

MAYOR OF LONDON

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**2018 ARTISTS'  
WORKSPACE  
ANNUAL DATA NOTE**

CULTURAL INFRASTRUCTURE PLAN  
AUGUST 2018

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This research has been conducted by We Made That.

## Summary

This data is part of the Mayor's Cultural Infrastructure Plan. It sets out how workspace provision for London's artists has changed since our 2014 study on the subject.

It tracks the changes in artists' workspace provision since 2014 and looks across the sector to understand where and how workspace is being provided. This includes consideration of what the activities taking place in these workspaces are and how other creative activities are also provided within these sites.

We do not include self-defined workspace operators who provide space for other creative tenants **only**. However, these types of workspace are important to London's cultural infrastructure. This study sits alongside continued mapping and research of London's workspaces for other creative activity due to be published in autumn 2018.

## Methodology and Definitions

The research used surveys, engagement workshops and detailed interviews with a range of stakeholders. This collected both quantitative and qualitative evidence about artists' workspace in London. It is informed by:

- 1) baseline research and definition review
- 2) sector consultation through online surveying and tailored workshop sessions with workspace providers, artists and delivery partners
- 3) auditing of demand through provider and institutional engagement
- 4) case studies of select artists' workspace

This study identified 239 sites. Of these, we captured detailed information on 146 sites via the online survey. We also developed detailed operational and financial profiles for a sample set of 24 sites.

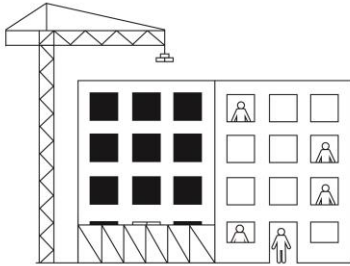
To map London's artists' workspace, we used the following definitions:

- **An artist:** is an individual whose creative output is driven by themselves and not by a client.
- **Other creative tenants:** are individuals or organisations providing creative services or content for clients, often to a brief.
- **Artists' workspace:** a space which is managed by an operator which offers space for artistic activity, typically in self-contained studio units.
- **A site:** this may be more than one building but operated by one provider.

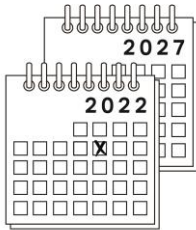
The study differentiated 'artists' and 'other creative tenants'. We wanted to explore the differences between workspace for artists only and those operating a mixed model with artists and other creative tenants.

Changes in methodology and the broadening of scope mean that the 2014 and 2017 datasets are comparable in most but not all respects.

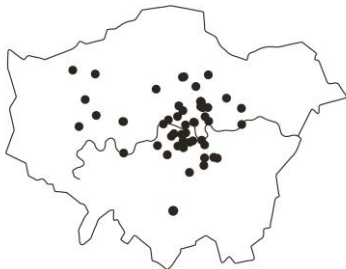
## Key findings summary



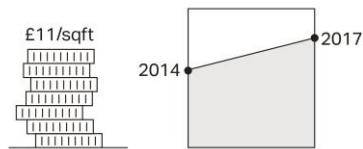
67 per cent of sites identified in 2014 as at risk of closure within 5 years had closed by November 2017



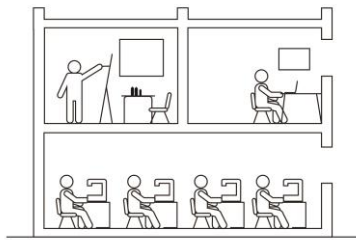
The risk of closure remains high, and 24 per cent (57) of current sites providing artists' workspace are at risk of closure within the next 5 years. This is because so few organisations own the freehold to sites (around 13 per cent)



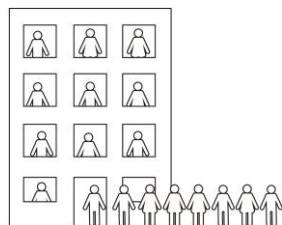
Between 2014 and 2017, 52 new sites providing artists' workspace opened - a net gain of 13 sites. Mayoral regeneration funding has supported 4 of these sites



Workspaces are becoming more expensive. In 2014, 56 per cent of sites charged an average of £11+ per square foot. In 2017, this had risen to 79 per cent of sites



Many operators provide space for both artists and other creative tenants to support a blended rental income model. That means not every new site provides workspace exclusively for artists



Sites show very high and continuous occupancy rates. There appears to have been no decline in demand from artists for workspace since 2014



## Artists' workspace provision in 2017

Our 2017 research found the following:

### Supply and tenants

- 129 organisations operate 239 sites
- 6,110 workspaces cater for at least 10,872 tenants<sup>1</sup>. 6,968 (64 per cent) of tenants are identified as artists<sup>2</sup>
- 52 new sites opened since 2014 providing around 1,200 new artists' workspaces
- 56 per cent of sites provide workspaces for solely for artists
- 44 per cent of sites offer a mixed business model, where artists work alongside other tenants. On average, artists make up half the occupants (51 per cent) at these sites
- 62 per cent of organisations operating sites are registered charities. Along with commercial companies, other organisational types included; a worker-owned cooperative structured as a limited liability partnership (LLP), an unincorporated group and community interest companies (CIC)

### Risk

- 87 per cent<sup>3</sup> of sites operate on rented or leasehold terms
- 24 per cent of sites are at risk of closure within the next five years
- 17 per cent of workspace is at risk of closure in the next five years<sup>4</sup>. This is down from 28 per cent in 2014. However, the 2014 sample was of studios reviewed was smaller

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<sup>1</sup> Workspace occupiers who make use of space managed by workspace providers or other artists.

<sup>2</sup> Engaged primarily in artistic activity.

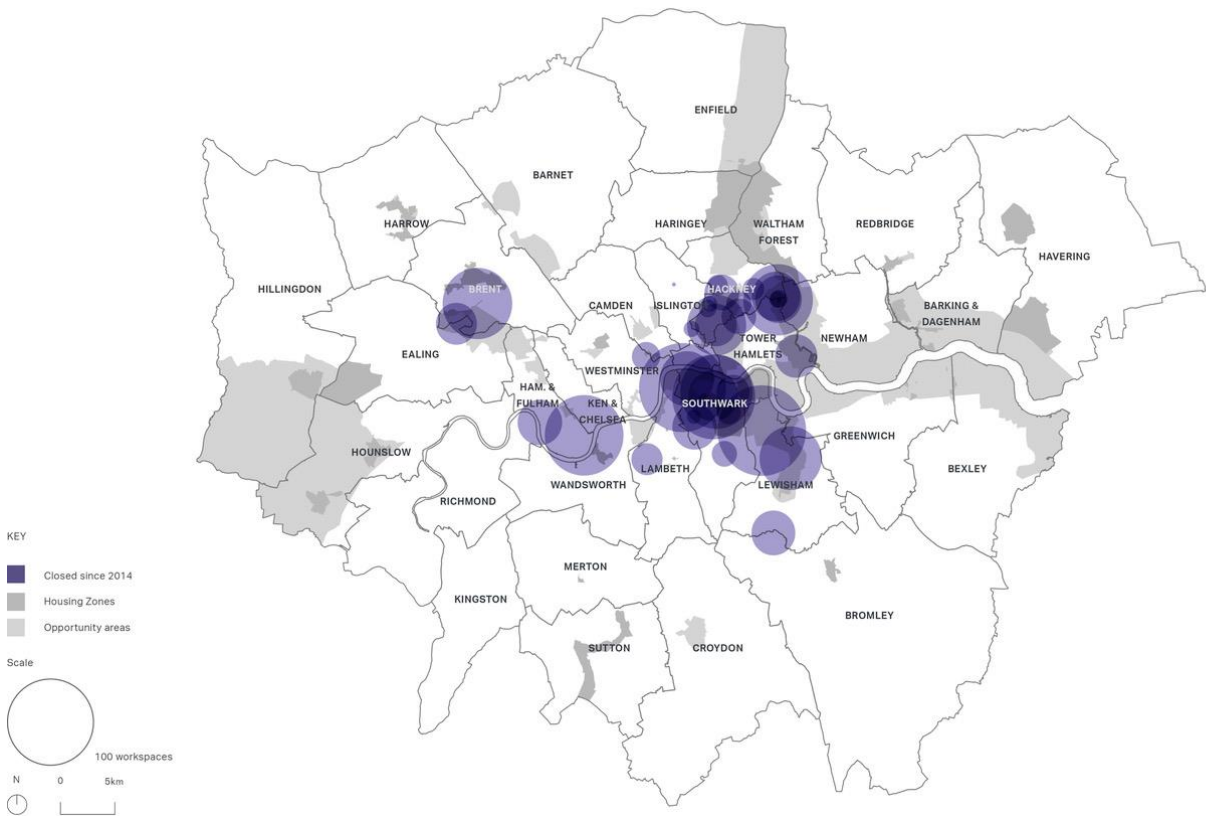
<sup>3</sup> Based on sites detailed by survey respondents (accounting for 62 per cent of total identified sites)

<sup>4</sup> Based on sites detailed by survey respondents (accounting for 62 per cent of total identified sites)

## Loss

- 39 site closures have resulted in the estimated loss of around 1,300 artists' workspaces
- where sites have already been lost they correspond with housing zones and opportunity areas

### Lost sites overlaid onto housing zones and opportunity areas

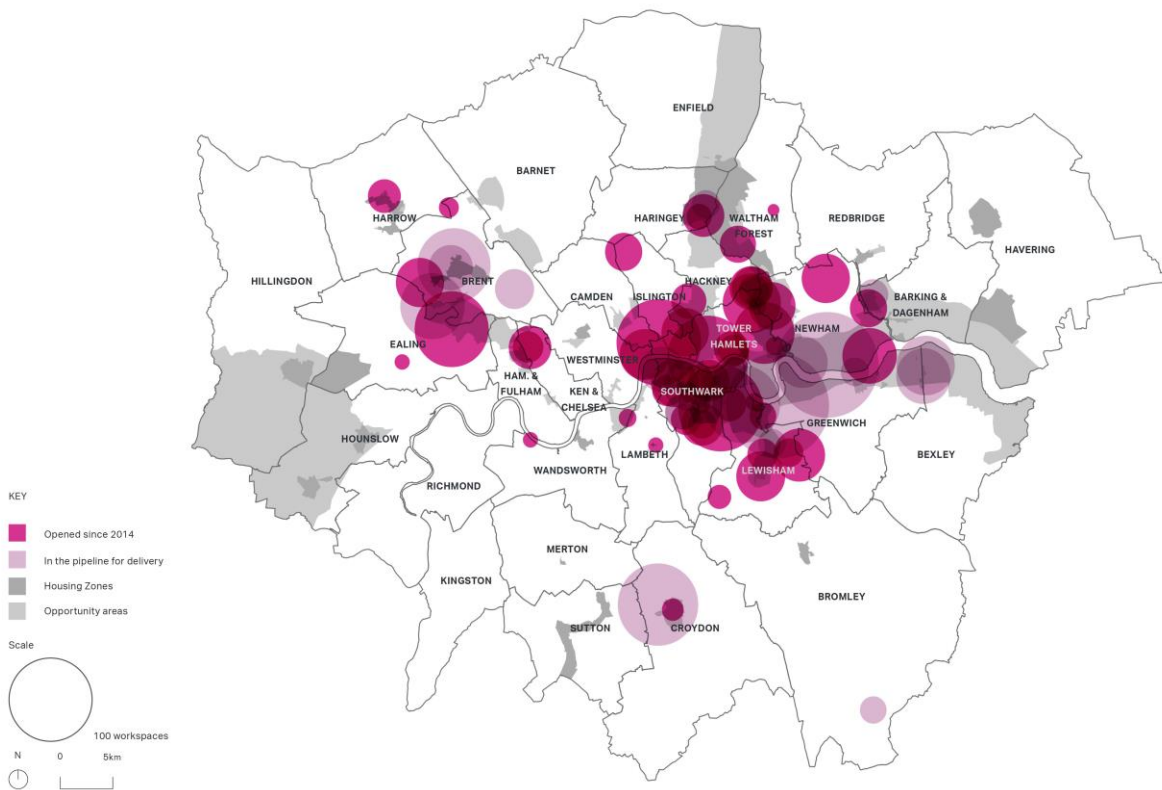




## New provision

- there are 52 new sites. Another 21 sites in the pipeline have also been identified
- sites remain concentrated in inner east London boroughs, but are becoming more dispersed

## Location of new artists' workspace provision since 2014 and pipeline sites



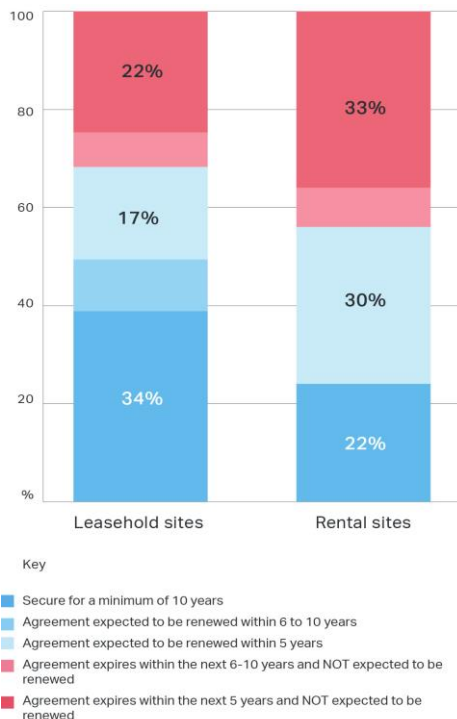
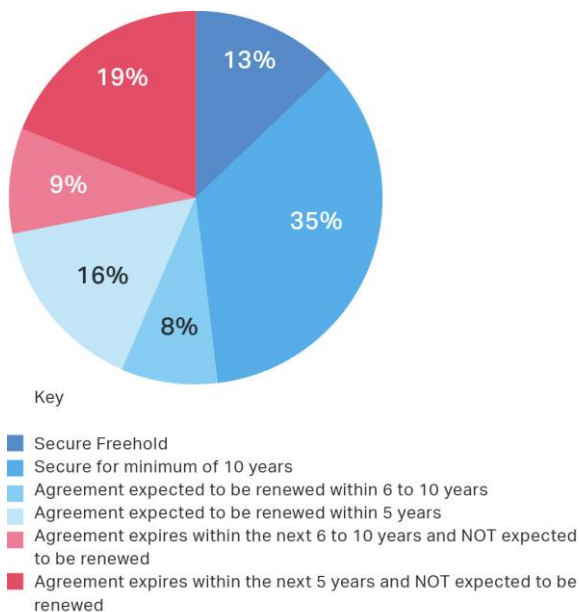
### Continued instability

Artists' workspace providers continue to operate under a range of tenures. Most reported sites (87 per cent) are on rented or leasehold terms. This means sites are vulnerable to change of use or redevelopment should the landowner want to move the provider on. Many providers would like to obtain freehold sites. Yet, only 13 per cent of reported sites are secure freehold.

Many providers are adept at raising funds from a variety of sources and are sophisticated in debt management<sup>5</sup>, but the need to source increasingly large amounts of funding for a deposit is a barrier in the pressured London property market. Providers' commitment to below market rents means that they do not build large reserves. As such, they're often considered a lending risk. Demand for existing spaces, the growth of 'Open Workspace' provision and huge increases in rents and business rates adds even more pressure.

If vulnerability assumptions are applied to all known current supply, due to continued pressure, London can expect to lose around 57 sites (24 per cent) in the next five years, accounting for around 1,000 workspaces and 1,450 artists. This equates to 21 per cent of artists' working from surveyed sites across London. Only 1 per cent of other creative occupiers work from these at-risk sites. This further highlights how vulnerable artists' workplaces are in London.

### Risk profile of workspaces 2017<sup>6</sup>



<sup>5</sup> Making Space: Developing and Sustaining Affordable Artists' Studios and Creative Workspaces, Creative United, July 2016.

<sup>6</sup> Based upon 90 per cent of surveyed sites.

## Continued high demand

Workspace sites continue to show very high and continuous occupancy rates at 95 per cent plus. There are 13,780 places on waiting lists currently held by just 27 workspace providers. The website [www.artiststudiofinder.org](http://www.artiststudiofinder.org) is searched around 10,000+ times a month. Some 20 per cent of these searches come from outside London.

HESA (Higher Education Statistics Agency) data for the 2016/17 academic year shows 58,515 new creative arts and design graduates in the UK. Of these, 15,430 graduate from London universities. This is across further education, undergraduate and postgraduate qualifications and includes courses in design, fine art, craft, music, drama, dance, photography and creative writing. In fine art specifically, 5,820 graduated across the UK with 1,595 from London universities.

Academics reported changes in the backgrounds of postgraduate students that reflect anecdotal reports from workspace providers. They are seeing more older people, made up of those changing career and/or those with time and money to pursue artistic practice. Conversely, some arts graduates awarded free workspace struggle to use the opportunity, as they must work full-time in other roles to afford London living costs.

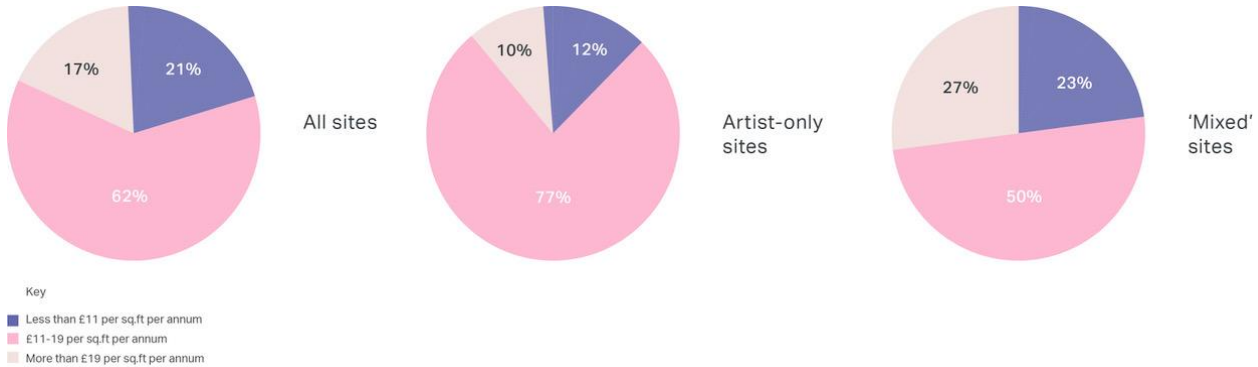
## Maintaining affordability

Most providers (62 per cent) report charging between £11-£19 per square foot to occupiers for workspace. More detailed analysis of a sample of 24 profiled sites suggests the average price charged to workspace users is £14.29 per square foot. This suggests that there is a continuing trend towards increasing price to the workspace user. In 2014, 56 per cent of sites reported average rates of more than £11 per square foot per annum to occupiers. In 2017 this figure had risen to 79 per cent. Given retail price inflation over that period was c2 per cent a year, it is unlikely to have contributed to this trend.

Differentiation in affordability can be seen on sites where artists work alongside individuals engaged in other creative activities or supporting work. Only 10 per cent of sites providing workspace to artists alone charge over £19 per square foot to the tenant. On sites where other creative and support workers are present, that figure rises to 27 per cent.

However, just 13 per cent of sites providing workspace to artists alone charge under £11 per square foot to the user – compared to 23 per cent for sites where other creative and support workers are present. This shows how 'mixed' sites represent a growing range of workspace including both new affordable space and a more expensive high-end offer. **The charges to occupiers should not be used by boroughs or developers as an understanding of operator rental levels.**

## Charges to occupiers per square foot



## Operator pricing

A range of factors influence the price of workspace across the market. However, it is hard to gain accurate and comparable figures around prices to end users. This is because of a lack of a consistent method of calculation across the sector and commercial sensitivities. Detailed analysis of a sample of 24 profiled sites, suggests **the average price paid by artists' workspace operators is £6.10 per square foot**. This compares to average secondary rents of industrial/warehouse space in London which range from £6.50 per square foot to £7.80 per square foot<sup>7</sup>.

Before arriving at a price to charge occupiers, operators factor in costs. These vary depending on their offer, but typically cover:

- business rates
- building service charges
- building security costs
- building maintenance costs
- internet service
- building utilities covered by provider
- staffing costs
- cleaning fees
- mandated and non-mandated exhibition/community/public engagement activities

The economics of every site reflects its context, tenancy arrangements, business model, tenant make up, outreach activities and organisational structure. These must be understood and supported for the provision to be sustainable.

<sup>7</sup> London Industrial Land Demand, CAG Consultants, June 2017.

Exhibition and public engagement costs, ranging from £9,000 to £250,000 in a year, were major outgoings for providers. Often these activities were reported to be part of a provider's charitable mandate, and thus a key part of their business. Most artists' workspace sites (71 per cent) offer public workshops, mentoring or other forms of engagement.

62 per cent of all surveyed sites report pricing to end users that includes service charges, the rest excluded service charges to end users. Service charges varied between workspace providers. Some positioned themselves as a building management company and provided high-end facilities like fibre-optic broadband. Others kept services to basic provisions, like heating, to remain as affordable as possible. Utilities, primarily electricity and internet, are more often recharged back to the workspace user separately. Workspaces are either separately metered or charged at a rate per square foot.

## Actions

### City Hall will:

- continue to actively monitor artists' workspace provision
- share localised supply and London-wide demand evidence with providers and boroughs
- produce and promote a Design Toolkit for developers and boroughs which includes artists' and creative workspace
- continue to support at risk cases through direct referrals to the Culture at Risk Office and inputting into strategic planning applications referred to the Mayor
- encourage applications to the Good Growth Fund which seek to secure and create new artists' workspace
- set up and seed fund a Creative Land Trust to secure workspace for artists at affordable rates in perpetuity
- work with boroughs to realise Creative Enterprise Zones to safeguard creative clusters and create new permanent affordable premises and live-work space for artists and creative businesses



**To support this, London boroughs should:**

- sign up to the Mayor's Workspace Pledge to signify commitment to protecting existing and creating new workspace
- develop local workspace policies which encourage new developments to consider artists' workspace provision as part of their contribution to local economies and employment space planning requirements
- carry out local monitoring of artists' and creative workspace supply. This should focus on housing zones and opportunity areas
- differentiate within approved workspace providers lists between Artists' Workspace Providers who provide premises for artistic activity only (or primarily) and those which provide for a mix of creative tenants. This provides clarity around the outcome desired and should guide what terms are required to achieve it including appropriate pricing per square foot
- use the GLA Design Toolkit to support development of new workspace

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