



# + Kingston Town Centre Baseline Study - DRAFT

November 2018

HATCH

# Introduction

Kingston Town Centre is a riverside south west London town centre, well known for its retail and cultural offer and charming historic character.

It is home to Kingston University which has the highest number of graduate start-ups in the country and attracts numerous young people to live in the town centre. In recent years, the town centre has in fact seen a significant increase in student accommodations, but on the other hand a decline in office space and employment.

The latest Economic Growth and Development Strategy (2018-25) aims to redress the growth trajectory for the town centre towards a more balanced mix of students, visitors and businesses, capitalising on the relationship with the University and envisioning Kingston as a 21<sup>st</sup> century university town with a healthy knowledge-based business ecosystem and cluster of creative industries.

While the Strategy acknowledges that at present growth in the borough in terms of businesses and employment is strongest outside the Town Centre, this latter is recognised as a key element

of Kingston's economy and is the first of four spatial targets for growth (the others being Tolworth, Chessington, and New Malden).

In 2004, Kingston Town Centre became the UK's first Business Improvement District (BID), that is, an area designed to support local businesses and enhance its immediate commercial and trading environment to encourage visitor footfall. The BID, Kingston First, has successfully been delivering a range of services, including community events, open space management, and street activities aimed at ensuring the town centre stays attractive and welcoming.

This short report, provides an update on the economic baseline conditions in Kingston, providing the basis upon which partners can plan future activity and investment.



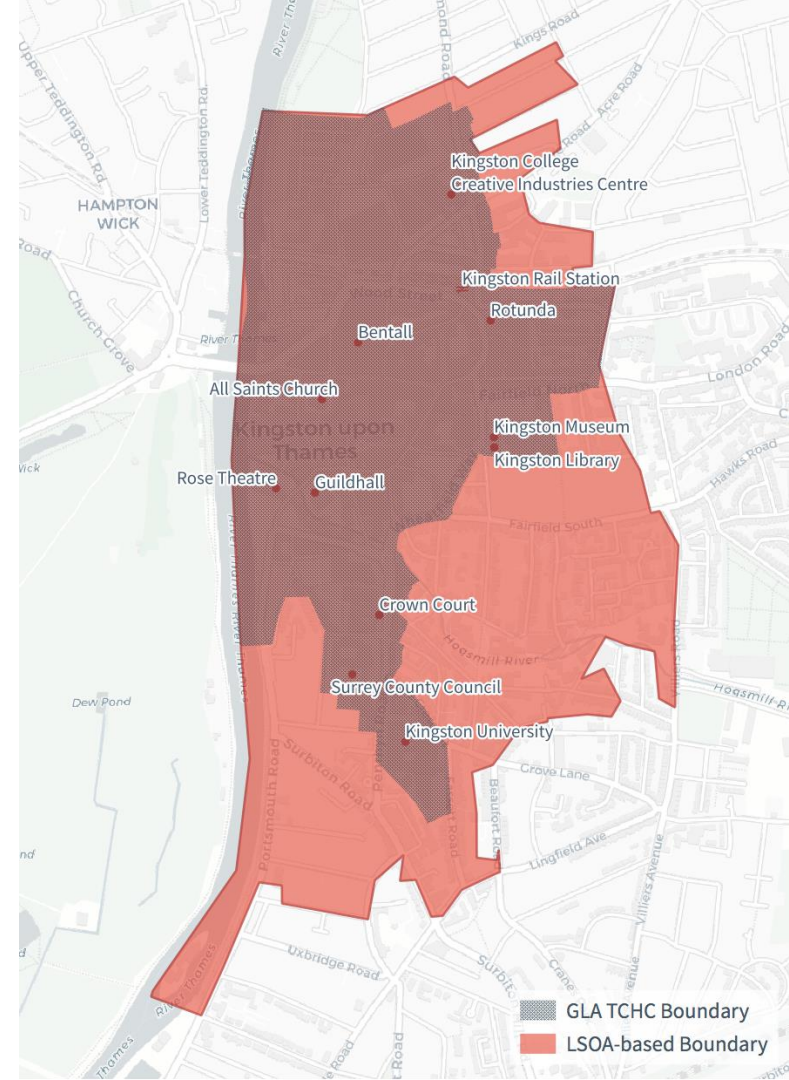
# Boundaries and Comparators

In this study, the reference boundary definition for Kingston Town Centre and in its comparators is the one used by the GLA in the Town Centre Health Check (TCHC). However, in order to draw a range of statistics, this study also adopted a boundary based on a best-fit approach of ONS Lower Super Output Areas to the GLA Town centre Health Check (TCHC).

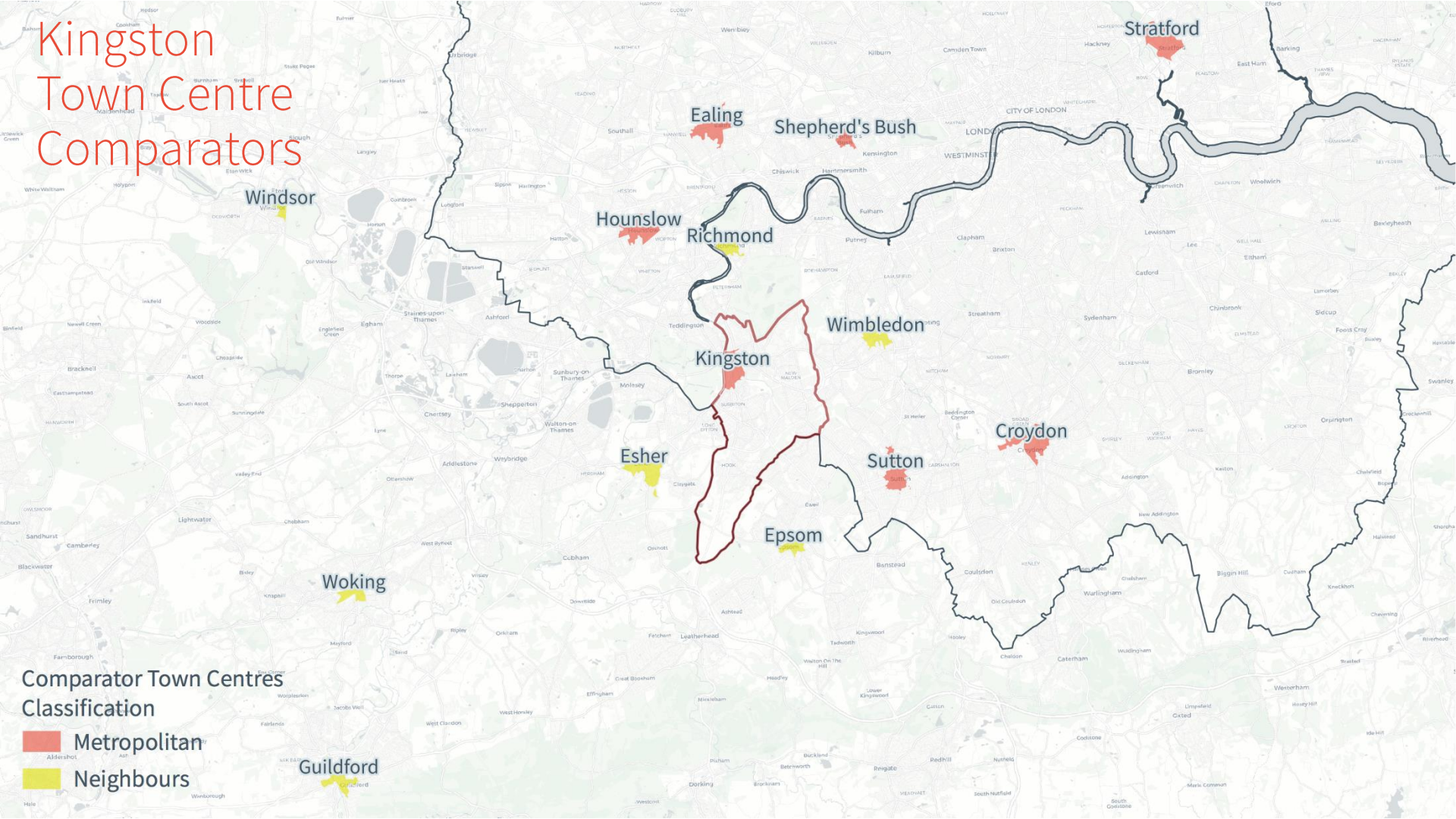
The group of comparators, mapped in the next slide has been chosen in consultation with the Council on the basis of proximity to Kingston Town Centre and membership to the GLA Metropolitan Town Centre Network group.

The GLA defines *metropolitan centres* as those town centres with catchments that can extend over several boroughs and into parts of the Wider South East. Typically they have very good accessibility, significant employment, service and leisure functions and present important clusters of civic, public and historic buildings.

It is important to note that in future, as indicated in the New London Plan, Stratford and Shepherd's Bush classification as *metropolitan* town centres is likely to be promoted to *international*, in recognition of their becoming globally-renowned retail and leisure destinations, with excellent levels of public transport accessibility.



# Kingston Town Centre Comparators



## Comparator Town Centres Classification



Metropolitan



Neighbours

+

Population

# Population age structure

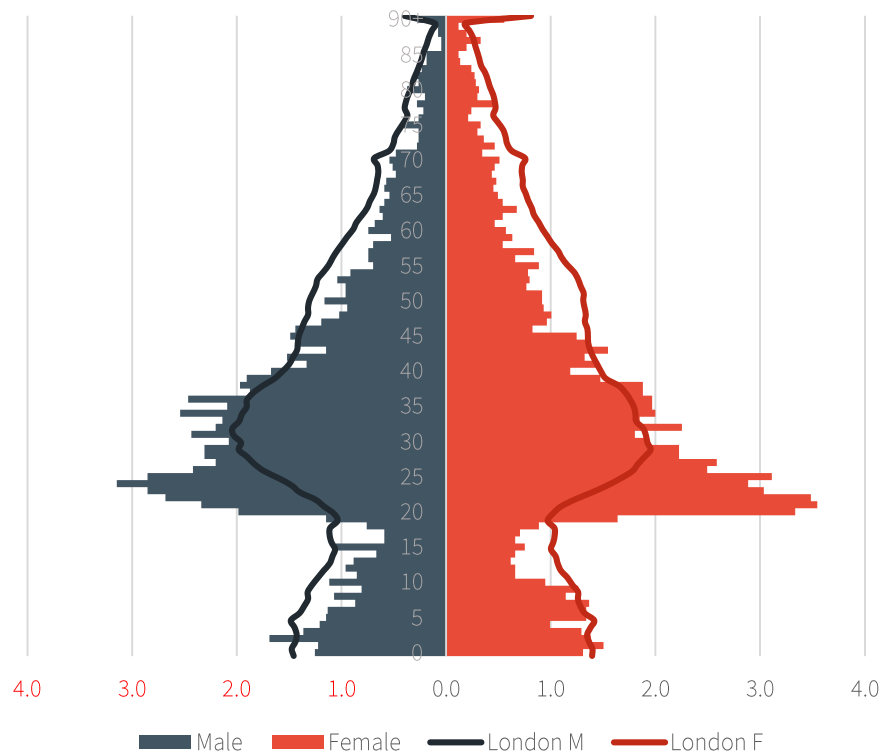
A considerable proportion of Kingston town centre is inhabited by young adults, as illustrated by the population pyramid on the right, which compares Kingston town centre's population age structure against the London's one.

2,600 young adults aged 18 to 20 live in the town centre, accounting for one fifth (20%) of the total town centre population, a share that is twice the London average (10%) and also higher than the average for all town centre comparators (12%). This high share has been supported by an increase in student accommodation brought forward by new developments.

Conversely, there are lower shares of older and much younger people. People aged over 45 account for just a quarter of the town centre population, while the average for London is over a third.

The high share of population in university age is reflective of the presence of Kingston University in the town centre, which thanks to its varied offer of culture, shopping, amenities and good connectivity with Central London is an attractive choice for students.

Population Structure 2017  
Kingston Town Centre vs London





# Deprivation

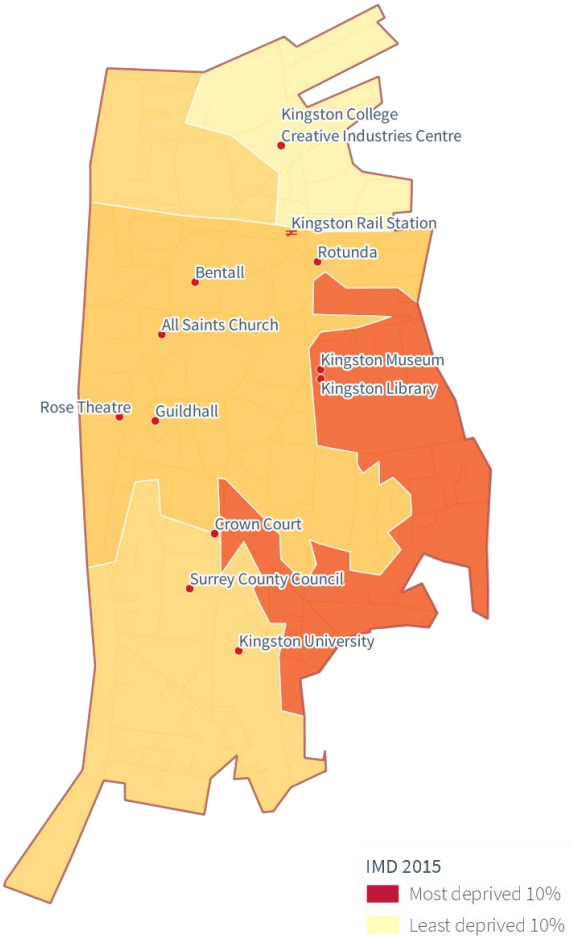
The London Borough of Kingston is one the least deprived local authorities in London. It is the second least deprived for the domains of Income, Health and Crime. It scores low on deprivation also for the Employment, Education and Barriers to Housing domains. The only domain scoring higher (12<sup>th</sup> form bottom) is the Living Environment.

Based on the English Indices of Deprivation 2015, where the first decile indicates most deprived and 10<sup>th</sup> least deprived, Kingston town centre presents only one

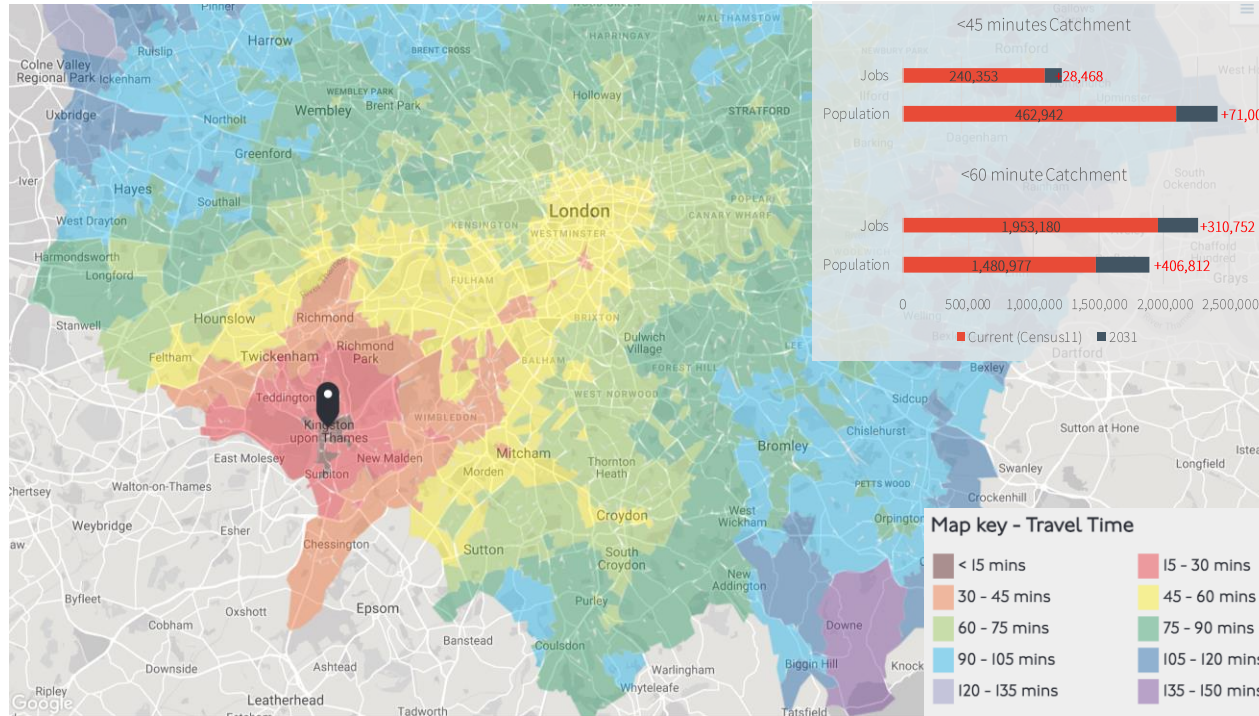
neighbourhood on the East side falling in the 4<sup>th</sup> national decile for deprivation, one in the centre scoring 6<sup>th</sup>, two neighbourhoods North and South scoring 7<sup>th</sup>, and one neighbourhood in the North East scoring in the 9<sup>th</sup> decile.

## Kingston Domains of Deprivation, London Local Authorities rank

Income	2nd least
Employment	3rd least
Education, Skills and Training	4th least
Health Deprivation and Disability	2nd least
Crime	2nd least
Barriers to Housing and Services	5th least
Living Environment	12th least



# Evolving Catchment Area



Kingston's public transport catchment is relatively constrained when compared to comparator locations. It typically takes over 45 minutes to reach much of Central London.

Currently there is a population of almost 463,000 people within 45 minutes and around 1.5m within an hour. Investments such as Crossrail 2 will increase this catchment, and potential intra London markets for businesses and job opportunities for Kingston residents.



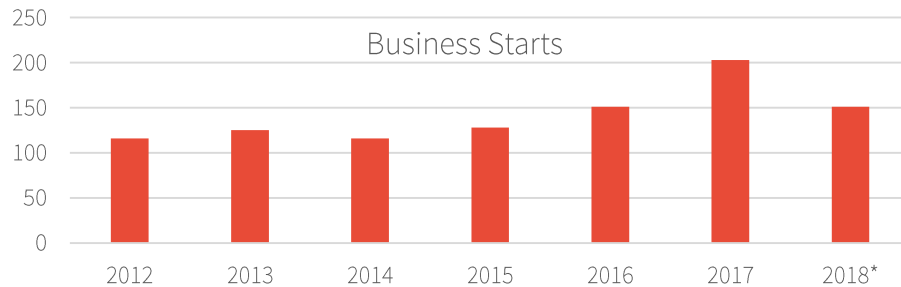


Business

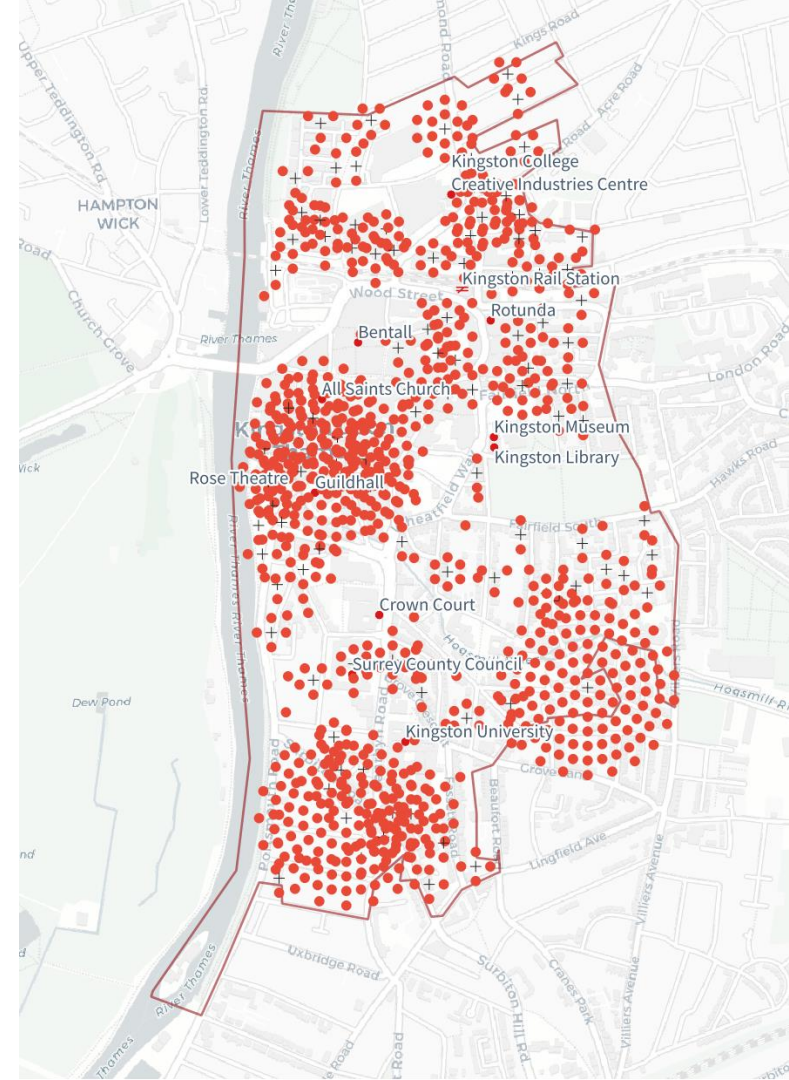
# Business starts and location

The analysis of business starts from 2012 based on Companies House's date of incorporation data shows that since 2014 the town centre has seen a steady growth in businesses starts, peaking to 200 new companies registered at addresses within the town centre in 2017. Data for 2018 are as of October 1<sup>st</sup>, therefore not accounting for the last quarter of the year, therefore highly likely to under-represent the 2018 situation, although is positive that they are already at 2016 levels.

The spatial distribution of firms appears to favour three main locations: the inner core of the town centre around Market Place, the south east around Portland Road Studios, which provide desk and business space to numerous businesses, and south of the town centre around Bridle Close and Kingston University. Some of these concentrations correspond registrations at accountants' offices.

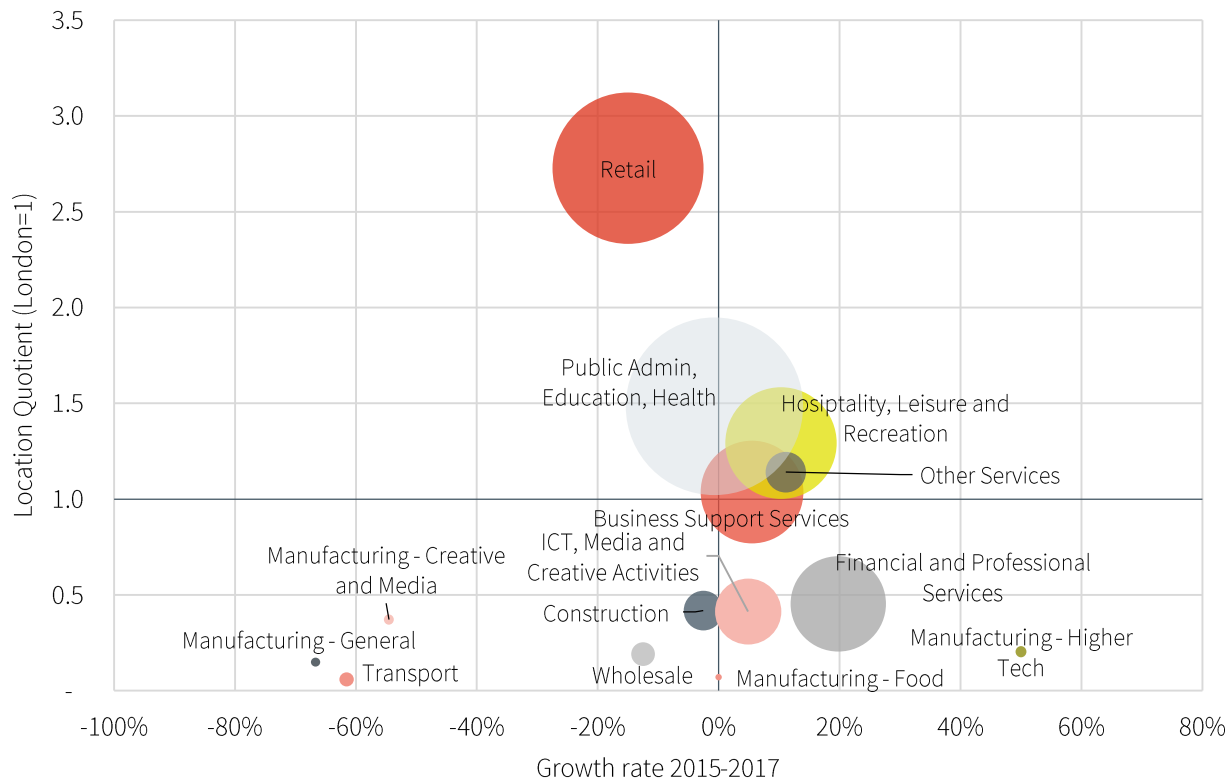


\*Data for 2018 are as of 1st October 2018



# Composition of the economy

Employment Specialisation and Growth 2015-2017



The chart on the left maps Kingston town centre sectorial specialisation and growth trends against the London average.

The strong performance of Kingston town centre as a retail destination is underscored by the high concentration (LQ) of employment, which is 2.7 times the London average for retail. Other visitor economy activities such as Hospitality, Leisure and Recreation are also found in concentrations above average and are growing.

The representation of the Public Admin, Education and Health sector is to be attributed to the presence of RBK and Kingston University within the town centre.

Finance and Professional Services are currently under represented but have been growing at a high rate, suggesting that there is potential for the sector to grow its presence in the town centre. Similarly, ICT and Media activities are growing, although they are still under-represented compared to London

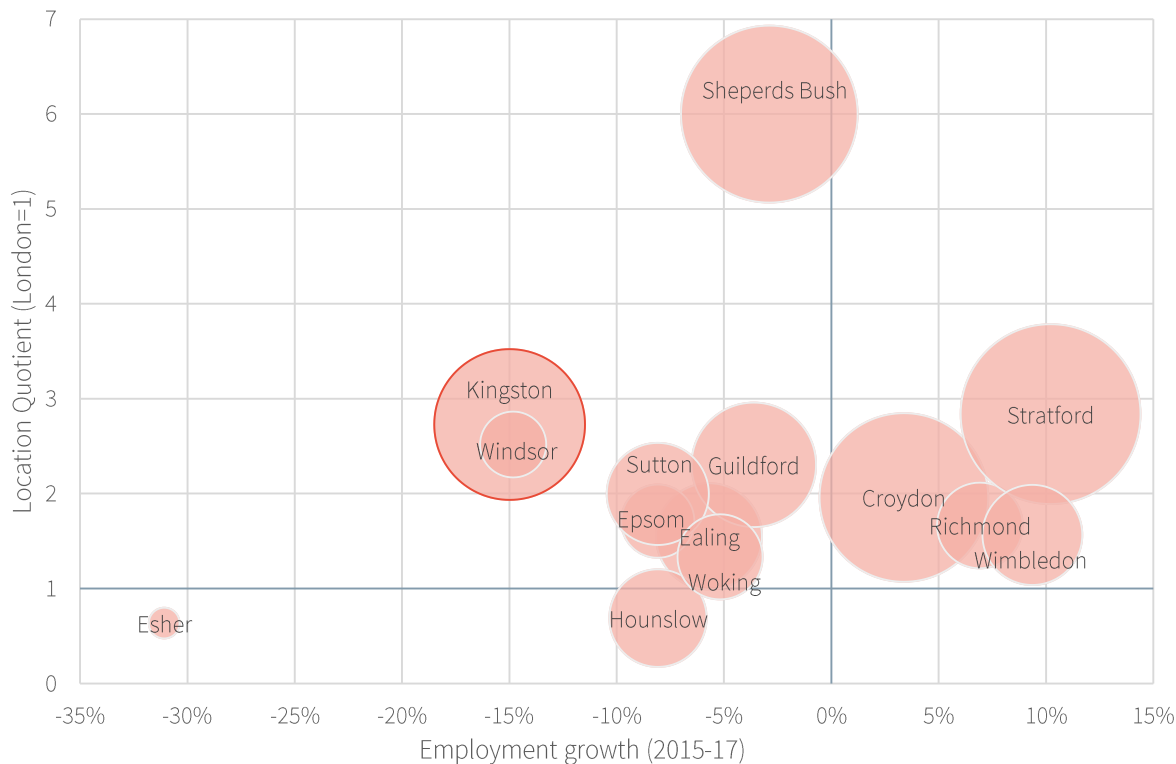


# Composition of the economy

Sector		2017	Growth 15-17	Net growth 15-17	LQ (London)	LQ (All comp.)
Creative & Professional	ICT, Media and Creative Activities	1,075	5%	50	0.4	0.6
	Business Support Services	2,585	6%	135	1.0	1.1
	Financial and Professional Services	2,240	20%	370	0.5	0.6
	Other Services	400	11%	40	1.1	0.9
Local Services	Hospitality, Leisure and Recreation	3,045	10%	285	1.3	1.4
	Retail	5,615	-15%	-990	2.7	1.3
	Wholesale	140	-13%	-20	0.2	0.3
Support Industries	Transport	50	-62%	-80	0.1	0.0
	Warehousing and Logistics	0	-100%	-10	-	-
	Construction	385	-3%	-10	0.4	0.7
Industry	Manufacturing- Creative & Media	25	-55%	-30	0.4	1.0
	Manufacturing- Food	10	0%	0	0.1	1.0
	Manufacturing- General	20	-67%	-40	0.1	0.9
	Manufacturing- Higher Tech	30	50%	10	0.2	0.5
Public Admin, Education, Health		7,725	-1%	-55	1.5	1.7
Total		23,345		-345		

# Focus on Retail

Employment Specialisation and Growth 2015-2017



Jobs: 5,615

LQ: 2.7

Growth: -15%

Among its comparators, Kingston has the third highest concentration of retail jobs, after Shepperd's Bush and Stratford, which are both home to Westfield shopping centres.

It is however in the bottom three for growth, having experienced a decline of 15% of retail jobs over the last three years.

The decline is a wider trend in the industry, threaten by the rise of online shopping and changing consumer behaviour, with most of the town centres having experienced a loss of jobs in the past three years.

Croydon and Stratford town centres, which have been undergoing major regeneration projects, are bucking the trend, together with Richmond and Wimbledon.

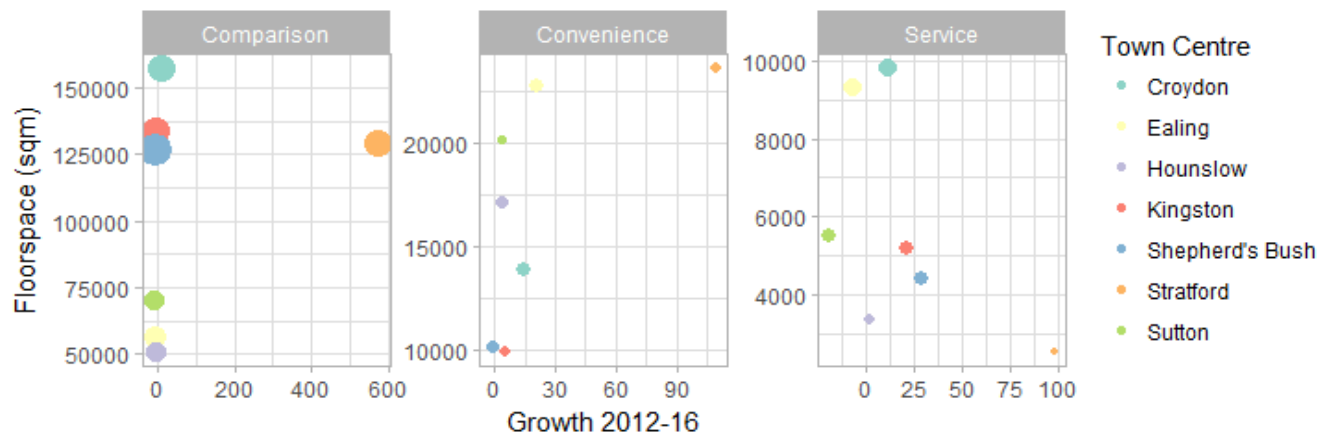
# Focus on Retail

Kingston town centre features 13 hectares of **Comparison** retail floorspace, the the second highest after Croydon. This retail category refers to shopping for things like clothes, electrical items, household and leisure goods.

Comparison retail floorspace has declined across all comparators (-0.2 ha in Kingston), with the exception of Croydon and Stratford. The latter has seen the addition of 11 ha to its town centre since 2012, largely driven by the arrival of Westfield and wider regeneration scheme.

In terms of **Convenience** retail, which refers to shopping for everyday items like food, drink, newspapers and confectionery, Kingston is first from bottom for floorspace (only 1 ha), despite 500 sqm being added since 2012.

On the other hand it experienced significant growth in space for **Service** retail, which refers to floorspace dedicated to the purchases of services rather than produces (eg hairdressers, shoe repair or dry cleaning). Since 2012, this retail use saw the addition of 1,240 sqm, bring the total Service floorspace to around 5,200.



## Kingston Town Centre

Nearly 300 Independent Retailers

### 61 Key Retail Attractors

3<sup>rd</sup> highest after Stratford (64) and Shepherd's Bush (63)

### 297 Multiple Retailers Outlets

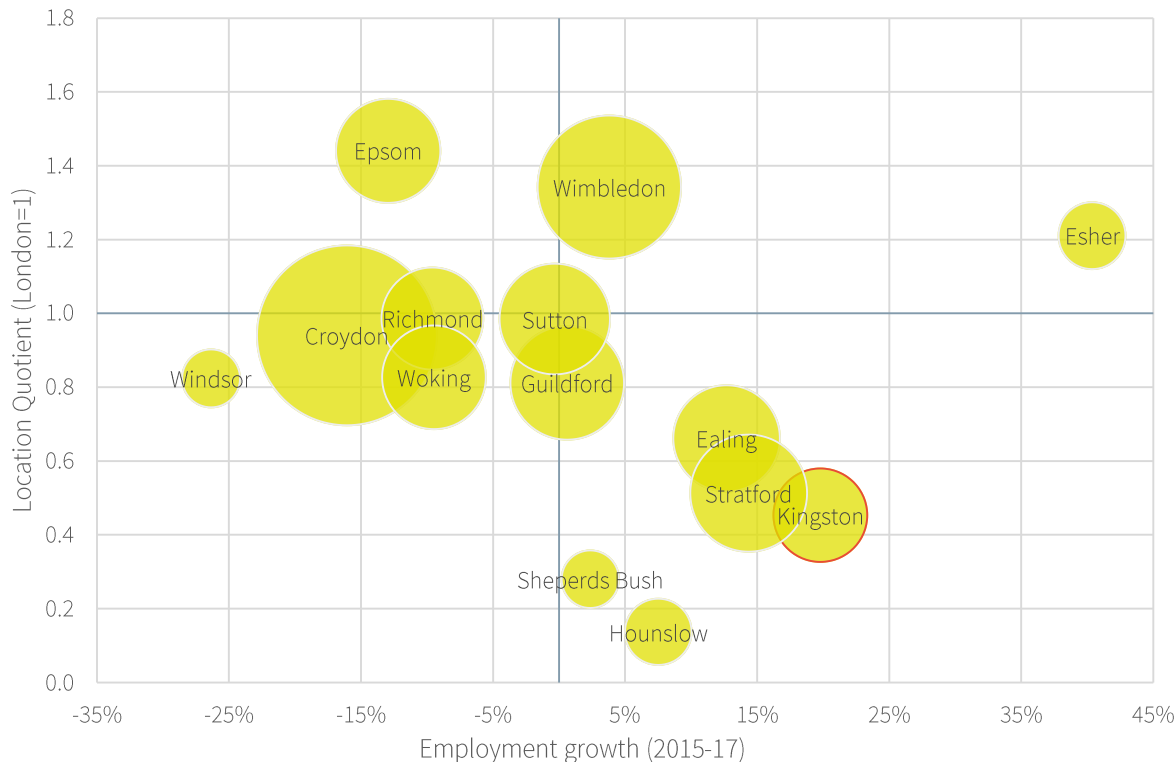
2<sup>nd</sup> highest after Shepherd's Bush (315)

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# Focus on Finance & Professional Services

Employment Specialisation and Growth 2015-2017



Jobs: 2,240

LQ: 0.5

Growth: 20%

Finance & Professional Services appear to be in low concentration across all town centres, with the exception of Epsom, Wimbledon and Esher. Epsom and Esher, which are close but outside London, may score high as a large share of employment is distributed within the town centres, while more *metropolitan* town centres, such as Kingston, mostly located within boroughs with overall higher transport accessibility, specialise in retail with other employment uses distributed elsewhere in the borough.

Even though specialisation in the sector is currently low, recent growth has been significant (second highest) suggesting that the sector may play an increasingly important role within Kingston town centre.

# Focus on Finance & Professional Services

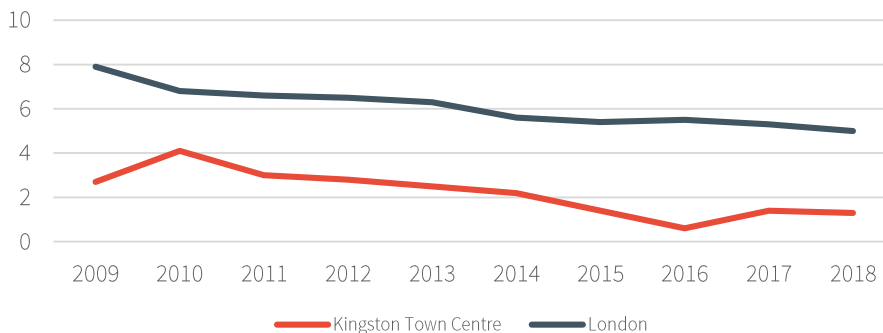
The most successful business locations for Finance & Professional Services in London boast a good quality of office stock and high accessibility to other employment locations. Distance from Central London major employment centres is certainly a factor contributing to the current under-representation of the Finance & Professional sector in Kingston town centre, but the relatively low demand for office space and low rents, which are considerably below the London average, are also due to the poor quality of the town centre office stock.

The existing office stock is all at 3 star or below CoStar© 5-start rating system, which is normally given to properties in older structures and/or in need for refurbishment and with rents performing at or below the market average. Improvements to the quality of the office stock in the town centre would constitute one of the key components to support the growth of the Financial and Professional Services.

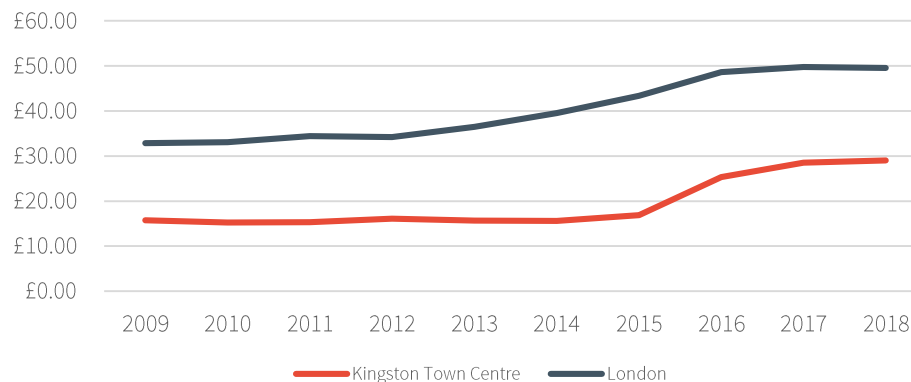


Office Stock  
60% 3★ rating  
40% 2★ rating

Office Space Vacancy Rate (%)

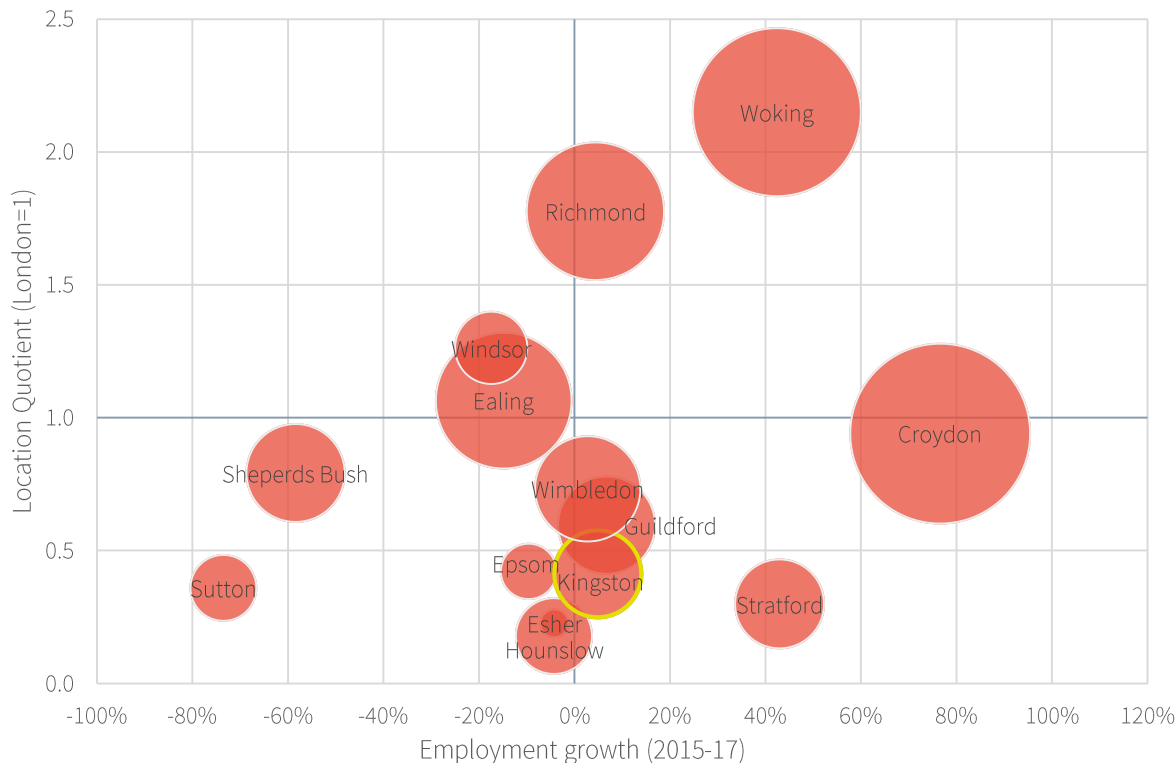


Office Space Rent per sqft



# Focus on ICT, Media and Creative

Employment Specialisation and Growth 2015-2017



Jobs: 1,075

LQ: 0.4

Growth: 5%

ICT, Media and Creative Industries are significantly under-represented in Kingston, despite supporting over 1,000 jobs.

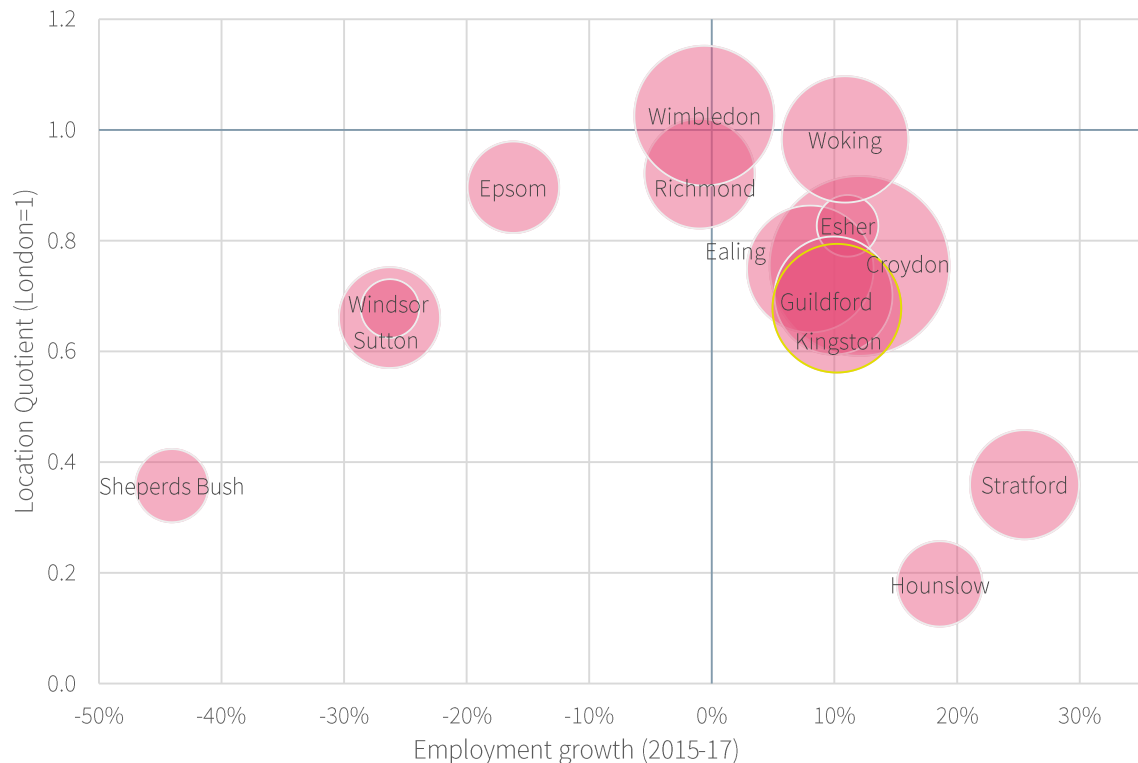
Woking and Richmond are topping the chart, with concentrations being around twice the London average.

The sector has experienced growth in Kingston town centre in recent years, but growth has been comparatively modest, suggesting that even though the sector is in expansion, it may require targeted action in order for Kingston to develop a specialism within its town centre.



# Focus on the Knowledge Economy

Employment Specialisation and Growth 2015-2017



Jobs: 6,760

LQ: 0.7

Growth: 20%

The Knowledge Economy in Kingston town centre is under represented compared to the London average but growing.

Despite the sector concentration being low by London standards, it is in line with the town centre comparators average.

The Knowledge Economy sectorial definition partially overlaps with Finance & Professional Services, which are experiencing growth fast growth and driving growth within the wider Knowledge Economy.

Improvements to the quality of the town centre office stock and further development of academia-industry linkages around Kingston University could accelerate the growth of the Knowledge Economy sector.

# + Ranking with Metropolitan Centres

Retail LQ	Comparison Retail sqm	Service Retail sqm	Finance & Professional Services LQ	Office sqm	Jobs (2017)	Jobs Growth 2015-2017	Population (2017)	Youngest Population (2017)	Business Reg. per Head (2017)
Shepherd's Bush	Croydon	Croydon	Sutton	Croydon	Croydon	Stratford	Stratford	Stratford	Croydon
Stratford	Kingston	Ealing	Croydon	Ealing	Hounslow	Hounslow	Hounslow	Kingston	Stratford
Kingston	Stratford	Sutton	Ealing	Sutton	Stratford	Croydon	Ealing	Croydon	Ealing
Sutton	Shepherd's Bush	Kingston	Stratford	Kingston	Kingston	Ealing	Croydon	Hounslow	Shepherd's Bush
Croydon	Sutton	Shepherd's Bush	Kingston	Stratford	Ealing	Kingston	Sutton	Shepherd's Bush	Hounslow
Ealing	Ealing	Hounslow	Shepherd's Bush	Hounslow	Sutton	Shepherd's Bush	Kingston	Ealing	Kingston
Hounslow	Hounslow	Stratford	Hounslow	Shepherd's Bush	Shepherd's Bush	Sutton	Shepherd's Bush	Sutton	Sutton



# 5 Key Points

# Five Key Points

1. Kingston's local population is young and well educated, driven mainly by the presence of such a large student population. Currently however, is not converting into long term economic value driven by knowledge transfer and exchange. The town centre needs to extract the benefits of being a true university town,
2. Start up activity has grown, but Kingston still performs below most of London's other Metropolitan centres when it comes to Enterprise. The town centre needs to do more to provide spaces for a range of businesses to experiment and growth; RBK can play an important role in de-risking enterprise.
3. Kingston has arguably been more successful than any other centre in London in securing the benefits of an affluent proximate population to develop a successful and retail and service economy. Well documented problems within the high street economy and a 15% decline in the centre itself, presents a challenge for Kingston. It is imperative to support diversification of the local economy, particularly to support a transition towards knowledge economy jobs.
4. The quality and availability of non-retail commercial space in Kingston appears to be a barrier to diversification and the attraction of new sectors, in particular in Financial and Business Services and ICT and Digital sector businesses.
5. ICT and Digital Sectors are seen as priority in London, but currently have very low representation in Kingston town centre (despite reasonable performance elsewhere in the borough). The lack of incubator, accelerator and co-working space in the town centre is a factor contributing to this, which could be addressed in the short term with some short term (c5 year) provision using existing space.





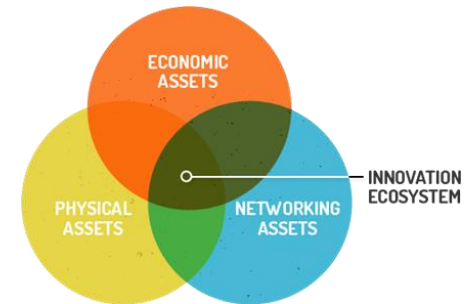
# Inspiration from Elsewhere

# Capitalising Upon a University

## Pennsylvania – Drexel University



- A new Innovation Neighborhood in University City, which has long been a haven for connection around institutions.
- Drexel’s mixed-use “Innovation Neighborhood” is planned for 10.1 acres of prime, urban and transitoriented land intended to become a “centerpiece of innovation, technology, globalization and economic development” in the region,
- “A whole bunch of companies want to be near these universities and anchors.”



# Diversification and Social Value: Pop Brixton



- Flexible space to de-risk new uses, brings a new range of operators into the town centre
- Low threshold business space, incubates new companies, creating new demand and a more diverse business base
- Project achieves a High turnover feeding high street and reducing vacancy in the wider town centre
- Achieving above market rates for a number of occupiers, cross-subsidising activities that deliver positive local activity
- Social value lease clauses fund positive local activity through the foundation.



# Enhanced Monitoring: Neukolln and the Socially Integrative City - Berlin



- Redeveloping a town centre using greater participation and better use of evidence
- Enhanced information and tracking with 24 month reviews provides information which is fed back to residents, visitors and businesses.
- Local residents and businesses play an activity role in curating the centre, ensuring that it meets local needs and delivers social as well as commercial value.
- Surpluses are reinvested into local and community projects

