

# KINGSTON ECONOMIC EVIDENCE BASE

MARCH 2024

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# INTRODUCTION

## About this document

In 2023, the Royal Borough of Kingston upon Thames commissioned PRD to write a new economic development strategy for the borough. To support the strategy, PRD has developed this economic evidence base, drawing together quantitative social, demographic, and economic data from the last five to 10 years.

This evidence base contains three broad chapters:

**What is happening in Kingston's economy**, covering changes in jobs, businesses, and specific sectors in recent years, as well as a quick view of how the economy may affect the environment

**Where Kingston's economy happens**, which is about places for work like offices and industrial areas, travel to work patterns and connectivity, and infrastructure like broadband that enables work to take place at various locations

**Who is in Kingston's economy**, which considers how residents and workers may be experiencing and affected by the economy and includes data on unemployment, earnings, and deprivation

The data in this document largely comes from the Office for National Statistics. Other sources include the Consumer Data Research Centre, CoStar, and Realyse.

The economic development strategy work also involves qualitative evidence collected through a series of engagement events, comprising one-to-one discussions with stakeholders (such as local businesses and Kingston University) and group workshops with council officers, local businesses, and residents. PRD also ran a resident survey through Kingston's Let's Talk portal.

Information from those activities is not summarised in this document but will also be used to help develop the strategy. From both this quantitative evidence base and the qualitative insights from engagement activities, PRD and RB Kingston will have a greater understanding of the strengths to build on, the challenges to address, and the opportunities to take forward over the next few years in the new economic development strategy.

# Headlines

## JOBS & BUSINESSES

- Kingston's job & business count growth trails London's, growing from 72,000 to 77,000 (7%). This is a lower growth rate than London, Outer London, and some neighbouring authorities (Richmond, Merton, Elmbridge). There was likely an over-estimation of job numbers by ONS in the first half of this decade, which is explained on page 8.
- From 2013 to 2022, Kingston's business count grew from 6,720 to 8,600, or 30%. This is a lower growth rate than London and Outer London, but higher than Richmond, Elmbridge, Epsom & Ewell.

## BROAD SECTORS

- Health, retail and education comprise nearly half of jobs.
- The number of retail jobs has declined since 2015, as have administrative jobs and arts & recreation jobs (a trend also seen in London for the latter). Some of the largest employment sectors tend to be associated with lower-paid work, especially health and social work, retail, and hospitality.
- Perhaps contributed to by the above, gross value added per job in Kingston lags behind most neighbours (incl. Richmond, Merton, Elmbridge).

- Green jobs will see a three-fold increase across the South London partnership sub-region by 2050, while jobs in construction and land transport are most at risk from the transitioning economy.

## COMMERCIAL SPACE

- Vacancy rates have increased across retail, office, and industrial space.
- Retail vacancy rises were in place pre-pandemic, now just over 2% of total retail floorspace - on par with Outer London & London, and still very low.
- Office vacancy rises were in place before the pandemic as well but have gone from 2% in 2018 to 13% (of total floorspace) in 2023, which may be linked to changes at Tolworth Tower and/or changing business needs (e.g. downsizing for hybrid working).
- Industrial vacancy rises are a newer phenomenon, currently around 5% of total floorspace, slightly above Outer London & London. There has been a slight increase in industrial space in the last 10 years and some properties in Chessington may currently stand vacant while awaiting redevelopment.
- MEES regulations mean that a significant proportion of commercial space could become unlettable in the very near future without intervention to refurbish them.

## RESIDENTS & WORKERS

- Kingston's residents are highly qualified, with more than 60% holding NVQ4+ level qualifications – a higher proportion than across London as a whole.
- 75% of residents work in professional/managerial/technical roles. These tend to be more secure jobs with higher pay – or opportunities for career progression – than other types of occupations.
- Implications of the above include:
  - Many residents are exporting their skills to employers outside the borough
  - Kingston has a higher median income than London generally
  - Residents are likely able to work from home, which could benefit town centres
- Residents experience low economic inactivity and unemployment.
- On average, jobs based in Kingston pay lower than jobs held by borough residents (in Kingston or elsewhere): £36,000 compared to around £44,000 for residents.
- An estimated 20% of Kingston's workers receive below London Living Wage. Workers in Kingston also experience London's fifth-largest gender pay gap.



# WHAT IS HAPPENING IN KINGSTON'S ECONOMY

JOBS, BUSINESSES & SECTORS

**2a**

**TRENDS IN KINGSTON'S ECONOMY  
JOBS & BUSINESSES**

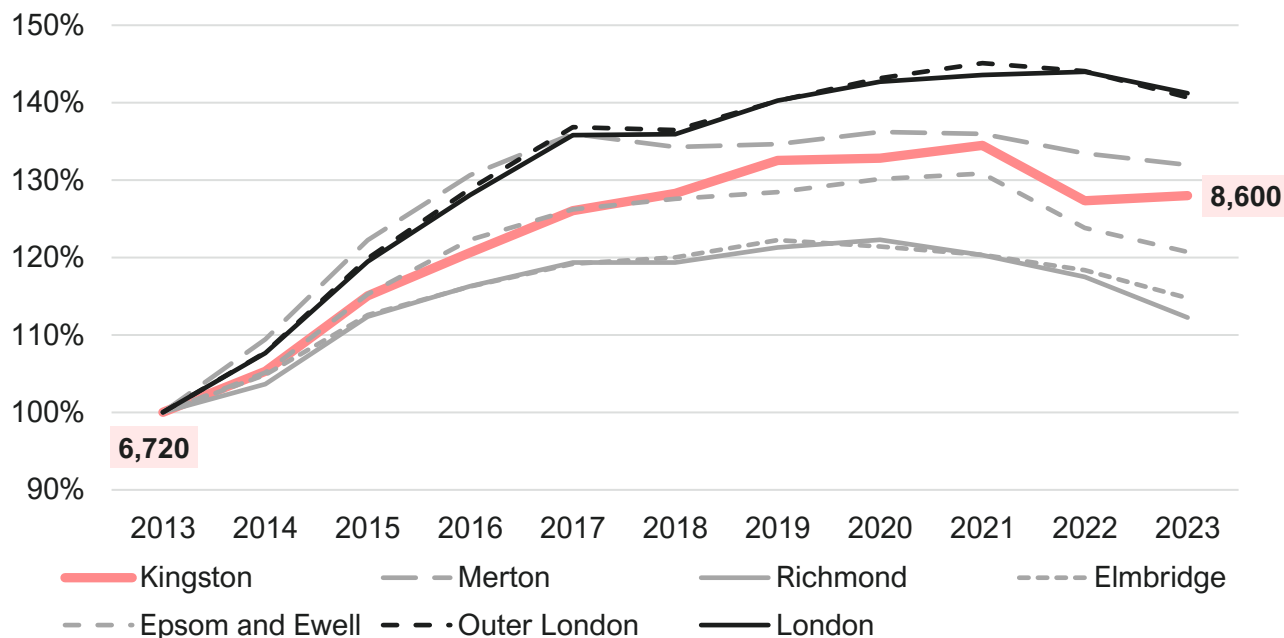
## Jobs & business growth

The rate of growth in the number of businesses in Kingston has been below London and Outer London averages over the last 10 years. The rate of growth/decline in these has been relatively volatile compared with neighbouring boroughs, increasing rapidly then declining sharply in cycles over the last decade. 92% of businesses are micro-businesses (0-9 employees), in line with the Outer London average. The number of jobs in Kingston grew strongly until 2017 then had fallen back to 2012 levels by 2021, before seeing a strong recovery in 2022 post-COVID-19 lockdowns. Despite this recovery, job numbers are substantially below the 2017 peak of 85,700.

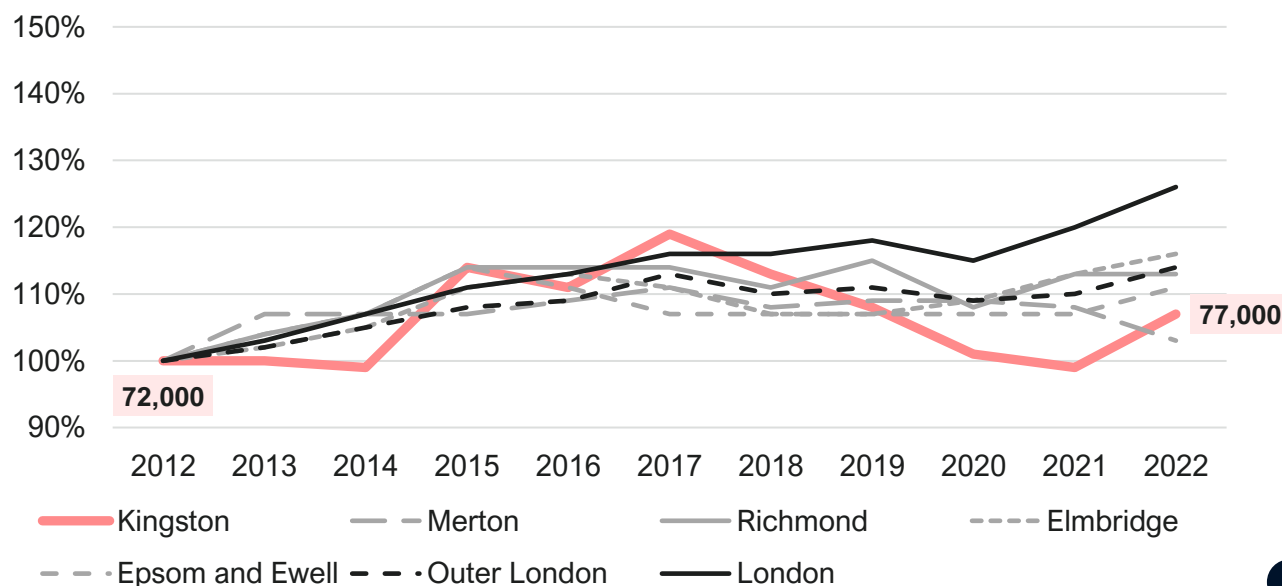
A large portion of the fall in job numbers post-2017 is accounted for in one industrial classification related to the activities of employment agencies, i.e., companies with employees registered to them but who are contracted out to work across London or the UK. It is likely that the estimates of these job numbers were inflated pre-2017, before being corrected by ONS.

Source: Business Register and Employment Survey (BRES); UK Business Demography

Proportional business count growth, 2013 to 2023



Proportional jobs growth, 2012 to 2022





## Specialised sectors - jobs

A location quotient was used to determine which sectors are specialized in Kingston. Any sector that employs proportionately at least x1.2 the number of people in Kingston than in London is considered a specialized industry. Kingston's specialised employment sectors are manufacturing, wholesale and retail trade, education, human health and social work, and arts, entertainment and recreation.

Human health and social work has seen the strongest proportional job increased in the 5-year period between 2017 and 2022, while the greatest job losses in this period were in administrative and support services. At least part of these job losses can be accounted for by a small number of temporary employment agencies headquartered in Kingston registering all their employees (who may work in temporary roles, e.g., events, across London or the UK) to their Kingston head office, then either leaving Kingston or changing how/where they register these employees.

Jobs by broad sector as a proportion of all jobs, 2017-22

Sector	Kingston			Outer London			London		
	2017	2019	2022	2017	2019	2022	2017	2019	2022
Manufacturing	2.3%	2.9%	2.9%	3.5%	4.1%	3.6%	2.0%	2.3%	2.1%
Construction	3.5%	3.8%	3.9%	6.2%	5.9%	5.4%	4.0%	3.8%	3.4%
Wholesale and retail trade; repair of motor vehicles and motorcycles	15.1%	16.7%	16.9%	16.0%	16.0%	15.4%	11.9%	11.5%	11.1%
Transportation and storage	1.7%	2.2%	2.3%	8.0%	9.1%	7.9%	4.7%	5.0%	4.4%
Accommodation and food service activities	7.0%	7.7%	9.1%	6.5%	7.0%	8.2%	7.5%	8.1%	8.6%
Information and communication	4.7%	5.1%	5.2%	5.2%	5.2%	4.9%	8.1%	8.4%	8.8%
Financial and insurance activities	1.5%	1.6%	0.9%	1.8%	1.7%	1.4%	7.1%	7.3%	6.7%
Real estate activities	1.2%	1.6%	1.6%	1.8%	2.1%	2.1%	2.3%	2.7%	2.6%
Professional, scientific and technical activities	7.0%	7.7%	9.1%	7.4%	7.1%	7.3%	13.1%	12.9%	14.4%
Administrative and support service activities	22.1%	16.7%	9.1%	11.4%	11.2%	11.4%	11.2%	10.8%	10.6%
Public administration and defence; compulsory social security	4.1%	3.8%	4.5%	3.5%	3.7%	3.8%	4.2%	4.4%	4.5%
Education	10.5%	10.3%	11.7%	10.3%	9.4%	9.4%	7.8%	7.1%	7.0%
Human health and social work activities	12.8%	14.1%	18.2%	13.1%	12.1%	13.3%	10.6%	10.0%	10.4%
Arts, entertainment and recreation	4.1%	4.5%	3.2%	2.6%	2.4%	2.3%	2.7%	2.7%	2.3%
Other service activities	2.0%	2.2%	2.3%	2.1%	2.1%	2.5%	2.3%	2.3%	2.4%
<b>Total</b>	<b>86,000</b>	<b>78,000</b>	<b>77,000</b>						



### Specialised industries relative to London

**>=1% decrease from previous year**

**>=1% increase from previous year**

## Jobs density and sub-sectors

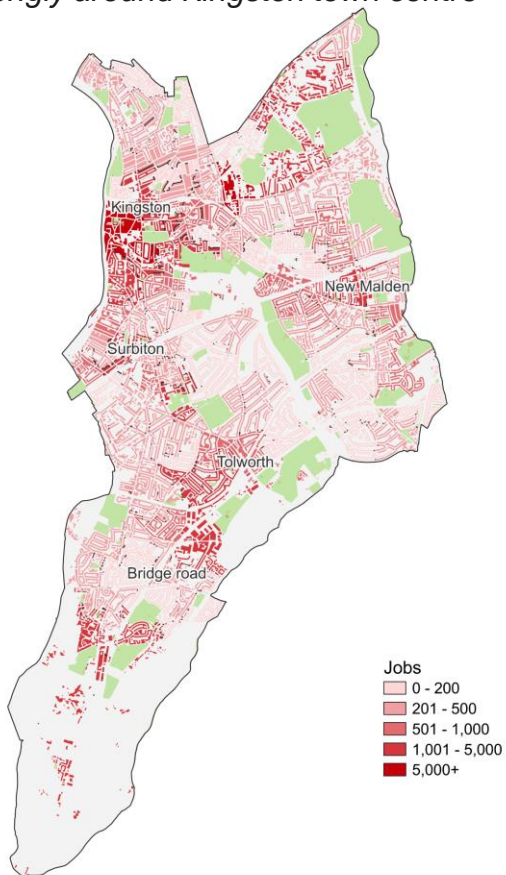
Source: BRES

Kingston town centre is, as expected given its status as a large outer London town centre and a retail destination, the largest employment base in the borough. Outside the main town centres, the north of the borough generally employs more people than the centre/south.

The top-emplying 5-digit Standard Industrial Classification subsectors (the most detailed

classification available) illustrate how temporary employment agencies may have slightly skewed employment figures in the mid-2010s. It is likely that these employees were never based in Kingston and when they are removed from the employment figures, employment in the borough is shown to be much more stable than what is shown on page 9.

Kingston's jobs (2022) are clustered most strongly around Kingston town centre



Top-emplying subsectors (5-digit SIC), 2017-22

2017		2022	
Sub-Sector	Jobs (%)	Sub-Sector	Jobs (%)
Temporary employment agency activities	9,000 (10.5%)	Hospital activities	6,000 (7.7%)
Other human resources provision	5,000 (5.8%)	Primary education	3,500 (4.5%)
Hospital activities	4,000 (4.7%)	First-degree level higher education	3,000 (3.9%)
First-degree level higher education	3,500 (4.1%)	General public administration activities	2,250 (2.9%)
Primary education	2,500 (2.9%)	Retail sale in non-specialised stores with food, beverages or tobacco predominating	2,000 (2.6%)
General public administration activities	2,250 (2.6%)	Activities of head offices	2,000 (2.6%)

## Specialised sectors - businesses

The same location quotient method explained on p.10 for jobs is applied here to businesses in Kingston. This method returns fewer specialised sectors in the borough relative to London; just wholesale and retail trade, and manufacturing.

There was a reduction in the number of professional/scientific/technical services businesses between 2017 and 2022, a trend which has taken place across London. The number of people employed in this industry grew, however, over the same period, which implies a trend towards fewer microbusinesses and growth among large businesses in the sector.

Businesses by broad sector as a proportion of all businesses, 2018-23

Sector	Kingston			Outer London			London		
	2018	2021	2023	2018	2021	2023	2018	2021	2023
Manufacturing	2.8%	2.8%	3.4%	3.0%	3.0%	3.1%	2.7%	2.7%	2.8%
Construction	10.4%	11.2%	12.0%	14.8%	16.0%	16.9%	10.3%	11.1%	11.6%
Wholesale and retail trade; repair of motor vehicles and motorcycles	13.6%	17.8%	17.6%	13.8%	15.3%	15.6%	12.1%	13.5%	13.8%
Transportation and storage	1.7%	2.4%	2.6%	3.6%	4.8%	4.6%	2.5%	3.4%	3.3%
Accommodation and food service activities	4.2%	4.6%	5.2%	4.3%	4.6%	5.0%	4.6%	4.8%	5.2%
Information and communication	15.4%	14.0%	11.9%	13.3%	11.9%	9.9%	13.6%	12.8%	11.6%
Financial and insurance activities	1.5%	1.2%	1.3%	1.5%	1.4%	1.4%	2.9%	2.9%	2.9%
Real estate activities	3.4%	3.3%	3.7%	4.0%	4.2%	4.9%	4.7%	4.9%	5.4%
Professional, scientific and technical activities	25.2%	22.2%	20.1%	20.0%	17.9%	16.3%	23.5%	21.7%	20.3%
Administrative and support service activities	9.1%	8.5%	8.5%	8.8%	8.7%	8.8%	10.1%	9.3%	9.3%
Education	1.7%	1.9%	2.2%	1.8%	1.8%	2.0%	1.7%	1.7%	1.9%
Human health and social work activities	4.2%	3.9%	4.2%	4.6%	4.0%	4.4%	3.9%	3.5%	3.9%
Arts, entertainment and recreation	2.6%	2.4%	2.8%	2.2%	2.2%	2.3%	3.3%	3.3%	3.5%
Other service activities	3.9%	3.3%	4.1%	3.7%	3.7%	4.1%	3.5%	3.5%	3.9%
<b>Total Businesses</b>	<b>8,620</b>	<b>9,035</b>	<b>8,600</b>	<b>240,050</b>	<b>255,250</b>	<b>247,470</b>	<b>506,180</b>	<b>534,590</b>	<b>525,855</b>



**Specialised industries relative to London**

**>=1% decrease from previous year**

**>=1% increase from previous year**

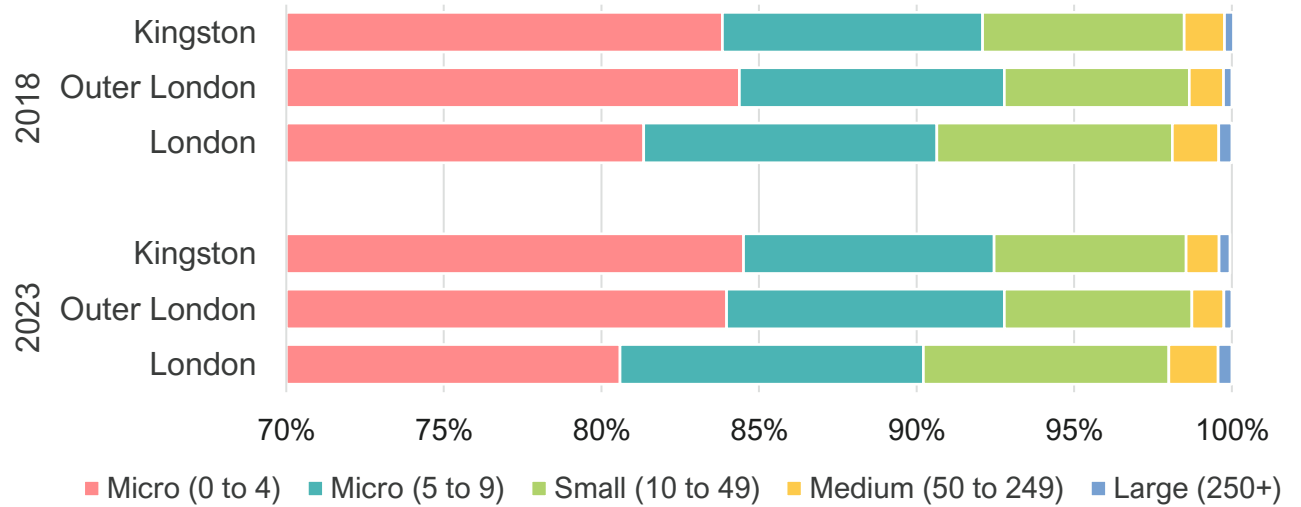
## Businesses by headcount

When Kingston's businesses are categorized by size in terms of employee headcount, the proportion of business in each grouping is broadly in line with averages for the twenty Outer London boroughs.

Just under 30% of businesses registered in Kingston upon Thames provide knowledge-based services (professional/scientific/technical or information & communication) and have fewer than five employees. Despite a reduction in the number of businesses in these sectors in Kingston and across London in recent years, they still form a significant portion of the borough's business base. The nature of these businesses, in terms of both the nature of the industry and their size, lends itself to homeworking or flexible/co-working.

Source: UK Business Demography

Proportion of businesses by size (employee count), 2018 vs 2023



Top broad sectors of Kingston's businesses by size (employee count), 2023

Micro (0 to 4 employees)		Micro (5 to 9)		Small (10 to 49)	
Sector	Count (%)	Sector	Count (%)	Sector	Count (%)
Professional, scientific & technical	1,590 (22%)	Wholesale & retail trade; motor vehicle repair	130 (18%)	Wholesale & retail trade; motor vehicle repair	90 (16%)
Wholesale & retail trade; motor vehicle repair	1,280 (18%)	Accommodation & food services	110 (15%)	Accommodation & food services	85 (15%)
Information & communication	930 (13%)	Construction	80 (11%)	Human health & social work	70 (13%)
Construction	920 (13%)	Professional, scientific & technical	75 (11%)	Professional, scientific & technical	60 (11%)
Administrative & support services	620 (9%)	Administrative & support services	60 (8%)	Administrative & support services	45 (8%)

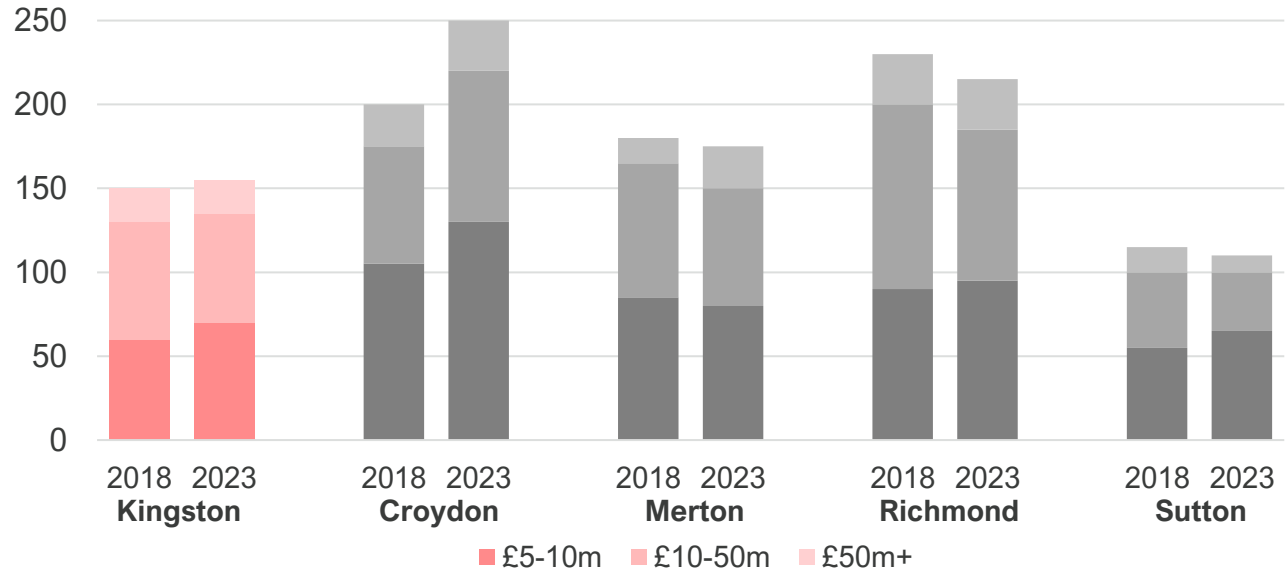
Medium (50 to 249)		Large (250+)	
Sector	Count (%)	Sector	Count (%)
Education	25 (23%)	Education	5 (20%)
Wholesale & retail trade; motor vehicle repair	15 (14%)	Human health & social work	5 (20%)
Human health & social work	15 (14%)	Administrative & support services	5 (20%)
Administrative & support services	10 (9%)		
Information & communication	10 (9%)		

## Large businesses

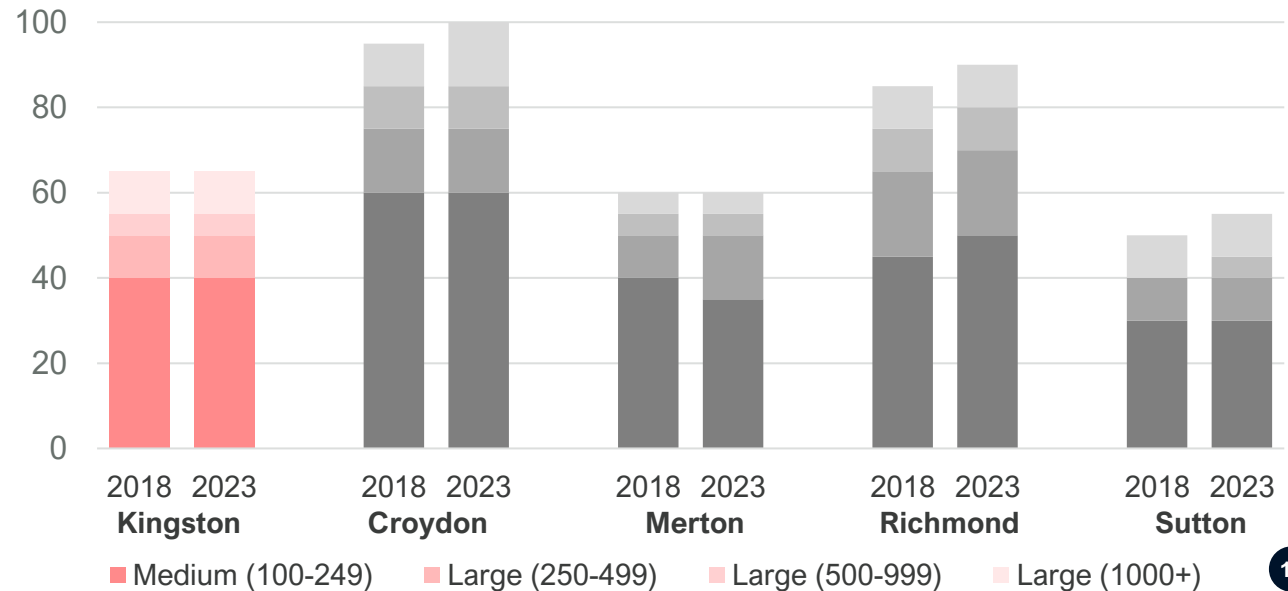
Proportionately, Kingston has a relatively high number of large businesses by both employee headcount and turnover. Kingston has the smallest population of all five boroughs compared here. When this is accounted for, Kingston is second only to Richmond in the number of large businesses by both turnover and headcount.

Positively, the number of large businesses in the borough has remained stable despite a turbulent period over the last 5 years. While Kingston is evidently already an attractive place for large businesses to operate, it is worth considering in this strategy what measures can be taken to attract more large employers – and to grow existing businesses.

*Kingston high-turnover businesses have grown modestly since 2018, while lagging behind LB Croydon.*



*Kingston has not increased its number of large employers by headcount since 2018.*



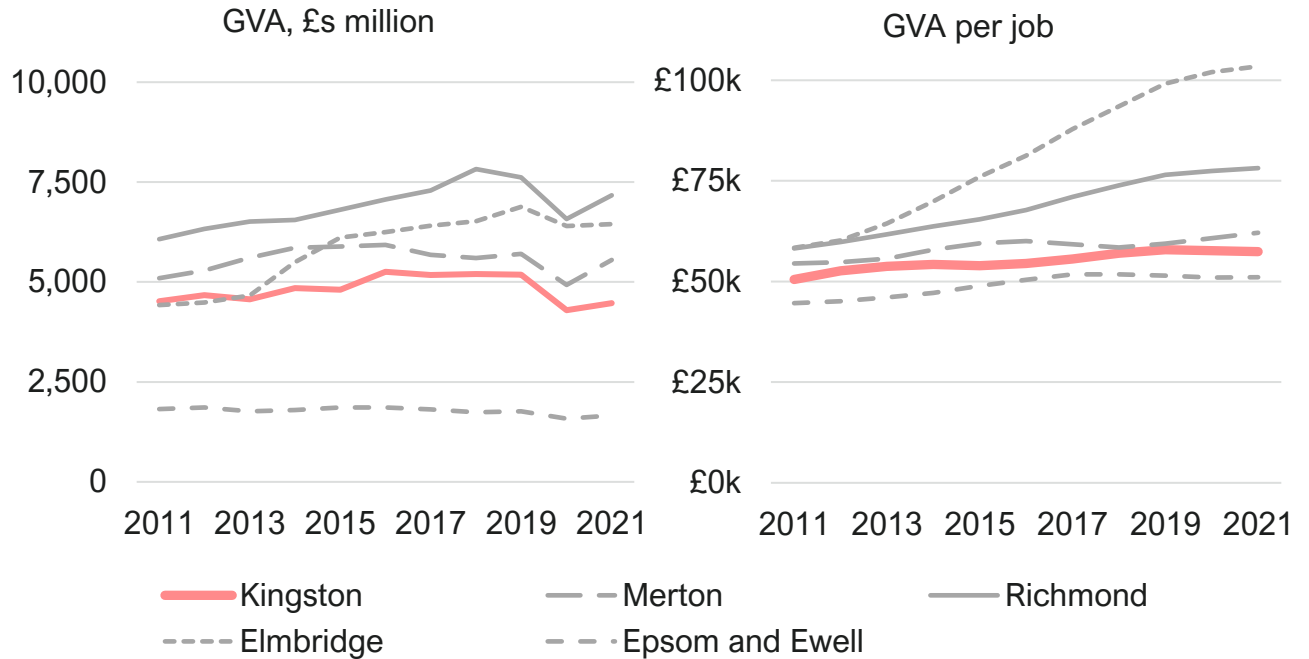
# Productivity

Productivity in Kingston is relatively average among its neighbouring boroughs. Kingston Gross Value Added grew minimally between 2011 and 2021 and fell over this period when adjusting for inflation.

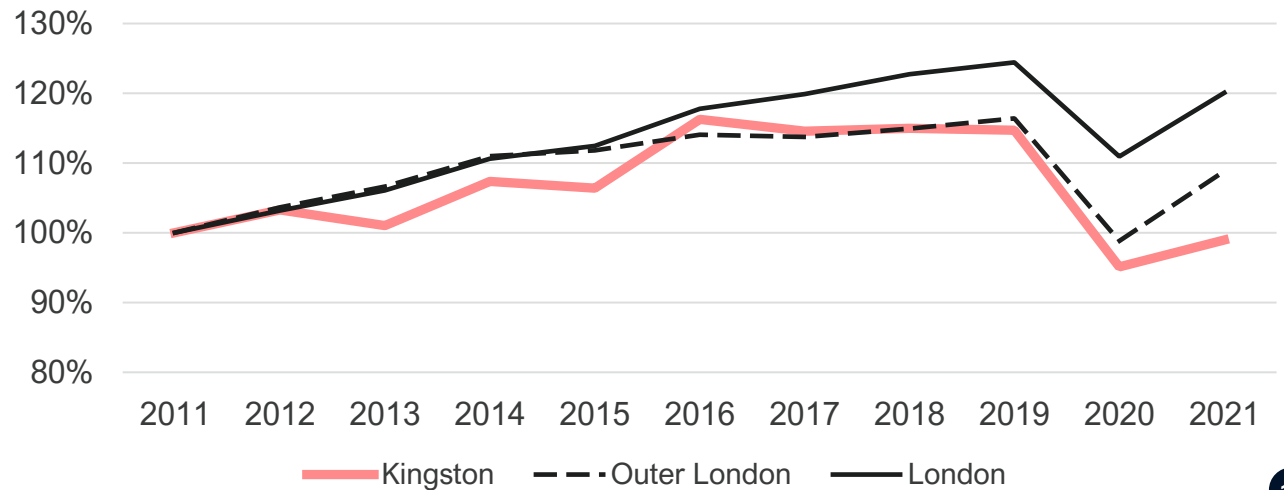
Slow-growth or no-growth is an issue that has affected the UK economy generally over the last decade and is certainly not an issue unique to Kingston upon Thames.

Kingston's proportional GVA change tracked with Outer London's from 2016 to 2019 but since the onset of the COVID-19 pandemic, they seem to have decoupled from each other, with Outer London generally recovering more strongly in 2021 than Kingston.

*Kingston's productivity lags slightly behind some of its neighbours in (2019 values)*



*Kingston productivity was harder hit by COVID-19, and slower to recover, than London & Outer London (proportional GVA change, 2019 values)*



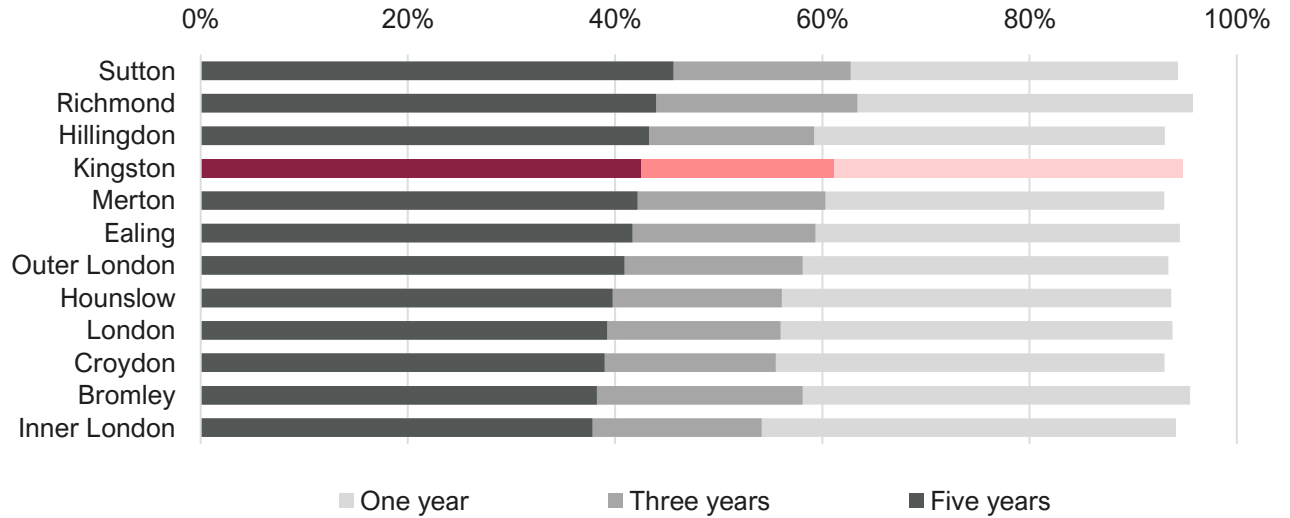
Source: ONS Labour Productivity Statistics

## Business survival rates

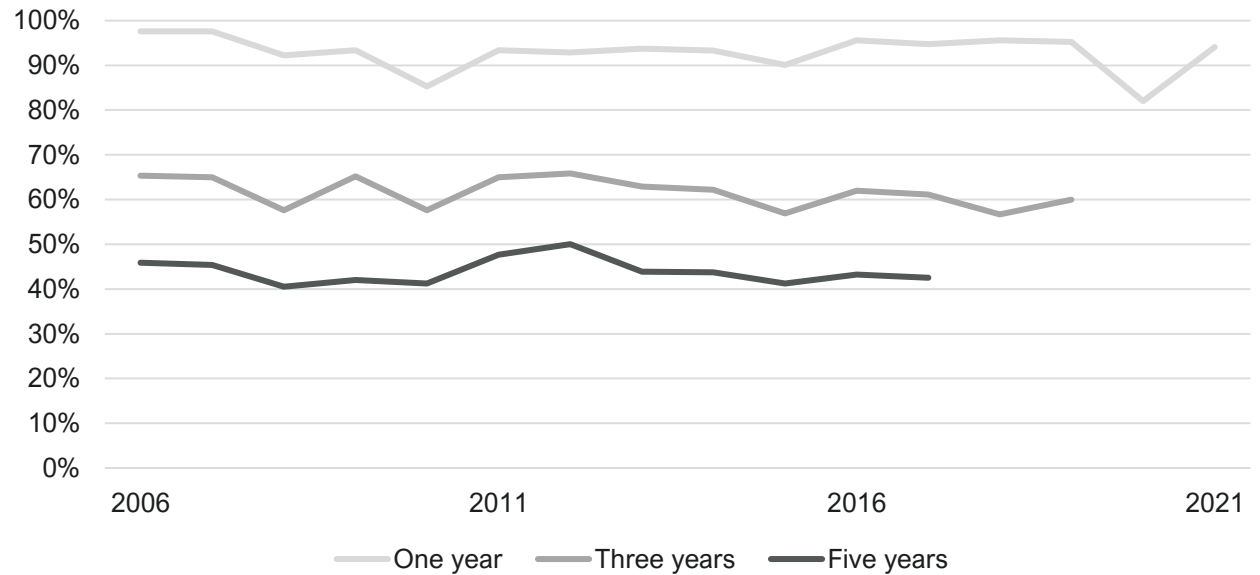
Kingston appears to be a good place to sustain a business. Survival rates past the one-, three-, and five-year milestones are above or on par with London and Outer London and have remained largely steady for the past 15 years, aside from challenges during the 2008-2011 recession and Covid-19. The borough is among the top in London for five-year survival rates.

There is no available public data on whether these businesses have gone beyond ‘sustaining’ to ‘scaling up’, though surveys (Lichfields 2019) and engagement suggest quality space to accommodate growing businesses is in short supply—a problem affecting Kingston as well as other outer London boroughs.

Survival rates for businesses started in 2017



Kingston business survival rates over time

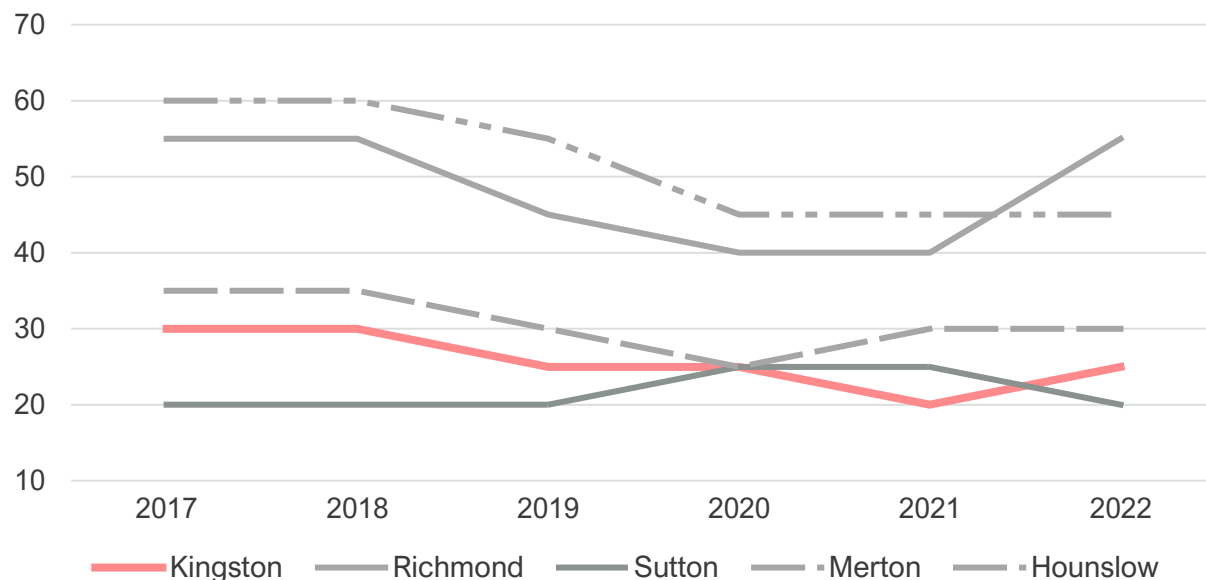


## High-growth businesses

Kingston has an estimated 20 to 30 'high growth' businesses. The count appears to have been affected by the pandemic. It is not dissimilar to Sutton or Merton, but is behind Richmond and Hounslow.

There is no public information available on the types of businesses considered 'high growth' but extrapolating from national data suggests they could be in sectors such as food and beverage service, computer programming, and retail and wholesale trade. Encouraging these types of businesses to grow comes with the need to balance the vibrancy and 'sense of place' that retail and food and beverage in particular can bring against the likelihood that they will skew towards insecure and low-pay jobs.

Count of high-growth businesses



Top 10 high growth sectors in the UK, 2022

Sector	% high growth
56 : Food and beverage service activities	10.2%
62 : Computer programming, consultancy and related activities	7.5%
47 : Retail trade, except of motor vehicles and motorcycles	6.0%
46 : Wholesale trade, except of motor vehicles and motorcycles	5.5%
88 : Social work activities without accommodation	4.4%
43 : Specialised construction activities	4.3%
70 : Activities of head offices; management consultancy activities	4.3%
78 : Employment activities	4.0%
86 : Human health activities	3.9%
82 : Office administrative, office support and other business support activities	3.2%



## Growing & declining sectors for jobs

By raw numbers, health activities have seen the largest increase in jobs from 2015 to 2022, followed by food and beverage service. Many of the sectors with substantial job increases—food and beverage service, social work, residential care—are those that tend to have low wages and/or job security, though they are critical for the basic functionality of the everyday economy.

Computer & household item repair is interesting for its importance as part of a more circular economy, and could be more widely encouraged.

Employment activities (job agencies) have had a large drop in jobs, which may be due to changes in how those organisations arrange their contracting with temporary/agency staff.

Decreases in retail, travel/tour agencies, accommodation, creative and arts, and libraries and museums may have implications for the general vitality of town centres and Kingston's visitor 'offer' if they have reduced the number of services and attractions available.

Decreases in financial services and professional/technical jobs are not out of step with other parts of London.

Subsector & jobs	2015	2022	Chg
Health activities	6000	9000	50%
Food & beverage service	4000	6000	50%
Social work	3000	4000	33%
Head offices & management consultancy	2250	3500	56%
Residential care	1000	1500	50%
Food manufacture	15	600	3900%
Transport equipment manufacture	15	500	3233%
Publishing	200	450	125%
Computer & item repair	35	200	471%
Furniture manufacture	10	100	900%

Subsector & jobs	2015	2022	Chg
Retail	11000	9000	-18%
Employment activities	11000	1750	-84%
Travel agencies & tour operators	1250	1000	-20%
Financial services, insurance & auxiliary services	1300	650	-50%
Other professional/technical	1000	500	-50%
Accommodation	600	450	-25%
Creative & arts	300	250	-17%
Libraries & museums	100	40	-60%

## Growing & declining sectors for businesses

Nearly half (47%) of the jump in retail trade businesses is a result of those registered in the internet/mail order subsector. Their numbers peaked in 2021, likely a result of pandemic, and have since dropped to 475. Of businesses whose primary/first choice SIC code is internet/mail order, the majority have <=5 employees (hence why they don't also appear on the sectors with notable job increases on the previous page).

The decreases in computer programming, legal/accounting, and finance is not unusual and has occurred throughout/in other parts of London as well.

Subsector & businesses	2015	2022	Chg
Retail trade, except of motor vehicles and motorcycles	515	1015	97%
Specialised construction activities	420	555	32%
Construction of buildings	245	430	76%
Food & beverage service	345	430	25%
Wholesale trade, except of motor vehicles and motorcycles	315	360	14%
Education	140	185	32%
Landscape & building services	85	130	53%
Film/TV/sound recording & publishing	145	180	24%
Postal & courier activities	15	70	367%

Subsector & businesses	2015	2022	Chg
Head offices & management consultancy	855	765	-11%
Employment activities	125	105	-16%
Architecture & engineering	345	275	-20%
Legal & accounting	320	245	-23%
Computer programming & consultancy	945	705	-25%
Financial/insurance auxiliary activities	80	50	-38%

## Green & low carbon jobs

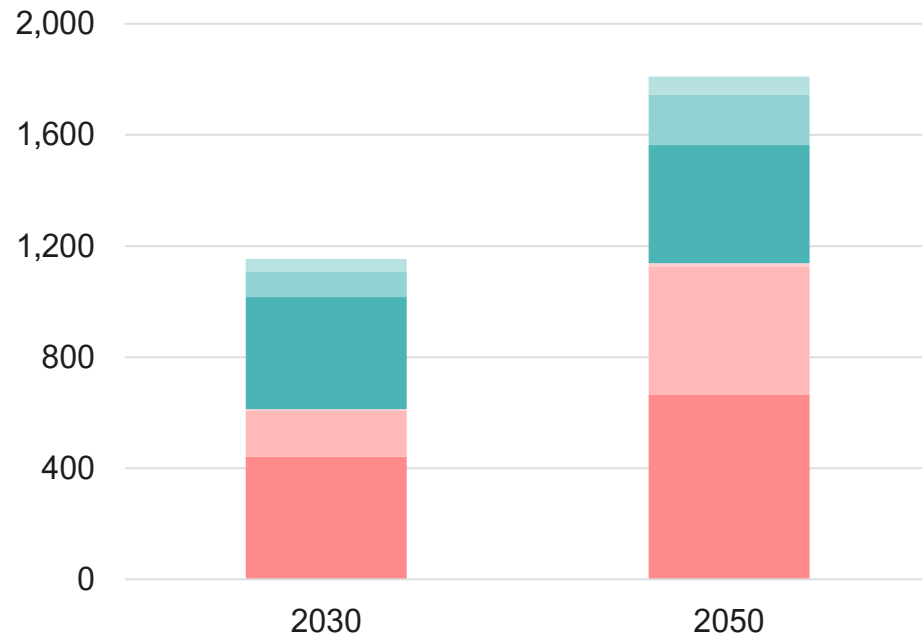
Note: Low-carbon services includes financial, IT, and advisory services. Low-carbon heat relates to renewable heat systems, heat networks, and combined heat and power systems. Low-carbon electricity includes wind, solar, hydropower, nuclear, and Carbon Capture Storage. Source: LG Inform, "Local green jobs - accelerating a sustainable economic recovery"

When it comes to 'green' jobs, the most pressing short term skill gaps are in low-carbon heat and energy efficiency. By 2050, low-carbon services will be the largest employing green/low carbon sector across London and the second largest in Kingston after energy efficiency.

Alternative fuels (e.g., bioenergy & hydrogen production) will employ large numbers by 2050,

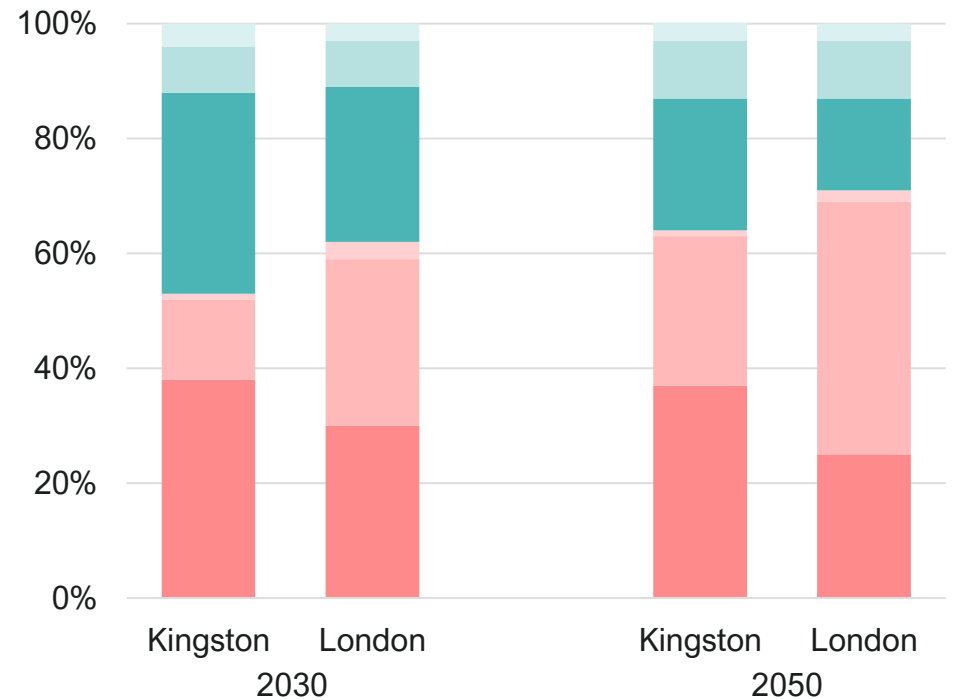
as will the design & maintenance of energy efficient products (insulation, lighting, & control systems), and, to a lesser extent, low emission vehicles (low-emission vehicles & infrastructure).

Projected Green & Low Carbon jobs need in Kingston



- Low carbon heat
- Low-carbon services
- Low carbon electricity

Projected proportion of Green & Low Carbon jobs by speciality



- Energy efficiency
- Low emission vehicles & infrastructure
- Alternative fuels



TRENDS IN KINGSTON'S ECONOMY  
**SECTOR SPOTLIGHTS**

SECTORS OVERVIEW

# Top 10 sectors by job count

Based on broad sector categories, health and social work comprises the largest employment sector in Kingston, followed closely by retail; however, retail has experienced a decline in jobs since 2015, whereas health has increased.

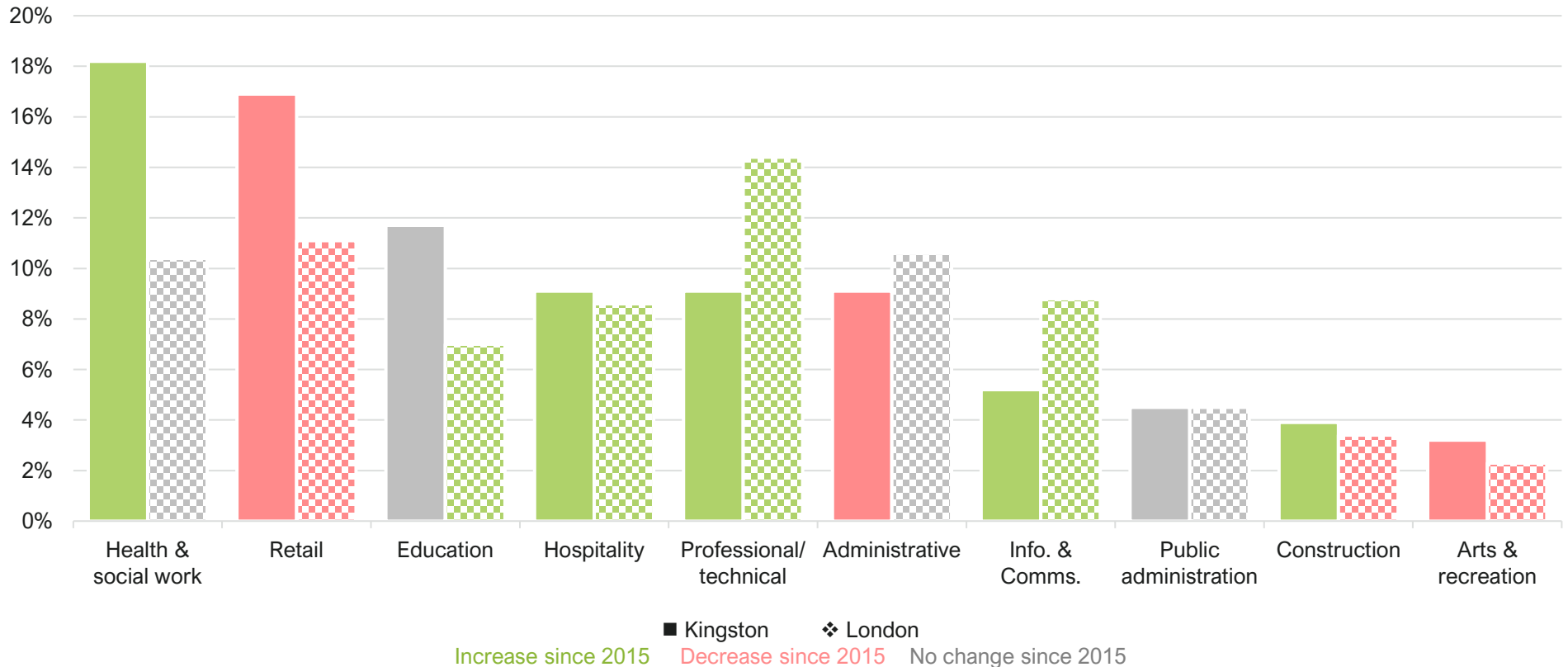
Kingston has a lower proportion of professional/technical and information & communications jobs than London overall. The borough has a higher

proportion of arts and recreation jobs, though these have declined both locally and in London.

Some of Kingston's largest sectors are associated with low pay and insecure work, such as social work, retail, and hospitality.

Source: Business Register & Employment Survey

Kingston's top 10 sectors by job count, 2022



## SECTORS OVERVIEW

### Job and business change in sectors of interest

As a complement to the previous page, this graphic combines job and business growth information for a selection of sectors, including some of the top 10, some outside the top 10 but with notable growth (manufacturing, transport & storage), and bespoke sectors of interest (creative, digital, nighttime).

Since 2015, both nighttime and hospitality sectors have seen the largest job increases out of the sectors profiled, though note there is substantial overlap between the two (nighttime includes some aspects of hospitality as well as creative/arts).

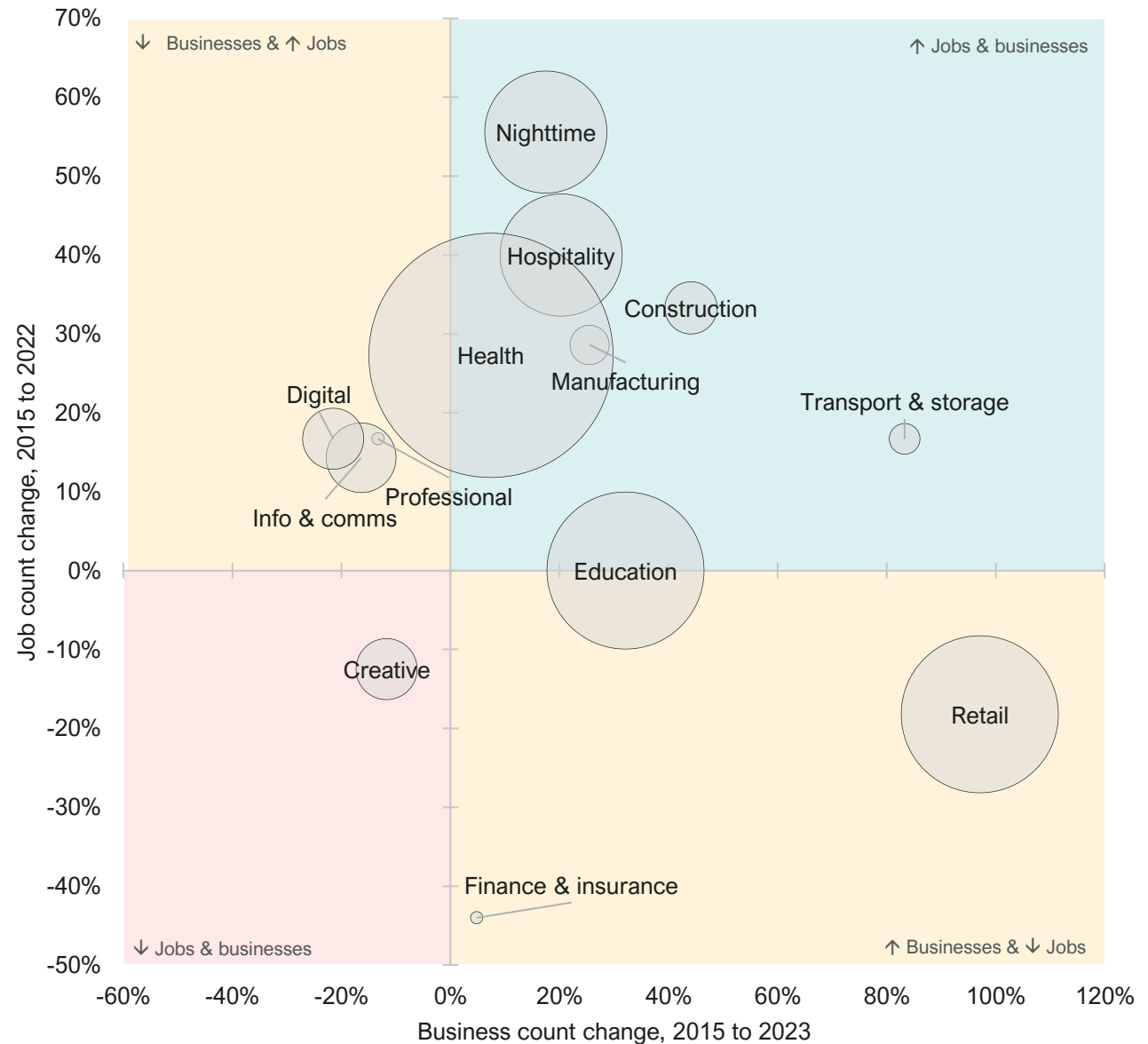
Creative and professional/technical/scientific sectors have seen both business and job decreases.

Despite retail's growth in businesses—largely internet/mail order—there has not been a commensurate increase in jobs, as the mail order businesses are most likely solo operations.

Notes: creative (DCMS definition), digital (ONS definition), and nighttime (PRD definition) are hybrid/bespoke categories which overlap with other sectors. Nighttime incorporates restaurants and mobile food, event catering, beverage serving, and creative/arts/entertainment.

Source: UK Business Counts, Business Register & Employment Survey

Change in business & job counts by broad sector



Circle size represents the overall number of jobs in the sector as of 2022

## SECTORS OVERVIEW

### Sector strengths & challenges

When viewed against London, Kingston has a higher proportion of many notable sectors. This graph uses location quotient to measure one area's 'concentration' of a sector compared to another. An LQ of <1 means Kingston has a smaller proportion of jobs in a sector compared to London and an LQ of >1 means Kingston has a higher proportion of jobs.

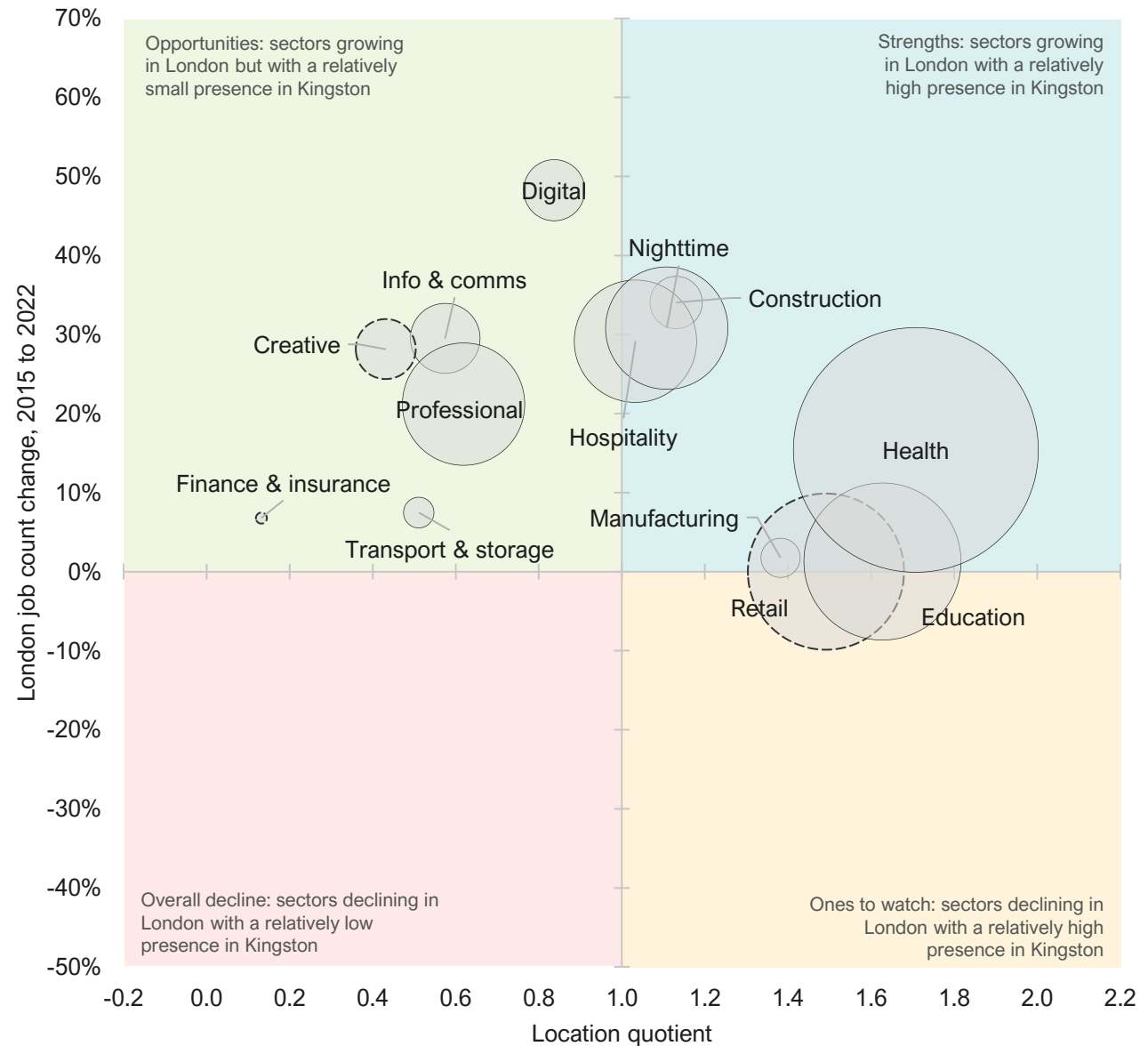
Kingston has a higher proportion of jobs in health, education, manufacturing, construction, and nighttime industries, many of which may be areas to build on (e.g. green construction skills, higher education and upskilling, nighttime as part of town centre vibrancy and visitor economy).

Kingston has a lower proportion of jobs in many 'professional', office-based sectors, such as creative and digital industries, information & communications, and professional/technical/scientific sectors, but their presence and current size suggests room for growth.

Notes: creative (DCMS definition), digital (ONS definition), and nighttime (PRD definition) are hybrid/bespoke categories which overlap with other sectors. Nighttime incorporates restaurants and mobile food, event catering, beverage serving, and creative/arts/entertainment

Source: UK Business Counts, Business Register & Employment Survey

Kingston's sectors compared to London



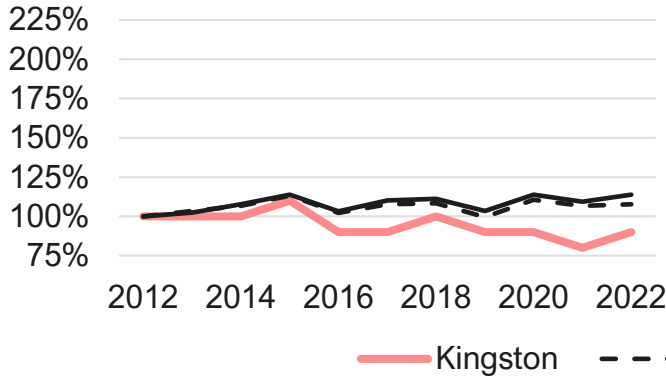
Circle size represents the overall number of jobs in Kingston in the sector as of 2022  
Dashed lines around circles indicate sectors that lost jobs in Kingston between 2015 and 2022

# SECTOR SPOTLIGHTS

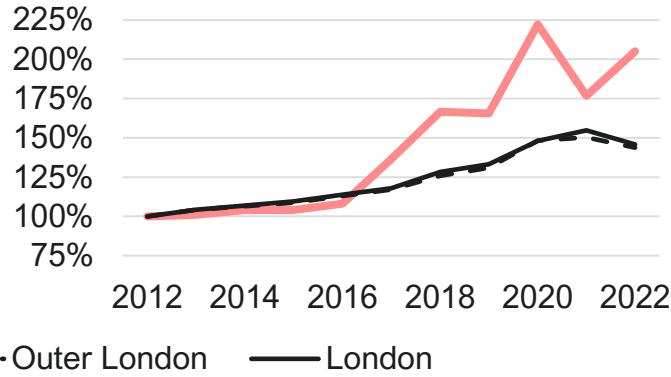
## Retail

Declining retail job numbers, coupled with a sharp increase in retail businesses suggests a rise in self-employment/sole trading. Kingston town centre remains the strongest retail location in the borough, despite the rise in online retail sales and the sector's falling share of the borough's productivity.

Proportional jobs growth



Proportional business growth (count)



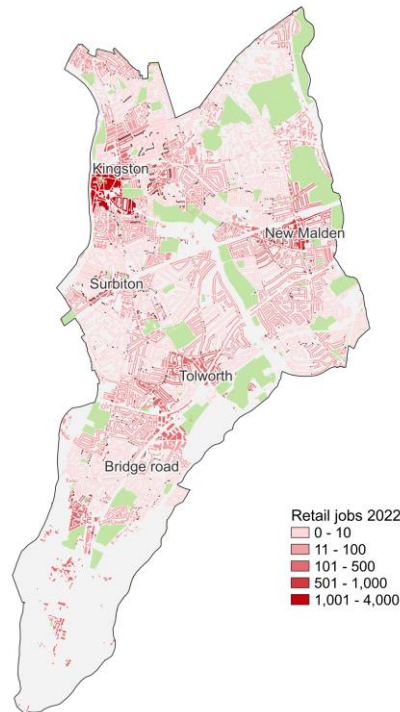
Businesses by size

Headcount	# (%)	Turnover	# (%)
Micro (0-4)	890 (87.7%)	£0-99k	415 (40.9%)
Micro (5-9)	75 (7.4%)	£100-199k	300 (29.6%)
Small (10 to 49)	40 (3.9%)	£200k-999k	230 (22.7%)
Medium-sized (50 to 249)	10 (1.0%)	£1m-4.99m	60 (5.9%)
Large (250+)	0 (0%)	£5m+	10 (1.0%)

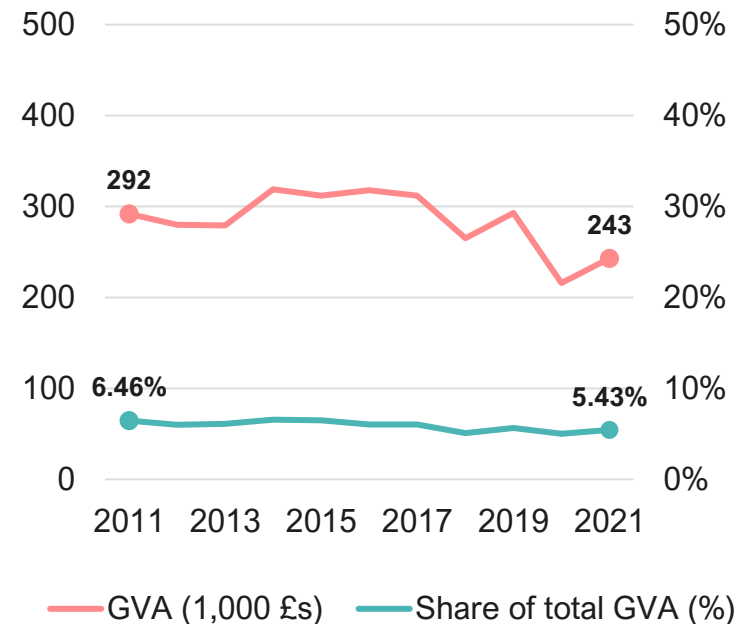
Top subsectors

Jobs (2022)		Businesses (2023)	
Sub-Sector	# (%)	Sub-Sector	# (%)
Food/beverages/tobacco (non-specialised stores)	2,000 (22.2%)	Internet/mail order retail sales	475 (46.8%)
Clothing (specialised stores)	1,500 (16.7%)	Food/beverages/tobacco (non-specialised stores)	105 (10.3%)
'Other retail' (non-specialised stores)	1,250 (13.9%)	'Other' (not in stores/stalls/markets)	60 (5.9%)
Internet/mail order retail sales	600 (6.7%)	'Other retail' (non-specialised stores)	25 (2.5%)
Bread/cakes/confectionary (specialised stores)	250 (2.8%)	Clothing (specialised stores)	25 (2.5%)
<b>Total Jobs</b>	<b>9,000 (11.7%)</b>	<b>Total Businesses</b>	<b>1,015 (12.7%)</b>

Job locations



Productivity (GVA)



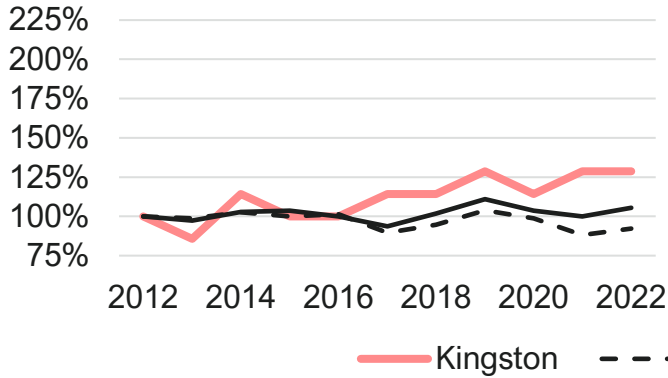


## SECTOR SPOTLIGHTS

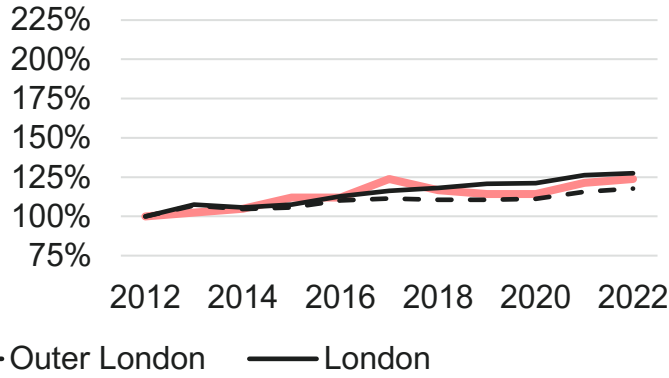
# Manufacturing

The manufacturing sector in RB Kingston is relatively small and, atypically for the borough, New Malden and Tolworth-Bridge Rd are the strongest employing locations, not Kingston town centre. The sector is in a healthy position, with strong jobs, business, and productivity growth over the last 10 years.

Proportional jobs growth



Proportional business growth (count)



Businesses by size

Headcount	# (%)	Turnover	# (%)
Micro (0-4)	230 (78.0%)	£0-99k	135 (45.8%)
Micro (5-9)	30 (10.2%)	£100-199k	75 (25.4%)
Small (10 to 49)	30 (10.2%)	£200k-999k	60 (20.3%)
Medium-sized (50 to 249)	5 (1.7%)	£1m-4.99m	15 (5.1%)
Large (250+)	0 (0%)	£5m+	5 (1.7%)

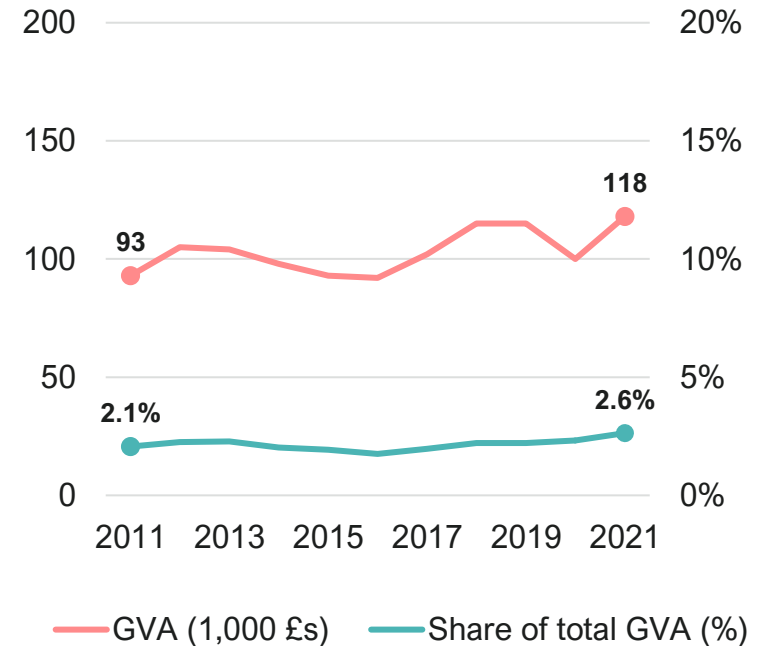
Top subsectors

Jobs (2022)		Businesses (2023)	
Sub-Sector	# (%)	Sub-Sector	# (%)
Processing & preserving of fish, crustaceans and molluscs	500 (22.2%)	Printing (other than printing of newspapers and printing on labels and tags)	20 (6.8%)
Building of ships & floating structures	500 (22.2%)	Manufacture of kitchen furniture	20 (6.8%)
Electronic instruments for measuring, testing, and navigation	150 (6.7%)	Machining	10 (3.4%)
		Manufacture of other builders' carpentry & joinery	10 (3.4%)
Machining	125 (5.6%)	Manufacture of other fabricated metal products	10 (3.4%)
		Manufacture of other furniture	10 (3.4%)
Printing (other than printing of newspapers and printing on labels and tags)	100 (4.4%)	Manufacture of medical and dental instruments & supplies	10 (3.4%)
		Other manufacturing	10 (3.4%)
<b>Total Jobs</b>	<b>2,250 (2.9%)</b>	<b>Total Businesses</b>	<b>295 (3.4%)</b>

Job locations



Productivity (GVA)

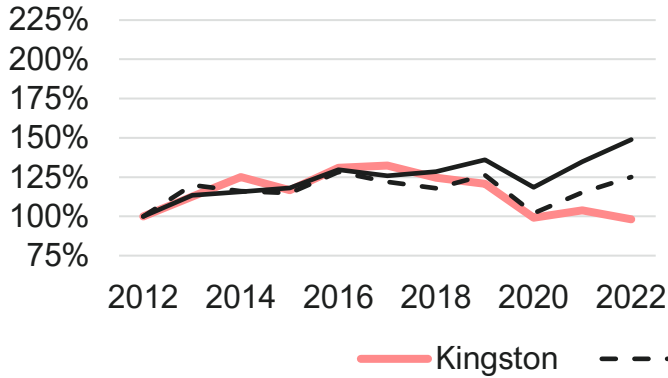


## SECTOR SPOTLIGHTS

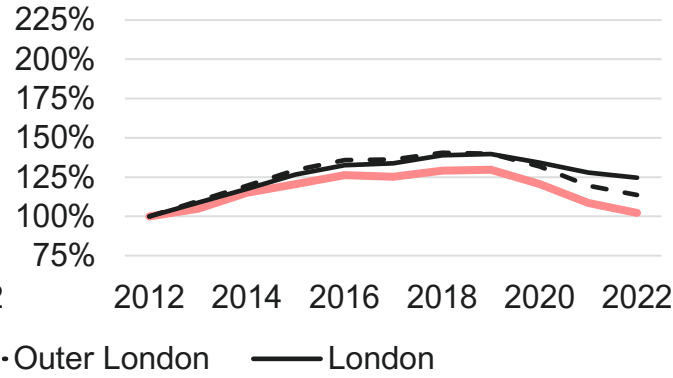
# Creative & Cultural

Post-2017, creative & cultural jobs & business growth in Kingston decoupled from London & Outer London, falling back to 2012 levels by 2022. The sector is in a strong position across London & the UK, with consistent GVA growth. The sector in RB Kingston is characterised by a very high proportion of microbusiness (~97%).

Proportional jobs growth



Proportional business growth (count)



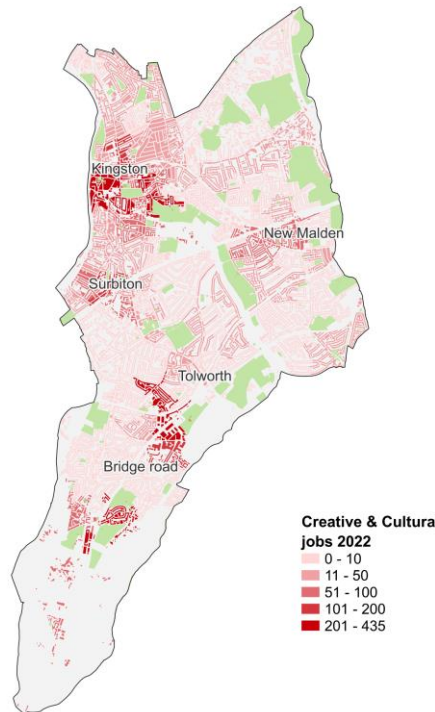
Businesses by size

Headcount	# (%)	Turnover	# (%)
Micro (0-4)	1,355 (92.8%)	£0-99k	700 (47.9%)
Micro (5-9)	60 (4.1%)	£100-199k	525 (36.0%)
Small (10 to 49)	40 (2.7%)	£200k-999k	165 (11.3%)
Medium-sized (50 to 249)	10 (0.7%)	£1m-4.99m	55 (3.8%)
Large (250+)	0 (0%)	£5m+	20 (1.4%)

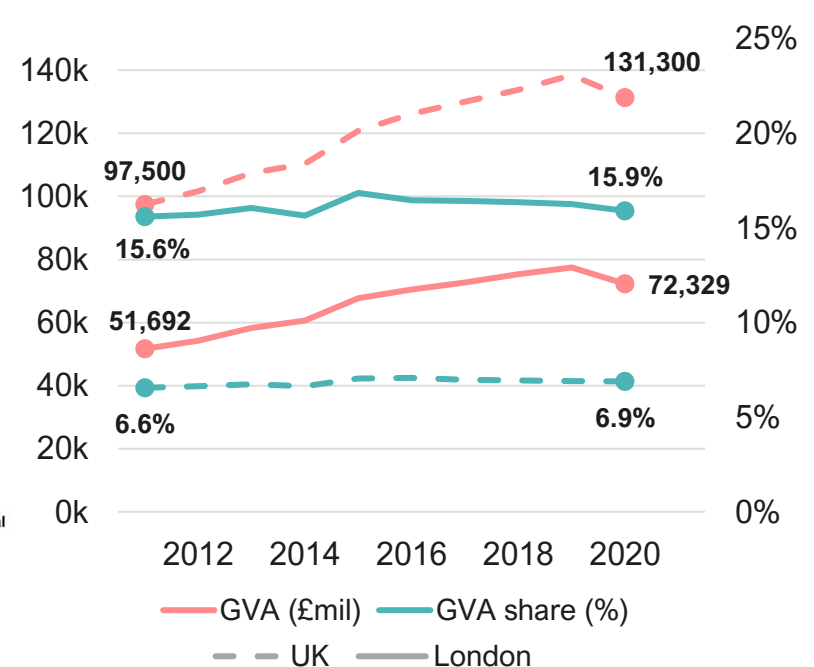
Top subsectors

Jobs (2022)		Businesses (2023)	
Sub-Sector	# (%)	Sub-Sector	# (%)
Computer consultancy activities	1,000 (25.5%)	Computer consultancy activities	490 (33.6%)
Publishing of consumer, business and professional journals and periodicals	200 (7.6%)	Business and domestic software development	140 (9.6%)
Business and domestic software development	200 (7.6%)	Specialised design activities	115 (7.9%)
Specialised design activities	250 (6.4%)	Advertising agencies	80 (5.5%)
1.Other telecommunications activities; 2.Architecture	200 (5.1%)	Artistic creation	75 (5.1%)
<b>Total Jobs</b>	<b>3,925 (5.1%)</b>	<b>Total Businesses</b>	<b>1,460 (17%)</b>

Job locations



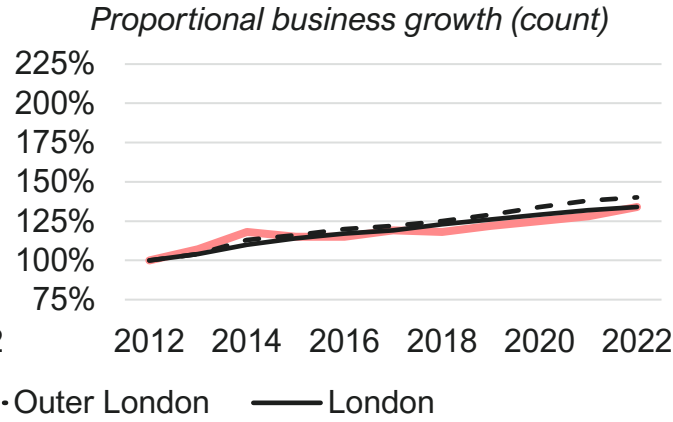
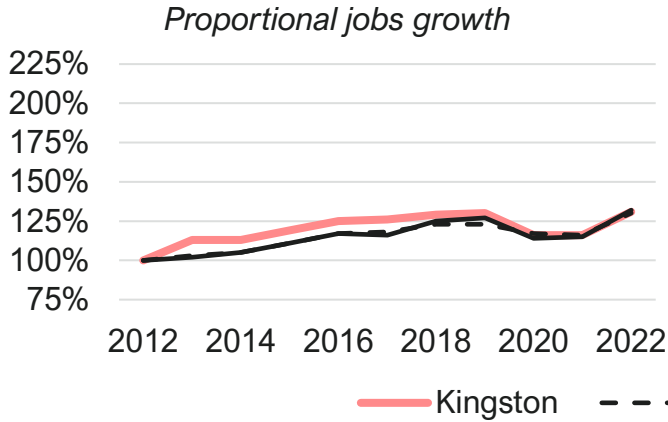
Productivity (GVA)



## SECTOR SPOTLIGHTS

### Visitor economy

Given its reliance on the movement of people, productivity and employment in the visitor economy suffered greater-than-average shocks during the COVID-19 pandemic. In RB Kingston, F&B service is by far the largest employing sub-sector, while Chessington World of Adventures is the largest single employer.



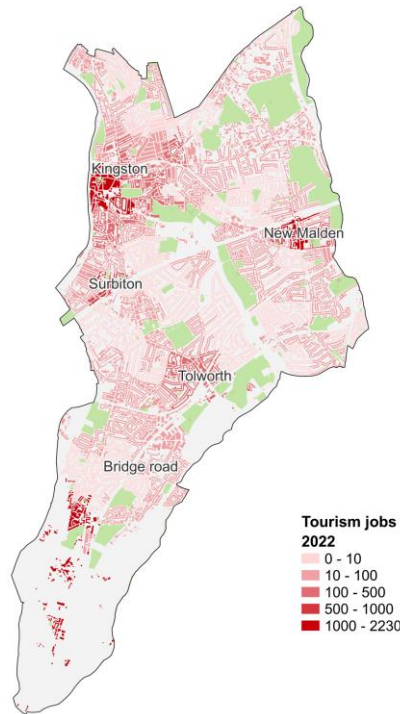
*Businesses by size*

Headcount	# (%)	Turnover	# (%)
Micro (0-4)	660 (72.5%)	£0-99k	365 (39%)
Micro (5-9)	135 (14.8%)	£100-199k	330 (36.3%)
Small (10 to 49)	110 (12.1%)	£200k-999k	190 (18.7%)
Medium-sized (50 to 249)	5 (<1%)	£1m-4.99m	25 (1.1%)
Large (250+)	5 (<1%)	£5m+	15 (0%)

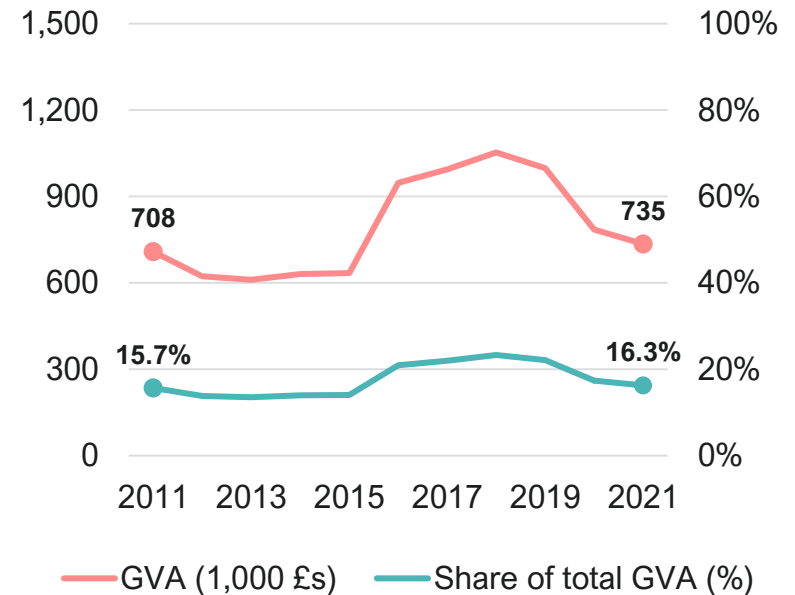
#### Top subsectors

Jobs (2022)		Businesses (2023)	
Sub-Sector	# (%)	Sub-Sector	# (%)
Licensed restaurants	1,750 (16.7%)	Letting & operating of real estate (properties & event spaces)	130 (14.3%)
Public houses & bars	1,500 (14.3%)	Unlicensed restaurants and cafés	120 (13.2%)
Unlicensed restaurants and cafés	1,250 (11.9%)	Take away food shops & mobile food stands	120 (13.2%)
Amusement parks & theme parks	1,000 (9.5%)	Licensed restaurants	115 (12.6%)
Take away food shops & mobile food stands	800 (7.6%)	Artistic creation	75 (8.2%)
<b>Total Jobs</b>	<b>10,485 (13.6%)</b>	<b>Total Businesses</b>	<b>915 (10.6%)</b>

#### Job locations



#### Productivity (GVA)



\*GVA data was unavailable for bespoke definition of tourism sectors. Figures calculated using 2-digit SIC codes, which cover some non-tourism industries (see next page)

**\*Tourism Standard Industrial Classification (SIC) Codes used in GVA calculation**

SIC	Description
I (55-56)	Accommodation and food service activities
77	Rental and leasing activities
78-80	Employment activities; tourism and security services
82	Office administration and business support activities
R (90-93)	Arts, entertainment and recreation



TRENDS IN KINGSTON'S ECONOMY

# ECONOMY & ENVIRONMENT

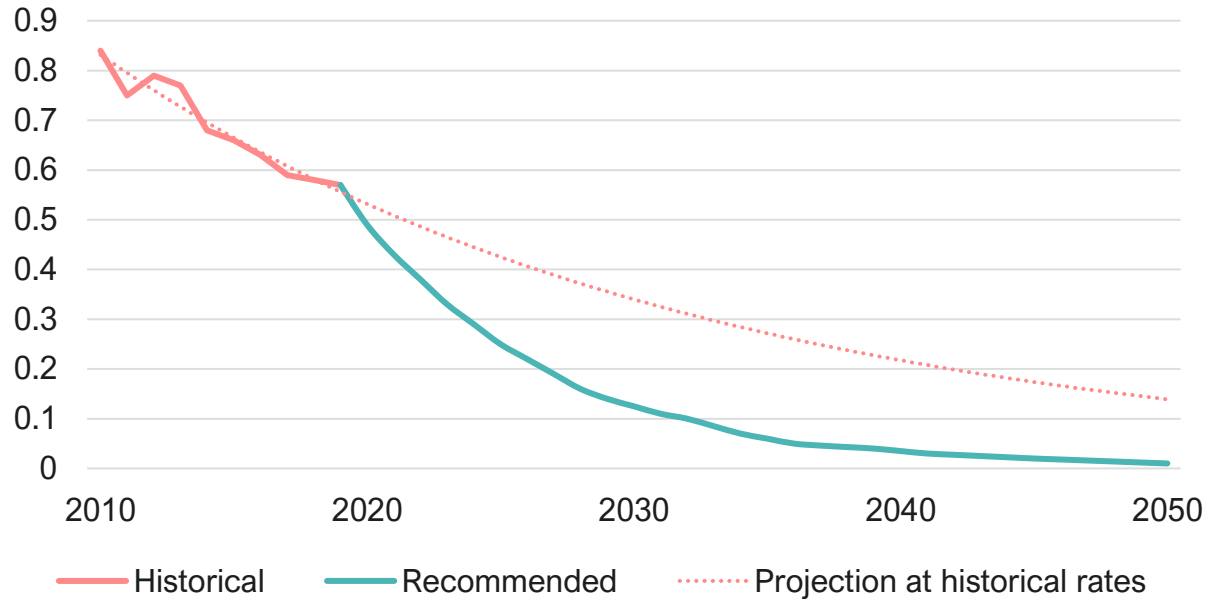
## Decarbonisation

While emissions fell significantly across most sectors between the last two census years, the borough is currently not on track to meet its current CO2 emissions targets and risks using its entire 2100 carbon budget this decade. There are external factors affecting Kingston’s ability to reduce emissions at pace, but the council’s energy strategy, awaiting committee approval at time of writing, will provide a practical pathway to bridge the gap between the projected and recommended emission levels.

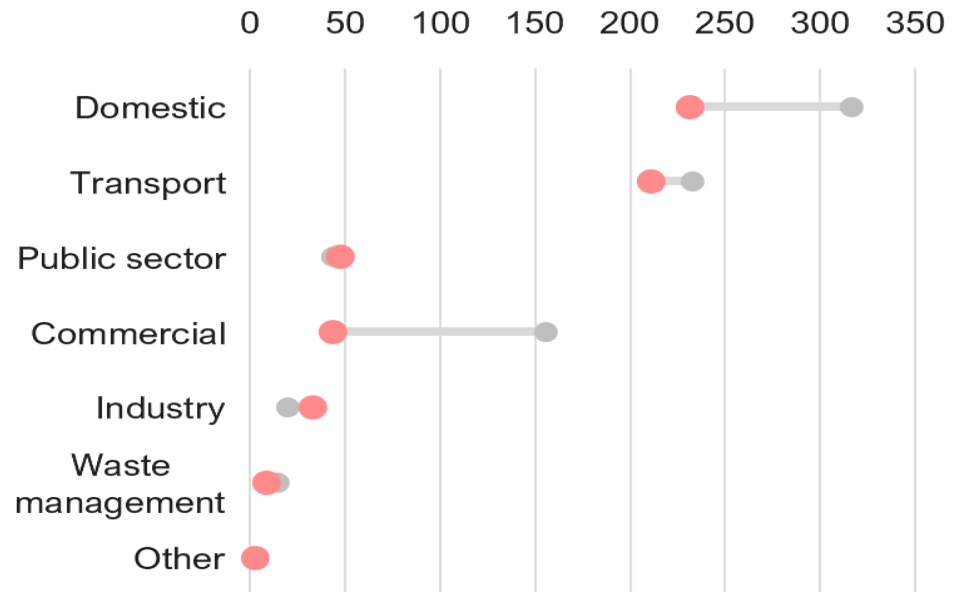
To meet these targets, Kingston’s economy will need to transition rapidly. Research commissioned by the South London Partnership found that 61% of SLP sub-region green jobs are higher-level managerial or professional roles, with graduates in green roles slightly more likely than average to have a degree (NVQ4+). Kingston’s highly educated and professional population is likely better placed than other boroughs to transition into these roles. Strong collaboration at the sub-regional level will be necessary, however, to ensure the correct mix of skills are developed to meet demand in coming decades.

Source: The Tyndall Carbon Budget tool; South London Partnership: ‘Green Jobs & skills in South London’ (2022)

Historical CO2 emissions and recommended carbon budget (2020), million tonnes



Greenhouse gas emissions estimates by sector



## Waste flow

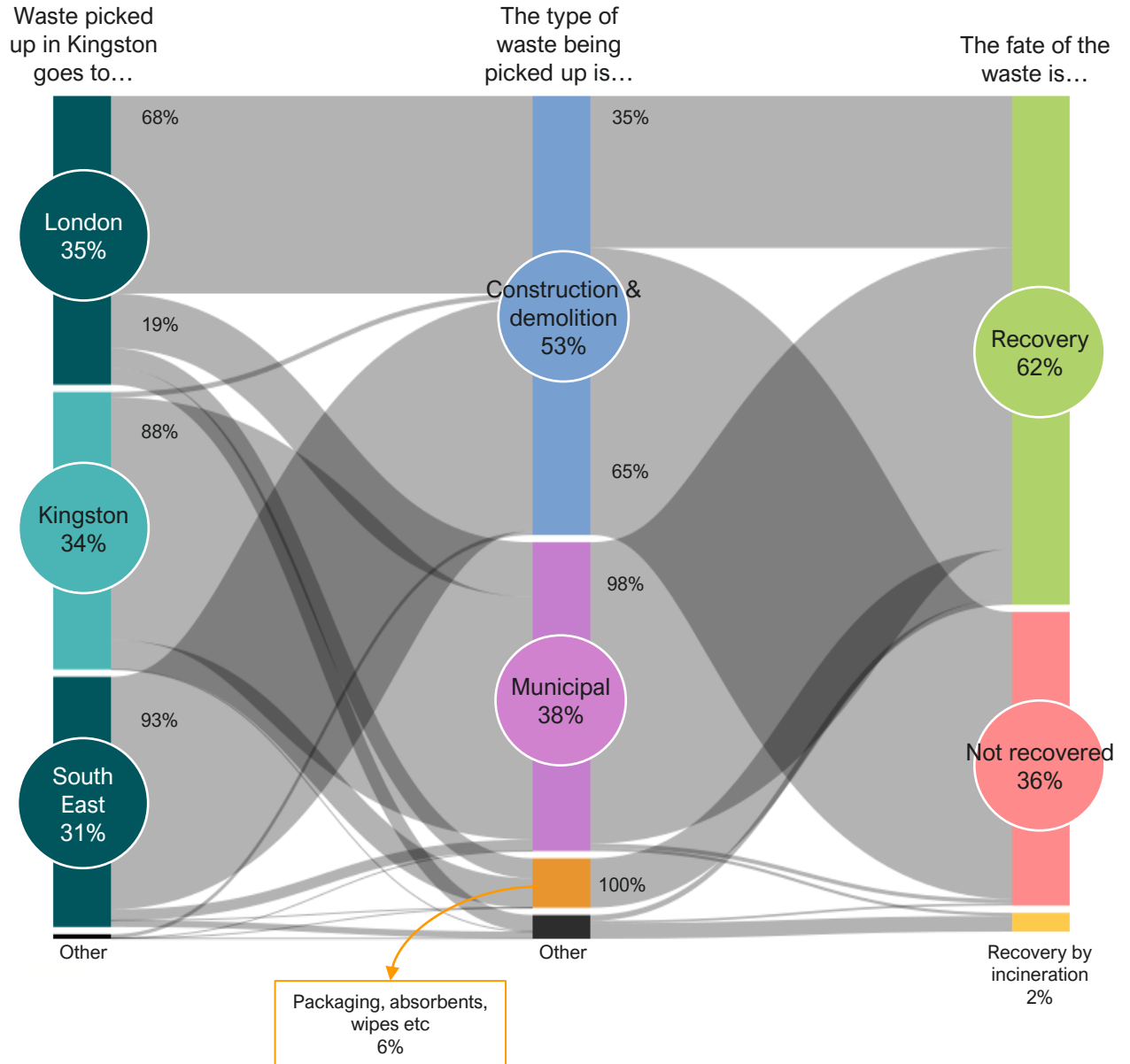
Kingston's 'waste footprint' is fairly local, with nearly all picked up from the borough (out of a total 142,362 tonnes of waste received in 2022) being processed internally, in London, or in the South East. Of the waste processed within Kingston, 98% is recovered, which is a very high rate, especially as the vast majority of that is municipal waste.

This does mean the borough exports its 'dirtier' or more challenging wastes to its neighbours; the 38%, or 53,499 tonnes, that is unrecoverable or recovered by incineration (which, in capturing/creating energy, also generates emissions) is largely processed in London and the South East.

The biggest area for improvement appears to be in finding ways to reuse a greater proportion of construction and demolition waste locally. There may also be opportunities to reduce the amount of overall municipal waste or repurpose it through local circular initiatives.

### Kingston's waste is locally-processed and majority recovered

Waste flow: destinations, types, and fates of wastes received from Kingston, 2022



Source: Environment Agency Waste Interrogator 2022 (Wastes Received)



## WHERE THE ECONOMY HAPPENS

CONNECTIVITY, PROPERTY &  
SPACE FOR WORK





WHERE THE ECONOMY HAPPENS  
**CONNECTIVITY**

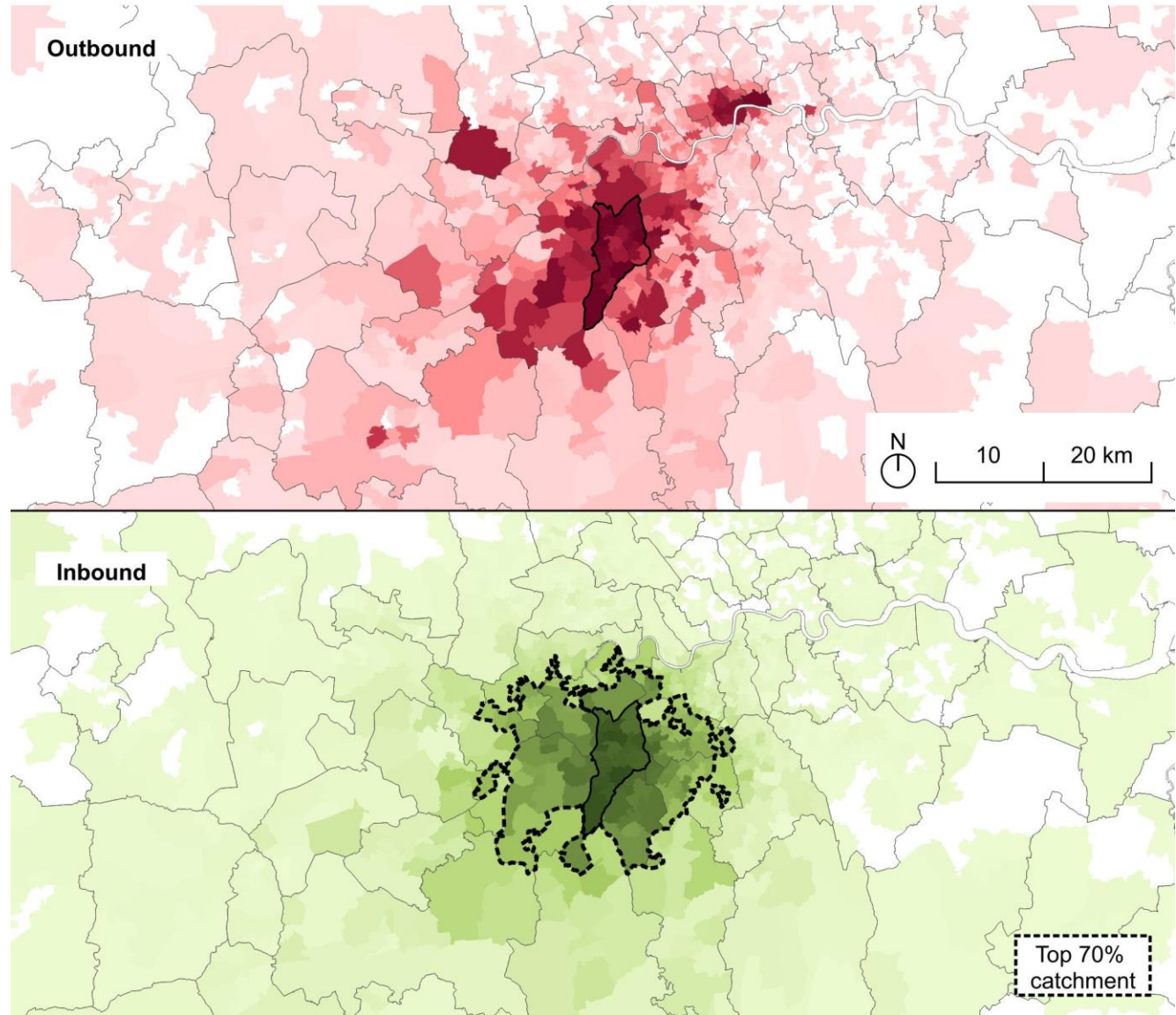
## Travel to work

Census 2021 data for travel to work flows is affected by Covid-19. At the time of the Census, many more people than usual were working from home. People who reported travelling to a place of work during the 2021 Census were most likely those employed in key/essential services. The 2021 travel to work data therefore provides some indication of where essential economy workers are travelling to/from.

Kingston residents working on-location mostly work within Kingston, Heathrow, and central London.

Kingston has a tight catchment for inbound workers whose jobs require them to work on location, with most travelling around 10 km or less.

Lighter areas: Fewer outbound/inbound workers      Darker areas: More outbound/inbound workers



## Public transport connections

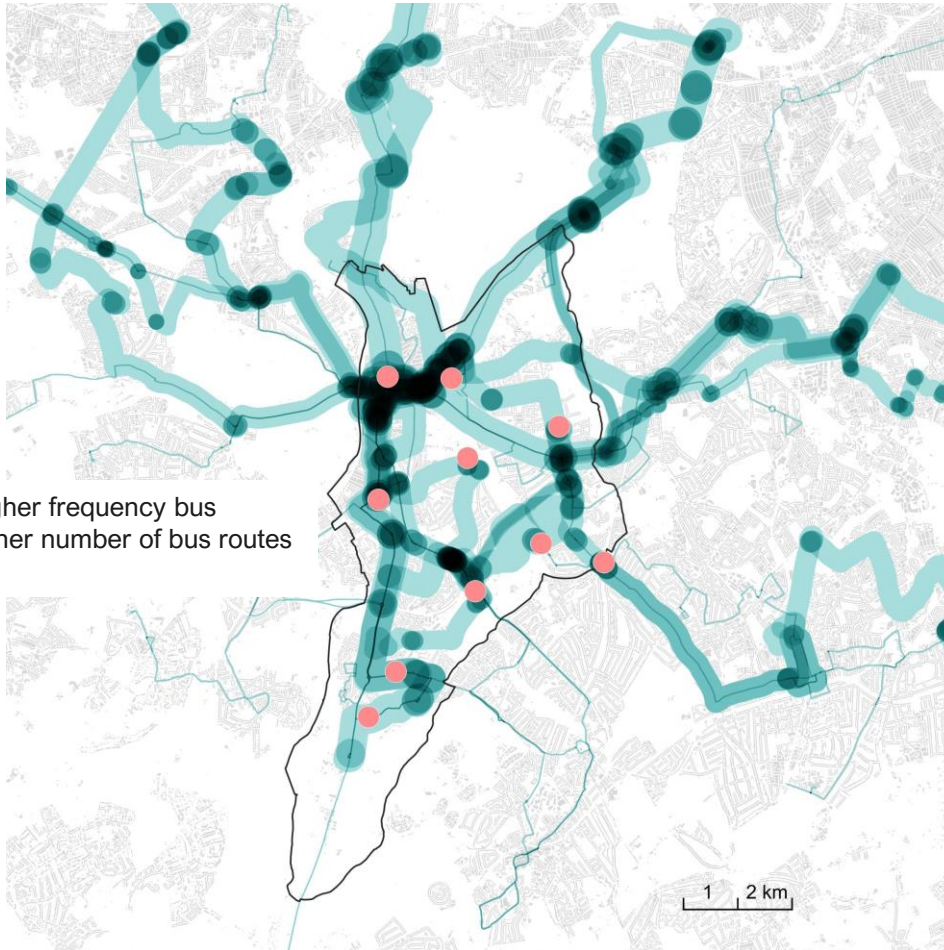
Most parts of Kingston are served by at least one high-frequency bus route, with Kingston town centre being a hub for services. Kingston's high-frequency bus connections extend into neighbouring London boroughs, bringing Richmond, Merton, and Sutton into commutable distance of Kingston in lieu of orbital rail connections. Kingston's rail network runs on a

southwest to central London axis.

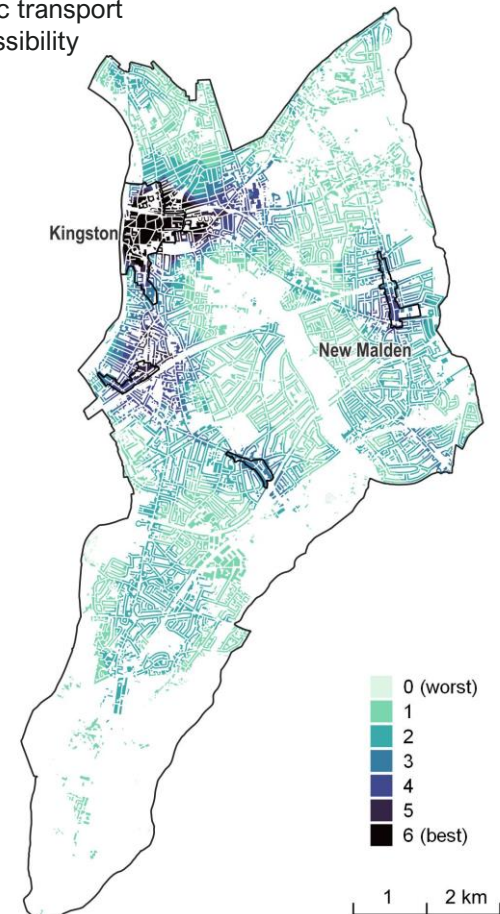
However, overall public transport accessibility levels, which consider the number of bus and rail options within a certain distance of a given location and their frequencies, are low in much of the borough.

Source: Open Street Map contributors, TfL

Rail stations and bus routes in Kingston



Public transport accessibility level



## Rail usage

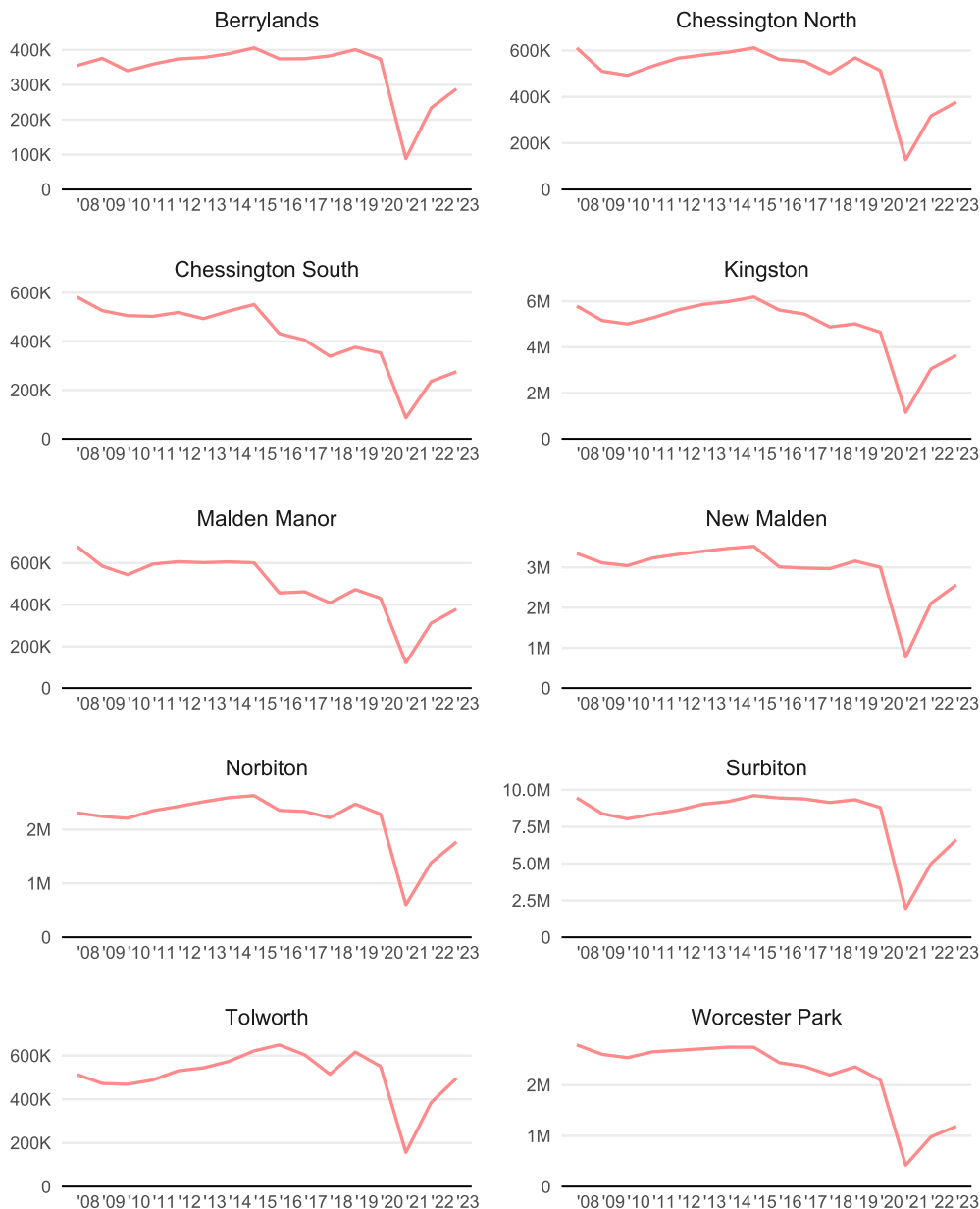
Some stations were already seeing passenger decreases before the pandemic, though the reasons behind this are unclear (e.g. it could be changing work patterns or services running less frequently)—for example, Kingston, Malden Manor, and Chessington South.

With working from home the norm for many people at least a couple days a week, no stations have reverted to their immediate pre-pandemic passenger levels, though counts as of March 2023 were climbing.

Although Kingston has the largest town centre in the borough, Surbiton has the busiest station, reflecting its higher frequency services.

### Passenger entry/exit estimates for Kingston rail stations

Year to March

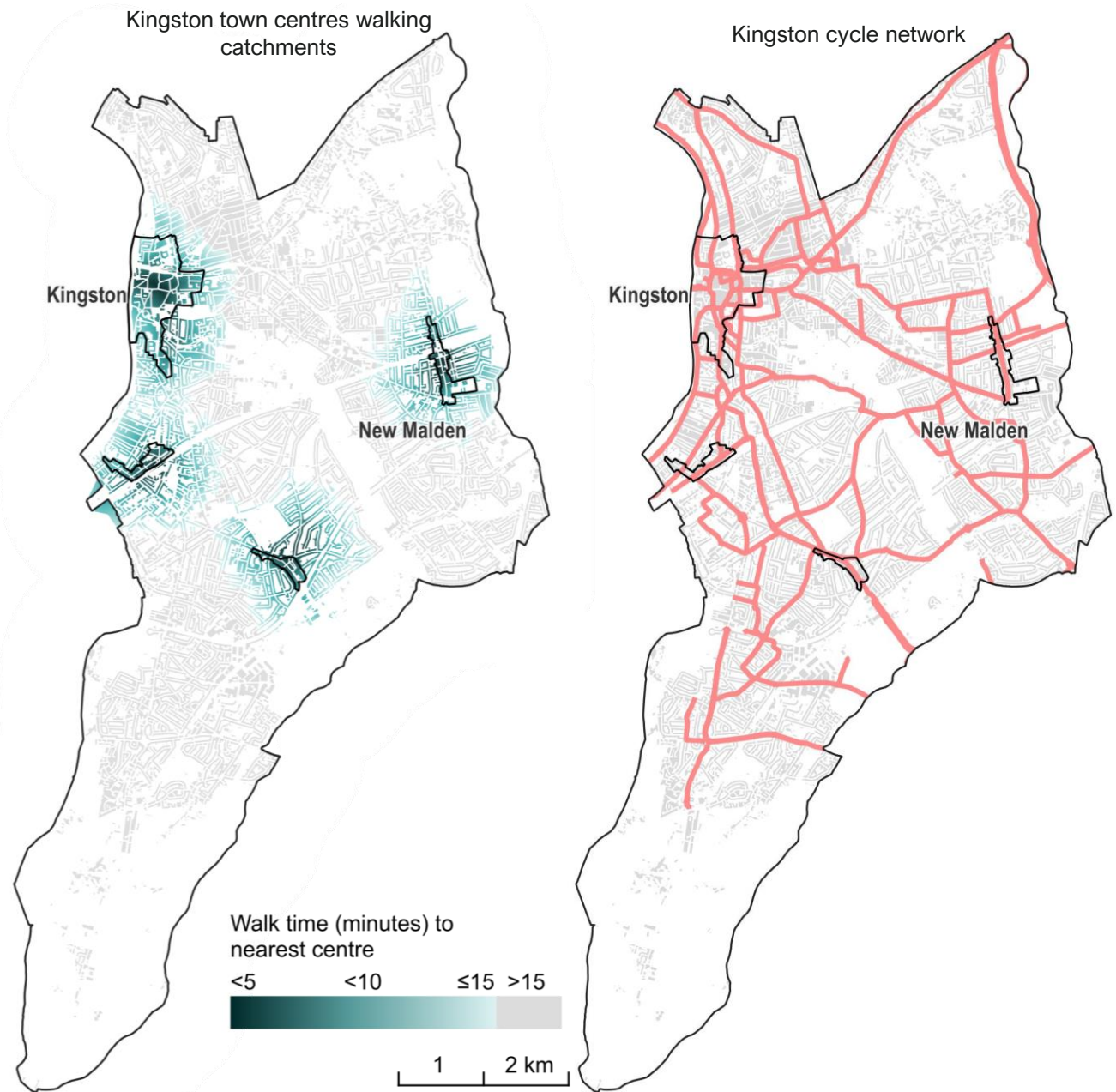


Source: Office of Road & Rail

## Walking & cycling

Aside from those in proximity to New Malden, residents in areas around the northeast of the borough lack the amenities of a high street or town centre (whether one of Kingston's or a neighbouring borough) within a reasonable walking distance. Around 39% (64,559) of Kingston's population lives within a 15 minute walk of one of its town centres.

Cycle route connections exist throughout Kingston and neighbouring London boroughs, but less connected to the southwest (not shown in map). This research did not assess the quality of these routes, which would be affected by things like cycle lane widths, cycle lane segregation from traffic, volume of motor traffic if not segregated, surface treatment, lighting, advance stop lines, ease and safety of travelling through junctions, and so on.



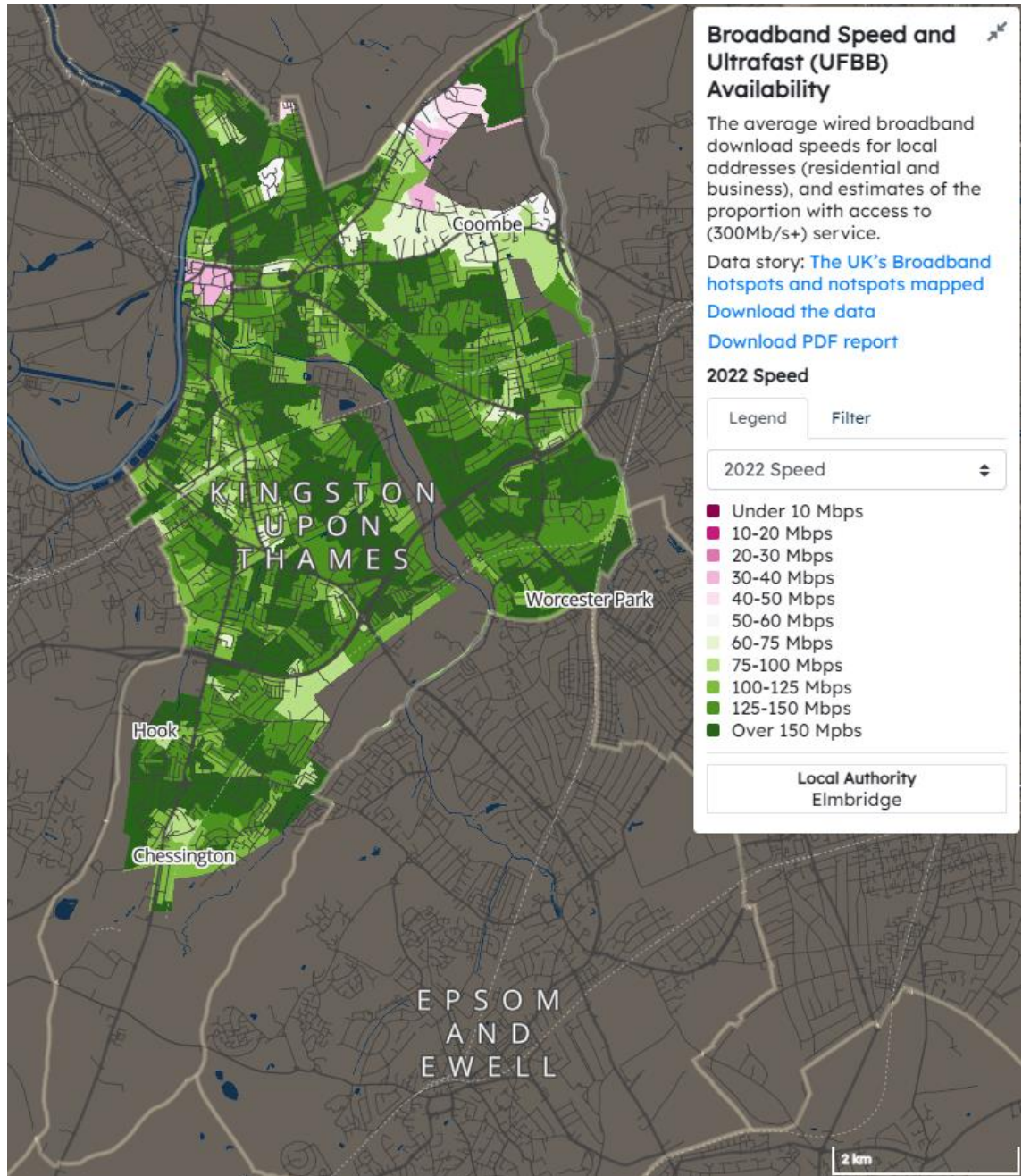
## Internet connectivity

Broadband speeds across Kingston were generally very high in 2022. There were, however, some pockets with poor connectivity in the northeast of the borough and in parts of Kingston town centre.

A substantial proportion of the resident population in these areas (20-30%) regularly work from home and slow broadband speeds may affect their ability to do so as often or effectively as they might want. Varying broadband speeds also affects how accessible public services, which are increasingly online, are to people living in areas with poor connections (e.g., registering for a GP or accessing your HMRC account).

Furthermore, while there is high speed availability through copper lines, fibre provision is poor—in other words, the generally high connectivity is running off old and increasingly outdated technology. This could affect competitiveness of Kingston as a place for doing business.

Broadband speeds in Kingston are generally very high, 2022





WHERE THE ECONOMY HAPPENS

# COMMERCIAL PROPERTY MARKET TRENDS

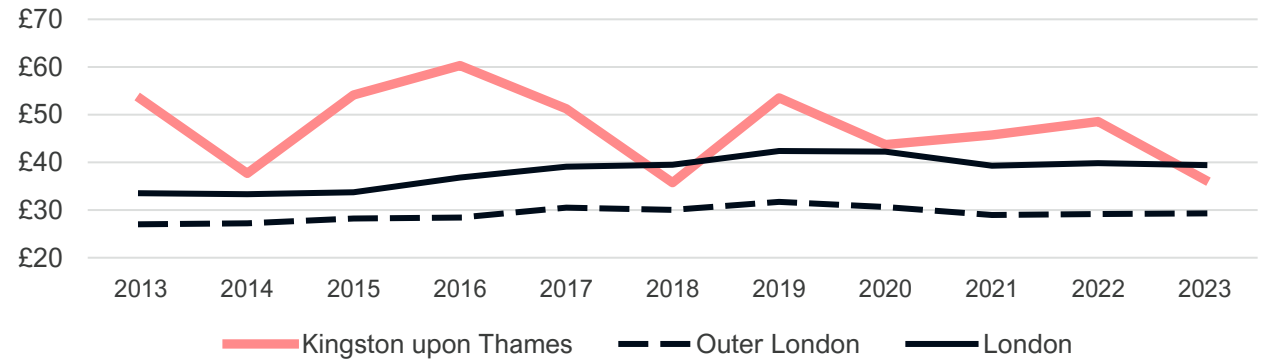
## Retail property

After experiencing extraordinarily low vacancy rates for many years, since the pandemic retail vacancy rates in Kingston have climbed to levels similar to London, currently sitting at around 2.4%. Retail vacancies are clustered around the largest town centres, Kingston, Surbiton, and New Malden. There may be a case for some new retail spaces in town centres where curated uses can complement existing ones or enhance the town centres as destinations by offering something special for southwest London and Surrey. In smaller town centres with less commercial floorspace, retail needs to provide people with a range of options for their basic needs, i.e., grocery, pharmacy, post office.

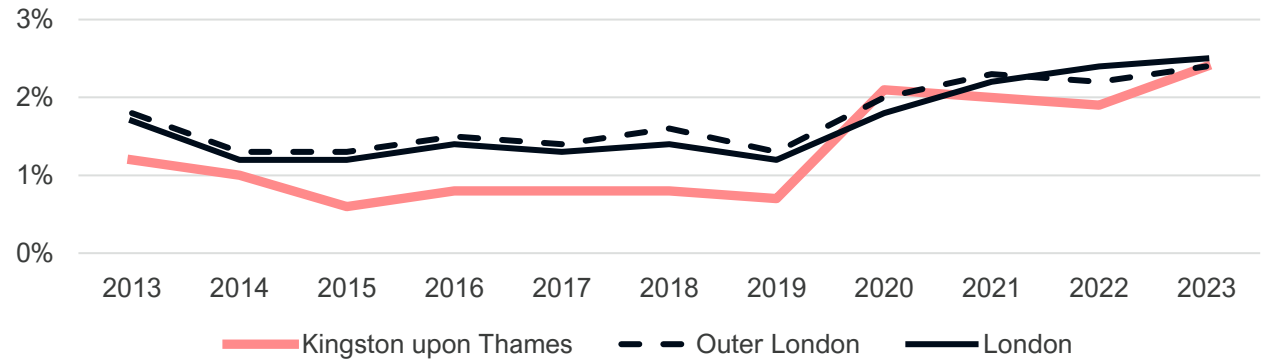
**Please note:** CoStar calculates vacancy rates based on the proportion of vacant floorspace rather than the number of vacant units. The Bentall Centre, Eden Walk and John Lewis account for ~50% of retail floorspace in Kingston town centre, with very little vacant space. The vacancy rate by number of vacant units is about 9% in Kingston town centre.

Source: CoStar

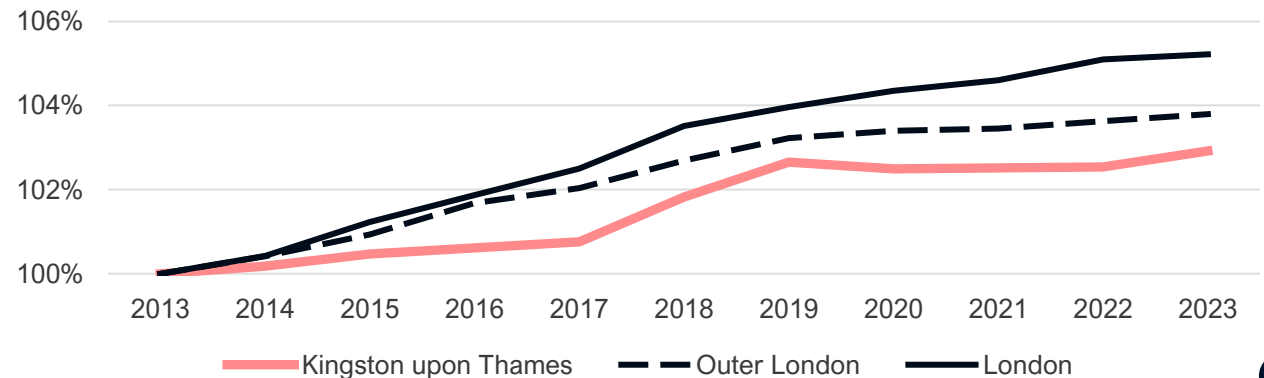
Retail rental values (£/sqft)



Retail vacancies



Proportional change in retail floorspace





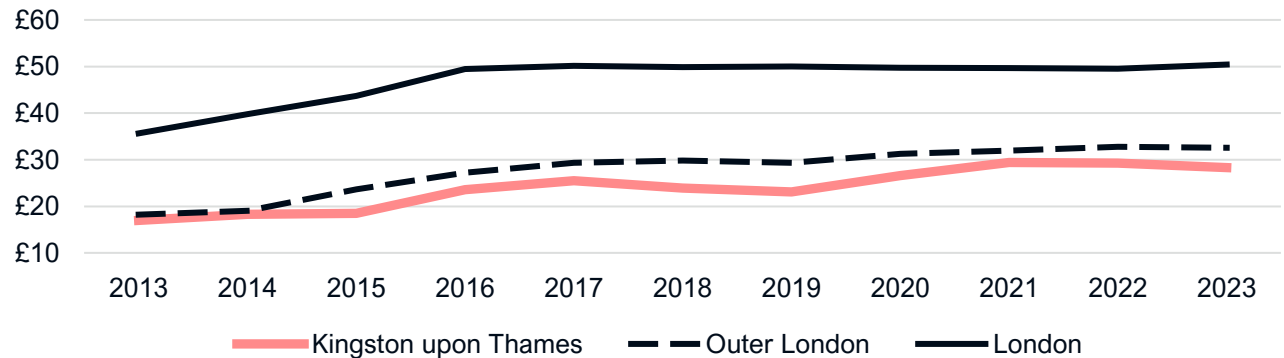
## Office property

Lichfields' 2019 employment land study notes that 'demand levels for office premises across RBK and particularly around Surbiton and Kingston town centres were generally steady pre Covid-19, with demand coming from both local firms wishing to expand and firms wanting to locate in the area due to its accessibility, the good quality town centre environment and the comparatively affordable provision relative to other centres such as Wimbledon and Richmond [...] Demand is concentrated in Surbiton and Kingston town centres for smaller and larger units.' They forecast a need for 42750 m<sup>2</sup> (460157 ft<sup>2</sup>) of office space to 2041, though in light of steadily increasing and above-average vacancy, this may be more than necessary. Furthermore, the report notes that rental values and vacancy trends would make it difficult to justify office development, despite the is a lack of Grade A office space. Retrofitting existing properties may be a quicker, greener, and more viable route to getting more Grade A space with the flexibility to cater to small and medium sized businesses.

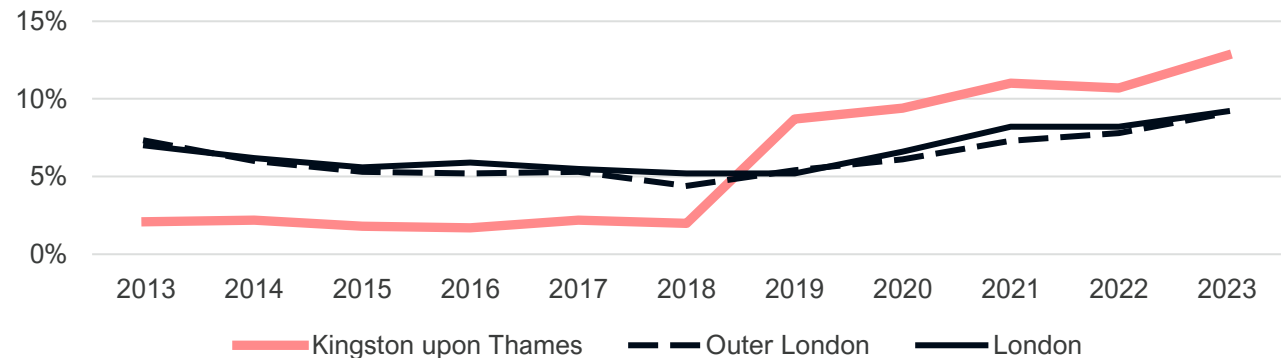
**Please note** vacancy based on % of floorspace vacant, not % of units vacant.

Source: CoStar

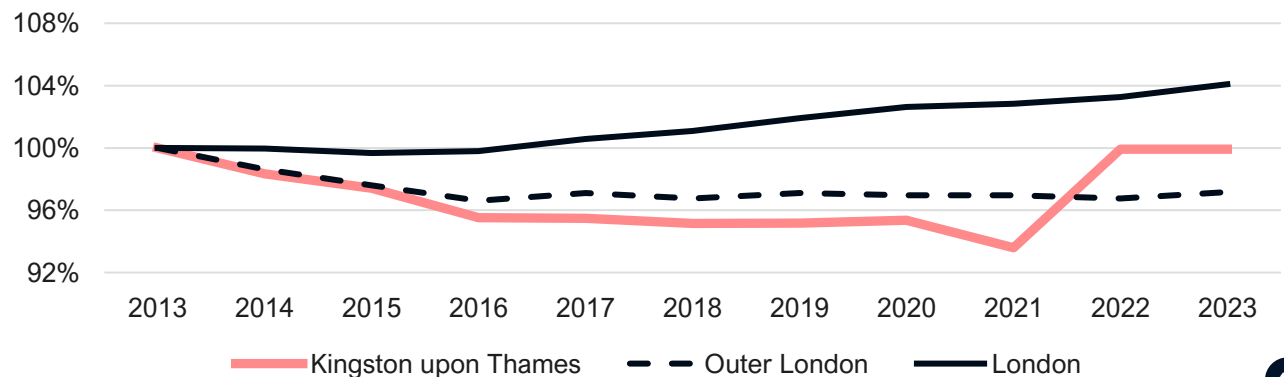
Office rental values (£/sqft)



Office vacancy rates



Proportional floorspace change in office floorspace



## Industrial property

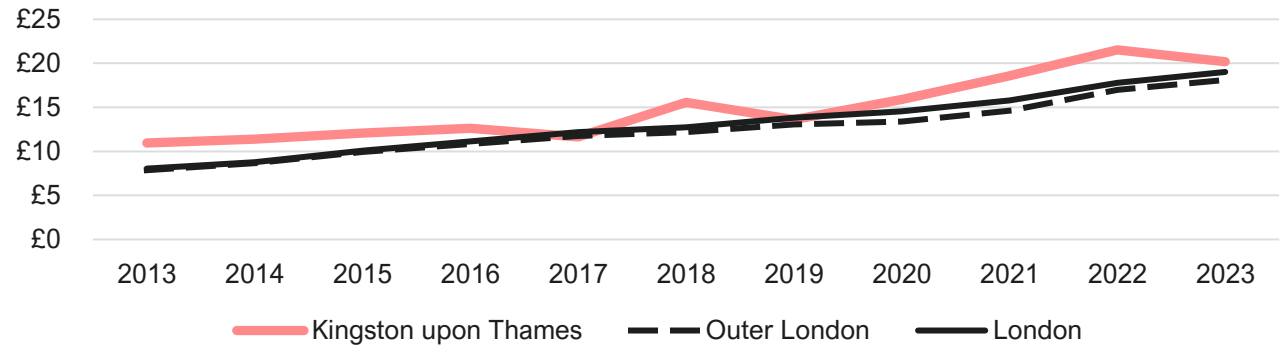
Lichfields' 2019 employment land study notes that demand for industrial space was strong at the time of writing, particularly for good quality small to medium units. Vacancy rates have climbed since but are around the London average; given the ongoing loss of industrial space throughout the city, if Kingston can hold onto this space, the vacancy rate could drop assuming it's the right quality and size for potential tenants.

Their employment space forecast advises planning for 5620 m<sup>2</sup> (60493 ft<sup>2</sup>) of light industrial and 11160 m<sup>2</sup> (120125 ft<sup>2</sup>) of industrial space to 2041, alongside catering for any small requirements in distribution space.

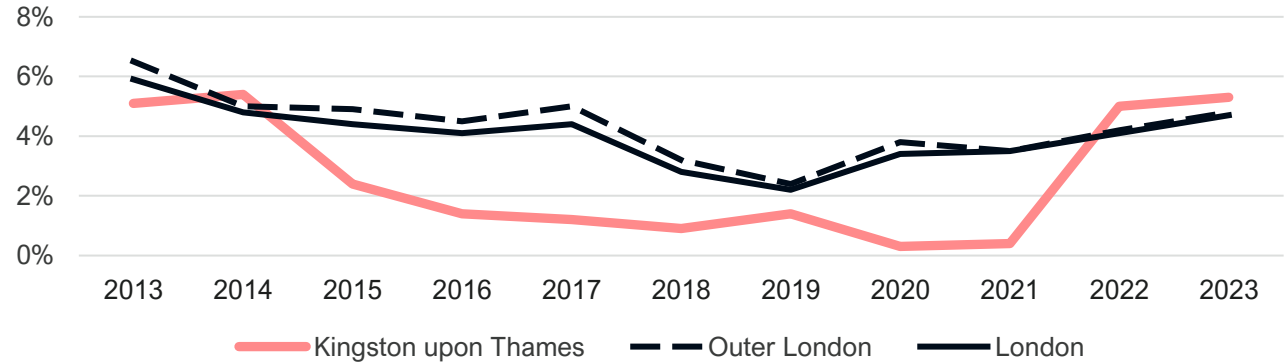
As shown previously, some of Kingston's notable job and business growth has been in certain manufacturing sectors likely to occupy industrial and warehouse type spaces. Safeguarding and increasing these types of spaces will help businesses sustain or grow and attract others.

**Please note** vacancy based on % of floorspace vacant, not % of units vacant.

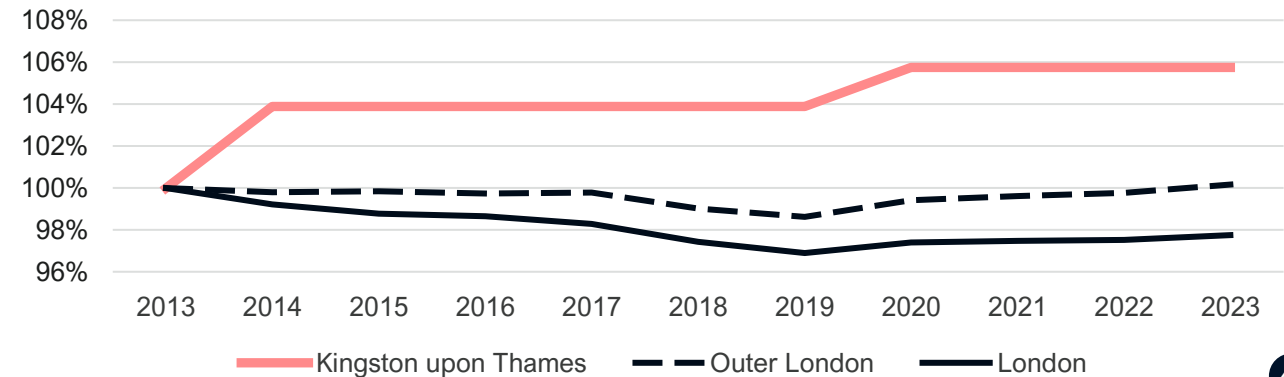
*Industrial rental values (£/sqft)*



*Industrial vacancy rates*



*Proportional change in industrial floorspace*



## COMMERCIAL PROPERTY MARKET

# Commercial property availability

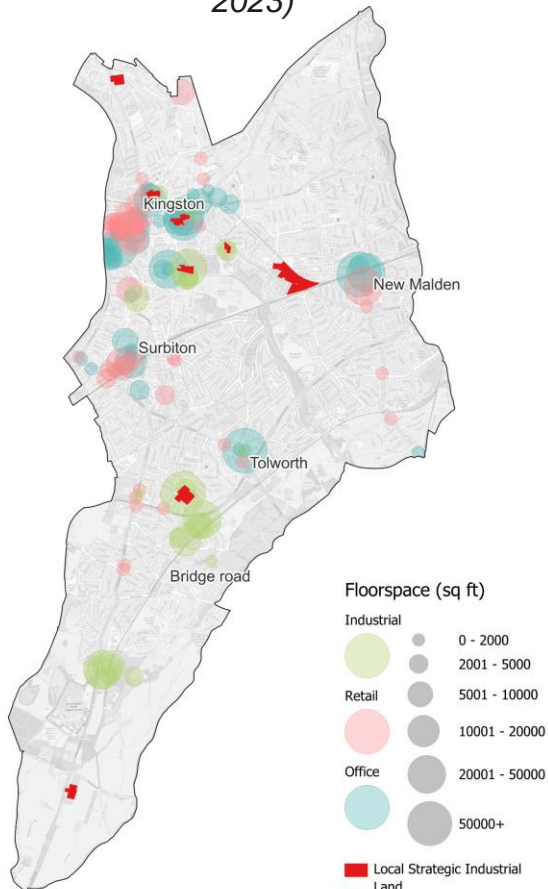
Source: CoStar; Cluttons

Given its size, most of the borough's commercial property vacancies are clustered around Kingston town centre. Compared with the borough's other town centres, however, Kingston has a lower vacancy rate (by floorspace).

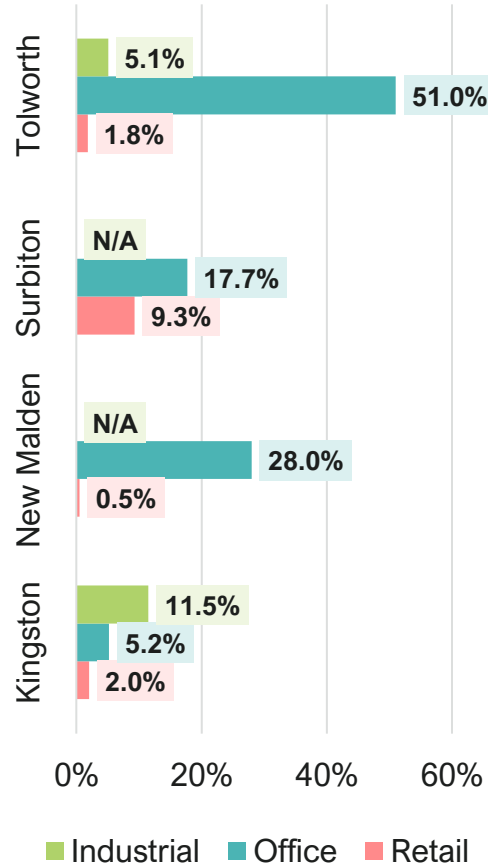
The high level of office vacancies in Kingston's smaller town centres is likely due to a confluence of factors. Cluttons UK office market 2023 winter

research report describes an unprecedented divergence between prime and secondary office space, with all-time high office vacancy rates in 2023. The report cites a combination of companies downsizing their offices due to hybrid working and stricter ESG requirements on the horizon as the factors driving this divergence and high level of vacancy.

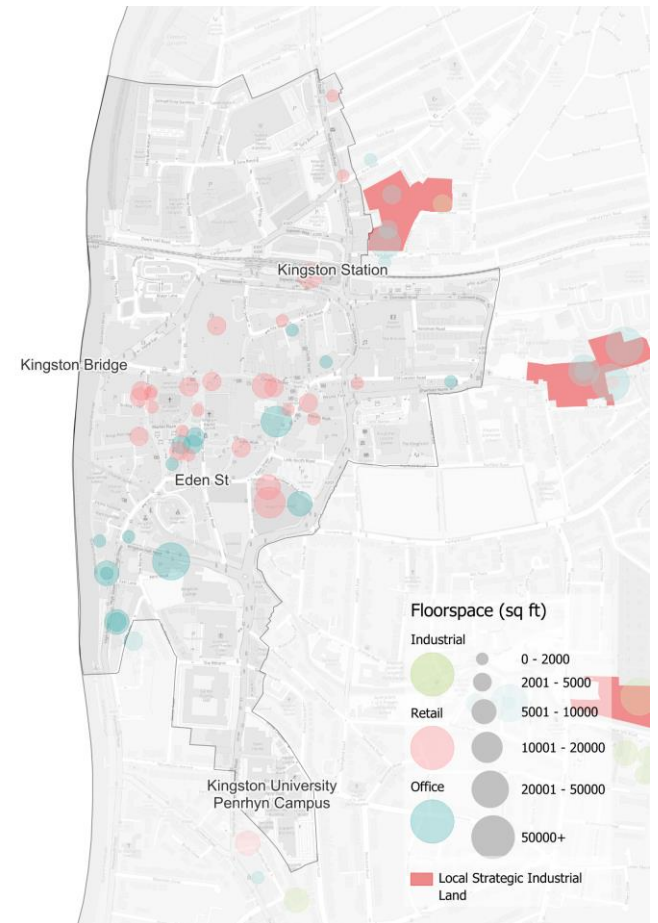
Commercial property vacancies (Nov 2023)



Vacancy rates by town centre (Q4 2023) (% of vacant floorspace)



Kingston's numerous small vacancies



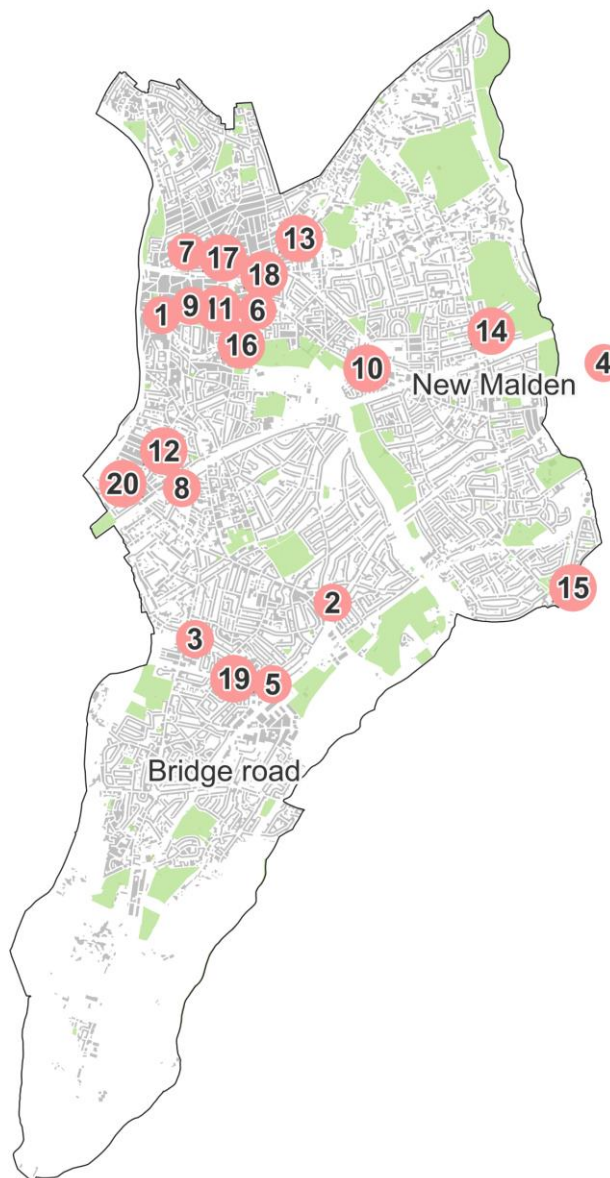


WHERE THE ECONOMY HAPPENS  
**WORKSPACE & WORK  
AMENITIES**

## Flexible workspace provision

Kingston's 2023 flexible workspace study identified locations throughout the borough. Of 20 spaces, 9 are in or near Kingston town centre.

As part of Kingston's 2022 Employment Land Review, a survey was undertaken in early 2021 involving 25 businesses across a range of sectors, to gain a better understanding of the needs of local businesses operating in the borough and the main factors that support and inhibit their growth. 52% cited insufficient sites in Kingston to accommodate employment needs and 57% cited a lack of range in rental levels; two issues which may be mitigated by improved flexible workspace provision.



Map Ref.	Workspace
1	1 Wheatfield Way
2	140 The Broadway
3	177 Hook Road
4	300 Beverley Way
5	Argent House
6	Cambridge Road
7	Canbury Works
8	Claremont Business Centre
9	Kingston Cowork
10	Kingspark
11	Kopshop
12	Maple Works
13	Network Business Centre
14	New Malden Business Centre
15	Park Terrace
16	Princess House
17	Siddeley House
18	The Smith
19	Trident Court
20	Victoria Road

## WORKSPACE & WORK AMENITIES

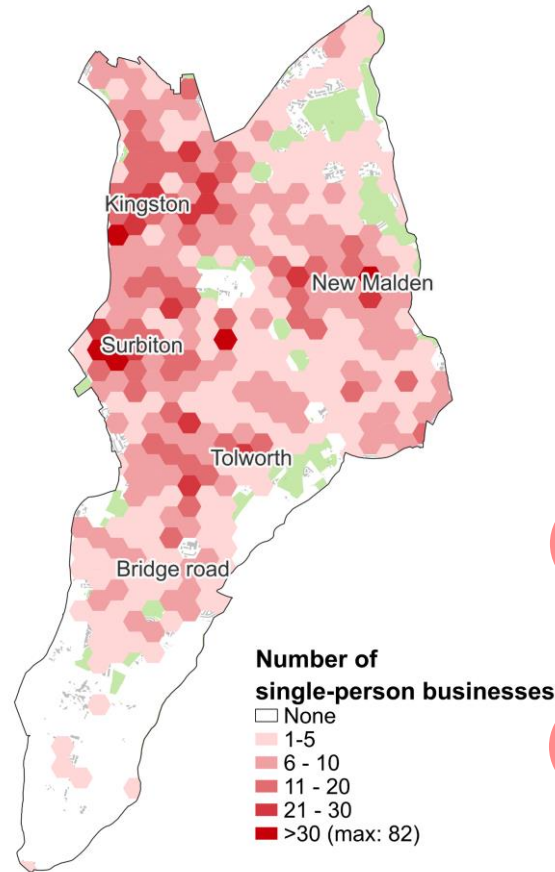
# Single-person businesses & self-employment

Kingston's IDBR reports 2,798 single-person businesses. Just under 30% are knowledge-based, providing financial or professional services. Given the high number of single person businesses based in or around New Malden, Surbiton and Tolworth, it is possible that the flexible workspace provision is not meeting the demand in those locations.

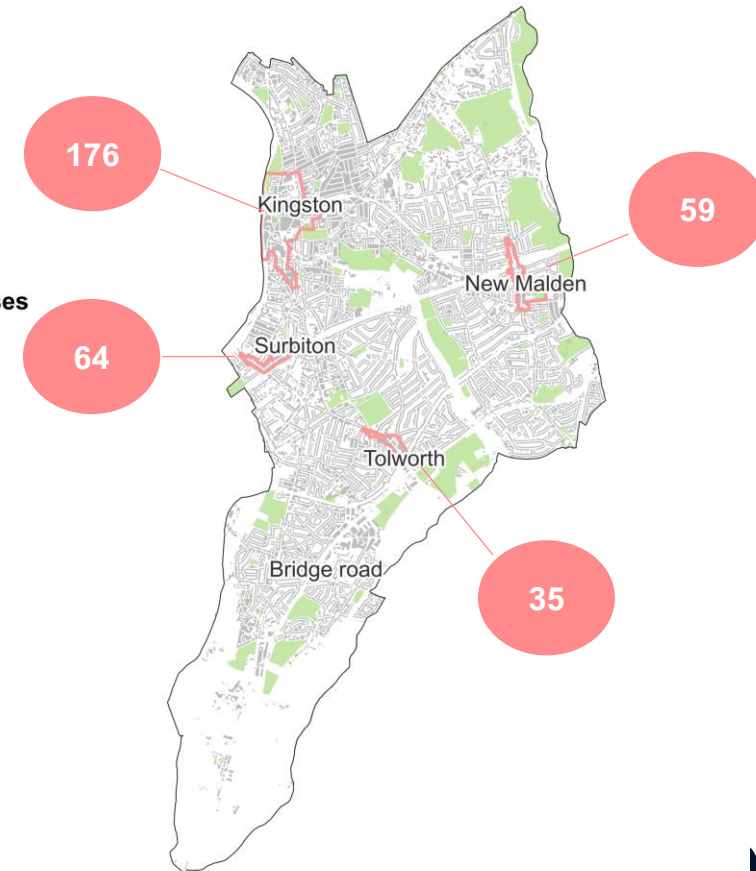
However, the actual number of self-employed residents will be higher, as IDBR only includes businesses registered for VAT or PAYE with HMRC and does not capture less formalised self-employment. Census data suggests around 9.6% (~16k) of residents are self-employed (regardless of their status with HMRC), most without employees. Data is not available on their sectors.

The conditions needed to allow single-person or microbusinesses to grow must be considered. 58% of respondents to Kingston's employment land survey would like to expand and 64% want to relocate within borough, although 68% had previous difficulty finding suitable spaces to expand due to affordability, planning restrictions, lease flexibility etc.

*Kingston's single-person businesses, aggregated to 300m hexagons, 2023*



*Kingston's single-person businesses by town centre, 2023*





WHERE THE ECONOMY HAPPENS  
**PIPELINE**

# Planning applications & development sites

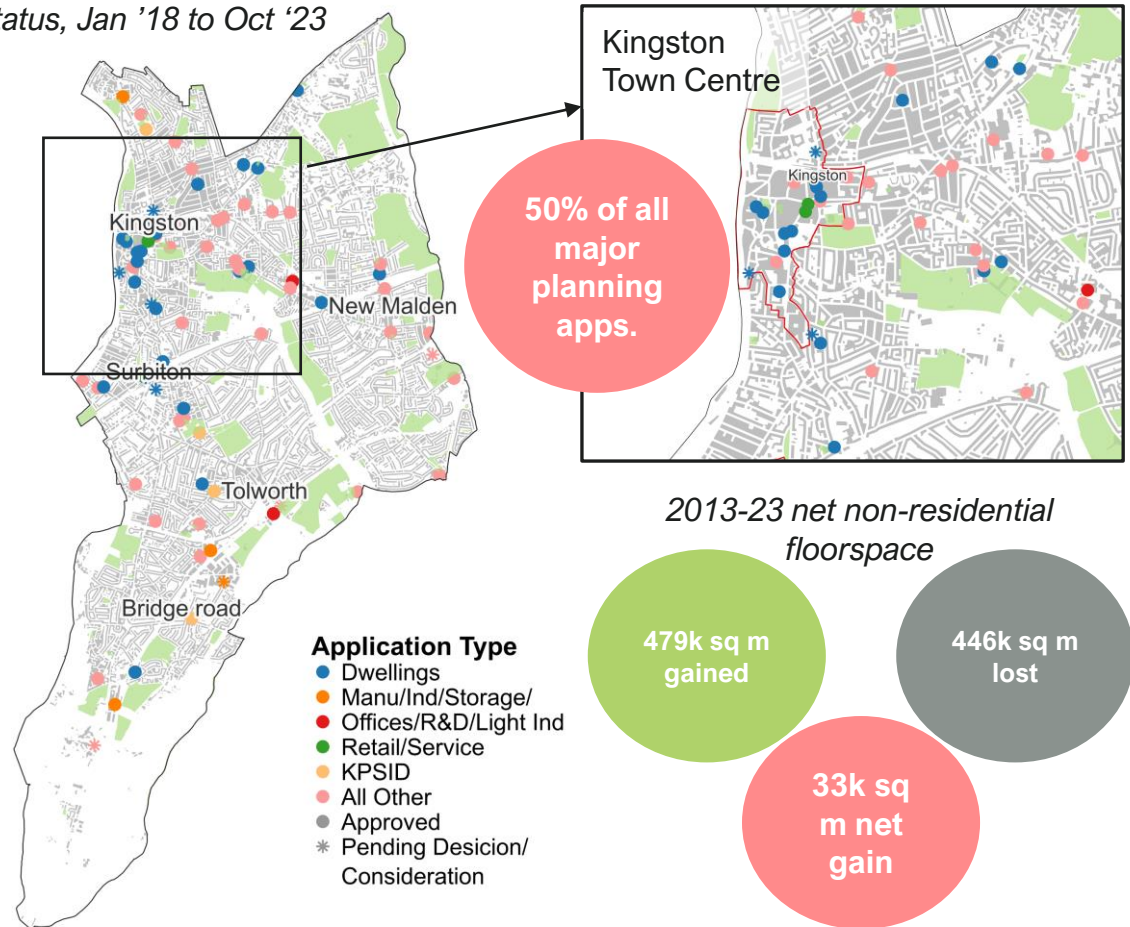
Source: Kingston Council; Realyse; GLA

Kingston has approved 97 major planning application over the last 5 years, with a further 15 pending a decision. 52 of the approved and 4 of the pending schemes are within the square below. Residential developments have been the largest single category of planning applications submitted since 2018 (42 in total). The 'All Other' category, which includes schemes such as nursing homes,

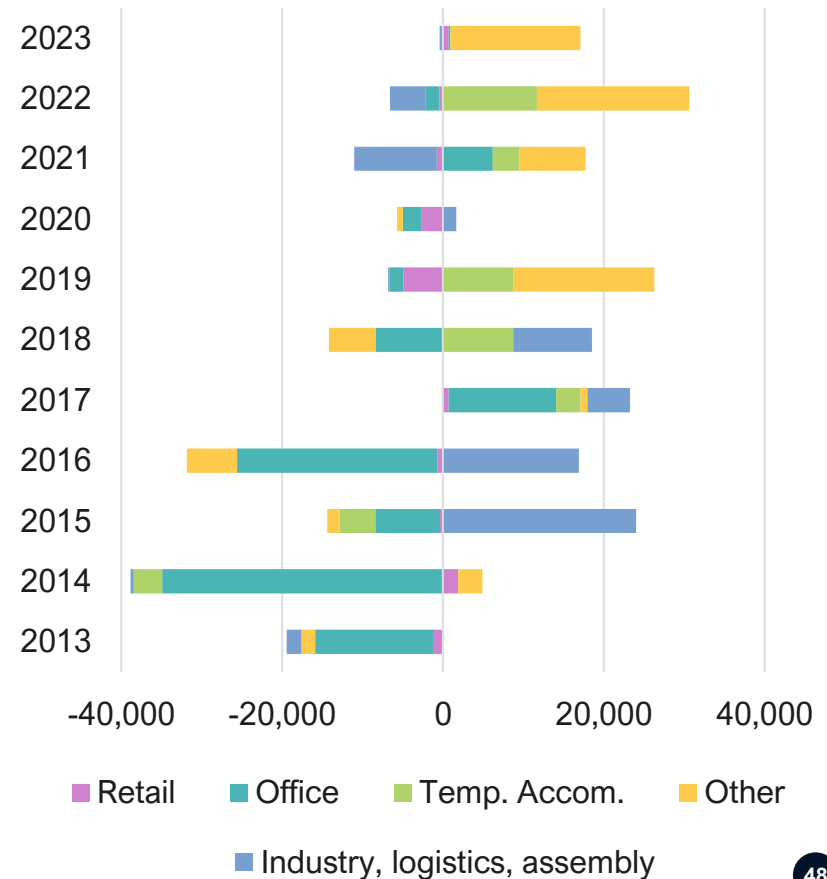
car parks and a wildlife pond, is the most common application type (52 total). Only 2 office and 4 retail developments have been approved over the same period.

The first half of the last decade (2013-18) saw non-residential floorspace losses of just over 31,000 m<sup>2</sup> (333681 ft<sup>2</sup>), while the second half (2018-23) saw gains of 64,000 m<sup>2</sup> (688890 ft<sup>2</sup>).

Major planning applications by type and status, Jan '18 to Oct '23



Net non-residential floorspace (sq m) gain/losses, 2013-23, based on planning approvals







WHERE THE ECONOMY HAPPENS

**DECARBONISATION/  
RETROFIT**

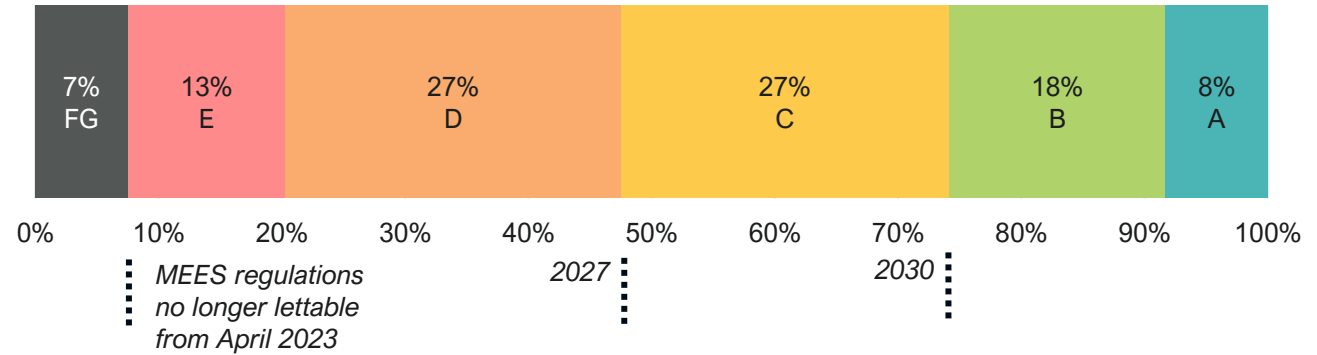
## Commercial space and energy performance

Government minimum energy efficiency standards for commercial buildings affect properties based on their Energy Performance Certificate rating. As of April 2023, buildings with an F or G rating are no longer lettable, with landlords facing fines for failing to improve ratings (with some exemptions). This affects just 7% of floorspace in Kingston, but in 2027, when D and E rated properties come under regulation, it will affect 48% of properties, and 74% by 2030.

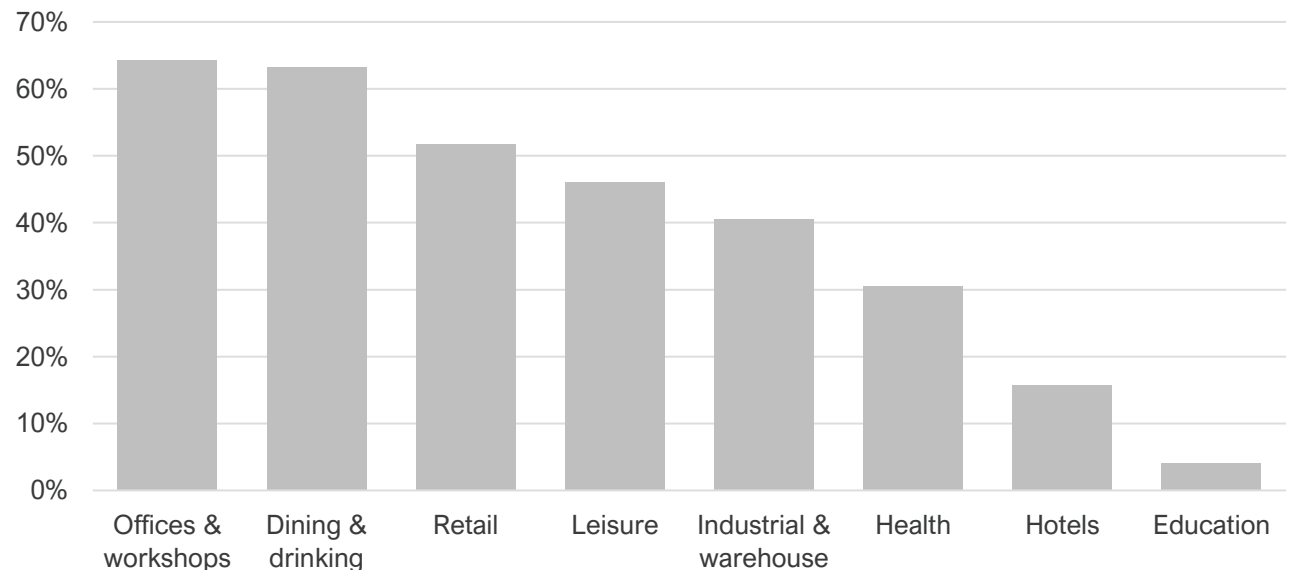
At least 50% of office and workshop, dining and drinking, and retail floorspace will be affected by 2027.

Government regulations are always subject to change, but even if plans are pushed back or curtailed, the fact remains that tenants are increasingly seeking good quality commercial space that is affordable to run, given ever-increasing costs to running a business. Additionally, retrofitting existing space to higher standard is usually quicker and more affordable than planning for new commercial development from scratch.

Sampled commercial floorspace (m<sup>2</sup>) by EPC rating, Nov 2023



Proportion of DEFG-rated floorspace by use class





# WHO IS IN THE ECONOMY

RESIDENTS, WORKERS & STUDENTS

# 4a

## PEOPLE IN KINGSTON'S ECONOMY RESIDENTS

## RESIDENTS

# Population and demographic projections

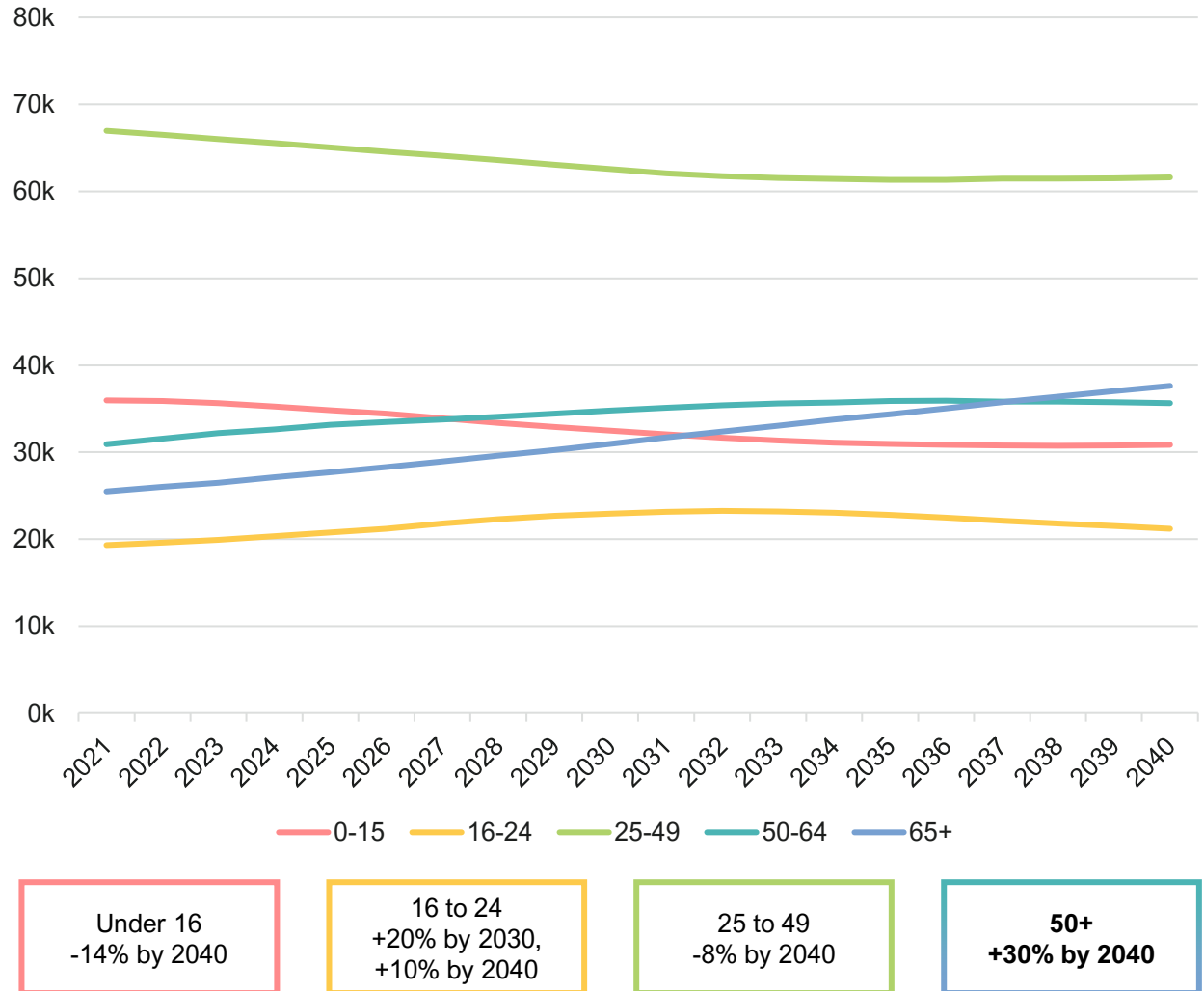
Kingston's population is expected to grow in step with Outer London over the next ~20 years, based on population projections published by ONS in 2018. This growth, however, will largely be driven by those age 50+. Young adults are expected to grow in population, potentially linked to Kingston University.

An ageing population is not unique to Kingston. The entire UK population is expected to age at a similar rate. An ageing population poses challenges to the provision of publicly funded health and social care. Older people are the majority users of healthcare services but these services are not currently adequately equipped to deal with increasing demand in coming decades. There are other practicalities to consider with an ageing population, like whether housing stock is suitable for those with reduced mobility.

Ensuring people can age healthily will be important for helping them contribute to community life and stay involved in the economy (whether through working, volunteering, using amenities, etc) longer.

Source: ONS Population Projections (2018)

### Projected population change by age group



## RESIDENTS

### Newcomers

Source: Department for Work and Pensions

Addresses of foreign nationals registering for National Insurance by output area, Sep '22-Sep '23

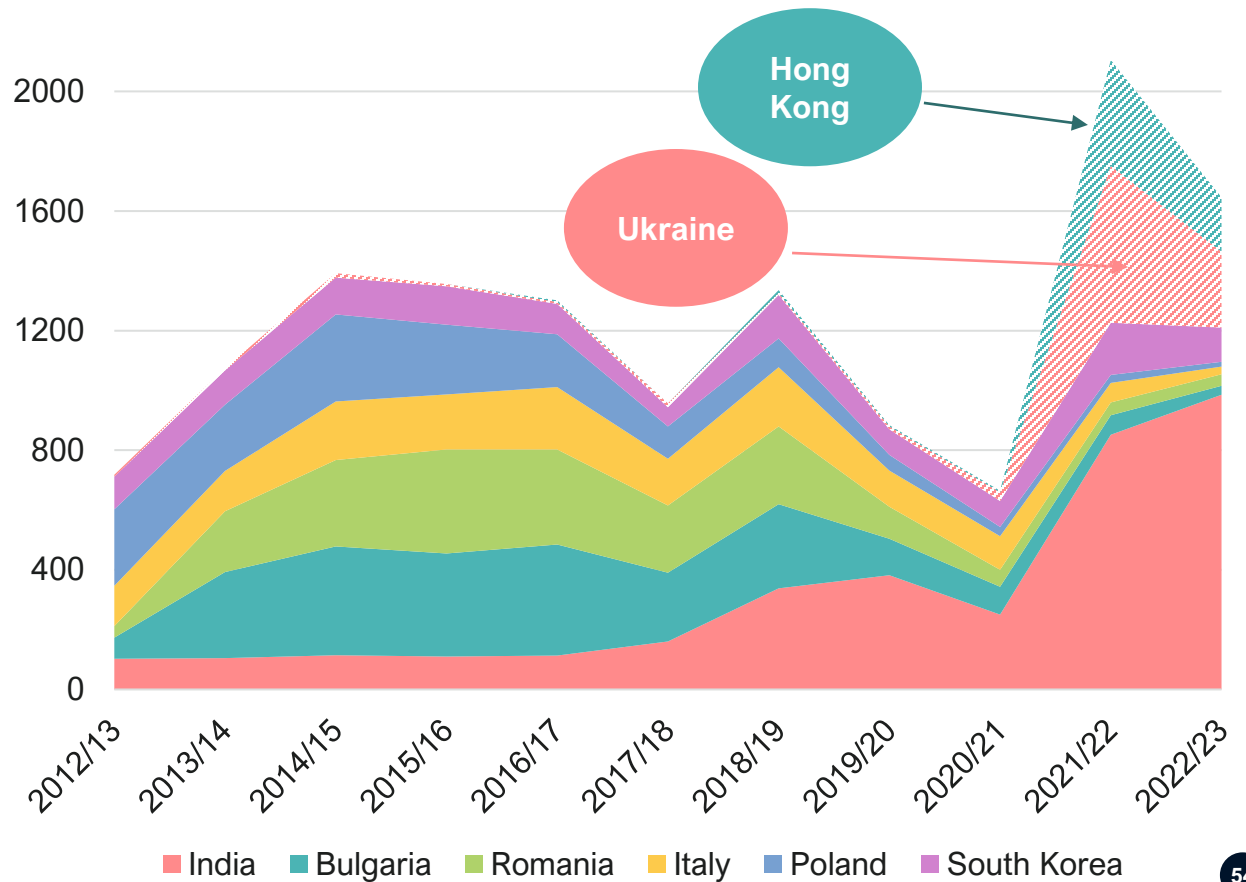


Post-Brexit & COVID-19, immigration patterns changed significantly. Immigration from EU countries fell dramatically and rose ~400% from India. Arrivals from Pakistan and Sri Lanka also rose quickly, ranking 5<sup>th</sup> and 6<sup>th</sup> respectively by number of national insurance registrations between September 2022 and 2023.

While India was by far the largest country of origin

for national insurance registrations in Kingston 2021/22 and 2022/23, Ukraine and Hong Kong were second and third on that list. Across the same 10-year period, Romania, India and Italy were the top 3 countries of origin in London. Across England, the top 3 was Romania, India & Poland. Around 100 people from South Korea settle in Kingston every year.

Top countries of origin for foreign nationals settling in Kingston, 2012-13 to 2022-23



RESIDENTS

# Economic inactivity

Kingston has a relatively low economic inactivity rate, which has been on a downward trend for the last decade.

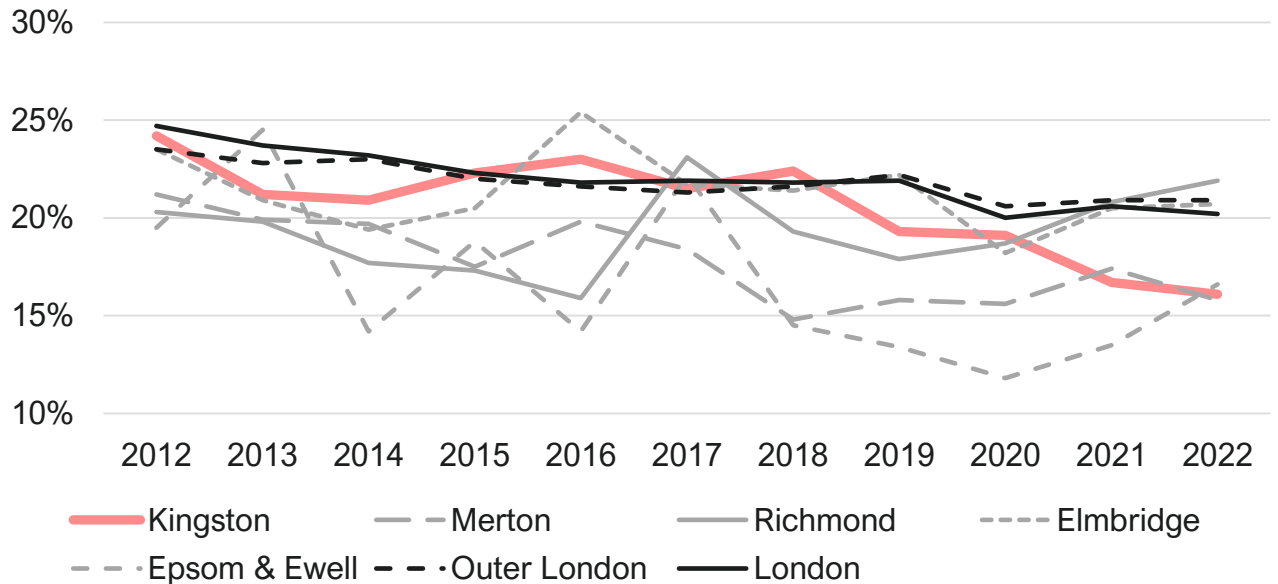
In 2022, retirees comprised double the proportion of economically inactive residents compared to 2012. Economic inactivity due to retirement will most likely increase in the future due to an aging population, though where people are in good health they may choose to continue working beyond retirement age. Ideally, Kingston's economy will be able to provide for both options, helping people age with the right support whether in work or not.

Positively, economic inactivity due to long-term illness has not seen the same increase in Kingston as it has in many other places.

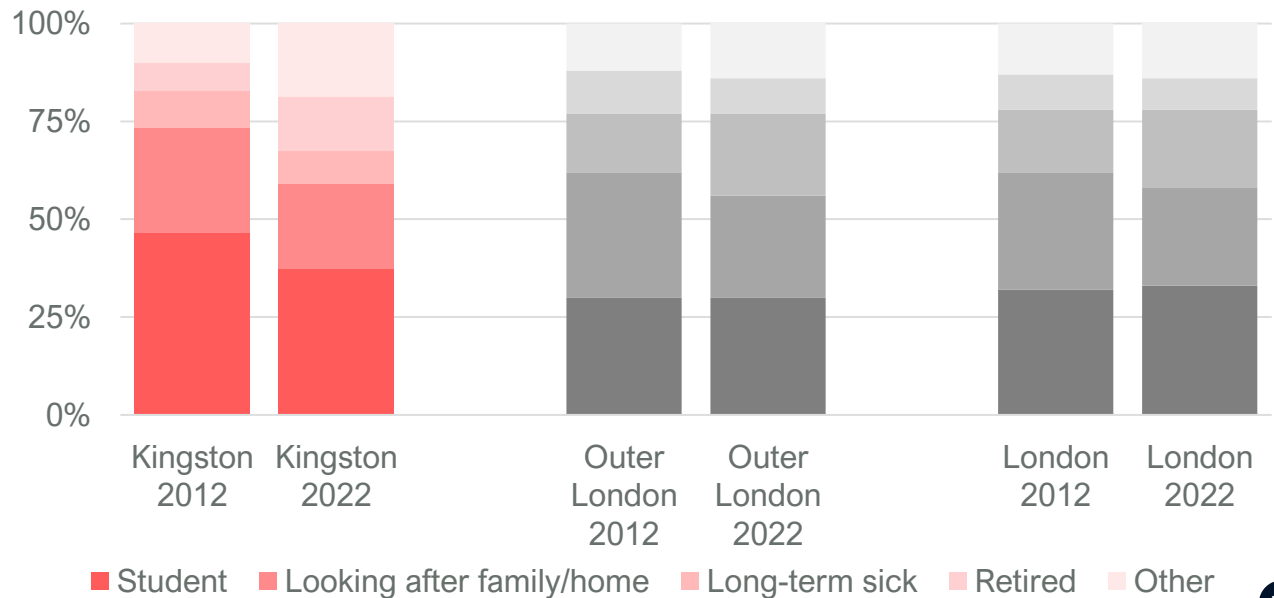
Source: Annual Population Survey

Note: Other reasons include people who (i) are waiting the results of a job application, (ii) have not yet started looking for work, (iii) do not need or want employment, (iv) have given an uncategorised reason for being economically inactive, or (v) have not given a reason for being economically inactive.

Kingston's economic inactivity rate (ages 16-64) is relatively low



Reason for economic inactivity, 2012-22

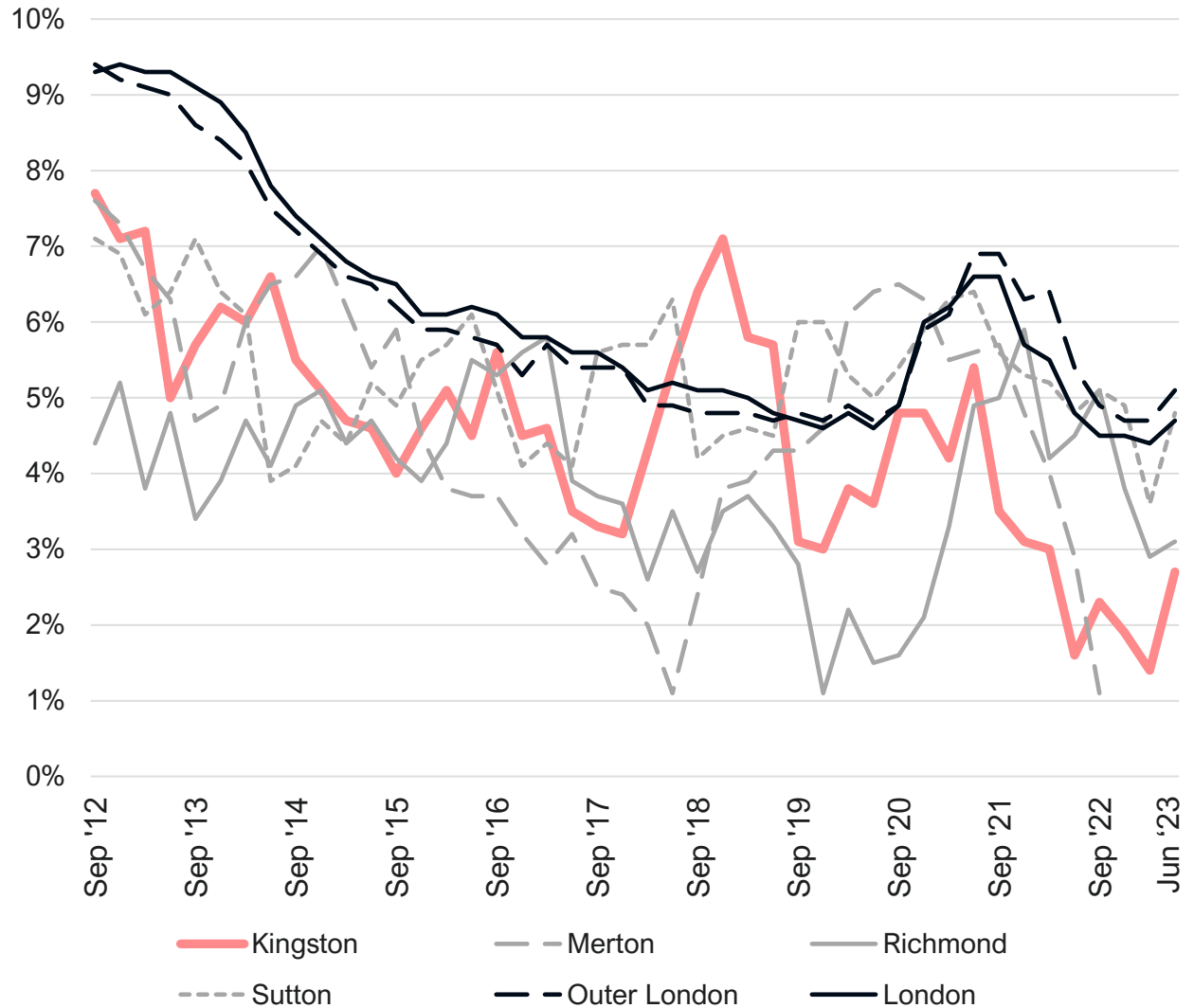


## Unemployment

As with economic inactivity, unemployment in Kingston is estimated at regular intervals (albeit with low confidence) to be relatively low. The ONS advises considering the overall trend of this data given the occasional low confidence in quarterly sample sizes, which has been downward since 2012.

The unemployment rate may hide a small amount of underemployment. Nationally, around 7% of employees are estimated to be working fewer hours than they would like (ONS). Data is not available on underemployment due to people settling for jobs notably below their skill/qualification level.

Kingston's unemployment rate (ages 16-64) is relatively low



Source: Annual Population Survey; ONS EMP16: Underemployment and Overemployment



## RESIDENTS

# Qualifications & Occupations

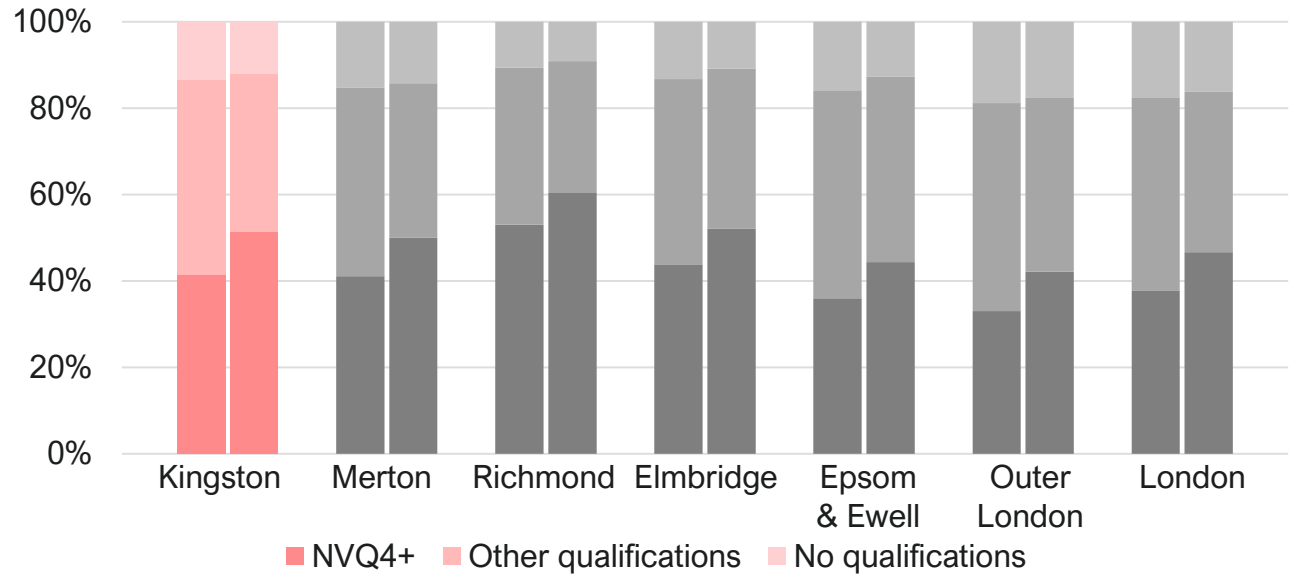
Kingston's residents are among London's most highly qualified, with 51% holding an NVQ4+ qualification as of census 2021. The ONS' Annual Population Survey estimates that 65% of residents held NVQ4+ qualifications by 2023. The proportion of highly qualified residents in the borough grew at much rate between the last two census than the average across London and Outer London.

This is reflected in residents' occupation classes: over 60% are in professional and managerial roles, up from just over 50% in 2011. This is roughly double the rate of increase compared to both London and Outer London. The 2023 Annual Population Survey estimates that 75% of Kingston residents are in professional/managerial roles. It is worth noting that the APS is less reliable than the census and this is likely an overestimate.

These roles are generally well paid and, especially in the period since hybrid working has become widespread since the onset of the COVID-19 pandemic, likely to work from home for at least part of their working week.

Source: Census

Resident qualifications, 2011 & 2021 censuses



Resident occupations, 2011 & 2021 censuses



## RESIDENTS

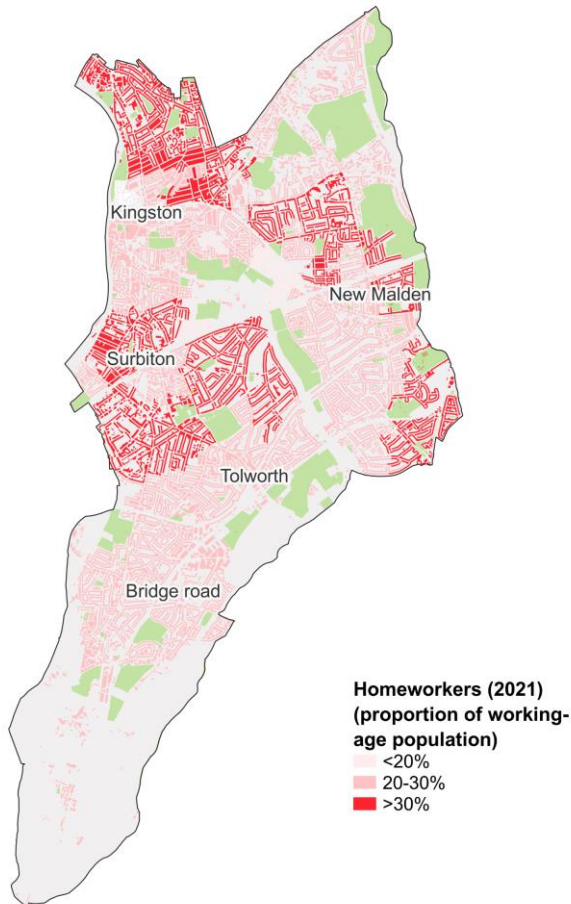
# Homeworkers

Source: ONS Annual Population Survey; ONE 'Characteristics of Home Workers

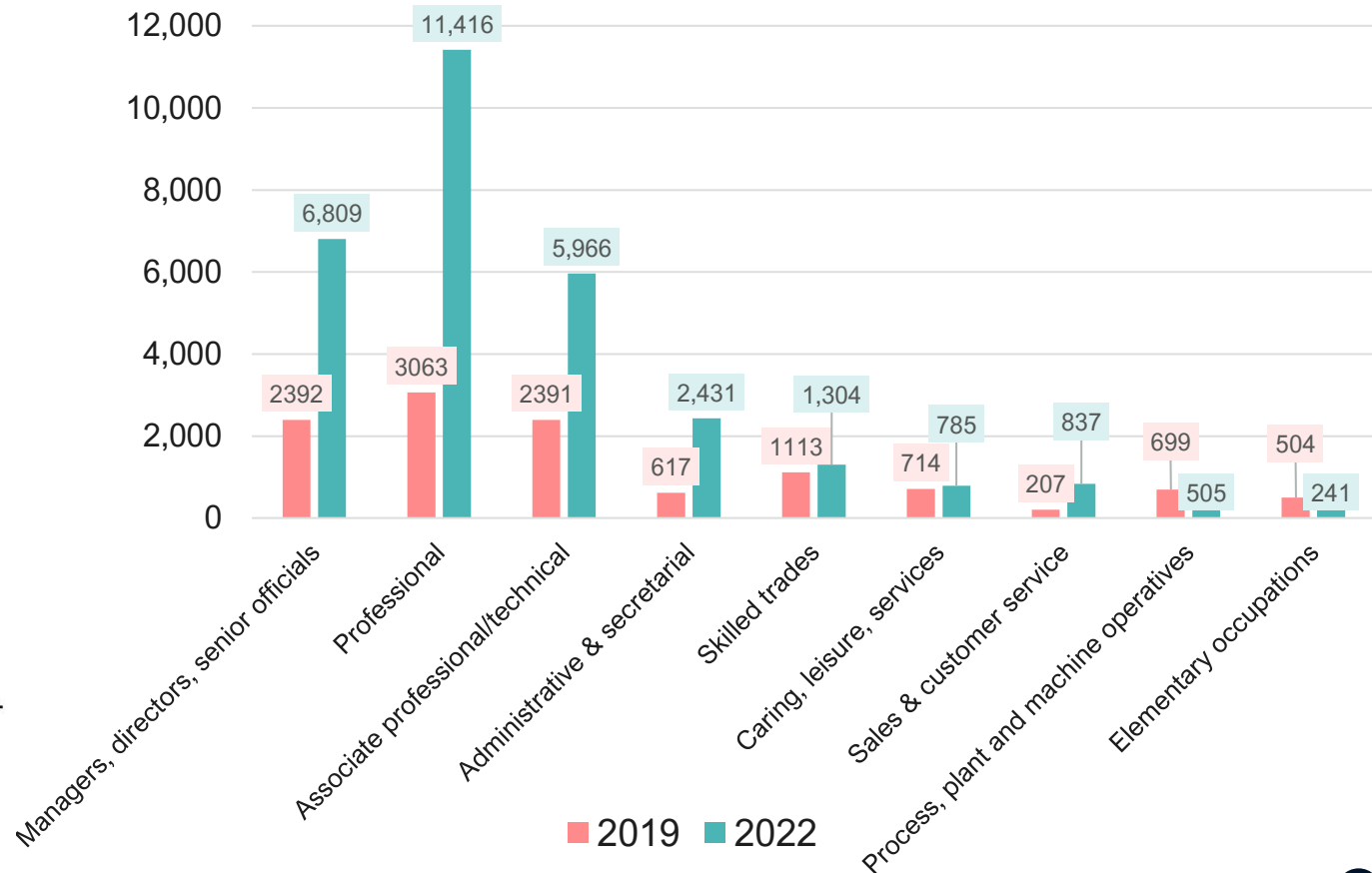
The number of Kingston residents who regularly work from home has grown significantly since the onset of the COVID-19 pandemic, from just under 12,000 in 2019 to over 31,000 in 2022. These homeworkers are geographically dispersed throughout the borough, with concentrations around Surbiton, New Malden and north of Kingston town centre.

Homeworkers disproportionately work in knowledge-based or professional roles. It is worth considering how these high earners spending more time closer to home during the working week can benefit the local economy.

Kingston's regularly homeworking residents, 2021



Regular homeworkers in Kingston, 2019-22

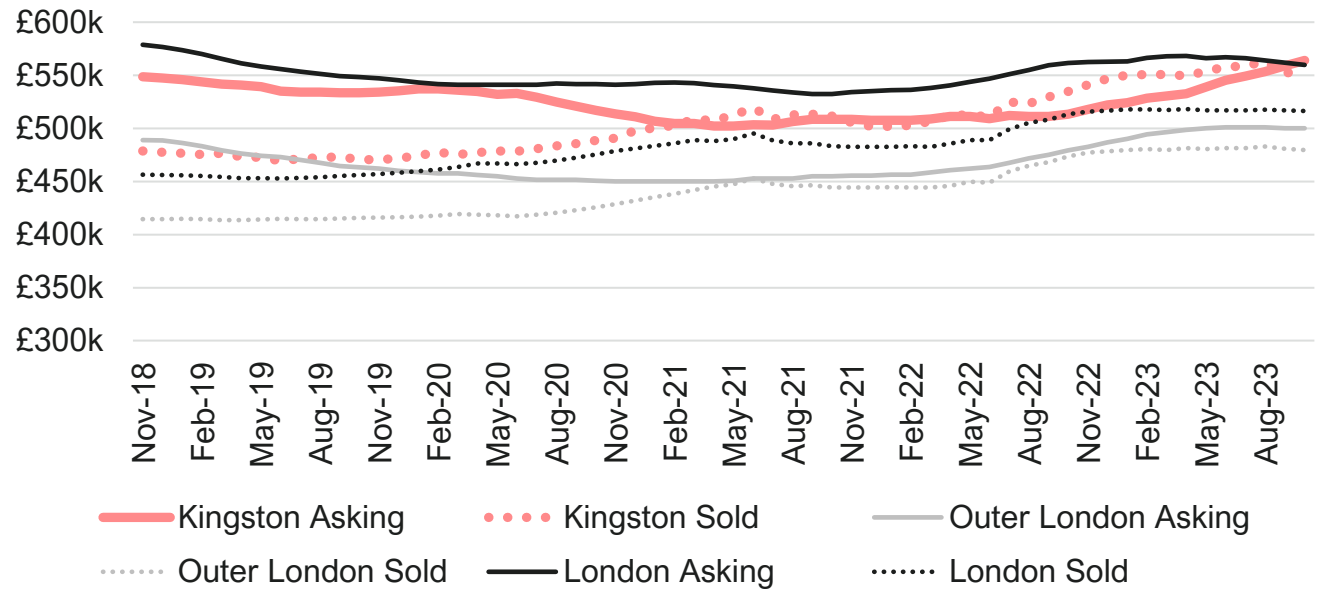


## Property values

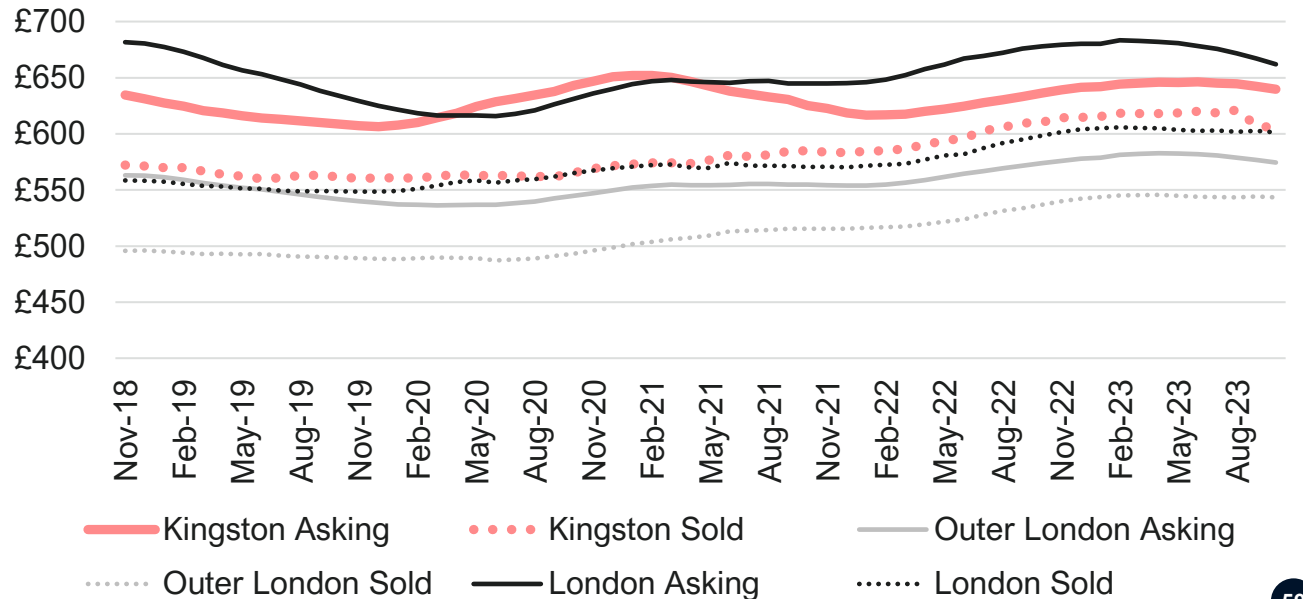
Two significant trends in Kingston's property values have taken place in recent years. Sold prices rose to overtake asking prices for the first time in 2021, before converging again in late 2023, suggesting high demand. Also in late 2023, average sold prices were higher in Kingston than across London for the first time.

It is worth noting that data is only available through the REalyse platform, which was the data source for this analysis, from 2018 onwards. There may be precedent for the above trends that pre-dates the available data.

*Sold property prices exceeded asking prices in 2022*



*Values per square foot are slightly lower than average for London*



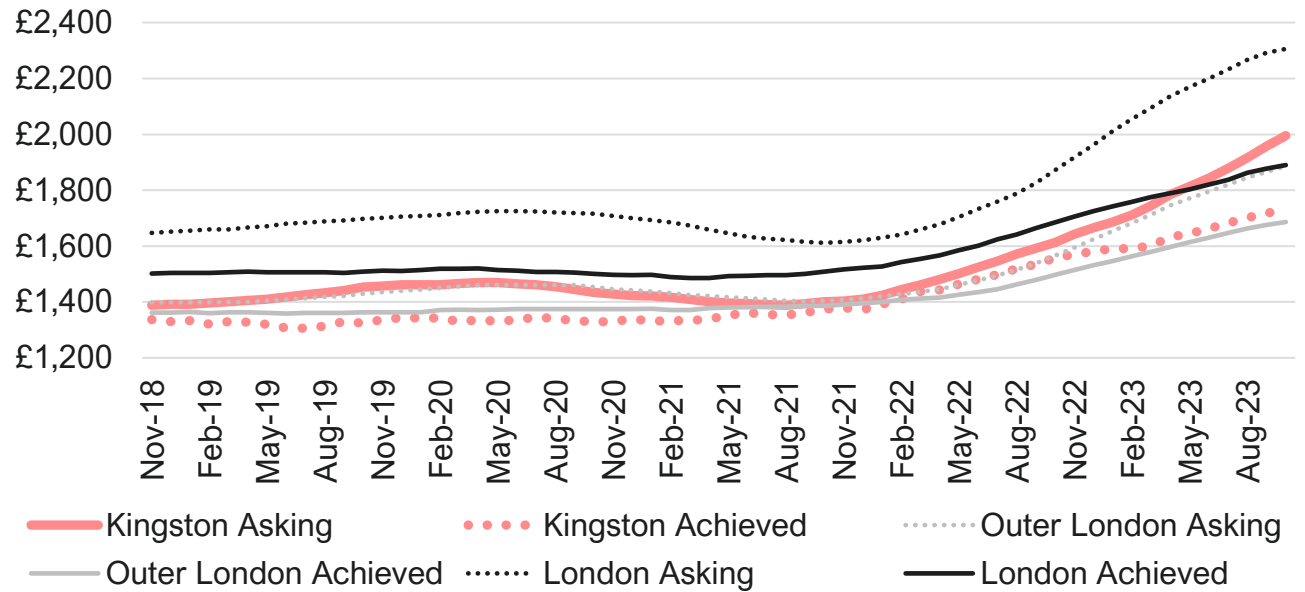
## RESIDENTS

### Rental values

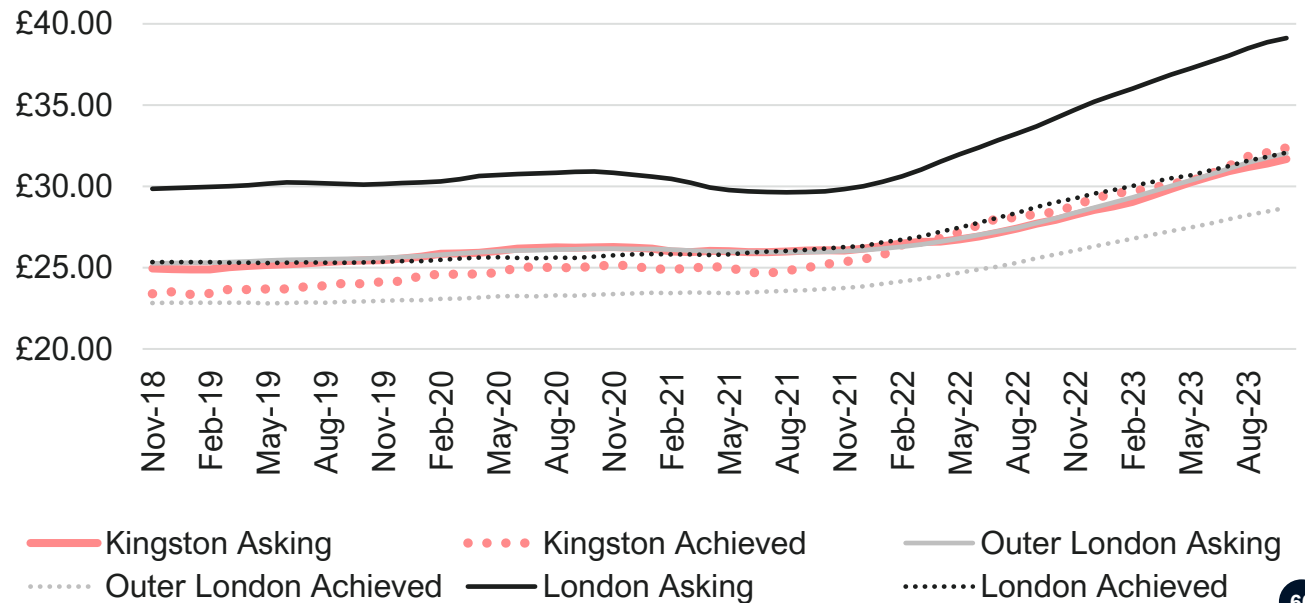
London has seen a sharp rise in rental values in the residential property market since early 2021. Asking rental prices in particular have spiked over the last two years, as landlords seek to capitalise on a pressurised market and sell investment properties in the face of rising costs.

Achieved rents in Kingston increased by 30% between October 2020 and 2023, while asking rents increased by 37% over the same period. These increases are typical across London and are likely to cause significant affordability issues for tenants in the private rented property market, as income levels have risen at a much slower rate. By comparison, median gross annual incomes increased by 14% across London between 2020 and 2023.

*Property prices are average for London*



*Values per square foot are slightly lower than average for London*



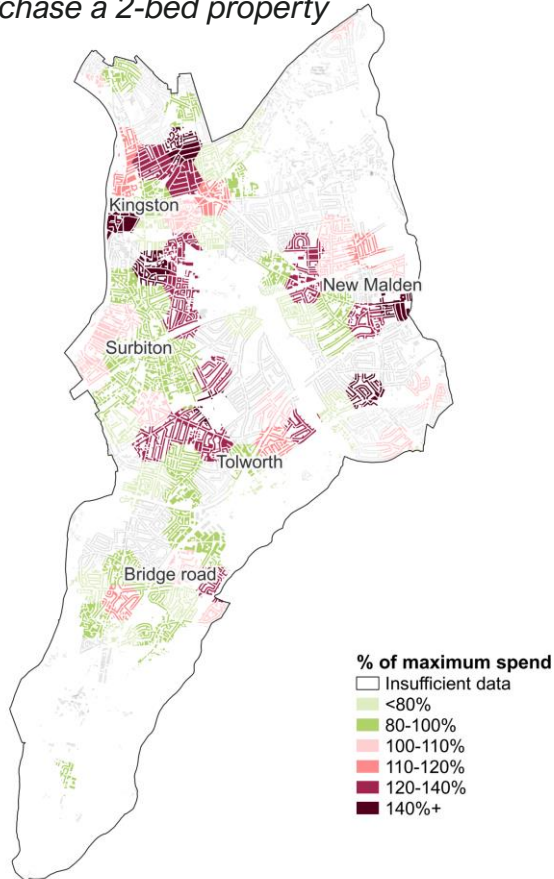
# Mortgage affordability

Source: Annual Survey of Hours & Earnings; REalys

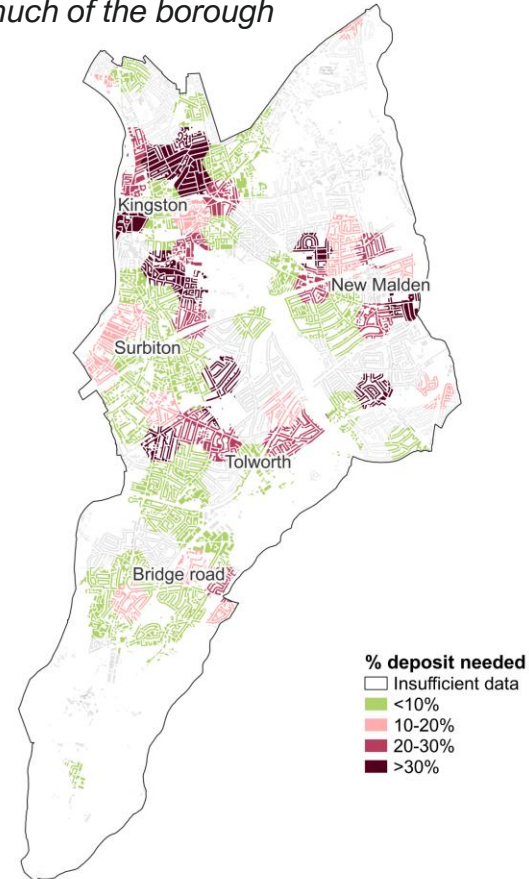
A couple, each earning the median gross yearly pay of a Kingston resident (£43,832), with a mortgage of 4.5x their combined yearly income (£394,488), as well as 10% of the value of their mortgage saved as a deposit (£39,449), cannot afford to purchase a 2-bedroom property in much of Kingston. The least affordable locations are Kingston town centre, New Malden, and Tolworth. Two methods, producing similar results, were

used to estimate affordability. The 'Maximum Spend' method combines the value of the couple's 4.5x mortgage with their 10% deposit to show where median property prices exceed that total. The 'Deposit Needed' method expresses the difference between median house prices and their max. mortgage as a % of the value of that property, which would need to be paid as a deposit on that property.

*Kingston town centre is the least affordable place for a median-income couple to purchase a 2-bed property*



*A median-income couple would need to a large deposit to afford a 2-bed property in much of the borough*



# Rental affordability

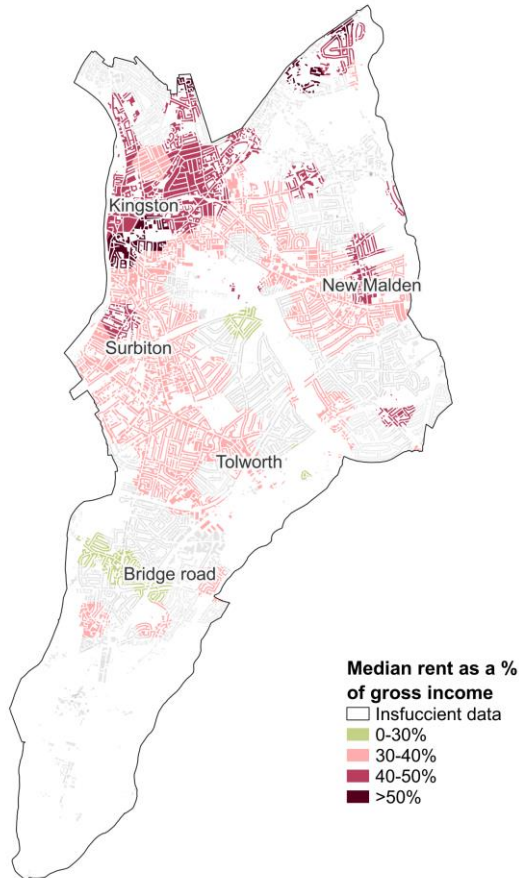
An individual earning the median yearly income for a fulltime worker in Kingston (£43,882) faces issues of affordability in the private rental sector across the borough.

An affordability threshold of 30% of gross income was used by the ONS in their 2022 report on private rental affordability in England, Wales and Northern Ireland.

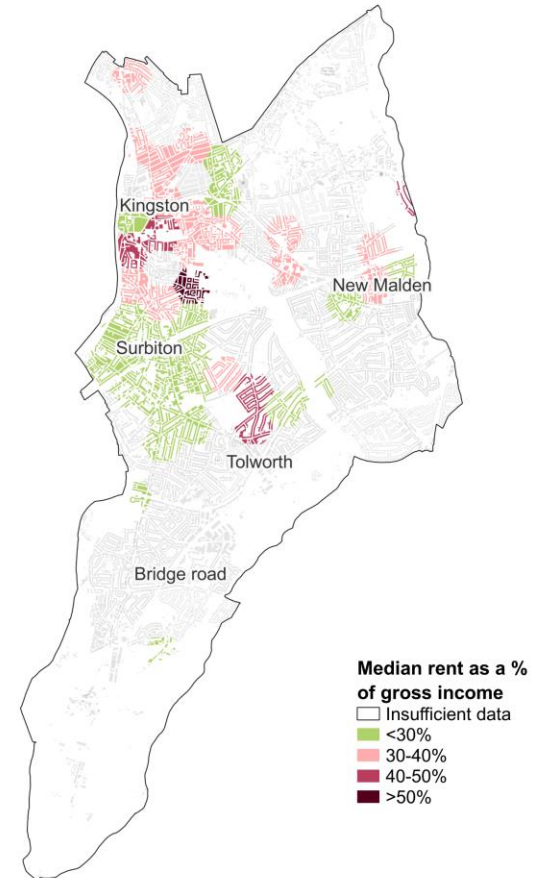
Applying this threshold to Kingston, the vast majority of one-bedroom properties are unaffordable for a median-earning single person. Over half of studio apartments remain affordable, although this is based on a significantly smaller sample size.

Source: Annual Survey of Hours & Earnings; REalys

*1-bedroom apartments are mostly unaffordable across the borough for a median-earning single person*



*Studio apartments are more affordable for median-income earners*



## RESIDENTS

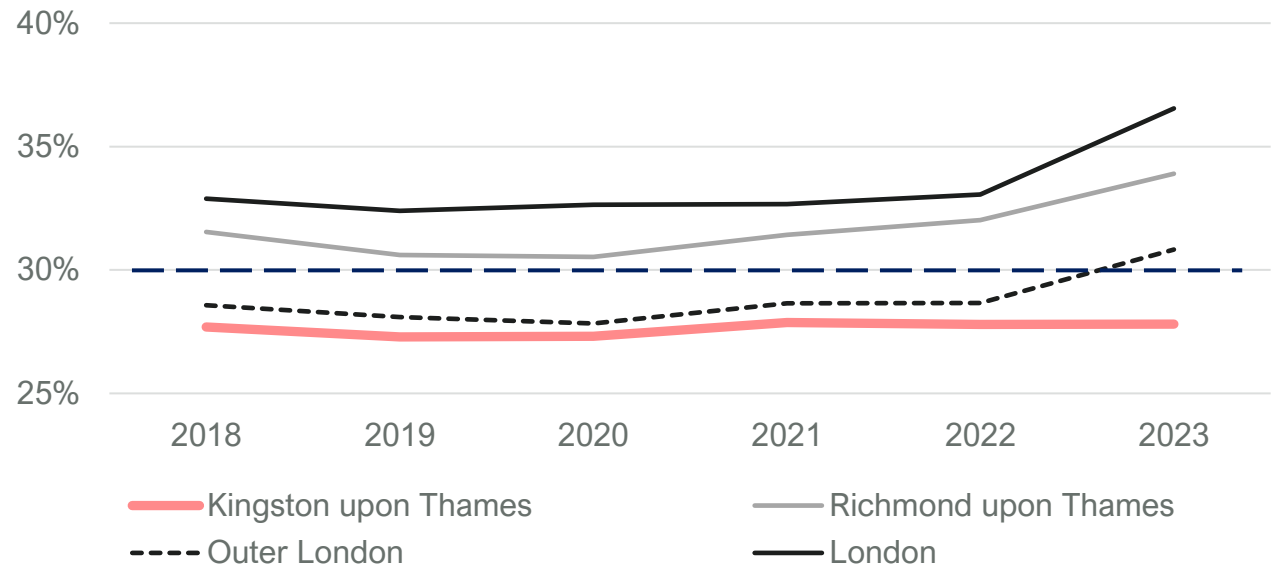
# How affordable is renting in Kingston for Londoners?

Despite a pressured housing market, for an individual earning the median yearly income for a fulltime worker in London (£41,853), Kingston is comparably more affordable than average for London, as well as neighbouring Richmond upon Thames.

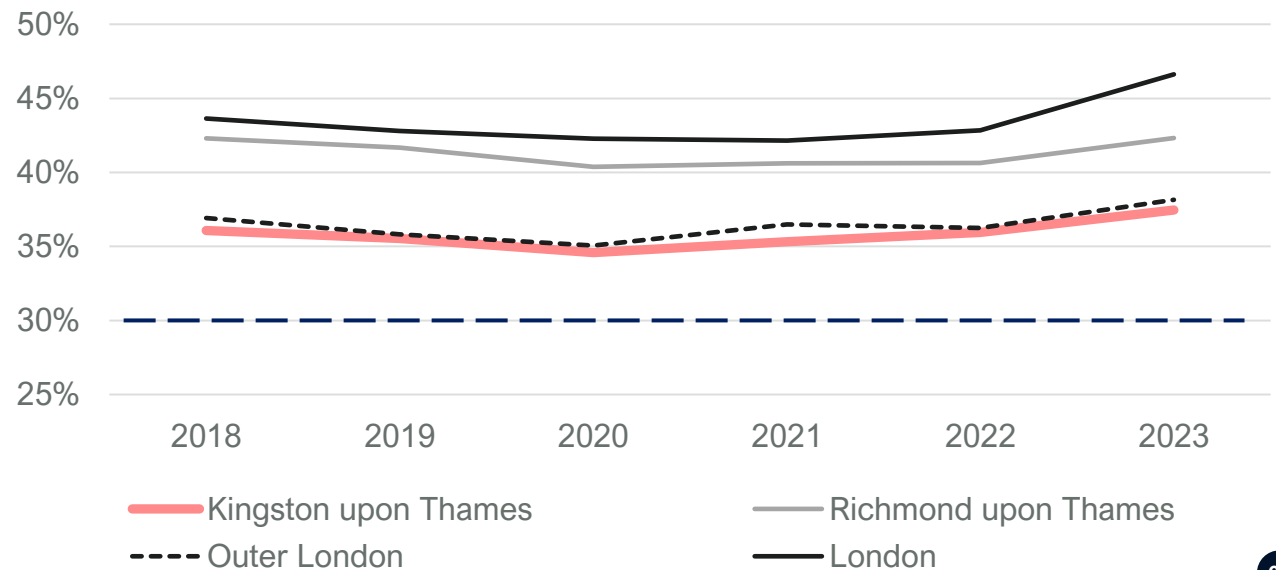
Studio and one-bedroom properties in Kingston are generally average or slightly below average in price for Outer London.

A one-bed property would still consume more than 1/3 of a median London income, however.

*Proportion of full-time worker earning London median wage's gross pay spent on average studio apartment*



*Proportion of full-time worker earning London median wage's gross pay spent on average 1-bed apartment*

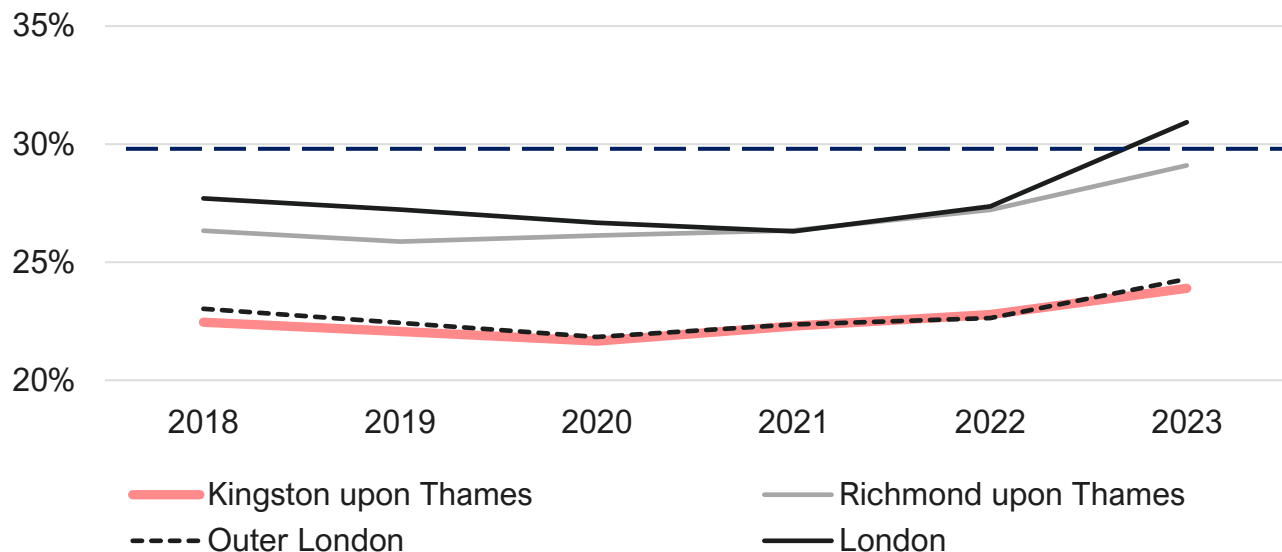


## How affordable is renting in Kingston for Londoners?

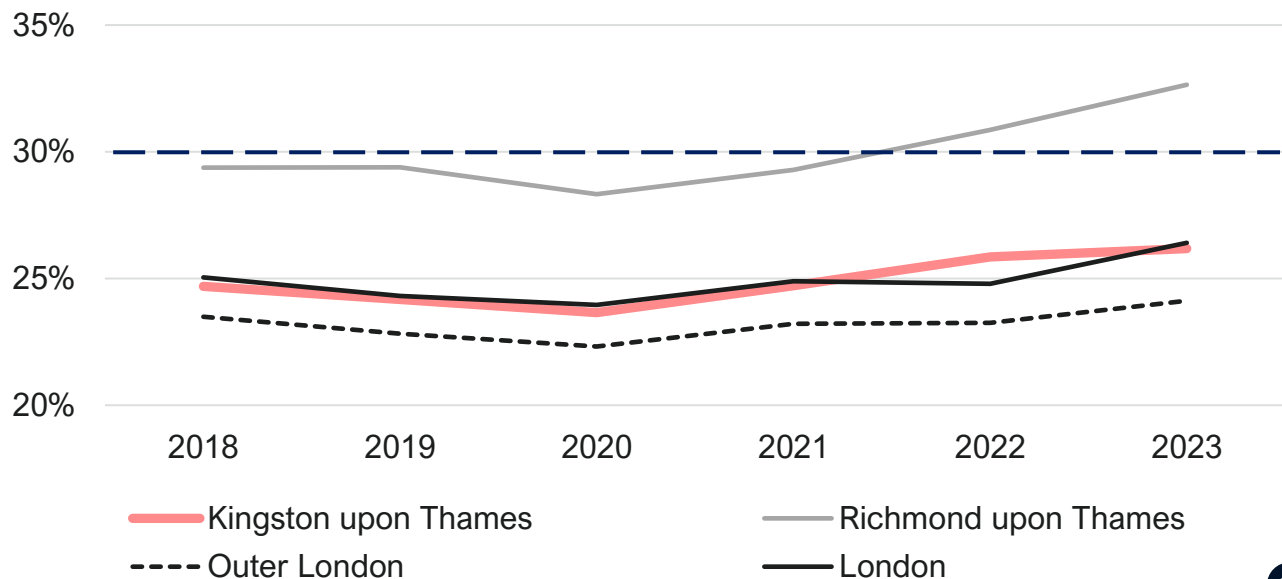
Houses are generally more sought after than apartments across London and command higher rental prices. Kingston is no exception to this trend, although the difference between 2-bed house and flat rental values is less pronounced than the average across Outer London.

2-bedroom rental properties in Kingston remain affordable for couples earning median London income, despite a post-COVID spike in rental rates.

*Proportion of a couple's income, both earning London's median wage, spent on renting a 2-bed **flat** in Kingston*



*Proportion of a couple's income, both earning London's median wage, spent on renting a 2-bed **house** in Kingston*





# RESIDENTS

## Planning applications & development sites

Source: Kingston Council; REalys

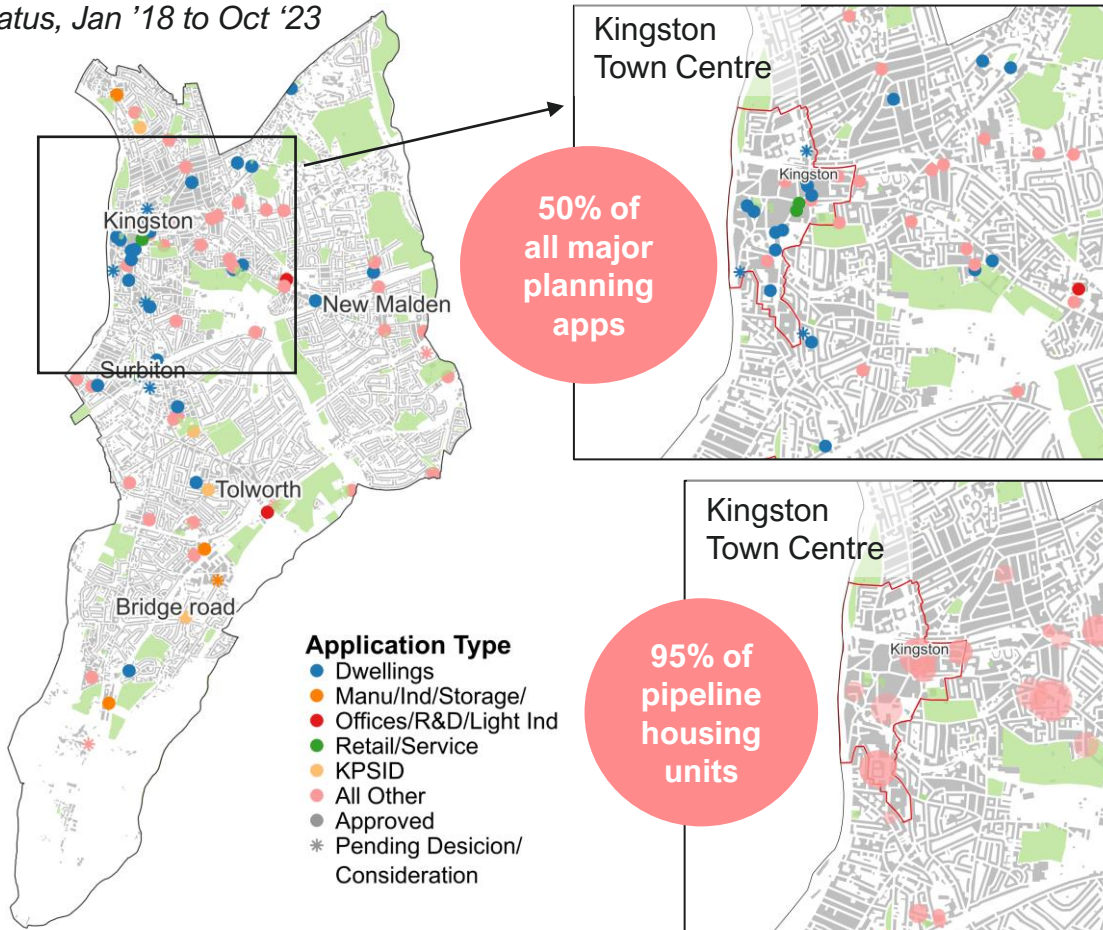
Between January 2018 and October 2023, 97 major planning applications were approved in Kingston. There are a further 15 pending approval (as of Oct '23). 42 of these developments are residential.

32 of these residential developments are within the square below, which accounts for 4,796 of 5,043 total housing units in either approved

schemes or applications pending approval.

The Cambridge Road Estate redevelopment, currently under its initial phase of construction, is the largest current development in the borough and will deliver 2,170 homes. This is Kingston Council's largest current regeneration project and will deliver 941 affordable homes, of which 767 will be council-rented.

Major planning applications by type and status, Jan '18 to Oct '23



Significant residential development (10+ units) pipeline, Jan '24



# RESIDENTS

## Spatial inequalities

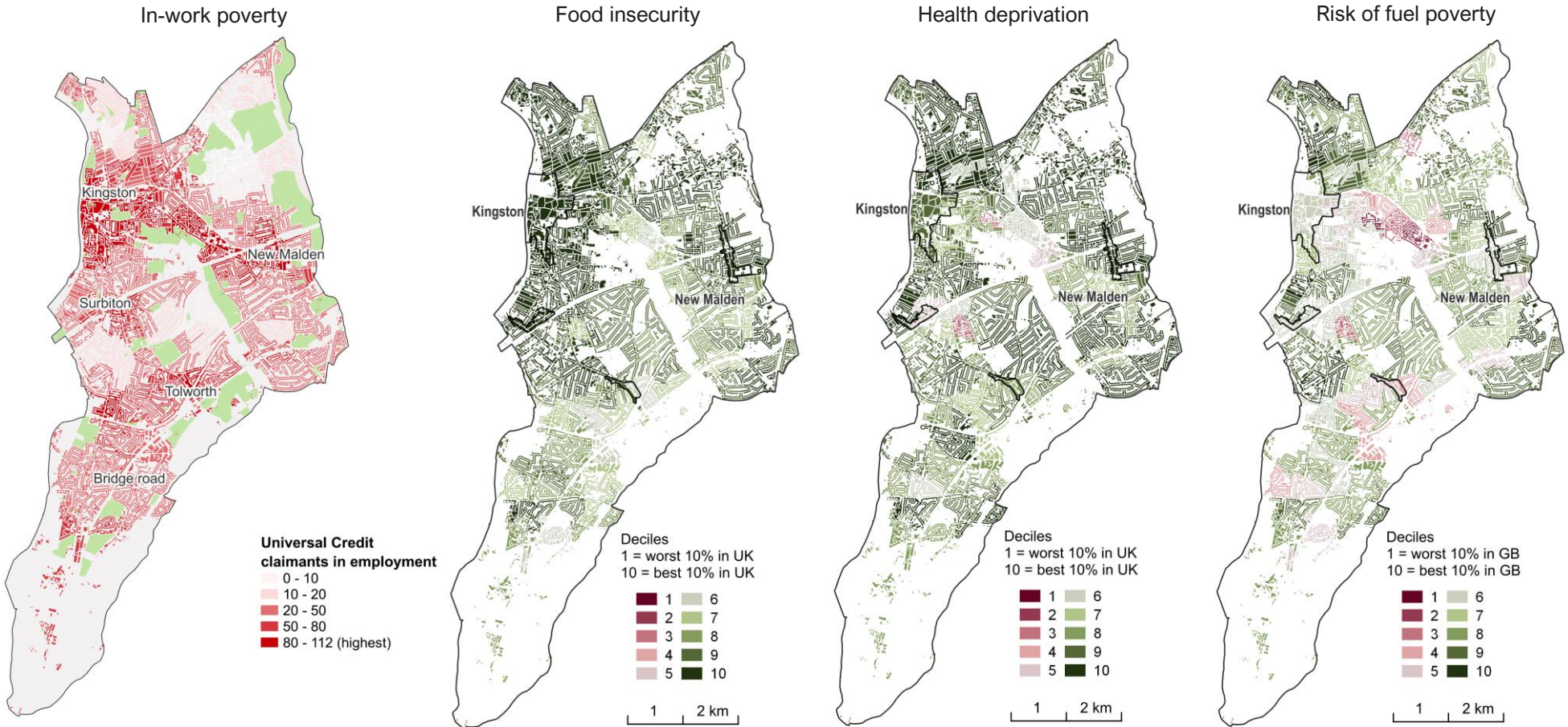
Source: Department for Work and Pensions; Consumer Data Research Centre 'Priority Places for Food' (food insecurity, fuel poverty), 2022; Indices of Multiple Deprivation (health). Note fuel poverty forms part of the measurement of food insecurity, which contributes to some similarities between those maps.

Residents across Kingston may experience the economy differently. As a measure of in-work poverty, 4,507 of 11,330 universal credit claimants in Kingston in October 2023 (latest date) were in employment. Pre-COVID (October 2019), 1,457 of 4,165 claimants were in employment.

Kingston appears to be largely food secure with all areas in the op 50% for food access

nationwide. Areas with lower access to food by Kingston's standards are often where people are a 15 min+ walk from a high street/town centre.

There are some health deprivation challenges around Surbiton and Kingston Road, with overlap/interplay with risk of fuel poverty, which affects pockets throughout the borough.



### Young People

Over 30% (51,000) of Kingston's resident population is aged under 25, while Kingston University has nearly 20,855 students, of whom 16,425 (79%) are under 25. This age group, who face a unique set of challenges across London, accounts for a huge portion of the people who regularly spend time in the borough.

Research published in March 2023 by Trust for London and Partnership for Young London titled '**Levelling up London: Improving London to meet the aspirations, needs, and rights of young people**' surveyed 1,258 young people aged 16 to 25 to determine the issues that matter most to young Londoners.

Housing was ranked as the most important issue for young Londoners, followed by the cost of living: 95.1% of respondents agreed or strongly agreed there is a cost-of-living crisis in London. Over half of respondents (58.1%) want to continue to live in London in the future but only one in four (26.4%) said that they feel that they will be able to because of affordability challenges.

When asked to identify specific improvements they would like to see in London, the top response was affordable places for food and drinks (51.6%), followed by safe streets (49.8%), an improved environment, pollution and more green spaces (44.7%), and better employment

opportunities (42.7%). The top five sectors respondents said they would want to work in were arts, entertainment, or recreation (54.6%), followed by professional, real estate, scientific and technical activities (39.8%), education (32.4%), information and communication (30.6%), and health (24.6%).

Loneliness, particularly post-pandemic, is a pervasive issue for young people in London. Almost four out in five (78.1%) young Londoners said they felt lonely at least sometimes, while one in ten (10.5%) felt lonely all the time. Most respondents (65.4%) feel as though their voice is not listened to, and nearly nine in ten (88.4%) respondents agreed that young people should have a greater involvement in decision-making.

Similar research by the Partnership for Young London, published in September 2020 titled '**We are the Youth of Today Life in London for Generation Z**', surveyed over 3,000 Londoners aged 16-24. Similar to the 2023 research, issues like safety and the police, employment, the environment, and having their voices heard were all highlighted as important to young Londoners in this report.

Housing was the third highest-ranked issue highlighted by respondents, behind education and mental and physical health. The cost of living

was not among the eight highest-ranked issues for respondents but was cited again as a reason why young people who want to live in London do not think they will be able to in the future: 59% of respondents said they want to live in London in the future, while only 40% thought they would be able to and 30% were unsure.

The elevation of cost-of-living and housing to the top challenges facing young people in London between 2020 and 2023 illustrates how these two coalescing crises have become more acute in the wake of the COVID-19 pandemic. It is crucial that steps are taken to mitigate these challenges and ensure young people can continue to live in Kingston in the future.

**4b**

**PEOPLE IN KINGSTON'S ECONOMY  
WORKERS**

## WORKERS

### Worker pay

Pay in jobs based in Kingston is in the top third of all boroughs in London and has grown strongly over the last 5 years.

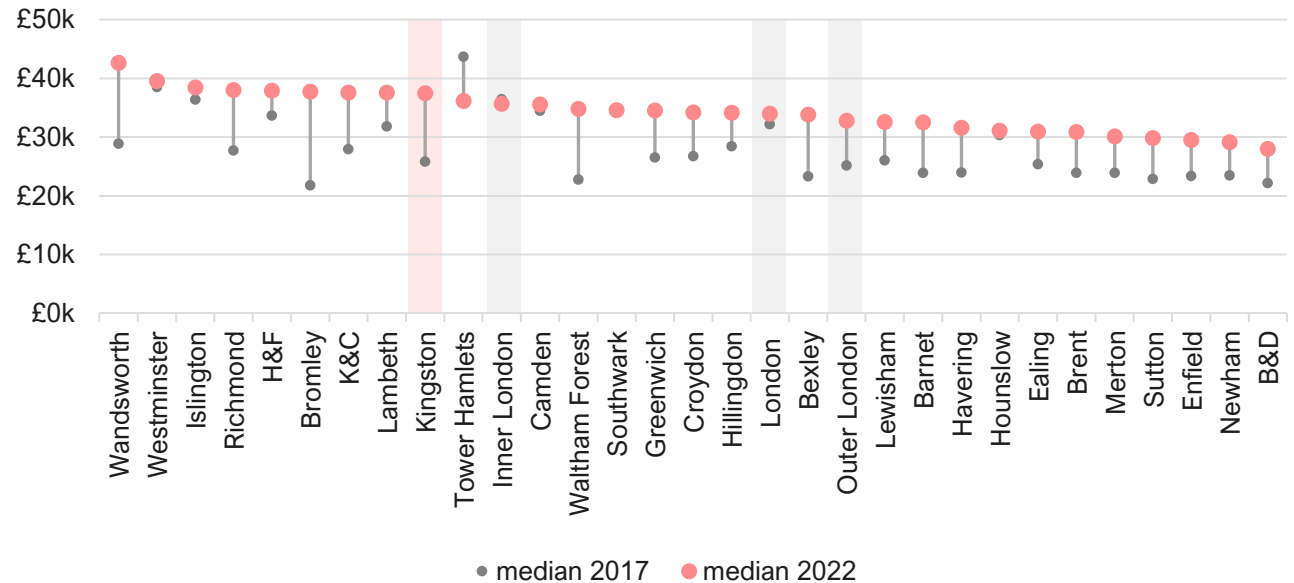
Professional occupations are the most common roles held by workers based in Kingston, followed by managerial/senior roles. This is the case for both males and females.

Those who live in Kingston still earn substantially more than those working in Kingston. Fulltime-working residents earn over £8,000 (~21%) more than fulltime workers in the borough.

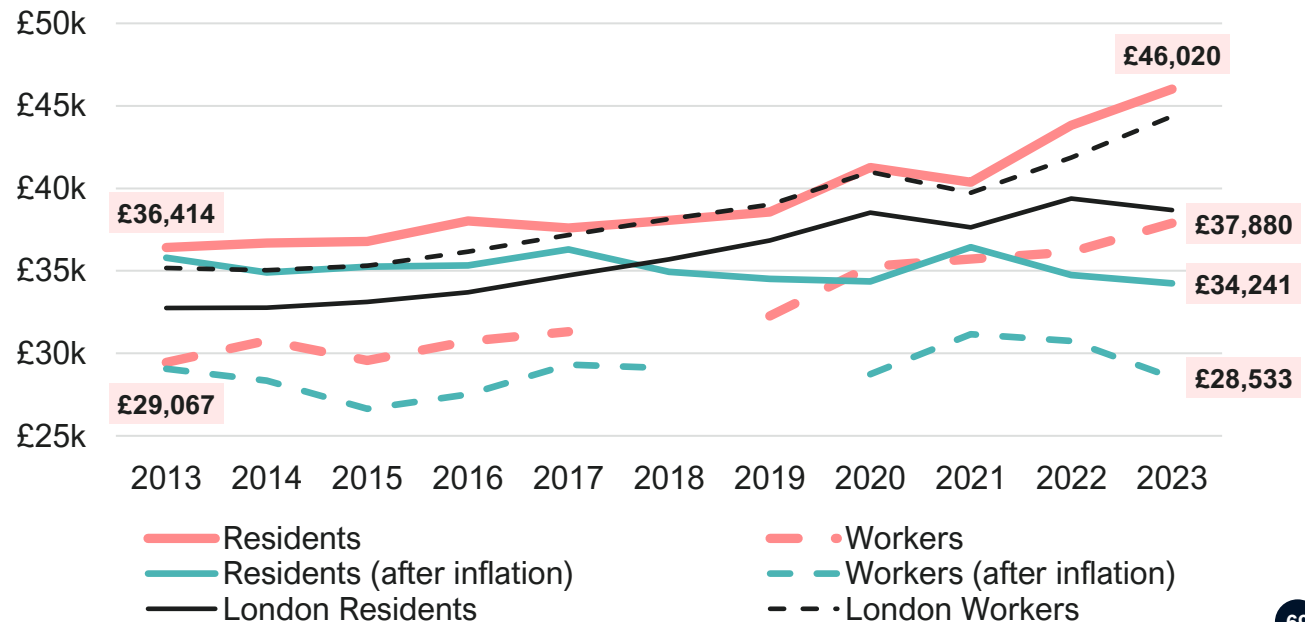
However, adjusted for inflation, earnings for both residents and workers in Kingston have fallen over the last 10 years. The intense period of inflation following the COVID-19 pandemic and the beginning of the Russia-Ukraine war has eroded real wage growth across the UK and beyond.

Source: Earnings and hours worked, place of work by local authority: ASHE Table 7. ASHE is based on a 1% sample of jobs taken from HM Revenue and Customs' Pay As You Earn (PAYE) records. Data not available for all local authorities due to low confidence.

Workers' gross annual median pay & 5-year change



Kingston Resident vs. Worker pay for fulltime workers, 2013-23



## WORKERS

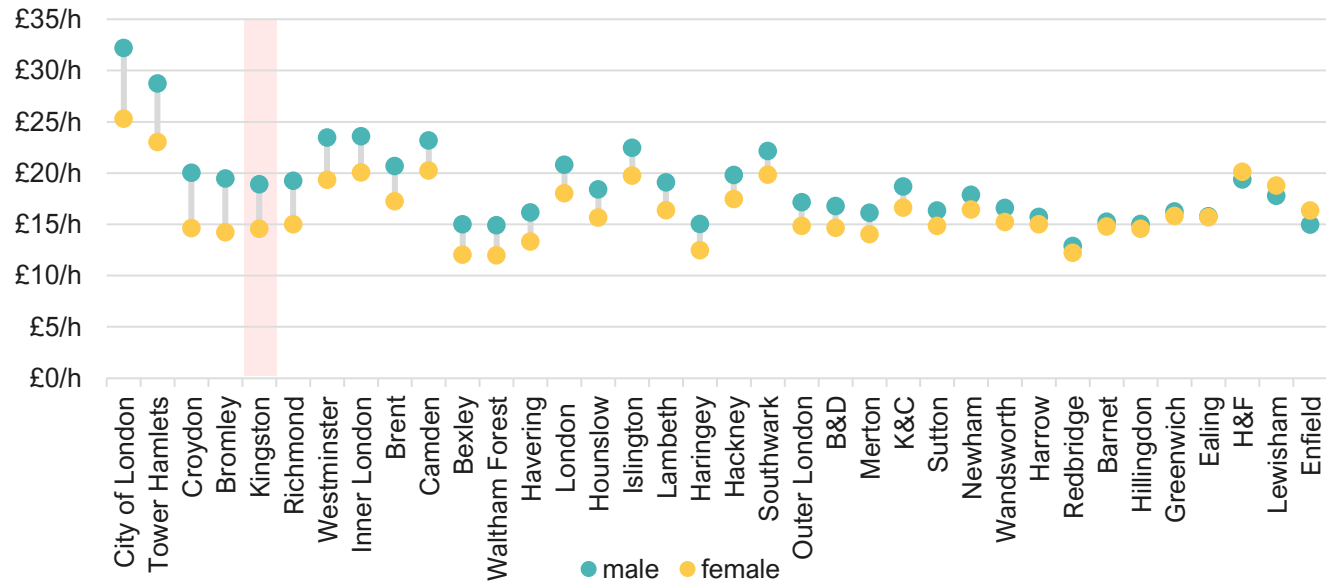
### Gender pay gap

There is a significant gender pay gap among jobs based in Kingston, the fifth highest among London boroughs. For fulltime workers, this equates to roughly £8,000 per year.

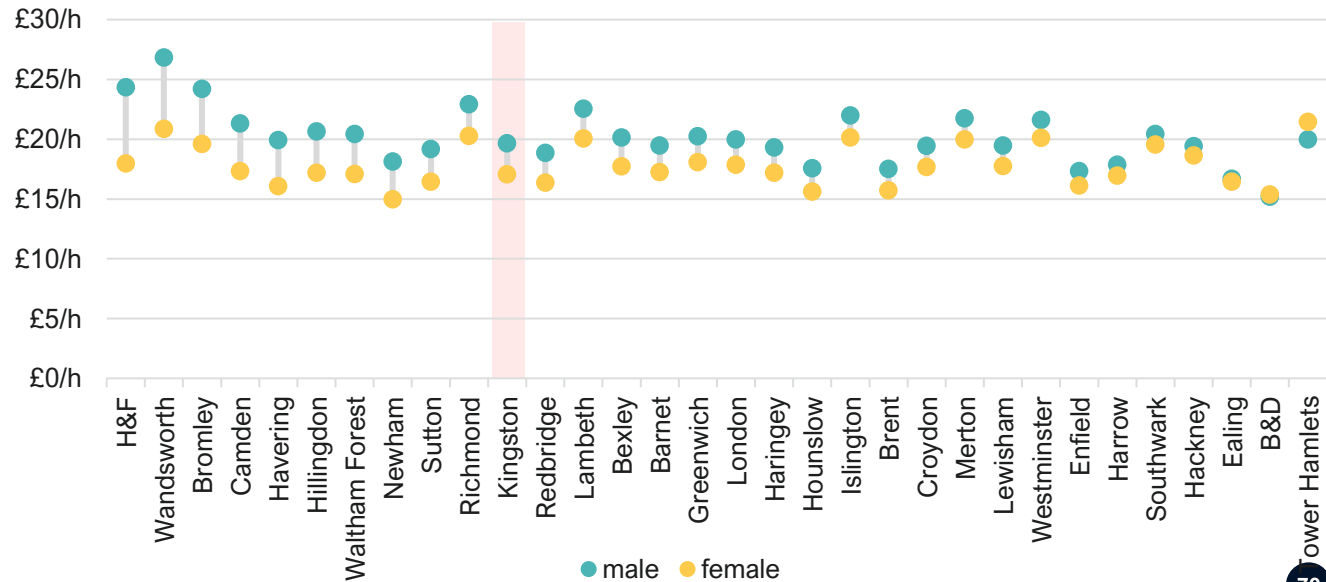
While the gender pay gap among residents is about average for London across all males and all females on an hourly basis, the pay gap is much more significant among residents working fulltime. The median-income fulltime-working man earns about £18,000 more per year than his female counterpart (~£54,000 vs. ~£36,000).

It is worth noting that worker and resident pay in Kingston is provided by the Annual Survey of Hours Earnings with relatively low confidence, meaning the actual figures could be between 6% and 12% lower or higher than those quoted.

Workers' gross hourly median pay, males vs females, 2022



Residents' gross hourly median pay, males vs females, 2023



## WORKERS

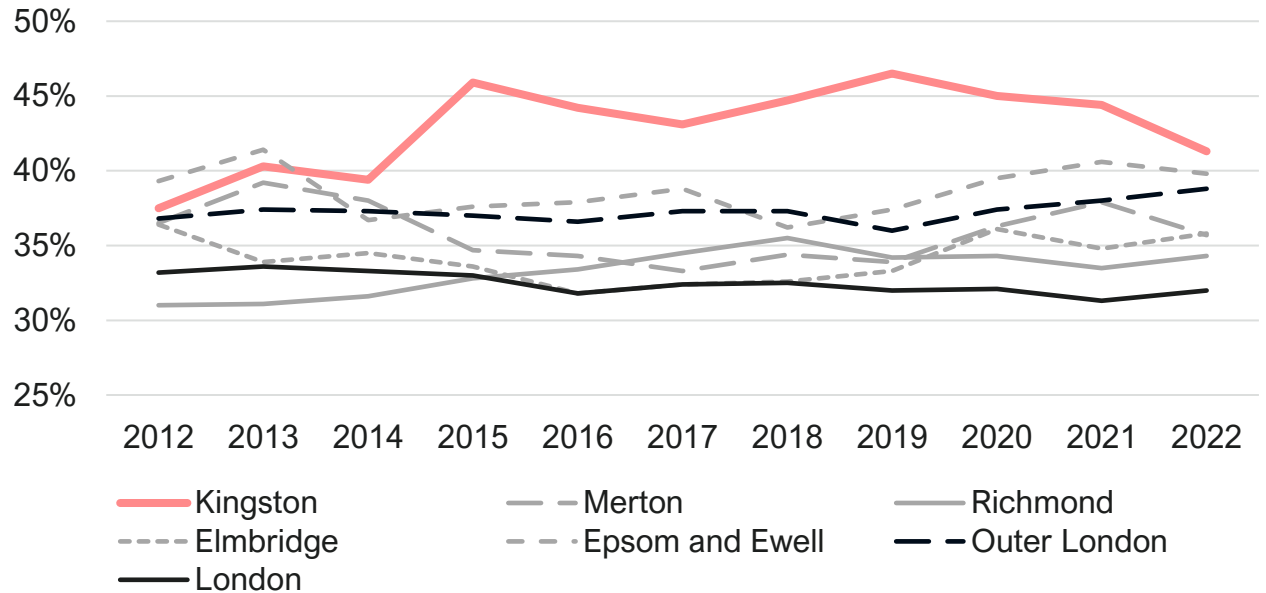
### Low pay

There is a high proportion of jobs in Kingston in typically low paying industries relative to London, Outer London and neighbouring boroughs. This is likely due to Kingston town centre's large base of retail businesses, while sectors such as social work and hospitality, prominent in Kingston, are also associated with low pay.

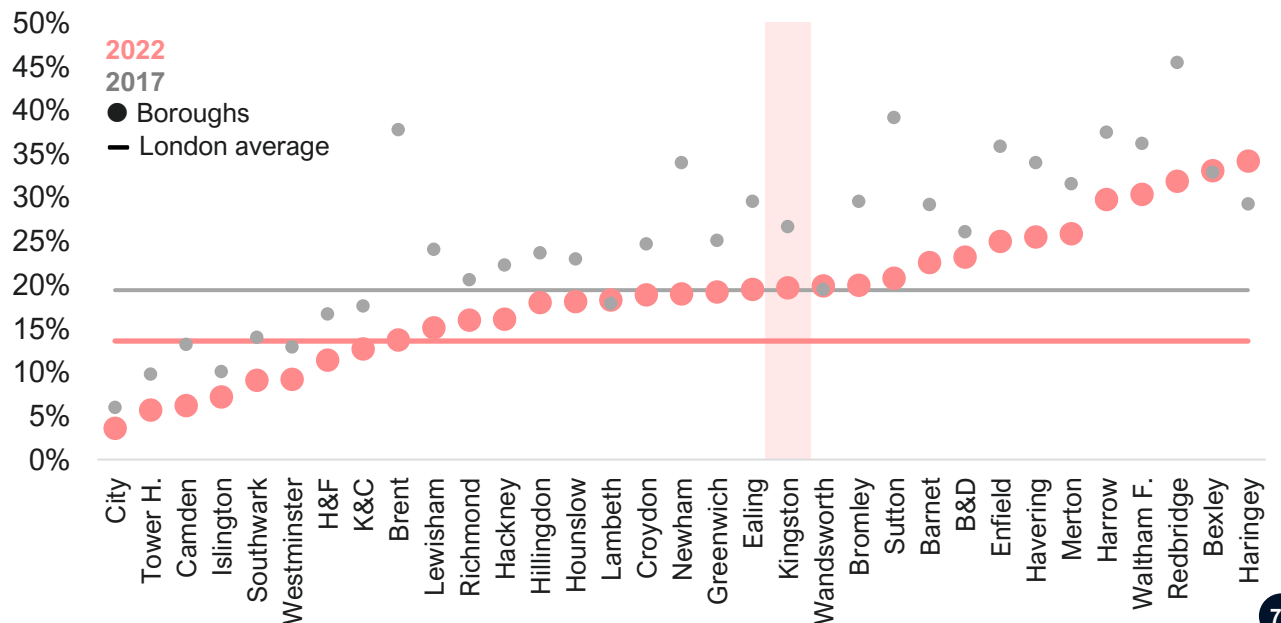
Around 41% of Kingston's jobs are in low-pay sectors. This is not to say all of those jobs are low paid, as even within 'low paid sectors' there will be better paid roles, e.g. retail management.

The proportion of jobs paying below the London Living Wage has decreased across London in recent years. Around 20% of jobs in Kingston pay below London Living Wage, but this is down from 27% in 2017.

Proportion of borough jobs in typically low-paying industries



Proportion of borough jobs paying below the London Living Wage



## WORKERS

### Just transition

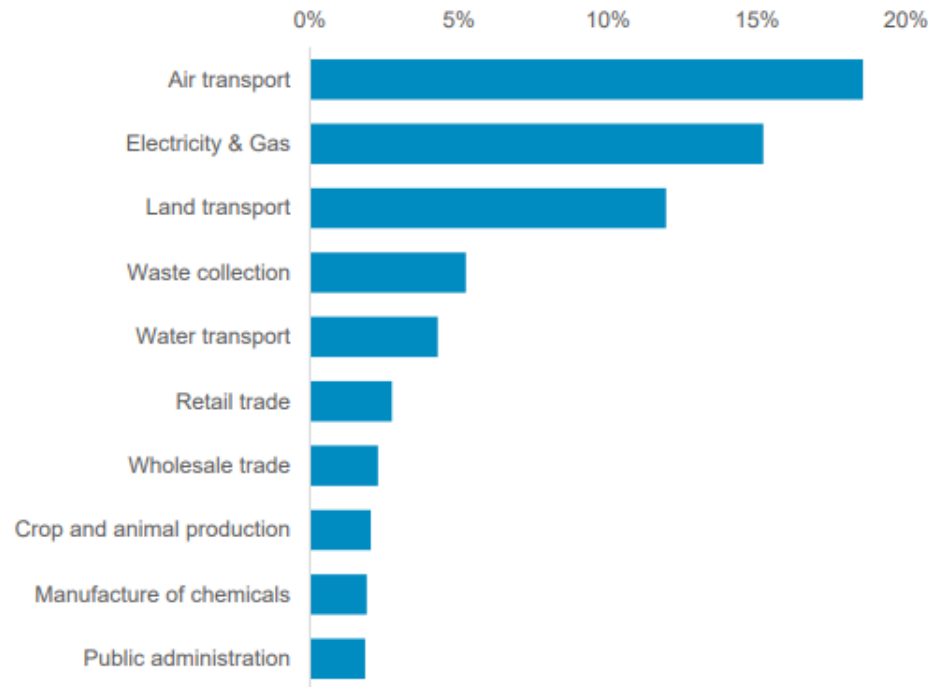
Source: Greater London Authority, 'Just transition initial analysis by industry group in London'; South London Partnership: 'Green Jobs & skills in South London' (2022)

The adjustments needed to meet net-zero targets will impact people and places across London differently. Ensuring 'green' jobs growth and the transition of carbon-intensive sectors benefits all residents in Kingston must be a priority.

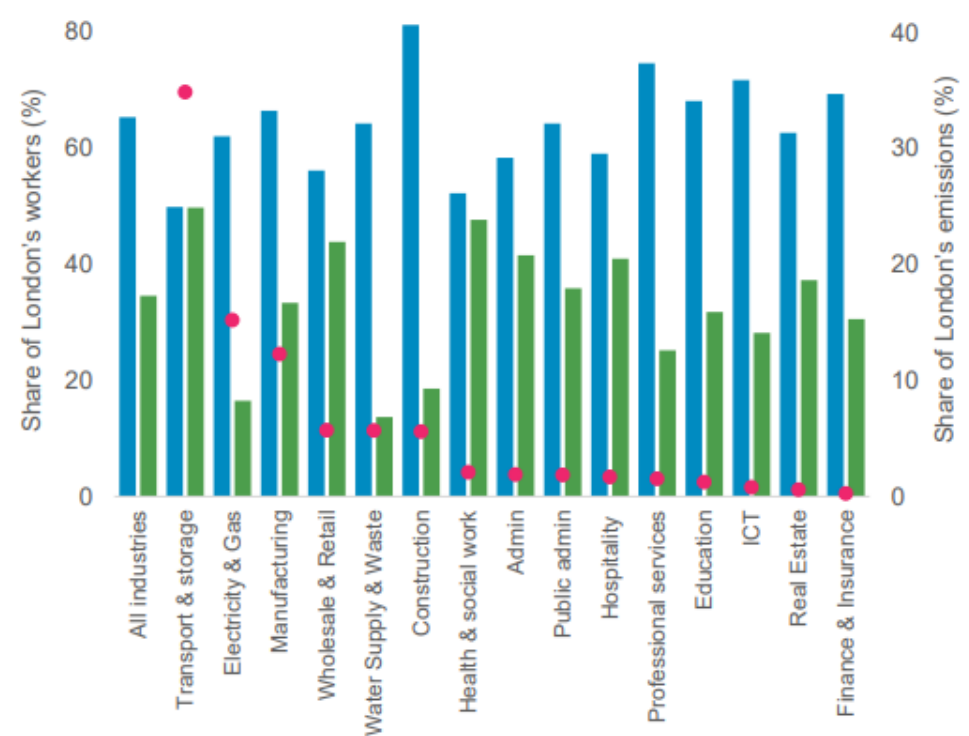
SLP research projects a 3-fold increase in green jobs across the sub-region between 2020 and 2050 (19,000 to 65,000). The research also

identifies 40,000 of the sub-region's jobs (9%) as 'at risk' due to decarbonisation, with construction (~50% of 'at risk' jobs) and land transport (~25%) undergoing the most significant change over this period. Adult education will be an important part of sub-regional skills provision planning to ensure demand for jobs is met and workers are suitably skilled to benefit from the transitioning economy.

% of GHG emissions in London (apportioned), 2018 – ten highest emitting London industry sub-groups



Employment by ethnic group (White/Non-White) (LHS) and share of London GHG emissions (apportioned), April 2019-March 2020





## Impact of artificial intelligence

The economic impact of artificial intelligence (AI) and automation is widely discussed but challenging to quantify and predict. From a data perspective, it is not currently possible to quantify the number of businesses or jobs in AI and automation due to the way registered companies are categorised. Briefings and research papers provide a range of methodologies attempting to understand AI exposure or impacts on jobs by sector or occupation class and are careful to caveat the uncertainties in their approaches. Meanwhile, government and industry are trying to get to grips with AI and automation technologies from policy, safety, and control perspectives.

### Summary of recent research

In 'The Potential Impact of Artificial Intelligence on UK Employment and the Demand for Skills' (August 2021), PwC considers AI, robotics, blockchain, augmented & virtual reality, 'internet of things', 3D printing, autonomous vehicles, and drones. 'Automation' is a goal or feature of AI in many of these areas. Page 15 of the report provides a summary of research in the UK and beyond to date, noting estimates ranging from 7% to 47% of jobs at risk from AI.

PwC's research suggests 18% of UK jobs will be displaced by AI in 10 years and 28% in 20 years, but that overall there will be a neutral effect given

jobs created. They estimate that jobs in professional, managerial, and care and leisure will experience net job gains through labour-augmenting AI and/or because tasks are too difficult for AI to replace, while manual labour, sales, admin, plant processing, and 'elementary' will lose jobs.

Contrary to the above research, DfE's 'The Impact of AI on UK jobs and training' (November 2023) does not attempt to calculate whether occupation classes will lose or gain jobs as a result of AI. Instead, the research considers how *exposed* different occupations are to 10 common AI applications, e.g. image recognition and generation, reading comprehension, translation, speech recognition. The findings suggest professional and managerial roles have higher exposure to AI, whereas manual labour is less exposed. As noted in the study above, exposure could mean role augmentation rather than loss.

ONS research from 2019 using occupation classes estimated around 7.4% of England's jobs would be at high risk of automation, described as replacing tasks done by workers with technology, usually because the tasks are routine or repetitive (the research does not mention AI). Women, young people, and part-time workers (there may be overlap among these groups) are most likely

to work in roles with tasks at high risk of being done through automation. Professional, managerial, and technical roles tend to be at lower risk, while elementary occupations (e.g. waitstaff, shelf stocking) and machine operatives are at higher risk.

### What this means for Kingston

There is a low risk that Kingston's residents will lose jobs to automation. Residents will very likely be increasingly exposed to AI through work, but due to their professional-managerial-technical bent, AI will probably augment rather than replace their labour.

On the other hand, Kingston's workers are at medium risk of task or job automation; the ONS's probably of automation index gives Kingston a score of 41.5 (lowest risk among English authorities being 33, highest 56). There is a medium risk of job displacement through AI; depending on how Kingston's economy changes in the future, losses (e.g. in retail, sales, 'elementary' occupations) could be offset by gains (e.g. in professional and technical occupations).

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