

British Land at Harmsworth Quays

7th February 2013

Harmsworth Quays and Canada Water

In line with the emerging AAP, British Land's (BL) vision for the redevelopment of Harmsworth Quays will aim to deliver a coordinated master plan and create a viable town centre.

BL's desire is to regenerate the site, creating employment opportunities, increasing the catchment and supporting a vibrant community through a mix of uses. This will need to be underpinned by first class town planning and architecture; creating enlivened street frontages, public and private spaces and improved permeability of the peninsula and encouraging access to the water frontage.

The redevelopment of the Harmsworth Quay site provides an exciting and unique opportunity to truly revitalise this area of the Rotherhithe Peninsula. An opportunity we firmly believe can and should be taken. Ideally we would envisage a coordinated approach with the proposals for Harmsworth Quays integrated with the adjoining sites, including the Decathlon site, Aviva leisure site and The Surrey Quays Shopping Centre. The proposals should better integrate the shopping centre and improve pedestrian flows between it and the surrounding communities. BL wish to develop a viable, robust, phaseable delivery model for development. One idea that BL are keen to explore is the possible realignment of Surrey Quays road, which could allow a much improved relationship between the various sites, creating greater opportunities for public spaces and creation of a focus to the town centre.

Development and Uses

The initial urban planning assessment of the site suggests greater density towards the SW of the site closer to the water. This supports greater linkage with the shopping centre and creation of a town centre focus. Comparison with other sites locally suggests a magnitude of development in the region of 1.5-1.8mn square foot. The overall density and mix of uses will determine viability of any development of the site, and would be subject to the planning process and engagement with the London Borough of Southwark (LBS).

Residential Use

The nature of the area suggests complementary residential will feature in any mixed use development of the site. BL would envisage that there be a mix of different unit sizes and types which would follow the density of the site, reducing to the north and east. BL would anticipate a density across the site of c.700 habitable rooms p.h., but may try to have higher than this where it can be justified on the denser areas of the site. BL would plan a mix of tenures to provide affordable housing on the site.

Affordable housing provision will take a lead from planning policy and the Council's guidelines in Cllr Colleys' letter of 15th April 2011. The expectation is that provision will be made on-site with a mix of 1, 2 and 3 /4 bed units across rented and intermediate tenures. BL is also happy to explore the option of providing affordable housing local to the site as an alternative to on-site. The aim is to make homes affordable for Southwark people in housing need with the larger units aiming for social rent levels and the smaller units at affordable rent levels. Shared ownership provision will have regard to the Mayor and Southwark's affordable income caps. The quantum will be maximized against the Council's policy target of 35% taking into account viability and particularly the costs associated with the Community Infrastructure Levy and the provision of community and employment benefits at the site. BL will take an open approach with the Council to striking the balance between the different planning benefits.

Office Use

BL do not believe that large scale office development is likely to be successful in Canada Water, due to the proximity of Canary Wharf with its established infrastructure and available supply. There may however be a market for smaller niche occupiers and businesses that would benefit from the proximity to the West End and Canary Wharf. BL have had initial discussions with a provider of specialist environmentally friendly office space to the Non-Government Organisation and charity sectors, which is one of the potential areas we would look to explore. Their requirement would be in the region of 30-50,000 sq ft. BL believe this kind of occupier would add value beyond simply the introduction of a daytime economy. In addition BL are keen to explore the incorporation of a business incubator / innovation centre, as we did with the Blythe Valley Innovation Centre at Solihull and The Source, Meadowhall, Sheffield. These would be as part of an overall office provision of say 100-150,000 sq ft.

BL is one of the UK's foremost developers of office space with 2.1m sq ft of offices currently committed and under construction. We have extensive experience of office-focused mixed use development, with our Regent's Place NW1 development on the Euston Road being an excellent example. BL has worked with the local community to create a vibrant, successful working environment that has been integrated with residential development and keeps the local community at its heart.

Retail Use

The three main objectives of any retail offer on the Harmsworth Quays site would be to enliven the environment with active street frontages, reinforce the existing retail provision and establish a focus for a town centre. Any additional retail would be largely neighbourhood and service retail aimed at local residents and the success of this will be determined by a number of factors. Creating focus, identity and critical mass are key, and we have current experience working to provide retail environments that complement and anchor the surrounding uses, be they office or residential. Early involvement of retail advisors and detailed research in assessing demand is vital to success. Demand for additional retail over the consented extension to the shopping centre would need to be proved. BL sees the greatest opportunity to grow and improve the Shopping Centre lies in a combined leisure and retail offer, delivering a truly coordinated master plan. BL envisage say 50-75,000 sq ft.

BL is one of the UK's largest retail landlords, managing 28mn square foot of space and currently has a committed pipeline of 700,000 sq ft of retail space under development. This gives us the relationships to attract the best retailers and deliver sustainable retail at Harmsworth Quays.

Leisure Use

BL understands that LBS are reviewing the leisure requirements of the local community and how they are met. We would seek to work with LBS to review provision in the Canada Water area including existing assets and potential for new facilities.

University Campus

Having seen the proposals put forward by King's College for the site, BL have met with their representatives to understand their requirements and potential benefits. BL are enthusiastic about the possibility of a university campus and advantages it would bring to the area including direct employment opportunities. The inclusion of this facility could also have spin off benefits with increased demand for commercial space for associated businesses including those catering to students as well as increased retail demand and expanding the day time economy.

There are however a number of factors outside of the control of either BL or LBS. We would seek to work with LBS to determine if the inclusion of a university campus can be accommodated on the Harmsworth Quays site.

Community and Healthcare Uses

BL would seek to include provision for local residents and to test the market for a larger healthcare facility. In addition we will review demand for dental and complimentary healthcare.

Nursery provision to serve existing and new residents would be one of the activating ground floor uses we would seek to include.

At Meadowhall BL have combined community uses with an employment and training facility, which is a model we could consider at Harmsworth Quays. BL expect these uses could require 20-30,000 sq ft.

Light industry / workshops

Multi-function units to attract businesses serving occupiers in Canary Wharf and SE London, a print shop for example, need to be investigated further. Artisanal / artist workshops could provide employment and activity at key points within the development, with live work units forming a part of that offer. BL have involvement with organisations such as SPACE who work to provide affordable artists' studios. BL have assumed 30-50,000 sq ft of this type of space for the purpose of this analysis.

Hotel

The appeal of the location to operators is likely to be contingent on the success of the leisure / retail offer, and / or the ability to create a distinct and strong identity for the area based upon included uses. The quality of the hotel offer can have a significant benefit in creating a sense of place, night time street activity and supporting restaurants and bars which can also benefit surrounding uses. It would be BL's strategy to include the highest quality offer where demand is identified.

Land Uses Not Under Consideration

LBS has requested a list of land uses that would not be considered. This is difficult to provide at this point, pending proper consultation with the Local Authority and the community. BL can however confirm in the light of the above that they would not consider antisocial or dirty uses that would affect the values of the remainder of the site or the immediate environment.

Temporary Uses

Our intention would be to bring forward redevelopment at the earliest opportunity. However, you have asked us to provide comment on possible temporary uses in the event of delay.

On a number of our sites BL has put in place short term leases and licences to a variety of occupiers generating income to mitigate outgoings and have found these can also enhance community relations.

For example at Regent's Place, BL housed a five a side football operator. Extensively used by the local community, local schools had use of the pitches at non-peak times at no cost. Other temporary occupiers accommodated have been film sets and production teams on location and temporary food markets. Often the uses are more mundane and would involve seasonal storage, advertising and other short term ventures. By nature these are ad hoc, transient and require a reactive approach to market demand. The income generated mitigates outgoings such as rent, rates, security, maintenance and utilities, but rarely covers these costs in their entirety, let alone justifying the premium paid for the site by BL. Therefore, it would not be BL's intention to pursue a long term strategy for these types of uses.

The nature of the majority of the buildings on the site, as well as the large available areas of hard standing suggests we would retain existing buildings where beneficial for temporary uses.

Car Parking

BL will undertake detailed assessment of the traffic and parking impacts of any proposed development, working with LBS, TFL and other transport stakeholders. Due to the size of the site, increased permeability through it would seem to be an advantage. Parking provision will be determined by further study and Planning Policy, however we see proximity to good public transport links as a key feature of the site.

Sustainability

BL keeps sustainability at the heart of its developments; our Sustainability Brief for Developments was first published in 2004. This was joined by our Community Charter in 2011 which sets out our commitments on how we will engage with the communities in which we work. We are award winning leaders in sustainable development and property management.

The scale of development at Harmsworth Quays will require a detailed response on issues across the sustainability spectrum. Energy will form a significant part of that; on-site power generation and centralised heating will be considered, dependent upon the mix of uses and density.

Engagement with LBS and Route to Achieving Firm Proposals

The first step will be an initial workshop with LBS to explore aspirations for different uses and overall look and feel of development. Following this there will need to be discussions with LBS as freeholder over the possible routes to redevelopment of the site, unifying the freehold and leasehold interests or by re-gearing of the leases.

The indicative block programme below sets out a timescale through to start on site from the point of consent to assign the leases.

	Q1	Q2	Q3	Q4	Q5	Q6
Re-engage Design Team						
Concept Masterplanning						
Freehold Discussions with LBS						
Develop Masterplan w/ LBS						
Public Consultations						
Planning Application						
Start on Site						

Benefits to LBS and the Community

In the absence of a detailed plan for development it is not possible to give specifics of the economic and employment benefits. BL would expect these to be developed and form a significant part of the community consultation and planning process. BL have recently carried out such an exercise for another mixed use development of 450,000 sq foot in East London. We can extrapolate the figures

to give an indication of the impact (the figures are based upon density and land use assumptions above).

Economic

- Construction employment - From 750 to 900 new FTE jobs.
- Completed development
 - Retail from 240 to 370 FTE jobs.
 - Office from 800 to 1150 FTE jobs.
 - Workshops etc. from 60 to 100 FTE jobs.
 - Hotel 75 FTE Jobs.
 - Other from 40 to 60 FTE jobs.
 - University 672 direct and 67 indirect FTE jobs (King's College Data)
- Increased Business Rates and Council Tax revenue for LBS.
- Optimise land value uses and recognise LBS obligation to realise "best value" for its interest.
- Employment and Training strategy to maximise the employment opportunities on the site, and also improve the wider opportunities for the local community.

Community Benefits

- A co-ordinated master planned town centre.
- Public realm and permeable development.
- Community facilities paid for by s106 payments or CIL.
- Affordable Housing.
- Sustainable and energy efficient development.

Benefits of BL development

- FTSE 100 Property Company with the balance sheet and development skills to deliver the development and long term vision.
- Uniquely placed to integrate with adjacent sites and SQ Shopping Centre.
- Local experience and track record.
- Longstanding relationship with LBS.

BL has carried out relevant technical investigations on the site and understands the constraints of delivering development in central London locations. We believe that the proposed development is achievable and that British Land is uniquely placed to deliver this key piece of urban regeneration at Canada Water.