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# Developers bank on Brixton

By [Grace Howarth](#) | Thu 18 June 2020



Brixton is known for its rich cultural and social history and its nightlife, rather than as a hotbed of office development activity. However, that could be about to change.



Latest offer: Squire & Partners is adding flexible workspace to The Department Store, the Brixton headquarters building it moved into in 2017

Architecture practice Squire & Partners is currently delivering 13,000 sq ft of flexible workspace at The Department Store Studios. Earlier this year, Derwent London splashed out on a 50,000-plus sq ft existing office building in the area. And Hondo Enterprises – owner of Brixton market – is working up plans to deliver a mixed-use development slap bang in the heart of Brixton, which includes offices on the upper floors.

So what are the chances of these locations attracting occupier interest in an area where only 7% of the existing built environment is classified as office space?

Squire & Partners has arguably been at the vanguard in terms of establishing Brixton as a viable option for office occupiers. It completed the development of its headquarters, The Department Store, in 2017. Michael Squire, partner at Squire & Partners, says it had outgrown its old office in King's



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In 2017, Michael Squire, partner at Squire & Partners, says it had outgrown its old offices in Kings Cross and could not find anything suitable and affordable in the local vicinity. He admits Brixton wasn't really on the company's initial shopping list of locations.

## Building with potential

"We looked everywhere, then someone said: 'What about Brixton?'" says Squire. "I live in Clapham, and my understanding of Brixton is that it's a place for people to enjoy nightlife. We had a look at the building, which would become our headquarters. It was a dilapidated Edwardian department store, but we saw potential."

When Squire & Partners purchased the department store site in 2015, it also acquired some adjacent development land. The plot had consent for 14 flats, but Squire envisaged an alternative use for it.

"We felt that office use would be better than residential when it came to the studios," he says. "The plan for the two buildings is to enable people who use The Department Store Studios to also use facilities such as the restaurant and bar in The Department Store at a discount. Running such facilities across two buildings is expensive."

### ***Brixton in an office sense is largely undiscovered***

*David Silverman, Derwent*

Work on The Department Store Studios is continuing despite lockdown, with the structure and exterior now going up. The plan is to open the building by the end of 2020 after fitting out the interior.

The untapped potential of the area as an office location was something that Derwent London also detected when it acquired Blue Star House on Stockwell Road, just a one-minute walk from The Department Store, in January this year. The developer paid £38.1m for the 54,000 sq ft, 11-storey building, where rents are currently around the £14.50/sq ft mark.

"Brixton in an office sense is largely undiscovered," says David Silverman, director at Derwent. The developer's plans for the building are at an early stage; it recently appointed an architect to work up proposals over the coming months.

## Grand designs

Hondo Enterprises also has ambitious plans for the area. It owns a large site on Pope's Road in the heart of Brixton that is now home to a Sports Direct store. Hondo wants to develop a market hall on the ground and first floors with 20,000 sq ft of flexible workspace above and has submitted a planning proposal for the site.

For an area that has been starved of new office space for a long time, suddenly there is a healthy amount in the development pipeline. But will there be sufficient demand for the space?



Developing market: Hondo Enterprises plans a mixed-use building with flexible workspace in the heart of Brixton



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Robert Buchele, a director in Savills' London commercial development team, thinks there will. "There's an appetite for hotspots around London," he says. "History shows if you're able to be one of the pioneering investors and stakeholders in an up-and-coming location, your performance will be stellar. I remember when Smithfield and Clerkenwell were poor neighbours to the West End and trading at £20/sq ft."

He adds that people have become more footloose in terms of where they want to be located, and that trend could increase as a result of the recent pandemic.

Squire agrees: "Because of Covid-19, there may be a resistance to heavy commuting if you can avoid it, so the local office may become something attractive to employees. There's a big potential workforce in Brixton who can easily cycle or walk to work."

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### ***There is an appetite for hotspots around London***

*Robert Buchele, Savills*

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Silverman also thinks that not being based in the heart of the capital offers numerous upsides to potential occupiers.

"It's a valuable alternative, not being right in the centre," he says. "You have the Victoria line, so you can jump on the Tube. This makes these sites easier to let, and looking for emerging locations in London is getting more and more difficult."

As the area starts to attract occupiers for all the reasons mentioned above, Buchele thinks other developers may start sniffing around for opportunities.

"A lot of people want to follow what Derwent does," he says. "It's one of the exemplary developers in our market. With Brixton, you can deliver a pricing point [that's] more economical than central areas and make a compelling argument for developers to come here.

"There's sufficient [occupier] demand, just not enough office stock. Blue Star House, The Department Store – those decent-sized commercial buildings are going to be in short supply in that market."



Star attraction: developer Derwent London paid £39.1m for the 54,000 sq ft Blue Star House in January

Silverman says that Derwent would be prepared to "look for more opportunities down the line and look to acquire other things in Brixton", should the right sort of product become available.

One issue that all office developers looking to bring new schemes forward in Brixton will need to address is getting local residents on board. The proposals put forward by Hondo have been met with vocal opposition, and many locals are worried that the area may start to lose its identity if other developers plough in and erect shiny new office buildings. It's an issue Squire is acutely aware of.

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### ***We've made a real effort to engage with the community***

*Michael Squire, Squire & Partners*

"There was some reaction, if I'm honest, about gentrification," he says. "We arrived, spending money, but we've made a real effort to engage with the community. We've got an events space downstairs in The Department Store, which local people and charities use, and [for which they] pay virtually nothing.

We get the children from local schools to design window displays.

"We've been supported by the community and Brixton is a great place to work, but we've had to learn that rather than knowing it in advance."

## Working with the community

Ed Betts, director of office agency at Savills, says that Hondo needs to work with the local community to get its scheme away. To this end, the company has proposed introducing affordable workspace as part of its plans for the site and hopes to attract local individuals and businesses to the space.

This could go some way towards assuaging local concerns that the area could be irrevocably changed by all the planned development activity.

"To say 'yes, Brixton will change, from a fun vibrant place to a grey neighbourhood overtaken by suits' is too binary," says Betts.

"By delivering office buildings, people would like to feel they are in line with Brixton. At the moment, there's no danger of suits arriving and destroying Brixton's DNA."

Time will tell if that remains the case.

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