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Commissioned by the
London Legacy Development Corporation

PART II: INTRODUCTION

Overview

The London Legacy Development Corporation has commissioned a team comprising of We Made That, Richard Brown and Tibbalds Planning and Urban Design to undertake this study to better understand potential models to deliver and effectively manage dual use residential and employment accommodation (commonly referred to as 'live/work'), and its potential role and value within the LLDC area.

The report is divided into two parts: Part I: Research & Case Studies and Part II: Findings. Part I includes analysis of previously undertaken study work on the subject of dual use accommodation, and documents a series of case study examples showcasing the current practice of delivery of such space in the UK and internationally. Part II describes opportunities, observations and recommendations based on the research undertaken in Part I, and explores four potential models for provision within urban areas of London, including the London Legacy Development Corporation area.

This document - Part II: Findings - should therefore be read in conjunction with Part I: Research & Case Studies.

Recommendations

Analysis from the existing literature review and Case Studies has been used to develop a series of overarching recommendations in relation to the provision of work-live accommodation. They have been arranged under the headings used throughout:

- Place: Design & Facilities
- People: Tenants & Tenure
- Protection of Employment
- Affordability

Potential Models for Provision

Based on the recommendations, four potential models for provision of combined residential and workspace accommodation have been developed. These do not represent all possible permutations of work-live provision and may not all be supported

by LLDC, but based on the results of this study, we believe they are suited to a range of tenants and activities that could provide a dynamic mix of localised working in the LLDC area. The models are as follows:

- Incubator Units
- Tethered Spaces
- Clustered Accommodation
- Temporary Use

RECOMMENDATIONS



Creative Lofts, Huddersfield Photo: We Made That

Place: Design & Facilities

Our case study research and review of previous studies both demonstrate that the spatial design of dual use accommodation can contribute to its success, or indeed its failure, in terms of ongoing employment use and overall fitness for purpose.

A Working Character

In a number of developments that we visited, the “industrial character” of the space was quoted as contributing to their success, for at example Westferry Studios. Professional appearance of their spaces is important to tenants, particularly those who wish to invite clients to their property.

Features that support such a character can include: clear business signage and wayfinding, robust access routes including deck access, ‘shell fit outs’ for tenants to take responsibility for finishes and allow customisation, use of robust materials such as concrete, steel and masonry and floor-to-ceiling heights above 2.8m.

Quality of Accommodation

Several case studies reported issues with sound proofing and insulation of their properties, including both purpose built and recently refurbished examples. Privacy is important to both residential and commercial spaces, and inadequately insulated spaces may lead to sound pollution, high utilities bills and even lack of demand.

There is no argument for environmental performance of dual use accommodation to be below that of residential properties. The excellent environmental performance of CO2 Zero demonstrates that exceeding performance targets can offer crucial utilities savings to tenants and also become a selling point for developments.

Visible Activity

Spatial layout of work-live accommodation can assist in supporting opportunities for business-to-business networking and placemaking.

Spaces of interaction should be considered in all dual use accommodation and may include: cafés, business support areas, galleries and deck access particularly where tenants are able to utilise external areas and dedicated yard spaces. Direct access to an external yard for making and deliveries may be a benefit to some tenants. Proposals should consider access arrangements, which should allow for clients and commercial visitors to enter directly into working spaces, and servicing which may require access by heavy goods vehicles. Businesses should be clearly signed at street level to allow visitor way-finding with appropriate security. Our case studies have shown that work-live can be successful with both street level access and in high-rise arrangements.

These spaces of interaction can provide an opportunity for active frontages, as at the Huddersfield Media Centre, where the public can see internal activity from the street, but are also successful when they are more inward-facing, as at Westferry Studios. This balance between general public visibility and visibility amongst tenants and visitors only must be carefully considered in response to the site context and proposed uses or tenants. In both cases it can create ‘social oversight’ in a neighbourhood. The daily activity generated by multiple tenants occupying a property throughout the day should be considered as a placemaking opportunity that can contribute to a vibrant streetscene.

Design & Protection of Employment

In some instances, a clear physical separation between residential accommodation and workspace can be used to prevent ‘residential reversion’ of employment spaces. This is particularly clear in CO2 Zero, Bristol and Veld van Klanken, Hoogvliet. In both instances the proximity of the workspace provides many of the benefits of dual-use accommodation but their physical manifestation means that they are not suited to living in. In the case of Veld van Klanken this is due to the music studios being physically remote and small scale, and in Bristol the lack of direct internal access between

the commercial and residential spaces, combined with the large 'shop windows' on the ground floor is sufficient.

For units which contain both living and working space with a single point of access, mezzanine levels can be a useful method of dividing uses. In this case, access to the premises should lead directly into the workspace to prevent visitors needing to pass through residential areas.

Home-Based Working

LLDC should continue to support home-based working through the implementation of the design standards described in the GLA 'London Housing Design Guide'.

People: Tenants & Tenure

Tenants

Work-live accommodation is relevant to a wide range of people, working in a wide range of disciplines. This can include families and social tenants, and well as the more obvious artists, makers and start-up businesses. Equally, dual use accommodation can offer opportunities for people of varied abilities.

Occupier Tenure

We have found no case study examples that robustly protect employment use as part of a privately owned or intermediate housing model with a single access to the property. Homes in private ownership can not guarantee long term employment use by their owner. Examples that do combine residential and workplace accommodation under private ownership operate at the discretion of their owners, e.g. Victory Works.

A rented tenure can therefore contribute to retention of employment uses, as part of a landlord management programme. The potential for tenants not using the property in the intended manner to have their tenancies terminated is one mechanism for protecting employment uses.

Assured Shorthold vs Commercial Lease

We have found a variety of tenure structures including Commercial Leases, Assured Shorthold Residential tenancies, Licenses to Occupy and bespoke agreements. For properties where accommodation is separated, it is common to lease the two individually, often under different leases. This allows flexibility, but may result in separate leasing which does not achieve the objectives of work-live.

On balance, where both uses are occurring within a single unit, a predominantly commercial lease that permits residential use will set the tone of development as employment-focused.

Tenant Selection

The appropriate selection of tenants who will most benefit from work-live provision will help to protect continued employment use by ensuring that incoming tenants are committed to pursuing their enterprise.

The benefits of selecting tenants on the basis of their sector has elicited varied opinions from our case study examples. The Media Centre in Huddersfield suggest that a mix of businesses brings a healthy balance to a mixed work place, whereas the Bow Arts/ Poplar HARCA scheme is only available to artists and relates to Bow Arts' charitable remit. In some developments, such as Creative Lofts, a sectoral focus may be required for a period due to conditions of grant funding.

This study has documented a number of methods of selecting tenants in case studies, they include: by sectoral focus, by level of anticipated benefit of applicant from affordable rates/ business support, by peer review and by compatibility with charitable aims of the provider organisation.

Protection of Employment

Our research has shown that a number of factors contribute to the retention of employment uses in dual use developments. Two important issues of design and tenure have been covered above. However, the greatest influence is arguably the ongoing oversight of a provider or managing body.

Workspace Management

In addition to rented tenure, the ongoing management provided by landlords is critical in protecting employment. Successful examples of ongoing work-live use such as Westferry Studios, Spark Studio and Balfron Tower have contact with their tenants on average once every 6 months, sometimes more frequently.

Typically, such management involves a partnership of groups each of which have expertise in providing residential accommodation and workspace respectively.

Business Support

Ongoing business support is provided in several examples of successful work-live developments. This can provide added value to tenants, and in the case of Westferry Studios encourages and supports businesses to be able to meet stepped rents that end at market value rents.

The potential for business support can also apply to other forms of workspace, such as managed workspace, although these may cater for different audiences. On the basis of this research, the major benefit of supported work-live accommodation is to assist micro and start-up SMEs, for whom affordability is a major factor. On the basis of this, it is suggested that proposals for work-live provision are required to describe comparative benefits and target audiences for work-live against other workspace provision.

Planning Controls

Our research shows that planning controls have limited success in protecting employment uses in

the case of work-live uses. Tenure and management are more effective mechanisms to achieve this. Nonetheless, planning agreements that are consistent with the ambition for the scheme are required. Suggested structures are included in the following pages for the four example models.

Establishing Demand

Any proposals for work-live schemes should be required to demonstrate not only high levels of demand specifically for work-live, but also should be analysed against alternatives, such as affordable or managed workspace. Accurate demand analysis will also support understanding of the viability of schemes, which is necessary to ensure long term protection of employment.

This analysis should be undertaken in relation to specific schemes and sites, as over-arching demand analysis is beyond the scope of this report. Such analysis will allow LLDC to establish both risk and opportunity in relation to proposals, in particular those on employment land, which should generate a net gain in employment.

Affordability

The comparative affordability offered by combining two uses in a single space or unit is a compelling argument to support work-live in London over, for example, high quality mixed use development or managed workspaces. The affordability comparisons included in this report show that case study examples of dual use accommodation typically offer savings of between 20-30% against comparable equivalent separate residential and work spaces rents. These savings are particularly pertinent in dense urban areas or conurbations where property values can be most challenging. Affordable employment space provision is appropriate as part of a mixed development approach.

Initial investigations suggest that partnerships of housing associations and workspace providers are a good mechanism to deliver this, with the workspace provider taking the dominant role in tenant liaison.

The example of Spark Studios shows that affordability can be a strong driver for demand, although commitment to employment use must still be managed.

Bow Arts in particular have reported that lack of affordable housing (note, not necessarily 'Affordable Housing') is a major contributing factor to artists' moving out of London. Combined with over 3,000 artists studios at risk over the next 5 years¹, this provision is potentially a key factor to retaining that creative capital in London. Concerns about affordability are not restricted to those in the artistic community. Consultees for the recent 'Housing for Entrepreneurs' study, from a range of disciplines including tech and fashion, reported that affordability was also a "crucial" issue for them.²

Our research had shown that rental tenures are more suited to work-live accommodation where permanent provision of employment space is a

priority. In many cases that we have documented, affordability is a critical issue for tenants, however private rental models may also be considered as suitable for work-live.

Temporary Use

Large amounts of development due to take place in the area mean that sites suitable for temporary use are likely to be available. Such sites have the potential to be let in the short term for very low rates. The inclusion of work-live as part of such uses could form part of a wider meanwhile strategy for the area.

Taxation and Governance

The Valuation Office Agency have been proven to take a flexible view with regards to classification of spaces for tax purposes. Our view is that provision where employment use forms a permanent part of the accommodation, it should be subject to business rates. This may then be subject to favourable policy - such as Small Business Relief from Business Rates. Such measures can not be considered to be permanent, and depend on the policies of the current Government.

Where one of these models forms part of a larger development there is a risk that it may be the element that is not developed unless there is careful packaging of land parcels. It is not clear whether there are housing associations who would be interested in or who could deliver affordable work-live as the affordable housing associated with a neighbouring residential scheme. If not, then it could be delivered as part of a wider mixed scheme of residential and work-live, with a viability assessment to demonstrate the level of affordable housing that the scheme could support.

Affordable Workspace

LLDC Local Plan Policy B.1: Location and Maintenance of Employment Uses, sets criteria for B Use Classes, including for sites within Employment Clusters and sites on employment land outside the

1. 'Artists' Workspace Study', Great London Authority, We Made That, September 2014.

2. 'Housing For Entrepreneurs: A Market Demand Research Paper', Seven Hills for Peabody Trust, October 2014.

clusters. The Employment Cluster B1.b5, Wick Lane and Crown Close, Fish Island, an Other Industrial Location, is identified as being suitable for some live/work in appropriate locations subject to a series of policy criteria and with an appropriate and gradual transition between nearby uses of residential and industrial.

Policy B.4: Providing Low Cost and Managed Workspace, outlines expectations for the provision of affordable workspace. Proposals for new managed work-live space could potentially contribute to upgrading the overall provision of affordable workspace in an area where it replaces existing informal live/work uses, although an SPD would be helpful to clarify the interpretation of this policy. A sub-area of Hackney Wick is designated for a Neighbourhood Centre where a mix of uses is to be promoted including a range of employment uses and a significant increase in residential. Work-live uses may be appropriate in this location given their potential contribution to placemaking and vitality.

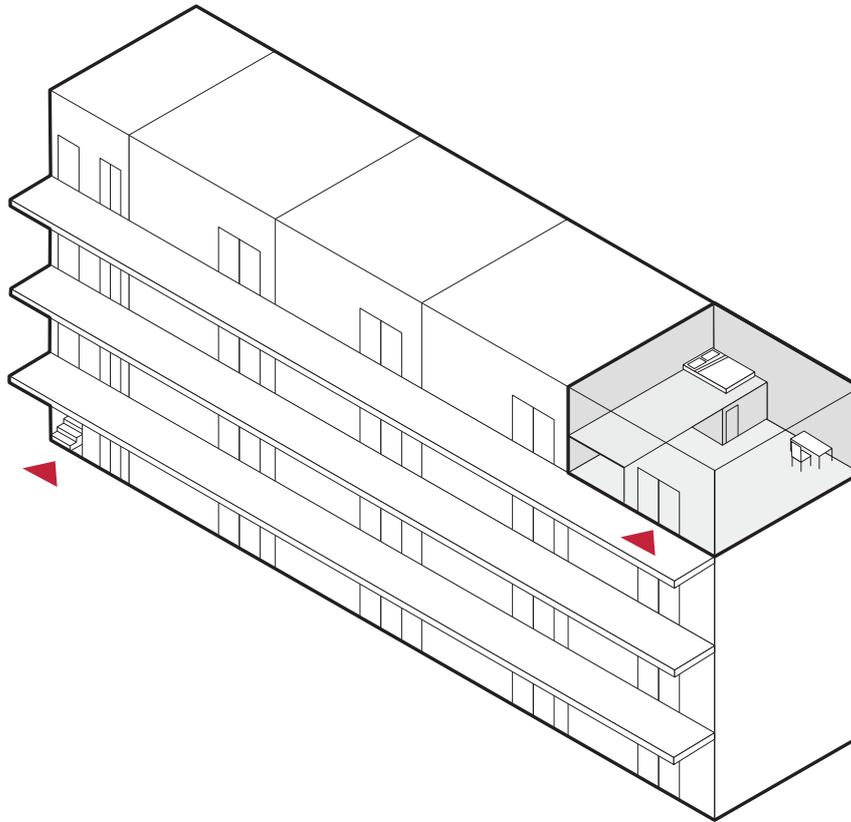
For commercial tenants, flexible tenure, tenant-only break clauses and other favourable terms can be equally as important for affordability as low rent levels and should be encouraged.

POTENTIAL MODELS FOR PROVISION



View from Balfron Tower, Poplar, UK. Photo: We Made That

INCUBATOR UNITS



| | | |
|----------------------------|---|--|
| Scale | 20-30 Units | This model looks to the example of Westferry Studios as a long term successful provision of work-live accommodation, particularly with respect to supporting small scale enterprise. |
| Spatial arrangement | Open Plan/ Living Space separated by Mezzanine | |
| Building type | Purpose Built | Benefits <ul style="list-style-type: none"> — Combined space provision offers genuine affordability for tenants — Significant involvement of business support provider creates incubator role — Shell fit out suited to a range of businesses — Opportunity for businesses to expand to entire unit — Potential to bring daytime economic activity to a development. |
| Occupier tenure | Commercial Lease, allowing residential tenancy | |
| Management | By housing association/ business support provider partnership | Challenges <ul style="list-style-type: none"> — Partnerships beyond housing association/ workspace providers core business required for success — Demand may vary in the long term — Tenant selection key to ongoing employment use — Spatial design is critical to placemaking impact. |
| Taxation | Council Tax and Business Rates assessed according to internal split | |

Place: Design & Facilities

A key aspect of a model such as this is the ability to use a single space in flexible ways in order to combine living and working uses. Individual unit floor areas of between 60 and 80 sqm will allow for an appropriate range of desk based, making and public service uses.

Spatial flexibility is ensured through minimal internal divisions, and a shell fit out allowing tenants to customise their space to suit their needs. Floor-to-ceiling heights adequate to allow installation of mezzanine levels (greater than 4.5m) further increase this flexibility in this respect. There is potential to provide some units with more defined separating walls between living and working spaces, in which case access should lead directly to work or dual use areas. The basic quality of accommodation provided in all cases should include:

- Fast broadband accessibility.
- Good daylighting to all areas, dual aspect units are required for maximum flexibility of spatial division.
- Good environmental performance including high levels of sound and thermal insulation and ventilation. Code for Sustainable Homes Level 4 or BREEAM 'Very Good' rating is required in accordance with the LLDC Local Plan.
- Basic level kitchen and bathroom fit-out with all utilities connections provided.

Shared deck access with associated balcony space is a positive feature that can encourage passive surveillance. Further opportunities for tenant interaction, either through events or the provision of a shared 'hub' space should also be considered.

People: Tenants & Tenure

The true success of Westferry Studios is its ability to support small-scale businesses. For this reason, tenants must be selected on the basis of their suitability. Tenants should be in a position to benefit from the support available in such a scheme without exploiting it i.e. should have genuine need of financial and business support, whilst also being able to demonstrate a viable business plan

and ability to meet rent payments. The desirability of a sector-based focused e.g. digital or creative businesses is at the discretion of the management body. This study has found arguments for both mixed tenants groups and sector-focused ones. In some instances a sectoral focus is associated with grant funding.

These units are suited to small scale and start up businesses for whom working from home is less desirable. This may be due to a requirement for larger spaces for making, taking on employees or due to the fact that customers and clients visit the property.

Due to the smaller scale of units likely to be suited to this model for reasons of affordability, the accommodation is likely to be more suitable for single people and couples.

This model is not suited to leasehold tenure by occupiers due to the strong potential for residential reversion. The preferable tenure for this model is a commercial lease, permitting ancillary residential use. A minimum lease term of three years is recommended due to the required investment in the property by the tenants. Tenants should be responsible for the internal maintenance of their units under the terms of the lease, with the landlord remaining responsible for lighting of common parts, maintenance of common parts, structure and building exterior and refuse collection. Security of Tenure should be excluded to encourage tenants to move on to other premises at the end of their tenure if the business succeeds.

Protection of Employment

The management of this model is absolutely critical to its success, and to protection of ongoing employment uses in the units. The preferred mechanism for management is through a partnership of a business group with a housing association. This allows for an appropriate mix of skills in terms of tenant selection, business plan assessment and ongoing business support, with the necessary resources and structures associated

with property management. This research has not found models run exclusively by either housing associations or workspace providers, but it is possible that a workspace or artists' workspace provider could manage properties with residential uses without the involvement of another partner. Housing associations are unlikely to have the necessary skill-base to assess business plans and provide business support. Due to the fundamentally important role of ongoing management in delivering the business support impact of this model, any developers seeking planning consent to provide such a model must be required to provide a robust management plan to be implemented by a named organisation.

Due to the changing circumstance of businesses in their early years, flexibility is essential and a range of splits between business to residential use should be permitted, with the exclusion of solely residential use.

Affordability

Access to affordable rents is an essential aspect of the business support role that this models provides. Stepped rents that begin at a subsidised level and increase annually to market value are demonstrably supportive of start-up businesses and can encourage careful financial planning. For long term tenants, this will mean that any tenancy beyond the 'stepped' period will be at market value. Tenants should be made aware that VAT will be payable on commercial portion of their rents, which may affect affordability.

Delivery

The use class for this model would be would be Sui Generis - work-live. The relevance of the Planning Portal model conditions (see page 23) would depend on the size of the work-live unit, with (2) relating to the business uses being in use class B1, being relevant but (1) and (3) being size dependent.

A minimum floorspace and zone for workspace should be established for each unit through detailed floor plans and a schedule to be approved as part of

the planning application, via planning application drawings and the description of development/ planning application form, and also tied into the s.106 legal agreement, to protect the work element.

Depending upon the degree of flexibility being allowed, it would be possible to restrict the number of bedrooms per unit, as a means of controlling occupation.

According to current LLDC and Mayoral policy a sui generis work-live proposal would arguably not be liable for an affordable housing contribution. However the proposals themselves would provide a form of affordable housing, only in units that also include workspace.

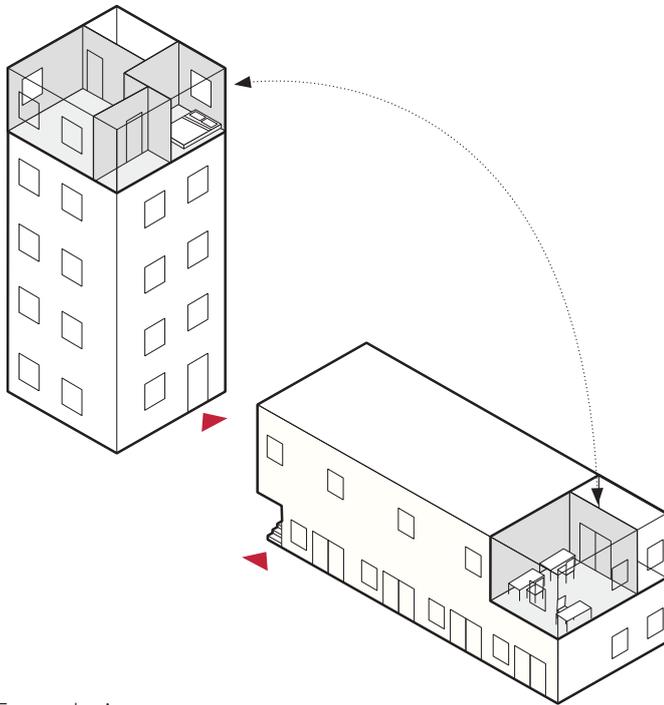
Affordability of the work-live units would be controlled through the s.106 legal agreement, either through requiring approval and implementation of a business and management plan, or directly through setting rental discounts relative to market levels. It would also be advisable to require the approval of a marketing plan, and its implementation, with a requirement to demonstrate unsuccessful marketing over a significant period of time before any change of use could be granted.

This model relies on there being a provider or a partnership that wants to deliver affordable work-live units. However from a planning perspective it is still advisable to set appropriate requirements in planning conditions and s.106 legal agreement, which apply regardless of who may end up developing/ owning/ operating the development.

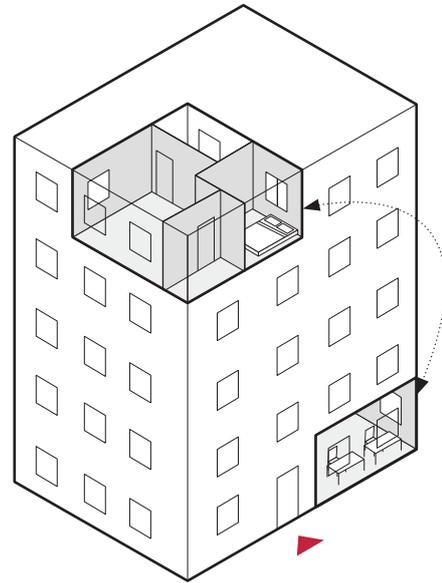
The model of Westferry Studios' delivery is unusual in that the land was granted to Peabody at nil cost. This in turn has left them better able to offer reduced rents to their tenants under the stepped model described above. This demonstrates an important role for the public sector in supporting enterprise.

There are potentially lower costs for fit out compared with conventional residential developments due to the basic level of provision.

TETHERED SPACES



Example A



Example B

| | |
|----------------------------|---|
| Scale | +10 Units |
| Spatial arrangement | Non-adjacent spaces |
| Building type | Purpose Built/ Refurbishment of existing |
| Occupier tenure | Residential tenancy, commercial lease |
| Management | By housing association/ workspace provider |
| Taxation | Council Tax and Business Rates as applicable to each space |

This model seeks to capitalise upon the benefits of work-live in terms of proximity and placemaking potential by encouraging clusters of accommodation and workspace. Following the example of Spark Studios in Salford, the spaces are physically separated and operationally linked through tenancy agreements.

Benefits

- Supporting start-up business
- ‘Cross-pollinating’ occupancy
- Long-term flexibility of tenure
- Protection of employment space
- May be more suited to uses that are incompatible with residential use (noise, fumes etc)
- Psychological separation of live and work space considered a benefit to some
- Neighbourhood benefits of ‘all day’ occupation

Challenges

- Savings on resources are restricted to transport alone
- Lack of demand for ‘tethered’ units may lead to low occupancy or conventional mixed use
- ‘Interaction’ spaces can add to neighbourhood benefit, which may otherwise be minimal.

Place: Design & Facilities

This model allows for a more flexible pairing of living and workspaces. It is therefore suited to a range of spatial configurations, and may be more suited to families and uses with particular space requirements: large making spaces, music studios, light industrial etc.

Flexibility should be seen as a major benefit of this model, although it makes specific design recommendations a challenge. Possible pairings could include a 1 bedroom flat with a 200sqft/ 18.5 sqm office space, a three bedroom flat with a bench in an open access workshop or a studio flat with a desk in a co-working space. The ability to provide a range of commercial spaces as 'grow on' space is a further potential benefit, in which case developers should consider providing spaces suitable to a range of scales of enterprise, from sole traders upwards.

Such an arrangement creates potential for strong relationships between workspaces and the public realm. Privacy and security issues associated with public access to residential spaces are mitigated, although greater public access may not suit all tenants. The physical separation of work and home avoids potential issues of informality associated with home-based working due to overlap of residential uses - a professional appearance is maintained. The psychological separation may also be considered a benefit by some tenants. Whilst still providing many of the benefits in terms of quality of life and decreased travel as a single dual-use unit, the need to move outside from one space to another increases opportunity for neighbourhood interaction and social oversight.

People: Tenants & Tenure

The flexibility of this model makes it suited to a wide range of potential occupiers. It can be considered especially suited to families with older children.

Under this model, landlords benefit from potential 'cross-pollination' of occupancy between differing types of units. First refusal for commercial tenure should be given to residential tenants. Dependant

upon the mix of 'tethered' spaces to single-tenant properties in a development that employs this model, it may be appropriate to develop an approach to tenants who no longer require one or other of the spaces. This could include a requirement to vacate both properties if one is no longer used, as at Spark Studio.

This model is primarily proposed as a rental tenure, with separate, 'tethered' residential tenancy and commercial lease agreements. This makes both taxation and planning status easily managed under existing systems. There is some evidence to suggest that a similar model could be possible with a leasehold ownership tenure and terms of the leasehold agreement linking separated residential and workspace, but it has not been possible to explore models for this as part of the study. Such lease restrictions could create difficulties in securing mortgages and may therefore restrict property values. Community Land Trust models or co-housing models that similarly restrict use of spaces and resale values could also be appropriate to this model.

This model could be equally provided by private landlords, housing associations or Registered Social Landlords. Arguably, social tenants suffer from an under-provision of opportunity for localised working¹, and this model could be one mechanism to address this.

Protection of Employment

Spatial separation is key to the employment protected offered by this model. This is demonstrated in a number of Case Studies, including CO2 Zero, Bristol. The design of workspaces can also help to keep them in a specific use, as in the music studios of Veld van Klanken, which are specialist and therefore only suited to one use.

1. 'Disconnected: Social Housing Tenants and the Home Working Revolution', Tim Dwelly, April 2002.

The vulnerability of this model is not that employment spaces are lost, rather that they are leased separately from any residential accommodation, without a 'tethering' model, and that therefore the benefits of localised working are negated. This model therefore relies upon management commitment to the 'tethered' mechanism of leasing spaces. Under this model, only the dedicated workspaces should be considered as re-provision of employment space, not their associated residential units.

Affordability

An offer of some overall reduction in rent would be required to incentivise tenants to take responsibility for two spaces. The benefit to the landlord would be increasing occupancy in two areas of a scheme with a single tenant, combined with the placemaking impact of supporting a working neighbourhood. A possible model would be for the residential unit to be let at a market rate, with the associated workspace provided at a reduced rate.

Subletting and sharing of the workspace element should be allowed as a possible route to greater affordability for tenants. This model could also be applied to co-working or open-access facilities as part of the workspace provision for greater placemaking impact.

This model is also well suited to market delivery, and in this instance would be subject to affordable housing contributions as relevant to the housing portion of the development.

Delivery

The use classes could be classified as C3 and B1, which would provide use class protection to the workspace. In certain configurations it might be possible for this model to accommodate more manufacturing orientated workspace than in other models, although it is unlikely in planning terms that any other use class would be considered appropriate for workspace in close proximity to living space.

The Planning Portal model conditions would be relevant with (1) relating to the work floorspace being ready for occupation before the living space is occupied, (2) relating to the work uses being in use class B1, and (3) relating to the living floorspace not being occupied by anyone who does not also occupy workspace.

An application to vary Condition (3) above could be made if for some reason it was considered necessary for the live and work to be occupied separately, in which case the development or part of it would revert to mixed use residential and business.

The floorspace and zone(s) for workspace should be established through detailed floor plans and a schedule, together with a minimum floorspace for each work unit to be approved as part of the planning application via planning application drawings and the description of development/ planning application form, and also tied into the s.106 legal agreement, to protect the work element.

A C3 and B1 mix of use would be liable for affordable housing contributions if the live elements are not already provided as affordable housing by a housing association.

Affordability of the work-live units would be controlled through the s.106 legal agreement, either through requiring approval and implementation of a business and management plan, or directly through setting rental discounts relative to market rents for comparable areas of residential and business floorspace and lease requirements to enable business start ups. It would also be advisable to require the approval of a marketing plan, and its implementation, with a requirement to demonstrate unsuccessful marketing over a significant period of time before any change of use could be granted. Alternatively this model could potentially operate on private sector rents and leases, similarly using a requirement for business, management and marketing plans.

There should also be a s.106 legal requirement for

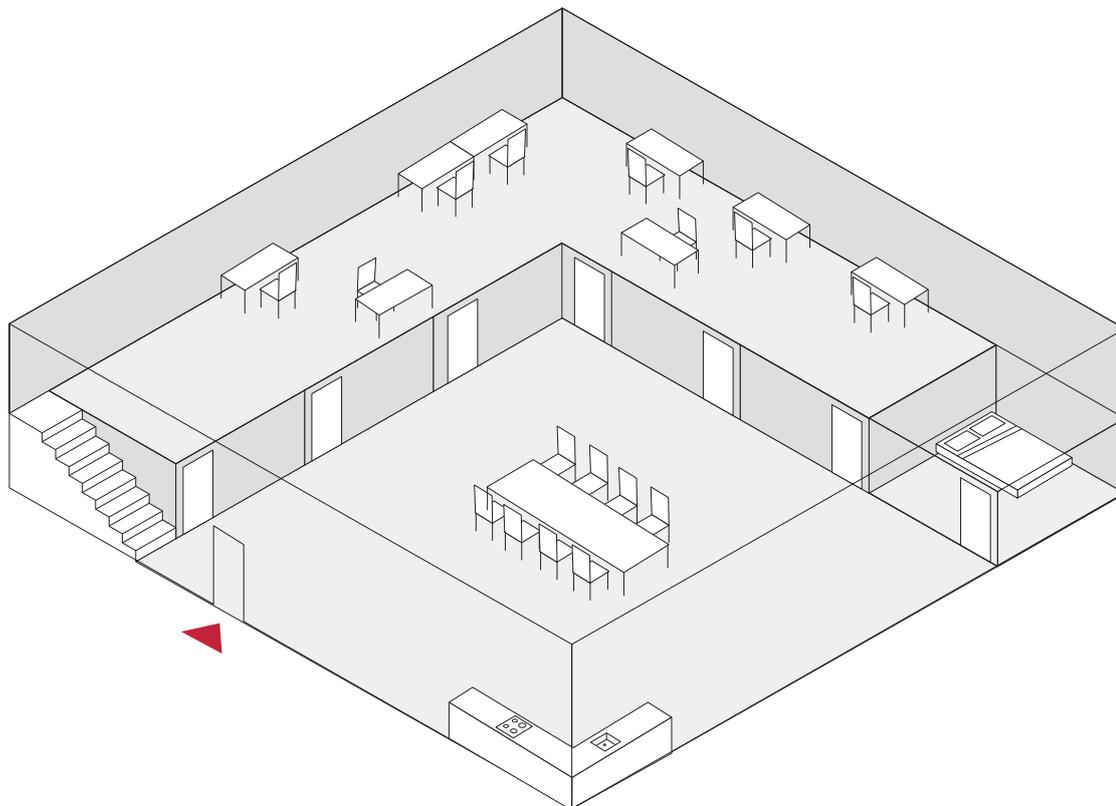
the workspaces to be registered for business rates.

The overall delivery of this model is likely to be more expensive due to separated spaces being required, it does not offer the spatial efficiency of single dual-use units. This is likely to be reflected in the affordability of the scheme for occupiers.

Delivery of this model is likely to be simpler in terms of taxation and planning regulations as it is primarily a management and tenure based model with no lack of clarity about spatial divisions.

In the case where developers are required to provide workspace as part of their schemes this mechanism could help to increase occupancy and placemaking impact. A pilot scheme, supported by LLDC, would be a useful route to establishing the viability of this model in the area.

SHARED ACCOMMODATION/ CLUSTERS



| | | |
|----------------------------|--|--|
| Scale | Up to 6 beds | This model draws from the affordable space provision found in informal work-live accommodation in the Hackney Wick area. By sharing central facilities, the intention is that affordable rents can be offered. There is also potential to create business and social networks amongst tenants. |
| Spatial arrangement | Cells around shared space, potential vertical division | |
| Building type | Purpose Built/ Refurbishment of existing | Benefits <ul style="list-style-type: none"> — ‘House share’ model used as a route to affordability — ‘Creative capital’ of existing area may be retained — Allows access to scale of space that would otherwise be unattainable by individual tenants |
| Occupier tenure | Residential tenancy | |
| Management | Self managed, managed by dedicated provider | |
| Taxation | Council Tax and Business Rates determined by floor area. | Challenges <ul style="list-style-type: none"> — Social dynamics between the group are key to success - incoming tenants may need to be selected by incumbents — Types of uses may need to be restricted — Highly specific tenancy may not be robust in the long term — Likely to require high levels of management if undertaken by external organisation. — Potential for landlord exploitation and occupant conflict due to intensive uses and shared spaces |

Place: Design & Facilities

The intention of this model is to provide multiple occupancy as a route to affordable living and work space. A maximum of 6 bedrooms is proposed for best social cohesion due to shared living facilities. Under this model, individual space is compromised in order to allow large communal spaces. Bedrooms may be as small as 8sqm for a single room and 10sqm for a double or twin room. Shared space provided should be large enough to compensate for this. It is suggested that this is in excess of the space standards set by the Mayor's Housing Design Guide as it will include working space as well as living, kitchen and dining areas.

Such a model could be as well suited to a new build development as the re-use of an existing building, as in HUS 24, Stockholm. Shared working areas have the potential to contribute to placemaking in a neighbourhood where spatial configuration allows clear division between bedrooms and shared areas, such as vertical separation by floor. Spaces such as Stour Space, in its early incarnation, operated in such a way.

This model is envisaged as a hybrid of entrepreneurs' or graduate housing and the existing informal 'live/ work' units in the LLDC area. It is primarily envisaged as a short term tenancy arrangement, and for this reason should be complete to a full internal fit out, possibly furnished in the case of very short tenancies. For longer term residency models, a more 'industrial' level of finish may be appropriate.

People: Tenants & Tenure

As mentioned above, this 'house share' type model is likely to be suited to short term tenants who need to start and trial their businesses with low overheads.

Access to the scheme should be on the basis of a need for the available workspace. However, the collective nature of the living spaces has the implication that the social dynamic between tenants is important to the space's ongoing success. For this reason incoming tenants that satisfy need

requirements should be selected by peer review, ideally with a choice of potential occupiers. The communal living aspect of this model means that it is unlikely to be suited to families.

The model is suited only to rental tenure by occupiers. Tenancies should be 6 months as standard, with the option to extend if the tenant still meets initial requirements for need of space. Tenancies may be commercial, with permitted residential use or residential with permitted commercial use. Tenants should not be granted Security of Tenure if a commercial lease agreement is used.

Suitable landlords for this provision are likely to be workspace providers rather than housing associations as the working areas are critical and tenant selection is required. Such units are likely to require a high level of management due to the collective dynamics, although an amount of self-management in successful groups may be possible.

Protection of Employment

Oversight by a workspace provider or other managing body is required in this model in order to ensure ongoing employment use and to prevent units becoming merely residential hostels. The dynamic between self-managed groups and an overseeing body will require sensitive handling.

The provision of business support has potential to add significant value to tenants and to further support the role of this model as an incubator for enterprise.

Affordability

The primary benefit of this model is to provide low cost space for relatively short time periods. Tenants are likely to be those who would otherwise be seeking flat share. Affordability should be delivered by shared use of facilities between multiple tenants.

Delivery

Whilst this model has the potential to offer many of the benefits of current informal work-live accommodation, and also to address some of its issues, there is a risk that such dense occupation could be exploited. For this reason, this study does not recommend large scale delivery of such a model. The model is felt to be suited to delivery in clusters of between one and five units

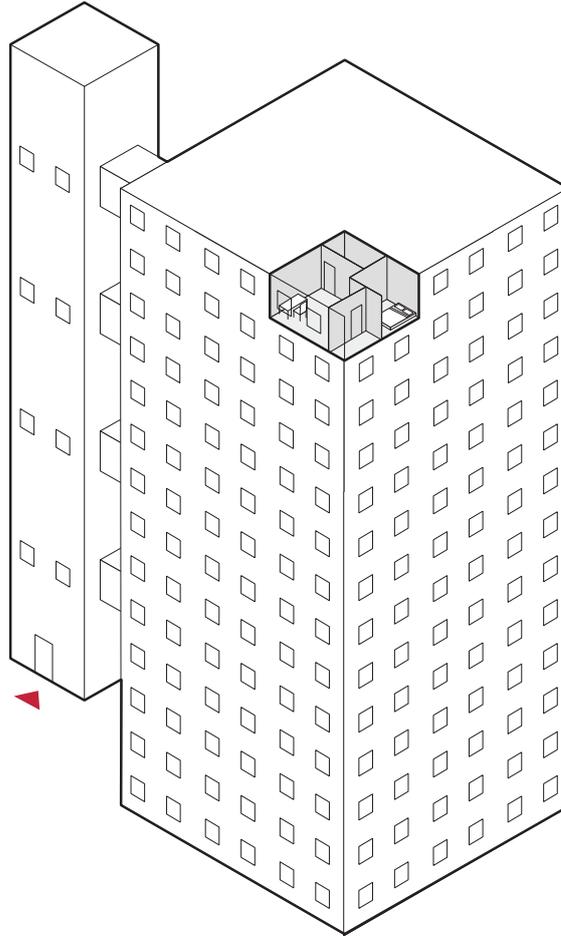
Depending upon the size and arrangement, the use class would be sui generis - house in multiple occupation or sui generis - work live hostel. There is a risk that over time and in practice the hostel use could drift towards a different type of hostel, for instance student hostel and then be reclassified. A robust requirement for a management plan with an identified provider could be used to alleviate this.

Planning Portal model condition (2) relating to the business uses being in use class B1 would be relevant.

According to current LLDC and Mayoral policy a sui generis work live proposal would arguably not be liable for affordable housing. However, if the provider was a housing association then the proposals themselves would provide a form of affordable housing, just in units that encompass work. Affordability of the work-live units would be set by the market.

A sui generis hostel or HMO use would also be required to comply with other statutory and policy requirements, for instance health and safety, fire etc.

TEMPORARY USE



| | |
|----------------------------|--|
| Scale | +10 Units |
| Spatial arrangement | As found |
| Building type | Use of existing residential/ industrial building |
| Occupier tenure | Licence to occupy |
| Management | By workspace provider |
| Taxation | Council Tax |

The partnership between Poplar Harca and Bow Arts is a key example of meanwhile use as a mechanism to offer space at highly affordable rates. Work-live is one potential use of such space, as demonstrated by the Balfron Tower example.

Benefits

- Guardianship provided over vacant property
- Savings for tenants and landlords
- Potential to generate social and creative capital dependant on uses
- Potentially highly affordable

Challenges

- Potential for tenants to use space for living only if selection not carefully managed
- Requirement to provide sufficient quality accommodation may be difficult dependant on building stock
- Potential conflict with pre-existing tenants
- Not a long-term solution by nature

Place: Design & Facilities

The ability to deliver a temporary use work-live scheme relies on suitable stock of existing buildings being available. Such opportunities appear to be limited in the LLDC area, particularly since guidance now allows Registered Social Landlords to place social tenants in properties temporarily.

Nonetheless, developers should be encouraged to consider meanwhile uses for their sites, and work-live should form one of a range of options that are available to them.

The affordability of this model relies on minimal fit out costs to make available units suitable for inhabitation. This may further limit the number of eligible buildings.

People: Tenants & Tenure

We have little evidence to suggest that work-live tenants making use of schemes such as that offered by Bow Arts are assessed as Priority or High Priority Housing Need on local authority housing lists, and therefore social tenants must take priority.

Due to their temporary nature, 'guardianship' type schemes are more suited to young people, rather than families. Tenancy should be offered on a 'License to Occupy' basis, to minimise the potential risk of meanwhile uses impeding development. Such a model may be offered by any affordable workspace or creative workspace provider who enters into an agreement with a building owner.

Protection of Employment

Similarly to other models, protection of employment is secured through careful tenant selection (in the case of Bow Arts a demonstrable commitment to producing work in the property) and ongoing management by workspace provider. This requires a suitably experienced provider to assess potential tenants. Providers should therefore have experience of such responsibilities. Tenants who are found not to be using the space to work from must vacate the property.

Due to the inhabitation of an existing building, the opportunity for spatial division to further protect employment uses if not already present is limited.

Affordability

In the case of the Bow Arts scheme, guardianship is essentially offered at no cost to the building owner. Such temporary uses can therefore offer savings to developers, who may otherwise need to pay high security costs. Rents are therefore required merely to cover the costs of property management and maintenance, and can be very low. In the case of Bow Arts, surplus funds are used to contribute to a central fund, in this case used for arts projects.

Delivery

The use class would remain C3 with the work being ancillary to the residential use. Alternatively, a planning permission could be obtained for a temporary change of use. Whether a use is ancillary is a technical issue, determined by planning case law. It depends upon the physical and functional linkages between it and the main use in the 'planning unit', which would be a dwelling in this case.

Meanwhile uses, particularly in an area subject to widespread development, can reduce opportunities for dereliction and crime. They can also help to sustain a creative and vibrant location in the face of construction and disruption. LLDC should encourage developers to consider and commit to meanwhile uses on their sites pending development in planning applications and at pre-app stage. This is supported in Policy B.3 of the Local Plan: Creating Vitality Through Interim Uses.

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