

high street locations, railway arches, heritage buildings in the CAZ, and smaller-scale provision in industrial locations. It usually commands rents at or below the market average.

- 6.2.5 Part B of this policy is intended to operate in those parts of London where there is evidence in a local Development Plan Document of particular **shortages of business space** available for occupation, including lower-cost space. It supports the life-cycle of prime, secondary and tertiary business space over the longer term by securing the re-provision of capacity at open market rents and the provision of affordable workspace at rents maintained below the market rate where appropriate – (see [Policy E3 Affordable workspace](#)). It will be most effective in those parts of London where boroughs have removed office or light industrial to residential permitted development rights through Article 4 Directions.
- 6.2.6 Larger-scale commercial development proposals should consider the scope to incorporate a **range of sizes of business units**, including for SMEs. Flexible workspace can include a variety of types of space including serviced offices, co-working space¹⁰² and hybrid industrial space for B1c/B2/B8 uses. What constitutes a reasonable proportion of workspace suitable for SMEs should be determined on the circumstances of each case.
- 6.2.7 If business space is demonstrated to be obsolete or surplus to requirements (see paragraphs [6.1.7](#) and [6.7.5](#)), it should be **redeveloped for housing and other uses**.

Policy E3 Affordable workspace

- A In defined circumstances set out in Parts B and C below, planning obligations may be used to secure affordable workspace (in the B Use Class) at rents maintained below the market rate for that space for a specific social, cultural or economic development purpose such as:
- 1) for specific sectors that have social value such as charities, voluntary and community organisations or social enterprises
 - 2) for specific sectors that have cultural value such as creative and artists' workspace, rehearsal and performance space and makerspace
 - 3) for disadvantaged groups starting up in any sector



- 4) supporting educational outcomes through connections to schools, colleges or higher education
 - 5) supporting start-up and early stage businesses or regeneration.
- B Consideration should be given to the need for affordable workspace for the purposes in Part A above:
- 1) where there is affordable workspace on-site currently, or has been at any time since 1 December 2017, except where it is demonstrated that the affordable workspace has been provided on a temporary basis pending redevelopment of the site
 - 2) in areas identified in a local Development Plan Document where cost pressures could lead to the loss of affordable or low-cost workspace for micro, small and medium-sized enterprises (such as in the City Fringe around the CAZ and in Creative Enterprise Zones)
 - 3) in locations identified in a local Development Plan Document where the provision of affordable workspace would be necessary or desirable to sustain a mix of business or cultural uses which contribute to the character of an area.
- C Boroughs, in their Development Plans, should consider detailed affordable workspace policies in light of local evidence of need and viability. These may include policies on site-specific locations or defining areas of need for certain kinds of affordable workspace.
- D Affordable workspace policies defined in Development Plans and the terms set out in Section 106 agreements should ensure that the objectives in Part A above are monitored and achieved, including evidence that the space will be managed by a workspace provider with a long-term commitment to maintaining the agreed or intended social, cultural or economic impact. Applicants are encouraged to engage with workspace providers at an early stage in the planning process to ensure that the space is configured and managed efficiently.
- E Leases or transfers of space to workspace providers should be at rates that allow providers to manage effective workspace with sub-market rents, meeting the objectives in Part A, over the long-term.