URS

Final Report

London Borough of Croydon Employment Land Review Update 2013

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ABBREVIATIONS

AMR	Annual Monitoring Report
CAGR	Compound Average Growth Rate
CLPDPP	Croydon Local Plan Detailed Policies and Proposals
CMC	Croydon Metropolitan Centre
COA	Croydon Opportunity Area
DCLG	Department for Communities and Local Government
ELR	Employment Land Review
GLA	Greater London Authority
LB	London Borough
LDD	Local Development Document
LDF	Local Development Framework
LPMA	Local Property Market Area
NPPF	National Planning Policy Framework
OAPF	Opportunity Area Planning Framework
ODPM	Office of the Deputy Prime Minister
PD	Permitted Development
PIL	Preferred Industrial Location
PPG	Planning Policy Guidance
PPS	Planning Policy Statements
PTAL	Public Transport Accessibility Levels
SIC	Standard Industrial Classification
SIL	Strategic Industrial Locations
SME	Small and Medium sized Enterprise
SLFPMA	South London Fringe Property Market Area
SPG	Supplementary Planning Guidance
Sqft	Square Feet
Sqm	Square Metres
UDP	Unitary Development Plan
VAT	Value Added Tax
VOA	Valuation Office Agency

1 INTRODUCTION

1.1 Context

LB Croydon Spatial Planning service is currently preparing the Croydon Local Plan's Detailed Policies and Proposals (CLPDPP), which will replace the remaining saved policies of the existing Unitary Development Plan. The CLPDPP will be delivered in accordance with the National Planning Policy Framework (paragraph 173) and in preparation for consultation on the CLPDPP the Council has commissioned URS Infrastructure and Environment Limited (URS) with Stiles Harold Williams (SHW) to update the Employment Land Review (ELR).

The working draft of the CLPDPP Preferred Alternative Options report contains a number of policies and proposal relating to the employment land – office (B1a), industrial (B1b/c and B2) and warehousing (B8) use classes. To ensure the evidence base remains robust an update on the supply and demand conditions pertaining to employment land in the borough is required, which takes into account changes that have occurred since the 2010 ELR.

1.2 The 2010 Employment Land Review

The 2010 ELR assessed the quantity, quality and viability of employment land throughout the London Borough of Croydon to 2031. We reflect on the headline points of the ELR here to provide context to this update.

The ELR covered office (B1a), industrial (B1b/c and B2) and warehousing (B8) use classes. The survey of employment sites (clusters), analysis and recommendations presented two distinct property markets in the borough, differentiated by use class and geography:

- The Croydon Metropolitan Centre (CMC), a Strategic Office Location recognised in the London Plan, containing the majority of office floorspace with a presence of large employers from the public sector, as well as financial and business services and engineering/construction occupiers. In total 16 employment clusters in the CMC totalling 49.9ha of land were identified and surveyed.

- Outside the CMC, employment land is dispersed throughout the borough. There are industrial areas that contain general industrial, light industrial and warehousing uses, including both Purley Way and Marlpit Lane, which are allocated in the London Plan as Strategic Industrial Locations (SILs), as well as local employment areas and small pockets of unallocated industrial land. In total 21 clusters surveys outside the CMC covering 248.5ha were identified and surveyed.

The survey of clusters found that the Strategic Employment Areas (SILs) and other Employment Areas were considered to be in good condition. Within the

CMC many office clusters displayed characteristics which define good optimal location, PTAL ratings, access to facilities and amenities and that the condition of buildings and public realm were generally considered to be good or very good The survey of the CMC did however highlight the poorer quality of public realm in and around the west and mid Croydon masterplan areas with high proportions of poor quality or outdated stock.

The survey identified 6.4 ha of developable land outside the CMC. The CMC was also found to have significant potential for intensification[1] and redevelopment[2], with a capacity for a maximum net gain of 185,000 sqm of office floorspace through intensification and 76,000sqm of office space through new development associated with five CMC masterplans supported by the council.

Property market analysis was undertaken by specialists Stiles Harold Williams (SHW). Analysis found two geographical property markets: a South London Fringe Property Market Area (SLFPMA) within which the CMC office market competes, typified by good connectivity and with the capacity and size of stock to meet the needs of large occupiers; and a local market predominantly catering for the needs of small and medium enterprises (SMEs) requiring office, industrial and warehousing premises.

The local property market analysis pointed to a supply constrained environment and there are few sites left for expansion of provision with some sites recently being lost to residential development. The demand projections calculated a net demand for office floorspace (B1a) to 2031 of between 30,950 sqm and 99,350 sqm across the borough (low growth and high growth scenarios respectively), the majority coming forward within the CMC. For industrial and warehousing (B2/B8) employment land demand was projected to be broadly in balance with supply, the mid growth scenario projecting a minor loss of 1.8ha over the plan period.

The study concluded with recommendations based around four themes, which informed the drafting of CLPDPP policies:

1. the promotion of new, higher density office floorspace in central locations of the CMC which are highly marketable and developable;
2. the encouragement of B1a office floorspace within district, town and local centres;
3. the protection of industry and warehousing uses for B1b/c, B2 and B8 use to limit the loss of land and floorspace; and

[1] For example clusters with poor quality/ageing stock, developable land/buildings, low plot ratio and/or building height.

[2] As a consequence of the five masterplans proposed for the CMC.

4. monitoring of take up and loss of employment with particular attention to non-B class uses.

1.3 Objectives of this Review

This ELR update focuses on changes since 2010 and provides an updated position on:

- The local and wider policy context (Section 2) taking into account changes to national, regional and local policies and strategies.
- Socio-economic context (Section 3), drawing upon the latest published datasets (e.g. Census 2011).
- Quality and characteristics of CLPDPP Tier 2 Integrated Industrial Locations clusters, namely Gloucester Road, Union Road and Thornton Road (Section 4), only. The Tier 2 clusters were surveyed and appraised against economic, planning and property market criteria, used in the 2010 site survey with additional emphasis on the potential suitability of sites to accommodate other non-employment land functions, including residential.
- The supply of employment land at all other clusters listed surveyed in the 2010 ELR within the CMC and outside the CMC (Section 4).
- Croydon's property market assessment involving an analysis of supply and demand characteristics, set within the wider South London Fringe Property Market Area (SLFPMA) for offices located within the CMC and Local Property Market Area (LPMA) for local businesses operating from office, industrial and warehousing premises and land (Section 5).
- The projection of demand for employment land and floorspace (Section 6).
- Consideration of the potential impact of new permitted development rights, which allows conversion from office to residential uses (Section 7).
- Any suggested amendments to the council's employment land planning policy, reflecting on those recommendations set out in the 2010 ELR (Section 8).
- Mechanisms that could be used to encourage redevelopment/ intensification at the four employment land clusters identified in Recommendation 8 of the 2010 ELR namely Purley Way North, Selsdon Road North and Central, and Vulcan Way (Section 9).

The scope of this brief and approach ensures the employment land evidence base is brought up to date.

2 POLICIES AND LITERATURE REVIEW

2.1 Introduction

This section summarises the key changes to relevant planning policy and strategy, which have occurred since the previous 2010 ELR.

Since 2010 the following relevant documents have been published:

- National:
    - National Planning Policy Framework (2012)
    - Permitted Development Rights (2013)
- Regional and sub-regional
    - London Plan 2011 (GLA, 2011)
    - Supplementary Planning Guidance (SPG) for Land, Industry and Transport (GLA, 2012)
    - Draft Town Centres SPG (GLA, 2013)
    - Mayor's Economic Development Strategy (GLA, 2010)
    - Outer London Commission (2010)
    - South London Waste Plan (2012)
- Local
    - Croydon Local Plan Strategic Policies (LB Croydon, 2013)
    - Croydon Town Centre Opportunity Area Planning Framework (LB Croydon, 2013); and
    - Draft Croydon Economic Development Plan (2013-2018).

The key points of these documents are set out below with further details set out in Appendix A.

2.2 Summary of Key Policy Changes

At national level, the National Planning Policy Framework (NPPF) replaced the Planning Policy Statements and Planning Policy Guidance from March 27 2012, with the aim to make the planning system less complex and to promote sustainable growth. The NPPF recognises that the planning system plays an important role in promoting economic growth and building a strong, competitive economy. The NPPF sets guidelines for the preparation of local plans which includes setting out a clear economic vision and strategy;

identifying strategic sites for investment; supporting existing businesses; and planning positively for the location, promotion and expansion of economic clusters. policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances.

The recent adoption of new permitted development rights, which came into force on 30 May 2013, permits the change of use from B1(a) office to residential (C3) without the need for planning permission. Local authorities were given an opportunity to seek an exemption from office to residential uses for specific geographies. Croydon Council submitted such an exemption for the Croydon Opportunity Area (COA). However, on 9 May 2013, the DCLG announced the 17 areas which would be exempt from office to residential change of use permitted development right, which didn't include Croydon.

Key regional policy on employment land-use is contained in the London Plan (Major of London, 2011) and the Land for Industry and Transport SPG (GLA, 2012). The London Plan sets out its vision for the South London sub-region, which centres around: optimising the development of its Opportunity Areas (which includes the CMC); tackling barriers to work and social exclusion; managing the release of surplus industrial land and; planning effectively for transport improvements. Croydon is identified in the London Plan as one of the capital's strategic centres outside central London with the potential for 7,500 new jobs and 10,000 homes. The London Plan's objectives are to re-brand the offer of Croydon to meet modern commercial needs, realising its competitive advantages and good public transport accessibility. This will entail consolidating Croydon's strengths as a strategic office location through mixed-use re-development and enhancements to the business environment. Given the supply constrained environment, the London Plan identifies the borough where limited loss of industrial land is advised (a 'Restricted Transfer' borough, considered to 'typically have low levels of industrial land relative to demand'). The Land for Industry and Transport SPG provides guidance on the release of industrial land for the period 2011-2031, which for Croydon is -9ha or -0.5ha pa. The net additional indicative land requirement for waste apportioned to 2031 set by the SPG for Croydon is 5.8ha. The South London Waste Plan, which forms part of the Local Development Frameworks for Croydon, sets out the partner boroughs of Croydon, Kingston, Merton and Sutton long-term vision, spatial strategy and policies for the sustainable management of waste over the next 10 years. It aims to identify enough land within the partner boroughs to enable the development of sufficient new waste management facilities to manage the London Plan apportionment figure within the plan's area.

At a local policy level, Croydon's Local Plan Strategic Policies (2013) sets out the Borough's strategic objectives in terms of employment up to 2031, and identifies a set of measures to protect employment land and boost economic growth in the Borough. The Council aims to encourage innovation and investment into the borough to support enterprise and increased employment, and has adopted a '4-Tier' approach to the retention and redevelopment of land and premises relating to industrial/employment activity and covers 'Strategic and Separated Industrial Locations', 'Integrated Industrial Locations', 'Town Centre Industrial Locations' and 'Scattered Employment Sites'.

Building on the London Plan designation of the CMC as an Opportunity Area, the adopted Croydon Town Centre OAPF provides more details on the objectives for the Opportunity Area, namely: to encourage the location of new office/commercial space around New Town and East Croydon, including refurbishment of commercial space; to plan for and enable the delivery of new and improved streets and amenity spaces; to promote high quality architecture and built form; and to ensure enhanced transport and parking capacity.

3 SOCIO-ECONOMIC CONTEXT

3.1 Introduction

This section provides an update to Croydon's socio-economic characteristics since 2010 in terms of:

- Population
- Labour market structure
- Company size and registration; and
- Industrial structure.

The analysis informs an understanding of some of the opportunities and constraints in the borough, which could impact upon the demand and supply for employment land. Data for LB Croydon is benchmarked against regional and national levels for comparison.

The most up to date relevant data sources have been used, including Office for National Statistics (ONS) data and Greater London Authority (GLA) data.

3.2 Population

Demand for employment sites and premises, as well as housing, retail, community facilities, will be driven in part by population change. The 2010 ELR noted that between 1991 and 2008 Croydon's population increased by 8.2%. Between 2008 and 2011 Croydon's population continued to grow and increased by 6.9% to 364,800. Croydon's population growth is in line with the growth rates across Greater London but much higher than that of Great Britain (3%)[3]. Forecasts by the GLA show that Croydon's population is projected to increase by 17.5% to 428,700 between 2011 and 2031[4].

3.3 Labour Market Structure

Business investment decisions are informed by labour force characteristics and availability. Below we consider the labour market by profiling the broad occupational breakdown and qualifications of residents and workplace earnings.

[3] ONS (2013), Mid year population estimates 2011

[4] GLA (2012) Population Projections 2012

Occupational Structure

In terms of occupational structure, statistics indicate that approximately 45.6% of the working population in Croydon, are employed in managerial, professional and associate professional occupations, which is lower than the rest of London (54.7%)[5], and which could imply a comparatively lower level of skills or qualifications across the working age resident population. The occupational breakdown is presented in **Table 3.1** below. The updated data display results similar to that of the 2010 ELR.

In 2012, 240,900 people in the LB Croydon of the population were of working age which is a significant increase on the estimate recorded in the 2010 (218,600)[6]. In LB Croydon the proportion of the population of working age is lower than that of London (66.0% and 69.0% respectively); however, economically activity rates in Croydon are higher than London (80.7% compared to 75.8%)[7]. These figures are in line with the findings of the 2010 report.

Qualifications

The qualifications of Croydon's residents are shown in **Table 3.2** below. 40.1% of residents hold a degree or higher degree (NVQ4), which is low compared to the London average of 47.6% but represents an increase from 33.7% of residents with a degree or higher degree in the 2010 ELR. These findings reinforce the belief that lower qualifications reflect a lower level of occupational structure.

Earnings

Average gross weekly earnings for LB Croydon residents is estimated at £580, which is lower than the London average of £613.30. Residents of LB Croydon earn slightly more than those people who work in LB Croydon (by approximately £8 per week). This earnings differential, which was noted in the 2010 ELR, implies that workplace jobs in Croydon's economy offer lower earnings compared with other locations across Greater London, and as such there is a greater tendency for residents to commute out of the borough to access better paid jobs. Compared with the 2010 ELR socio-economic analysis there is an indication too that workplace earnings in Croydon, though rising are increasing at a marginally slower rate than the Greater London average[8] (see **Table 3.3**).

[5] ONS (2013), Annual Population Survey 2012

[6] The working-age population refers to people aged 16 to 64.

[7] ONS (2013), Annual Population Survey 2012

[8] ONS (2013), Annual Survey of Hours and earnings 2012

Table 3.1: Employment by Occupation

	LB Croydon (number)	LB Croydon (%)	London (%)	GB (%)
Managers and senior officials	17,000	10.2	11.5	10.1
Professional occupations	32,000	19.1	24.8	19.4
Assc. professional & technical	27,200	16.3	18.0	14.2
Administrative & secretarial	25,300	15.1	10.9	10.9
Skilled trades occupations	13,000	7.8	7.2	10.5
Personal service occupations	15,300	9.1	7.1	9.0
Sales and customer service	10,600	6.4	6.4	8.2
Process plant & machine op	8,300	4.9	4.2	6.3
Elementary occupations	17,800	10.6	9.1	10.8

Source: ONS Annual Population Survey, 2012

Table 3.2: Qualifications

	LB Croydon (numbers)	LB Croydon (%)	London (%)	GB (%)
NVQ4 and above	90,600	40.1	47.6	34.4
NVQ3 and above	134,300	59.5	63.2	55.1
NVQ2 and above	169,800	75.2	75.1	71.8
NVQ1 and above	197,000	87.2	83.6	84.0
Other qualifications	15,300	6.8	8.0	6.3
No qualifications	13,500	6.0	8.4	9.7

Source: ONS Annual Population Survey 2011

Table 3.3: Average Gross Weekly Earnings

	Residents (£/week)	Workplace (£/week)
LB Croydon	580.10	572.50
London	613.30	652.80
Great Britain	508.00	507.60

Source: Annual Survey of Hours and Earnings, 2012

Unemployment

The 2012 annual population survey shows that the unemployment rate in LB Croydon was 10.3% (19,200), which is higher than that of London (9.0%)[9]. Unemployment has increased since 2010 as the economic downturn across the UK and more widely across Europe has continued. Economic growth is forecast to improve however, over the medium to longer term (five years plus).

3.4 Company Size and Registration

This section sets out the industrial structure and number of businesses active in the borough.

Business Size

There are 11,995 registered SMEs (under 250 employees) in the borough, making up 99.6% of all registered businesses by number. This is similar to the Greater London's economy which comprises 99.5% of SMEs. Within the definition of SMEs, small businesses (less than 10 employees) are the largest in number. A number of these businesses will be in early stages of growth and have the greatest potential to grow and generate employment opportunities.

At the other end of the size band range, are 50 businesses registered in Croydon which employ more than 250 employees. By number they represent less than 1% of all businesses[10]. However these businesses provide a much large proportion of employment opportunities, and strengthen the perception of Croydon as a place for business activity. See **Table 3.4** below.

Table 3.4: Business Units by Employment Size Band

Employment Size Band	LB Croydon		London	
	Number	% of total	Number	% of total
0-9	10, 285	85.7	333,985	84.8
10-49	1,305	10.9	46,995	11.9
50-249	355	3.0	11,115	2.8
250+	50	0.4	1,960	0.5
Total	11,995	-	394,055	-

Source: ONS, UK Business: Activity, Size and Location 2011 (latest published data)

[9] ONS (2013), Annual Population Survey 2012

[10] ONS (2011) UK Business: Activity, Size and Location 2011

3.5 Industrial Structure

Overall Employment

Latest data shows that there are approximately 113,700 people employed in LB Croydon. This employment figure is significantly lower than the 130,770 employment recorded in the 2010 ELR which drew on ONS ABI data and represents a 13% fall in workplace employment between 2008 and 2011 (latest ONS data). Comparatively workplace employment grew by 0.8% in London[11]. The significant fall in employment could in part be explained by the loss of jobs in Croydon due to economic restructuring and rationalisation during the economic downturn of both the private and public sector.[12]

Whilst employment has contracted (-13.0%) during the years 2008 to 2011, population has grown (6.9%). Over the longer term too (2001 to 2011) population growth has outgrown employment growth. There is a relationship between population growth, number of economically active adults and job creation, and overtime this population growth will drive employment growth upwards.

Public Administration, Education and Health Services

The most significant sector in terms of level of employment in the borough is the Public Administration, Education and Health Services sector, which represents 33.0% of the employment in the Borough, compared to 30.0% in 2008. Employment in the sector is greater than the average for London of 23.0%, and the UK of 27.2%. However, the sector has seen its employment fall by 4.4% between 2008 and 2011.

Banking and Financial Services

LB Croydon is home to major financial service companies with back and mid offices functions. By employment, the Banking and Finance sector is the second largest sector for the borough, representing almost one quarter (23.3%) of the total employment in the borough. This is higher than the average for England of 21.4% but lower than the London average of 33.3%. The sector experienced a fall of 21.6% in employment between 2008 and 2011, whereas employment rose by 4.0% in London over the same period. The sector has contracted as banks have cut jobs to reduce their costs and improve their capital base.[13] Banks have sought to retain many of their front office functions, which are considered customer critical and important for

[11] ONS (2013). Business Register and Employment Survey

[12] Employment has fallen across all industrial sectors however, which implies that a proportion of this change could be due to discontinuities between the ONS ABI and BRES datasets.

[13] For instance the big four UK banks - Royal Bank of Scotland, Lloyds Banking Group, Barclays and HSBC - have cut their global headcount by almost one quarter to 606,000 compared with their peak of 795,000 in 2008 (Guardian; 28th May 2013)

revenue generation, but cut back on back office functions which tend to be more structured, automated and process intensive.

Manufacturing

Reflecting wider trends, employment in manufacturing declined by 21.0% between 2008 and 2011 from 3,549 to 2,803[14].

Table 3.5: Employment in LB Croydon by Broad Industrial Groups

Industry	2008	% of total	2011	% of total	Change (Actual)	Change (%)
Agriculture and fishing	<20	>0.1%	<40	>0.1%	20	>100%
Mining, quarrying and utilities	810	0.6%	720	0.6%	-90	-10.5%
Manufacturing	3,550	2.7%	2,800	2.5%	-750	-21.0%
Construction	6,830	5.2%	4,740	4.2%	-2,090	-30.6%
Distribution, hotels and restaurants	28,860	22.1%	26,130	23.0%	-2,730	-9.4%
Transport and communication	11,390	8.7%	9,480	8.3%	-1,910	-16.8%
Banking, finance and insurance	33,760	25.8%	26,460	23.3%	-7,300	-21.6%
Public administration, education and health	39,270	30.0%	37,540	33.0%	-1,720	-4.4%
Arts, entertainment, recreation & services	6,300	4.8%	5,810	5.1%	-490	-7.8%
Total	130,770	100%	113,730	100%	-17,050	-13.0%

Source: ONS ABI data; ONS Business Register and Employment Survey.
Figures do not include self-employed individuals.
Figures may not sum due to rounding.

3.6 Summary

The main points to note from the analysis are:

- The increase in LB Croydon's population to 364,800, at a growth rate similar to that of London.
- The labour force structure in terms of occupational groups, qualifications and earnings have not changed significantly since the 2010 ELR, with data indicating that Croydon has a relatively less qualified and of a lower earning economy than London on average. The

[14] ONS, Business Register and Employment Survey

effects of the economic downturn has resulted in a higher unemployment rate than that of 2010.

- The economic downturn within the UK and more widely across the Eurozone has depressed economic growth over the past few years. Croydon has seen a 13% fall in workplace employment between 2008 and 2011, whereas workplace employment grew by 0.8% in London. Public Administration, Education and Health Services, and the Banking and Finance sector are still the two largest sectors in the borough. Both sectors have experienced reductions in employment between 2008 and 2011 (4.4% and 21.6% respectively), the former primarily as a consequence of central government austerity measures, and the latter as a consequence of operational restructuring driven by cost-savings.

- Manufacturing has declined by 21.0% over the same period, reflecting long-term de-industrialisation trends in the UK.

- Over the short to medium term there are signs that the economic recovery is strengthening. Recent evidence records the UK's services sector and UK's manufacturing sector are showing its strongest growth in two years in June. However the concern is that growth is still being driven by spending by households, rather than investment by companies or net exports, which does not provide a solid basis for longer term, sustainable economic recovery.[15]

[15] The Markit/CIPS Services Purchasing Managers' Index (PMI) for the UK rose to 56.9 in June, from 54.9 in May. A figure above 50 indicates growth (Markit Economics Limited; 3rd July 2013)

4 CHANGES TO EMPLOYMENT LAND SUPPLY

4.1 Introduction

This section updates sections 5 and 6 of the 2010 ELR and sets out the quality and characteristics of local office, industrial/warehousing land outside the CMC and CMC clusters.

The quality and characteristics of clusters were checked through a combination of site survey (for Tier 2 clusters only) and discussions with officers of the council's Spatial Planning Team.

4.2 Quality and Characteristics of Clusters Outside the CMC

The 2010 ELR surveyed all clusters outside the CMC and their suitability for office (B1a) and industrial/ warehousing (B1b/c and B2; and B8) land-uses. In total 21 clusters were reviewed and estimated to measure 248.5ha.

User demands and site-specific characteristics differ between office and industrial/warehousing uses. B1 land users typically require better access to public transport than industrial (B2/B8) land users who require better access to A-roads. The 2010 ELR assessed clusters outside the CMC against the factors including access to public transport; access to facilities and amenities; quality of buildings and environment; provision of parking, loading and servicing; physical or policy constraints; existence of non-B use classes such as sui-generis; and developable land (for a full list of assessment criteria see Appendix A of the 2010 ELR).[16]

The scope of this update involved re-survey of Tier 2 clusters (Gloucester Road, Thornton Road and Union Road), as defined in the Croydon CLPDPP Strategic Policies, only. We report upon these three Tier 2 clusters first before summarising the updated supply position across all 21 clusters.

Tier 2 Clusters

In total the three Tier 2 clusters provide 16.5 hectares of employment land and include a range of different uses. The boundaries of these three clusters remain unchanged from the 2010.

Thornton Road (Cluster C1, 4.7ha)

Thornton Road contains a mix of B1 and B2/B8 uses incorporating the Peall Road Industrial Estate and the Croydon House Business Centre, as well as significant amount of non-B class uses including large retail units, trade counter and a self-storage unit. These non-B uses are estimated to comprise

[16] In order to 'developable' a vacant land site has to be large enough to be built on for employment premises. This might include open land not landscaped, underused car parks, under-used yards and under-used land behind buildings. Premises that are vacant, but fit for occupation/ actively marketed are not considered as being vacant developable land.

over half the cluster's area. These uses remain unchanged since the 2010 survey.

Most buildings are approximately 20 years old but quality of the buildings is average to very good. There is however little visual amenity or landscaping. The area has good strategic road access, being located on the A23, and a good internal access with dedicated parking and unloading facilities. The PTAL rating of the area is low however and there are poor access to facilities and amenities. There are no particular topographical, ecological or policy site constraints and no conflicts between use classes and the surrounding area.

The survey identified a warehouse at the north-west of the cluster, which has become derelict since 2010, the plot of which measures 0.3 hectares. One large vacant retail unit of approximately 2,040 sqm (22,000 sqft) remains vacant (available immediately), though it is understood that there is interest in the unit by a high street retailer. Croydon House Business Centre has a limited number of vacant units, which are being marketed.

Union Road (Cluster 4, 3.3.ha)

Union Road is a fragmented employment area, which contains a large number of established non-B use class uses such as retail SMEs and community uses, set within a predominately residential area. There is little B1 or B2/B8 activity remaining, at the exception of car repairs and storage. Union House previously offering B1 floorspace is currently being used as self storage.

A number of buildings were considered to be in a poor condition and the cluster has poor strategic road access.

The 2010 ELR observed that there had been redevelopment for residential/mixed uses in the past ten years. Since the 2010 survey Metropolitan Police have undertaken a full redevelopment of their facility which has enabled part of their site fronting Union Rd to come forward as a housing site in line with the Tier 2 designation. There remains limited potential for intensification (off Windmill Road opposite the junction of Queen's Road) though given the scale and fragmentation of the cluster, it is anticipated that this cluster would be difficult to intensify. Most premises are also well-used currently.

Gloucester Road (West) (Cluster 5a, 5.3ha)

The west side of the Gloucester Road cluster is a well established location for general industrial SMEs. It is a fragmented industrial area which includes a number of B2 uses such as car repairs workshops as well as residential, community and retail uses. Buildings are of older stock though the majority are considered fit for purpose (supporting this claim was the limited vacancy observed). The occupiers are mainly B2 orientated with some B1c.

Though different land uses (residential/industrial) are in proximity, uses seem to have co-existed successfully for sometime.[17] Servicing facilities are adequate within the cluster but little parking facilities and poor strategic access to roads.

One site has become derelict since the 2010 ELR (measuring 0.3ha) which means that there are two developable sites totalling 0.7ha. There are limited prospects for intensification of employment land/floorspace provision (potentially through the consolidation of small sites).

Gloucester Road (East) (Cluster 5b, 3.2)

This is a well used and coherent industrial area of better quality (majority considered to be good quality) than the western side of Gloucester Road West with premises being in fit for purpose. Ooccupiers are typically small and medium sized.

The site is somewhat constrained by rail tracks which runs along the eastern boundary. The servicing of business is adequate, though there are too little parking facilities and poor strategic road access. Overall, the environment and public realm is of good quality.

Marketed vacancies include one unit part of Roman Road Estate and one vacant unit as part of Tait Road Industrial Estate. A small site to south of self-storage building is of poor quality and could be intensified.

These observations were in line with those of the 2010 ELR.

Other Clusters Outside the CMC

The suitability of all other clusters outside the CMC, in relation to the above assessment criteria, was discussed with council officers from the spatial planning team. Discussions found that since 2010 that:

- The amount of developable land has fallen to 1.9ha, with two sites being brought back into use for businesses involved in distribution activity (B8 use class activity):
    - Cluster 2a, Purley Way North (East of Purley Way): There remains 0.4ha of developable land.
    - Cluster 3b, Purley Way South (Queensway/ Kingsway/ Princes Way): 0.5ha of developable land identified in the 2010 ELR is now in use by a freight company (a B8 use class). Developable land at this cluster is therefore 1.5ha.

[17] Gert Urhahn's book 'Industry in the City' (2006) provides evidence of how environmental legislation has transformed the nature of industrial activity such that uses that were once typically considered as incompatible (such as waste transfer sites and housing) can now co-exist on the same site.

- Cluster 3a, Purley Way South (Imperial Way/Lysander Road): 0.5ha has permission for B2 use class (end of Pegasus Rd). Developable land at this cluster is therefore 0ha.
- Cluster 7, Vulcan Way: The large developable site identified in 2010 (1.3ha) is in use as a car pound. Developable land at this cluster is therefore 0ha. This change represents and erosion of employment land by a non-B use class activity (car pound being classified as a sui generis use class).
- Cluster 8b, Marlpit Lane (East of A23): Permission has recently been granted for a Waitrose Distribution Centre (a B8 use class). Developable land identified at this cluster is therefore 0ha.
- Other developable land which falls outside the CMC and which are not Tier 2 sites measure 1.0ha in total. No other developable land in addition to that listed above has been identified.

- There continues to be demand from retailers for B8 space as evidenced by the recent letting to Amazon of 7,000 sqm at Access 23 Queensway on Purley Way and redevelopment of sites at Cluster 3b and Cluster 8b, which reflects the continued demand for B8 uses in accessible locations.
- Vacant land is estimated at 3.5ha. This figure has been derived from the GLA 2010 London Industrial Baseline data, and 2013 survey of Tier 2 sites, consultation with LB Croydon council and SHW.
- The provision of premises for SMEs is soon to improve with the redevelopment of the New South Quarter site which included provision of 42 start-up units for Croydon Business Venture, to open in September 2013.
- There have been no discernible change in other key characteristics of clusters outside the CMC, such as vacancy rates, public realm and building condition, servicing arrangements, or accessibility.

4.3 Quality and Characteristics of Clusters Within the CMC

Discussions with council officers were held to establish how the quality and characteristics of employment land clusters within the CMC had changed since 2010, and involved recording change to: access to public transport; access to facilities and amenities; poor quality environment and building quality; physical or policy constraints; and potential for site redevelopment including complexity of site ownership, intensity of existing use[18], and quantity of developable land.

[18] Based on factors such as spatial utilisation of site, plot ratio or building height in relation to surrounding land use/building heights.

In total 16 clusters were identified in the 2010 ELR, measuring a total of 49.9ha land. The boundaries of these clusters remain unchanged.

Discussions with council officers found that:

- Vacant land remains the same at the following clusters:
  - CMC 2a, East Croydon Masterplan (East of station tracks): No 1 Croydon (the former NLA Tower), the Post Office and the Porter and Sorter PH are occupied. All other buildings are either demolished or vacant.
  - CMC 2b, East Croydon Masterplan (Station and West of station tracks).
  - CMC 3b, Mid Croydon Masterplan (Katherine Street to Park Street): The majority of the ground floor shop units are temporarily occupied, but the majority of the office buildings above remain vacant (Park House is operational but the other buildings require significant investment or redevelopment. SEGAS House is a listed building and will need to be retained.
  - CMC 4a, Fair Field Masterplan (North of College Road).
- There is significant redevelopment of employment use class provision underway or planning permission has been granted at:
  - CMC 3c, Mid Croydon Masterplan (South of Katherine Street): Newly completed Bernard Weatherhill House will be occupied by September 2013 and neighbouring Taberner House will be vacated and available for re-use, conversion or redevelopment.
  - CMC 10a, George Street and Landsdowne Rd (Dingwall Road): Renaissance - new BREEAM Excellent office development by Abstract Securities comprising 9,290 sqm - will be completed in August 2013.
- Non employment uses are also granted at:
  - CMC 3b, Mid Croydon Masterplan (Katherine Street to Park Street): The Nestle building has become vacant following the company's relocation out of the borough. Plans are for this to be converted into residential use. Planning consent has been granted.
  - CMC 7, North of Bedford Park: Phase 1 of Saffron Square is virtually complete.
  - CMC 12a, North End and Lennard Rd End (East of London Road): This site has been acquired by the Council and, as part of

its education estates strategy, work will start shortly on providing a new secondary school.

- CMC 13, Cross Road: Permission was granted in February 2013 to convert the building into flats.
- CMC 11b, Whitgift Centre (North End): Westfield and Hammerson have agreed a joint venture to regenerate the Whitgift Centre. Westfield and Hammerson have also acquired interest in the Centrale Shopping Centre opposite too.
- CMC 16, South of Old Town (a, b, c and d) has led to some vacancy next to 16b, a commitment of retail to 16a and a new cleared site at Reeves Corner (developable). The emerging Old Town Masterplan provides a policy direction and framework for use class provision and redevelopment of these clusters.
- The council have identified a site measuring 0.1ha fronting Park Lane and Edridge Rd, which was not surveyed in the 2010 ELR and which has planning permission for a seven storey residential building, but which has yet to be implemented.

- The Connected Croydon programme is bringing about public realm improvements through the heart of Wellesley Road with new surface-level crossings and greening of central reservations, and walkways. This will have a positive impact on perceptions and sense of place.
- The new bridge at East Croydon Station is in place and is due to open soon and will allow passenger access from this site. This will improve pedestrian accessibility and be a supporting piece of infrastructure for CMC 2b, East Croydon Masterplan (Station and West of station tracks), and other sites located to the west of the station.

5 PROPERTY MARKET ANALYSIS

5.1 Introduction

As per the 2010 ELR, we present our property market assessment in terms of the CMC office market and the local office and industrial/warehousing market, and observe any changes since 2010.

5.2 CMC Office Market

Changes in Office Floorspace

Between 2001 and 2012 there has been a contraction in B1 use class floorspace in Croydon of 16.8%, or around 130,000 sqm. Comparatively there has been little change in the total stock of floorspace across the SLFPMA (-0.4%). However, within the SLFPMA there have been significant variations in the change in stock between boroughs with central locations showing strong growth and outer locations contracting. In LB Southwark, the South Bank is an emerged as a centre for office and floorspace which has grown by 18.8%, 5.1% of which is due to the construction of the 'Shard' at London Bridge. Comparatively LB Sutton and LB Bromley have seen strong contractions in office floorspace stock of -18.5% and 15.2% respectively, as corporate businesses and the public sector rationalise activities.[19]

These trends in supply are observed in the London Office Policy Review (LOPR) (2012) which presents analysis of Outer London boroughs lagging behind Central London in property market performance and in long term decline. Outer London centres such as Croydon are said to lack the critical mass to support more than a locally focussed office market and face an increasing challenge in attracting and retaining corporate office occupiers.

The LOPR identifies a number of key factors for why office employment has declined in Outer London areas since the late-1980s which include:

- the emergence of campus style schemes around the periphery of Central London such as More London, which provide new and more attractive locations and have eroded the property cost differentials between inner and outer London locations;
- advances in technology have eroded the need for physical proximity and back office functions can now be run from lower cost locations at a distance from London; changing work styles;
- falling public sector demand as a consequence of retrenchment and rationalisation; and

[19] VOA Experimental Statistics, 2013.

- outmoded physical environments.[20]

Most recently, the VOA record a loss of 15,000 sqm of office use classes in LB Croydon since 2010. In addition, there have been losses at:

- St Georges House, comprising approximately 14,000 sqm, which Nestle vacated to relocate to Gatwick. Permission has been granted to convert the building to residential uses;
- Menta have purchased the former Bank Of America building in Cherry Orchard Road. The building comprising 8,000 sqm of office floorspace will be demolished and replaced by residential;
- Taberner House, comprising approximately 17,500 sqm of office space; and
- Philip House, comprising 1,150 sqm of office space.

The loss of office to residential within the CMC reflects the higher profit margins achievable on residential but also the imbalance of supply and demand of the office property market relative to residential market; that is the over supply and relatively weak demand of B1, compared to the under supply and high demand for homes across the property market.

However, whilst there may have been losses, there are new developments in office provision coming forward:

- The new Croydon Council HQ, nearing completion and comprising approximately 20,438 sqm. The council are due to vacate Taberner House, their current HQ, in October 2013. Taberner House is due to be redeveloped as part of the Croydon's Council urban regeneration vehicle (URV);
- Renaissance – a new speculative development by Abstract Securities comprising 9,290 sqm. This speculative scheme was progressed on the belief that there was a lack of availability in new grade A office floorspace and confidence in the demand for new space in the CMC; and
- Saffron Square, located in the CMC, comprising 790 sqm of office space.

The comprehensive refurbishment of the building formerly known as Prospect First/Prospect West is also underway and will brings the building up to a grade A floorspace standard. In addition, there are extant permissions for new offices in the CMC as well.

[20] LOPR (GLA, 2012), page 53

Vacancy Rates

Availability as of April 2013, including the unlet space at Renaissance floorspace and Interchange, stands at 158,000 sqm - around 25% of total stock in the CMC.

Increases in vacancy levels have been mainly as a consequence of the economic downturn, with companies closing offices or relocating or rationalising as leases expire.

In addition, the government cut backs have impacted on availability in Croydon particularly the Home Office who have been vacating occupations on expiry of leases including Green Park House (c.7,100 sqm) and St Anne's House (c.4,600 sqm).

Of the 158,000 sqm of available space, 38,800 sqm (24%) is refurbished and 66,000 sqm (42%) is unrefurbished and dated pre-2000. A further 54,000 sqm (34%) is unrefurbished modern space dated post 2000.

Take up in the CMC Office Market since 2010

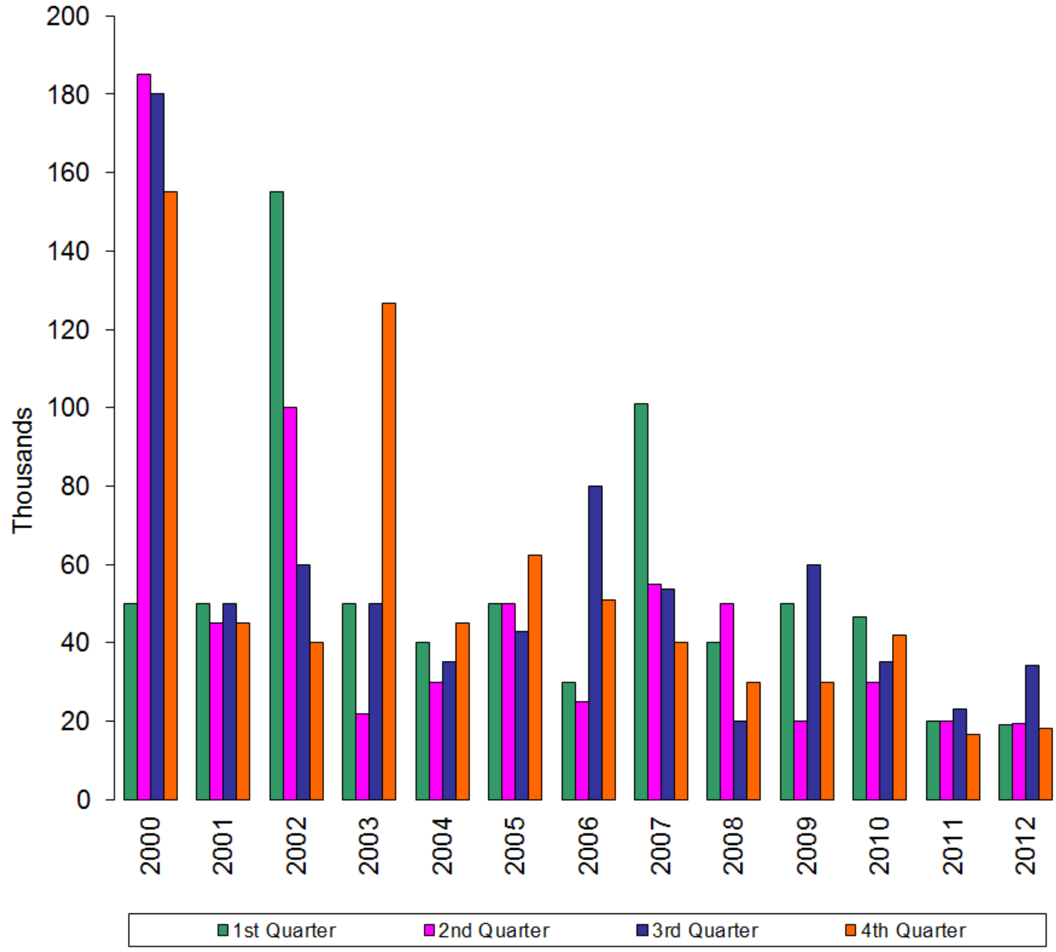
The take up levels have remained relatively low in recent years compared to the average for the last 10 years. Total take up for 2012 was approximately 8,450 sqm. Though this represented an increase on 2011 levels, take up is lower than the historic trend (see **Figure 5.1**).

The levels of take up have been driven by local companies relocating and in some instances new companies moving into the CMC area although this has not happened on a large scale. These trends reflect the state of the wider economy, although there is also the need to provide the right quality of space to improve the chances of larger scale relocations.

We anticipate there will be improved take up in 2013. There has recently been a letting in Sunley House of c.1,860 sqm and at Renaissance there is c.3,720 sqm currently under offer and close to completion, reflecting good demand for well priced new grade A floorspace.

Recent examples of relocation to Croydon include Trinity College, which took up a suite of c.440 sqm in AMP House for their administration functions moving from Vauxhall; and Solium Capital, which took c.420 sqm in Corinthian House at the end of 2012 relocating from Bromley. In terms of the type of stock being taken up the vast majority of space is newly refurbished with very little demand for unrefurbished space.

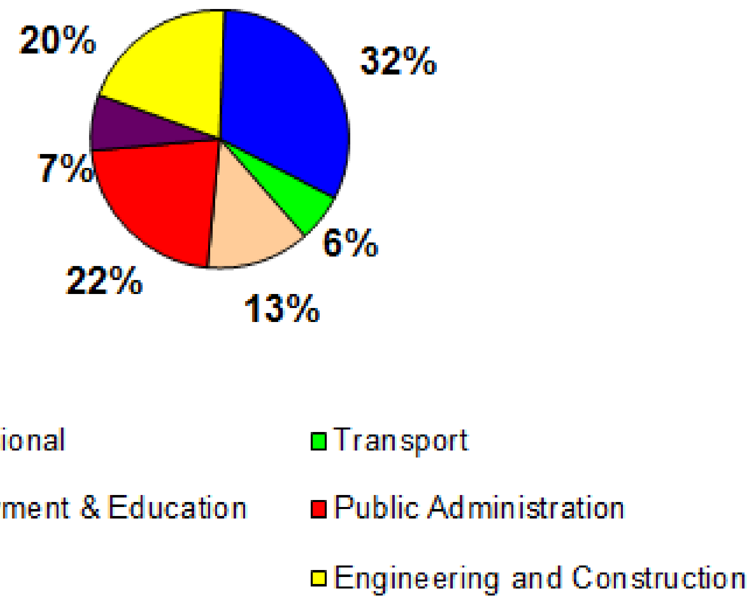
Figure 5.1: Office Take up in Croydon, 2000 to 2012 (sqft)



Source: SHW, 2013

By sector it is finance/professional business services and public administration which has generated the largest demand for floorspace.

Figure 5.2: Floorspace Take Up by Business Sectors since 2006



Source: SHW, 2013

Rental Levels

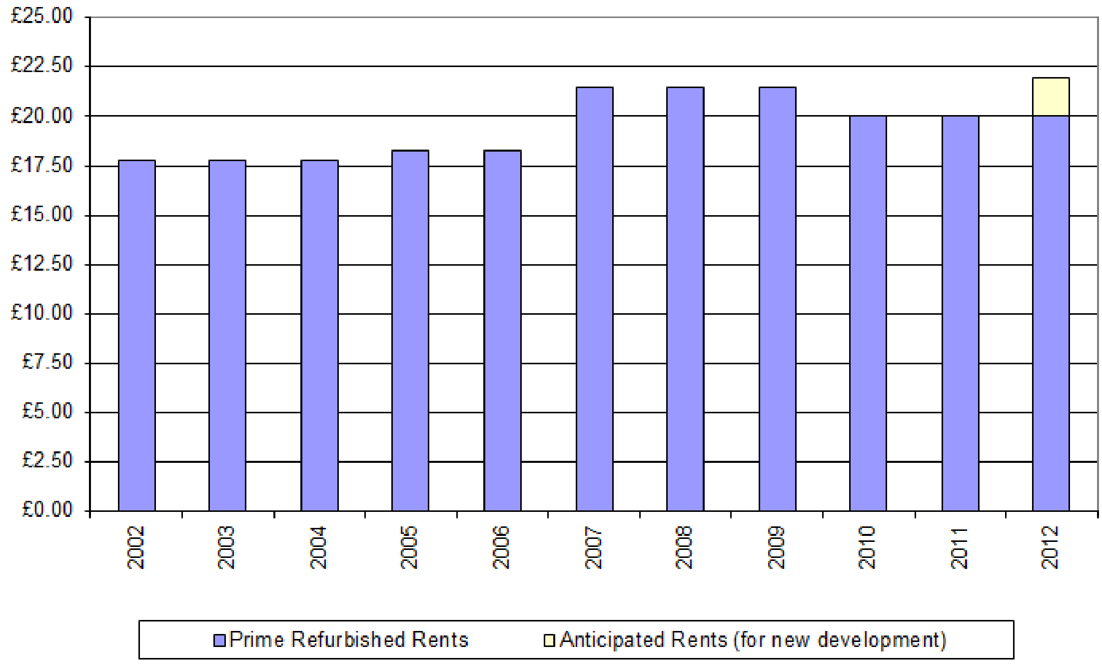
Rental levels vary significantly throughout the CMC area, reflecting market competition for locations and availability of space.

Interchange (Wellesley Road, part of cluster CMC 1a), which is being extensively refurbished by Canmoor/Carval, are asking the highest rental levels in the borough at £242 per sqm (B1a use class). At Renaissance - the new development by Abstract Securities - the quoting rent is £237 per sqm (£22 per sqft) on the basis of a tenant taking a 15 year institutional lease (i.e. an unbroken lease term of 15 years). For a more flexible lease terms, higher rents would be anticipated. It is noteworthy that a speculative development rental value of £237 sqm (£22 per sqft) is much lower level than the indicative figure of the 2010 ELR (circa £300 per sqm/ £28 per sqft), which could indicate that developers are becoming more realistic with what levels of rent are achievable during difficult economic times.

Given the increase in availability some owners have reduced quoting levels to secure tenants, for example the quoting rent at 28 Dingwall Road is £107.50 per sqm (£10 per sqft) and Exchange Court is currently £86 per sqm (£8 per sqft), reflecting the owners desire to let space given the level of competition.

Figure 5.3 illustrates how prime refurbish rents have yet to return to their 2008 high and have been suppressed since 2010. Rental values on new stock however slightly exceed peak rental levels for refurbishment.

Figure 5.3: Rental levels in Croydon, 2002-2012



Source: SHW, 2013

Deals since 2010

Deals since the 2010 study provide an indication of the type of recent demand in the CMC. Deals have included:

- A number of managed suite lettings in AMP House, totalling c.700 sqm;
- The 4th Floor of Corinthian House, Lansdowne Road comprising c.490 sqm was let to Solium Capital who relocated from Bromley;
- The letting of c.670 sqm to First Assist in Norfolk House, Wellesley Road, who relocated part of their operation from Sutton;
- 254 High Street, a newly refurbished self contained building of c.570 sqm, was let to the NSPCC who took a new lease on the entire building at £161.5 per sqm (£15 per sqft);
- In Grosvenor House, Spectrum relocated from Waddon into the town centre and took a floor of c.590 sqm from the Landlord Amicus Horizon;
- At Canterbury House, Mott MacDonald, a major office occupier in the town, took an additional floor of c.570 sqm);

- At No. 1 Croydon, Hays Recruitment took a suite of c.250 sqm at a rent of £210 per sqm (£19.50 per sqft); and
- The largest letting of the quarter took place in Carolyn House, Dingwall Road where a floor of 680 sqm was let to training provider A4e.

These deals indicate that demand is typically for floorspace under 700 sqm.

CMC Property Market Outlook

The economic downturn has created difficult conditions for the office property market in Croydon in recent years.

We believe that the need to provide the right quality of office space is essential. Some of the space that has increased supply - due to being handed back on expiry or breaks - is poor quality and in our opinion will not remain in office use. There is currently an oversupply of office space in the market in relation to demand. This has been in part due to a process of corporate rationalisation and trenchment – a trend which has affected many Outer London office locations.

However, the CMC has a number of competitive advantages for example the good transport links with central London and a large labour pool in the immediate vicinity, which means it has the potential to attract economic growth. These factors alone will not guarantee growth, and a collaborative approach between the Council's economic development, planning and asset management functions is required to promote the location, attract investment and maximise development opportunities.

New developments such as Renaissance are key to improving the quality of office stock and choice in the CMC area and recent activity should encourage other developers to follow suit. There are significant opportunities too in attracting new build and redevelopment through the masterplan proposals including the Whitgift Shopping Centre transformation, which could bring about a step change in perception of place and developer interest and lever catalytic growth. The Croydon Town Centre OAPF also encourages the location of new office/commercial space around New Town and East Croydon.

5.3 Local Office Market Overview

Stock levels remain similar to those reported in 2010 as there has been little new development in the local office market in recent years.

There continues to be a trend of occupiers looking to relocate from local areas to more established office locations as predicted in the 2010 report. For example, Age Concern who were previously based in Norbury, have relocated to central London.

Whilst they do still provide an important source of employment for the local population, there has been a trend of occupiers centralising functions and relocating to established office locations with better transport accessibility, shopping and leisure amenities to retain and attract staff.

The competitive levels of rent currently available in CMC area may also be a factor. Whilst historically the local market provides cost effective accommodation, given the changes in the wider economy more competitive terms are being offered than previously in established office locations.

The threats to the local office market include more companies vacating to other areas although this provides opportunities for conversion to alternative uses, for example residential, as has happened in Norbury in a number of former office buildings.

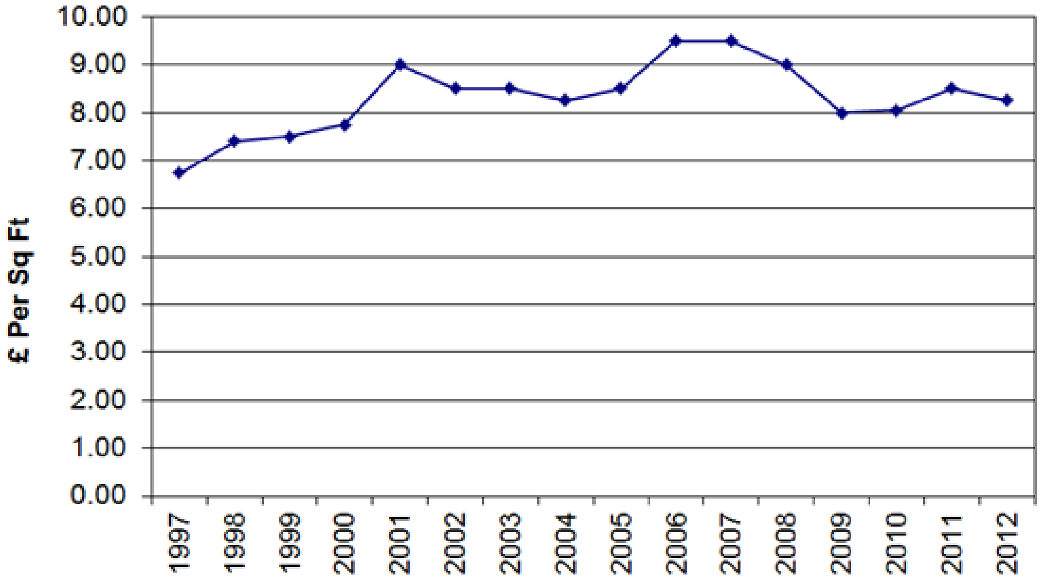
Given likely future demand and rental levels we do not anticipate significant office development in the local office market. The local office market will continue to be attractive to some local companies – typically SMEs - but is unlikely to expand going forward.

5.4 Local Industrial and Warehousing Market

Vacancy rates have over the period remained stable at about 7.5% to 8.0% or circa 92,900 sqm of space. Vacant office stock ranges from modern sub-10 year old accommodation to well refurbished 1980's stock (for instance Emerald House) to poor quality 1950 and 1960's stock. Since 2010 we have seen a number of institutional owners refurbish accommodation to make late 1970's mid 1980's space more attractive for occupiers, a continuing trend.

Rents have remained relatively constant at a headline £86 per sqm (£8 per sqft). We have see limited demand for space between 280 sqm and 930 sqm but demand for larger modern units with self contained yards. See **Figure 5.4**.

Figure 5.4: Top Rents in Croydon's Logistics Sector



Source: SHW, 2013

Take up of space since 2010 has remained relatively constant. In 2010 approximately 36,100 sqm (389,100 sqft) was taken up by occupiers this rose in 2011 to 41,800 sqm (450,100 sqft) and in 2012 dropped back to 34,700 sqm (373,900 sqft). Few investment transactions have occurred over this period for multi let industrial estates and yield evidence is limited.

The latter part of 2012 and early 2013 has seen demand from occupiers for better quality accommodation. This has led to good take up rates in 2013 although spiked by two particular lettings/sales of buildings of c.6,900 sqm and c.19,800 sqm. This is driven by a mix of factors including internet retailing and relocation of older established occupiers needing more modern accommodation. In the current market conditions tenants have been able to negotiate better contractual terms than they were previously able to pre-economic downturn (pre 2008).

The commercial property market is stronger than in 2010. Companies are relocating from older and committing to new space and, in line with general market sentiment, are more confident about the economic growth. In the wider greater London area we have seen speculative development return, something we do not envisage in Croydon for the next 18 months to two years - the trend in Croydon is more likely to be refurbishment of well located older stock in need of modernisation.

The threat remains the pressure from Sui generis retailers and residential developers for industrial warehouse space along the main arterial routes. We see incentives falling on quality stock as demand driven by 3PL operators[21], trade wholesalers and internet retailers continues driven by the close proximity to a large number of households within a short drive time.

5.5 Development Pipeline

The London Development Database (LDD) monitors non-residential developments planning permissions of over 1,000 sqm. These permissions can be referred to as the ‘development pipeline’, which is an expression of landowner/developer interest in bringing forward development and an indication of demand.

The LDD provides a breakdown of non-residential developments by use class. In total the April 2013 recorded details on 247 schemes located in LB Croydon with planning permissions granted between 2005 and 2013.

By use class, the LDD records a contraction of B2 and B8 floorspace overall in LB Croydon of 14,700 sqm and 29,700 sqm respectively. For B1 the LDD records gross permissions of 276,200 sqm and a net gain 151,100 sqm. These B1 figures run counter to long term trends (section 5.2), which indicate that stock across the CMC is falling. Very few developments have started however and, for those which have, the net gain currently results in a loss of 9,300 sqm of the B1 floorspace. See **Table 5.1**.

Key sites with planning consent, which have yet to commence include:

- The Stanhope/Schroders scheme called ‘Ruskin Square’, which is adjacent to East Croydon. Developers are working on their plans for residential and offices and are meeting with potential occupiers; and
- Terrace Hill Chroma site in George Street, where site marketing is ongoing with the aim of securing a pre-let for the site.

Both sites lie at the heart of the CMC close to East Croydon station – a gateway to Croydon’s CMC - and have the potential to significantly improve perceptions and, given their size, generate wider catalytic benefits.

[21] Distribution delivery companies such as DHL, CEVA, TNT and Breezemount.

Table 5.1: Development Pipeline in LB Croydon (sqm)

	B1	B2	B8	Sui generis (SG)
Gross	276,200	5,600	11,100	50,600
Existing	125,100	20,300	40,800	31,600
Net	151,100	-14,700	-29,700	18,900
Net started	-9,300	0	0	0

Source: London Development Database, April 2013 refresh; URS' calculations.
Figures may not add due to rounding.

By location the majority of new floorspace in the pipeline is located within in consented schemes located in the CMC. In the CMC B1 use floorspace in consented schemes totals 172,660 sqm with a further approximately 3,400 sqm of B8 and 10,200 sqm of sui generis use class floorspace.

Outside of the CMC and the majority of town centres show a decline in B-use class employment floorspace. The exceptions are Coulsdon which has 2,730 sqm of B1 use floorspace consented and Thornton Health which has no B use class schemes consented.

The overall scale of floorspace in the pipeline in town centres is small however – a reflection of the size of the floorspace stock - with total change across B1, B2, B8 and sui generis uses being less than 3,000 sqm.

In summary, the LDD data indicates that there is strong interest from developers in bringing forward B1 floorspace in the CMC, but little interest in providing B1, B2 or B8 use classes at Town Centre locations.

Table 5.2: Development Pipeline by Location, Net Floorspace (sqm)

	B1	B2	B8	Sui generis
All CMC				
Metropolitan Croydon	172,660	-10	3,430	10,160
Outside CMC				
Coulsdon	2,730	0	0	130
Upper Norwood	-770	0	-490	-860
Norbury	-160	-270	0	-1,180
Purley	-940	0	0	-10
Addiscombe	0	0	-260	0
South Norwood	-2,550	-160	-260	180
Thorton Heath	0	0	0	120
Other locations	-19,910	-14,260	-32,120	10,400
Total	151,100	-14,700	-29,700	18,900

Source: London Development Database, April 2013 refresh; URS' calculations.
Figures may not add due to rounding.

6 EMPLOYMENT LAND FORECASTING

6.1 Introduction

This section updates the 2010 ELR employment land forecast for B-use classes over the planning period (2013 to 2031).

6.2 Approach

Our approach follows the same method as that of the 2010 ELR, which in summary uses a combination of:

- Greater London Authority (GLA) employment projection based on a ‘triangulation’ process, which incorporates structural trends evident in the boroughs; assumed transport accessibility improvements; and the availability of current, and the development of new, business sites and related premises.
- Local factors specific to Croydon. At a local/borough level the GLA’s model does not usually take account of the specific circumstances affecting a borough’s local economic development. We therefore consider place specific factors which could impact on the availability and nature of sites, the specific plans of local businesses in the borough, econonmic growth and regeneration initiatives.
- The wider property market area. Our forecast takes into account the comparative strengths and opportunities of LB Croydon has and how, under growth scenarios, the borough might capture a greater share of economic growth across the property market area.

By this method we ensure that projections take account of local and sub-regional demand and supply factors.

6.3 Property Market Areas

Our forecast takes account of change occurring across a wider geography. Businesses searching for sites or premises will typically consider a number of similar locations in the vicinity. These competing locations within the area of search will often have similar characteristics such as connectivity and transport reliability, access to labour markets, clients, the supply chain and property (rental values, size and grade), which are influential in their choice of location. The area of search for property is typically larger than any one district - unless the market is localised - and can be termed the Property Market Area (PMA).

Our forecasts use the same Property Market Areas definition as that set out in the 2010 study. For the CMC, the office property market competes within the South London Fringe Property Markey Area (SLFPMA), which includes:

- Inner London: Southwark, Wandsworth, Lambeth and Lewisham
- Outer London: Croydon, Bromley, Sutton, Merton; and
- Surrey: Reigate and Banstead.

Outside of the CMC, the Croydon local office, industrial and warehousing markets principally competes within the following areas, which can be described as the Local Property Market Area (LPMA):

- Croydon
- Sutton – principally centred on the Kimpton Industrial area
- Redhill and Reigate
- Bromley; and
- Merton.

Our analysis of employment land property markets suggests that these PMAs have not changed since 2010, and the justification for using data from the SLFPMA is set out in section 9.3 of the 2010 ELR remains valid.

6.4 Employment Forecasts

The forecast draws upon projections published in the GLA Economics Working Paper 51 (WP51) and Reigate and Banstead ELR 2008, providing data on employment growth across the SLFPMA and LPMA.

WP51 presents the GLA's trend-based employment forecasts for London boroughs, replacing Working Paper 38 (used in the 2010 ELR). The forecasts are trend based, drawing on an employment data series since 1971 and therefore take account of the stronger and weak periods of economic growth. The updated paper means that the forecasts are based on historical data up to and including 2009, with the first year of forecast being 2010. WP51 trend forecasts therefore take account of the two years of the economic downturn (2008 and 2009), unlike WP38 which forecasted using pre-recession data. Given the use of historical data and the strategic nature of this ELR, we believe that the GLA forecasts are still relevant for use in forecasting employment land requirements and no adjustments to the GLA base employment forecasts at 2010-2013, or over the longer term to 2031, are required.

The 'Reigate and Banstead Core Strategy: Updating the economic evidence base' (July 2011) refreshes the employment projection for the borough up to 2026, which we extrapolate to 2031 by applying the compound average growth rate.

Table 6.1 compares the projected employment change of WP38 and WP51. Broadly, the forecasts are in line with each other. Compared with WP38 the updated forecast projects a slightly smaller fall in total jobs in LB Croydon (-16,000 jobs), a lower growth in the LPMA (14,250 jobs), but a larger growth in SLFPMA (107,250 jobs), between 2011-2031. The GLA therefore anticipate Croydon's economy (measured by jobs) to contract over the long term whilst the SLFPMA grows. This forecast however does not take into account the local opportunities such as major redevelopment projects.

The key points to observe from the table below are:

- WP51 projects that Croydon will lose jobs over the forecast period 2011 – 2031 at a rate similar to that projected by WP38 in 2008. This drop is likely to be tied to contractions in sectors such as Public Administration and Health & Education, the performance of which is directly linked to Central Government's austerity measures.

- Comparatively WP51 projects that job growth in the SLFPMA is expected to be higher than WP38 previously projected, reinforcing the attractiveness of more central London to developers relative to outer London locations.

- WP51 projects employment across the LPMA to grow at 1.7% per annum, which is considerably slower than the SLFPMA.

- It is worth noting that during the forecast period Croydon's population is projected to grow by over 20% - a rate which far outstrips the projected growth in B use-class jobs. (GLA Population Projections; December 2012)

- WP51 projects significant growth in B1 use class jobs across the SLFPMA over the period 2011 to 2031 (107,250, a large proportion of which is expected to come about in LB Southwark). Croydon could benefit from this growth across the property market area, but will need to provide for the right premises and conditions to attract businesses seeking B1 use class provision.

Table 6.1: Comparison of Forecasts

		WP38 and Reigate & Banstead ELR, 2008			WP51 and Reigate & Banstead, 2011	
		Change 2011-31 Number	Change 2011-31 %	Change Based on Proportion of all jobs	Change 2011-31 Number	Change 2011-31 %
All Jobs	Croydon	-18,000	-12.2%	-	-16,000	-13.3%
	SLFPMA	83,600	8.0%	-	107,250	12.1%
	LPMA	16,600	1.4%	-	14,250	3.3%
B1	Croydon	2,000	4.7%	-11%	Na	-
	SLFPMA	38,800	12.9%	46%	Na	-
	LPMA	13,700	10.0%	83%		
B2/8	Croydon	-2,900	-15.7%	16%	Na	-
	LPMA	-12,600	-17.4%	-76%	Na	-

Source: GLA WP38 and WP51; Reigate and Banstead ELR, 2008; Reigate and Banstead Core Strategy Updating the economic evidence base, 2011; URS calculations and assumptions
Note:
- The period 2011 – 2031 has been used to allow comparison between the two Working Papers.
- NA: Data not available.
- Due to data availability it is not possible to disaggregate the B1 data for the LPMA only. We therefore present the LPMA employment growth for B2/8 use classes only.
- 'All jobs' is employment in the whole economy and is not the sum of B1 + B2/8 job totals .

Unlike WP38 projections, which were supported by a paper setting out the potential breakdown of employment by B-use class (Time Series Technical Note[22]), the GLA have not published employment projections by use class for WP51. In absence of this information we estimate the breakdown of employment change by use class by applying the same proportions as that of WP38. This approach is considered suitable and robust for the purpose of this employment land review.

By this method we estimate that employment relating to B1 use classes in Croydon's are forecast to grow by approximately 1,800 jobs but contract by 2,600 in B2/8. More widely, jobs associated B1 use class are projected to grow by almost 50,000 across the SLFPMA and by 11,750 across the local PMA; B2/8 jobs are expected to contract by approximately 11,000 across the Local PMA. This is set out in the **Table 6.2** below.

[22] GLA (March 2010); London Employment Time Series, Technical Report.

Table 6.2: Estimate of B1 and B2/8 Employment at 2031

		Change 2011-31 Number (WP51)	Change based on all jobs % (WP38)	Apportioned change Number (URS estimated)
All Jobs	Croydon	-16,000	-	-
	SLFPMA	107,250	-	-
	Local PMA	14,250	-	-
B1	Croydon	Na	-11%	1,780
	SLFPMA	Na	46%	49,760
	Local PMA	Na	83%	11,750
B2/8	Croydon	Na	16%	-2,580
	Local PMA	Na	-76%	-10,800

Source: GLA WP38 and WP51; Reigate and Banstead ELR, 2008; Reigate and Banstead Core Strategy Updating the economic evidence base, 2011; URS calculations and assumptions
Note:
- NA: Data not available.
- Due to data availability it is not possible to disaggregate the B1 data for the LPMA only. We therefore present the LPMA employment growth for B2/8 use classes only.
- 'All jobs' is employment in the whole economy and is not the sum of B1 + B2/8 job totals .

Drawing on the above, the table below presents the estimated forecast in employment for B1 and B2/B8 uses calculated using WP38 2011 base employment position and the WP51 and the Reigate & Banstead forecasts of absolute change, apportioned by the split between use classes (estimated using WP38 data and set out in **Table 6.2**).

Table 6.3: Estimate of B1 and B2/8 Employment at 2031

		2011 (WP38)	Change (2013 – 2031) (WP51 and URS estimated)	Total Jobs at 2031 (Estimated)	Compound Average Growth Rate (CAGR)
B1	Croydon	42,900	1,780	44,680	0.2%
	SLFPMA	301,610	49,760	356,370	0.7%
	Local PMA	136,610	11,750	140,560	0.4%
B2/8	Croydon	18,500	-2,580	15,920	-0.6%
	Local PMA	72,170	-10,800	61370	-0.7%

Source: GLA WP38 and WP51; Reigate and Banstead ELR, 2008; Reigate and Banstead Core Strategy Updating the economic evidence base, 2011; URS calculations and assumptions

6.5 Local Factors Affecting Employment Growth

Below we identify those local projects and initiatives which could impact on employment growth opportunities in Croydon. These projects and initiatives are not factored into the GLA and Reigate & Banstead's employment forecasts.

Investment in Transport Schemes

A key strength of LB Croydon is its role as a transport hub between the key 'spokes' of central London and Gatwick Airport. LB Croydon can capitalise on these links. The Davies Airport Commission will assess UK's capacity issues and make recommendations on future expansion, with an interim report to be issued at the end of 2013. Given the strong transport connectivity between the CMC and Gatwick, the CMC is well placed to benefit from economic opportunities arising from potential expansion.

The first phase of the Thameslink Programme, between 2008 and 2012, has delivered significant benefits. New trains and routes have been introduced and the first longer 12 carriage trains are able to use the Thameslink route. The Thameslink Programme, which is due to be completed in 2018, will also generate demand knock-on effects. Together, these potential transport improvements are likely to have a positive effect on the demand for office and industrial land in LB Croydon.

Croydon Masterplans

Croydon contains six masterplan areas: Mid Croydon, East Croydon, West Croydon, Fairfield and Old Town in the CMC and Couldson outside the CMC. Together, these contain enormous potential for mixed-use development, of which office uses will be an important component, including spaces for SMEs. The completion of these masterplans could create a real stimulus for economic growth and benefits in terms of increased employment, retail and leisure opportunities for borough residents. Details of these masterplans are set out in **Appendix A**.

Whitgift Centre Redevelopment

Westfield has submitted a planning application in 2012 in order to redevelop the Whitgift Centre in Croydon, which lies within the Old Town Masterplan area. Westfield has partnered with Hammerson to combine the redevelopment of Whitgift Centre with the Centrale Shopping Centre. The Whitgift Centre has suffered decline through a lack of investment in the past years, and acts as a barrier to the wider connections of the town centre. The £1billion regeneration of the Whitfgift Centre would include 1.5m net sqft of retail and leisure floorspace, provide job opportunities, residential homes and public realm improvements and connections, including on Wellesley Road.

Connected Croydon

Connected Croydon is a £50million investment programme of coordinated public realm projects and transport improvements that will transform the CMC into a more walkable and liveable place by tackling issues regarding the public realm, disjointed transport network and public transport capacity. The programme aims include improving the efficiency and attractiveness of Croydon's two major public transport interchanges at East and West Croydon, removing the severance effect of Wellesley Road, Park Lane area and other large pieces of infrastructure, and enhancing the public perception of Croydon as an attractive place with a unique identity and as a place to live and invest in, creating spaces that are welcoming attractive and safe.

The East Croydon Station Bridge, which forms a new station entrance and pedestrian link, creating a landmark and gateway into the station will also open shortly.

Recent New Developments and the Development Pipeline

Croydon has seen new build projects come forward recently in prime locations which will attract interest and provide visibility of an area with opportunities for change. Developments include:

- Renaissance on Dingwall Road, which is a BREEAM Excellent standard development, has attracted pre-lettings;

- The Croydon Urban Regeneration Vehicle (CURV) is a partnership between Croydon Council and John Laing charged with regenerating a range of key sites across Croydon borough. Initially CURV will be delivering a £450m regeneration of significant sites across Croydon town centre including the new Bernard Weatherill House and the masterplanning of College Green. Developments will encourage employment generation and growth in the borough.

- Croydon Business Venture's Enterprise Opportunity Centre at Weatherill House, is part of the New South Quarter development on the Purley Way which will provide 42 fully serviced office spaces for SMEs; and

- Saffron Square on Wellesley Road, which though residential led includes public realm improvements is a vibrant looking development in the CMC which could fuel interest in CMC sites for mixed use development.

As discussed in **Section 5** there is a significant development pipeline in LB Croydon, which illustrates the positive attitude of the development community towards the borough, in particular investment in the CMC, and belief in securing long term economic returns.

Economic Development Programmes

Since the 2010 study, the Local Enterprise Growth Initiative (LEGI) programme has been closed. However the Enterprise Initiative Scheme, which was launched in April 2012, is a UK-wide initiative designed to help smaller higher-risk trading companies to raise finance by offering a range of tax reliefs to investors who purchase new shares in those companies. Though this is not Croydon specific, this initiative could contribute to demand for employment floorspace in areas with the right attributes for business start up and small firm growth.

The Business Rate Relief Scheme, an initiative of business rate discounts aimed at SMEs that relocate to Croydon New Town Centre, is part of the overall transformation of the town centre currently underway. It is part of the £5 million Mayor's Regeneration Fund that aims to boost local jobs and opportunities for business growth in Croydon. The £1.14 million funded business rate relief scheme, which will run until March 2015, aims to encourage SMEs who are expanding and struggling to find affordable commercial spaces to relocate to central Croydon where there is vacant quality office and retail premises. Substantial discounts on business rates (65% relief in the first year, 35% on the second year and 20% for any remaining period) are on offer to growing businesses ready to take the next step into larger accommodation.

Planning Policy Promoting Growth

The Croydon Town Centre OAPF sets out a supportive policy position regarding the development of new office and commercial space. The objectives of the OAPF include encouraging new and refurbishment of office and commercial space around East Croydon and New Town; planning for and enabling the delivery of new and improved streets and amenity spaces; promotion of high quality architecture; and enhanced transport and parking capacity. A clear, supportive policy position will help to generate developer interest in the delivering new grade A floorspace in the CMC.

LB Croydon has recently introduced a Community Infrastructure Levy (CIL) and produced revised guidance on planning obligations (S106) to coincide with the introduction of the borough's CIL. These revisions to CIL and S106 will provide more certainty for developers when estimating costs associated with delivery.

6.6 Growth Scenarios

Local factors could contribute positively to the economic environment and add to the borough's comparative advantage, allowing the borough and the CMC in particular to capture a larger share of the employment growth forecast in the SLFPMA and LPMA.

There are a number of other comparative advantages identified in the 2010 ELR which remain positive influences on business investment and locational decisions.

Table 6.4 presents what affect the local factors are likely to have on each of the land use types in the SLFPMA and LPMA forecasts. This is in the format of either a higher (🡅) demand than the regional forecasts, a lower (🡇) demand than the regional forecasts or a comparable to demand to the regional forecasts (🡄🡆).

Table 6.4: Local Factors Influencing Employment Growth in LB Croydon

	SLFPMA	Local PMA		
	CMC Office	**Local Office**	**Industrial**	**Warehouses**
Local Factors				
Transport schemes	🡅	🡅	🡅	🡅
Masterplans	🡅🡅🡅	🡄🡆	🡄🡆	🡄🡆
Connected Croydon	🡅🡅	🡅	🡅	🡅
Development pipeline	🡅	🡄🡆	🡄🡆	🡄🡆
ED programmes	🡅	🡅	🡅	🡅
Supportive planning policy	🡅	🡅	🡅	🡅
Comparative Advantages	(Unchanged from the 2010 ELR)			
Economic activity	🡅			
Workforce	🡄🡆			
Transport / Accessibility	🡅🡅🡅			
Sites and premises	🡅🡅			

Source: URS

The table above indicates that there are a number of positive local factors and comparative advantages which mean that sectors relating to LB Croydon's office, industrial and warehousing have the potential to perform better than they have done in the recent past (past 10 years).

We apply three compound average growth rates (CAGR) to represent three growth scenarios (low, medium and high), and the range of growth which could occur. These growth rates have been chosen based on the following logic:

> **High Growth Scenario**: The high growth rate scenario is taken to be whichever figure is higher between the Croydon floorspace CAGR and the property market historic CAGR for that use class.

Low Growth Scenario: The low growth rate scenario is taken to be whichever figure is lower between the Croydon floorspace CAGR and the property market historic CAGR for that use class.

Mid Growth Scenario: The mid growth rate scenario for office CMC, office local or industrial/warehousing use classes is taken to be the average of the low and high CAGR for that use class.

On this basis, linking back to **Table 6.3**, the growth rates chosen for office, industry and warehousing projections are:

- Office, CMC: low = LB Croydon CAGR[23]; high = SLFPMA CAGR; mid = average of low and high CAGR.
- Office, Local: low = LB Croydon CAGR; high = LPMA CAGR; mid = average of low and high CAGR.
- Industry/warehousing: low = LPMA CAGR; high = LB Croydon CAGR; mid = average of low and high CAGR.

The CAGRs by scenario and use class are therefore:

Table 6.5: Growth Scenarios and CAGR

	Low	Mid	High
Office, CMC	0.2%	0.5%	0.7%
Office, Local	0.2%	0.3%	0.4%
Industry/Warehousing	-0.7%	-0.6%	-0.6%

Source: URS

Our judgement is that the mid growth scenario is the most likely growth scenario to come forward over the plan period.

6.7 Floorspace and Land Forecast, 2013 to 2031

Floorspace Forecast

The gross floorspace forecast and net additional floorspace forecast in office, industry and warehousing uses is set out below in **Table 6.6**, calculated by applying the CAGRs in **Table 6.5**.

[23] Compound Average Growth Rate

Table 6.6: LB Croydon Employment Floorspace Demand, 2013 to 2031

	Current Floorspace (sqm)	Future Floorspace by Scenario at 2031 (sqm)		
		Low	Mid	High
Gross				
Office CMC	609,000 *	633,140	661,870	691,830
Office Local	130,000	135,180	137,000	138,890
Industry/Warehousing	943,000	833,990	838,780	843,600
Net Additional	-			
Office CMC	-	24,260	52,990	82,950
Office Local	-	5,180	7,020	8,890
All office		29,440	60,010	91,840
Industry/Warehousing	-	-109,010	-104,220	-99,400

Source: URS calculations; VOA data 2008 and changes in office stock since the 2010 ELR (see ***Section 5,2****).*

The analysis indicates demand for B1a floorspace in the CMC, 2013 and 2031, will be between 24,260 sqm and 82,950 sqm (depending on the growth scenario).

Demand for local office floorspace – office space outside of the CMC - is expected to be positive but considerably smaller, with an additional demand of between 5,180 sqm and 8,890 sqm (low to high growth scenario) up to 2031.

For industrial and warehousing space, additional demand is expected to fall over the period to 2031 with a net demand of between -109,010 sqm to -99,400 sqm (low to high growth scenario).

Land Forecast (B2/B8 use classes)

The 2004 CLG ELR guidance, states that where possible employment floorspace should be converted to employment land using plot ratios.[24] However, given that the office development in the CMC can vary considerably (from 3 to 20 plus storeys) it is not considered suitable to convert the additional demand of office floorspace into land. However, development density (plot ratio and storey height) tends to be static for industrial and warehousing premises, typified by a plot ratio of 0.5 over one storey.[25]

[24] Page 47 of the Guidance

[25] An average plot ratio for industrial and warehousing floorspace, as recommended on page 101 of the ELR guidance.

The additional demand for industrial and warehousing floorspace is converted into land, as shown in **Table 6.7**.

Table 6.7: Forecast Demand for Industrial/Warehousing Land, 2013-2031

Scenario and Demand 2013 – 2031		
Low	**Mid**	**High**
-21.8 ha	-20.8 ha	-19.9 ha

Source: URS calculations

The figures in **Table 6.7** do not account for factors such as the changing demand for waste and recycling land and the need to retain an appropriate level of vacant or derelict land for developers to build new industrial buildings (termed frictional vacancy). Industrial land demand in LB Croydon should also be seen in the context of the GLA Industrial Capacity SPG, which states that LB Croydon is in the 'restricted transfer' category, that is the release of industrial land to other uses should be restricted in order to retain an adequate supply of industrial and warehousing land in the borough.

The consideration of these other factors and resulting net industrial and warehouse land demand is shown in **Table 6.8**. The mid-range growth scenario indicates that there will be a slight fall in land demand over the planning period (-8.4 ha). This contraction could be in part met by the loss of derelict land and buildings in the borough which measure 2.9 ha.

Table 6.8: Net Demand for Industrial/Warehousing Land, 2013 to 2031

Demand for industrial land use	Low	Medium (hectares)	High
A. Supply of industrial land occupied by B-use class, including land for utilities, bus and rail depots, and waste management (1)		178.3	
B. Current vacant industrial land (2)		3.5	
C. Land with vacant buildings (derelict) (3)		2.9	
D. Total occupied industrial land and developable land (A+B+C)		184.7	
E. Land demand to 2013 to 2031 (4)	-21.8	-20.8	-19.9
F. Additional demand for waste and recycling facilities 2013 to 2031 (5)		5.8	
G. Frictional vacant land at 2031 (8% of E+F) (6)	13.0	13.1	13.1
H. Gross demand for industrial land 2013 to 2031 (A+E+F+G)	175.3	176.3	177.4
I. Net demand for industrial employment land (Ha) 2013 to 31 (H-D)	-9.4	-8.4	-7.3

Source: URS calculations; GLA London's Industrial Land Baseline (2010); London Waste Apportionment Study
Figures may not sum due to rounding
The following sources and assumptions have been used to detail the above table.
Note 1: The figure is based on the GLA London Industrial Baseline data for SIL, SEA and non-designated land, and revised following URS' 2013 survey of Tier 2 sites and in discussion with council officers.
Note 2: The figure is based on the GLA London Industrial Baseline data, site survey and consultation with LB Croydon council and SHW.
Note 3: As explained and set out in Section 4.2.
Note 4: As set out in Table 6.7 above.
Note 5: Land for Industry and Transport SPG (Mayor of London; 2012)
Note 6: Land for Industry and Transport SPG (Mayor of London; 2012) paragraph 3.7 implies that the optimal level of frictional land vacancy to ensure efficient operational of the market is 8%.

7 NEW PERMITTED DEVELOPMENT RIGHTS

7.1 Introduction

In May 2013 the DCLG announced which areas would be exempt from office to residential change of use permitted development right. Overall, only 17 local authorities in England saw their exemption requests accepted. LB Croydon's request for exemption of the CMC was not accepted, which meant that as of 30th May 2013, and for a period of three years, Croydon became subject to new permitted development right measures allowing the conversion of office uses to residential. Further details are set out in Appendix A.

A further consideration for this ELR update therefore is the potential impact of PD rights legislation on the provision of office floorspace in the borough, in particular the CMC.

7.2 Clusters with High Likelihood for Residential

In absence of knowing the office use class floorspace associated with specific clusters, the following analysis focuses on the potential loss of clusters currently designated for office uses, rather than the potential loss of office floorspace.

Table 7.1 provides a high level overview of the marketability of clusters in the CMC for continued office use or conversion to residential uses. The assessment only includes those clusters in the CMC which currently have office premises. Marketability in the context of this assessment is a function of the clusters locational/accessibility, the financial viability for continued use as office or conversion to residential (considering broadly site area, layout, financial risk of conversion), and a combination of other factors such as the adjoining sites uses, quality of the public realm and sense of place. The judgements have been based on professional insight and knowledge of the property market.

The table rates clusters for their marketability i.e. the current levels of interest that the development community at sites for office or residential uses over the next three years, on a five point scale where:

1 = very desirable, significant levels of interest.

2 = desirable, interest shown

3 = some interest but constraints limit further interest

4 = limited desirable, low level of interest; and

5 = not at all desirable, very low level of interest.

The assessment is made for CMC clusters given the scale of the CMC office market relative to the local office market, though it is recognised that conversion from office to residential is likely to occur in some town centre locations. CMC clusters 1b and 12a and 12b do not currently have office use classes and are therefore excluded from the analysis.

Table 7.1 identifies:

- Four clusters (marked in red) which we believe have the highest likelihood for residential development. Permission for residential at CMC 13 (Cross Road) was granted pre-PD right ruling so for this analysis level 1 likelihood clusters actually number three in total.
- A further three clusters (marked in orange) form the second level of clusters with a high likelihood for residential development. We believe that it is these level 1 and level 2 clusters, which could be the focus of interest from the development community for residential over the next three years.

This analysis informs the potential scale of the loss of clusters designated for office uses to residential uses.

Table 7.1: Marketability of CMC Clusters with Office Floorspace, for Office or Residential Uses

CMC Cluster	Office: Cluster marketability	Office: Factors contributing to marketability	Residential: Cluster marketability	Residential: Factors contributing to marketability	Constraints on conversion to residential	Suitable for residential conversion or office refurbishment?	Likelihood of change from office to residential use: 1 = most likely to change 5 = least likely to change	Proportion of cluster area within CMC
CMC 1a, West Croydon Masterplan (East side)	1	Office rrefurbishment currently underway	3	Primary focus is on office	Capital already sunk into office refurbishment	N/A – being refurbished	5	3.8%
CMC 2a, East Croydon Masterplan (East of station tracks)	2	As per 2010 ELR	2	Post Office moving away from site	Build cost of high rise	Demolition and residential build.	2	6.0%
CMC 3a, Mid Croydon Masterplan (North of Park Street)	3	Now considered to be more sought after for office	3	Town centre location	Poor vvehicular achess	Poor buildings but will convert to residential.	4	2.8%
CMC 3b, Mid Croydon Masterplan (Katherine Street to Park Street)	3	As per 2010 ELR	3	Town centre location	Demollition costs	St Georges House to be converted.	3	5.8%
CMC 3c, Mid Croydon Masterplan (South of Katherine Street)	1	Cluster is being master planned	3	Town centre location	Council Offices	To be demolished and 400 new residential units constructed.	2	7.4%
CMC 4a, College Green Masterplan (North of College Road)	1	As per 2010 ELR	1	Near East Croydon Station	Overvalued sites	Suitable for new build residential development.	1	1.6%
CMC 4b, College Green Masterplan (South of College Road)	2	Highly accessible. Close to East Croydon Stn.	3	Near East Croydon Station	Fairfield Hall Cultural / Creative masterplan	Poor buildings which may impact of likelihood for conversion.	3	10.2%
CMC 5, Old Town: Cairo New Road	2	As per 2010 ELR	2	Affordable location	Close to Tram and Flyover. Controlled by one developer.	New build residential proposed.	2	1.8%
CMC 6, Mason's Avenue and Croydon Flyover	4	As per 2010 ELR	2	Location. Nr successful scheme with a consent	Leases in Leon House and the cost of a tower.	Good refurbishment opportunity due to efficient floor plate.	1	3.4%
CMC 7, North of Bedford Park	2	Berkeley Scheme	1	Currently built out for residential	None	Being built out for residential.	1	1.8% (currently being build for residential)
CMC 8, Land between Sydenham Road and Bedford Park	3	Highly accessible. Located in heart of CMC.	4	Public sector letting	Let to Home Office	Reasonable but probably too large.	4	2.8%
CMC 9, Land between Lansdowne Road and Sydenham Road	3	As per 2010 ELR	3	Has consent for residential	Construction cost of a tower - considered uneconomical	Consent to convert to residential.	3	2.2%
CMC 10a, George Street and Lansdowne Rd (Dingwall Road)	1	Office constructed and part let (Renaissance)	5	Vacant site built for office (Renaissance)	Office predominates and evidence of office interest	Has been built out as office.	5	1.6%
CMC 10b, George Street and Lansdowne Rd (George Street)	1	As per 2010 ELR	3	Poor quality building	Prime office location	Converted to Travelodge on part of the site.	4	1.4%
CMC 10c, George Street and Lansdowne Rd (Wellesley Road)	2	Highly accessible. Located in heart of CMC.	2	Planning application in on St Anne House (1 for Cambridge House)	Prime office location	Residential conversion or office refurbishment.	3	4.6%
CMC 11a, Whitgift Centre (Wellesley Road side)	3	As per 2010 ELR	3	Westfield & Hammerson to be masterplan	Potential for residential, but retention of office anticipated	Developer interest for 400-600 residential.	3	4.2%
CMC 11b, Whitgift Centre (North End)	3	As per 2010 ELR	3	Westfield & Hammerson to be masterplan	Potential for residential, but retention of office anticipated	Developer interest for 400-600 residential.	3	6.6%
CMC 13, Cross Road	3	As per 2010 ELR	2	Sold to a Housing Association	Permission for residential	Residential conversion.	1	1.2% (permission already granted for residential)
CMC 14, Car Park to north of Lansdowne Rd	2	As per 2010 ELR	3	Other sites in proximity better placed	Other sites in proximity are better placed / more affordable	Residential conversion.	4	1.8%
CMC 15, Church Rd / Croydon Flyover	4	Gateway site, but periphery to CMC.	4	Poor location	Reasonable location but tight issue with size / layout.	Office conversion.	5	0.6%
CMC 16, South of Old Town (a,b, c & d)	5	Part of Old Town Masterplan. Retail interest.	3	Small Sites	Listed buildings and conservation area	Car parks are good small sites for residential or office.	3	1.0%
Hectarage and proportion of CMC employment clusters with level 1 likelihood for change to residential								2.5ha; 5.0% of all CMC clusters
Hectarage and proportion of CMC employment clusters with level 2 likelihood for change to residential								7.6ha; 15.2% of all CMC clusters
Hectarage and proportion of CMC employment clusters with level 3 likelihood for change to residential								17.3ha; 34.7% of all CMC clusters

Source: URS, SHW

7.3 Potential Scale of Residential Requirement on Office Clusters

Following from the above analysis we consider two scenarios determined by the marketability of sites in the CMC:

1. Higher residential growth scenario in which there is significant interest from the development community for residential uses in the CMC, focused on the seven sites assessed to be level 1 and level 2 likelihood of change (red and orange). Two of these sites (CMC7 and 13) are already being built out for residential. The other five clusters measure 10.1ha and represent 20.2% of the CMC's employment clusters aggregate area. Under this scenario the conversion of B1 to residential uses would extend to locations outside the CMC.

   A broad estimate of the potential quantum of floorspace held at these level 1 and 2 sites can be made by applying 20.2% to all office floorspace across the CMC and across the rest of the borough; this would equate to 149,300 sqm.

2. Lower residential growth scenario in which there is more limited interest from the development community for residential uses in the CMC, confined to those CMC clusters judged to have level 1 likelihood of change (red). These three clusters measure 2.5ha and represent 5.0% of the CMC's employment clusters area.[26] Under this scenario the conversion of B1 to residential uses would include locations outside the CMC but be relatively limited in scale.

   Our broad estimate of the potential quantum of floorspace held at level 1 sites and highly marketable sites outside the CMC is 36,900 sqm.

Demand side factors indicate a relatively weak office market compared to the residential market. Office floorspace availability at Q1 2013, including the parts of the Renaissance development that remain unlet[27] and Interchange, is estimated at around 25% of total stock in the CMC. This indicates that demand for B1 is relatively weak compared with supply, and that a large proportion of office floorspace is less suitable for use compared to other locations in the SLFPMA which are growing. High vacancy level is likely to be a factor of the economic downturn and ongoing weakness of the economy – the 2010 ELR previously recording a vacancy level of around 12% in the CMC – plus the loss of large occupiers e.g. Nestle and the Home Office, through relocation or rationalisation plans.

[26] As with the high growth scenario, further work would be required to identify the office use class floorspace associated with these CMC clusters to understand the potential loss of office floorspace to residential uses.

[27] As of June 2013 approximately 60% of the Renaissance building was unlet - see www.developcroydon.com.

Comparatively, LB Croydon's latest Monitoring Report (Decemeber 2012) states that Croydon is unable to meet its five year housing target of 7,185 units. LB Croydon has stated that it will 'continue to consider favourably planning applications for housing, having regard to the National Planning Policy Framework to maintain housing supply and to protect less appropriate sites from development'. The target's deficit is 670 units. Assuming an average unit size of 100 sqm per unit, 670 residential units translate as a spatial requirement for 67,000 sqm. This requirement could be met by sites within the CMC.

Given the deficit in housing delivery and new PD rights it is anticpated that, over the next three years, conversion of office space to residential uses will occur and that this conversion of office space to residential units would be focused primarily on clusters located in the CMC. The scale of change will be subject to the degree of developer interest, the sites selected and the scale of residential build projects put forward.

This potential demand needs to be considered when assessing the future employment land/floorspace provision requirement.

8 CONCLUSIONS AND RECOMMENDATIONS

This section sets out the conclusions and recommendations based on the scope of work undertaken for this ELR update.

8.1 Conclusions and Recommendations

Context

The UK's economy has continued to be affected by the economic downturn, which began in quarter one of 2008. Though there was a return to growth at points post 2010 the UK economy has continued to show weaknesses with low GDP growth, and in the first three months of 2012 returned to recession[28] with GDP shrinking by 0.2%. The fall in GDP was driven by weakness in manufacturing and construction. Comparatively, other sectors such as business services and transport, storage & communication, which require office and warehousing premises and land, grew between Q1 2011 and Q1 2012.[29] The outlook is for a protracted recovery, with economic growth strengthening over the next few years.

The downturn has impacted upon Croydon, recorded in ONS statistics. ONS recorded a fall of 13% (17,050) in Croydon's workplace employment between 2008 and 2011, significantly higher than the London average (a fall of 0.8%). Broadly, the labour force structure in terms of occupational groups, qualifications and earnings have not changed significantly since 2010. The loss of employment is thought to be a factor of businesses rationalising their operations and downsizing rather than any change in the labour force size, skillset or functional flexibility than a fundamental change in the competitive position of Croydon.

Office (B1a) Land Use

Conclusion

In spite of the changing economic climate the CMC property market retains the same key characteristics and opportunities for growth as those identified in the 2010 ELR. The area enjoys competitive advantages through its location; a large labour force and catchment area of labour given its accessible location and population density of surrounding areas; an ambitious development agenda and aspirations, reflected in the five masterplans of the CMC; a number of redevelopment opportunities on prime sites, and a range of floorspace types (size, quality and rental value) able to attract businesses from start-ups to head quarter companies.

[28] Broadly defined as two consecutive quarters of negative growth

[29] ONS Gross Domestic Product: Preliminary Estimate, Q1 2012 (25 April 2012)

The demand for office space in the borough over the period 2013 to 2031 is for between 29,440 sqm and 91,840 sqm (for the low and high growth scenarios respectively). Our best forecast estimate – the mid-growth forecast - is for 60,010 sqm of space. This space requirement is of a similar scale to that estimated for the 2010 ELR. The majority of this office space demand (90%) is projected to be for grade A space at prime locations within the CMC (for instance in proximity to East Croydon Station, at the heart of the CMC). This demand will need to be met by refurbishment or new build projects.

There are a number of vacant sites in the CMC, which is a concern. Though some of these sites have planning consent and are cleared in preparation for development their presence will impact on the image of the CMC as a place of economic vitality and businesses activity. As confidence in the economy improves it is anticipated that development at key sites will come forward, but in the meantime it will be important for the council to continue to encourage redevelopment of these sites.

Vacancy in the CMC's existing office stock has increased significantly over the last few years. The latest estimate of office space vacancy in the CMC is 158,000 sqm, equivalent to 25% of all office space. Vacancy in office stock outside the CMC is estimated at 10% of stock (13,000 sqm). Much of this vacancy has been in old office stock. The property market contains a high proportion of old office stock, which once vacant proves difficult to re-let as the characteristics of older stock may no longer appeal to modern occupiers.

The projected demand for office space in the CMC and rest of the borough over the planning period is considerably lower than the amount of existing vacant stock, and the concern would be that some areas become blighted over time. There is evidence of interest from developers in converting office uses to residential uses, which could provide an opportunity to reduce the level of vacant office stock. In **Section 7** we approximated the amount of space required to accommodate the five year housing deficit figure (67,000 sqm), and assumed that the loss of office space as a consequence of PD rights would be upwards of this figure of 67,000 sqm. We estimated that the potential office space supply at sites considered marketable for residential uses in the CMC and the rest of the borough is 149,300 sqm; a figure in excess of the potential loss through PD rights and demand for office space.

Table 8.1 summarises the potential impact of office growth and PD rights in relation to vacant office stock across the borough. The table shows that there is excess vacant office stock over and above the forecast demand and potential loss of office stock as a consequence of PD rights, of between 12,160 sqm and 74,560 sqm (high to low growth scenario). This vacancy would be equivalent to between 1.6% and 10.1% of total office stock. PD right could mean that significantly more office stock is lost, which would reduce further the amount of vacant office floorspace shown in row 6 of the table.

Table 8.1: Supply - Demand Summary of Office Floorspace, 2013 to 2031 (Sqm)

Demand component	Low	Mid	High
1. Total office space (all borough)		738,900	
2. Vacant office space (all borough)		171,000	
3. Total projected demand for office uses	29,440	60,010	91,840
Office CMC	*24,260*	*52,990*	*82,950*
Office Local	*5,180*	*7,020*	*8,890*
4. Vacancy less projected demand	141,560	110,990	79,160
5. Potential loss of office floorspace as a consequence of PD rights (all borough)		>67,000	
6. Excess office floorspace	<74,560	<43,990	<12,160

Source: URS calculations and various sources
Notes:
1. VOA; SHW and URS estimates
2. SHW April 2013 and URS estimates of vacant office stock.
3. From Table 6.6.
4. Row 2 minus 3.
5. Based on the five year housing target deficit of 670 units; and assuming that all office floorspace which comes forward for conversion to residential is able to be converted to residential uses.
6. Row 4 minus row 5.

Proposed Recommendation: Office Land Use

The scope of this project did not include re-survey of CMC clusters or District Town Centres surveyed in 2010. However, based on the information presented in this report and our conclusions above, we support the promotion of B1a office development in the CMC within priority clusters and those clusters with characteristics highly suitable to office development as set out in R1 of the 2010 ELR, namely:

Tier 1 priority clusters

- CMC 2b – East Croydon Masterplan Area (West)
- CMC 4b – College Green Masterplan (North of College Road)
- CMC 10a – George Street and Landsdowne Road (Dingwall Road)
- CMC 10a – George Street and Landsdowne Road (George Street)

Tier 2 priority clusters

- CMC 2a – East Croydon Masterplan Area (East); and

- CMC 3a – Mid Croydon Masterplan (North of Park Street).

Since 2010, permission for residential uses has been granted at CMC 13 Cross Roads and planning consent has been granted for the conversion of the Nestle building into residential at CMC 3b. R1 should therefore be amended to take these consents into account.

We recommend that the loss of office space as a consequence of PD rights should also be monitored for all sites across the borough, but in particular those listed in R1.

Given the positive demand for office space outside the CMC, we also support R2 of the 2010 ELR that the council should seek to encourage the retention of office floorspace in District Centres. Over the next few years the protection of office floorspace in District Centres may be difficult however given new PD rights allowing conversion to residential uses.

The scope of this update does not allow us to comment on R3 of the 2010 ELR.

Industry and Warehousing (B1b/c, B2 and B8) Land Uses

Conclusion

The mid-growth demand forecast for industry and warehousing uses suggests a fall in land demand for industrial uses of between -7.3ha and -9.4ha over the period 2013 to 2031 (high to low growth scenarios). The best estimate - under the mid growth scenario - is for demand contraction equivalent to -8.4ha. Our projection aligns well with the GLA publication 'The Land for Industry and Transport SPG' which classifies LB Croydon as a borough of 'Restricted Transfer' and indicates a release of up to 9ha of industrial land in LB Croydon for the period 2011-2031.

Three Tier 2 sites were surveyed as part of this update – Gloucester Road, Thornton Road and Union Road – and the quality and characteristics of the clusters recorded. The Gloucester Road cluster is a well-established location for general industrial SMEs. The western half is somewhat fragmented and suffers from limited parking and poor strategic access but premises were considered fit for purpose and limited observed vacancy.

By comparison, Thornton Road and Union Road clusters are considered less suitable locations for industrial and distribution uses. Thornton Road (cluster area of 4.7ha) is surrounded by residential uses and is dominated by non-B uses which are estimated to comprise over half the cluster's area, including trade counter retail uses and self-storage. There is an expressed interest by a high-street retailer in taking up a large proportion of the cluster which has a vacant retail unit measuring over 2,000 sqm. Union Road (cluster area of 3.3ha) is a fragmented employment area, which contains a large number of established non-B use class uses such as retail SMEs and community uses, set within a predominately residential area. There is little B1 or B2/B8 activity remaining. A number of buildings were considered to be in a poor condition and the cluster has poor strategic road access.

In our view there is potential to consider re-designation or release of the clusters of Thornton Road and Union Road. This is considered further below.

Proposed Recommendation: Industry and Warehousing Land Uses

Following our conclusions set out above we believe there could be scope to allow a restricted loss of industrial and warehousing land to non-B use classes.

Potentially this land could be released from industrial and warehousing use at Thornton Road and Union Road clusters. In our view parts of the Thornton Road and Union Road clusters are considered less suitable for industrial and warehousing uses, as evidenced by increasing proportion of non-B use classes located in the clusters and the specific physical characteristics of the clusters. It would however be premature to recommend release of these clusters without having conducted a comparative analysis of the quality and characteristics of all land in industrial and warehousing use across the borough. A comparative analysis should include clusters of lower tier designations (Tier 3 and Tier 4), which would be typically released before Tier 2 designated clusters.

The scope of this update does not allow us to comment directly on R4 to R8 of the 2010 ELR. We are supportive however of R9 of the 2010 ELR which sets out the importance of monitoring development and occupancy in all Tier 1 to Tier 4 locations.

9 MECHANISMS FACILITATING REDEVELOPMENT AND INTENSIFICATION

Given the in supply-constrained context, and in response to Recommendation R8 of the 2010 ELR study, this section concludes with examples of mechanisms that could be used to encourage redevelopment/intensification of industrial areas.

Mechanisms include:

- *Local Development Orders*: Local Development Orders (LDO) can be adopted by local authorities to allow specified types of development within defined employment areas without the need to obtain planning permission. LDOs encourage employment development through greater speed of delivery, certainty of outcome and reduced cost. An LDO needs to be prepared in partnership with tenants and land owners and allows, for example, construction of new industrial buildings or subdivision or refurbishment of existing buildings without developers/owners going through the planning process. This approach does not provide funding to deliver new space, but it can increase certainty for developers, making it easier to raise development finance and giving them greater confidence to proceed. This mechanism has been used by the Vale of White Horse District Council, which adopted the Milton Park Local Development Order (LDO), in order to help to deliver the planned growth of Oxfordshire's Science Vale UK Enterprise Zone.

- *Business Improvement Districts:* A Business Improvement District (BID) is a defined area such as an industrial estate within which, after a ballot, businesses agree to pay a levy to fund public realm improvements such as security, signage, capital improvements and landscaping, or marketing of the area. Typically BIDs are applied for a discrete time period, such as 5 years. Many BIDs for employment areas appear to focus more on improving security, landscaping and road access/parking, rather than directly modernising premises. This, environmental improvements can make an estate more attractive and encourage investment, as well as help the area attract new occupiers. An example of a successful BID is London Riverside in the London Borough of Havering.

- *Rent Guarantees* (RG): Guaranteeing the rent for an initial fixed period is a possible way for a local authority to encourage speculative employment development in areas where the market is uncertain. In current conditions, developers are unlikely to build new premises without identified tenants, and offering an initial rental guarantee helps de-risk the project. With potential financial risks to the local authority, there are few examples of this approach being used.

- *Business Rates Retention* came in to effect in April 2013. They allow local authorities to retain a proportion of the business rates revenue from local businesses as well as growth on the revenue generated in their area, and determine how this money can be spent. BRR could therefore be used to finance estate management and improvement works.

- *Community Infrastructure Levy (CIL)*: CIL is a charge which allows local authorities to levy on many types of new development in their area, in order to support the wider development of the area. Unlike Section 106 developer contributions which would normally apply to a specific scheme, CIL raised from a range of development schemes in the area can be pooled and applied to other purposes, such as capital improvements.

- *Tax Increment Financing:* the basic principle of Tax Increment Financing (TIF) is that anticipated increases in tax revenues from a new development are used to finance current infrastructure deficiencies that constrain development.

- *Grants to businesses:* Some local authorities provide modest grants or loans to businesses to promote private investment in an area and this can be used to improve their premises. These funds may cover improving premises through conversion, extension, re-cladding, security measures, access and environmental improvements and aim to create more business space or improve the quality of existing space, helping businesses to expand. Even small capital works can be shown to lever private sector investment.

Other mechanisms such as the Regional Growth Fund and the Growing Places Fund which aim to support the delivery new employment sites and are therefore less applicable in this context.

Appendix A – Policy Review and Evidence Base

Policy, strategy and evidence based reports published since 2010 and drawn upon to inform this ELR include:

National Policy

National Planning Policy Framework (NPPF)

Effective as of March 2012, the National Planning Policy Framework condenses planning policy statements (PPSs) into a single planning framework with the intention of making the planning system less complex and more accessible.

The NPPF describes the Government's vision for building a strong, competitive economy. It sets out a presumption in favour of sustainable development in the absence of a local plan or where the plan is silent or indeterminate. The presumption should be reflected by the emerging local plan and be informed by robust evidence to support clearly defined allocations for land for employment.

A competitive economy requires a planning system which operates to encourage (and not impede) sustainable growth, and the NPPF places weight on the need to support economic growth through the planning system. As such planning policies should recognise and seek to address potential barriers to investment.

The NPPF provides guidance for local planning authorities, when drawing up Local Plans, who should:

- Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
- Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
- Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries; Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

New Permitted Development Rights

Supporting the Government's concept of sustainable development is a new form of permitted development rights, which allows the change of use from B1(a) office to residential (C3) without the need for planning permission. This came into force in spring 2013 and have the purpose of supporting and enabling growth. The new permitted development rights will initially be time-limited for three years. Local authorities were given an opportunity to seek an exemption from office to residential uses for specific geographies where there is evidence to suggest there could be a '*loss of a nationally significant area of economic activity*' or '*substantial adverse economic consequences at the local authority level which are not offset by the positive benefits the new rights would bring*'.

LB Croydon council sought exemption for the Croydon Opportunity Area (COA) (an area equivalent to the geography of the CMC) from DCLG proposals for permitted development (PD) rights for change of use from B1(a) office to C3 residential.

The council considered that in light of the planning and market context an exemption from the contemplated permitted development right was justified on the grounds of 'substantial adverse economic consequences at the local authority level which are not offset by the positive benefits the new rights would bring' (category B).

The council argued that failure to protect the COA from PD rights would disrupt the planning vision for the COA, undermine the growth, development and investment, and result in a less coordinated process of development.

In terms of the market context, the council argued that the COA office market was proving to be resilient as a significant strategic office location despite the current economic climate. The contemplated permitted development rights would create uncertainty regarding building and development values, and appropriateness of location and buildings for conversion. In addition, it could lead to inferior design, poor quality of conversion and developments that do not make a contribution to the physical and social infrastructure necessary to support the overall growth set out in the London Plan and the Local Plan.

Regional Policy

London Plan 2011

The London Plan (July 2011) is the spatial strategy for Greater London, which sets out an integrated social, economic and environmental framework for the future development of London up to 2031.

The overall strategic policy of the Plan is contained within six detailed objectives. Those relevant to this study include:

- Objective 1:'*A city that meets the challenges of economic and population growth in ways that ensure a sustainable, good and improving quality of life and sufficient high quality homes and neighbourhoods for all Londoners, and help tackle the huge issue of deprivation and inequality among Londoners, including inequality in health outcomes*'.
- Objective 2: '*An internationally competitive and successful city with a strong and diverse economy and an entrepreneurial spirit that benefit all Londoners and all parts of London; a city which is at the leading edge of innovation and research and which is comfortable with – and makes the most of – its rich heritage and cultural resources*'.
- Objective 5: '*A city that becomes a world leader in improving the environment locally and globally, taking the lead in tackling climate change, reducing pollution, developing a low carbon economy, consuming fewer resources and using them more effectively'*.

The London Plan identifies outer London as an area that requires specific strategic guidance to ensure that it contributes effectively to the overall prosperity of the capital. Croydon is within outer London. Policy 2.6 sets out the overall vision for Outer London. It states:

- *'The Mayor will, and boroughs and other stakeholders should, work to realise the potential of outer London, recognising and building upon its great diversity and varied strengths by providing locally sensitive approaches through LDFs and other development frameworks to enhance and promote its distinct existing and emerging strategic and local economic opportunities, and transport requirements'.*

Policy 2.7 sets out the economic policies for Outer London. These include:

- *'enabling existing sources of growth to perform more effectively, and increasing the competitive attractiveness of outer London for new sectors or those with the potential for step changes in output;*
- *ensuring that appropriate weight is given to wider economic as well as more local environmental and other objectives when considering business and residential development proposals;*
- *consolidating and developing the strengths of outer London's office market through mixed use redevelopment and encouraging new provision in competitive locations, including through the use of land use 'swaps';*

- *managing and improving the stock of industrial capacity to meet both strategic and local needs, including those of small and medium sized enterprises (SMEs), start-ups and businesses requiring more affordable workspace'.*

Policy 2.12: Opportunity Areas and Areas for Intensification states that *'development proposals within Opportunity Areas and Intensification areas should:*

- *Support the strategic policy directions for the Opportunity Areas an Intensification Areas set out in Annex 1, and where relevant, in adopted Opportunity Area planning frameworks;*

- *Seek* to *optimise residential and non-residential output and densities, provide necessary social and other infrastructure to sustain growth, and, where appropriate, contain a mix of uses; and*

- *Contribute towards meeting (or where appropriate, exceeding) the minimum guidelines for housing and/or indicative estimates for employment capacity set out in Annex 1, tested as appropriate through Opportunity Area planning frameworks and/or local development frameworks.'*

Policy 2.13 refers to Opportunity Areas including Croydon in the South London sub-region and states that, *'Planning frameworks, investment plans and other spatial interventions for these areas (Opportunity Areas) should focus on implementation, identifying both the opportunities and challenges that need resolving such as land use, infrastructure, access, energy requirements, spatial integration, regeneration, investment, land assembly and phasing'*.

Integral to Policy 2.13 is Annex 1, which outlines how broad principles of the London Plan should be applied to specific Opportunity and Intensification Areas including indicative estimates of employment capacity and minimum guidelines for new homes to 2031. Croydon is identified as one of the capital's strategic office centres with the potential for 7,500 new jobs and 10,000 homes. The London Plan's objectives are to re-brand the offer of Croydon to meet modern commercial needs, realising its competitive advantages and good public transport accessibility. This will entail consolidating Croydon's strengths as a strategic office location through mixed-use re-development and enhancements to the business environment. A carefully managed balance must be struck between modernising office provision and encouraging the conversion of surplus capacity to other uses including a significant increment to housing. As such it is important that there is an integrated approach to the regeneration of key sites such as East Croydon station, Fairfield Halls, Croydon College, Park Place and the Whitgift Centre extension.

Policy 2.15 refers to Town Centres and states that they should be *'the main foci beyond the Central Activities Zone for commercial development and intensification...'*. The London Plan defines Croydon as a Metropolitan Centre which is second in the hierarchy of four types of town centre. Croydon also includes several district centres.

Croydon offers a strategic office function of greater than sub-regional importance. Policy 2.16 encourages London boroughs to develop plans for strategic development centres in outer London. This is designed to help *'create a distinct and attractive business offer and public realm through design and mixed use development as well as any more specialist forms of accommodation'*.

The London Plan sets out the Strategic Industrial Location (SIL) framework which is *'intended to reconcile the demand for, and supply of, productive industrial land in London'*. There are two types of SILs: Industrial Business Parks (IBPs) and Preferred Industrial Locations (PIL). PILs are described as locations 'particularly suitable for general industrial, light industrial, storage and distribution, waste management, recycling, some transport related functions, utilities, wholesale markets and other industrial related activities', of which LB Croydon has Marlpit Lane and Purley Way and Beddington Lane Industrial Area (with Sutton). There are no IBPs in Croydon.

Paragraph 2.82 is relevant to LB Croydon. It states '*Innovations to make more effective use of land should be encouraged and there is particular need to develop consolidation centres and accommodate freight break bulk points more efficiently as a part of the freight hierarchy. It will be particularly important to secure and enhance strategic provision… in the Purley Way/Beddington area to the south*'.

In terms of office development Policy 4.2 'Offices' states that '*The Mayor will and Boroughs and other stakeholders should:*

- *Support the management and mixed use development and redevelopment of office provision to improve London's competitiveness and to address the wider objectives of this Plan, including enhancing its varied attractions for businesses of different types and sizes including small and medium sized enterprises.*
- *Recognise and address strategic as well as local differences in implementing this policy to:*
- *Meet the distinct needs of the central London office market… by sustaining and developing its unique and dynamic clusters of 'world city' and other specialist functions and business environments;*
- *Consolidate and extend the strengths of the diverse office markets elsewhere in the capital by promoting their competitive advantages, focusing new development on viable locations with good public transport, enhancing the business environment including through mixed use redevelopment, and supporting managed conversion of surplus capacity to more viable, complementary uses;*

- *Encourage renewal and modernisation of the existing office stock in viable locations to improve its quality and flexibility; and seek increases in the current stock where there is authoritative, strategic and local evidence of sustained demand for office based activities in the context of Policies 2.7, 2.9, 2.13, 2.15–2.17*'.

Policy 4.4, Managing Industrial Land and Premises, states that the Mayor will work with boroughs and other partners to:

- '*adopt a rigorous approach to industrial land management to ensure a sufficient stock of land and premises to meet the future needs of different types of industrial and related uses in different parts of London, including for good quality and affordable space*

- *plan, monitor and manage release of surplus industrial land where this is compatible with a) above, so that it can contribute to strategic and local planning objectives, especially those to provide more housing, and, in appropriate locations, to provide social infrastructure and to contribute to town centre renewal*.'

Following this, the London Plan states that '*LDFs should demonstrate how the borough stock of industrial land and premises in strategic industrial locations locally significant industrial sites and other industrial sites will be planned and managed in local circumstances in line with this strategic policy and the location strategy in Chapter 2, taking account of:*

- *the need to identify and protect locally significant industrial sites where justified by evidence of demand*

- *strategic and local criteria to manage these and other industrial sites*

- *the borough level groupings for transfer of industrial land to other uses...and strategic monitoring benchmarks for industrial land release in supplementary planning guidance*

- *the need for strategic and local provision for waste management, transport facilities (including inter-modal freight interchanges), logistics and wholesale markets within London and the wider city region; and to accommodate demand for workspace for small and medium sized enterprises and for new and emerging industrial sectors including the need to identify sufficient capacity for renewable energy generation quality and fitness for purpose of sites*

- *accessibility to the strategic road network and potential for transport of goods by rail and/or water transport*

- *accessibility to the local workforce by public transport, walking and cycling*

- *integrated strategic and local assessments of industrial demand to justify retention and inform release of industrial capacity in order to achieve efficient use of land*
- *the potential for surplus industrial land to help meet strategic and local requirements for a mix of other uses such as housing and, in appropriate locations, to provide social infrastructure and to contribute to town centre renewal*.'

Map 4.1 refers to Croydon as a 'Restricted Transfer' Borough; that is a borough which is considered to '*typically have low levels of industrial land relative to demand (particularly for waste management or land for logistics) and/or low proportions of industrial land within the SIL framework. Boroughs in this category are encouraged to adopt a more restrictive approach to transfer*'.

A key evidence base document for the London Plan is the 2010 GLA London Industrial Land Baseline Study, undertaken by URS/DTZ.

Supplementary Planning Guidance (SPG) Land for Industry and Transport 2012

The SPG was published in September 2012 and adds to the 2008 SPG's two key objectives with the aim of ensuring the provision of sufficient land, suitably located, for industrial uses and the development of an expanded transport system.

TheSPG has a number of relevant themes for this ELR, including:

- Managing release in the context of demand arising from non-industry uses
- There is increasing demand for industrial land from a range of other important industrial type functions. The distribution of release must take full account of other land use priorities and be managed carefully to ensure that a balance is struck between retaining sufficient industrial land in appropriate locations and releasing land to other uses.
- Strategic Industrial Locations and Locally Significant Industrial Sites should in general be protected, and release of industrial land through development management should generally be focussed on smaller sites outside of the SIL framework.
- The requirements for utilities also represent established uses of industrial land and their land requirement should be planned for to accommodate growth.
- Need for an integrated/partnership approach to employment land provision

- A partnership approach and strategic perspective is required in order to keep inner London sustained and to meet the demands of the Central Activities Zone and Canary Wharf for locally accessible, industrial type activities, e.g. including food and drink preparation, printing, publishing, local distribution activities and 'just-in-time' services.

- In outer London boroughs should manage and improve the stock of industrial capacity to meet both strategic and local needs, including those of small and medium sized enterprises (SMEs), start-ups and businesses requiring more affordable workspace. Parts of outer London have economic functions in logistics, industry and green enterprise that are of greater than sub-regional importance.

The SPG include two annexes of note:

- Annex 1 sets out the indicative industrial land release benchmarks for 2011-2031. For Croydon this release figure is -9ha (-0.5ha on average per annum (pa)).

- Annex 2 provides estimates of the indicative land required for waste management and recycling. The net additional indicative land requirement for waste apportioned to 2031 is therefore 5.8ha. This estimate is an approximate and indicative land requirement only and Boroughs, waste authorities and other partners, in collaboration with the GLA, should determine the actual requirements of industrial land needed to manage waste apportioned in the London Plan.

Draft Town Centres SPG 2013

The Mayor issued a draft supplementary planning guidance on Town Centres in January 2013. This provides guidance on the implementation of London Plan Policy 2.15 'Town centres', and of other policies in the Plan with specific reference to town centre development and management. It also provides guidance on Policy 2.16 Strategic Outer London Development Centres and their potential to be developed as business locations with distinct strengths of greater than sub regional importance.

The 'Offices and non-office employment based space' sub-section of the SPG, which is most relevant to this study, provides guidance to:

- 'take a realistic assessment of where growth and investment is likely to come from and plan accordingly for private, public and social enterprise activity;

- adopt a proactive approach to office development where increased economic potential can be clearly identified, focusing demand on the most viable and competitive business locations, having regard to authoritative, strategic and local evidence of sustained demand for office-based activities, viability, local transport capacity and townscape considerations;

- have regard to the indicative office guidelines for London’s town centres set out in London Plan Annex 2 and the emerging findings from the 2012 London Office Policy Review;
- recognise the contribution of other types of office location beyond town centres (as indicated in the London Plan) and particularly in outer London;
- manage the release of surplus office provision, informed by integrated strategic and local studies of office demand, taking into account the continuing need for some lower cost accommodation and the significance of phasing in this process;
- facilitate the redevelopment of surplus office space for housing including the potential of land use swaps and credits to establish a more sustainable pattern for both offices and housing;
- promote an attractive business environment as part of a broader mix of uses, with a sensitive approach to car parking and the rebranding of the most competitive elements of outer London’s office offer including its town centres;
- consider how industrial land within or on the edges of town centres supports the economic/employment role of the centre and, where surplus to requirements, how it can best promote town centre viability with a mix of uses such as housing, social infrastructure and other commercial uses;
- consider the extent to which town centres (along with outer London more generally) lack information and communications technology infrastructure and whether joint public and private sector working and effective planning can help address this;
- explore the scope and need for new forms of infrastructure or locally based business support services, such as local ICT ‘hubs’, ‘touch down’ centres and smaller scale workspaces for social enterprise, SMEs and micro-firms.’

The ‘Quality Issues’ sub-section of the SPG promotes a healthy, attractive, inclusive, accessible and sustainable environment and ‘Transport and Accessibility’ sub-section examines how access to town centres can be improved through the delivery of strategic transport projects, the use of TfL’s accessibility measures and improvements to local connectivity by promoting walking, cycling and travel planning. It also includes guidance on providing attractive and well-connected arrival points, improving road network capacity, managing parking; and managing town centres' needs for the movement and distribution of goods and services.

Mayor's Economic Development Strategy for Greater London 2010

In May 2010, the Mayor of London published a new Economic Development Strategy (EDS). The purpose of the Strategy is to provide relevant stakeholders, public authorities and interested parties, with a vision for London's future, an analysis of the economy and policy directions for achieving its ambitions; and to clarify roles and responsibilities with other partners who make a major contribution to developing London's economy.

The Economic Development Strategy (EDS) is framed around five central economic objectives, which are;

- *'Promote London as a city that excels as a world capital of business, the world's top international visitor destination, and the world's leading international centre of learning and creativity.*
- *Ensure that it has the most competitive business environment in the world*
- *To make London one of the world's leading low carbon capitals by 2025 and a global leader in carbon finance.*
- *Give all Londoners the opportunity to take part in London's economic success, access sustainable employment and progress in their careers; and*
- *to attract the investment in infrastructure and regeneration which London needs, to maximise the benefits from this investment and in particular from the opportunity created by the 2012 Olympic and Paralympic Games and their legacy'.*

South London Waste Plan

The South London Waste Plan is a Development Plan Document and forms part of the Local Development Frameworks for the London Borough of Croydon. It was adopted by LB Croydon on 30 January 2012.

The South London Waste Plan sets out the partner boroughs of Croydon, Kingston, Merton and Sutton long-term vision, spatial strategy and policies for the sustainable management of waste over the next 10 years. It aims to identify enough land within the partner boroughs to enable the development of sufficient new waste management facilities to manage the London Plan apportionment figure within the plan's area. To support this, the boroughs will safeguard existing waste sites and maximise the use of these, where appropriate.

Relevant policies include:

- Policy WP3 'Existing Waste Sites' aims to counter the loss of appropriate sites to other development, which will make waste recycling, diversion and recovery targets harder to achieve. Schedule 1 of the Plan details the existing waste sites within the plan area which are to be safeguarded. It also identifies the sites that are likely to be developed in the period 2011 to 2016.

- Policy WP4 'Industrial Areas with Sites Suitable for Waste Facilities' answers to Planning Policy Statement 10 'Planning for Sustainable Waste Management' requirement to identify sites and areas suitable for new or enhanced waste management facilities, in accordance with the broad locations identified in the Mayor's London Plan. The site identified in Croydon are Croydon Purley Oaks Highways Depot; Purley Way, Lysander Road and Imperial Way; and Factory Lane Industrial Estate Croydon, with likely timescale for redevelopment in 2017-2021.

- Policy WP5 'Windfall Sites and Non MSW and C&I Waste Location Criteria' sets criteria for waste facilities on windfall sites.

The Plan states that planning permissions will be granted for waste facilities on land from within the industrial estates identified in Schedule 2 of the Plan in order to provide sufficient waste management facilities to meet the Waste Plan's capacity needs. Planning permissions will also be granted for waste transfer facilities within industrial areas.

Local Policy

Croydon Local Plan: Strategic Policies

The Croydon Local Plan: Strategic Policies was adopted by the Council on 22 April 2013. The judicial review period ended on 3 June 2013.

The Core Strategy identifies a number of issues in terms of planning for employment up to 2031. These include the protection of land for industry and warehousing; the current vacancy rates in the Croydon Metropolitan centre (20-30%); renewal of public realm; competition from other areas of London and the South East for inward investment; and planned increase in the needs for jobs due to increase in population and planned house building.

The Strategic Objectives of the Council regarding employment are the following:

- Strategic Objective 1: Establish Croydon as the premier business location in South London and the Gatwick Diamond;

- Strategic Objective 2: Foster an environment where existing, new, innovative, cultural and creative enterprises can prosper;
- Strategic Objective 4: Reduce social, economic and environmental deprivation, particularly where it is spatially concentrated, by taking priority measures to reduce unemployment, improve skills and education and renew housing, community and environmental conditions;
- Strategic Objective 8: Improve accessibility, connectivity, sustainability and ease of movement to, from and within the borough; and
- Strategic Objective 9: Ensure the responsible use of land and natural resources and management of waste to mitigate and adapt to climate change.

The Council has identified a series of measures to achieve these strategic objectives. These include:

- SP3.1 The Council will encourage innovation and investment into the borough to support enterprise and increased employment for the benefit of all Croydon residents. The Council will apply a presumption in favour of employment-related development provided it meets the standards of Policy CS3 and other applicable policies of the development plan;
- SP3.2: The Council will adopt a 4-Tier approach to the retention and redevelopment of land and premises relating to industrial/employment activity:
    - Tier 1 Strategic and Separated Industrial Locations: strong protection of industrial and warehousing activities with no loss of Class B floorspace permitted, and not other uses permitted;
    - Tier 2 Integrated Industrial Location: strong protection of industrial and warehousing activities, with no loss of Class B floorspace permitted. Planning permission for other limited uses will be granted if it can be demonstrated that there is not net loss of industrial and warehousing space, that this space is designed to meet the needs of occupiers, and that residential and office uses do not harm the site and wider location's industrial function;
    - Tier 3 Town Centre Industrial Location: Protection for industrial and warehousing activities encouraging opportunities to provide additional workshop/studios on town centre sites. Planning permission for other uses will be granted if it can be demonstrated that there is no demand for the existing premises or for a scheme comprised solely of the permitted uses and there is no net loss of industrial and warehousing floor space unless the other uses are required to enable development of the site to

be viable; that residential use does not harm the wider location's business function; and that the development will increase the vitality and viability of the town centre;

  - Tier 4 Scattered Employment Sites: Protection for offices, industrial and warehousing activities. Allowance for community uses to locate in the (Higher PTAL) more accessible locations. Planning permission for limited residential development will be granted if it can be demonstrated that there is no demand for the existing premises or for a scheme comprised solely of the permitted uses and residential use does not harm the wider location's business function (further details are provided in Table 4.3 of the Submission Core Strategy document).

- SP3.3 The Council will promote the growth and expansion of Cultural and Creative Industries to make Croydon a better place to live and to act as a driver of growth and enterprise in the local economy;

- SP3.4 The Council will promote the remodelling of the Fairfield Halls for its retention and ongoing development as a performance facility.

- SP3.5 The Council will support the temporary occupation of empty buildings and cleared sites by creative industries and cultural organisations where they contribute to regeneration and enhance the character of the area;

- SP3.8 The Council will promote and support the development of all B1 uses (including office, light industry and research & development), retail, leisure (including evening/night economy uses), visitor accommodation, and housing and community facilities within Croydon Metropolitan Centre, District Centres and Local Centres;

- SP3.9 Croydon Metropolitan Centre will remain the principal location in the borough for office, retail, cultural (including a diverse evening/night-time economy) and hotel activity and also be the largest retail and commercial centre in South London;

- SP3.10 The Council will adopt a flexible approach to B1 uses (office, light industry and research & development), retail, leisure (including evening/night economy uses), visitor accommodation, and housing and community facilities within Croydon Metropolitan Centre. This flexible approach will be supplemented by the Croydon Opportunity Area Framework and the Council's;

- SP3.11 The Council will promote and support measures to improve the quality of the borough's stock of retail and office premises, particularly in the Croydon Metropolitan Centre;

- SP3.12 The Council will favourably consider net increases to the stock of retail premises commensurate with Croydon's retail function as a Metropolitan Centre and ensuring the viability and vitality of Croydon Metropolitan Centre, District Centre and Local Centres. The Council will seek to maintain as a minimum, the current amount of retail floor space in Croydon, enhance the quality of retail floor space in Croydon and seek to reduce A Use Class vacancy; and

- SP3.13 The Council will promote and support the development of new and refurbished office floor space in Croydon Metropolitan Centre and the District Centres as follows:
  - Up to 95,000 sqm to be located in Croydon Metropolitan Centre;
  - Up to 7,000 sqm to be spread across the borough's District Centres.

Croydon Town Centre Opportunity Area Planning Framework 2013

The Croydon Town Centre Opportunity Area Planning Framework (OAPF) was adopted by the Mayor of London in January 2013. The framework was prepared as a collaboration between the GLA, Croydon Council and TfL.

The Croydon Opportunity Area (COA) has excellent transport connections and presents great opportunities for growth. Between the 1950s and 1980s the COA underwent significant change, which led to the establishment of the COA as a leading London Metropolitan Centre offering a large commercial, retail and civic function on a London scale. Over the last 30 years, however, the COA's prominence has declined, and there has been limited investment in the COA. This has led to an increase in vacant office space and a related fall in the numbers of people working, and travelling into, the COA.

The relevant objectives to the OAPF are to:

- Encourage the location of new office/commercial space around New Town and East Croydon

- Plan for and enable the delivery of new and improved streets and amenity spaces

- Promote high quality architecture and built form

- Ensure enhanced transport and parking capacity

The OAPF will support new and refurbished commercial space, particularly in New Town and East Croydon. The character of the commercial sector in other parts of the COA will change. Outdated offices will be refurbished, converted and redeveloped to embrace new ways of working and living.

Evidence Base Reports

Regional

GLA London Office Policy Review 2012

The purpose of the London Office Policy Review to provide planning policy makers with up to date information on the supply and demand for offices in London, including a review of office-based employment projections and office floor space need estimates, and consideration of the potential for conversion of surplus office space to other uses, especially residential, in different parts of London.

The main findings of the report were that despite the difficult post-2008 period, London's future as a World City and global financial centre is secure for the reasonably foreseeable future. The employment forecasts indicate a dynamic metropolitan area. There will be demand for new space, and for new types and formats of office space and related employment space, but in terms of quantity, forecasts suggest there is little need for expansion beyond that already in the pipeline. The rate of growth in office jobs, 2011-2036, is forecast to be half that which prevailed over the past two decades. The key policy task will be to monitor both the quantity and quality of space emerging, balancing new proposals with others that fall out of the pipeline, so that the pipeline is responsive to changes in demand.

The report notes that offices in Outer London Beyond Central and Inner London – and in particular away from the Crossrail Ribbon – town centres are likely to experience growing problems. With notable exceptions, the changing retail landscape will further depress the viability and vitality of their high streets. Most Outer London centres lack the critical mass of office work to support more than a locally focussed office market. Some of those that have been successful – especially in South London – will have to face up to the reality that attracting and retaining corporate office occupiers will become more challenging. The threat, and growing reality, of public sector rationalisation could further weaken Outer London's office markets. The overall outcome is likely to be a growth in vacant and under-utilised secondary office property throughout large parts of Outer London.

The report highlights many options beyond the conversion to residential, requiring spatial planning to be more creative and responsive to local market conditions. Encouraging the supply of space in the new office economy, on high streets, for flexible work patterns and small businesses with new needs could be a key role for spatial policy.

Croydon's office market has been struggling and is likely to suffer from the Outer London issues identified above, even since the London Office Policy Review 2009. London Employment Sites Database indicates that Croydon's gross employment floorspace in 2012 (105,565 sqm) represents 68% of its 2009 gross employment floorspace (155,063 sqm). While Croydon has an established office occupier sector, it is badly exposed to government retrenchment and one of its key private sector occupiers, Nestlé, has recently announced plans to relocate to Crawley. In addition, while its rail connections into Central London have always been good, it does not stand to gain from Crossrail and therefore, by default, loses competitive advantage.

Outer London Commission: Full Report 2010

The Outer London Commission was established by the Mayor in 2008 to explore how different parts of Outer London can better realise their economic potential, especially its town centres, as well as Opportunity Areas and Intensification Areas and industrial locations. The Outer London Commission's Final Report is a compendium of research and analysis on the outer London economy intended to inform the London Plan's Examination in Public in 2010.

The report found that the perception that outer London was economically underperforming in relation to the outer metropolitan area between 2003 and 2007 was misleading. There was no clear pattern of economic out-performance by the outer metropolitan area but there was some evidence that it performed better on quality of environment issues, a potential lesson for outer London areas.

The report states that low-rent industrial activities have an important part to play in London's economy and that they should not be forced to relocate from metropolitan London locations because of competition from higher land values. Rather the planning system should take account not just of issues associated with economic linkages and supply chains but also indirect adverse impacts such as environmental and transport capacity costs associated with a rise in commercial vehicle traffic if they have to relocate further afield.

Local

London Borough of Croydon Office, Industrial and Warehousing Land/Premises Market Assessment 2010 Review 2010

A synopsis of the 2010 ELR is set out in section 1 of this report.

Draft Croydon Economic Development Plan 2013-2018

This 5 year Economic Development Plan identifies the key themes, priorities and delivery mechanisms to achieve the Council's overall long term vision.

Croydon's Economic Plan five economic priorities are:

- 'Begin to create an improved town centre mix';
- 'Deliver a pro-active inward investment service';
- 'Retain existing businesses and growing the business base';

- ‘Positive Promotion of Croydon’; and
- ‘Improving the employability of Croydon’s residents’.

Croydon Metropolitan Centre Masterplans

The ambition to grow and regenerate parts of LB Croydon are set out in a number of masterplans, promoted and supported by LB Croydon CouncilFive of these masterplans are located in the CMC (West Croydon, Mid Croydon, Fairfield, East Croydon and Old Town). An overview of each of the five masterplans is set out below.

Mid Croydon Masterplan

The area is currently characterised by poor quality public spaces and pedestrian links and high levels of vacancy in the surrounding buildings. The masterplan aims to provide homes, new and distinctive shopping, new restaurant and entertainment for families and new workplaces and offices, and potentially hotels and leisure uses. The area will offer attractive, upgraded streets and new pedestrian connections.

East Croydon Masterplan

The existing railway station is at full capacity and the station is the busiest station in Britain outside Central London. If left unchanged, it will constrain Croydon's potential to grow as an Opportunity Borough. The Masterplan focuses on coordinating proposals for the public realm, the movement network, the railway station and transport interchange at East Croydon.

West Croydon Masterplan

This area comprises a number of underdeveloped sites, poor urban environment, a tired railway station, limited accessibility and inconvenient public transport interchange, while passenger numbers are expected to increase following the opening of the East London line in 2010. The Masterplan provides an urban design development framework and phased proposals for a new high quality railway station and public transport interchange that will be integrated to and will contribute to a wider movement network. This will be accompanied by a public realm strategy.

Fairfield Masterplan

The area includes two of LB Croydon's most important institutions, Fairfield Halls and Croydon College. It is physically disconnected from the rest of Croydon, with little pedestrian activity and public life. The purpose of the Masterplan is to rediscover the potential of the area as a cultural destination in Croydon and South London. It aims to create a mix of residential, cultural, educational and commercial uses and a well connected and high quality public realm, supporting the Borough's enterprising city and leisure city themes.

Couldson Draft Masterplan

The Masterplan aims to achieve the physical, social and economic regeneration of Couldson centre, with developments at Cane Hill and Lion Green car park acting as a catalyst. Current issues includes significant gaps in the high street , the lack of integration of Cane Hill and the Industrial Land with the rest of the borough and the lack of employment and training opportunities. The GLA and Croydon Council's vision for the area includes options for a significant increase in the residential population, high quality public realm, as well as enhanced facilities and amenities including retail, business, leisure and community uses. It aims to ensure the development of a number of underdeveloped sites, in particular in Cane Hill.

Old Town Masterplan

The Masterplan aims to bring improvements to buildings, streets, public space and transport in the Old Town area, which covers notably Surrey Street and Church Street. The area secured £100,000 funding from DCLG as part of the Portas Pilot project'. The Old Town Masterplan is also one of several regeneration projects in Central Croydon being paid for from the Mayor of London's Regeneration Fund following the August 2011 riots, which particularly affected the Old Town area in Croydon.