

DELIVERING AFFORDABLE WORKSPACE IN LONDON: UPDATE TO ANNEX 1

January 2026

In November 2022, BusinessLDN published [Delivering Affordable Workspace in London](#) in partnership with DP9 and DS2, examining how the London Plan's Affordable Workspace (AW) policy was being interpreted and delivered across the capital. AW refers to workspace provided at rents below market rate for specific social, cultural, or economic purposes, intended to support start-ups, SMEs, and organisations that cannot afford to secure accommodation at open-market rents. While the London Plan sought to encourage a broad mix of low-cost space – from studios and workshops to incubator environments – the report found that delivery on the ground often diverged from the original policy intent, with many boroughs securing high-spec Grade A office space that did not meet the needs of intended users.

Against that backdrop, our 2022 report highlighted growing concerns about borough-wide, one-size-fits-all policies that lacked strong evidence bases and produced space mismatched with real demand.

Since then, the landscape has shifted further. More boroughs have adopted, or are bringing forward, affordable workspace policies, yet many continue to apply blanket requirements that do not reflect local markets. This has contributed to the delivery of high-spec workspace in locations with limited demand and, in some cases, long-term vacancies.

Our updated review of borough policies (January 2026) shows a move towards more prescriptive approaches, which, while offering clarity, reduce flexibility and can prolong viability negotiations. These developments sit within a very different commercial environment from 2022: more low-cost space now available on the open market, and tougher financial conditions for new development.

With the next London Plan signalling expanded requirements for AW policy, there is a growing need for a more flexible, locally responsive approach – one that recognises both the value of non-physical business support and the trade-offs between affordable workspace, viability, and other planning gain priorities.

AFFORDABLE WORKSPACE POLICY – LONDON BOROUGH

LAST UPDATED: 16/01/2026 [N.B. The following table should be used for information only – all users should check Council policy directly for full context and update at time of use]

	Borough	Local Plan Status	Adopted Policy Reference	Emerging/draft policy reference	Trigger	Quantum (amount)	Terms	Other Observations	Providers List
1	Barking and Dagenham	Local Plan 2020-2037 (adopted 18 th September 2024)	Policy DME 2: Providing flexible, affordable workspace	N/A	1,000 sqm employment floorspace (Use Class E: Commercial, business and service)	Not specified: “an appropriate provision”	Below market rate for shared workspace or small business units through S106 agreements, subject to development viability	Where not practicable or viable, a payment in lieu will be required	No - the applicant should establish robust management links with registered workspace providers agreed by the Council
2	Barnet	Local Plan 2021-2036 (adopted March 2025)	Policy ECY02: Affordable Workspace	N/A	New employment space in the Borough’s designated employment areas and in the Growth Areas of Brent Cross, Brent Cross West (Staples Corner), Cricklewood and Edgware, the district town centres (and potentially the New Southgate Opportunity Area in the latter stage of the Local Plan)	A minimum of 10 per cent of gross new employment floorspace, or equivalent cash-in-lieu payment for off-site provision will be sought (unless viability can demonstrate AW will undermine deliverability)	Undefined	N/A	No
3	Bexley	Local Plan (adopted 26 April 2023)	N/A	N/A	N/A	N/A	N/A	Policy SP3 encourages development that would diversify supply of workspace	No
4	Brent	Local Plan 2019-2041 (adopted February 2022)	Policy BE1: Economic Growth and Employment Opportunities for All	N/A	Major developments exceeding 3000 sq.m in Alperton, Burnt Oak Colindale, Church End, Neasden, Staples Corner and Wembley Growth Areas	A minimum of 10% of employment floorspace to be affordable research and development, light industrial and studio workspace	Affordable workspace will be secured for the lifetime of the development at no more than 50% of comparable local market rate. Each lease should cover a period of at least 15 years.	Only in exceptional circumstances where it can be demonstrated robustly that this is not appropriate, may it be provided offsite. A financial contribution in lieu of on-site provision will only be accepted where this would have demonstrable benefits in furthering affordable workspace in the borough.	No – on-site affordable workspace should be managed by approved provider. Applicant should submit evidence of having consulted with an approved Operator to determine that the design of the space is suitable and affordable.



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5	Bromley	Local Plan (adopted January 2019)	N/A	Bromley Local Plan Review (Direction of Travel – Regulation 18 – July 2025) references introducing new requirements relating to affordable workspace (no details)	N/A	N/A	N/A	States that a planning obligation may be secured to control use of floorspace to: require Council's approval of specific provider/occupant restrict occupancy of such units to identified sectors or size, place controls on rent levels/service charges.	N/A
6	Camden	Local Plan (adopted 2017)	N/A	Camden Local Plan Review Proposed Submission Version (submitted Oct 2025)	At least 1,000sqm GIA of offices, research and development uses or light industry (use classes E(g)(i), E(g)(ii), E(g)(iii))	Working benchmark of 20% of the net additional floorspace	To be provided at 50% of the market rent for a minimum period of 15 years Hierarchy: 1) on-site, 2) off-site, 3) PiL	Adopted SPD: Employment Sites and Business Premises for full details on affordable workspace.	No
7	City of London	Local Plan 2015	N/A	City Plan 2040 draft Strategic Policy S4: Offices (adoption expected Spring 2026)	N/A	N/A	N/A	Emerging policy S4: "Where appropriate, encouraging the provision of affordable office workspace that allows small and growing businesses the opportunity to take up space within the City"	N/A
8	Croydon	Croydon Local Plan 2018	N/A	Local Plan 2018 (revised June 2024)	N/A	N/A	N/A	N/A	N/A
9	Ealing	Core Strategy DPD (2012) and Development Sites DPD (2013)	N/A	Ealing Draft Local Plan Policy E3 Regulation 22 (submitted 18 November 2024)	Emerging Policy E3: Where levy would result in affordable provision of at least 1000sqm of mixed-use space, 2000sqm of office space, or 3000sqm of industrial space, then onsite provision. Where the total space provided by development is less than these thresholds then offsite contributions	Emerging Policy E3: 10% of gross floor area in mixed use schemes, and 5% of net floorspace in office and industrial schemes	Emerging Policy E3: Affordable workspace will be provided at 80% discount for a period of 15 years. Where an offsite contribution is calculated it should be on the basis of the level of provision (5% or 10% of total development size) multiplied by the value of an 80% reduction in rent for 15 year	Core Strategy Policy 3.3: Promote Business & Industry in Park Royal' explanatory text states "new entrepreneurial activity will be supported by centres of excellence and managed affordable workspace"	No
10	Enfield	Core Strategy 2010	N/A	New Enfield Local Plan Policy E8 (submitted 6 August 2024)	Emerging Policy E8: The provision of affordable workspace will be supported having regard to viability, nature of the occupants, quality and size of proposed units.	Emerging Policy E8: Developments proposing more than 1,000 square metres in net additional employment floorspace should assess whether 10% of the proposed net additional floorspace could viably be delivered as	To be provided in perpetuity, either on-site or elsewhere in Enfield.	Provision of co-working spaces supported in Enfield's centres.	No



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					affordable workspace (i.e. available at a minimum 10% below market rates)				
11	Greenwich	Royal Greenwich Local Plan: Core Strategy with detailed policies 2014 (adopted 30 July 2014)	N/A	Draft Local Plan Regulation 18 Consultation Version (December 2025)	Emerging policy E4: On developments providing at least 1,000sqm GIA of employment floorspace (use classes E(g) (i), E(g)(ii), E(g)(iii), B2 and B8); and Within designated retail centres, on developments providing at least 500sqm GIA of employment floorspace (use classes E(g)(i), E(g)(ii), E(g)(iii), B2 and B8).	Emerging policy E4: No - the level of discount from market rents and quantum of floorspace sought will be determined on a case-by-case basis	Emerging policy E4: Rents maintained below the market rate for that space, secured in perpetuity or for a period of at least 15 years by legal agreement.	Emerging policy E4: Affordable workspace should normally be provided on-site. May be provided off-site in exceptional circumstances. A financial contribution in lieu of on-site provision will only be accepted where this would have demonstrable benefits in furthering affordable workspace in the Borough	Emerging Policy E4: Affordable workspace should be managed by an approved provider
12	Hackney	Hackney Local Plan 2033 (adopted July 2020)	LP29: Affordable Workspace and Low Cost Employment Floorspace	N/A	More than 1,000 sq m gross employment floorspace	Shoreditch POA: at least 10% should be affordable at no more than 40% of market rent in perpetuity. In remaining POAs: at least 10% should be affordable at no more than 60% of market rent in perpetuity (subject to viability).	Major proposal in the designated areas (DEA, CAZ, TC) which redevelop low cost floorspace must re-provide the maximum economically feasible quantity of low cost floorspace in perpetuity.	Affordable Workspace is called for within: PP4 Stamford Hill & PP6 Hackney Wick.	Yes
13	Hammersmith and Fulham	Local Plan 2018	Policy E1 Providing for a Range of Employment Uses and Policy E2 - Land and Premises for Employment Uses	Regulation 18 Consultation (October 2025): Growing the Economy	Require flexible and affordable space suitable for SMEs in large new business developments, unless justified by the type and nature of the proposal and subject to viability. Developments should provide affordable workspace within Strategic Site Policy: Shepherd's Bush Market & Adjacent Land (WCRA2).	N/A	Applications for new business developments will be expected to provide affordable workspace via: flexible leasing arrangements; cross subsidised rent through s106 agreements; reduced rent arrangements; provide co-hubs or start up space.	Affordable Workspace SPD adopted October 2022.	Yes
14	Haringey	Strategic Policies 2013 (with alterations 2017)	N/A	Policy E14: Affordable Employment Space	Emerging policy E14: Over 1,000 sq. m. gross internal area of Office Class E(g)(i), Research and Development Class E(g)(ii), Industrial Processes E(g)(iii), and General Industrial B2 space (individually or combined)	Emerging policy E14: For Class E(g)(i) space, at least 10% of the gross internal area as affordable employment space. For Class E(g)(ii), E(g)(iii) or Class B2	Emerging policy E14: Minimum of 25 years Average fees should not be more than 60% of 'Open Market Rates' for Office Class E(g)(i) and should be a target of 20% but no more	On-site provision. Off-site provision in certain circumstances	No



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						space, at least 20% of the gross internal area as affordable employment space	than 40% of 'Open Market Rates' for Class E(g)(ii), E(g)(iii) and B2 of comparable spaces available		
15	Harrow	Core Strategy 2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
16	Havering	Havering Local Plan 2016-2031 (adopted 2021)	N/A	Policy 21: Affordable Workspace	The proportion of affordable workspace to be provided within schemes will be assessed on a case-by case basis, taking into account the viability of development.	Major commercial & mixed-use developments should provide a minimum of 10% floor space as affordable workspace for a minimum of 5 years, subject to viability.	A workspace provided where rent and service charges, excluding business support services, are on average at least 10% less than comparable local market rates for the duration of a lease (although it is noted that, for some sectors and locations, much reduced rents may be needed to render them affordable to target occupiers). Affordable workspace provided should incorporate flexible design features to provide adaptability for a variety of occupants.	The proportion of affordable workspace to be provided within specific schemes will be addressed on a site specific, case-by-case basis, taking into account the viability of the development. Where on-site provision is not possible, financial contributions for equivalent off-site provision will be sought. Financial contributions will normally only be agreed in exceptional circumstances when it has not been possible to secure appropriate on-site physical space. The amount secured will be dependent on the outcome of a viability assessment and negotiations with the Council. The Council intends to use affordable workspace as a key driver for the local economy therefore will be in favour of future developments incorporating AW. Important to note: Applicant should initiate dialogue with Workspace Provider in the pre-application stage.	In development
17	Hillingdon	Local Plan: Part 1 (2012) / Local Plan: Part 2 (2020)	Local Plan Part 1 Policy E6 - Small and Medium-Sized Enterprises: Hillingdon will encourage the development of affordable accommodation for SMEs in appropriate locations.	N/A	N/A	N/A	N/A	Affordable workspaces for small and medium-sized businesses are referenced for some Sites within Local Plan Part 2: Site Designations. Note: no requirements or triggers have been outlined.	No
18	Hounslow	Local Plan 2015-2030 (adopted 15 th September 2015)	N/A	Local Plan 2020-2041: Proposed Submission Version (Regulation 19) – July 2024 Policy ED1: Promoting	New employment developments	Emerging policy ED1: appropriate quantum/proportion within new employment developments	N/A	Local Plan policy ED1 - Promoting Employment Growth and Development: Expect developments to provide incubator space appropriate for start-up businesses as part of employment related or town centre mixed use development proposals. Para 4.3 of Policy ED1 outlines the requirement to	No



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			Employment Growth and Development			Specific proposals are required to provide at least 10% of floorspace at a rental discount of at least 45% (subject to scheme viability)	meet the changing needs of businesses by providing a mix of size location and costs - suggesting the potential introduction of affordable workspaces moving forward. Aim to diversify the economy.			
19	Islington	Islington Local Plan (September 2023)	Policy B4: Affordable Workspace	N/A		<p><u>Within CAZ, Bunhill and Clerkenwell AAP, CAZ fringe:</u></p> <ul style="list-style-type: none"> More than 1,000sqm net additional office/R&D/sui generis: 10% leased to Council at peppercorn rent for at least 20 years More than 10,000sqm net additional office/R&D/sui generis: 10% leased to Council at peppercorn rent in perpetuity <p><u>Within the Vale Royal/Brewery Road Locally Significant Industrial Site (LSIS) and other LSISs</u></p> <ul style="list-style-type: none"> More than 3,000sqm net additional office/R&D/sui generis: 10% leased to Council at peppercorn rent for at least 20 years <p><u>Within remaining town centres and PELs</u></p> <ul style="list-style-type: none"> More than 2,500sqm net additional office/R&D/sui generis: 10% leased to Council at peppercorn rent for at least 20 years 	Proposals for major commercial development not covered by Parts A to C – such as hotels and retail – may be required to provide affordable workspace and/or affordable retail space, subject to viability.	The Council's Inclusive Economy team will lead on the selection of a Council-approved operator once affordable workspace is secured		
20	Kensington and Chelsea	New Local Plan (July 2024)	Policy BC3: Affordable Workspace	N/A		<p>New developments that provide an uplift of more than 5,000 sq m (GIA) of Class E(g) business floorspace.</p> <p>Earl's Court OA and Kensal Canalside OA have specific requirements.</p>	10%	<p>CIL Zones F/H: capped rate of 50 per cent less than the prevailing market rate for comparable premises for a period of 20 years;</p> <p>For development in all other locations this affordable workspace must be provided at a capped rate of 50 per cent less than the prevailing market rate for comparable premises in perpetuity.</p>	New affordable workspace must be provided on-site.	The Council expects this workspace to be operated and managed by a specialist workspace provider or by the developer itself, as approved by the Council
21	Lambeth	Local Plan 2021 (adopted 22ns September 2021)	Policy ED2: Affordable workspace	N/A	At least 1,000 sq m	Discount dependent on site location and development scale.	<p>Waterloo/South Bank and Vauxhall 10% of rentable floorspace at 50% of market rents. Oval, Kennington and Clapham 10% of rentable space at 80% of market rent.</p> <p>Brixton (CEZ) 10% of rentable floorspace</p>	<p>Dependent on location - 15 to 25 years.</p> <p>Affordable workspace must be provided onsite and be designed to meet local need for office, light industrial or research and development.</p>	Adopted definition AW: Workspace that is provided at rents maintained below the market rate for that space for a specific social, cultural, or economic development purpose. If proposal cannot provide the affordable workspace requirement, viability information must be submitted.	Yes



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22	Lewisham		Policy EC4: Affordable Workspace	N/A	New major commercial development proposals for Class E(g) office and light industrial, Class B2 industrial, Class B8 storage and distribution and similar Sui Generis uses	At least 10% of the rentable floorspace (Net Internal Area)	50% of market rents and must be secured for a specified period agreed by the Council	Affordable workspace should be provided on-site or off-site through a commuted sum in exceptional circumstances.	Affordable workspace can be provided by AW provider, managed by owner directly or leased to end-user as approved by Council.
23	Merton	Local Plan 2024-2037/38 (adopted November 2024)	N/A	N/A	N/A	N/A	N/A	Emerging policy makes no specific requirements but recognises benefit of flexible/co-working space. Supporting para 13.5.23. The availability of small commercial units provides improved choice for business location and affordability. In turn, having a variety of businesses provides choice for consumers and this contributes significantly towards maintaining and enhancing the attractiveness and viability of Merton's town centres. Small units are often more affordable, thereby encouraging more specialist or independent retailers. Also, at 13.2.24. Flexible working and co-working business spaces are characterised by: ...Monthly rents or less, making the space more affordable and flexible, rent being inclusive of services.	No
24	Newham	Local Plan (2018)	J3: Skills and Access to Employment and S4 – Canning Town and Custom House: 'Continued emphasis on curation of TC. Including affordable workspace'.	Local Plan Review (submitted June 2024) Policy J4: Delivering Community Wealth Building and Inclusive Growth	The provision of Affordable Workspace to support Newham's economy will be supported on employment designations, site allocations and appropriate non-designated locations (including as part of a mixed use proposal) where the following criteria are met: a. there is need for this type of workspace in this location; and b. it will support the growth of small and medium enterprises, cultural and creative, or light industrial uses; and c. the quality and size of the proposed units provide flexible workspace that meets the needs of end users. Affordable Workspace is defined (as per the London Plan (2021)) as workspace at rents maintained below market rate for specific sectors that have social or cultural value or are disadvantaged groups. These can be secured in perpetuity or for a period of at least 15 years by planning or other agreements.				Provision can be provided or managed directly by workspace providers, public, charitable or private organisations
25	Redbridge	Local Plan 2015-2030 (adopted March 2018)	N/A	N/A	N/A	N/A	N/A	No specific requirement for affordable workspace, instead emphasis on 'flexibility': LP14: Stimulating Business and the Local Economy/ LP15: Managed Workspace. Supporting para 3.22.3 of Policy LP15 states: "the Council will seek the inclusion of a proportion of affordable workspace, within major commercial development schemes (generally B1 and B2 development), and within mixed-use schemes in the Investment and Growth Areas".	No



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26	Richmond	Local Plan (2024-2039)	Policy 25: Affordable, Flexible and Managed Workspace	N/A	Major developments with over 1000sqm of employment floorspace proposed (gross)	At least 10% of the proposed employment floorspace within major mixed-use and commercial schemes	In perpetuity or at least 15 years	N/A	No – requires appointment of managed workspace providers secured via condition/S106
27	Southwark	Southwark Plan 2022	P31: Affordable Workspace	N/A	500 sqm or more of employment floorspace	10% of gross employment floorspace	At least 30 years Discount market rents	If it is not feasible to provide affordable workspace on site, an in lieu payment will be required for off site affordable workspace. This will be calculated using the Affordable Workspace Calculator.	Yes
28	Sutton	Local Plan 2018	N/A	Local Plan (Issues and Preferred Options Consultation – Regulation 18) July 2024	N/A	N/A	N/A	N/A	No
29	Tower Hamlets	Local Plan 2031 (adopted January 2020)			Major commercial and mixed-use development schemes	At least 10% of new employment floorspace	Applicants should let the workspace at an affordable tenancy rate, at least 10% below the indicative market rate for the relevant location, for a period of not less than ten years	Supporting para 10.26 states: In exceptional cases, where an occupier requires exclusive use of a single office property, such as a global headquarters building, we may consider implementing the development with alternative affordable workspace provision. First instance same development, then same sub area then provision elsewhere in borough may be considered. Any alternative provision should be of equivalent value which may translate into greater floorspace than the original proposal.	Yes
30	Waltham Forest	Local Plan Part 1: Shaping the Borough 2020-2035 (adopted 2024)	Policy 32: Affordable Workspace	N/A	New employment floorspace of 1000sqm or greater in SIL, LSIS, BEA and in town centres, where viable As part of major mixed use developments in town centres, in Strategic Locations or as part of regeneration schemes, where viable	Not specified	Provided at rents maintained below the market rate for that space, for a specific social, cultural, or economic development purpose, and secured in perpetuity or for a period of at least 15 years	To be delivered on-site, with a payment in lieu to be sought where this is not possible.	No
31	Wandsworth	Wandsworth Local Plan 2023-2038 (adopted July 2023)	Policy LP38: Affordable and Open Workspace	N/A	Less than 1000sqm of economic floorspace are expected to provide a range of unit sizes. More than 1000sqm of economic floorspace must provide a proportion of 'open workspace', equivalent to 10% of the gross economic floorspace and no less than 400sqm (whichever is greater); or, provide a proportion of economic floorspace at an affordable rent, in perpetuity or at least 30 years, at rates: in the VNEB OA at least 10% of floorspace at a capped		In perpetuity or a minimum of 30 years	New affordable workspace should be provided on-site. Only in exceptional circumstances will the Council consider an off-site contribution	No



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				rate of 50% of market rent (MR); at all other locations at least 10% of floor space must be capped at 80% of MR.				
32	Westminster	City Plan 2019-2040 (adopted April 2021) Planning Obligations and Affordable Housing SPD (adopted 2024)	Policy 13 (c): Supporting economic growth	N/A	SPG: at least 2,500 square metres of net additional floorspace in any combination of the E(c) and E(g) planning uses	SPG: a minimum of 10%	SPG: at least 25 years though ideally for lifetime of the development	Policy 13: Proposals involving the provision of affordable workspace will generally be supported throughout the commercial areas of the city. No - although the SPG refers to space to be operated by a 'qualifying tenant' which is "an organisation that can demonstrate their intention and means to deliver the proposed affordable workspace. The Qualifying Tenancy could be the developer, owner of the property, or a managed workspace provider, such as those identified on other central London borough affordable workspace registers.