

Understanding the impact of London's Design District two years on



DESIGN
DISTRICT



Vision + Journey

01

**Emma Mansell,
Head of Design District**





2017

2021

2023

In 2017, an idea took shape for a purpose-designed London neighbourhood dedicated to supporting the creative industries.

In 2021, in the heart of Greenwich Peninsula, that idea became reality.

Today, Design District is home to more than 170 businesses and organisations, of all sizes, spanning every creative discipline.

The Design District's operating premise – that bringing together and supporting diverse creative enterprises drives innovation, growth and resilience – has proven even more important against a tumultuous global climate.

Design District Vision

In 2017, conceived and developed by Knight Dragon and backed by the GLA, the Design District team set out to transform 157,293 sqft of land on Greenwich Peninsula into a dedicated hub for nurturing creative enterprise.

Their goal was to create the ideal conditions for a self-sustaining creative sector ecosystem for businesses of every size – from one-person bands on single desks, to larger businesses occupying entire 10,000 sq. ft buildings.

Through cutting-edge architecture, accessible spaces, a varied events programme and functional, inspiring workspaces, Design District sets out to foster connections, spark ideas and give creative businesses the opportunity to thrive and grow.

A  cluster
of 16 gloriously
eclectic  buildings
designed to a
 human scale,
by eight pioneering
architects 

Founding principles

To Keep London Creative

Contributing around £115.9bn to the UK economy every year, and growing four times as fast as the economy as a whole, the creative industries are integral to the future of the UK. Design District exists to ensure that creativity remains at the heart of London, and that London maintains its status as one of the world's greatest creative centres.

To protect businesses from rising rents which often results in creatives being priced out of the very areas to which they brought value, the district was founded on **two central principles**:

Diversity

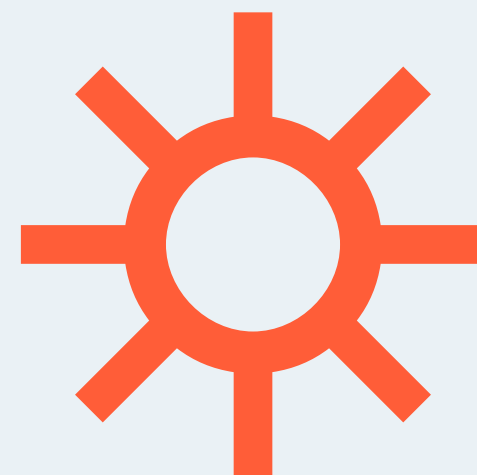
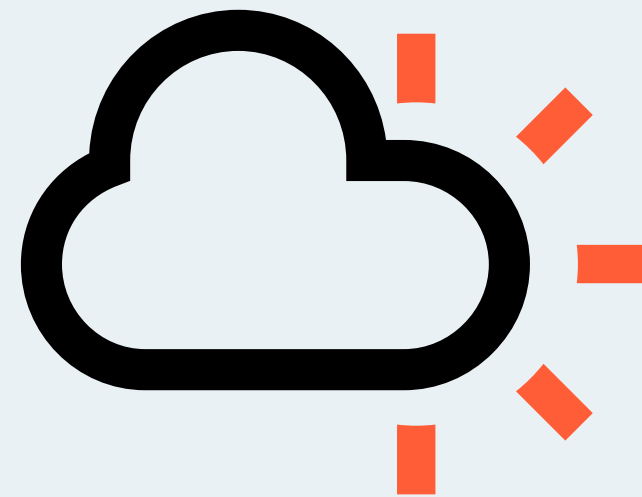
Design District sets out to support the widest possible spread of creative-sector businesses and enterprises, offering workspaces at all scales and to suit every need – from dirty workshops to brand headquarters to individual desk spaces with ample natural light. This allows Design District to represent a full spectrum of disciplines.

Accessibility

Rents are variable depending on business size, therefore sustaining a diverse ecosystem of businesses at different sizes and stages. Lower rents are subsidised by commercially established businesses paying higher rates, aware that their broader shoulders support the smaller businesses, and benefit from their proximity. Rental contracts are simple and accessible – saving businesses from legal fees to negotiate their contracts.

Weathering a time of transition

When Design District's concept was first developed, nobody could have predicted how the world would have changed by the time it opened in 2021.



Design District launched against a backdrop of Covid pandemic and a crisis for the creative sector. **According to the Creative Industries Federation, by the end of March 2020, 50% of creative organisations and freelancers had already lost 100% of their income – and only half had reserves to last beyond June 2020.**

Over the succession of lockdowns, the dominant workspace model was turned on its head; working patterns became more flexible as people were untethered from their offices. But for many in the creative sector, reliant on workshop spaces and studios for making, or on physically shared spaces for creative collaboration, homeworking was not a liberation, but a limitation. Design District's flexible workspace offering, and affordability initiatives, threw the industry a lifeline at a time when it needed it most.

Conceived to support and nourish London's creative sector during 'normal' circumstances, Design District's model has proven robust and adaptable enough to help creative businesses thrive even in the face of extraordinary economic conditions.

The baked-in versatility and focus on business support has ensured that, two years on, Design District has not only helped the creative sector rebuild after Covid, it has also ensured its tenant businesses continue to thrive in the face of a barrage of economic challenges – from the fallout of Brexit to the war in Ukraine to the cost-of-living crisis.

Home to 170+ creative businesses

Today, 170+ businesses call Design District their home – ranging from global brands to one-person startups, working across the spectrum of creative disciplines, from lighting design to landscape architecture, dance to digital. Together, they form a vibrant, inter-connected community of creative enterprises, thriving in the face of market conditions and, in many cases, outperforming their peers across London.

Built on data gathered by Social Life – a social enterprise specialising in the relationship between built environment and community – this report explores and explains the impact of Design District on its tenant businesses, and its success in nurturing growth and inspiring innovation amongst the creative industries.

From
Lighting
to Landscape
+ Dance
to Digital

Report + Findings



Founded by the Young Foundation in 2012, Social Life is a social enterprise and specialist research agency that examines the relationship between the built environment and the people and communities that inhabit it.

The agency's insights and research is used to inform the planning, design and management of places that are socially and economically sustainable.

Shortly after
its launch,
Time Magazine
named Design
District as one
of 'the world's
greatest places'.

Almost two
years later, has
it lived up to this
utopian vision?

Aims

To answer this, Social Life set out a detailed programme of research and analysis to assess the impact the District has had on:

- 1 The businesses based here;
- 2 Their employees;
- 3 The wider Greenwich Peninsula neighbourhood.

These findings indicate its success as an innovation district, and provide a measure of how well it is delivering on its mission to create a thriving ecosystem of creative businesses.

Approach

Social Life took a deep dive into the Design District community. At time of research, this comprised:

170+ tenant businesses with a network of
675 employees and
250 regular freelancers, generating
£57m collective annual turnover

Ranging from UX agencies and 3D printers to fashion and furniture designers and performing arts charities, this rainbow of businesses spans almost the entire spectrum of creative industries as defined by the Creative Industries Federation (now Creative UK). It encompasses SMEs both small (2–4 employees) and significant (50+), with turnovers ranging all the way from £25,000 pa to £5million+.

Key findings

The creative sector has been hard hit in recent years, notably affected by Brexit, the Covid-19 pandemic and, now, the cost of living crisis.

Between Q1 2019 and Q2 2021, overall output declined by 37% across the wider creative sector in real terms, with areas such as the performing arts, theatre and music (which alone saw a 35% drop in employment due to the pandemic) and freelancers – over-indexed in the creative industries) suffering particularly badly.




Social Life's findings highlights that the majority of creative businesses making their homes in Design District are bucking wider trends and thriving in the face of adversity.

Key findings

Since moving to
Design District:

71

%




feel more confident
in their business

Key findings

Since moving to
Design District:



 said their employees and
colleagues had benefited
from the move

Key findings

Since moving to
Design District:

8

4

0%



consider their
businesses to be
operating successfully

Key findings

Since moving to
Design District:

90%



have either maintained
or grown the size
of their teams

Key findings



In sum, Social Life's findings highlights that Design District's unique offering is proving effective at supporting and nurturing London's creative industries – and provides a valuable blueprint for economic placemaking in other cities in the UK and beyond.



Headlines + Insights

“

Design District is [...] a place for creating, connecting and supporting other creative businesses. We're growing quickly, so it's great to be in such a flexible space that can support this growth.”

Tudinh Duong, founder at ON digital studio

Strength in community

“

The great thing about Design District is not only that there is a fantastic group of creatives here, but the multiple opportunities to meet and work together.”

Aleksandra Klicka,
Photographer at Klicka Photography

In the face of hugely challenging macroeconomic circumstances, when company insolvencies are up 40% year-on-year:

2 in 3 Design District businesses sustained or increased their turnover

9/10 maintained or grown their number of staff

8/10 said their employees actively benefit from being part of the Design District community

Most commonly cited benefits include:

- the range and quality of **shared amenities**
- the **opportunities to collaborate**
- the overall **energy of the District**

Community of collaboration

“Through being based at Design District we have been presented with many opportunities to network with other creatives who work within the creative industry.”

Luke Ashley, Founder and Tattoo Artist at Aura Ninety Four

Innovation is one of the key drivers of business success. One of the key tenets of the Design District model is the belief that clustering creative businesses in one location increases the potential for innovation by encouraging collaboration, dynamic competition and the exchange of ideas. Tenants share this belief; in fact, 83% cite the desire to be part of a creative community as their motivation for moving here.



Community of collaboration (continued)

“

Collaboration is central to our programme so to share in its ethos is extremely exciting, opening up boundless opportunities for us.”

Ashley Joiner, Founder and Director at QUEERCIRCLE

The creation of a culture of collaboration is integral to Design District's mission, rooted in the notion that, by nurturing a diverse array of organisations, spanning multiple sizes, scales and sectors, the District can sustain a self-supporting creative ecosystem in which the whole becomes greater than the sum of its parts. As New London Architecture recently put it in a report on innovation districts: “synergistic ecosystems generate fertile ground for innovation, allowing companies to reach new levels and excel beyond their individual capacity.”

This ecosystem is starting to take shape, as suggested by the fact that thus far, a third of the businesses have been able to develop new products, services or ways of working with others based at Design District. Collaborations range from sharing facilities and marketing content to co-developed products and co-produced performances.

Faber Futures x Fabrika

Biodesign meets fashion

Biodesign studio Faber Futures is in the process of launching the world's first biotech lifestyle brand, Normal Phenomena of Life. One of their first products, the Exploring Jacket, is a technical jacket batch-dyed using bacteria. To create a sample, Faber Futures turned to their Design District neighbours, Fabrika. Having produced the first sample of the jacket, Fabrika and Faber Futures are working together to take it into production, made to order, when the new brand launches – a supply chain just a few yards long!

“Working with our neighbours at Fabrika has proved invaluable... It is a rare thing to be able to simultaneously design complex biomanufacturing protocols for original garment patterns and have them ethically manufactured to a high standard within the same postcode. This highlights the importance of nurturing dynamic creative ecosystems of business activity that make innovation across sectors not only possible but happen at pace.”

Natsai Audrey Chieza, Founder and CEO, Faber Futures

Design District's Community in 2023

More than
170 businesses

Network of **675** employees
and **250** freelancers

Recently arrived: half moved
to Design District 12–18 months
ago; a quarter less than a year

A third 5–10 years old; only
one in seven less than two.

"I think Design District is really, really diverse in terms of people and professions. I love that, although we're all under the umbrella of 'design' or 'creative', I've heard and seen conversations from people working in [everything from] TV to interior design and advertising."

Anish Joshi, Founder of Design3

Spanning every creative sector identified by DCMS

Top three sectors represented:

23% 

**Design &
designer fashion**

21% 

**Creative Technology
– IT software and
computer services**

16% 

**Film, TV, video, radio
and photography**

Financial impact

In contrast to many SMEs operating in London today, the majority of Design District's tenants are either maintaining or increasing turnover.

Having opened in the midst of both a pandemic and a paradigm shift in working culture, and spent its first 18 months operating in a challenging macroeconomic climate, Design District is especially valuable as a compelling test case for a route to grow individual businesses, build sustainable communities, and support the industry – arguably even more so that if it had launched in 'normal' conditions.

A survey conducted by the Creative Industries Policy and Evidence Centre noted that the biggest challenge faced by the UK's creative businesses in 2020–21 was the collapse in demand for their products and services. During this period, they reported a 10% drop in turnover on average, and over 25% changed or downsized office space (especially prevalent in London). **One of the key findings, however, was that businesses located in creative clusters were more protected from the negative economic effects of Covid than those going it alone.**

The research conducted by Social Life backs this up. Overwhelmingly, Design District's tenant businesses have bucked wider trends and successfully weathered both the pandemic and the challenging economic climate that followed it, with:

- ▶ **90%** growing or maintaining the size of their teams.
- ▶ **71%** reporting greater confidence in their business since moving in;
- ▶ **65%** maintaining or increasing turnover (many of those reporting an increase attributed it specifically to being part of Design District);
- ▶ **84%** expressing satisfaction with business performance (29% suggesting they are actively thriving);


Wellbeing at work

“

Our studio at Design District is the biggest and best yet. The space is incredible [and] the sense of community is really special.”

Helen Kirkum,
Artist and Designer at Helen Kirkum Studio

In all sectors, workplace quality has a proven and tangible effect on employee wellbeing and, in turn, productivity. For creative businesses, reliant on collaboration, discussion and exchange of ideas, high-quality shared workspaces are even more important.

 **Even though the dominance of the desk-based 9-to-5 may have been shaken, the studio, the workshop and the office are still integral to creative enterprise.**

At Design District:

‘The quality of workspace’ is the single most commonly cited reason Design District’s SMEs give for successful post-pandemic recovery.

60% of those reporting increased confidence in their business credited it to their workspace being fit for purpose

51% say being part of Design District has helped them boost productivity

61% say Design District has improved the quality of their working life

Workspace and wellbeing

“
The world of work is changing fast – and mapping out healthy new work models is necessary to channel that change into the creation of stronger, sounder livelihoods”

World Economic Forum

Design District was designed to address changing workspace trends even before the Covid-19 pandemic accelerated the rise of remote working and kickstarted a global conversation about the relationship between workspace, wellbeing and productivity. The district's operating premise – that the most successful workspaces are the ones that are fit for purpose, inspire their users, and which provide positive wellbeing benefits – has proven even more important in the post-pandemic climate. As Microsoft's Work Trend Index 2022 found, in the workplace, culture, wellbeing benefits and a sense of purpose rank highest as motivators after pay – precisely the things that Design District sets out to provide.

As it developed, Design District was in a unique position to adapt its offering and infrastructure to meet the needs of the post-pandemic workforce. As well as offering businesses the opportunity to secure a prestige location in a bold, architecturally progressive masterplan, the district was able to entrench flexibility into its design ensuring that its workspaces were designed to support multiple ways of working, from collaboration in buzzing shared spaces, to focused solo work and private digital meeting spaces.

A refreshing counterpoint to the 'big architecture' that dominates the City, the tightly clustered low-rise buildings of Design District are human in scale, cultivating an atmosphere of intimacy, and encouraging interaction with others, fostering a sense of social connectivity.

Recognising that the provision of both work and leisure amenities is integral to creating a cohesive and engaged community, especially in a creative context, Design District incorporates versatile spaces, specialist workshops, studios, meeting rooms, pop-up sites, food and drink venues, destinations for leisure and cultural activity and even a rooftop basketball court – everything needed to nurture a vibrant creative community.

“Create a space where people want to linger and mingle – and you will find people arrive in such spaces energised, with a renewed sense of the possible.”

– Creative Land Trust: 'A Report on the Positive Impact of Arts and Culture in the Office Environment.', Oct 2022

Workspace and wellbeing (continued)

This standard of amenity provision proved a major incentive for businesses to move Design District, with:

- ▶ **68%** of respondents citing the standard of space as their primary reason for moving in;
- ▶ **60%** of businesses attributing their increase in confidence to a more fit-for-purpose workspace;
- ▶ **61%** directly attributing an increase in quality of life to the standard of Design District's amenities, and over half connecting this to an increase in productivity.

Many businesses have found that being part of Design District enhanced their own sense of credibility, and projected business confidence in the aftermath of the pandemic.

At the time of the Social Life survey, an impressive 39% of businesses had increased in size since arrival in the District.

The 'client-friendly' environs of their workspace, the status of the District as an architectural landmark and the cachet of the creative community itself were all referenced as appealing to new employees.



Affordable by design

“

For us, Design District is a fertile ground for ideas as disruptive and energetic as our own, and a space to innovate at an accelerated pace”

Mihai Toma & Jack Smethurst,
Co-founders at New Genre

Design District has been consciously developed to foster creative diversity by meeting the needs and budgets of creative businesses at all scales. Working to a blended rent target of £25 per sq ft, rents are determined by sector-qualified means-testing, recognising that, although different creative subsectors may vary in their commercial value, all have equal cultural value.

Smaller SMEs are dynamically subsidised by their more established peers, who recognise the importance of diversity in sector, size and scale.



Turnover range

<£25,000 – >£1 million

Average turnover

£695,455

Combined turnover

£57 million

Businesses >5 years old

37%

Businesses <10 years old

31%

The blended rent model

“

I wanted to be part of something big and when I saw the studio I felt something greater – a place that would give me more visibility and opportunities. I'm a great believer in collaboration... after fifteen years I feel it's time to give back.”

Manos Kalamenios,
Ceramic Alchemist and Founder of Made by Manos

In addition to the architecture, the amenities, and the inherent benefits of being part of a cluster of businesses, a key driver of Design District's appeal for creative businesses is its progressive blended rent model.

Working to a target average of £25 per sq ft – half the London average of £49.64 and almost a third of the Shoreditch average of £65–75 – Design District's rental pricing structure pegs rent to commercial success, meaning that more established organisations shoulder a larger rental burden than smaller businesses – effectively subsidising them. This gives smaller enterprises the security of permanent affordable workspace as they grow – a major benefit at a time when creatives are increasingly finding themselves priced out of places which their very presence helped gentrify.



The survey reveals that a significant proportion of tenant businesses came to Design District from Hackney, Shoreditch and southeast London – all areas which have seen major development investment in recent years, at the expense of the creatives already based there. The fact that most Design District businesses are generally well established (with only one in seven less than two years old), and that two-thirds cited affordability as a motivating factor in coming to Design District, supports the conclusion that they have been priced out of what used to be thriving creative neighbourhoods.

The blended rent model (continued)

Pressurised further by the impact of Brexit and rising living costs, more and more creatives are set to be squeezed out of London (or the creative sector altogether), draining the city economically and culturally. Design District is acting as a safeguard to preserve the cultural life of the city, and replicate the advantages of London's historical creative clusters in a way that is accessible and sustainable.

From the other perspective, for larger businesses paying commensurate rents, Design District benefits them by placing them within a network of emerging creative enterprises, facilitating collaboration and recruitment from an ever-growing talent pool. In addition, the blended-rent strategy provides in-built CSR benefits by positioning large organisations as supporters and patrons of creative industry – a key priority for many such businesses.

Design District has also brought demonstrable benefits to the wider area of Greenwich and Southeast London, as – despite being in the borough for a relatively short period – many businesses have been able to build community relationships, whether with local suppliers (39%) or other businesses and organisations including retail, hospitality and events (47%). Over a third of respondents reported having contributed to the local community in some way since their arrival (many through outreach initiatives such as work placements, apprenticeships or internships).

"I love being based at the Design District – it's my creative sanctuary in the city. It's a rare gem to find that in London – where artists are unfortunately usually subjected to freezing, decrepit spaces!"

Anastasya Martynova,
multi-disciplinary artist and designer





A pathway to growth

In just two years, London's Design District has established itself as a pioneer for supporting creative businesses. Forged in the fires of Brexit, COVID-19 and a cost-of-living crisis that threatens to financially maroon a whole generation of creative professionals - Design District is case in point for strength through community.

The mission to build an ecosystem of ambitious creatives, tastemakers and entrepreneurs at all scales and stages has gone from strength to strength during the first two years of the district's operation. Carving out and building a unique and distinct piece of city that caters to this exact purpose was the first step. Continuing to create a culture of self-pollination, collaboration, and opportunity – in which individuals and businesses meet and exceed their potential through the development of valuable networks and relationships remains the focus, to further cement the district's status as a thriving creative and commercial destination.

This philosophy, paired with Design District's dynamic rent model, has been explicitly created to enable tenants and individuals to scale up their business and increase revenue. Over the coming years, Design District will become even more rooted in the broader context of Greenwich, London, and the wider UK – deploying its cultural currency to continue to attract some of the biggest, and smallest, creative businesses the world has to offer. The sum of Design District's businesses is most certainly greater than its individual parts, with this report identifying that as a prominent draw.

With company insolvencies at a 24-year high and business decision-makers scrabbling for accessible space in an ever-more expensive capital city, Design District is a haven of stability and opportunity. The security of permanent fit-for-purpose, affordably priced workspace, in a symbiotic climate of collaboration, is a difficult proposition to turn down.

Get in touch

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