

APPENDIX 2: AFFORDABLE WORKSPACE AND INDEPENDENT RETAIL COMMITMENTS SECURED THROUGH THE LEGAL AGREEMENT

PA/20/00415 - 140, 146 Brick Lane and 25 Woodseer Street, London, E1 6RU

Definitions

Affordable Workspace means the Class E(g) floorspace to be provided during the Affordable Workspace Period in accordance with the Affordable Workspace Strategy comprising no less than 10% of the Class E(g) floorspace within the Development to be let at a rent 45% below the indicative market rate for that type and specification of workspace to Small Businesses.

Affordable Workspace Strategy means a written document that sets out the proposals for the provision, marketing, occupation, maintenance and management of the Affordable Workspace within the Development, which shall include details in respect of:

- (i) the fit out and specification of the Affordable Workspace, which shall be to a Category A Specification;
- (ii) the location of the Affordable Workspace units;
- (iii) a marketing strategy (both for initial occupation and if the workspace subsequently becomes vacant), ensuring this is robustly carried out via a range of advertising methodologies to ensure that Affordable Workspace opportunities are promoted to local audiences. Examples of potential methodologies include:
 - engagement and outreach through the Truman Brewery's business network;
 - promotion via the Truman Brewery's mailing lists;
 - promotion via the Truman Brewery's social media channels;
 - hosting 'open house' type events targeted at local micro and small enterprises to showcase the Affordable Workspace available;
 - promotion through Truman Brewery associated projects such as Free Range and Fashion East;
 - engaging (preferably independent) local commercial property agents; and
 - promotion via the contacts and strategies developed by the Council's Growth and Economic Development Team;
- (iv) the initial three-month marketing period being focussed on the local marketing referred to in paragraph (iii) above;
- (v) giving priority, with first applications and nominations for lettings to be offered to prospective occupiers who are based Locally;
- (vi) a strategy for seeking occupiers that are in keeping with the nature and character of existing workspace occupiers within the Truman Brewery estate and the wider Brick Lane and Spitalfields area, with a focus on attracting independents;
- (vii) the ongoing maintenance of the Affordable Workspace;
- (viii) the affordable workspace provider who will manage the Affordable Workspace, with the understanding and preference that this should be the Truman Brewery estate's own workspace team;
- (ix) how the discount will be passed by the affordable workspace provider to the occupiers of the Affordable Workspace;
- (x) the lease agreement between the Owner and the affordable workspace provider;

- (xi) provision of ongoing monitoring and reporting of the Affordable Workspace by the affordable workspace provider to the Council; and
- (xii) how the Affordable Workspace will be retained in the event that the affordable workspace provider fails.

Affordable Workspace Period means not less than 15 (fifteen) years from first occupation of any part of the Affordable Workspace.

Category A Specification means the basic finishing of an interior space which includes the installation of a building's mechanical and electrical services; finished internal walls; reception areas and lift lobbies. The specifics of the 'fit out' will be dependant on individual occupiers.

Independent Retail means the allocation of no less than 3 (three) of the retail units (Class E(a)) during the Independent Retail Period in accordance with the Independent Retail Strategy.

Independent Retail Strategy means a written document that sets out the proposals for the provision, marketing, occupation, maintenance and management of the Independent Retail within the Development which shall include details in respect of:

- (i) the fit out and specification of the Independent Retail;
- (ii) a marketing strategy (both for initial occupation and if the units subsequently become vacant), ensuring this is robustly carried out via a range of advertising methodologies to ensure that Independent Retail opportunities are promoted to local audiences. Examples of such potential methodologies include:
 - engagement and outreach through the Truman Brewery's business network;
 - promotion via the Truman Brewery's mailing lists;
 - promotion via the Truman Brewery's social media channels; and
 - engaging (preferably independent) local commercial property agents;
- (iii) the initial three-month marketing period being focussed on the local marketing referred to in paragraph (ii) above;
- (iv) giving priority, with first applications and nominations for lettings to be offered to prospective occupiers who are based Locally; and
- (v) a strategy for seeking occupiers that are in keeping with the nature and character of existing retail occupiers within the Truman Brewery estate and the wider Brick Lane and Spitalfields area.

Independent Retail Period means not less than 20 (twenty) years from first occupation of any of the Independent Retail units.

Locally means an existing Tower Hamlets business rates payee, an existing Tower Hamlets council tax payee, or based within a three miles radius of the Development.

Market Rent means, for the purposes of the Affordable Workspace, the rent at which the relevant interest in the Development could be let on the date of valuation assuming:

- a) a willing lessor and willing lessee;
- b) that the lease terms are appropriate for the type of property in question;

- c) that there has been a reasonable period for proper marketing of the interest; and
- d) that the parties to the transaction have each acted knowledgeably, prudently and without compulsion.

Small Business means a business which, at the time of initial occupation, qualifies as “small” under the Companies Act 2006 (or any update to that legislation or definition). i.e. satisfying two or more of the following criteria (or subsequent update to that criteria) in a financial year:

- Turnover not more than £10.2m
- Balance sheet total not more than £5.1m
- Employees not more than 50

Text

The Owner shall submit the proposed Affordable Workspace Strategy and Independent Retail Strategy to the Council for its approval in writing not later than six months prior to the Completion of the Development.

The Owner and the Council shall, in good faith and acting reasonably, use all reasonable endeavours to agree the form of the Affordable Workspace Strategy and Independent Retail Strategy within two months of submission of the same to the Council.

The Affordable Workspace shall be let in accordance with the agreed Affordable Workspace Strategy to Small Businesses for the Affordable Workspace Period at a rent 45% below the Market Rent for that type and specification of workspace.

The Independent Retail shall be let in accordance with the agreed Independent Retail Strategy to Small Businesses for the Independent Retail Period.