sites where such data is not available.
- 4.17 Four scenarios are presented below. The first two present the widest Zone A boundaries, and the latter two consider more land in Zone B. These scenarios are illustrated on Maps 1 to 4 appended to this report.
- 4.18 The first scenario sets out the position in respect of schemes with extant planning permission, and is consistent with the data presented in the ELR. We assume that the

current permitted floorspace is the maximum achievable, and that the existing schemes have made the most efficient use of the land – including massing/heights. Floor area ratios of well in excess of 1000% suggest this is the case⁴.

- 4.19 The scenario indicates a healthy supply surplus (consistent with times past) comprising of the named schemes in the current POL boundary (referred to as Zone A sites), placing only Wood Wharf in Zone B, and then grouping all other known permissions into an ‘elsewhere in the Borough’ category.

Table 4.1 Scenario 1

		Supply sq m
CW Zone A	Sites: 1 Park Place, 1 Bank St & 10 Bank St, Riverside south and North Quay	1,055,765
CW Zone B	Sites: Wood Wharf	165,000
Elsewhere in the Borough		148,460
Total permitted supply		1,369,225
Forecast market balance (supply above (+)/below (-) demand in the Plan period)		+640,089

- 4.20 Scenario 2 factors in Billingsgate Market into Zone A. This is a theoretical assessment, as there are no known schemes for the site and the site continues to operate as a market. In the absence of a scheme to test we have based the assessment on the development proposed by the neighbouring North Quay scheme to get a sense of the scale of development that could possibly come forward on the Billingsgate Market site.
- 4.21 In actual fact the floorspace figure for Billingsgate matters little, what is key is that a scheme of any size on the market site would raise the supply side surplus for the Plan period. As is shown in Scenario 2 below factoring in a North Quay scale of redevelopment would produce a surplus in excess of 1,000,000 sq m.

⁴ Floor area ratios calculate the relationship between the building floorspace and the site area. A ratio of 100% means that the floorspace and site area is the same i.e. 10,000 sq m = 1 ha. This may be achieved by for e.g. covering the whole site with one floor or half the site with floorspace on two levels. Office densities are generally as a broad average around 90-150%. A density of 1000%, i.e. ten times the site area is extremely high.

Table 4.2 Scenario 2

		Supply sq m
CW Zone A	Sites: 1 Park Place, 1 Bank St & 10 Bank St, Riverside south and North Quay	1,055,765
["]	<i>plus Billingsgate</i>	<i>370,000</i>]
CW Zone B	Sites: Wood Wharf	165,000
Elsewhere in the Borough		148,460
Total permitted supply plus Billingsgate within Zone A		1,739,225
Forecast market balance (above (+)/below (-) demand in the Plan period)		+1,010,089

4.22 Scenario 3 places Riverside south and North Quay in Zone B (and doesn't include Billingsgate). In accordance with the method, the calculation includes 75% of the floorspace in the extant permissions as we consider this to be the minimum permissible through the CAZ SPG. This is illustrative because the expectation through the CAZ SPG is that developers maximise their office provision at all times.

4.23 The inclusion of the two sites in Zone B as opposed to Zone A has a dramatic effect on the supply provision, which reduces to 460,000 sq m above demand in the Plan period. Running the balance too tight is also very risky given that the remaining pipeline is concentrated on only three other large sites (1 Park Place, 1 and 10 Bank St) that together account for 25% of the Borough's total pipeline.

Table 4.3 Scenario 3

		Supply sq m
CW Zone A	Sites: 1 Park Place, 1 Bank St & 10 Bank St	341,181
CW Zone B	Sites: Wood Wharf,	165,000
	Riverside south and North Quay @75% of permitted schemes	535,938
Elsewhere in the Borough		148,460
Total supply		1,190,579
Forecast market balance (above (+)/below (-) demand in the Plan period)		+461,443

4.24 The final scenario factors in Billingsgate Market into the Zone B sites, and applies the 75% floorspace minimum based on replicating the scale of the North Quay scheme.

With Billingsgate added in, the supply headroom would allow for some flexibility over which sites come forward first and provides assurance of a longer term supply.

Table 4.4 Scenario 4

		Supply sq m
CW Zone A	Sites: 1 Park Place, 1 Bank St & 10 Bank St	341,181
CW Zone B	Sites: Wood Wharf, Riverside south and North Quay @75% of permitted schemes	165,000 535,938
["]	<i>plus Billingsgate</i>	<i>279,495]</i>
Elsewhere in the Borough		148,460
Total supply		1,470,074
Forecast market balance (above +)/below (-) demand in the Plan period)		+740,938

Conclusions

- 4.25 The scenario testing identifies that under the current London Plan and Experian office growth forecasts the Borough has scope to draw Zone A within the Canary Wharf POL tightly around the existing commercial core, and allow the three sites on the edges of the POL boundary – that is Riverside south, North Quay and Billingsgate Market – to be included within Zone B. As illustrated in Scenarios 3 and 4. With Riverside south and North Quay only factored in the supply headroom is cut considerably (Scenario 3), but if Billingsgate is also factored in as a Zone B site then the headroom expands (Scenario 4) to allow some flexibility over which schemes come forward in this Plan period, and which may be held over for the longer term supply.
- 4.26 The new LOPR office floorspace figures direct substantial office demand to Tower Hamlets compared to other weaker office markets elsewhere in London. The new LOPR projections that will underpin the new London Plan very closely align with the ELR forecasts. The marginally lower ELR demand forecasts should therefore be treated as a minimum and higher delivery encouraged wherever possible. In the analysis set out above we identify the areas where more land could be captured in Zones A and B.
- 4.27 Whilst it would be unwise for the Zone B boundary to be as expansive as shown in the CAZ SPG indicative map because much of this area is remote from the commercial core, but in the interests of maintaining a long term office pipeline for growth in the POL, we recommend a Zone B boundary that includes the areas we

refer to in the analysis above – namely – the area between South Quay Dock and Byng Rd/Marsh Wall, and for the long term the area north of Aspen Way.

5 CITY FRINGE (TOWER GATEWAY) - BOUNDARY ASSESSMENT

Background

- 5.1 The Tower Gateway area is the southwest corner of the Borough, and on the eastern edge of the CAZ and City Fringe Opportunity Area. The Tower of London together with St Katharine's Docks provide a strong historic context and leisure influence to the area, but it is also characterised by pockets of different activity such as the Blue Anchor Yard residential area and the two discrete areas of office activity - Tower Gateway south and west. The local road network contributes to the severance and isolation of these areas, with East Smithfield creating a strong barrier to north and south connections, but linking the two office areas, and Tower Hill separating the area from office activity immediately to the west in the City of London.
- 5.2 The Tower Gateway south area comprises 60,000 sq m of purpose built office in the Thomas More Square complex, that was completed in 1997, and had until recent times one main occupier; a media business. The complex covers 2.5 ha, with some ground floor retail/leisure uses and a gym that are ancillary to the office function. There is no residential element within the POL area, but the surrounding areas are predominantly residential in nature, including the Emery Wharf development immediately to the east that is currently under construction on the former News International site.
- 5.3 The other Tower Gateway office location is at the very western edge of the Borough bounded by East Smithfield, Tower Hill and Royal Mint St. It comprises 19th century buildings and high impenetrable brick walls associated with the former occupier - the Royal Mint, and a collection of large floorplate 20th century purpose built office buildings, collectively referred to as Royal Mint Court, plus the 1960s Sceptre Court office/educational building immediately to the north on Tower Hill/Mansell St. Immediately to the north are offices located in the City of London, to the east is the St Mary Graces Court residential area on Cartwright St, to the south are large floorplate office buildings that wrap around St Katharine's Docks, and to the east is the Tower Hill major road gyratory and the Tower of London.
- 5.4 The 2 ha Royal Mint site currently provides 51,000 sq m of office space, all of which is vacant pending redevelopment following a planning permission earlier this year to provide 61,000 sq m+ of office floorspace, plus ancillary retail and leisure facilities.
- 5.5 The Sceptre Court building was formerly office, but was granted planning permission for dual use higher education and offices in 2014.

Boundary review

Tower Gateway south

- The office complex is separated from the adjacent predominately residential uses to the west and north by imposing historic high boundary walls that date from the former dockland times. The southern boundary is defined by a Waitrose store and to the east

is the Emery Wharf mixed use development site. It is an 'island' office complex site, isolated in physical and in land use terms from the surrounding activity.

Tower Gateway west

- Like Thomas More Square the Royal Mint Court has very strong boundary definition through the historic and very imposing high boundary walls, and also the road network that provides separation from the activity on the opposite sides. Immediately to the east and southeast the land use changes to residential, whilst to the south of East Smithfield wedged between the road and St Katharine's Dock are three large and imposing office buildings - Commodity Exchange, Tower Bridge House and International House. Sceptre Court, in the north west corner of the Tower Gateway west area has undergone a change of use away from wholly office to education and office, because of the needs of the occupier, a higher education provider. Higher education is an important CAZ strategic function.
- Both areas score highly for PTAL, particularly Tower Gateway west (6a/b), even though they both experience severance because of the surrounding road network. PTAL for Tower Gateway south is much better at its northern end.

Assessing capacity

- 5.6 Both POL areas are modest in scale, and both are principally founded on one main office complex - Thomas More Square in the case of Tower Gateway south and Royal Mint Court in the case of Tower Gateway west. The very dated purpose built office buildings in the case of the latter are set to be replaced through a comprehensive development scheme that could possibly lead to a marginal increase in office floorspace depending on the development option taken. The other buildings within Tower Gateway west are all substantial in scale and are unlikely to lead to an increase in office floorspace through redevelopment due to the limitations imposed by the Tower of London Conservation Area.
- 5.7 The Thomas More Square office complex that provides all the office floorspace within the Tower Gateway south POL changed hands in 2016, and was renamed Moretown. It is currently being refurbished to meet the needs of a rebranded design-led campus attractive to media, technology, finance and innovation businesses. The new owners chose to 'upcycle' the existing buildings rather than seeking to redevelop, which because of the listed buildings and structures on site would not have led to a significant increase in floorspace.
- 5.8 Thus, we conclude that there is no obvious scope for future increase in office floorspace capacity within either location.

Conclusions

Boundary

- 5.9 As referred to above the City Fringe areas of the CAZ are characterised by pockets of different activity on sites that are isolated from the neighbouring areas, but most of these areas such as the two office areas together with the Tower of London and St Katharine's Docks perform CAZ strategic functions.

- 5.10 As discussed above both office areas are very distinct in land use terms from their immediate surrounding areas, and also both have clear separation from surrounding areas due to the high retaining boundary walls that reference the former activity contained within, and the road network in this location that creates severance. Although located not far apart, they do not form one office area, and are two quite separate office areas.
- 5.11 The Tower Gateway south and west POL boundaries as currently drawn (replicated on Map 5) therefore remain appropriate, albeit we recommend in the case of Tower Gateway west the area should be extended beyond the Royal Mint to the south as it is to the north, to include the three office buildings adjacent to St Katharine's Docks. These buildings all provide large office floorplates in an area that is clearly in demand for commercial occupiers, and should be maintained in office use.

CAZ Zone

- 5.12 Both Tower Gateway south and west provide large floorplate office buildings capable of single occupation, indeed this is the intention of the recently permitted scheme for the redevelopment of the Royal Mint site. Both areas therefore function primarily as commercial areas.
- 5.13 The proposed Royal Mint scheme will better integrate with the Tower Gateway DLR and the City, but neither the Tower Gateway west POL nor the Tower Gateway south POL can be considered to be located within or abutting the commercial core of the City of London, or indeed commercial areas within the wider City Fringe area. As such both function separately as standalone office complexes, and therefore justify Zone B classification where office and other CAZ strategic functions should be afforded greater weight relative to new residential.

6 CITY FRINGE (ALDGATE) - BOUNDARY ASSESSMENT

Background

- 6.1 This POL abuts the City of London boundary with Mansell Street marking the boundary between the City and Tower Hamlets Borough. The area's office dominance has been largely maintained through the huge amount of predominantly office redevelopment that has taken place in recent years, although there has also been some residential and hotel development. The office area wraps around an inner residential/school core.
- 6.2 PTAL in this location is at the highest possible level, 6b.

Boundary review

- 6.3 To the north the office area boundary is defined by Whitechapel High St, which comprises town centre uses. The southern boundary is defined by the railway lines - DLR and lines in/out of Fenchurch St. Immediately south of the railway lies a site under construction for residential, and beyond this is Royal Mint Court and the Tower Gateway west POL. The railway and the residential site are strong delimiters between these two POL areas.
- 6.4 The western and eastern boundaries are defined by the strongly residential in nature of the Mansell St area in the City of London, which separates Aldgate from the City commercial core. and the similarly residential nature of Lemn Street as it extends beyond the existing residential frontages to the Goodman's Fields residential site beyond.
- 6.5 At the area's core, lying behind the streets fronting Lemn and Mansell Streets that are dominated by large floorplate office buildings of varying ages, is a primary school and residential streets within the Tenter Street area. The area is very different in use and scale compared to that which surrounds it, and contains a local community. For these reasons the Tenter Street area has not previously been included within the POL. However, the excluded Tenter Street area boundary requires fairly minor adjustments to remove buildings that are either currently in office use or that have potential for future office use, most obviously 18 Aile Street, the warehouse building on St Marks Street and the section of Lemn Street frontage currently excluded.
- 6.6 In the northeast corner of the POL redevelopment has seen a shift from office to residential dominance, where the Aldgate Place mixed use scheme is currently coming forward, and which abuts the Goodman Fields residential development (located outside the POL area and also currently under construction). Together these two very large schemes will mean this part of Aldgate will become predominantly residential in nature.

Assessing capacity

- 6.7 The area has seen significant redevelopment activity in recent years, particularly in the northern and on the western frontages. The office area is much stronger to the north and on the western flank where the underground is more accessible, compared to the rest of the POL.
- 6.8 Whilst there will be scope for more redevelopment in the POL, the opportunities for substantial increases in office floorspace are more limited because the inner and southern areas have a significant number of statutory and locally listed buildings, and at the core of the area is the residential community centred on the catholic primary school. Both the school/residential and the listed buildings will serve to limit the scale of any proposed office redevelopment, and given that these factors will remain there is unlikely to be any sites that can be redeveloped to create a substantial increase in office floorspace.

Conclusions

Boundary

- 6.9 There are two main boundary issues to consider – firstly, what is the extent of the core office area, and secondly, what should the approach be to the Tenter Road area.
- 6.10 The Aldgate Place scheme on the north-eastern side of Lemn St will create a predominantly residential area, which is in sharp contrast to the office core in the block between Lemn St and Mansell St where Aldgate Tower and the other relatively recent office buildings create a clear office zone. The boundary in the north-eastern corner should be adjusted to exclude this now predominantly residential area.
- 6.11 The main office zone extends south from Whitechapel High Street as far as Alie St where it switches from north to south side approximately halfway down the street, avoiding the collection of listed buildings at the Lemn St end. The office core then takes in the southern end of Mansell St as far south as number 83/5.
- 6.12 The remainder of the POL area within the current boundaries, that is the area to the south centred on Prescott St and the west side of Lemn St (and excluding the Tenter Street area) is more mixed in land use terms, containing offices, hotels and other leisure activity and inter alia faith buildings. However, as referred to earlier the area is distinct from the adjoining areas to the east and south, and the predominant use is office.
- 6.13 In respect of the Tenter St area, whilst we maintain that the purpose of designating POL is to provide opportunity for new office space through intensifying existing sites regardless of their existing use, in this case there is a long established residential community, and given its location behind the principal streets, and because it is very unlikely to come forward for more intensive non-residential uses in this Plan period, with the minor adjustments referred to above and shown on Map 6, we recommend the area continues to be excluded from the POL.

CAZ zone

- 6.14 With the adjustments to the boundaries discussed above, the whole of the Aldgate POL area justifies classifying as CAZ Zone B, where office and other CAZ strategic functions should be afforded greater weight relative to new residential.

7 CITY FRINGE (BISHOPSGATE ROAD) - BOUNDARY ASSESSMENT

Background

- 7.1 The Bishopsgate office area is located in the northwest corner of the Borough, adjoining the high density Bishopsgate/Liverpool Street office area in the City of London. The two sides of Bishopsgate are contrasting areas, with the buildings on the City side being of far higher density than the buildings on the Tower Hamlets side, reflecting the Conservation Area status and numerous Listed Buildings on the lower rise Borough side. The dominant use within this area of the Borough is office.
- 7.2 The Elder Street Conservation Area extends as far south as Spital Square, which then links into Bishops Square, which together with 72,000 sq m of office and ancillary facilities was regenerated in 2005. Retail wraps around the new office provision on the north and south sides of Spitalfields market, which itself has statutory Listed Building status, and is located within the Fournier Street Conservation Area.
- 7.3 To the south of Brushfield Street wrapping round to Whites Row and Commercial Street, the historic buildings that are within the Borough (the western end of Brushfield Street is within the City of London) are located within the Artillery Passage Conservation Area.
- 7.4 The area's proximity to Liverpool Street and excellent bus provision on Bishopsgate affords the area the highest possible PTAL rating.

Boundary review

- 7.5 On the western side of Bishopsgate is Broadgate/Liverpool Street, an area that is likely to be included within the City of London's commercial core, the City also marks the boundary to the south beyond Brushfield St (part). The 3 ha Bishopsgate POL is constrained to the north by the largely residential Elder St Conservation Area, and to the east by the Grade 2 listed Spitalfields covered market building.
- 7.6 Beyond the market building to the south of Brushfield Street and beyond the current POL boundary, is the former London Fruit & Wool Exchange site, which together with a former car park forms a 1 ha site, bordered to the south by White's Row. This block along with the Market building is located within the Fournier Street Conservation Area, and is currently being redeveloped for a large office led scheme. Beyond the area being redeveloped to the south and to the west the uses take on the appearance of a local centre with a mix of shops, services and residential.

Assessing capacity

- 7.7 As discussed above, whilst the scale of development on the City side of Bishopsgate is high density, the scope to do this in the Borough's Bishopsgate POL is very limited because of the high number of Listed Buildings and the three Conservation Areas that either abut or extend into the area. The Bishops Square development generated

a large net gain in office floorspace by replacing the wholesale market buildings on a 5 ha site, but that opportunity will not be repeated, and the substantial number of heritage buildings and areas within and immediately adjoining the POL mean that future redevelopment will be likely to result in no or minor net gain in office floorspace.

- 7.8 There is scope for further redevelopment, most notably the parade on Norton Folgate in the north western part of the POL, and this should be for office and other strategic functions. However, the scope for substantial growth in office floorspace is limited by the Conservation Area designation.

Conclusions

Boundary

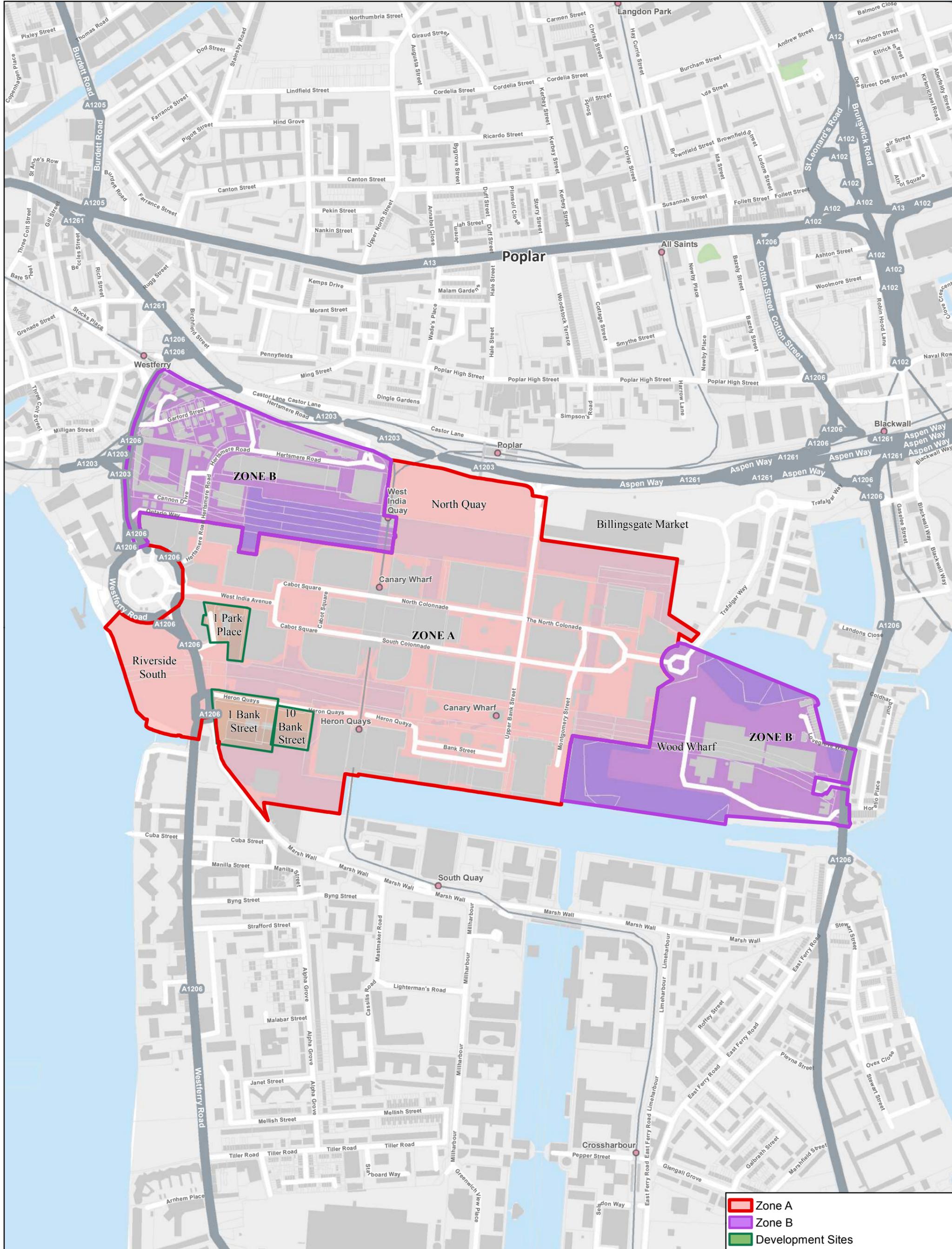
- 7.9 The POL boundary, as shown on Map 7 is limited by proximity to the City of London boundary along Bishopsgate and Brushfield Street, and cannot extend further north because of the largely residential nature of the Elder Street area. To the east the Market building denotes the edge of the POL, and the mixed use area to the south of Brushfield Street limit the POL in that direction.
- 7.10 The former London Fruit & Wool Exchange that is currently undergoing redevelopment, and will provide a predominantly office based redevelopment should be included within the Bishopsgate POL.

CAZ zone

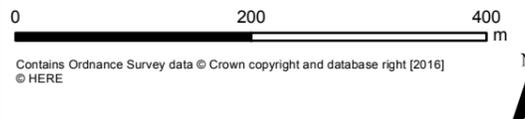
- 7.11 The area currently identified as POL is predominantly office and ancillary activities, with residential confined to areas immediately to the north and south beyond the POL.
- 7.12 The existing office dominance in the area, and the links to the City commercial core activity on the opposite (western) side of Bishopsgate could justify zoning this area as CAZ A. However, the proximity to Spitalfields Market and the mix of surrounding uses on the three other sides suggest this area is most appropriately zoned CAZ B, where office and other CAZ strategic functions should be afforded greater weight relative to new residential.



APPENDIX A POL MAPS 1-7

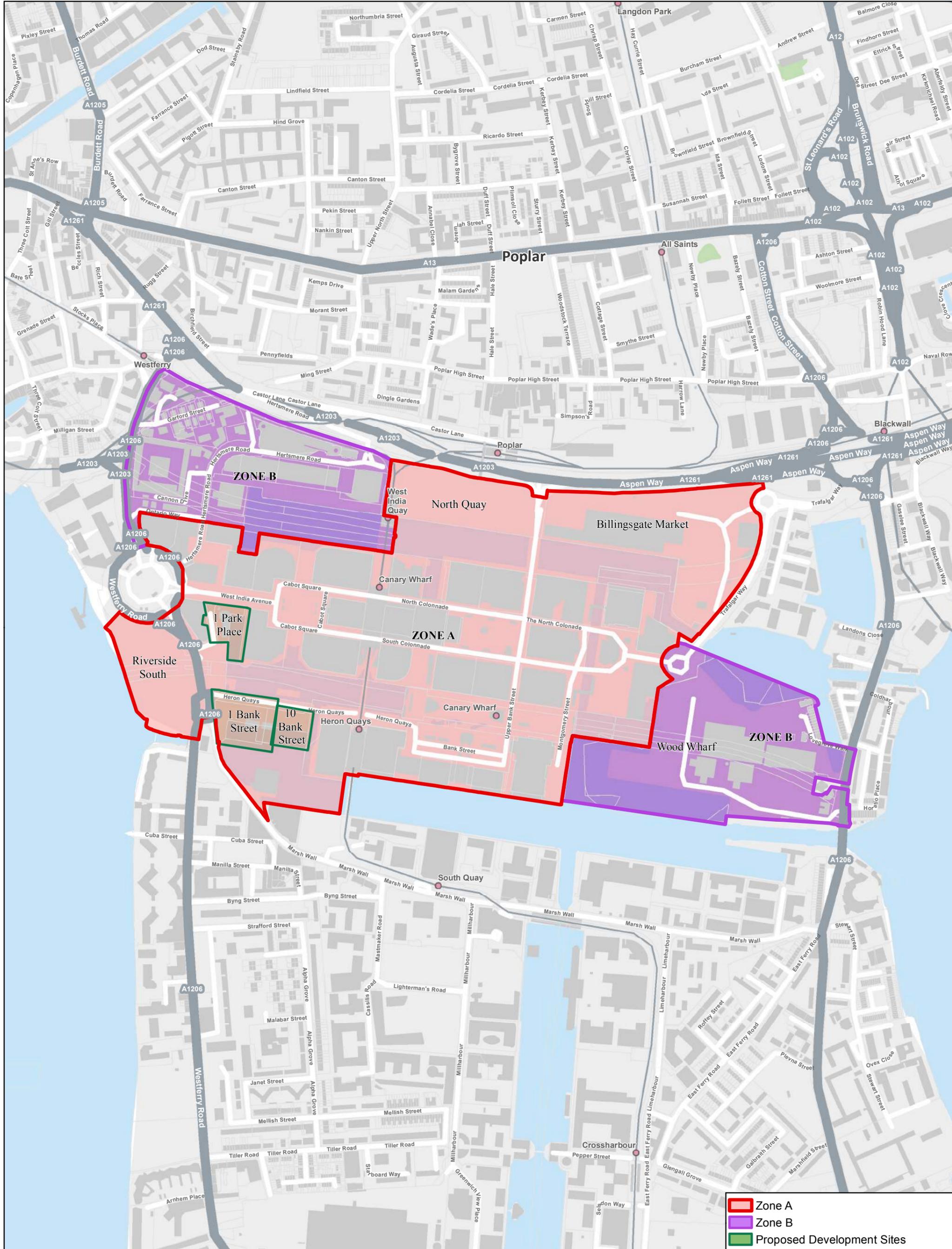


█ Zone A
█ Zone B
█ Development Sites

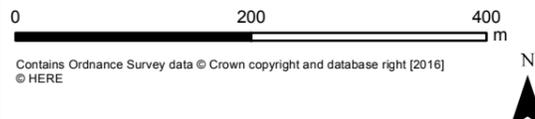


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Tower Hamlets ELR
Map 1 - Canary Wharf POL - Scenario 1



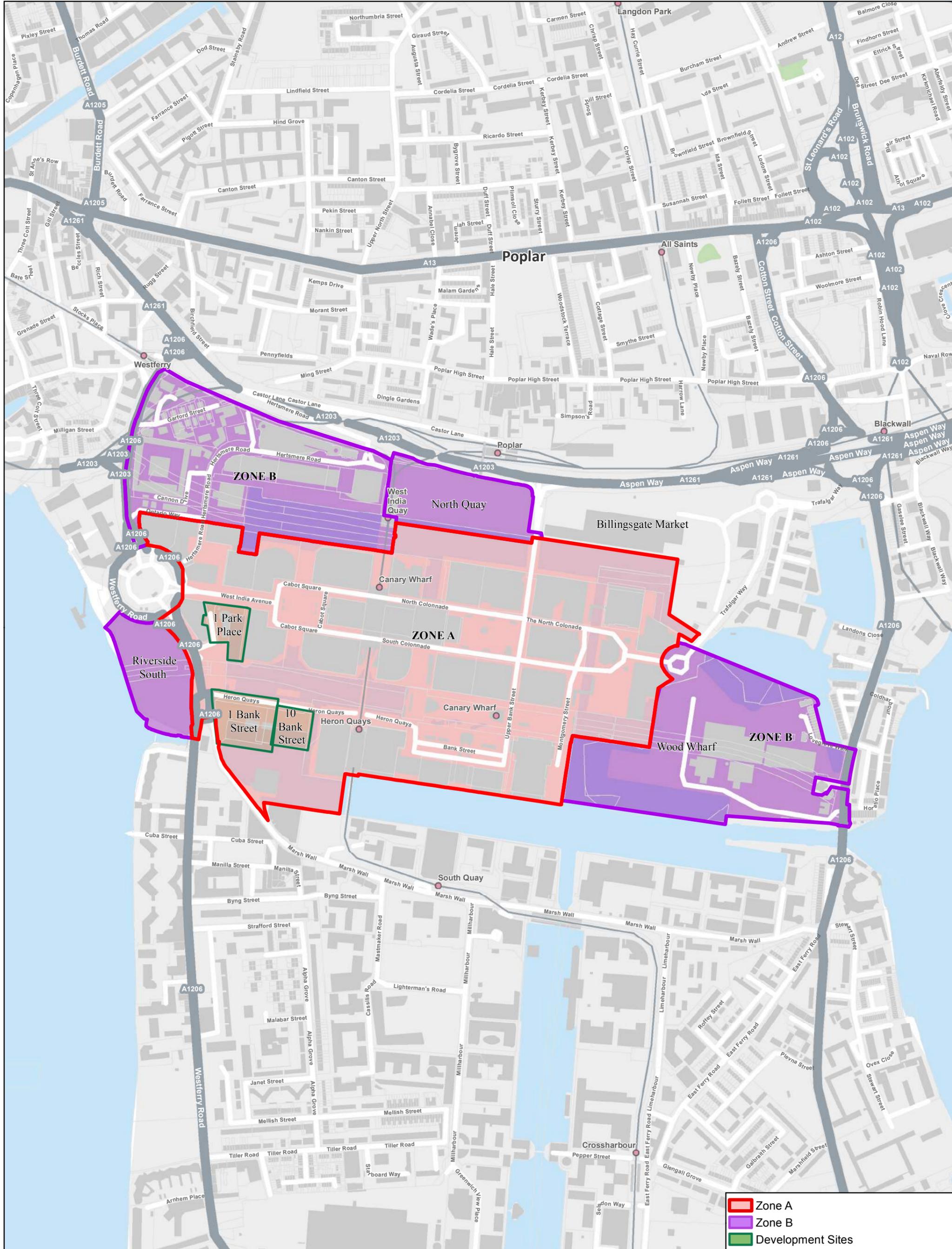
- Zone A
- Zone B
- Proposed Development Sites



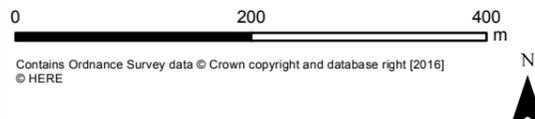
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Tower Hamlets ELR

Map 2 - Canary Wharf POL - Scenario 2

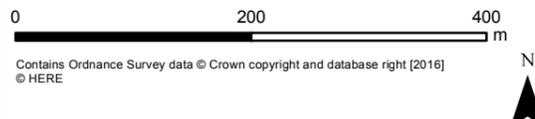
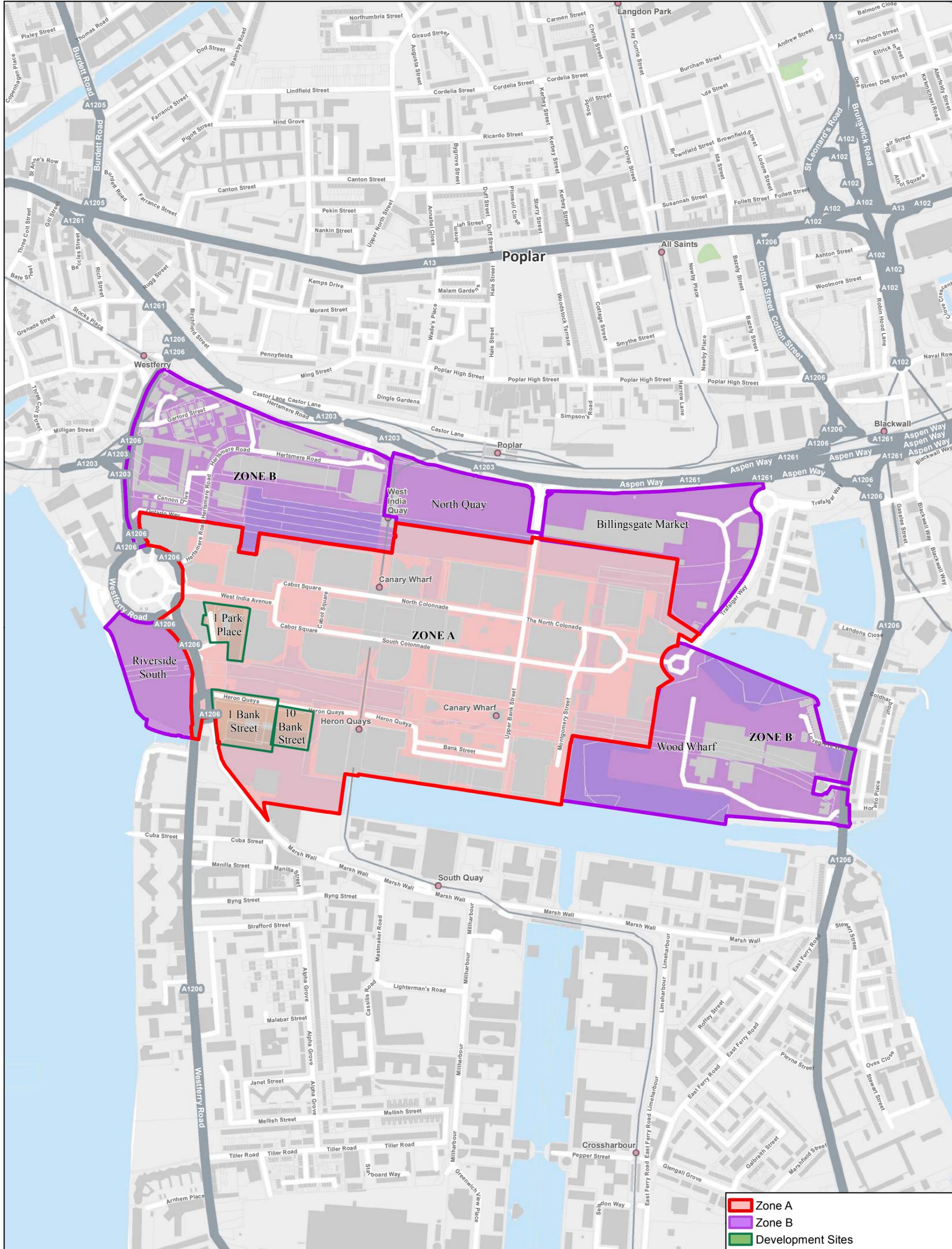


▭ Zone A
▭ Zone B
▭ Development Sites



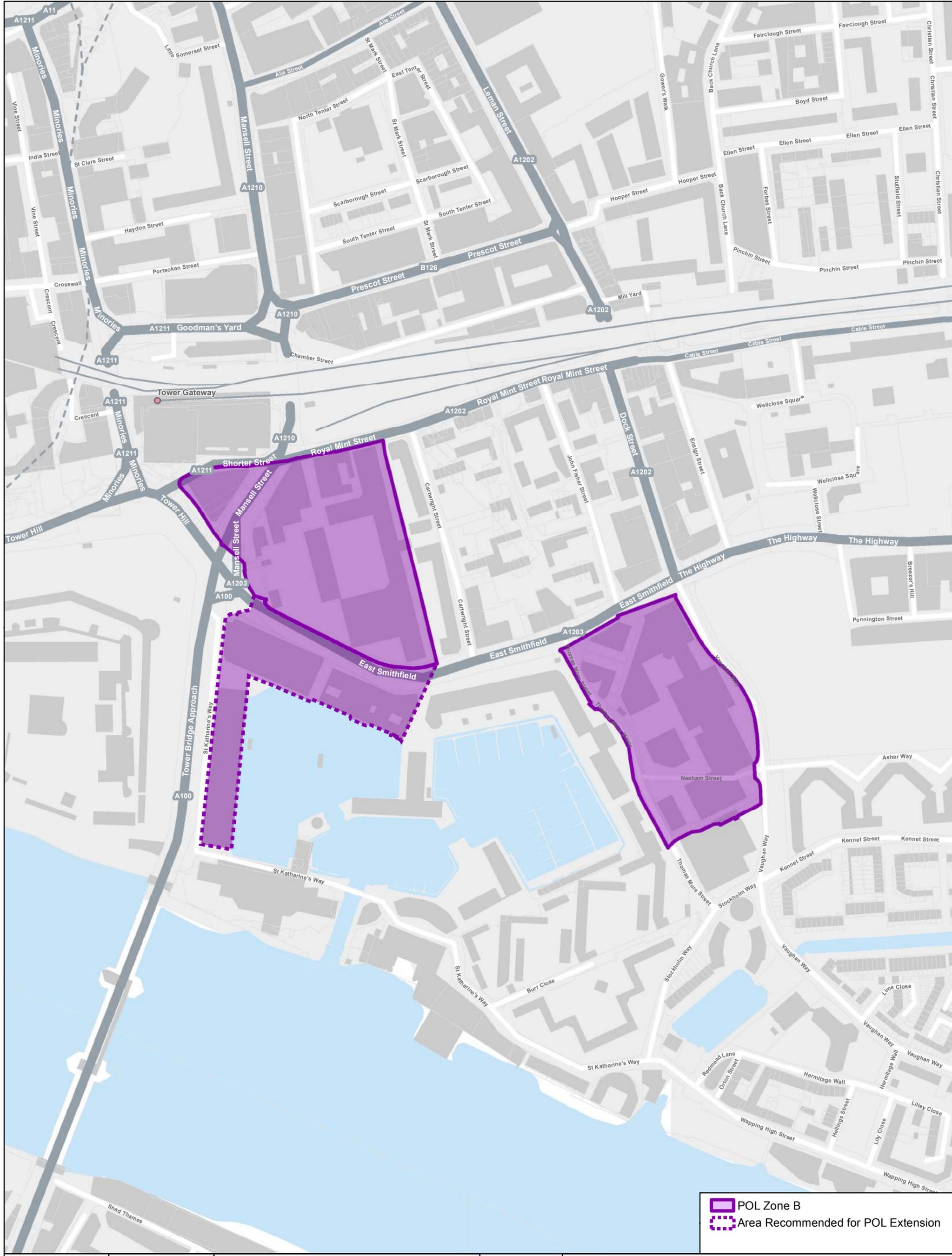
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Tower Hamlets ELR
Map 3 - Canary Wharf POL - Scenario 3



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Tower Hamlets ELR
Map 4 - Tower Gateway POL - Scenario 4



POL Zone B
 Area Recommended for POL Extension

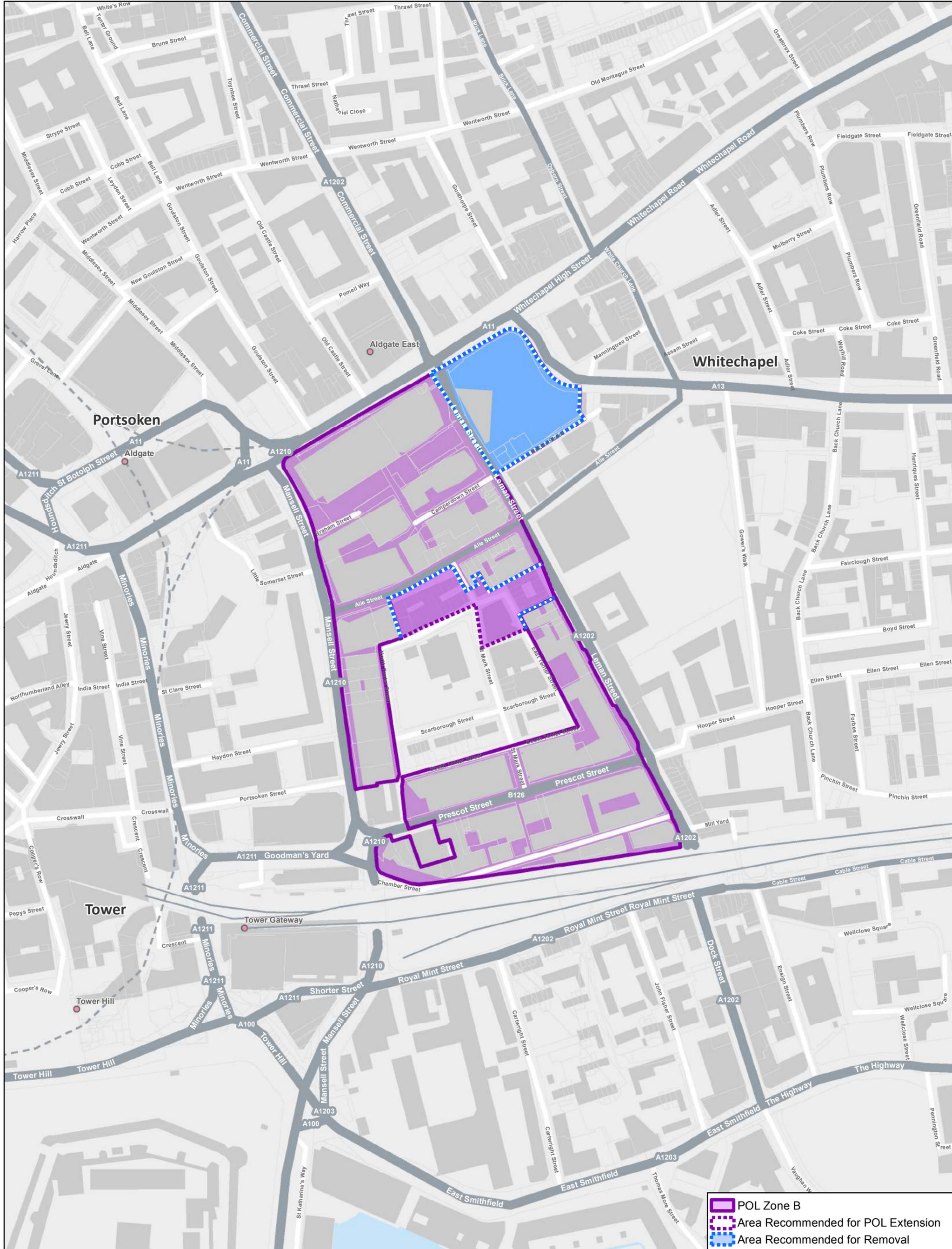


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Tower Hamlets ELR
Map 5 - Tower Gateway POL



	POL Zone B
	Area Recommended for POL Extension
	Area Recommended for Removal



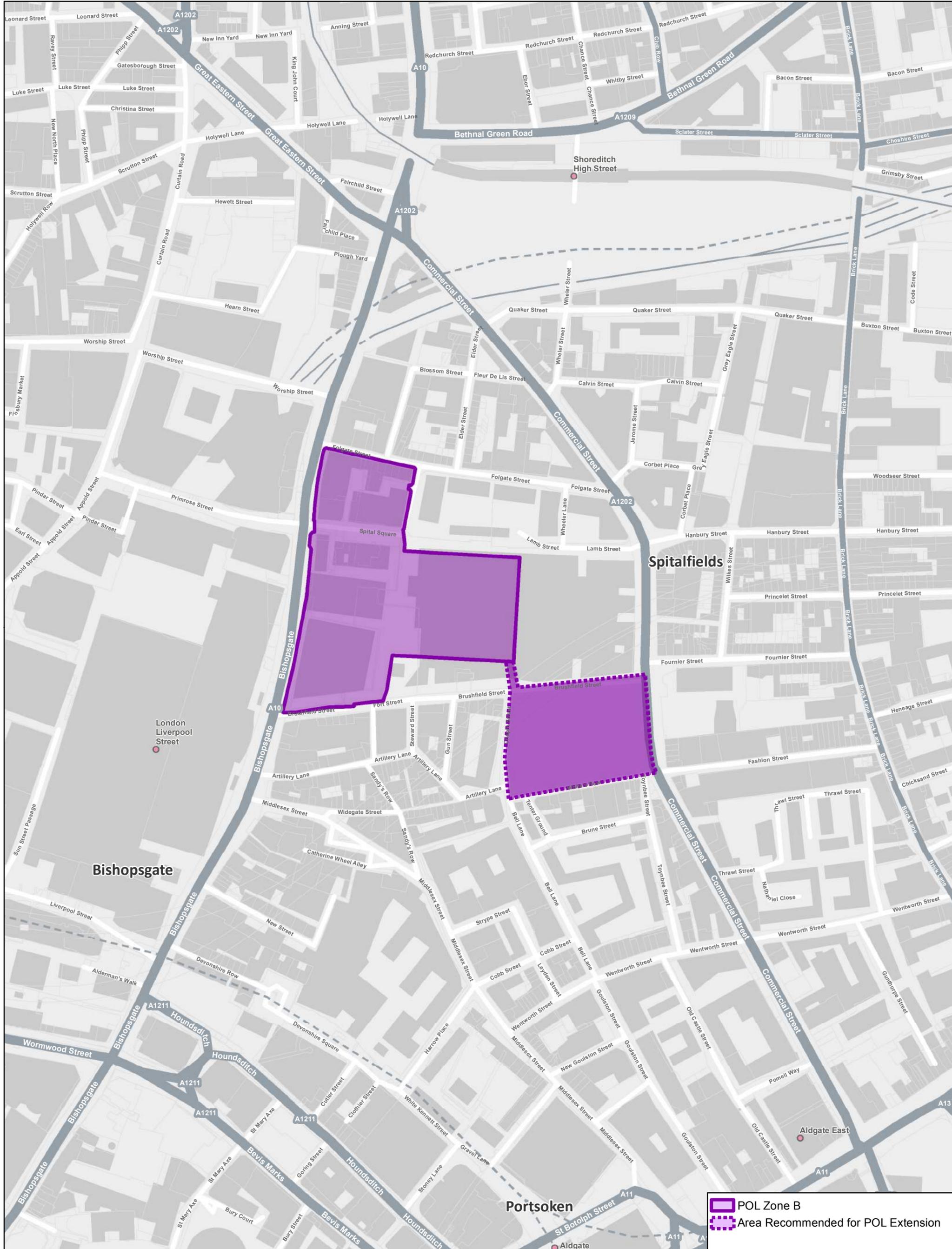
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Tower Hamlets ELR
Map 6 - Aldgate POL



POL Zone B
 Area Recommended for POL Extension



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Tower Hamlets ELR
Map 7 - Bishopsgate Road POL