EMPLOYMENT LAND REVIEW

For **London Borough Enfield**

December 2023

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Document control sheet

Project reference: Stantec 332410213 (Rapleys 23-02334)

Enfield Employment Land Review

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Revision	Date	Description	Prepared	Reviewed	Approved
V2	30-01-23	Second draft	AL	RP	RP/JH

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1 Introduction

1.1 This report provides the evidence base to support the economic policies of the emerging new Borough Local Plan. The Council consulted on a Main Issues and Preferred Approaches version of the Plan in 2021, and that version was supported by an Employment Land Review prepared in 2018.

1.2 Since that evidence was prepared there have been significant changes in both the macro-economic background, fundamental changes in working practices and also changes in both national requirements for employment evidence base studies and policy changes at the regional level. Thus, fresh updated evidence is needed to underpin the emerging pre-Submission version of the Plan that will undergo Regulation 19 consultation later in 2023.

1.3 The economic 'shocks' of Brexit, the Covid pandemic and war in Ukraine will have significant and potentially long-lasting impacts on both macro and local economic performance, in respect of issues such as the need for supply chain resilience and the way that employment space is used as well as levels of overall economic demand. Further economic 'shocks' cannot be ruled out over the Plan period and the Local Plan and its evidence base need to build in its own resilience and flexibility to allow for a shift in approach should this be necessary.

1.4 An important national policy change introduced in 2019 is the explicit requirement in Guidance to take account of the needs of the storage and distribution sector. Further changes to the National Planning Policy Framework (NPPF) are currently out for consultation, and the Levelling-up and Regeneration Bill could introduce more substantial planning reforms.

1.5 The 2021 new London Plan has introduced a new approach to managing London's industrial needs by seeking to deliver employment floorspace principally through intensification of existing sites and also through co-location. The Plan's economic policies include seeking to secure affordable workspace, and the approach to Opportunity Areas identifies 'indicative' job numbers that could potentially be delivered, including in the Lee Valley Opportunity Area, which it notes is ideally located for freight and logistics (London Plan paragraph 6.5.2).

1.6 Logistics was growing pre-Covid as high streets struggled. Covid has further fuelled the move away from high streets as an increasing volume of transactions take place on-line and in warehouses. Many of these warehouse operators need to be close to centres of population because consumers demand ever shortening delivery 'windows' with many operators moving to same day or even same hour delivery slots. This means that demand and the need for floorspace is 'bottled' within the M25, with even stronger demand broadly within the North Circular where operators can easily access the CAZ (Central Activity Zone).

1.7 The demand for industrial land has also been driven up because manufacturing is no longer declining in London, partly driven by the need for supply chain resilience, but part of a longer-term trend 'reshoring' of activity over the past five or six years. The growth of land hungry data centres is also generating more competition for industrial land. This means that the recycling of former industrial land for other non-employment uses has moved into reverse, and we are now beginning to see examples[1] of industrial land proposed for intensified industrial/logistics uses. Across London, we are also seeing other uses – retail and leisure in particular being recycled for mixed use that includes employment activity. In Enfield, the past few years have seen increasing appetite for film and tv activities (such as OMA X in Innova park) and ‘dark kitchens’, where food is prepared for courier delivery to the customer. These users have similar spatial requirements as industrial and logistics businesses and as such are seeking space on industrial estates.

1.8 The pre-Submission Local Plan pushes the plan period forward to 2019-2041, and this requires a fresh economic forecast that takes into account all of these economic factors to estimate what future economic demand will look like and how much land - of the right quality and in the right places – is required to deliver the future economic growth.

Report Structure

1.9 The report firstly provides the policy context, summarising national policy and practice, the strategy and policy approach in the London Plan and neighbouring borough approaches to employment planning policies (chapter 2). This is important as it identifies the themes that the study needs to review. Then chapter 3 sets out the Borough’s economic context, looking at the indicators of resident, workforce and business performance. Next in Chapter 4 the Functional Economic Market Area (FEMA) is discussed and reviewed, which is important in the context of meeting sub-regional need. Chapter 5 provides a property market commentary on the industrial and warehouse and office markets. Next in Chapter 6 the potential for affordable workspace is considered. Chapter 7 considers economic need. Chapter 8 considers the available supply to meet future need, identifying any gap in supply. Land with potential to meet that unmet demand is considered in Chapter 9. Finally, policy issues and responses are made in the concluding chapter 10.

[1] G-park and Albert Island in Newham

2 Policy context

2.1 This section of the ELR reviews literature and planning policy relevant to planning for employment and the economy in Enfield. Relevant planning policies are summarised at the national, regional and local level, with a focus on changes in the policy environment since the publication of the 2018 Employment Land Review.

National Planning Policy and Legislation

National Planning Policy Framework (2021)

2.2 A new National Planning Policy Framework (NPPF) was released in July 2018. On the 19th of February 2019 and the 20th of July 2021, there were two more updates. The main policies and goals for the planning system in England are laid out in the amended NPPF. The new NPPF continues to emphasise the need to enhance economic development and productivity, so the primary economic goal has not altered. The Government's overarching economic objective for the planning system is to support the development of a strong, responsive, and competitive economy by identifying and coordinating the provision of infrastructure, ensuring that there is enough land of the right types is available in the right places and at the right time to support growth, innovation, and improved productivity.

2.3 Local plans are expected to apply a presumption in favour of sustainable development, which means they should: fulfil the development demands of the area; align growth and infrastructure; and make appropriate use of land in urban areas (paragraph 11). This presumption is carried over from the original NPPF.

2.4 Strategic policies are expected to outline an overall strategy for the pattern, scale, and design quality of places and to make adequate provisions for employment and other commercial growth, in line with paragraph 20 of the NPPF.

2.5 The guiding principle in economic development is that local plans and actions should place a high priority on the necessity of fostering productivity and economic growth. This should include the demands of local businesses as well as broader development potential.

2.6 The obligations incumbent on local planning authorities have changed little from the previous NPPF with regards to economic strategy. Paragraph 82 states that planning policies should:

a. set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;

b. set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;

c. seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and

d. be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.

2.7 One significant change to the original NPPF is the introduction of paragraph 83 which supports storage and distribution operations. Planning policies are expected to recognise and address the specific locational requirements of the different sectors.

2.8 In December 2022 the Government announced a public consultation on proposed changes to the NPPF, as well as a proposed approach to preparing National Development Management Policies. Minor changes were made to the NPPF in late 2023, as we completed this work but the economic policies remain unchanged – and here have been no changes the PPG.

Planning Practice Guidance (PPG) (2019)

2.9 In February 2019, revised planning practise guidance (PPG) for planning for economic needs was released. In July 2019, a new update on logistics, storage, and specialised sector planning was released.

2.10 The PPG recognises that local variables and market conditions will affect business needs differently from those based on national economic trends. The evaluation of the need for employment land should take into account the fact that Functional Economic Market Areas (FEMA) which may span more than one Local Authority area. Evidence on economic need should encompass:

- Best fit FEMA.
- The current supply of employment land;
- Recent trends in employment land gains and losses;
- Evidence of market demand and business needs (including location and premises needs of specific types of businesses);
- Wider market signals; and
- Evidence of market failure (such as constraints that prevent employment sites being used effectively.

2.11 Paragraph 27 of the PPG goes on to state that future need should be based on a range of data such as:

- Sectoral and employment forecasts and projections;
- assessments of the current and future availability of local labour based on demographic data;
- analysis based on past employment land and property take-up and/or future property market requirements;
- consultation with relevant organisations; research into business trends; and understanding innovative and changing business models.

2.12 Guidance indicates that the available stock of land can be compared with requirements so gaps/ oversupply can be identified. Analysing supply and demand should allow policy makers to identify any mismatch between quantitative/ qualitative supply and demand.

2.13 Paragraph 30 of the guidance states that when translating employment and output forecasts into land requirements there are four key relationships which need to be quantified. The following can be used to inform the assessment of land requirements:

- Standard Industrial Classification sectors to use classes;
- Standard Industrial Classification sectors to type of property;
- Employment to floorspace (employment density); and
- Floorspace to site area (plot ratios based on industry proxies)

2.14 In July 2019 further advice was provided with regards to logistics and warehousing. The amendment acknowledges the crucial importance of logistics and the ongoing, significant expansion of logistics and distribution, both of which necessitate warehouse space.

2.15 Where a need exists, policy making authorities should collaborate with others to identify the scale of the need. This can be informed by:

- engagement with logistics developers and occupiers to understand how requirements are changing in terms of type, size, and location, including the impact of new technologies;
- analysis of market signals, including trends in take-up and availability of logistics land;
- analysis of economic forecasts to identify potential changes in demand and anticipated growth in sectors likely to occupy logistics facilities; and
- engagement with LEPs.

2.16 Authorities must also determine how much space and policy support are needed for various types of logistics demands, such as those of SMEs and "last mile" facilities supplying neighbourhood marketplaces.

2.17 Overall, the PPG has broadly remained the same albeit a number of the wider themes have been moved into different sections. One key difference is the addition of a logistics paragraph which highlights the crucial role that logistics and associated services provide, and the continued expansion of the industry. Employment evidence will need to be particularly focused on the rising expansion of logistics.

Regional Planning Policy

The London Plan

2.18 A revised London Plan, adopted in March 2021, will direct development in London through 2041.

2.19 The Good Growth objectives, which include policy GG5, aims to preserve and improve London's global economic competitiveness and guarantee that economic success is shared by all Londoners, serve as the foundation for the London Plan. Planning for enough employment and industrial space in the appropriate areas is expected of those involved in development and planning to promote economic growth and regeneration.

2.20 One important means for attaining balance between housing and employment potential growth within boroughs is through the development of Opportunity Area Planning Frameworks.

2.21 The Upper Lee Valley Opportunity Area covers 3,884 hectares shared between the London Boroughs of Enfield, Haringey, Waltham Forest and Hackney. Much of Enfield’s industrial stock lies within the Opportunity Area.

2.22 An Opportunity Area Planning Framework (OAPF) was adopted in June 2013, and has not been updated since. The Opportunity Area Planning Framework sets out an overarching framework for the area, and seeks to:

- Encourage growth at Meridian Water and Ponders End
- Deliver over 15,000 jobs by 2031
- Deliver a Lee Valley Heat Network linked to Edmonton Eco Park
- Improve transport infrastructure, including 4 trains per hour on the WAML.
- Open up the Lee Valley Regional Park with a network of accessible blue and green space.

2.23 According to Policy E1 of the London Plan, in order to meet local demands, expansions in the current stock of offices should be encouraged in places such town centres, existing urban business parks, and locally oriented town centre office provision. The policy continues by stating that any currently existing, viable office floorspace capacity outside of the aforementioned areas should be preserved, supported by A4Ds to remove permitted development rights where appropriate, and that surplus office capacity should be made available for other uses when feasible.

2.24 According to Policy E2 of the London Plan. A range of B Usage Class commercial space, in terms of kind, use size, and price point, is expected to be provided and, where appropriate, protected by borough plans, This expectation particularly mentions supporting the supply of affordable housing. In accordance with local evidence of need and viability, boroughs are also urged by Policy E3 of the London Plan to establish comprehensive affordable workspace policies.

2.25 Taking into account strategic and local employment land reviews, the potential for intensification, co-location, and substitution, Policy E4 strives to ensure and maintain an adequate supply of land and premises to meet current and future demands for industrial and related tasks. According to the policy, the priority is to maintain, improve, and provide additional industrial capacity in areas that have access to the Strategic Road Network and/or the potential for rail or water transportation, provide capacity for emerging sectors like waste management and logistics that support London's economy and population, and provide capacity for micro, small, and medium-sized businesses.

2.26 The preceding draft London Plan classified each borough according to whether there was scope to convert industrial land to other uses and took the position that there should be "no net loss" of industrial land. Along with Brent, Ealing, OPDC, Sutton, and Wandsworth, Enfield was designated as a "provide capacity" borough. The Secretary of State, however, instructed the Mayor to delete borough categorizations. As a result, London Plan Policy E4 encourages boroughs to provide new land and/or intensify already-existing industrial floorspace in order to fulfil identified demand, as backed by the necessary data. Any release of industrial capacity should be concentrated in areas that are (or are anticipated to be) easily accessible by walking, cycling, and public transportation, as well as locations that support other planning priorities like housing (and particularly affordable housing), schools, and other infrastructure.

2.27 Strategic Industrial Locations (SILs) are the subject of Policy E5 of the London Plan, which advises boroughs to define the SILs' boundaries in their development plans and adopt local strategies to protect and intensify their function as well as increase their attractiveness and competitiveness. Boroughs must explore ways to develop and utilise SIL land more effectively. The policy also allows boroughs to substitute industrial capacity where evidence suggests alternative suitable locations exist.

2.28 Locally Significant Industrial Locations (LSIS) are addressed by Policy E6. Boroughs are required to:

- Designate LSIS and define boundaries, supported by data from local employment land reviews.
- Define the range of industrial and related uses that are permitted in LSIS.

2.29 Development Plans should be proactive and stimulate the intensification of commercial uses in Use Classes B1c, B2, and B8 occupying all types of industrial land, according to London Plan Policy E7. Opportunities for combining industrial, residential, and other uses should be investigated in LSIS. According to the policy, mixed-use or residential development proposals on non-designated industrial sites should only be supported if there is no plausible chance that the site will be used for industrial and related purposes, if it has been designated in the Development Plan, or if floorspace for industrial, storage, or distribution purposes is included as part of the mixed-use intensification. Development Plans should also take into account the potential for facilitating the replacement of part of London's industrial capacity to relevant real estate markets in cooperation with the GLA and neighbouring authorities.

Employment Evidence: London Plan

2.30 The current employment projections were published in 2021. The projections estimated a total of 120,000 jobs in Enfield in 2021, rising to 137,000 jobs in 2041.

2.31 The GLA’s London Office Policy Review (2017) finds that, at the time of writing, Enfield had 223,000 sqm of office stock. The study identifies the need for 13,500 sqm net additional office floorspace over the 2016-2041 period. The report observes that ‘Enfield is a small and insignificant office market and we do not expect this to materially change.’

2.32 The GLA’s Industrial Land Supply and Economy Study (2015) assessed the borough’s industrial stock. It indicated that Enfield had 316 ha of ‘core’ industrial uses (comprising general and light industry and warehouses, self-storage and open storage), with a further 122.4ha in ‘wider’ industrial uses. The study reported 6.2ha of industrial land was vacant.

2.33 The 2017 Industrial Land Demand Study identifies the Lee Valley as a major industrial and warehouse location. It observed that locations within the M25 have seen losses of industrial land, whereas locations such as Innova Park and Navigation

Park in Enfield have seen significant new development over the past decade. The north sub-region saw smallest percentage loss since 2006 with a reduction of just -6.5%. Warehouses accounted for 33.1% of industrial land, general industry for 26.1% and utilities for 14.8%.

2.34 LB Enfield was expected in total to gain 52 ha of industrial land over the 2016-41 London Plan period. This gain figure comprises a positive need for industrial (2ha), warehousing (54.4ha) and waste (0.3ha), offset by a relatively modest -4.7ha surplus from excess vacant land.

2.35 The evidence detailed above underpinned the 2021 London Plan but the GLA has not provided an update to its industrial demand evidence – so this is now at least 5 years out of date. Also, in many cases the quantum , been overtaken by events as Boroughs have collectively lost more space that envisaged. We return to more recent views of 'need' later in this report where we also consider this GLA evidence in more detail.

2.36 The North London Waste Plan (2022) was adopted by the seven North London Boroughs of Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest. It sets out the planning framework for waste management in North London until 2036. It identifies existing waste sites and capacity, Priority Areas for new waste management facilities and sets out policies for determining waste planning applications.

2.37 The plan seeks to manage as much of north London's waste as is practicable within the Plan area. It seeks to ensure there is sufficient suitable land available to meet North London's waste management needs and reduce the movements of waste through safeguarding existing sites and identifying locations for new waste facilities.

2.38 Enfield is identified as hosting 24 waste sites, more than any other constituent borough. Enfield contributes 62% of the land currently in waste use in North London, compared to 18% in Barnet, 12% in Haringey and 5% or less in the remaining Boroughs. The plan seeks to ensure a better geographical spread of waste sites across North London, by identifying Priority Areas for New Waste Management Facilities and requiring developers to first seek sites in Priority Areas outside Enfield and demonstrate that no sites are available or suitable before considering sites within Enfield's Priority Area.

Local Planning Policy

Enfield Core Strategy 2010-2025

2.39 Enfield adopted the Core Strategy in 2010. The Core Strategy is the Borough's overarching planning document, supported by the Development Management Document and Area Action Plans (AAPs). It sets out the Council's vision for the Borough up to 2026 and beyond, providing "the broad strategy for the scale and distribution of development and the provision of supporting infrastructure". The following Strategic Objectives are relevant to planning for economic growth:

2.40 Strategic Objective 1: 'Enabling and focusing change' aims to mee the future need of LB Enfield's current and future population "by focusing transformational change and growth in the Upper Lee Valley, in existing town centres and new neighbourhoods".

- Strategic Objective 6: ‘Maximising economic potential’ seeks to maximise ‘the economic potential of the Upper Lee Valley and town centres, enhancing appropriate employment locations and ensuring a more efficient use of land’.
- Strategic Objective 7: ‘Employment and Skills’. Supports job creation and address economic inactivity in the south and east of the borough

2.41 Relevant policies from the Core Strategy are summarised as follows:

- **Core Policy 1:** ‘Strategic Growth Areas’. Identifies Central Leeside, North East Enfield, Enfield Town and the area around the North circular Road at New Southgate as locations for growth.
- **Core Policy 13**: ‘Promoting Economic Prosperity’. Protect and enhance Enfield’s employment. 6,000 of additional jobs will be created across the borough to 2026, including 4,000 of these from the Upper Lee Valley and 2,000 from town centres.
- **Core Policy 14**: ‘Safeguarding Strategic Industrial Locations’, of which there are a number throughout the borough, and Core Policy 15: ‘Locally Significant Industrial Sites’ which sets out a protective stance.
- **Core Policy 17**: “Town Centres” seeks to focus development in Enfield’s town centres, including Enfield Town as the borough’s only Major Centre.
- **Core Policy 19:** ‘Offices’ sets out a protect and enhance approach to office provision, especially in Enfield Town.
- **Core Policy 37**; ‘Central Leeside’ sets a strategic approach for the area which includes retaining its industrial and employment character, with SILs and LSISs retained and intensified.
- **Core Policy 38**: ‘Meridian Water’ states the Council's goal of building 5,000 homes, 1,500 jobs, and infrastructure within Meridian Water by 2026.
- **Core Policy 39**: ‘Edmonton’ sets out that “further housing, shops and employment will be needed to reinforce and enhance the identity of the area, its role as a District Centre and to help implement socio-economic change through the provision of training facilities, employment opportunities and to create a better mix of tenures”.
- **Core Policy 40**: ‘North East Enfield' states that the Council wants to make North East Enfield a competitive business location by retaining Brimsdown and expanding Freezywater SIL to include Innova Park, “with the latter expanded to include Innova Park”. Ponders End could add 1,000 homes by 2026.

Development Management Document

2.42 Enfield Council adopted the Development Management Document (DMD) in November 2014. Building on the Core Strategy's vision, it specifies detailed requirements for development proposals.

- **DMD 19:** ‘Strategic Industrial Locations’ states that ‘only proposals involving general industrial, light industrial, storage and distribution, waste management, recycling, some transport related functions, utilities and other industrial related activities, including green industries and waste management, will be permitted within Preferred Industrial Locations (PIL). Proposals involving a loss of capacity will be refused.'

- **DMD 20**: 'Locally Significant Industrial Sites' states that 'proposals involving the loss of industrial uses within LSIS will be refused, unless it can be demonstrated that the development site is no longer suitable and viable for its existing or alternative industrial use in the short, medium and long term.'
- **DMD 21**: "Complementary and Supporting Uses within SIL and LSIS" allows small-scale walk-to services, and crèches and cafes serve workers.
- **DMD 22**: 'Loss of Employment Outside of Designated Areas' states that developers must prove "that the site is no longer suitable and viable for continued employment use" to lose employment sites not designated as SIL/ LSIS.
- **DMD 23**: "New Employment Development" steers new industrial development in SIL and LSIS.
- **DMD 24**: 'Small Businesses' seeks to resist the loss of small units and encourage the provision of smaller units as part of large scale development proposals.
- **DMD 25**: 'Locations for New Retail, Leisure and Office Development' sets a sequential approach to steer development to town centre locations.

Area Action Plans

North East Enfield Area Action Plan (2016)

2.43 Enfield adopted the North East Enfield AAP in June 2016. The AAP sets a strategic approach to the development of an area stretching from the M25 southwards to Ponders End, including the

2.44 communities of Enfield Lock, Enfield Highway, Ponders End, Turkey Street, and Southbury.

2.45 Objective 3 of the AAP seeks to 'increase the quality, operational efficiency, capacity and density of existing employment land through improvement of existing industrial estates and ensure they are attractive to regional, national and international investors in order to secure economic diversification, business growth, the creation of jobs and the strengthening of NEE's role in the

London-Stansted-Cambridge Corridor.'

2.46 Several policies relate to employment land and industrial estates. Policy 6.1: 'Improving Existing Industrial Areas' seeks to ensure development proposals contribute to better design and functioning of industrial estates, including access and environmental quality.

North Circular Area Action Plan (2014)

2.47 Enfield adopted the North Circular Area AAP in October 2014. The AAP sets out a planning framework for the future of the North Circular Road corridor between the A109 at Bounds Green and the A10 Great Cambridge Road.

2.48 The AAP's objective seeks to promote social inclusion, tackle deprivation and provide new employment opportunities. The plan supports the short/ medium-term protection of Regents Avenue Industrial Estate given it's proximity to the North Circular Road, though several areas of the New Southgate Industrial Estate LSIS is scheduled for release to deliver estate regeneration.

Edmonton Leeside Area Action Plan

2.49 Edmonton Leeside is in the south eastern corner of Enfield and includes the Meridian Water regeneration area, established employment estates, Lee Valley Regional Park, Picketts Lock and major infrastructure facilities such as the Edmonton Eco Park and Deephams Sewage Treatment Works. The Edmonton Leeside AAP (ELAAP), previously known as the Central Leeside AAP, was renamed to better reflect its location.

2.50 Part of the overarching vision for Edmonton Leeside is to facilitate economic growth. The AAP seeks to:

- Support the development and growth of new industrial sectors at Meridian Water, in particular of high job-density, high value-added sectors;
- Increase the capacity, quality and density of existing employment land through improvement of existing industrial estates;
- Ensure Edmonton Leeside is attractive to regional, national and international investors in order to deliver thousands of new jobs across the area;
- Strengthen the business community by supporting a culture of enterprise, entrepreneurship, innovation and sustainable business growth;
- Deliver a new town centre at Meridian Water with an appropriate mix of uses without undermining the primary retail function of nearby district centres; and
- Ensure that employment opportunities are accessible and local residents are supported to increase their skills and qualifications to progress into work.

2.51 Policy EL2 'Economy and Employment in Meridian Water' seeks to set the conditions for improved economic performance. The policy supports the intensification of land uses, opportunities for low carbon, creative, digital and high value engineering sectors, new quality workplaces which take into account surrounding land uses. The policy supports transport, landscape and broadband connectivity, and indicates that appropriate mitigation should be made in line with the Agent of Change principle if new development adversely impacts existing neighbouring uses.

2.52 Policy EL14 designates Deephams Sewage Treatment Works (34ha) as SIL.

2.53 Policy EL15 provides a positive framework for improving industrial estates, including public realm, traffic and sustainable transport improvements. The policy supports opportunities for intensification and highlights the importance of the Agent of Change principle when considering the interaction of new uses with neighbouring existing uses.

Enfield draft Local Plan

2.54 The draft Enfield Local Plan 2039 was subject to Regulation 18 consultation in Summer 2021. The Council is considering representations made, with a view to progressing the plan to Regulation 19 stage.

2.55 The draft plan sets a strategy to provide for sustainable growth with supporting infrastructure across the Borough whilst facilitating nature recovery and improvements to green and blue spaces and access to them. Policy SS1 of the draft plan states that employment needs will be met through the intensification of existing industrial areas, and new sites in urban and rural locations (part 8).

2.56 Chapter 9 sets out the borough's approach to the economy. It indicates that 251,500 sqm of industrial/ logistics floorspace and 37,000 sqm of office floorspace is the borough's employment requirement. Policy SPE1 goes further to detail that this provision will be met through intensified industrial development, new industrial/ logistics sites in urban and rural locations, and an uplift in office floorspace in town centre locations. The policy also lists sites in urban and rural areas allocated for employment uses.

2.57 Policy SPE2 sets out the borough's employment locations:

- Strategic Industrial Locations (SILs): will be safeguarded in accordance with London Plan policies and intensification will be encouraged.
- Locally Significant Industrial Sites (LSIS): deliver a broader range of activities than SILs, but the business function of these sites will be safe-guarded, and intensification will be encouraged.
- Enfield's town centres: potential to accommodate diverse employment activities, including office uses.
- Other employment sites.
- Co-working and remote working.

2.58 Policy SPE3 sets out a protective stance to SILs and LSIS, resisting employment floorspace losses and prioritising intensified industrial floorspace over other forms of development. Policy SPE4 steers new office development to town centre locations, including at Meridian Water, and seeks to resist the loss of existing offices.

2.59 Policy SPE5 sets a framework to encourage intensification and environmental improvements in SILs/ LSIS (including urban greening, improved amenities, and connections to blue-green networks).

Neighbouring planning authorities

London Borough of Haringey

2.60 LB Haringey have begun the process of developing a new Local Plan to replace the existing Local Plan documents adopted in 2017. 'First steps engagement' took place in 2021. The document highlights the importance of SMEs and the need for high quality affordable accommodation. Several areas are highlighted as potential topics for further development, including identifying a requirement for new employment floorspace, protecting floorspace to meet demand and releasing surplus floorspace, and affordable workspace.

2.61 The Strategic Policies DPD (consolidated with alterations since 2017) SP8 Employment identifies a demand for an additional 23,800 m2 of B Class floorspace up to 2026.

2.62 This forecast demand is to be met through:

- The reconfiguration and re-use of surplus employment designated land in B2 and B8 Use Classes;

- The intensification of the use of existing employment sites (where possible);
- The provision of B1a/b floorspace as part of mixed-use development on suitable sites, including town centre sites; and
- The protection of existing viable B Class Uses on designated and non-designated sites.

2.63 The plan seeks to safeguard the borough's SIL and LSIS, and identifies Local Employment Areas – both Employment Land (EL) and more flexible Regeneration Areas (RAs).

2.64 Haringey's Employment Land Study (2015) identified a need for a total floorspace requirement of approximately 23,800m2 for the period 2006 – 2026, including a net reduction in demand for industrial and warehouse floorspace, and an increased demand for B1 floorspace (including light industrial). An updated Employment Land Study is expected imminently.

London Borough of Newham

2.65 Newham's Local Plan was adopted in 2018. Policy J1 seeks to promote employment, industry and logistics as important components of sustainable, mixed use places in the context of wider planning objectives. The policy directs major office development to Stratford, and major industrial development to SILs and LSIS. SILs are identified at Thameside East, Beckton, Cody Road/ Prologis, and Thameside West.

2.66 Policy J2 seeks to protect several SILs and Local Industrial Locations (LILs) and encourage managed intensification, though six sites are identified for release from SIL protection. Policy J3 encourages affordable and flexible local workspaces on strategic and designated sites.

2.67 The 2017 Employment Land Review identifies a need of 38,000 sqm of office floorspace, contrasting with the GLA's projection of 90,000 sqm over the plan period of 2015-32. The identified need could be met with the substantial office pipeline enjoyed by the borough of nearly 1 million sqm.

2.68 For industrial, the study identified a modest demand of 6-9ha, and for warehousing a demand of 16ha, resulting in a recommended demand figure of 26ha.

2.69 The 2022 Employment Land Review proposes a 70,000 sqm need figure for offices (driven by past availability and delivery issues in the LLDC and Royal Docks areas) and 51ha for industrial.

Waltham Forest

2.70 Local Plan Part 1 was submitted to the Planning Inspectorate in 2021, whilst Local Plan Part 2, comprising Site Allocations, is under preparation. Policy 2 and 4 of LP1 seeks to provide a net increase of 52,000 sqm employment floorspace focused in Strategic Locations and other Site Opportunity Locations.

2.71 Policy 25 focuses the delivery of new Class E Part G iii, B2 and B8 floorspace in SIL, LSIS, BEA, and non-designated employment sites, with delivery of Class E Part G i, ii floorspace focused in BEA and town centres.

2.72 Light industrial (Class E, Part G iii) and the production and distribution of goods (B2) will be delivered in smaller or subdivided space within the borough's designated employment sites, with high density office space (Class E Part G i and ii) ranging from small studio space, flexible coworking spaces to large offices in the designated centres or other locations with access to supporting amenities and services.

2.73 Policy 26, 27 and 28 further safeguards and manages SIL, LSIS and BEA allowing future flexibility in acceptable uses with scope for a master-planned approach to intensification.

2.74 Policy 31 supports co-location of industrial and non-industrial uses with Policy 32 supporting a range of workspaces, with Policy 33 requiring the delivery of affordable workspaces as part of major mixed-use developments in town centres, in Strategic Locations or as part of regeneration schemes, or as part of new employment floorspace of 1000m2 or greater in SIL, LSIS, BEA and in town centres, where viable.

2.75 The LBWF Employment Land Audit 2021 identifies a future built floorspace industrial intensification uplift of 371,600 sqm across SIL and BEA, and future built floorspace employment intensification uplift of 73,469 sqm in BEAs.

Epping Forest District Council

2.76 Epping Forest's Local Plan was adopted in 1998, with alterations in 2006. Policy CP6 sets a framework for sustainable economic development, with a focus on facilitating economic regeneration in areas of deprivation, encouraging renewal and vitality in rural areas, and local economic diversity.

2.77 Employment areas are designated on the proposals map and Policies E1 and E2 seek to protect these areas for employment, resisting changes of use from employment uses. For warehousing, policy E3 seeks to contains additional criteria that development proposals must meet, namely local trading links and a lack of suitable alternative sites.

2.78 Policies E6, E7 and E6 allocates sites for employment purposes. Policy E10 seeks to steer office development to town centre locations.

2.79 Epping Forest are nearing adoption of their draft new Local Plan, and at the time of writing are at further Main Modifications stage. The 2017 submission version lists a series of objectives, including meeting objectively assessed economic needs within the district. Policy SP2 sets out the spatial strategy, which (in terms of employment) seeks to retain and enhance existing employment sites, and allocate 23ha of new employment land, as well as promoting small scale employment as part of mixed-use development, including Garden Town Communities.

2.80 Policy E1 allocates a range of sites for office and industrial/ logistics uses, while Policy E4 sets out a positive framework to encourage the development of the visitor economy. Major Modification MM13 modifies the period for delivery of employment land to 2016-33.

Broxbourne

2.81 Broxbourne's Local Plan was adopted in 2020. It seeks to deliver a range of job opportunities in business parks, town centres and other locations, with a focus on new office space at the Park Plaza business campus.

2.82 Policy DS1 sets out a development strategy for the area, including making provision for between 5,000 and 6,000 net additional jobs focusing on Brookfield, Park Plaza, Cheshunt Lakeside and the town centres. Policy ED1 encourages new knowledge-focused employment uses, while Policy ED2 designates a series of employment areas for B1 and B2 focused intensification and redevelopment.

Welwyn Hatfield

2.83 The Welwyn Hatfield District Plan was adopted in 2006. It indicates that there was adequate capacity to meet the district's current and future job requirements without the need to allocate any new land for employment use. The plan designates nine existing employment sites as employment areas (Policy EMP1). Policy EMP2 indicates that B1, B2 and B8 proposals are acceptable in principle in Employment Areas.

2.84 The Welwyn Hatfield draft Local Plan is at an advanced stage of development. Following the Local Plan Examination hearing sessions held between 2017 and 2021, the LPA is consulting on Main Modifications in early 2023.

2.85 The draft Local Plan Proposed Submission August 2016 (Policy SP2) indicates that 294.1ha of employment land has been identified, including 116,400 sq.m of new floorspace for industry, offices and warehousing over the plan period from designated employment areas and mixed use sites including the strategic development site at Marshmoor, Welham Green. Policy SP8 seeks to resist losses of B class uses, and to steer new office, industry and warehousing development to designated employment areas.

2.86 The Main Modifications consultation proposes that provision will be made for a lower quantum of employment floorspace – 59,000 sq.m of new floorspace for industry, offices and warehousing, including strategic development sites at Marshmoor, Welham Green, and North West Hatfield.

Hertsmere

2.87 Hertsmere’s Core Strategy was adopted in 2013. One of the key objectives of the strategy is to provide a planning framework which promotes sustainable and competitive economic

2.88 performance, in support of jobs growth requirements. The Core Strategy seeks to make efficient and effective use of land, prioritising previously developed land which is suitable for re-use and, subject to the specific policy requirements and business needs.

2.89 Policy CS8 seeks to provide for at least 110 ha of designated employment land for B-class development, focused on employment areas. Existing safeguarded land for employment purposes was retained, and a new area of land adjoining the Elstree Way Employment Area was designated as Safeguarded Land for a mix of phased, B class development.

2.90 Policy CS10 limits activities within designated employment areas to office, industrial, warehousing and other B-class uses. Large scale office developments (exceeding 2,500 sqm) are limited to the Elstree Way, Borehamwood Employment Area. Policy C11 sets a positive framework for promoting the film and TV production in Borehamwood.

2.91 Hertsmere consulted on a Regulation 18 draft Local Plan in late 2021. Following this round of public engagement it was decided to set aside the plan.

London Borough of Barnet

2.92 Barnet's Core Strategy was adopted in 2012. It seeks to provide for 157,000 sqm to 161,000 sqm of employment floorspace. The plan sets a strategy to direct new business development to Brent Cross – Cricklewood and then to the regeneration and development areas of Colindale and Mill Hill East (Policy CS8).

2.93 The Development Management DPD sets out a protective stance to employment sites, safeguarding LSIS, Industrial Business Parks and Business Locations from redevelopment for non-B class uses. Policy DM14 seeks to steer office uses to town centre locations, in line with the sequential approach. New industrial/ warehousing development is directed to the borough's LSIS sites.

2.94 Barnet is in the advanced stages of developing a new Local Plan. Examination in Public hearing sessions took place during Autumn 2022. The Regulation 22 submission version of the draft Local Plan seeks to provide 67,000 sqm of office floorspace in town centre locations, and sets a positive framework for the protection and intensification of LSIS sites.

Surplus Capacity to meet unmet needs

2.95 A number of the plans around Enfield are being updated and therefore cannot confirm their supply.

2.96 We understand that LBE has written to Neighbouring Councils – inside London and outside and has established that no Council is able to assist with any unmet economic need.

3 The Enfield Economy

3.1 This section provides a quantitative overview of Enfield's economy, drawing on a number of economic indicators derived from official statistical sources. The indicators selected mirror those profiled in the 2018 Employment Land Review, to allow for comparison.

3.2 Where relevant, Enfield's performance is benchmarked against FEMA and London-wide figures.

Population

3.3 Demand for employment sites and premises will be driven in part by trends in the size of the resident population.

3.4 According to the Census, Enfield's population as at March 2021, was estimated to be 330,000 (rounded to the nearest 100). It is estimated to have increased by around 17,500 (or 5.6%) between 2011 and 2021, while the population in London and England increased by 7.7% and 6.6% respectively.

3.5 Enfield's Census-based population was lower than would be expected from the mid-year estimates (333,587 in mid-2020). It is likely that this is a combination of the mid-year estimates over-estimating the prevalence of certain age groups (children and the over 70s), and the temporary effect of Brexit and the Covid-19 pandemic on the numbers of residents both in Enfield and across London.

3.6 GLA population projections for LB Enfield suggest that by 2039 the Borough's population will grow to 371,167, an increase of 34,847 above the assumed 2023 population of 336,320.[2]

3.7 The borough's population is influenced by wider structural forces, including the impacts of Brexit and migration policy. The GLA figures are based on assumptions about future migration behaviour, both internationally and domestically, which underpin the range of population projections.

3.8 The implication of population growth is increased demand for housing, infrastructure, consumption of goods and services, and local employment opportunities, which is likely to lead to an increased demand for additional employment space.

Workforce and Employment

3.9 Statistics from the Office for National Statistics (ONS) show that in 2021 LB Enfield had approximately 212,000 working age residents (men and women aged 16 to 64), which represent approximately 64.3% of the resident population. This proportion is lower than the London-wide figure of 68.8%, but slightly higher than the England and Wales figure of 62.9%.

3.10 ONS record that 160,900 (74.3%) of LB Enfield's working age residents are economically active, with 157,100 in employment. The proportion of working age residents is lower than Greater London as a whole (79.4%) and Great Britain

[2] GLA (2021) 2020-based projections: central upper population https://data.london.gov.uk/dataset/trend-based-population-projections

(78.5%). The slightly lower rate of economic activity in LB Enfield compared to Greater London could in part be explained by the high rate of students over 16 years old, which represent 35.8% of the working-age population being economically inactive.

3.11 Self-employment in Enfield represents 7.1% of all residents, compared to 11.3% London.

Earnings

3.12 The Annual Survey of Hours and Earnings (ASHE) records that in 2022 the median gross weekly earnings of LB Enfield residents as £708, whereas median gross weekly earnings across the FEMA as a whole is £713, and in outer London £739. The average across London as a whole is £762. Weekly earnings in Enfield are therefore £5 lower than the FEMA average, £31 lower than the outer London average, and £54 lower than the Greater London average.

3.13 ASHE records the median gross weekly earnings of people working in LB Enfield as being the same as resident earnings - £708. This is higher than the FEMA average of £661, and the outer London average of £695. This suggests that jobs within the borough are, on average, comparatively better paid than those in the FEMA or outer London as a whole.

Table 3.1: LB Enfield, resident and workplace earnings

Median Gross Weekly Earnings type	Enfield (£)	FEMA (£)	Outer London (£)	Greater London (£)
Resident	708.8	713.5	739.0	762.4
Workplace	708.4	661.3	694.9	782.8

Source: ONS (2022) Annual Survey of Hours and Earnings – Resident and Workplace Analysis

Skills and Training

3.14 Enfield residents generally hold lower qualification levels in comparison to the rest of Greater London but have higher qualification levels to the FEMA. In the Borough 80.1% of working age residents hold GCSEs and 49.7% are educated to a degree level or higher (National Vocational Qualification (NVQ) 4+). This is in line with the FEMA (49.4%) but significantly lower than London as a whole (59%). However, the proportion of residents with no qualifications in LB Enfield is similar to the FEMA as a whole (4.4% and 4.5% respectively), but lower than London as a whole (5.5%).

Table 3.2: LB Enfield, Population Qualifications Profile

Qualification Level	LB Enfield (%)	FEMA (%)	Greater London (%)
NVQ4+	49.7	49.4	59.0
NVQ3+	68.5	64.0	71.4
NVQ2+	80.1	77.9	81.5
NVQ1+	87.5	86.2	87.1
Other Qualifications	8.1	9.2	7.4
No Qualifications	4.4	4.5	5.5

Source: ONS (2021); Annual Population Survey (Jan 2021-Dec 2021). Note: figures may not sum due to rounding.

Occupational Classifications

3.15 Table 3.3 sets out the occupations of LB Enfield residents compared with London and FEMA averages. The following points are observed:

- Standard Classification of Occupation (SOC) 2010 major group 1-3: This group has the strongest skills base and accounts for over half of working residents in the borough, more than any other SOC group. The proportion of the resident workforce who hold such positions (55.6%) is however under the Greater London (63.6%) and FEMA (59.7%) averages. In particular, professional occupations are underrepresented in the Borough, accounting for 26.1% of the working population, compared to 34.2% in Greater London and 30.8% in the FEMA.
- SOC 2010 major group 4-5: The proportions of LB Enfield's residents (17.2%) in employment who hold these levels of occupations are higher than the London average (14.7%), but lower than the FEMA (21.9%).
- SOC 2010 major group 6-9: 26.8% of LB Enfield's workforce is employed in these occupation groups, significantly higher than in Greater London (21.2%) and FEMA (17.9%). Categories 6, 7 and 8 are comparatively over-represented in the borough.

Table 3.3 LB Enfield, Occupations

SOC group	Occupation	LB Enfield		FEMA	Greater London
		Actual	%	%	%
1	1 Managers, directors and senior officials	22,400	14.3	13.3	12.4
	2 Professional occupations	41,000	26.1	30.8	34.2
	3 Associate professional and technical	23,800	15.2	15.6	17
2	4 Administrative and secretarial	15,200	9.7	10.6	9
	5 Skilled trade occupations	11,800	7.5	8.1	5.7
3	6 Caring, leisure, and Other Service occupations	15,200	9.7	6.8	6.6
	7 Sales and customer service occupations	11,300	7.2	3.6	5
4	8 Process, plant and machine operatives	5,900	3.8	3.3	3.1
	9 Elementary occupations	9,600	6.1	4.2	6.5

Source: ONS (2021); Annual Population Survey (Oct 2021 to Sep 2022).

Travel to Work

3.16 The most recent data on travel to work patterns is provided through origin-destination statistics collated from the Census in 2011. The 2021 Census data will not be released until late Spring 2023.

3.17 The data and analysis on travel to work contained within the 2018 Employment Land Review is based on Census 2011 data so remains current.

Businesses

Stock and Scale

3.18 ONS business registration statistics shows there were 15,170 enterprises in LB Enfield during 2022. Micro-businesses (defined as companies employing up to nine employees) represent 93% of all enterprises in LB Enfield, which is in line with the FEMA average (93%) and slightly under than in Greater London (91%). There are a total of 130 medium scale businesses (employing 50 to 249 employees) and 30 large businesses (employing more than 250 employees). Further information is shown in Table 3.4

Table 3.4 Enfield businesses by Size Band

Enterprise size	LB Enfield		Greater London	FEMA
	Number of enterprises	Proportion of total (%)	Proportion of total (%)	Proportion of total (%)
1 to 9 (micro)	14,100	93	91	93
10 to 49 (small)	910	6	7	6
50 to 249 (medium)	130	1	1	1
250+ (large)	30	0	0	0
Total	15,170	100	100	100

Source: ONS (2022) UK Business Counts

Business Birth and Death

3.19 Enterprise births and deaths rates for LB Enfield provide an indication of the entrepreneurial characteristics and dynamics of the Borough.

3.20 In 2021, 2,930 enterprises were created in Enfield, which represented a business birth rate of 17%, greater than the Outer London average of 14%. In comparison, the business death rate for the same year amounted to 12.2% in LB Enfield, similar to the outer London average (11%). The 4-year survival rate for firms born in Enfield during 2016 was 45.6%, slightly below outer London (47.3%).

Employment Sectors

3.21 Analysis of LB Enfield's economic structure in comparison to Greater London and the FEMA is shown in Table 3.5. This is based upon the ONS' Business Register and Employment Survey (BRES) (2015) using Broad Industrial Groups. The data covers how the workforce of the Borough is divided between the different industrial groups.

3.22 At this high level the industrial groups which align most closely with Egi/ii, Egiii/B2 and B8 employment uses are: financial and insurance, business administration and support services and professional, scientific and technical (which align most closely with Egi and Egii uses); manufacturing, construction and motor trades (which align to industry uses i.e. Egiii/B2); and transport and storage (which aligns with B8). The professional, scientific and technical industry group could be considered as broadly aligning to research and development (Egii) or office (Egi) use.

3.23 From the above it can be seen that:

- Manufacturing employment in LB Enfield accounts totals 5,000 jobs, equivalent to 5% of Borough's workforce. This is higher proportionally than the London and FEMA averages (2% and 4% respectively). The construction (7%) and wholesale, retail and motor trades (20%) industry groups account for a substantially higher proportion of workers in LB Enfield than across Greater London but are in line with the FEMA averages.
- In LB Enfield transport and storage firms employ 8,000 people, 7% of the Borough's workforce. In comparison the London and FEMA averages are lower (4% and 5% respectively).

- Collectively, manufacturing, transportation and storage, and wholesale, retail and motor trades account for nearly a third (32%) of Enfield's workforce. This is greater than the FEMA (26%) and Greater London as a whole (17%).
- Employment in key office-related service sectors is below the London average. The information and communication, financial and insurance, real estate, professional, scientific and technical, and administrative and support services industry groups employ 23,250 people in LB Enfield, or 21% of the Borough's total workforce. Higher proportions of the Greater London and FEMA workforces are employed in office-related industry groups (43% and 27% respectively) than in Enfield.
- Just under a quarter of Enfield's workforce is employed in the 'foundational economy' sectors of education, health and social work (24%). This matches exactly the performance of the FEMA as a whole (24%), and is greater than the proportion of workers employed in these sectors across Greater London as a whole (18%).
- These findings are in relative contrast with the resident-based SOC analysis in Table 3.5, suggesting that there may be a disparity between the occupations of LB Enfield's residents and the employment available within the Borough. For example, the SOC analysis indicates that 55.6% of all resident's work in managerial or professional occupations (defined as SOC major groups 1-3), whereas the BRES data shows that office-related industrial groups such as finance and insurance and information and communication are under-represented within the borough, and only account for 21% of employment.

Table 3.5 Employment by Broad Industrial Group in 2021[3]

Broad Industry Group	LB Enfield		Greater London	FEMA
	Employment	% of total	% of total	% of total
A : Agriculture, forestry and fishing	200	0	0	0
B : Mining and quarrying	0	0	0	0
C : Manufacturing	5,000	5	2	4
D : Electricity, gas, steam and air conditioning supply	200	0	0	0
E : Water supply; sewerage, waste management and remediation activities	900	1	0	1
F : Construction	8,000	7	4	8
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	22,000	20	11	17
H : Transportation and storage	8,000	7	4	5
I : Accommodation and food service activities	7,000	6	7	6
J : Information and communication	3,500	3	8	4
K : Financial and insurance activities	1,750	2	8	2

[3] Employment includes employees plus the number of working owners. BRES therefore includes self-employed workers as long as they are registered for VAT or Pay-As-You-Earn (PAYE) schemes. Self-employed people not registered for these, along with HM Forces and Government Supported trainees are excluded. Working owners are typically sole traders, sole proprietors or partners who receive drawings or a share of the profits.

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Broad Industry Group Continued.................	LB Enfield		Greater London	FEMA
	Employment	% of total	% of total	% of total
L : Real estate activities	2,000	2	3	3
M : Professional, scientific and technical activities	6,000	5	15	10
N : Administrative and support service activities	10,000	9	10	10
O : Public administration and defence; compulsory social security	4,000	4	5	3
P : Education	11,000	10	7	10
Q : Human health and social work activities	16,000	14	11	14
R : Arts, entertainment and recreation	2,500	2	3	3
S : Other service activities	2,500	2	2	3
T : Activities of households as employers; undifferentiated goods-and services-producing activities of households for own use	0	0	0	0
U : Activities of extraterritorial organisations and bodies	0	0	0	0
TOTAL	110,550			

Source: ONS (2021); Business Register and Employment Survey.

3.24 Further analysis of the composition and recent change in key industry groups based on the ONS Business Register and Employment Survey (2021) sheds light on changes experienced in the structure of Enfield 's economy since the 2018 Employment Land Review (which drew on 2015 BRES data). The data shows that:

- In absolute terms the largest growth has been observed in construction (3,000 additional jobs); transport and storage (2,000 additional jobs). Wholesale, accommodation and food, professional, scientific and technical, and arts, entertainment and recreation each gained 1,000 additional jobs since 2015. Together these sectors added around 9,000 jobs from 2009-2015.
- The strongest average growth rates between 2009 and 2015 have been observed in construction (60%), transportation and storage (33%) and arts, entertainment and recreation (25%).
- Taken together, the transportation and storage and wholesale sectors (which could be considered proxies for the logistics industry) increased by 3,000 jobs or 25%.

Key non-B-use class Employers

3.25 As identified above, the health and education industry groups comprise a significant proportion of the employment market within the LB Enfield (14% and 10% respectively). As premises accommodating these sectors do not constitute B-use class floorspace, it is not a requirement of this ELR to consider the floorspace and land needs of either. It should be recognised however that there are several key employers from these industries in the Borough, including FE colleges and North

Middlesex University Hospital. It should be noted that though still prominent, both sectors have experienced modest falls in employment (of 1,000 workers each) during the period 2015-2021.

Location Quotient

3.26 Location Quotient data presented in the 2018 Employment Land Review is based on the ONS's analysis of 2015 BRES data. This analysis has not been updated since it was released in 2017, so this aspect of the 2018 Employment Land Review remains current.

Summary

3.27 This section has set out an economic profile of Enfield, benchmarked against London and the FEMA for comparative purposes.

3.28 In summary, Enfield has a growing population which is expected to keep expanding in the future. The population is relatively well skilled in comparison to the Borough's FEMA, but is not as well paid and holds lower proportions of jobs in higher skilled occupations. The vast majority of businesses in the borough are micro enterprises, as is the case for the FEMA and Greater London as a whole.

3.29 The borough's economy is based on wholesale and retail (20% of employment), health and social work (14%) and education (10%). Aside from these 'foundational economy' sectors, manufacturing employment in LB Enfield accounts totals 5,000 jobs, equivalent to 5% of Borough's workforce. This is higher proportionally than the London and FEMA averages (2% and 4% respectively). Transport and storage firms employ 8,000 people, 7% of the Borough's workforce. In comparison the London and FEMA averages are lower (4% and 5% respectively).

3.30 Since the last Employment Land Review (which drew on 2015 BRES data), the strongest average growth rates between 2009 and 2015 have been observed in construction (60%), transportation and storage (33%) and arts, entertainment and recreation (25%). Taken together, the transportation and storage and wholesale sectors (which could be considered proxies for the logistics industry) increased by 3,000 jobs or 25%.

3.31 This suggests that the borough may need to plan for an increase, rather than a loss, in floorspace for industry and logistics. This has implications for the strategic policy direction the borough should pursue.

4 The Functional Economic Market

Introduction

4.1 A FEMA (Functional Economic Market Area) is a planning tool used to guide where future economic need should be directed and accommodated. FEMAs rarely align with local authority administrative geographies, and economic activity generally flows across administrative boundaries. It is important for Councils to identify and understand the FEMA in which they are located as the FEMA is the geography that businesses may use when looking for property, and in theory the area where property should be 'substitutable'.

4.2 Pragmatically the most important reason any one Council may seek to define its FEMA is that it helps guide 'unmet' need. So, if one administrative area cannot accommodate its economic need in full, then other FEMA partners may be able assist. And because property is substitutable within a FEMA there should be no economic disbenefit in providing land (or property) in one part of the FEMA compared with another.

4.3 In this Outer London context, the extent of the FEMA is more 'charged' because the strategic plan, the London Plan, was adopted with a shortfall in land for economic needs. The plan promotes an intensification strategy, but this is challenging to evidence in practice. The intensification agenda remains aspirational and will struggle, in the short term to meet economic needs. So, Enfield Borough may struggle to meet its own economic needs in full, and the Council should continue to work with cross-boundary partners to address any deficit.

4.4 As set out in Chapter 2 we understand neighbours have been approached as regards potential capacity but no positive response has been received.

4.5 We understand that at the strategic London level the GLA/Mayor has also been unable to identify candidate Councils to substitute for land in London. While no supply has been identified the Borough still needs to understand how its property portfolio functions in its economic context.

Defining the Enfield FEMA

4.6 Planning Policy Guidance refers to several factors that can help identify FEMAs, but when it comes to 'hard' data it is generally accepted that the best source for defining FEMAs is the ONS Travel-to-Work Areas (TTWAs). Aecom in preparing their 2018 analysis of Enfield's FEMA, and again in 2020 looked at all these other factors, but found that in practice TTWAs are the best indicator. Our review therefore focuses on this indicator and why Aecom's interpretation of this led to two versions of the FEMA.

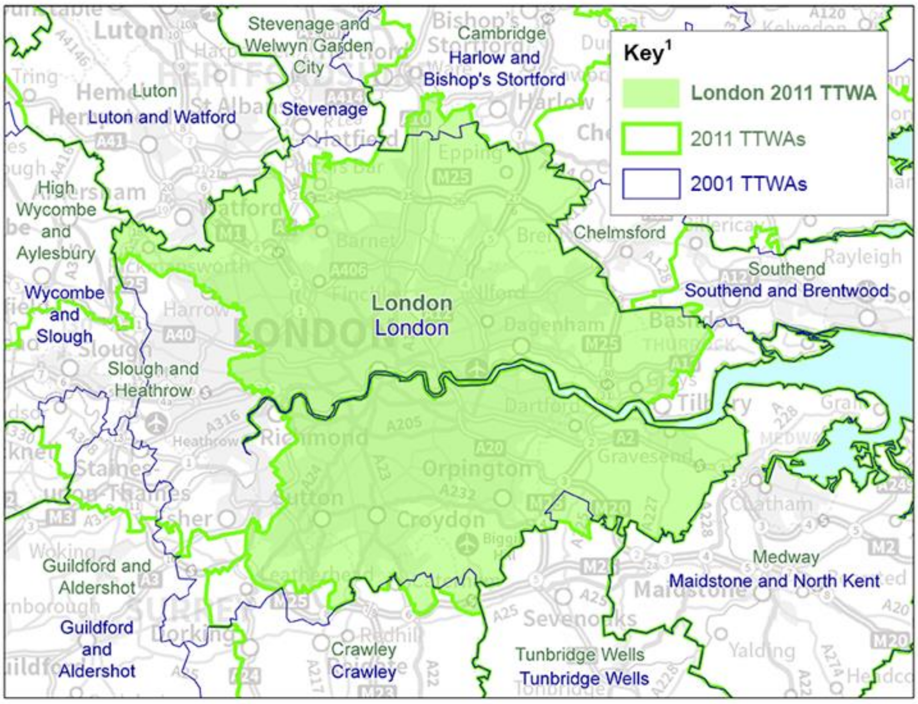
4.7 The figure below[4] was prepared in 2016 by ONS and based on Census 2011 data. It remains the most current data[5]. The map shows Enfield within the London TTWA, which extends well beyond the Greater London administrative boundary. Most obviously northwards over the M25 from Enfield.

[4] Figure from the 2017 Newham ELR

[5] Commuting data from the 2021 Census may be available later in 2023.

4.8 This provides clear evidence that Enfield forms parts of a functional market area that extends beyond GLA's administrative boundary.

Figure 4.1 London - Travel to Work Area



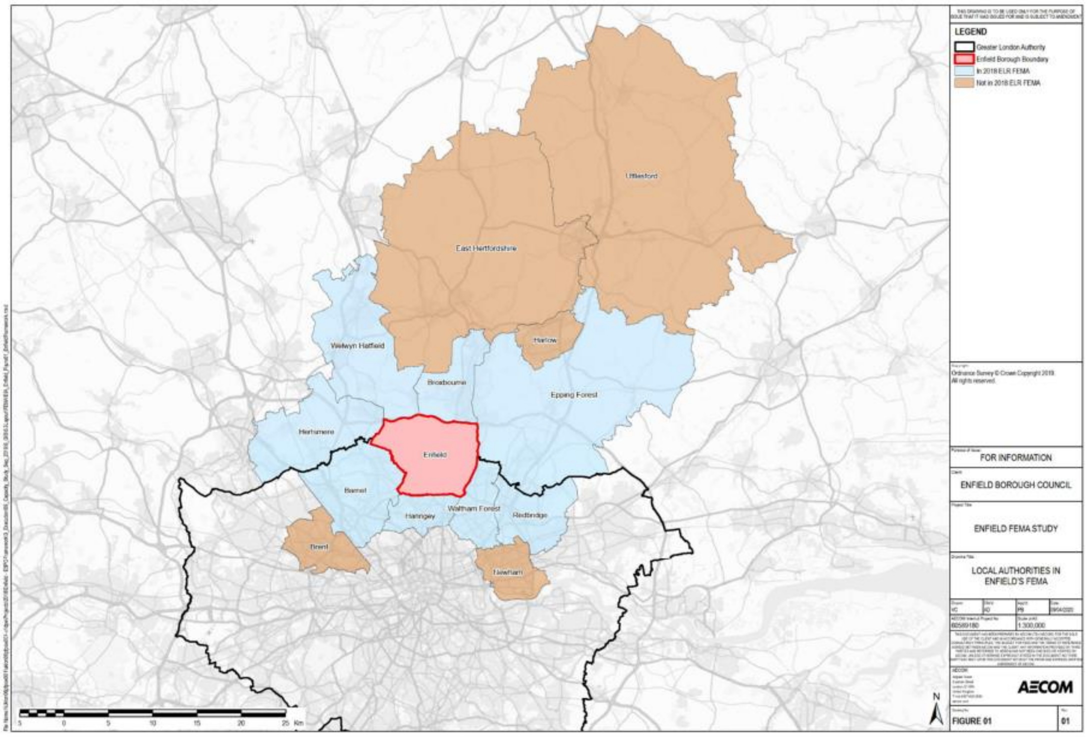
1 Travel to Work Area (TTWA).
Contains OS data © Crown copyright and database right 2015

Source: ONS 2015

4.9 More detailed work to understand the Enfield FEMA was provided by AECOM in 2018 in the Employment Land Review, and then again in 2020 in a FEMA Study. The 2020 work was an update and resulted in a different recommendation - more than doubling the size of the Enfield FEMA, extending it northwards – into large parts of Essex and up the M11 corridor. There was some merit in this because this follows the strategic transport links and the logic that displaced Enfield demand will follow these corridors. However, this resulted in an extensive FEMA which, at its extremes includes land that is very hard to access from LB Enfield (for firms or workers). In this way the expanded FEMA struggles to meet the basic test of a FEMA – whereby land should be generally substitutable across the area. Here a site in North Essex would struggle to meet the needs of Enfield. However, it is not unreasonable to assume that land in closer proximity could substitute. Whilst recognising that no geography is perfect, and choices made in Enfield will continue to influence the market across a larger area, we err towards a narrower FEMA geography along the lines of that identified in 2018. Our view is that, if need is not addressed within the 2018 area, then it will 'ripple' outwards into the larger 2020 area.

4.10 Below we summarise the 2018 FEMA and 2020 FEMA and then provide practical advice for Enfield. As we discuss there does not appear to be any material change in data or policy between the two AECOM reports. Only a change of opinion and weight to be afforded to different components of the analysis. The map below is from the 2020 FEMA study and shows the 2018 and 2020 FEMA recommendations that both derive from Aecom.

Figure 4.2 Aecom analysis of possible FEMA authorities



Source: Aecom 2020

4.11 As referred to above in terms of land area, the 2020 version more than doubles the size of the FEMA – a product of extending the FEMA northwards to include East Hertfordshire, Harlow and Uttlesford. The FEMA has also been extended to include Newham and Brent.

4.12 No explicit rationale has been provided for these extensions, but the indications are that the northern extension is a product of the UK Innovation Corridor and reconsideration of the weight to be given to the north/south road and rail connections compared to 2018. The inclusion of Newham and Brent, neither of which were statistically linked to Enfield in 2018, would appear to be a product of Newham falling in the Lee Valley PMA (the LILDS study analysis discussed above) and Brent because it is 'similar' to Enfield – with a reported surplus of land, albeit this is clearly not the case in Enfield – and connected by the North Circular.

Advice

4.13 AECOM have provided two sets of FEMA for Enfield with the more recent, 2020 version much greater in extent. Given the economic changes (discussed in the introduction) that have occurred, it is considered that now is an opportune moment for the extent of the FEMA to be revised. The PPG guidance is not prescriptive, and opinions will always differ – especially when we need to consider how much weight to give various strands of evidence.

4.14 Pragmatically, in terms of advice we note that the most pressing question for Enfield and London more widely, revolves around industrial land, the shortage of industrial land and the buoyant industrial and logistics market. This buoyant market is driven by the need to service the London population and adjust to post-Covid trends including a transition away from the high street into the last mile logistics network.

4.15 With this in mind any proposed FEMA should be 'sense checked' for its ability to help with the critical question – is the land in the FEMA 'substitutable' as expected in guidance. Where land is not readily substitutable, we should question whether it should be in the FEMA at all.

4.16 As regards the northern extension as far as Uttlesford. This appears justified on the back of the various corridor strategies and the question of being 'substitutable'. However, pragmatically, given the most pressing need / demand for space in Enfield (and also in Newham) is for industrial property to service London (*and the CAZ) it is questionable whether this could, or should, be provided as far out as Stansted in Uttlesford.

4.17 Harlow and East Hertfordshire were not identified in the 2018 FEMA – which appears to give greater weight to the commuting and travel to work data, and less to the Corridor strategies emphasised in the 2020 FEMA review. Land in these districts is obviously a lot closer to Enfield (and London) and the impact on travel times much less were firms to locate here instead of Enfield. Some land within East Hertfordshire and Harlow is better related to Enfield than other land within the original 2018 version. But the full extent of East Hertfordshire, as with Uttlesford would appear to fail a substitutable common-sense check.

4.18 South of Enfield the 2020 analysis sought to include Brent and Newham. Brent because it is 'similar' – Newham also because it is 'similar', but also within the PMA (as defined by the GLA London Industrial Land study). Both markets are driven by a proximity to the CAZ, North Circular and M25. So, there is merit in considering Newham and Enfield within a common FEMA.

4.19 This may also apply to Brent, but Brent is generally considered part of the west London market, which has traditionally seen very different market dynamics being driven partly by Heathrow and Park Royal. But, as regards to the extent one borough is substitutable for another, both Enfield and Brent are on the North Circular with radial routes connecting them to the M25.

Conclusions

4.20 In summary – AECOM provided two different views of the FEMA. Neither is wrong because opinions will differ. In 2020 the consultants appear to have given more consideration to other plans and strategies to define the larger FEMA than they did in 2018.

4.21 That said the Council needs some practical advice. We would suggest focusing on the more narrowly focused 2018 geography – this includes all the neighbouring councils where there is a clear DtC agenda and, given the proximity, a reasonable chance that land provided in any of these areas could support Enfield. These neighbouring councils comprise: London Boroughs of Barnet, Redbridge, Haringey and Waltham Forest, plus Broxbourne, Epping Forest, Hertsmere and Welwyn Hatfield.

4.22 The extended 2020 FEMA fails a common-sense check when the inclusion of Uttlesford and East Herts is considered.

4.23 Brent and Newham are arguably within the Enfield FEMA, but both are constrained London Boroughs, and if they are able to assist with unmet economic needs there are better related neighbouring Local Authorities who are more firmly in their respective FEMAs/PMAs.

4.24 Given challenges in meeting economic needs within Enfield ongoing co-operation is needed with FEMA partner. Our understanding is that there is no surplus capacity in the FEMA and so if any partners emerging plan is unable to meet its needs in full this will further exacerbate any FEMA area shortage.

5 Property market review

The Market in 2018 (Aecom ELR)

5.1 We start by first reviewing the 2018 ELR evidence (generally 2016 data) before looking to update this, and suggest how and where the market may have changed.

5.2 The AECOM work related to a very large potential FEMA, but the market analysis outlining market signals, remains relevant to the Borough.

Stock and distribution by size of units

5.3 A key finding of earlier work is simply how much industrial floorspace is accommodated in Enfield compared to neighbours. This reflects the sub-regional role that land in the Borough fulfils and the importance of the stock not only to the single Borough, but the wider sub-regional economy. The table below is taken from the earlier AECOM work and illustrates that Enfield accommodates roughly double to stock compared to any of the other boroughs in the FEMA.

Figure 5.1 Floorspace stock across the FEMA

Table 5-1 Stock of Industrial Floorspace (2016)

	Industrial Floorspace (sqm)	% of Overall Stock
Enfield	1,271,800	29.2%
Barnet	214,400	4.9%
Broxbourne	404,900	9.3%
Epping Forest	271,700	6.2%
Haringey	587,500	13.5%
Hertsmere	284,300	6.5%
Redbridge	218,900	5.0%
Waltham Forest	481,700	11.0%
Welwyn Hatfield	627,400	14.4%
FEMA	**4,362,500**	-

Source: CoStar 2016; AECOM 2016.

Source: Aecom ELR 2018

5.4 The earlier report also noted that Enfield's industrial stock, up to 2016 had been growing whereas industrial stock elsewhere was generally shrinking.

5.5 We cannot update this analysis 'like for like' because the data was not collated from an official source that publishes time series data – but instead the consultants own analysis.. However, the Valuation Office Agency (VOA) do provide a published comparable dataset[6] that confirms the large stock in the Borough, but suggests a very slight decrease in LB Enfield's industrial floorspace in recent years to stand at 1,195,000 m sqm in 2022. Further, the GLA's very recently published data[7] accords with the VOA quantum, and shows LB Enfield has the third largest total of industrial

[6] VOA Non-domestic rating: stock of properties including business floorspace, latest data 2022

[7] Table 4.1, London Industrial Land Supply Study 2020, January 2023. Hillingdon has 1.34m sqm and Ealing 2.56m sqm.

floorspace of all London boroughs at 1,342,573 sqm (2021) . Thus, the comparative scale of the LB Enfield industrial market illustrates the Borough remains a very important sub-regional location for industrial firms.

5.6 Part of the reason for the very large stock is hat there remains are large amount of protected industrial land with various SILs (Strategic Industrial Locations) and LSIS (Locally Significant Industrial Locations) within LB Enfield. Elsewhere many of the major industrial sites, includingLondons most signficant at Old Oak / Park Royal have been subject to previous rounds of regeneration/de-industlisaton. Enfield has also been attractive to firms displaced from inner London so Enfields sites have remained in strong demand and not (yet) been subject to strategic release with the exception of early phases of Merdian Water.

5.7 These large sites have not seen the scale of incremental (windfall) loss that has been the case elsewhere.

A. Premises and occupiers

5.8 It was found that 36.1% of the floorspace in Enfield was in units over 2,000 sqm (21,528 sq ft) in size. In terms of vacancy, no availability was identified for units less than 500 sqm (5,380 sq ft) and nearly half of the vacant units were over 2,000 sqm, indicating tighter market conditions for sub 2,000 sqm smaller units (as set out in the AECOM 2018 ELR, table 5.2). This is not uncommon because smaller units have been incrementally lost from the supply – many because they were 'bad neighbour' sites or simply in locations where homes are suitable. Small sites have been provided very little protection and are rarely allocated (for protection) in development plans. The development industry has struggled to identify land to provide these smaller units and where sites are available, they tend to be developed by larger developers and let to larger firms – partly because this is a more efficient model for the developers.

B. Rental values

5.9 Rental values in 2016 in Enfield were the third highest in the FEMA at £102 per sqm (£9.48 per sq ft), with only Brent and Haringey being higher. Between the period 2009 to 2016, rental values in Enfield had grown by £30 per sqm (£2.79 per sq ft) a rise of 40%, the largest absolute and proportional increase in the FEMA.

C. Vacancy, availability and net absorption

5.10 The 2018 ELR reports a vacancy rate in 2016 of 4.7% with an availability rate of 5.6%, suggesting that more floorspace is likely to become available in the near future. It is noted that Enfield has the highest level of vacancy in the FEMA by 2.2%. In terms of Net Absorption, it is noted as being positive overall in Enfield with only 2009 and 2016 being negative. Consultations with commercial agents suggested that the market was tightening in Enfield with industrial land being lost to other business uses.

5.11 The 2018 ELR highlighted that Enfield had a buoyant industrial market with the focus being on medium and larger sized units.

The Market Today and Emerging Markets

5.12 Earlier work painted a picture of a large, buoyant and successful industrial market. More recent data suggests that the Borough has lost a small quantum of floorspace since that work but the general picture remains accurate. Earlier work also noted the shortage of smaller unit property with no available supply.

Headline changes since the AECOM work

5.13 It has been a particularly turbulent period since the AECOM data was collected in 2016. For very obvious reasons a number of their observations may not hold true (as would likely be the case for any similar timed study).

5.14 Normally over a seven year period one would record a steady rental growth or the decline of a sector. However, the past seven years has seen several high impact and unusual events which have affected the economy, two of these being the UK's withdrawal from the European Union and Covid-19 pandemic.

5.15 Consequently, we need to report the period in three distinct parts, firstly the period prior to the pandemic, secondly the pandemic itself and finally the time from the UK's emergence from the Pandemic to now (Q1 2023).

5.16 The UK voted to leave the European Union in June 2016, this immediately put the UK and property markets into a state of insecurity whilst the details of the withdrawal were being worked out. This period lasted much longer than was originally anticipated.

5.17 However, the industrial and logistics market remained strong and defied the reported uncertainty over Brexit, partly fuelled the growth in ecommerce over the past 15 years. Enfield is a strong logistics location, and especially for e-commerce, the move online continued to fuel development activity and the market in general – despite Brexit.

5.18 Then, the Covid-19 pandemic took hold and further increased demand and constrained available supply. In this area the cluster of last mile grocery warehouses located in the north of the Borough took on a new importance.

5.19 Whilst there was hesitancy in the occupier market at the beginning of the Covid period, the rise in e-commerce, coupled with a much slower than hoped high street (partial) re-opening continued to drive e-commerce demand. As an example, Royal Mail reported shipping 117 million more parcels by the end of June 2020 than they had done in the same period in 2019.

5.20 The pandemic also illustrated the vulnerability of the supply chain in terms of shipping items from abroad, leading to calls for reshoring.

5.21 The resulting effect on the logistics market was a period of high occupier demand, very tight supply and record rents. As a result of increased occupier demand, the investment market was robust with demand high and compressed yields.

5.22 The logistics boom has helped drive development as values have increased to make development more viable. But looking forwards it is a hot topic for debate to what extent this rapid rental growth will be able to meet the exceptionally high build costs of intensive formats – especially given that upper floor space tends not to appeal to logistics firms because the build costs of decking and upper floor servicing is so high. Also, complex, intensive schemes are obviously much more sensitive to build costs than traditional formats.

5.23 While the market remains strong it is the case that, looking forward, there are signs that the boom is be over. In 2022, occupier demand remained strong, albeit not at the racing levels of 2020/21. Developers are still committed to developing their 'pandemic pipeline', and the sites spurred on by that shock. But with increasing costs developers are more reluctant to progress new opportunities. So, while the planning system is still processing the boom the pre-planning pipeline is weakening.

5.24 'Concrete' examples of market weakening are always hard to find, but Amazon's public announcement, as part of a profit warning, that they had 'overextended and its aggressive expansion would slow', has had a knock-on effect on other industrial based investments funds and REITs. As a result, Amazon accounted for only 3% of overall take-up in the first quarter of 2022, and the company has very recently announced its cost cutting plans to close three warehouses, although none in London. Whilst of course this is just one occupier, it does suggest that some of the tension in the market seen over the last two years may be coming to a head.

5.25 A sightly unusual, but important feature of this local market is that in the pandemic a large amount of take-up was driven by emerging markets, and particularly on-demand delivery services (Getir, GoPuff, Gorillas etc). These joined the growing 'dark kitchen' trend. Their growth is less obvious than the e-retailers large format units, but they drove their own property bubble for smaller units in the pandemic. These firms operate business models centred around fast delivery of convenience grocery and household items to the home (some in 15/20 minutes from order) operating from a network of small units. In the recent past these newcomers to the market have been driving high headline rents and increased take-up. But this short-term demand also needs treating with care – many of these firms are in their growth phase, funded by debt, and with each firm effectively looking to grow their market and become established in the long term. They do not reflect the normal market and are, arguably, not yet sustainable business models. The market will consolidate over time. It is also important to note that smaller, just in time, delivery operators can (and do) take former traditional retail space. So, there is an alternative supply of space that any new build stock needs to compete with for this market.

5.26 In summary – the market has moved on since Aecom reported. But, for the next Enfield Plan, there remains strong demand for Enfield stock of land. The 'boom' in logistics and last mile delivery may be over but baseline demand for the stock remains strong. As other Boroughs have released sites – often through regeneration / renewal / opportunity areas this has only strengthened demand for the remaining reserve of protected industrial land in Enfield.

Enfield Industrial Market

5.27 In the sub-section above we have provided an overview of the industrial market generally. Below, we have provided an update of some of the figures set out in the 2018 Aecom report, and some general commentary on Enfield as an industrial market. The source of our data is the Estate Gazette's Radius Data Exchange, as with CoStar, this data cannot be taken as 100% accurate, but does provide a useful indicator of the market and market trends, we have manually double-checked any data used to ensure best accuracy.

a. Stock and distribution by size of units

5.28 We have reviewed the 'Non-Domestic Rating: Floorspace Tables 2023' official statistics produced by the VOA. This document sets out the stock of industrial floorspace at borough level. The supply level in 2017[8] (when the 2018 Aecom data was collected) for Enfield was 1,222,000 sqm, by 2021 the stock had fallen to 1,163,000 sqm, but then recovers strongly to stand at 1,225,000 sqm in 2023 (VOA latest data). Whereas since 2016/17 most other outer London boroughs have lost substantial amounts of floorspace. Over the longer term Enfield's industrial stock has fallen by only 12% since 2000/01, a similar rate of loss to the outer London boroughs, and only half the rate of Inner London boroughs. In many cases, such as in the Eley's Estate the 'loss' will have been redevelopment of old factory sites into distribution warehouses where a greater yard area is required, reducing the internal floorspace logged on the database. For example, Progress Way, Enfield (21/00869/FUL) where the developer has proposed the replacement of an assortment of outdated workshops with a modern scheme likely to be attractive to logistics occupiers. So, it does not necessarily follow that land has been lost at the same rate. Our analysis highlights that market demand is often to provide less built floorspace while prioritising circulation and yardage. This means that what build space is provided can be used more efficiently. This is at odds with the GLAs preferred approach to measure industrial efficiently only by measuring built floorspace.

D. Premises and occupiers

5.29 Having analysed Enfield Industrial stock availability, as shown in Table 5.1 below, the quantity of units and floorspace currently available has increased since the findings of the Aecom report were published. Unit availability less than 250 square meters has increased in the period between 2022 and 2023 although there are only 6 units available. The group of between 2,000 and 10,000 square meters have seen a significant increase of 79% from 2022 / 2023. Comparing 2022 with 2023, the available unit count is up 125%. This increase in availability is a product of the market transitioning from a phase of growth and buoyancy (where occupiers were rapidly securing additional industrial warehousing space due to the COVID-19 pandemic and the particular market forces at that time), to a slower growth market with occupiers being squeezed by the wider economic climate and a number of other headwinds including (but not limited to); higher rents, higher business rates, significant utility costs, higher staffing costs, and this coupled with an inflationary climate with rapidly rising interest rates has created a great deal of uncertainty in the industrial market. During the boom period landlords were creating void, investing in their property (refurbishment / redevelopment) and capitalising on rapidly rising rents whilst the cost of capital remained cheap. Given good demand and reduced supply many property owners redeveloped existing older generation stock as well as brownfield sites. This creates a time lag for new sites to go through the design, planning and construction phases and therefore this new spaces is now available in the market. As take-up has slowed in the market, there has been a cumulative impact on the availability which includes general market churn, newly refurbished units and brand new developments, with more in the planning system or now consented (such as Heritage House and Progress Way). A knock-on effect of easing demand and healthier supply levels is that void is higher

[8] VOA floorspace data year ending 31st March.

currently. Whilst this is the case now, the expectation is this market imbalance will return over the policy period when the market and wider economic issues have recalibrated.

5.30 Whilst there are now 6 available units of varying quality available, the provision of smaller units in the Borough is low, as noted above, this is common because small unit stock has been lost and not replaced, and the main development industry focuses on delivering larger units when site/property is redeveloped. Our findings are set out in the table below:

Table 5.1 LB Enfield Industrial stock availability by unit size, 2023

Unit Size (sqm)	Units	Floorspace (sqm)
Under 250	4	780
250 to 500	6	1972
500 to 1,000	11	7,932
1,000 to 2,000	7	9,560
2,000 to 10,000	17	76,971
Over 10,000	0	0
Total	45	97,215

Source: Radius August 2023

5.31 Obviously – while we highlight a slight change in the number of vacant units is very small and firms looking for new space in the Borough are limited to only a few properties. There is no suggestion from these limited numbers that there is a surplus of space and evidence to the counter.

E. Rental values

5.32 As referred to earlier, the 2018 ELR found the rental values in Enfield (at 2016) were the third highest in the FEMA at £102 per sqm (£9.48 per sq ft).and had grown £30 psm or 40% since 2009, the largest absolute and proportional increase in the FEMA.

5.33 Thus, when Aecom reported in 2018 on industrial rents the outlook was Enfield was attracting relatively high rents. In an expanded section below titled ‘Enfield Rent Profiles’ we set out our detailed view of current rental values across the range of industrial property. However, the very recently published GLA London Industrial Land Supply Study provides an overall estimate of industrial rents at 2021[9] and also a ten year average and for LB Enfield the ten year average was £10 per sq ft and 2021 rents were averaging £13.60/sq ft. These rates are shown to be broadly comparable with the East London outer boroughs, but lower than boroughs in the other outer London sub-regions and substantially lower than Inner London boroughs. While Enfield is strong industrial market it is does not attract a significant local premium on rents (compared to other Boroughs). For Enfield’s future plan the lack of an Enfield ‘premium’ may continue to be a challenge if promoting very expensive (to delivery) intensive industrial formats where build costs cannot be supported by prevailing rents. This is a topic we return to when considering intensification formats in more detail.

[9] Figure 0.22 Headline rental values 2021 vs 10-year average, GLA, London Industrial Land Supply Study 2020 – Executive Summary

F. Availability, vacancy and net absorption

5.34 We have undertaken research into availability levels, the source of our data is Radius Data Exchange, we have manually cross-checked the properties listed with the agent's website and removed any which are no longer available or marked as under offer. In reality some available properties will not be listed here and some of these deals will fall through, the figures quoted are intended to act as a broad indicator of supply rather than a precise data set. Our research concluded that there is approximately 97,215 sqm of industrial floorspace currently on the market, this equates to an availability rate of 8.1% based on the same Total Floorspace Table data from 2022 produced by the VOA. The GLA's London Industrial Land Supply Study [10] identifies a 4.5% vacancy rate, which is significantly lower than the current availability, and shows that this is a little below LB Enfield's ten-year average of 4.9% vacancy. These rates are broadly average for Outer London boroughs, and notably higher than the Inner London boroughs where vacancy rates are generally extremely low. Although market availability is currently better than 2022 and previous years, it is likely the current supply will be significantly reduced when the market has rebalanced following the COVID-19 related boom.

5.35 As previously mentioned, unit availability less than 250 square meters and between 2,000 and 10,000 square meters have seen the most significant increases. The increase in availability of units less than 250 square meters can be attributed to general churn in the market, with vacancy increasing as a result of businesses reviewing space requirements (growing or contracting), moving further afield to seek cheaper accommodation and an increase in businesses struggling as a result of the wider economic climate coupled with recent increased occupier costs including rental and business rates growth.

5.36 Having moved on from a very buoyant market the availability rate in units between 2,000 and 10,000 square meters has increased. As set out above, during a buoyant market, landlords often create void to invest in their assets and capitalise on the rental growth to show a healthy return on the capital expenditure, especially given the rental growth the industrial market has seen in period from 2019. Having now entered a phase where the market is in a state of flux (for the reasons set out within 5.28 above), this has resulted in an imbalance of supply in demand (comparatively to more recent times) as supply in the market is increasing with demand softening currently, thus invariably experiencing higher void rates. Another factor is those units that are on the market on an assignment basis due to tenants off-loading surplus space or indeed protecting their bottom line.

5.37 Enfield Industrial stock take up has decreased, as shown in tables 5.2 and 5.3 below. Between August 2021 and August 2022 take-up was 92,008 sqm. Comparatively, for the same time period between August 2022 and August 2023 the take-up was substantially less at 11,566 sqm equating to a year-on-year decrease of 87%. This significant reduction in take-up is comparable with the general trend throughout the market and is what we would expect to see currently. Holistically, take-up has been low across the sector for a range of reasons, firstly the economic issues the UK is currently facing with high levels of inflation, cost of living crisis and interest rates resulting in

[10] Figure 0.19 Floorspace vacancy rate 2021 vs 10-year average by borough

higher occupation costs, coupled with over expansion during the bullish market on the back of COVID-19 has resulted in slow take-up of logistics and industrial property as the uncertainty continues to bite .

Table 5.2 LB Enfield Industrial stock take up by unit size between 01/08/2021-01/08/2022

Source: Radius August 2022

Unit Size (sqm)	Units	Floorspace (sqm)
Under 250	3	566
250 to 500	12	4,870
500 to 1,000	5	3,023
1,000 to 2,000	1	1,291
2,000 to 10,000	2	5,980
Over 10,000	4	76,278
Total	27	92,008

Table 5.3 LB Enfield Industrial stock take up by unit size between 01/08/2022-01/08/2023

Source: Radius August 2023

Unit Size (sqm)	Units	Floorspace (sqm)
Under 250	1	170
250 to 500	0	0
500 to 1,000	3	2,337
1,000 to 2,000	1	1,218
2,000 to 10,000	3	7,841
Over 10,000	0	0
Total	8	11,566

5.38 Research from LSH Industrial and Logistics Market Report 2023 and Colliers Industrial and Logistics Market Pulse 2023 both identified and discuss the previous trends in supply and take-up from 2022 leading into the start of 2023. They found take-up in Greater London in 2022 stood at 2.2m sq ft, this was down 26% on that recorded in 2021. It was also found that the supply in Greater London increased by 37% year on year during 2022 to stand at 4.8m sq ft, being the largest figure since 2013. This large increase in supply of floorspace is largely responsible for the increase in void rate currently being experienced. This increase in supply is subsequently a product of the strong performance of the sector experienced in 2020 and 2021.

5.39 Research from the Savills UK Industrial and Logistics market outlook – July 2023 concluded that the take-up in the first half of 2023 was at its lowest level since 2013. However, the number of requirements for units greater than 500,000 sq ft are on the rise. Savills partly attributes this to increased demand from manufacturing occupiers who are looking to reduce risk in their supply chains.

5.40 Research conducted by Cushman & Wakefield in the Q2 UK Logistics and Industrial Outlook established that the availability in London and the Southeast continued to increase in Q2 of 2023 for the second consecutive quarter. This availability is split evenly between newly constructed/ under construction and existing stock.

5.41 More recently the number of assignments on the market has significantly increased, as a result of occupiers reassessing their space requirements. The increase in occupiers disposing of their leasehold interests is supported by research from BNP Paribas in their Q1 2023 Industrial & Logistics Insider which found the supply of existing units has increased to circa 30,000,000 sq ft, of which is supported by circa 4,000,000 sq ft which is available via sublease.

5.42 In summary – the evidence still confirms a robust industrial market in Enfield with only limited, frictional, levels of vacancy. So not only are there few units for occupiers to choose from there is also limited scope for firms to increase their floorspace with little space currently vacant. The market has weakened in the last few months and availability risen but, at the point, we consider this a response to short term, post covid (post 'boom') adjustments in the market and a return to the historic pattern of very low availability / vacancy. However, this short term increase in availability may weaken developers appetite for expensive to deliver formats because there is now a little uncertainty over short term market signals.

Enfield Office Market

5.43 The industrial market has the been the main focus of this report given its size compared to the Enfield office market. In respect of the overall office market, it is noteworthy that the London Office Policy Review (LOPR 2017) observed *"Enfield is a small and insignificant office market and we do not expect this to materially change."*[11] This was in fact the only borough office market referred to in these terms. Here we briefly update the review the office market, comparing and updating the 2018 Aecom report.

A. **Stock and distribution of size of units**

5.44 According to the VOA Non-Domestic Floorspace tables the 2023 office market comprises 112,000 sqm of floorspace – a fall of one third from the 167,000 sqm (2017 figure) reported in the 2018 AECOM report. This is a product of the contracting market in the Borough, but also the effect of permitted development rights.

B. **Premises and occupiers**

5.45 The majority of Enfield is dominated by smaller units with over half being under 250 sqm in size. This is typical of outer London locations where generally local businesses occupy the office space.

C. **Rental Values**

5.46 The Aecom research found that in 2016 Enfield had the fourth highest office rents in the FEMA at £182 per sqm (£16.91 per sq ft).

5.47 Office rents in Enfield remained stable between 2009 and 2016, and continued steady until a large Covid related dip and rapid recovery in 2020, reaching over £18/sq ft in 2021. However, there are relatively few transactions and the rents al data is therefore quite volatile, and our opinion is rents have remained around the level they were in 2016. .

D. **Availability, vacancy and net absorption**

[11] Paragraph 6.2.45 LOPR 2017

5.48 As with our research into the industrial market, we have used Radius Data Exchange to analyse the level of availability currently in the office market. Our research concluded that there is approximately 29,107 sqm of floorspace available which represents an availability rate of 22.4%. This availability rate is contrary to the Aecom report recorded a low vacancy and availability rate and highlighted that this these statistics are low in the context of the FEMA. This implies that there is now a larger proportion of available office stock in the borough indicating a more challenging market with a higher void rate, which is of course is what the office market is experiencing in general terms.

5.49 It has been well reported that in general, the office market in London and nationally is shrinking as a result of the structural changes brought about by Covid-19 which forced many companies and individuals to embrace modern technology and cloud computing options. Many employers / occupiers have been surprised at the level of output achievable remotely and this coupled with a cultural shift in how employees seek a much healthier work/life balance has changed the market. It is estimated now that office returns have peaked, and levels of occupation are far below pre-pandemic levels, although there is an expectation some of the larger companies will start to push for a return to the office but it remains to be seen how this plays out in practice given the relatively tight labour market. Outer London locations, particularly smaller office units, may be less impacted as smaller firms do not have the same ‘work from home’ culture that larger corporates do, but never-the-less we do not anticipate growth in the Borough’s office market given the market dynamics.

5.50 Low availability will reflect the weak market, and as noted above, the trend to release stock via PDR. But does present an issue for the emerging plan because there is only limited flexibility to accommodate any growth in the absence of developer appetite to bring forward office schemes in locations such as Enfield. While we don’t expect the market to fully recover, over a plan period and over economic cycles we would hope some positivity may return. This low rate is a cause for concern, although we note it is not in the Borough’s plan-making remit to build new space – only to allocate the land and provide the policy framework. In this respect we note that Meridian Water (as well as the major, district and local centres) is identified in the emerging Plan as a location where in principle office development would be supported generating new jobs as part of a residential-led mixed use scheme.

5.51 The office market holistically is experiencing large amounts of availability and high void rates both nationally and throughout London. The largest catalyst for change in the office market was the COVID-19 Pandemic. At the start of the pandemic when the nation was in lockdown the vast majority of staff who previously worked in office accommodation transitioned to working remotely/from home. This necessity created conditions and habits that have become part of working practices in the market immediately following COVID-19. Remote working cultures (or at least a hybrid including some remote working) have so far remained, this has resulted in many leaseholders restructuring their floorspace requirements to be more efficient to benefit from the cost saving.

5.52 Post-pandemic, the office market is in unchartered territory. The effects of the pandemic coupled with the more recent economic difficulties the UK has been facing with high levels of inflation and increasing interest rates has resulted in prolonged soft take up. Research from Knight Frank in The London Office Market Report 2023 Q1 found that lettings transactions in Q1 totalled 1.94m sq ft, down 33% compared with the previous quarter and 36% below the quarterly long-term trend. However, this figure may have been low for reasons such as the strong take up at the end of 2022. The 12 month take up figure illustrates the long term take-up which stands at 10.76m sq ft, equating to 12% below the annual long term trend.

5.53 Although the take up has been consistently soft since the pandemic there has been a change in occupier demand towards the best-in-class units. The Knight Frank report found that take up of this new and refurbished space has been 6.65m sq ft exceeding the long-term average of 5.59m sq ft, in line with the pre-pandemic take up. The take up of new and refurbished space has accounted for 62% of total take up as opposed to the long-term average of 47.1%.

5.54 Looking at the office market in London going forward there are indications of more positive take-up. The JLL Q2 2023 Central London Office Market Report found that the total volume of space under offer reached 3.7 million sq ft at the end of June, making its highest level since Q4 2019. Of this space under offer 70% was for pre-let, newly built or refurbished space an increase from 66% in the same period 2022, further consolidating the point that occupier demand has shifted. This drive in demand and supply of newly built and refurbished space has resulted in an increased vacancy rate which ended the quarter at 9.4%, up from 8.9% the previous quarter and above the long term average 5.5%.

5.55 As a borough Enfield does not have an established office market when compared to Westminster, Camden, City of London etc. The Total Floorspace Table produced by the VOA calculates the total office floorspace in Enfield to be 130,000 sqm in March 2022. This total figure has seen steady decline from a near high in March 2010 of 182,000 sqm. Enfield’s total office floorspace as of March 2022 was in the bottom 25% of London Borough floorspace provision. This consistent decline in the provision of office floorspace in the borough is unlikely to change in the near future as a result of the area not having the specific amenities that an office occupier demands. This outlook is only likely to worsen in the near future with the current economic pressures, resulting in higher levels of vacancy across the market allowing prospective office occupiers to have a larger field of choice of offices in more superior locations with greater amenities such as transport links.

Enfield Industrial Rent Profiles

5.56 Above we have briefly noted rental levels but rents differ vastly within asset classes, location, size and specification are all factors that will impact rents.

5.57 While, Enfield may on average presents normal rents there are parts of the Enfield market that does attract a premium. As we set out below larger units, particularly those for logistics operators pay significantly more for their space than the Borough (and London) average. For Enfield this highlights that new development (re-development) is most likely to be driven by those premium logistics users who, in turn, can pay a premium rent of their space and location.

5.58 It is important to recognise that data anomalies can make online portal figures inaccurate, our research has been tested through discussions with agents. Below we have set out several industrial building types and we have commented on the likely average rent we would expect to see.. It is important to recognise that rents are a constantly moving target and therefore we can only support our estimates at the time of writing this report.

Figure 5.2 Modern Detached Distribution Warehouse c.100,000 plus square foot

Goodman - Innova Park

Tesco DC – Mollison Avenue

5.59 There is strong market for this type of building in the study area given the proximity to the M25 and other arterial routes plus access into centre London. Consequently, there are a number of these types of warehouses occupied by firms such as Tesco, Yodel, Iceland, Amazon, Marks and Spencer, Lidl and Waitrose. Three warehouses in this category have been converted to film studios, the former Sony distribution centre at Innova Park and the two OMA Studios at Enfield Lock and Mollison Avenue.

5.60 These buildings are generally of steel portal frame construction with steel profile cladding and yard areas suitable for HGV access, preferably with 360-degree circulation and cross docking capabilities. In terms of specification, these buildings have strong sustainability credentials, dock level loading doors, a minimum clear height of 10 meters and the ability to install bespoke racking as well as automated parcel and product sorting systems / facilities.

5.61 The rental market for these premises has been strong over the past 24 months, however more recently the market has experienced quite a lot of uncertainty given the ongoing economic and political issues in the wider economy. Clearly at a macro-level, rents are specific to the market at the time, the location within the Borough, lease terms being offered by the landlord, market competition and other value effecting factors. However, we are now seeing headline rents around £20.00 per sq ft for this property class.

Figure 5.3 Modern detached or terraced warehouse c.20,000 – 100,000 square foot

Urban 24 – Enfield Distribution Park

Unit 4 Delta Park Industrial Estate

5.62 This sector of the market in Enfield is occupied by a variety of operators. Parcel operators such as DHL, DPD and Evri (Hermes) use these units in outer areas of London and semi satellite hubs which operate away from central large distribution warehouses outside of London. There are also examples in Enfield of wholesale occupiers using these units as well as firms who require a distribution warehouse but not as large as those occupied by supermarket chains etc. This market had been strong with occupiers looking for larger buildings in order to improve their supply chain efficiency however it is currently in a state of flux. Another market sector that has begun to fill these warehouses are data centres, if power and connectivity is available.

5.63 In terms of desirable features, occupiers will be looking for access to the strategic road network, eaves heights of 8-10 meters, sufficient loading doors and a yard area suitable for loading and deliveries by HGV. Self-contained warehouses with their own yards will command a premium, however there is also a good market for large, terraced units.

5.64 We have included the images below of Unit 4, Martinbridge Trading Estate to show an example of an older generation second hand building which has been refurbished to a good standard. The building has been reskinned and improved internally which has improved its usability and desirability. These units have a lower eaves height (7.45 m) and less than ideal loading when compared to some newer units of this size but will still appeal to many occupiers and command a strong rent.

Figure 5.4 Older generation refurbished stock c.20,000 – 100,000 square foot

Martinbridge Trading Estate

Martinbridge Trading Estate

5.65 In terms of the rents that are achieved for these units, premiums will be paid for new built stock and premises that have been refurbished to a high standard, however occupiers will certainly be focused on factors surrounding location and loading capabilities/yard depths. We would expect to see rents in the range of £16.00 - £24.00 per square foot, subject to a unit's individual specification and precise location.

Figure 5.5 Modern Terraced Warehouse Unit less than c.20,000 square foot

Workstown – Montagu Road *Lincoln Road – Great Cambridge Estate*

5.66 There is a good market for these types of units in most areas of outer and inner London and mainly occupied by local businesses and often operated as a complete business unit, i.e. office, storage and distribution. Whilst there is demand for new space there is also a strong market for second hand / refurbished and older generation buildings as occupiers are willing to compromise on specification and condition in exchange for more cost-efficient rents. The lack of supply and availability of new units also has a bearing on the market for good quality second hand refurnished product. In many cases, older industrial units, with a similar basic structure, can be refurbished to compete with some new built space (both on a financial return basis and quality of product offered to the market), as illustrated by the images below of the refurbished units at Watermill Business Centre.

Figure 5.6 Older generation refurbished stock less than c.20,000 square foot

Great Cambridge Industrial Estate *Watermill Business Centre – Edison Road*

5.67 These types of units are generally on multi-let estates, constructed in terraces using steel portal framing and steel profile cladding. Specification and flexibility for differing occupiers is important in these smaller units as a wide variety of local businesses will be interested in the space. In terms of specific features modern and new units should incorporate minimum clear height of 8 meters, good environmental credentials, an electric roller or up and over shutter door and auxiliary office space. Parking and loading arrangements are also important, there should be an adequate number of car parking space and delivery access for HGV's and LGV's.

5.68 Enfield has many good examples of second-hand space that fits in this category, these units have not changed to a great extent since the early 1990s and therefore these properties can be recycled with a simple refurbishment. In reality and from an operational perspective, as long as the building has been refurbished and has a good eaves height, there is actually very little difference between the operation efficiency of new build and second-hand stock. Obviously there can be a larger difference when looking at EPC ratings, BREEAM standards and general ESG considerations which are becoming far more prevalent in the market. New build does come forward to replace the older generation of stock, and the Workstown scheme on Montagu Road is a very good example of a what the market can deliver.

5.69 The ability to refurbish and recycle this stock, cost efficiency, has been a barrier to redevelopment and intensification of stock in the past. The cost/benefit ratio of redeveloping to seek additional floorspace is not attractive. This is not a problem as the recycling of this type of stock serves the more price sensitive segment of the market looking for more inexpensive premises that would be priced out of the market if this type of stock was redeveloped.

5.70 Again, certain factors including location and strategic road network access will have an impact on rents achievable. Newer floorspace will command a rental premium, partially due to the better environmental credentials which are becoming more attractive with greater importance on ESG. Rents will be in the region of £18.00 - £27.00 per square foot depending on exact specification and location.

Older Generation Warehouse Units

5.71 LB Enfield has retained a large supply of secondary and tertiary industrial stock whereas many other boroughs have lost this floorspace to alternative use developments.

5.72 Older stock tends to reflect past business demands – most of the stock will have been built for manufacturing or storage. So, the built floorspace was important and plot ratios high.

5.73 There is a temptation to view older property as not being capable of meeting modern needs. But this is factually incorrect and misleading. Not all occupiers, especially local businesses, can afford new build property, nor do they need new build property. The range of occupiers is varied as is the profile of the stock. Many firms prefer to be on more cost-effective estates, where rents are lower and there are more lenient estate management protocols. It is important to provide for those businesses who are seen as less 'desirable', particularly vehicle uses (MOT, servicing and similar) and food manufacturers.

5.74 The market for these types of building is always very robust, the stock of industrial floorspace in London is finite and no one is building lower quality buildings which are let at lower rents and therefore stock levels in this area will not increase. This is reflected not only in rents, but also the investment market and competitivity to secure these units.

5.75 We have included over page some images of different types of secondary and tertiary buildings in LB Enfield, and comment on the rents which might be achieved in the market. We have included a rent per square foot which is the basis for the comparable method of valuation. It is important to recognise that not everyone focusses on rents quoted on a per sq ft basis, small businesses particularly (who generally occupy these premises) do not always look solely at rents in this way, they will look at their overall occupation holding costs including business rates, service/estate charges and often utilities on a monthly or quarterly basis, and assess from there whether they can afford the property.

5.76 A feature of this SME market is that many predominantly service homes and businesses in the Borough, and if they cannot find space in Enfield, they compete for space elsewhere in the FEMA. For businesses that find space elsewhere, but whose clients are in LB Enfield, this increases travel times as they return to the Borough to service their customers. Because many SMEs are owner run living in the Borough and serving clients predominantly in the Borough, if they are required to re-locate their commercial property elsewhere increasing commuting times, and this ultimately makes other areas more attractive to entrepreneurial residents and to both live and do business.

Figure 5.7 Older Generation Warehouse Units

Langhedge Lane Industrial Estate - 1,000 sq ft / c.£14.00 psf

New Park Industrial Estate – 17,990 sq ft / c.£8.00 psf

5.77 As with the other unit assessments above, the key factors of location and strategic road network access will have an impact on rents achievable, however generally we find the quality of stock in this category varies drastically. Access, parking, loading and height are generally compromised, and the general absence of estate management can lead to wider issues such as fly parking, fly tipping, theft and vandalism and anti-social behaviour. Average rents are between £10.00 - £15.00 per square foot.

5.78 For Enfield, and future planning policy, it is important to note the speed of rents between users and the fact that smaller, non-logistics firms, are established in the local market paying significantly less per square meter than could be achieved where the site scoped for a larger logistics use. Even at the more efficient end of the market occupiers still demand yardage and circulation space and space with compromised access or servicing will be let at even larger discount.

5.79 The spread of rents in the Borough highlights an ongoing policy conflict in that delivering intensified floorspace is significantly more expensive to deliver but many SME firms are used to paying for cost efficient space. Histrocially it has been larger logistics firms that have driven values upwards.

Open Storage Sites

5.80 Open storage sites remain a very important aspect of the industrial market landscape despite many of them having been redeveloped in recent years, primarily for non-business uses. As a result, few now remain, although LB Enfield has a comparatively large number compared to other boroughs.

5.81 Traditionally these sites have been used for the storage of plant, building materials, containers, bus depots and other vehicles (both public and private). More recently however and linked to the dramatic rise in e-commerce there has been increased demand for sites used for storage of vans relating to final mile delivery services. This has become especially important with the increasing push from Government to have more electric vehicles on the road, as somewhere is needed to charge those vehicles within a suitable drive/charge distance. Amazon, for example, operate an EV park on The Meridian Business Park. These sites are often earmarked for development, especially now for industrial intensification schemes, however their value to infrastructure must be recognised and appreciated.

5.82 More recently some private sector funds have been set up specifically to target and buy open storage opportunities in London and the Southeast as there is a general recognition that the limited availability of these sites where leases of 5-15 years can be offered are becoming increasingly rare and the limited supply with good demand could see the sector preform comparatively well over the next cycle.

5.83 Rents are notoriously variable because the market is so limited that if a site comes to market and a large occupier needs it for their operational requirements, they are likely be willing to pay above the existing market level. We are now seeing rents upwards of £5.00 per sq ft and rising for these types of sites.

5.84 While these sites attract low rents, and may be identified as an inefficient use of land, the stock of land is in demand and even at these low rents remains a viable ongoing use. With the open storage market paying c£5 psft any move to a more intensive use of their land is a considerable cost burden on the established open storage operators. While some uses can be co-located (with bus depots being incorporated into new building for example) other uses and particularly many core SIL uses (inc. waste) is harder to integrate and especially at such low rental levels.

The Viability of the Intensification of Industrial Property

5.85 In accordance with the London Plan Policy E7, when considering redeveloping the Borough's industrial areas, the Council must look at intensification, co-location and substitution. We focus on the first approach – intensification in this section, but first a word on the other two approaches.

5.86 Consolidation, which may be linked to co-location is a strategy that is unlikely to address the pressing need for net additional industrial floorspace, because while it delivers new floorspace it does not lead to net additional, and therefore intensification must always be the primary approach. However, we acknowledge there will be situations where co-location is preferable for sound plan-making reasons, such as a plan-led or master planned approach where the interface between residential and industry can be properly managed (through measures such as buffering), ensuring the unfettered operation of businesses in line with London Plan Policy.

5.87 For our work we note that co-location can replace lost economic floorspace – and deliver additional uses; but given the economic need for new employment space a co-located approach could remove the intensification potential of a site. Hence why we suggest intensification should be the first policy choice and co-location only where there is no reduction in floorspace and also no reduction in intensification potential.

5.88 Substitution is an approach linked to the FEMA and PMAs, and is 'last resort' because it moves economic need out of Enfield. But a critical issue with is the lack of any working partner who has surplus deliverable capacity to substitute. In essence, while the London Plan raises Substitution as a route to meet the capital strategic needs no partner has been identified. As a strategic issue for London no strategic partner has been identified by the GLA. At the local level Enfield has not been able to identify a partner with potential and has been approached by others looking for both housing and economic land.

5.89 With other potential strategies struggling to accommodate net additional economic need, either within or outside the Borough, intensification is the only way to increase the quantum of floorspace in the Borough without allocating new land.

5.90 But intensification is not an easy option. As we discuss below the main issue, as a route to meet economic needs, is that intensified formats are struggling to be deliverable. As a format they are struggling to move beyond pilot schemes or attract widespread commercial interest. In summary – there is theoretical intensification potential across the Borough, as identified through master planning and site analysis, but this capacity struggles to translate into built floorspace because the formats are unviable to deliver and the commercial product often compromised in some way. This limits the ability for developers to attract the level of premium rents that are needed to pay for the significantly more expensive build. At the margins of the industrial market – for workspace and light industrial uses – the market competes with office and (surplus) retail space with owners looking to rescope their former office product for new uses.

5.91 In the next part of this section we discuss these issues in more detail. It is important to note that our market led analysis is pessimistic regarding the ability of intensification to meet economic needs in the short term – but this is on the basis of strong market led feedback and an understanding of viability / deliverability.

5.92 It is fair to note that those closer to the delivery end of the market – where the focus is on viability and managing risk are generally exceptionally pessimistic because of the lack of market evidence regarding delivery and the prevailing market view that intensification unviable.

5.93 Feedback we have received throughout our work is that intensified formats will not meet economic needs in the short term – there is pressing demand for more space today that cannot be addressed via intensified formats.

5.94 However - over time this may change as occupiers revise their expectations, adjust their working models costs fall as new models become mainstream. The plan needs to balance the aspiration for intensified formats to become viable / deliverable / in within the plan period with a short term pressing need for more space today.

5.95 In preparing this evidence we have worked closely with GWM to moderate (hopefully) short term pessimism with a more optimistic plan led view where developers are under increasing pressure to make the most efficient use of land and their assets.

Delivery within Enfield – Local Evidence

5.96 Grant Mills Wood contributed to the 2021 Enfield Industrial Intensification Market Deliverability Study that was produced by Stantec on behalf of Enfield Council.

5.97 Their role was to provide evidence from a market perspective concerning the deliverability of intensified industrial floorspace from a practical and financial viability point of view.

5.98 In this section we briefly summarise and review our findings set out in the 2021 Stantec Report.

5.99 It is important to note that, in 2021, the GWM team applied costings estimated by the GLA in their strategic work – because, as a largely untested format(s), there was no robust suite of cost evidence. Using those costs GWM established that some intensification formats could be viable later in the plan period. But since then, in the last two years, build costs have increased. The GWM work sensitivity tested build costs (+/-20%) but the increase in costs have exceeded this envelope. Additionally, the cost of borrowing (debt market) has substantially increased over this year, starting from a very low base. Importantly rents have not yet caught up to match the rising costs of development.

5.100 The 2021 viability work has not been updated because there remains a lack of deliverability (and cost) evidence. But with increases in costs, and no parallel increase in rents, the conclusion (from 2021) that intensified formats continue to struggle in the current market remains.

5.101 Our view remains that, over the mid-longer term there will be a rebalancing of development viability because the market fundamentals and demand are likely to remain strong. The market will ultimately adjust because there is no suggestion that demand will dissipate. But how long it will take for values and build costs to align is unknown. Enfield has a portfolio of sites, especially in proximity to the North Circular, that are well located to attract interest from prime developers and occupiers. So Enfield is well placed to capture this format of demand as it emerges.

5.102 For the next Enfield plan the ongoing dilemma is how to address short and medium term economic needs that could readily be addressed through non intensified formats. And the extent to which the plan can rely on meeting economic needs by promoting formats that are not currently viable and not being promoted by landowners.

5.103 At the time of drafting the Borough does not accommodate a single 'intensified' format industrial property and while there are small number in planning (or with Planning Permission – at Heritage House) the scale of intensified floorspace is modest and falls significantly short of some of the multi-deck typologies.

5.104 In the next section we briefly discuss the scope for intensification by reference to a number of theoretical typologies. These typologies were developed by AECOM/Avison Young as part of an assessment of the Boroughs industrial capacity in 2020. But that work did not assess the viability or deliverability of these schemes. Nor did the consultants engage with the relevant landowners to confirm whether this capacity was deliverable.

5.105 We have summarised the typologies tested below.

Typology A (Stacked light industrial units with cargo lifts)

5.106 The type of space this format delivers does not address current market demand for industrial space here, and the market would struggle to make the case for a viable to deliver scheme.

5.107 This is mainly because the strongest, and most viable sources of market demand here come from larger logistics firms who will not consider lift access. For smaller users the compromised access increases operational costs and results in a lack of flexibility which limits market interest to a small section of the traditional industrial market.

5.108 Even were this format deliverable the scale of demand in Enfield would mean that it would remain a niche product and not a robust route to meet Enfield's needs. We concluded that the format was unviable to deliver and would struggle to become viable in the plan period.

5.109 We note however that this format could be delivered alongside housing as part of mixed and balanced communities. Unlike the Borough's heavier products, a very light format is much more compatible with residential uses. Given the weak office market there may be scope to positively promote this style of format on town centre mixed use sites where alternative industrial formats, such as single storey low plot ratio sheds, are not ideally suited.

Typology B (Ground dependent small stackable units with ramp/yards)

Figure 5.8 Typology B

5.110 This typology was not found to be viable given that the rents for the type of space were too low to offset the high build costs. Also, the ramps reduce the lettable space on the site in comparison to a simple ground floor only scheme significantly reducing the incentive to promote this format.

5.111 In our last report we noted that there were a very limited number of examples of this format in London, but that they had not been commercially successful as industrial property. There was scope for 'lessons learnt' – for example to provide better loading arrangements to make the format attractive to logistics firms – but these have cost implications and increase the cost of space.

5.112 An added issue with this format was that it delivers only limited net additional floorspace. While two floors (and so intensified) the decking and ramps reduce the lettable floorspace. The AECOM report measured intensified space from a 65% benchmark – only counting floor space above 6,500 sqm per hectare as intensified floorspace, and a two-floor scheme struggles to exceed 65%.

5.113 So, in summary the typology is currently undesirable mainly because the cost/benefit of the expensive to deliver scheme is not offset by an increase in lettable floorspace when compared to a business-as-usual scenario.

5.114 In a tight industrial market where values rebalance over the plan period this cost/benefit may shift, and occupiers moderate their expectations. But the fact that it is a weak intensification typology, which delivers very little additional floorspace, but at significant cost, it is not a typology we suggest can be relied on in the short term to meet economic needs.

Typology C (Small stackable units attached to a ground depended large industrial building)

5.115 The template for this scheme was a highly innovate element of the Former Media Centre at the Olympic Park and could not be viability tested. But setting that aside the format of space does not meet Enfield's demand today nor where we see the strongest growth in demand. This does not mean that future approaches for similar formats should be resisted but such a light format is not substitute for industrial format.

Typology D (Large and medium ground dependable units with smaller light industry units stacked on top served by cargo lifts)

Figure 5.9 Typology D

5.116 As originally presented the format was unviable. But we found that it was the inclusion of expensive to deliver, but weak demand upper units (cargo lifts) that was driving viability downwards. But conversely, the floor loadings needed to be stronger to meet Enfield's logistics demand.

5.117 So, the typology was re-tested without the very light units on top but a stronger floor. This showed that it was possible for an amended format to become viable at some point given the strong market in Enfield for larger units.

Typology E (Group of large units with ground dependable and stackable units, each floor has operation yard and HGV access via ramps)

5.118 We advised that this typology would become viable over the plan period given Enfield's strong logistics market. We did however advise that rents would need to rise (which is likely in a constrained market) and build costs would need to fall.

5.119 Since that report build costs have increased much faster than rents and this has pushed any viability 'window' further out. But, as with our last report, the demand for the space – which is (in Enfield) driven largely by logistics – is unlikely to dissipate.

5.120 Because of the rapid increase in build costs we cannot demonstrate that this is a viable and deliverable format today. However, it would appear to meet market demand for logistics and delivers a significant increase in floorspace – much more that some formats that struggle to exceed 60% plot ratios because they are only single deck.

Figure 5.10 Typology E

5.121 We are aware that technical issues, related to air quality and noise, have been identified by developers testing these formats (related to vehicles moving up internal ramps). And that some possible templates / international examples have been suggested without considering that UK vehicles are sometimes larger than those used overseas. So, when tested, are 'false friends'. The bulk and massing of these formats make them challenging to deliver along existing housing.

5.122 Because this format should appeal to core logistics firms, who may be best able to absorb higher costs, it is a sensible format to consider in the Enfield context.

5.123 The Aecom work highlights potential for E format floorspace at Merdian Water.

Typology F (Group of small to medium units serving both ground dependent stackable uses, all with yards and potential unit integration)

5.124 As with D we found this type of scheme to be unviable, with the very light space being detrimental to the overall viability

5.125 Adjusting the scheme to remove the very light space means that there is the prospect of the format being viable in the plan period. One reason we are less optimistic about format F compared to E type is that the type of occupiers that we see could take this smaller, flexible format space would be more likely to be local firms who may be more price sensitive, especially if they are not engaged in the growing logistics sector. As with logistics the market has to adapt to a shortage of land, and firms will need to manage their expectations over time. But because of the type of tenant likely, we think this may take longer.

So, what is viable and deliverable?

5.126 There is no wealth of evidence to demonstrate that intensified formats are viable and deliverable today. In any consultation, including the event that the Borough facilitated, with stakeholders in August 2023, developers and their agents will not commit to a timeline when they consider the Borough could rely on the delivery of intensified space.

5.127 This is for understandable reasons given most have considered, but rejected, intensified formats on grounds of viability on behalf of clients. The GWM/Stantec findings were not a surprise.

5.128 However, there is a recognition that intensified formats are sensible and are an efficient use of land. Especially if schemes are not further burdened by complex mixes/designs. Very simply, as intensification goes upwards, costs increase throughout the scheme. If low value space is added on top this contributes little to a schemes lettable space but adds to the cost base – detrimental to the whole scheme.

5.129 As regards timing, there is an element of a 'watching brief' with stakeholders all waiting to see how the pilot projects progress. Here we have one site with planning permission for an intensive format (Heritage House) but it is not yet built and future rounds of intensified schemes are not yet in planning.

5.130 While there is no evidence very intensive formats are viable today, the drivers of the Enfield market - especially its accessibility and a London wide undersupply - is likely to drive values and viability upwards through the plan period. With development starting to emerge an intensification led strategy is much more realistic but the key message from stakeholders was that the Council needs to be pragmatic as regards when.

5.131 We have sought views for many agents, developers and stakeholders, as to when values may improve to tip intensive formats into being the default. But no professional is able or willing to speculate. As noted above in 2021 Grant Mills Wood were more optimistic but the rapid increase in material costs cast new doubt of this in 2023.

5.132 There is a consensus that the market is moving towards intensified formats and it is realistic to assume further intensified schemes – in addition to Heritage House over the plan period. But the LPA needs to be realistic as regarding timing and not view intensified formats as a universal panacea to London's supply problems.

Summary and Conclusions

5.133 The industrial market in LB Enfield is warehouse and logistics focused with the majority of the floorspace in medium to large units (>2,000 sqm). Rents in Enfield, and indeed London, have increased substantially over the last two years. Rents vary considerably depending on quality of building, specification, location, road access and loading arrangements.

5.134 The industrial market remained robust and grew throughout the pandemic, with the lockdowns accelerating structural changes with online shopping increasing demand for industrial and logistics space, although current economic uncertainties are impacting market sentiment.

5.135 Build costs have continued to increase and this coupled with the increased cost of capital and uncertainty in the industrial warehouse market is making development increasing more challenging, increasing the risk to a developer and viability is significantly impacted. But we conclude that the market remains strong and vibrant for industrial (mainly logistics) firms with sufficient value in the market to continue market led redevelopment and renewal.

5.136 The established Enfield formats do not reflect the GLAs push for intensified industrial uses – measured by increasing the quantum of floorspace per hectare of land. The Boroughs theoretical intensification potential had been assessed by AECOM and Avison Young - but importantly they stopped short of confirming their suggestions were deliverable. Our previous intensification work suggested that one of the original AECOM/AY formats (E) could become viable over the plan period – because this was designed to accommodate the commercially strongest type of occupier who already pay premium rents for property. Enfield is a logistics borough and logistics operators already pay a premium for space in the Borough. However, values were not a point where this was viable today given the very high increase in build costs. Intensified logistics has yet to move beyond the pilot stages to become the default product.

5.137 Other formats were all hampered by the theoretical inclusion of intensified floorspace that appeals to those users least able to pay for the significantly higher build cost to provide this space. Agents note that upper floorspace, even with goods lifts, is a significant hindrance to many operators who, in a logistics borough, rely on the efficient flow of goods through their property.

5.138 While we recognised plan period viability in our previous work, since then build costs have exceeded our sensitivity testing while rents have not followed pace. This is a national issue, but particularly problematic for London and the London Plan's reliance on intensive development with higher build costs.

5.139 For this work, and the development plan, this fact increases the risk of any strategy where intensification is the route to meet growing economic need. However, this does not undermine the need for the plan to maximise its potential and opportunity to intensify sites.

5.140 In summary, the London Plan intensification policy approach has become more riskier in the short term (since 2021), as material costs increased and the logistics boom passes. But the longer term market drivers – partially Enfield's location and accessibility will not dispute.

5.141 If the London Plan policy thrust to meet industrial need via intensification is to work in any Borough it should in Enfield. Enfield is a core London industrial and logistics boroughs, with some of the largest SIL sites in London. What makes Enfield a successful, in demand Borough, is not likely to dissipate over time.

6 Affordable workspace

6.1 In this section we briefly look at the need for 'affordable workspace'. As we set out below affordable workspace is a new *product* that flows from Policy E3 of the London Plan. This policy seeks a share of new (economic) floorspace to be offered at below market rents.

6.2 There is a huge degree of conjecture as to how policy could work. This is because the range of potential occupiers, as set out in London Plan Policy E3 is so broad.

6.3 In summary, the policy promotes a supply of new space at below market rents, for a specific social, cultural OR economic development purpose. But while the London Plan notes that affordable workspace should be available for specific sectors in reality this is a very wide definition, because most new economic space will have an economic development purpose. Also, although not in policy, the supporting text (6.3.7) states that *"Mayor will encourage the delivery of new workspace for SMEs, the creative industries, artists and the fashion industry".* Almost all firms meet the UK Government's definition of an SME firm. A more pragmatic interpretation of the policy suggests that the intention is to support small micro firms who struggle to access commercial space on cost grounds, or through providing a type of 'subsidy' to charitable type activities.

6.4 Setting the vague criterion aside, to help provide some direction for the Borough, there are two main themes permeating the London Plan's Affordable Workspace policy.

- Firstly, a policy desire to support London's creative industries. This is a feature throughout the London Plan and its economic policies more generally. As regards affordable workspace the creative sectors are the only economic sectors specifically mentioned in E3(A) reflecting their importance to the London economy and also the sector's expected growth potential. Data from the GLA shows that one in six of London jobs are related to the creative sector.
- Secondly, a desire to support those who struggle to access commercial space on cost grounds. The affordable workspace policy seeks space below market value, to 'support' such activities which can be in any sector, although it is clearly the policy intention that any activity has some form of social benefit.

6.5 Regarding the first theme – providing affordable workspace to support the creative sector – Enfield is not a major location for the creative sector(s). Data from the ONS shows that there are 125,000 creative firms in London[12], but also that only 2,500 of these are located in Enfield[13]. Of Enfield's stock of firms (Business Units) only around 15% are creative firms (2,500 from a stock of 16,000 firms).

6.6 This does not mean the sector is not important to the Borough nor that the Borough should not use every power available to it to support the sector. But in an Enfield context the sector is not as significant as may be the case elsewhere. A number of boroughs already have specific policies to support the creative industries – including Creative Enterprise Zones. In this Borough context any specific policy intervention to

[12] Source: ONS Census 2021 Creative Industries by Region, 2022

[13]

support the creative sector needs to consider how an Enfield strategy could compliment as opposed to compete with these formally designated priority areas.

6.7 For Enfield the second theme – that there are groups of firms, especially smaller firms who struggle to access commercial space, is an issue for all small firms in Enfield, and particularly those who require some form of industrial property. This reflects the wider imbalance in the industrial land supply – and the challenge for smaller firms to compete for the limited stock of space.

6.8 Pressure is so acute for industrial type firms because they cannot readily access office formats – including where larger offices are sub-dived to smaller units as the market seeks new tenants as large unit demand has struggled post-Covid. As regards new floorspace supply, elsewhere in London where sites have been redeveloped, developers have tended to promote 'flexible' floorspace which does not always meet the needs of former tenants[14].

How can Enfield respond to the London Plan?

6.9 With such a wide degree of discretion in the London Plan, the Borough has similar discretion to scope an affordable workspace policy to best meet the needs of Enfield.

6.10 All the Borough evidence would suggest that the greatest gap in the market is for smaller industrial format property. Market-led regeneration is renewing the larger portfolio of industrial space – albeit not necessarily using an intensified format because this is not yet 'mainstream viable', and is still in the pilot stage. The office market is actively seeking new occupiers and anyone that can be accommodated in an office format has a choice of space - as have developers/providers of flexible office format space who can subdivide property. But there is no small unit industrial format supply.

6.11 The lack of supply largely reflects developer's preference – many seeking fewer, larger units and a 'blue chip' pre-let. This model is less risky than an alternative small unit scheme. Also, as we demonstrated when testing intensification formats, the inclusion of small units can be detrimental to the scheme's viability and useability. In theory small units can be stacked on top of larger – but what is less obvious is that the cost of doing so, in terms of structural work, permeates through the building with additional (and more extensive) support columns etc. Small firms, including micro and small business that Policy E3 of the London Plan seeks to support, are the least able to afford this significantly higher build costs. Developers are reluctant to offer ground floor small units because this is where they can attract the highest premium.

6.12 There is a clear gap in the commercial market offer. As regards sectors the London Plan stresses the importance of the creative sectors. But in the Enfield context there is a case to support small industrial and manufacturing firms without the explicit need for a specific creative sector link. Requiring a specific link to any one group of potential small unit occupiers can only be at the expense of firms undertaking the same economic activity, but for a different end user/client. There is a need to balance the need to support the growing London creative economy but, also support local

[14] In many cases there will not be a sitting tenant at the time of a planning application.

residents' ability to secure small start-up space in the Borough regardless of their links to the creative economy.

6.13 What this suggest is that a possible Enfield Affordable Workspace policy could be orientated to further support the 'creative sector', but on closer examination it would appear that this could be further refined (expanded) to support small scale industrial (manufacturing) firms. This would include those connected with the creative sector, but would not exclude those local Enfield firms who undertake similar activity, using similar property but whose end customers are not specific to the creative sector.

6.14 We have considered whether an Enfield sector specific definition should be extended to logistics in addition to manufacturing and engineering sectors. The logistics sector is vital to London and important in this Borough. However, as an explicit candidate for affordable workspace there is less scope for innovation and value-added activity compared to an industrial use.

What should these units look like?

6.15 It is impossible for the development plan to micromanage the delivery of employment floorspace and this applies also to affordable space.

6.16 This is because the range of affordable products is so broad. Detailed evidence for the West London Alliance group of Councils[15] identified 10 different possible formats of 'affordable workspace' ranging from 'large industrial units' through 'enterprise parks' to a 'co-working' kitchen as well as high street refurbishment option. Across all these 10 potential formats the only unifying feature is that they are expected to be offered at below market rents.

6.17 Recognising this challenge, a common approach elsewhere is for policy to encourage developers to work with a list of approved workspace providers. Workspace providers help design and ultimately manage any forthcoming space. This is a pragmatic solution given that the range of possible affordable products is so large.

6.18 Some boroughs maintain a list of 'approved' workspace providers. However, in practice this can only be an open, as opposed to closed list. So, while helpful it is not necessary for each borough to maintain such a list.

6.19 In summary – the unifying feature of all the typologies is simply that they are affordable / discounted products that deliver smaller units. Seeking development partners to shape the solution to a specific site should ensure that space is reflective of its micro-market and best meet the needs of small firms in the Borough at the time of any development proposal.

6.20 But knowing that small scale industrial style stock is in demand, the market struggles to deliver, and there is a large overlap between small industrial / engineering activity and the non-office based creative sectors there is merit in policy signposting possible providers to deliver an industrial style – as opposed to office style product.

6.21 By 'industrial style' we recognise that the intention of policy is always to deliver flexible workspace type products that can mix with other uses – including housing.

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15 https://www.barnet.gov.uk/sites/default/files/CD%207.22%20West%20London%20Alliance%20Affordable%20Workspace%20Study%202021.pdf

But even within a loose definition of 'flexible' the absence of key industrial characteristics will limit the range of end uses/activity.

6.22 As a broad guide we would encourage the provision of property which has:

a) **dedicated light vehicle parking;**

b) **space for pallet loading / unloading – including access into and through property to individual units;**

c) **dedicated commercial refuse;**

d) **scope for 3 phase power where practical;**

e) **scope for ventilation and extraction for light industrial activity;**

f) **ground floor loading appropriate to allow small-scale pallet and forklift operations in larger units (5kPa);**

g) **light industrial floor/ceiling heights – ideally (ground floor) high enough to facilitate mezzanine floors if required; and**

h) **goods lifts to ensure ongoing flexibility to any upper floor.**

6.23 Workspace facilitates networking, but also provides access to shared services and facilities that are important components of some workspace schemes – allowing multiple small firms to share expensive equipment. Such communal space does not define affordable workspace per se, but should be encouraged where the workspace provider considers it important for their target end user.

6.24 Planning should ensure that units are capable of being let and that the cost of fitting out space is not passed to the tenants. The appropriate level of fit out should be agreed with the relevant provider, but we would expect Category A – i.e. the basic finishing of the interior space.

6.25 Ideally any unit should be capable of operating 24 hours without restriction and this should always be the aim. But the type of firm we expect to accommodate the affordable stock is less likely to require 24 hour operation and could still operate within reasonable restrictions to protect residential amenity. Just because a building / unit has industrial characteristics does not mean that it cannot be accommodated in a dense borough and in close proximity to other uses.

6.26 There will be sites and circumstances where an office format may be appropriate – most obviously on smaller sites where it is not practical to provide industrial access or servicing on the ground floor and goods lifts cannot be used to efficiently access upper floors. But the delivery of traditional office space (former B1a) should be discouraged where there is scope for a more industrial format.

Quantum and discounts

6.27 As noted above; the unifying feature of 'affordable workspace' is not found in the physical building nor the end user given the wide-ranging definition in the London Plan. But rather the fact that it is let at below market rents. So, it is available to those who may struggle to access commercial space and cannot cooperate for the limited space that may come on to the commercial market.

6.28 Because of this it is impossible to quantify demand – a product let below market rent is attractive to any and all firms and as noted, the GLA definition of affordable workspace, based on SMEs would include 99% of all UK firms, so it is not exclusive.

6.29 But pragmatically, in terms of quantum almost all affordable workspace is delivered / secured via planning agreements with policy seeking a share of commercial floorspace to be delivered as affordable.

6.30 Related to this; the depth of any discount is also related to the quantitative 'ask' and ultimately what a scheme can viability afford to offer. The deeper the discount the less quantum any development proposal can support.

6.31 There is no consistency between other borough plans as regards the scale of 'ask', nor the depth of the discount. The recent Southwark Plan seeks affordable workspace in schemes delivering (net additional) 500 sqm, Barking and Dagenham 1,000 sqm and Brent for major schemes greater than 3,000 sqm. Few plans specify the share but where they do a minimum of 10% is most common but some, for example Hackney, can seek up to 60% in specific locations (Shoreditch).

6.32 The length of any discount period also varies for example Havering seeking 5 years and Brent 'in perpetuity'.

6.33 Although every scheme needs to be tested on its merits, to assist with development management and provide developers with an indication as to where they need to actively consider affordable workspace it may be helpful to identify some minimum criteria.

Minimum thresholds

6.34 Firstly – to avoid the need to scope, evidence and manage de-minimis quantums of floorspace the Borough should seek affordable workspace where more than 1,000 sqm of net additional economic floorspace, with a starting expectation / aspiration for 10% of floorspace to be affordable.

Net or gross

6.35 This should be expressed as a requirement related to net additional floorspace as opposed to gross. Were this expressed as gross even like for like redevelopments, for example to redevelop older units for higher EPC standards, would trigger need to offer affordable space despite no additional lettable floorspace being created.

6.36 A net based requirement obviously results in a lower yield than one based on gross. But we are aware that the Inspector examining the recent Islington Local Plan noted that if their policy was expressed gross (as opposed to net) this would disincentivise the delivery of redevelopment schemes (para 125).

6.37 A 10% starting 'ask' means that a minimum of 100 sqm of space is provided in each proposal. There is no hard evidence for this threshold, but pragmatically 100 sqm could be delivered as a simple standalone affordable unit.

Depth of discount

6.38 There is no quantitative data as regards how deep a discount needs to be – and this will clearly differ by end user. Even within the broad creative grouping the ability to pay will differ between groups of users or individual circumstances. But to help guide development proposals and ensure the policy is effective in delivering affordable space it is pragmatic to set a minimum level of discount to test noting 10% is the minimum cited in other boroughs.

6.39 We discuss the viability of this offer below, but note that a lower discount would struggle to demonstrate that the space offers genuinely meaningful, and effective, supply of affordable space.

Length of discount

6.40 The need/rationale for affordable workspace is unlikely to go away and there will always be a need to support new and growing firms who struggle to access the commercial market.

6.41 So it would appear logical to seek space in perpetuity protecting the affordable supply for future generations of micro and small firms.

On/offsite provision

6.42 The general planning presumption, based on housing policy, is that affordable products should be offered onsite. This helps secure mixed and balanced communities.

6.43 The same logic does not always extent to affordable workspace. In the Enfield context the areas where we may see policy derived affordable workspace is where we see scope for significant intensification – and so net additional floorspace. This may not always be located in areas that are attractive to smaller firms. And the scale of any offer secured by policy would struggle to create any critical mass to make these areas attractive.

6.44 In the Enfield context it may be preferable to re-use town centre stock for workspace as opposed to requiring provision on industrial estates with poor accessibility and/or where SIL land is at a premium for core SIL Uses. The GLA has provided guidance on how workspace can be used to reinvigorate the High Street[16].

6.45 Offsite provision may also be preferable where there are security concerns with mixing users, and could assist with viability. We are aware that the Tower Hamlets plan was amended at examination to allow offsite provision where the case could be made that it was necessary – in their context because some firms (global headquarters cited) would not co-locate for security reasons. In Enfield, when we tested industrial intensification schemes with components of smaller units on upper floors (reflecting the higher value logistics space is on the ground floor) the testing almost always showed the typologies were unviable. This was partly because of the cost of providing complex formats of property with upper floor space being more expensive to deliver, and less commercially attractive. So, while costs increase, returns reduce.

6.46 Without scope to explore offsite provision, a less than optimal scenario could emerge where developers cannot maximise the development capacity of prime industrial sites because they are required to facilitate on-site affordable provision – which has no locational need to be alongside a new logistics unit. In this way land that could be used for logistics or for other sectors in strong demand would not be optimally used.

[16] https://www.london.gov.uk/sites/default/files/210316_gla_high_streets_compressed.pdf

Summary

6.47 Policy E3 of the London Plan provides Enfield and other Boroughs with wide discretion as how to set their affordable workspace policies.

6.48 In terms of end user E3 supports a range of charity and social enterprise firms along with named support for the creative industries. The use of 'SME' to define end users results in a scope that possibly includes almost any firm in the Borough.

6.49 To help refine this we have noted that, in general the market is short of industrial space and that secondary, cost efficient space has been lost through regeneration and redevelopment. Industrial space is in strong demand in the Borough – and this format of property also overlaps with the needs of many creative firms.

6.50 We suggest that any Enfield policy priorities industrial type space over lighter office-based formats because there is a much weaker need for net additional office floorspace (of any tenure).

6.51 In terms of sectors and noting the London Plan states affordable workshops should be for specific sectors, the creative industry sectors are a London-wide priority that many other boroughs are targeting through the use of explicit Creative Enterprise Zones for example. The definition of the creative sector includes manufacturing, engineering and also logistics – sectors that a strong in Enfield regardless of a specific creative link. In the Borough's context seeking affordable workspace for creatives but also micro startup size manufacturing and engineering firms would appear justified. This is because of the challenge any firm has to access small workshop space in the Borough.

6.52 Borough policy cannot be prescriptive around formats, scale and quantum with almost every other borough stating schemes should be viewed on their merits. However, a minimum level of floorspace increase could be justified to allow the efficient operation of the policy and prevent developers and the Council engaging with a possible large number of micro-schemes – each of which would need evidence, management strategies designed and implemented over a long period of time.

6.53 So, we would suggest that a minimum policy 'ask' should be at least 10% discount for at least 10% of floorspace (net additional) with a threshold of 1,000 sqm of space before the policy applies.

6.54 Because 10% is only a marginal discount and is unlikely to be of huge assistance to many firms this should be considered a starting point only. Further, eroding this marginal discount negates the policy thrust to deliver 'affordable space'. But increasing the discount undermines viability. Viability for a new generation of intensive format industrial units is already a struggle in this Borough and further increasing development costs by requiring on-site workspace provision could be further detrimental. In this Borough seeking off-site provision instead may result in space coming forward in locations more suitable to small units and provides scope for developers to re-use underused or vacant stock where, post-Covid and with the declining retail high street, investment would be welcomed.

6.55 Most councils suggest developers engage with established workspace providers to shape their space. Given the range of workspace formats and tenants – each with different abilities to pay and property requirements, the onus would be on the developer to demonstrate their proposal delivers affordable workspace at a rent small Enfield firms (including creatives) can pay. This appears to be a sensible route to manage the full range of possible development scenarios/formats and best ensure that space meets a genuine market need.

Can workspace be delivered viability?

6.56 As noted above the demand for ‘affordable’ workspace is effectively infinite. But in practice whether or not a council can secure a share of affordable workspace is the product of viability.

6.57 But in Enfield there are already viability concerns around a policy approach that seeks intensified industrial floorspace. We have demonstrated that the increased cost of developing an intensified format, and particularly with high build costs (at the moment) makes development marginal at best. When viability returns, the first type of space is likely to be logistics, as this is relatively uncomplicated space and in demand. Logistics therefore stands the best chance of being developed more intensely than in the past. However, as the market adjusts other types of intensified space may also turn viable.

6.58 With marginal viability, but a strong policy push to intensify industrial space, an added cost burden would not appear sensible. Also, as noted above the cost of seeking light space alongside logistics space (or on top) limits the operational flexibility of the logistics space. To illustrate this, we have undertaken a high-level financial viability assessment to determine the impact that the inclusion of affordable workspace has on an intensified industrial scheme.

6.59 The example development appraisal is based on a typology E scheme – a five storey industrial building with circulation ramps rather than lifts (ST77 Type E). The viability test includes 10% affordable workspace at 80% of the market rent. Because of the current market uncertainty in particular in regard to build costs, for continuity the same inputs used in the November 2020 appraisals have been adopted here.

6.60 For comparison the 2020 results for the ST77 Type E showed:

- Negative land value of £157,872,966
- Positive land value of £17,054,310 achieved when rents rise by 20% and construction costs fall by 10%.

6.61 Based on the same inputs, but with the inclusion of 10% affordable workspace at 80% of the market rent the 2022 results for the ST77 Type E show:

- Negative land value of £169,251,458
- A small positive land value is achieved when rents rise by 20% and construction costs fall by 10%

6.62 It has been reported earlier that the viability gap has widened rather than narrowed as build costs have risen sharply rather than fallen, and certainly in the short-term it is unviable to deliver affordable workspace. However, over the mid to longer term with continuing strong demand the balance between rents and build costs must turn, and favour delivery of affordable workspace.

6.63 Typology E was one of the most likely formats to come forward in the plan period, but if some of the space has to be let at below market rents this pushes the viability further out.

6.64 Given the profile of demand in the Borough a blanket affordable workspace policy, seeking for example 10% of all space to be offered below market rents, would not appear to be pragmatic.

6.65 While generally the viability gap is currently too large for intensification and affordable workspace to be provided, there may be scope to secure affordable space through the handful of major regeneration opportunities, where large new sites are developed generating higher values, This would generally be where there are new employment opportunities such as at Meridian Water – i.e. not displace existing employment, and the scale of the opportunity is such that the uses can be mixed across the site so the employment opportunity is optimised as opposed to, for example being located in parts of the area that are poor to access and service.

6.66 We would also note that if further evidence, such as that provided in support of an application, identifies that it is not viable to offer an affordable format, which can be the case if an industrial or office scheme is for a single occupier, it may be sensible to accept off-site contributions and therefore maximise the use of traditional employment sites for harder to accommodate uses and especially if the justification is to support sectors that do not need an industrial site.

6.67 Finally, we note that when viability returns there may be circumstances when sites could deliver affordable workspace or intensified floorspace, but not both. It will be a policy choice for the Council as to which they wish to prioritise - affordable workspace delivered on/off site or delivery of an intensified format. It is also relevant to note that opportunities for workspace (use class E) generally are better suited alongside office schemes, for which the cost of stacking is much less than for industrial, but this will be challenging in LB Enfield where the lack of office demand is the issue.

Conclusion

6.68 Affordable workspace provision can help some firms and sectors access commercial property where otherwise they may not be able to access due to cost. The London Plan is framed to secure new affordable space as a share of new build development – with 10% commonly applied in other boroughs.

6.69 However, London Plan policy also seeks intensified industrial schemes, but these are more costly to deliver compared with traditional formats. Thus, even before affordable workspace is considered, viability is a struggle – and certainly in the short-term adding further costs associated with affordable workspace makes development unviable.

6.70 Thus, requiring affordable workspace as a share of development, would appear to struggle alongside the intensification agenda. Light units on top of heavier format units, may appear pragmatic until the added structural build costs associated with upper floor space are considered.

6.71 So, for the foreseeable future we do not think a blanket affordable workspace policy, paid for by the delivery of ‘normal’ market supply, is pragmatic if the Borough is also to promote expensive to deliver intensified schemes to meet needs. This is especially the case here where the market demand is for larger industrial formats as opposed to lighter space where small units can better be mixed in.

7 Demand

Introduction

7.1 In this section we review the published assessments of demand for employment floorspace in Enfield as set out in the Regulation 18 Plan, the supporting 2018 ELR and the GLA evidence, and review this based on the latest available data.

Existing estimates of demand - Regulation 18 and GLA

7.2 The June 2021 Regulation 18 Plan identified the following minimum employment floorspace needs to the end of the Plan period in 2039.

- industrial and logistics 251,500 sqm of net additional floorspace (circa 40 ha at a 65% plot ratio); and
- office 37,000 sqm of net additional floorspace.

7.3 These figures originated from the 2018 ELR, prepared by AECOM that provided requirements for the twenty years 2016-36. To align with the Plan's 2039 end date, the Council 'rolled' the evidence end date forward three years – so identifying demand for 23 years (2016-39). The ELR was in part based on the East of England Forecast Model (EEFM) that has subsequently been discontinued.

7.4 The GLA projections were prepared in 2017 to support the last Plan round[17] and identify employment need in Enfield for:

- Industrial 52 ha for the 25 years 2016-41 (i.e. 2 ha pa), and
- Office 43,658 sqm again for this 25-year period (a figure close to the Regulation 18 Plan figure).

Table 7.1 Comparison Reg 18 and GLA based employment floorspace requirements

	Industrial		Office	
	Total (sqm)	*p.a. (sqm)*	*Total (sqm)*	*p.a. (sqm)*
Enfield Reg18 Plan	251,500	10,10935	37,000	1,609
GLA	2.1 ha p.a.		43,658	1,746

Source: Regulation 18 Plan Policy SP E1, LOPR 2017 GLA (Ramidus) and 2017 London Industrial Land Demand, GLA (CAG).

7.5 The Regulation 18/ELR and GLA floorspace requirements closely align (on a per annum basis), extremely close in the case of offices, and the Regulation 18 industrial floorspace need figure is also a close approximation to the GLA projection were we to apply a 65% plot ratio.

Updated estimates of demand

7.6 To assess whether the current published assessment of demand as set out in draft Policy E1 of the Regulation 18 Draft Plan, are consistent with the latest forecast and trend data we use the latest completion and forecast data to make new estimates of demand. These are based on the PPG approaches i) a past trend-based approach –

[17] The industrial figure is sourced from the most recent 2017 GLA study London Industrial Land Demand and the office figure also comes from a 2017 GLA study- the London Office Policy Review (LOPR).

using Council plan monitoring completions data, and ii) labour demand - based on the latest economic forecast.

7.7 In London at the borough-level we do not attempt the other approach suggested by the PPG - labour supply - because of the complexities of the labour market flowing across borough boundaries, and in particular commuting into Central London.

Market demand update

7.8 As previously mentioned, the industrial and logistics sectors experienced a period of significant growth and demand from 2020 to 2022, peaking in 2021. Research from Colliers in the Industrial & Logistics Market Pulse 2023 states that occupier demand (nationally) over this period was 20.5% ahead of the five-year average pre-pandemic.

7.9 Areas that saw a large portion of the sectors growth over the 2020-22 period included e-commerce and last mile logistics. E-commerce as a sector saw steady and strong growth consistently prior to the pandemic, which only further fuelled its growth with lockdowns being implemented and a shift in consumer spending patterns. Last mile logistics also experienced significant growth during this period largely due to the shift in consumer spending behaviour, moving online.

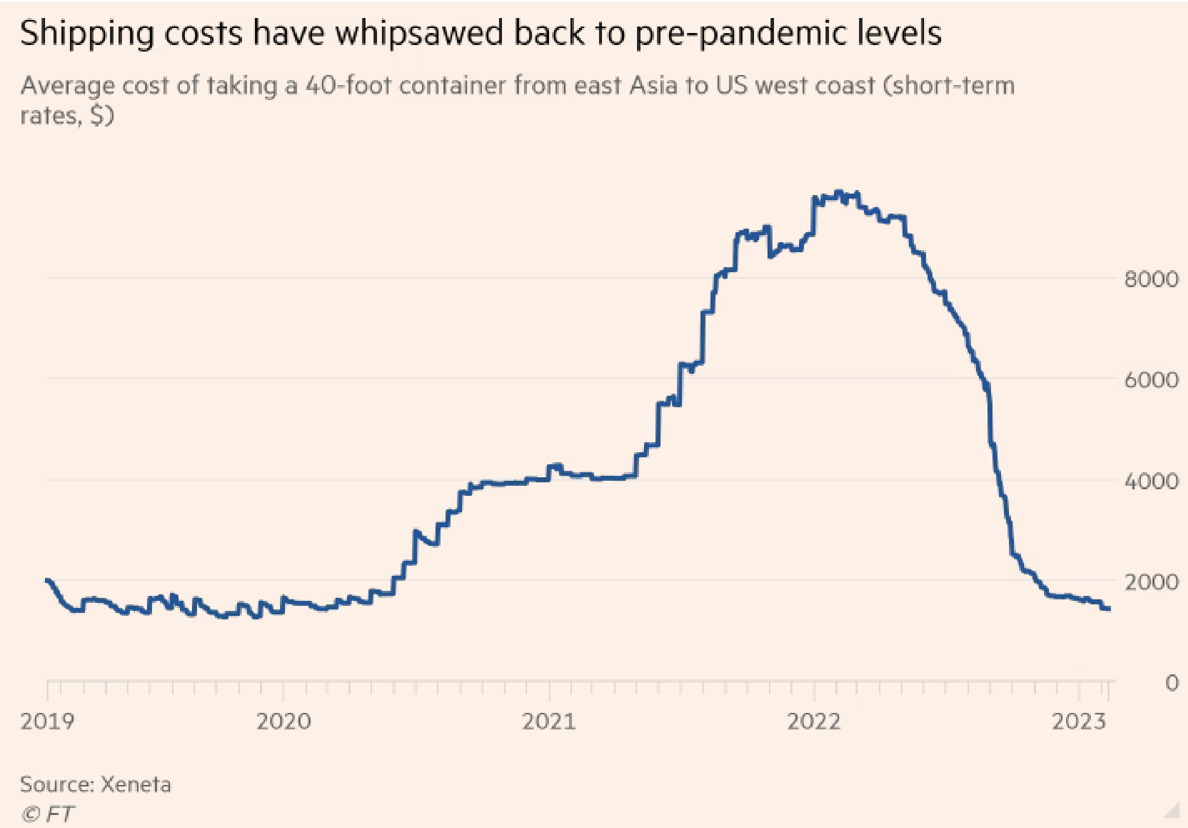
7.10 Research from Savills in the Forces Shaping the Future of Logistics report found that the supply chains which were disrupted during the pandemic and have resulted in manufactures and retailers holding more inventory and therefore requiring more space to allow for contingency stock.

7.11 Progressing into 2023 the market has slowed comparatively to the period 2020-22 which is as a result of a multitude of factors including (but not limited to) the difficult economic climate in the UK with rising interest rates and high levels of inflation which in turn hinders growth with reduced consumer demand therefore affecting companies plans for expansion reducing take-up in the first quarter of 2023. This creates uncertainty and confidence is impacted resulting in businesses reviewing their property requirements

7.12 The uncertainty surrounding the economic climate remains however there is a general expectations that the fundamentals of the London industrial warehouse market will create a supply and demand imbalance again in the future, this is a slower phase in the market but inevitably when the wider economic climate has settled the market is likely to come back. At that point, we may well see issues in the supply pipeline from a lack of planning application in the system as confidence in the market has been knocked. The Lambert Smith Hampton Industrial and Logistics Market 2023 report found that despite the increasing costs, occupiers are increasingly focusing on ESG and energy efficiency is driving activity at the quality end of the market and with larger occupiers who have both CSR and ESG goals to meet. Whilst ESG is very much at the forefront of developer and institutional investors within the industrial warehouse market, it is fair to say micro and small companies do not prioritise this in the same manner as they are focussed on running their day to day business. The ESG drive has ensured developers continue to review and improve their green specifications with more now being done to evolve the sector and for speculative schemes to meet a more conscious market place. The LSH report also found that the take-up of second-hand space in 2022 nationally fell to a record low of 17m sq ft, 41% down on 2021, whilst take-up of grade A space amounted to 26.9m sq ft down only 10% on 2021 high although it is recognised that some of the data for deals completing in 2022 would have been agreed in 2021.

7.13 Recent history shows us that the market cycle is ever evolving and therefore we anticipate that the market will continue to ebb and flow, and today's market will no doubt be unique from a market in 3-5 years' time. Thus, taking a holistic view of the market and it is fundamental drivers, the industrial and logistics sector will recover from its current state of flux and sectors such as third party logistics and ecommerce are likely to continue to drive demand. Moving forward demand will also be focussed on improving supply chain inefficiencies that were highlighted by the pandemic and Brexit related issues. The LSH report found that these supply chain inefficiencies are fuelling an increased move towards nearshoring/ onshoring of manufacturing and distribution, although the substantial fall in the associated cost of shipping is likely to make these decisions more difficult when cost benefit analysis is undertaken: The graph below sets out the dramatic shipping cost fluctuations the market has seen in the last 3 years:

Figure 7.1 Shipping costs 2019-2023



Source: Financial Times – February 14, 2023

Typologies of occupiers

7.14 One sector that has persistently fared well in London within the industrial market is the multi-let industrial (MLI) sector. The MLI sector caters for a wide variety of businesses and generally offers occupiers the opportunity to expand in to further units or indeed contract from multiple units down to one. The MLI market is robust, although currently, it is also faced with headwinds given the current economic climate. MLI is often appropriate accommodation for SME firms however it also suits national operators including trade counter occupiers. MLI as a model for delivery of industrial floorspace is very applicable to Enfield. Typically MLI schemes are located in areas that have high levels of population density, of which Enfield satisfies.

7.15 No doubt identification to include a first floor of MLI with ramps with logistics on the ground floor will come forward and should be encouraged in the borough given the needs of the market. This will also help blend the stock type being offered to businesses across the borough.

7.16 However, during the surge in demand across the industrial warehouse sector, property owners, investors and developers started seriously considering, once more, the prospects of developing multi-level industrial schemes in an aspiration to intensify industrial schemes and do more with the scarce land. The recent boom market also had the benefit of benefiting from historically low cost of capital, conversely today the costs of capital is significantly more given the rapid rise in interest rates. We have reviewed, tested and discussed this further within the Enfield Industrial Intensification – Market Deliverability Study where numerous scheme typologies were scrutinised. In short, although Multi Level (with ramps) is likely to be the future or part of the future supply it is not currently straightforward to deliver these schemes to the mass market. Consider the significant boom in the market coupled with very good demand, rapidly increasing rents and low cost of capital and yet multi-level development still remains extremely rare (comparatively to traditional stock). Ultimately because of build costs it has been very difficult for a multi-level scheme to cost in, especially where floor loading similar to traditional stock is proposed. Given the history of X2 (Heathrow) there is perceived risk of delivering these schemes given the X2 test was not a particular success. Other important factors and barriers such as the site acreage required to actually facility the development with ramps and specific location that will permit 15-20m in height that is required within an urban environment are also key. British Land have successfully achieved planning consent within the Borough for a 435,000 sq ft Multi – Level logistics hub over two levels which aims to be BREEAM Excellent which is no doubt a sign of things to come across the policy period. As part of this development 20,000 sq ft of space is to be designated to cater for small occupiers which is likely to cater for creatives/studio/light industrial businesses.

7.17 The utilisation of Enfield's industrial potential is important to not only the local economy of Enfield by way of providing jobs and income to the borough, however it is also instrumental to London's supply chain as a whole. As evidenced by the Total Floorspace Table data from 2022 produced by the VOA which Enfield is among the boroughs providing the most industrial floorspace. Utilisation of intensified schemes could ensure that the borough has the ability to deliver industrial floorspace in the future which is suitable for range of occupiers and that caters for an ever evolving nuanced market place. It is crucial that a diverse product range of industrial units is delivered for the benefits of the LB Enfield and the industrial ecosystem it supports.

7.18 Industrial intensification does offer scope to rebalance the supply and demand of different unit types and sizes throughout the policy period. It could be used as a mechanism to deliver smaller units but critically these units need to be similar in nature to the traditional ground floor units suitable for the market it seeks to provide for. The West London Alliance Affordable Workspace Study considers a range of typologies. The typologies reviewed have some merits although some further work is clearly required with the design aspects to cater for traditional industrial occupiers and their day-to-day requirements. Whilst intensification of London Industrial Land is almost inevitable looking into the future, the space needs to be fit for purpose otherwise it is likely to further compound the supply and demand issues we have seen in recent years.

7.19 Broadly, industrial occupiers require access for their commercial fleet to load/unload in front of their operation to manage operational efficiencies. Yards are required and over development with onerous plot ratios can be detrimental to an occupiers ability to work unencumbered but also to both the local road network and publicly available parking. The height of the Multi Let Industrial units need to be 5.5m as a minimum although logistic and storage and distribution occupiers will require 14m and beyond in some cases (which in itself could be deemed as a beneficial form of intensification, given the significant cubic capacity increases (when compared to older generation buildings). Occupiers require a suitable floor loading and the ability to connect to mains utilities which can cater for the needs of a modern-day occupiers. Restrictions on hours of use, operation and fleet should be avoided where possible in order to protect the supply chain. Provision of EV fleet chargers and superfast chargers will become more important throughout London when considering the external layouts of industrial sites and plot ratios will come under scrutiny once more with fossil fuels this is less of a consideration. Perhaps on Multi Let Industrial schemes additional provisions will be made for the benefit of estate occupiers. This will come to the fore when the necessity bites and fleet charging becomes imperative to the efficient operation of London's supply chain. Given the make-up of the occupier basis in LB Enfield this will be particularly important.

7.20 It is anticipated across the policy period the main occupier types within LB Enfield will be focussed within Regional distribution centres, Local distribution centres and Last Mile operators. It is not anticipated the LB Enfield will become a National distribution hub due to its geographical location and associated costs of the location.

Past trends – review

7.21 First, we look at what has happened in the past – in terms of net change in completions. We do this for industrial (separately for core industrial[18] and warehousing) and then for office stock, then the past trends are projected forward to identify future need under this approach. We separate core industrial and warehousing because of the scale and importance of logistics and distribution activities in the Borough.

Industrial

7.22 The net change in completions for industrial uses is shown in Table 7.2 below. This table includes the losses at Meridian Water and also at the Drumsheds.

[18] Core industrial are the manufacturing and specialised construction activities

Table 7.2 Enfield Borough industrial floorspace net change

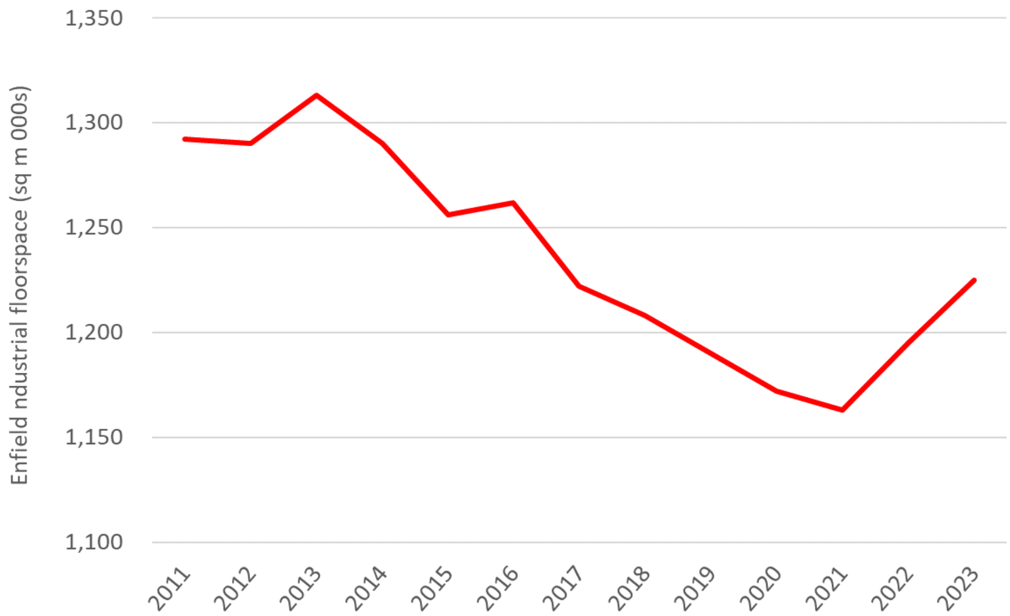
Monitoring year	Core industrial (sq m)	Ware-house (sq m)	Total industrial (sq m)
2011/12	-1,582	-1,704	-3,286
2012/13	29,554	-9,927	19,627
2013/14	-899	-3,981	-4,880
2014/15	-7,988	4,937	-3,051
2015/16	-27,564	6,439	-21,125
2016/17	17,051	15,478	32,529
2017/18	-3,791	9,854	6,063
2018/19	13,178	10,271	23,449
2019/20	-73,928	-669	-74,597
2020/21	2,894	-8,957	-6,063
Total	**-53,075**	**21,741**	**-31,334**
Per ann ave 2011/12-15/16	**-1,696**	**-847**	**-2,543**
Per ann ave 2016/17-20/21	**-8,919**	**5,195**	**-3,724**
Per ann ave 2011/12-20/21	**-5,308**	**2,174**	**-3,133**

Source: LB Enfield AMRs (data extracted from AMRs published March 2016 and March 2022)

7.23 As shown in Table 7.2, overall the change in floorspace has been negative, but several years have seen positive net change. The negative averages are largely driven by the major negative at Meridian Water (a loss of 72,222 sqm) in 2019/20. It is notable that the average losses over the three periods are relatively modest, which given the scale of the losses at Meridian Water emphasises there have been several positive schemes. Meridian Water is a scale of development that is seldom experienced, justifying its inclusion within the Lee Valley Opportunity Area. It is the only site in the Borough to have this scale of impact. The employment floorspace losses at Meridian Water are certainly not typical and unlikely to repeat given the scale of the regeneration opportunity area, and in looking at trend data because this will not repeat, this provides the justification to exclude them, which is what we do at Table 7.3 below. For the same reasons we have also excluded the 2020/21 Drumsheds warehouse losses that the past decade of warehouse net change data suggests is atypical and is also unlikely to repeat.

7.24 The VOA industrial floorspace data for Enfield is shown in Figure below This is for total industrial, not distinguishing between core industrial and warehousing activities. The chart indicates that over the past decade (2014-23) Enfield lost 5% of its industrial stock (a loss of 65,000 sqm), thus a difference of around 30,000 sqm from the Council's AMR figures.

Figure 7.2 Enfield Borough industrial floorspace



Source: VOA. Floorspace data as at 31st March each year.

7.25 The VOA figure does not correspond with the Council's completions data and suggests there will be unaccounted losses. This is not uncommon because floorspace is often demolished in advance of applications for redevelopment and are not identified in planning data. This 'disconnect' between the data sources could also arise from differences between classifications of what is industrial floorspace, for example it may be that the VOA industrial figure captures losses in uses such as water and waste treatment that do not correspond with the use class order industrial definition.

7.26 Data for the most recent years 2022 and 2023 shows a strong upturn in industrial floorspace in Enfield, the first since 2015, but does not align with the monitoring data, most likely because of 'lag' in the data.

7.27 Table 7.3 below shows the same data as that in Table 7.2 above, except for the exclusion of Meridian Water and Drumsheds, and then recalculates the corresponding averages for the five and ten year periods.

Table 7.3 Enfield Borough industrial floorspace net change (excluding Meridian Water and Drumsheds)

Monitoring year	Core industrial (sq m)	Ware-house (sq m)	Total industrial (sq m)
2011/12	-1,582	-1,704	-3,286
2012/13	29,554	-9,927	19,627
2013/14	-899	-3,981	-4,880
2014/15	-7,988	4,937	-3,051
2015/16	-27,564	6,439	-21,125
2016/17	17,051	15,478	32,529
2017/18	-3,791	9,854	6,063
2018/19	13,178	10,271	23,449
2019/20	-1,706	-669	-2,375
2020/21	2,894	-957	1,937
Total	**19,147**	**29,741**	**48,888**
Per ann ave 2011/12-15/16	**-1,696**	**-847**	**-2,543**
Per ann ave 2016/17-20/21	**5,525**	**6,795**	**12,321**
Per ann ave 2011/12-20/21	**1,915**	**2,974**	**4,889**

Source: LB Enfield AMRs (data extracted from AMRs published March 2016 and March 2022) Note excludes Meridian Water losses and the B8 temporary loss at the 'Drumsheds'

7.28 The data illustrates how quantums of industrial and warehouse gains and losses fluctuate quite widely. The first five years of the past decade were marginally negative, with the most recent five-year period (the 2016/17-20/21 average) showing strong growth, almost three times the full ten-year (2011-21) average. Interestingly the table above shows similar profiles for core industrial and warehousing; stronger growth overall and in the most recent five years for warehousing, but not by a substantial margin.

7.29 This data aligns with the market analysis, that shows with Meridian Water set aside, industrial development activity has been much stronger in recent years. The market indicators suggest activity will continue to be strong into the future, albeit as referred to in the property market review, the national 'picture' suggests future expansion of the logistics and distribution market (warehousing) may not be at the rapid growth rates seen in recent years. Therefore, comparing the trends, and taking a positive approach to planning future employment land suggests following the more recent higher five-year trend period rather than the lower ten-year period.

Trend based projection

7.30 For industrial overall, the past trend (the five-year period, excluding Meridian Water 12,321 sqm pa) is very similar to the 10,935 per annum requirements in the Council's Regulation 18 and GLA projection, as shown in Table 7.1 above. Next, for core industrial and warehousing we project forward the five-year past trend averages as shown in row a of Table 7.4.below.

7.31 The net demand figure includes a stock vacancy adjustment (row b) to account for existing under-provision (insufficient available space in the market) to allow for choice and flexibility in the market that a market needs for optimum efficiency. Vacancy is currently running at 4.5%, which is below the 7.5% rule of thumb optimum efficiency vacancy rate, and an additional 35,280 sqm (equivalent to 3% of the stock) is needed to return the existing industrial stock to the optimum level.

Table 7.4 Enfield industrial net demand (based on five year past trend approach)

		Core industrial	Ware-housing	Total Industrial	Total p.a.
a	Floorspace change (GIA sq m) (projected 2019-41	121,554	149,499	271,053	12,321
b	Stock vacancy adjustment (sq m GIA)		35,280	35,280	
c	**Net demand** (sq m GIA) [a+b]	**121,554**	**184,779**	**306,333**	**13,924**
d	**Net demand** (hectare) [c @65% plot ratio]	**18.7**	**28.4**	**47.1**	**2.1**

Source: LB Enfield AMR for (row a), CoStar and VOA for (b) with Stantec analysis

Five-year trend period 2016/17-2020/21

7.32 The resultant net demand for additional industrial floorspace as generated through the past trends method just exceeds 300,000 sqm, equivalent to 47 ha. The core industrial: warehousing is split 40:60.

Offices

7.33 Table 7.5 below covers the past ten years and shows the net change in office related completions (i.e. accounting for gains and losses in office stock).

Table 7.5 Enfield office floorspace change

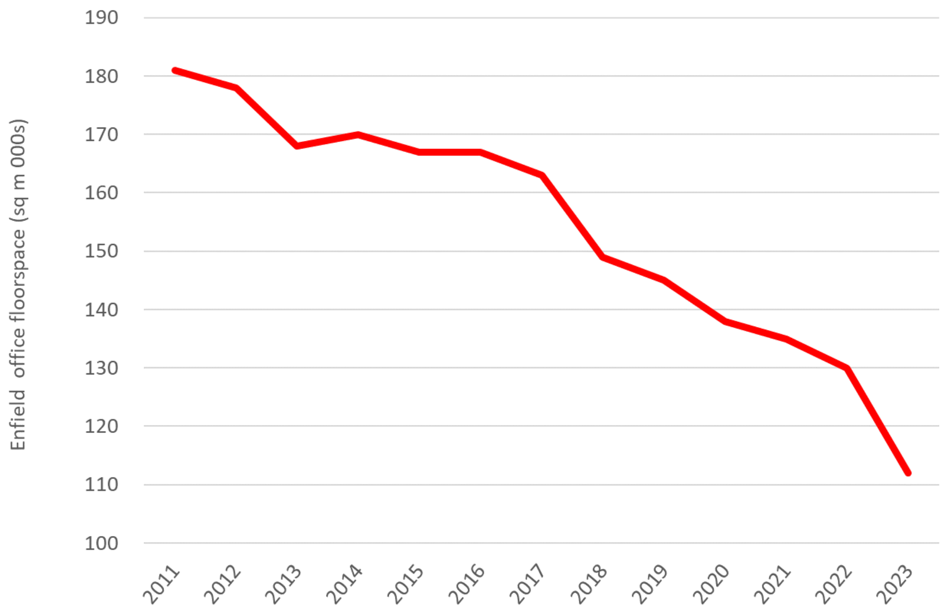
Monitoring year	Net change (sq m)
2011/12	-2,737
2012/13	-984
2013/14	-4,501
2014/15	-54
2015/16	381
2016/17	-18,548
2017/18	-3,692
2018/19	-923
2019/20	-4,804
2020/21	-1,010
Total	**-36,872**
Per ann ave 2011/12-15/16	**-1,579**
Per ann ave 2016/17-20/21	**-5,795**
Per ann ave 2011/12-20/21	**-3,687**

Source: LB Enfield AMRs (data extracted from AMRs published March 2016 and March 2022)

7.34 The table demonstrates the firm trend for office losses over the past decade, and when seen in the context of the total office stock (shown in Figure 7.3), the net change over that decade has been a reduction of one-fifth of total office stock.

7.35 PDR was a major factor in the losses, particularly from 2016/17 onwards. The annual average losses were relatively modest prior to 2016/17 when the impact of PDR generated much higher losses. It appears from the more recent data (2019/20 onwards – data not shown here) that PDR completions have reduced substantially. Figure 7.3 below shows VOA office floorspace data, and this aligns with the Council's monitoring data, charting losses for a decade and more with losses accelerating from 2017, and a large reduction in the year to 31st March 2023.

Figure 7.3 Enfield office floorspace



Source: VOA. The floorspace data is at 31st March each year.

7.36 The conclusion to be drawn from this analysis is that PDR losses have been a major factor in the decline in office floorspace, but the data suggests PDR activity has largely halted (very few PDRs in the past five years). Thus, we suspect that in the future if permitted development rules are not further relaxed as currently proposed, the quantum of Borough office stock will stabilise. However, this is very much dependent on how Covid influences the market in the medium and long term, and of course whether the Government carry through the further proposed changes.

Trend based projection

7.37 For offices, because the sector has been steadily shrinking over the past decade, the trend-based projections now firmly negative – ranging between approximately -1,500 to -6,000 sqm pa. If we are right, and PDR does not continue to be the major factor, the office market could revert to shrinking at the same rate as prior to PDR approximately 1,500 sqm pa, which could reduce the stock by 30,000 sqm over the Plan period. However, market indicators, in particular a very low availability rate, suggest that Enfield's office stock is now broadly in balance with demand, suggesting over the Plan period we should expect only marginal change (that could be a +/-) in office floorspace.

Economic forecast – review

7.38 Having considered past trends, we now move on to consider the economic forecast-based approach for future industrial and office floorspace need.

7.39 First, we identify the job change associated with the Regulation 18/2018 ELR, then we review job change in the recent past to compare with the forecasts, before finally comparing with the latest economic forecasts.

Job forecast – 2018 ELR

Table 7.6 2018 ELR job forecast

	Industrial		Office	
	Total jobs	***p.a. jobs***	***Total jobs***	***p.a. jobs***
Enfield 2018 ELR	3,400	170	4,900	245

Source: totals – 2018 ELR Table 6-4 Employment Projections 2016 to 2036, and per annum figures from totals divided by 20 years,

7.40 In the context of forecasts for other London boroughs, the 2018 Enfield ELR forecast relatively modest job growth for both industrial and office sectors.

Jobs delivered in the recent past – 2015-19

7.41 The assessment of recent job change is based on data from Experian Economics[19]. Experian use official published survey data such as BRES within the forecast, but also use it to ensure their view of the economic past aligns with the official 'actual' data. The most recent official data is for 2020, but that year was Covid effected, and thus we consider the period up to 2019.

7.42 2015-19 was a period of high growth in the economic cycle, prior to the Covid related fall in 2020/21. In terms of total workforce job change Enfield grew by 5% over this period, which was faster growth than the UK which grew at 4.7%. Table 7.7 below looks at job change for the industrial and office sectors.

Table 7.7 Enfield Borough job change 2015-19

	Job change	
	Total	***p.a.***
Core Industrial	2,516	629
Warehousing	1,887	472
Industrial total	**4,403**	**1,101**
Office	**-603**	**-153**

Source: Jobs – Experian and Stantec analysis

7.43 Total industrial job growth was much stronger than forecast – 1,100 additional industrial jobs per annum compared to 170 per annum forecast in the 2018 ELR. While this may seem a large difference, it is not unexpected given Enfield has a very large industrial sector (in excess of 30,000 industrial jobs), and this was a relatively short period at the top of the economic cycle. Examination of the individual sectors (see Appendix AA) shows that the industrial growth was principally in just two areas – specialised construction activities and food and drink manufacturing, and the warehousing jobs increase were all in land transport. The 2018 ELR noted the

[19] Experian Economics are one of the three principal UK forecasting houses, the others being Oxford Economics and Cambridge Econometrics. All the job data for the recent past and the future is based on Experian's June 2022 forecast.

likelihood of rapid expansion in logistics and distribution, as well as the interchangeability of industrial and logistics/distribution activity within industrial buildings.

7.44 The past job change in industrial activity is in the same direction as past trend completions (as evidenced in the Council monitoring data, although not the VOA floorspace data), but at a much higher rate compared with the floorspace delivered. At a standard 45 sqm per job, 4,400 new industrial jobs (see Table 7.7) would ordinarily need around 200,000 sqm of floorspace, whereas the Council's monitoring data suggests around only 50,000 sqm was added. Thus, it is most likely that these jobs, which in the context of Enfield's industrial workforce are a relatively small number, will have been absorbed into the Borough's existing 1.2 million sqm of industrial stock. The property market assessment does suggest that the very rapid growth rates seen in this 'short' past trend period are unlikely to repeat in the future, and this fast growth should not therefore be treated as normal, and should not be projected forward in the Plan.

7.45 In this respect we need to reference the impact of the Covid pandemic. Covid accelerated industrial growth even further in 2020-2021, but the move away from the high street to online and warehouse-based deliveries can happen only once, and this paradigm shift in the way goods are ordered and delivered has largely taken place and will not repeat.

7.46 Enfield's recent office job change over the 2015-19 period, as shown in the table above has been negative, and this is consistent with the floorspace losses we observed earlier. Thus, over this period Enfield's office sector shrank in terms of both floorspace and jobs. Office jobs have certainly left the Borough, but we cannot say if these have transferred elsewhere, or if they no longer exist.

Jobs and floorspace forecasts

Industrial

7.47 Below, based on the Experian economic forecast, we calculate the net and gross demand for industrial floorspace demand.

7.48 Forecast job change –for the two industrial sectors - –based on the latest forecast data[20] is shown below in Table 7.9 for the 2019-41 period. The detailed sub-sector category level job data is shown in Appendix A.

[20] Experian forecast June 2022

Table 7.8 Enfield Borough industrial forecast job change – 2019-41

	Job change	
	Total	***p.a.***
Core Industrial	663	30
Warehousing	3,193	145
Industrial total	3,856	175

Source: Experian and Stantec analysis

Nb Core industrial is manufacturing and specialised construction activities

7.49 Overall Aa positive 3,856 new industrial jobs over the 22-year Plan period, that equates to an additional 175 per annum. This number is only very marginally above the 170 per annum in the Regulation 18/ 2018 ELR. That the latest forecast identifies only a very modest increase is surprising given the recent trends in the data (particularly the 2015-19 surge in employment), and the Covid related expansion in home delivery. We explore this issue in a little more detail after the calculation table.

7.50 The job change is translated into floorspace in Table 7.10 below. All floorspace figures throughout the calculation are Gross Internal Area (GIA) because, unlike for office, important data inputs from the HCA and VOA for industrial floorspace are GIA.

Table 7.9 Enfield Borough industrial net change

		Core industrial	Ware-housing	Total Industrial	p.a.
a	Jobs change (2019-39)	663	3,193	3,856	175
b	Density factor (sq m GIA /job)	45.0	66.5		
c	Occupier demand (sq m GIA) [a*b]	29,860	212,336	242,196	
d	Vacancy factor (sq m GIA) [c*8.1%]	2,419	17,199	19,618	
e	Total occupier demand (sq m GIA) [c+d]			261,814	
f	Stock vacancy adjustment (sq m GIA)			35,280	
g	**Net demand** (sq m GIA) [e+f]			**297,094**	**13,504**
h	**Net demand** (hectare) [g @65% plot ratio]			**45.7**	**2.1**

Source: Experian and Stantec analysis

Nb Core industrial activities are mainly manufacturing and specialised construction

7.51 Working through the calculations in Table 7.9Table 7.10we see that over the 22 years industrial job change is forecast at around 3,900 jobs (row a) with the emphasis on warehousing jobs rather than 'core' industrial. Applying HCA standard floorspace density rates for industrial and warehousing[21] (row b) delivers an allowance for some

[21] from the most uptodate research on job densities - HCA, Employment Density Guide, 2015

vacancy in the new space[22] (row d), and an aggregate total occupier demand (row e). Next an adjustment is made to correct for any under (or over) provision of vacant/ available space in the existing stock (row f). This adjustment has to be made in aggregate for total industrial because the source CoStar does not provide separate figures. However, this is not of concern as core industrial and warehousing activities are inter-changeable uses in floorspace terms, and planned for in aggregate. With the combined industrial vacancy rate currently 4.5%[23], the adjustment is to provide for 3% of the existing total stock to bring vacant available space in the market up to 7.5%, and this is the figure in row f (total stock 3% of 1,176,000 sqm). Row g sums the total net demand to approximately 297,000 sqm and row h applies a 65% plot ratio to calculate a net demand in terms of land 46 ha. The ratio of demand between core industrial and warehousing is 10:90.

7.52 While the warehousing sector shows strong forecast growth, we think the forecast data 'hides' some of the warehousing growth. We think this because retail sector jobs are forecast to grow considerably over the forecast period as shown on Appendix AA, growth of 2,500 jobs up almost 20% on 2019. However, we strongly suspect that these jobs and indeed more of the retail jobs besides will not be in retailing, but will be in warehouse distribution floorspace – 'delivery to customer' jobs – jobs that need warehouse floorspace. This is a change that as yet we are unable to fully quantify because the economic forecasting houses allot all these jobs to the retail sector. However, when we come to compare the different approaches to the assessment of need, we shall bear in mind that the economic forecast may under-estimate future warehouse jobs growth.

7.53 Next, we turn net to gross demand by accounting for recent and future losses in industrial floorspace, and this is presented in Table 7.10 below.

7.54 We calculate gross demand by making allowance for known industrial floorspace losses to other uses (rows I, j k and totalled in l). The losses being i) recent net completions (since 2019), (j) extant planning permissions and (k) any plan allocations. Appendix C sets out the schedule of all the pipeline permissions and allocations as identified in the Council's HELAA.

[22] The vacancy factor is calculated by adding 8.1% to the occupier demand, that being the proportion required to deliver 7.5% unoccupied floorspace. 7.5% is the industry-wide accepted vacancy rate in an optimally efficient market. For the vacancy rate is to stay at 7.5% over the plan period, for every 92.5 sqm of additional space that will be taken up by occupiers, developers should provide a further 7.5 sqm that will remain vacant. Therefore, developer demand will be 7.5 / 92.5 = 8.1%. above occupier demand.

[23] Vacancy rate source: Radius Data Exchange. This is for total industrial and not disaggregated between core industrial and warehousing.

Table 7.10 Enfield Borough industrial gross demand

		Core industrial Sq m	Ware-housing Sq m	Total Industrial Sq m	Total p.a. Sq m
h	**Net demand 2019-41 (sq m GIA)**	**121,554**	**184,779**	306,333	13,924
	Industrial losses (add to demand)				
i	Completions (net change) 2019/20-21/22		1,626		
j	Planning permissions	0	217		
k	Plan allocations	0	0		
l	**Total losses** [i+j+k]	**0**	**1,843**	**1,843**	
m	**Gross demand (sq m GIA)** [h+l]	**121,554**	**186,621**	**308,176**	**14,008**

Source: Experian jobs, LB Enfield AMRs as per above, HELAA data and Stantec analysis.

7.55 The AMR identifies only a small warehouse net loss over the first two years of the period, with no net loss for core industrial. As explained earlier this figure excludes the 2019/20 losses at Meridian Water.

7.56 There are just four very minor known planning pipeline (row j) warehouse losses.

7.57 The addition of the committed losses takes the gross total industrial demand to 308000 sqm, equivalent to approximately 14,000 sqm per annum.

Office

7.58 The office calculations follow broadly the same method as for industrial demand, as described above. The one difference is that the calculations start as Net Internal Area (NIA) and then are recalculated to GIA. This is because both the HCA, whose office density factor we use, and the VOA that identifies office floorspace stock do so in NIA terms.

7.59 The forecast predicts Enfield's future job growth at just 59 jobs per annum, one fifth that forecast in the 2018 ELR/Regulation 18 Plan. Table 7.11 below calculates the net office demand based on the new forecast job change.

7.60 The density factor (row b) is again a national average from the HCA[24]. The office stock vacancy adjustment (row f) is on the basis that vacancy is currently 2%, and thus an addition of 5.5% of total stock is needed to bring vacant available space in the market to the 7.5% optimum (5.5% of 130,000 sqm).

7.61 Net demand in NIA terms is calculated in row g, and then converted to GIA (row h) by increasing by 15% as advised by the 2015 HCA guide. Net demand sums to 28,000 sqm GIA in rounded terms (row h), equivalent to 1,300 sqm on a per annum basis, and equates to 22of the Borough's current total office stock (130,000 sqm).

[24] ibid

Table 7.11 Enfield office net demand

		Total	p.a.
a	Jobs change (2019-41)	1,298	59
b	Density factor (sq m NIA /job)	12.0	
c	Occupier demand (sq m NIA) [a*b]	15,577	
d	Vacancy factor (sq m NIA) [c*8.1%]	1,262	
e	Total occupier demand (sq m NIA) [c+d]	16,839	
f	Stock vacancy adjustment (sq m NIA)	7,083	
g	Net demand (sq m NIA) [e+f]	23,922	1,087
h	**Net demand (sq m GIA)** [g/0.85]	**28,143**	**1,279**

Source: Experian, CoStar/Urba for (f), and Stantec analysis

7.62 In Table 7.12 below we calculate gross demand by making allowance for known office floorspace losses to other uses (rows i, j k and totalled in l).

Table 7.12 Enfield office gross demand

		Sq m
h	**Net demand 2019-41 (sq m GIA)**	**28,143**
	Office losses (add to demand)	
i	Completions 2019/20-21/22	5,814
j	Planning permissions	9,453
k	Plan allocations	0
l	**Total future losses** [i+j+k]	**15,267**
m	**Gross demand (sq m GIA)** [h+l]	**43,410**

Source: Experian jobs, LB Enfield AMRs as per above, HELAA data and Stantec analysis.

7.63 The completions in the first two years of the period (row i) are as reported in the 2022 AMR.

7.64 A total of eight schemes currently have permissions that will result in the loss of almost 10,000 sqm of office space (row j). These schemes are scheduled at Appendix CC. The largest, accounting for almost half the losses is a PDR approval for residential at 282 -288 Chase Road, Southgate.

7.65 The addition of an allowance to replace all committed future losses (row l), added to the net demand (row h) generates a gross demand for offices over the 20 years (2019-41) of just over 43,000 sqm (row m).

Conclusions on demand

7.66 The Regulation 18 Plan identified need for the following:

- Industrial need was 251,500 sqm over the 23 year plan period, which in land terms is 38 ha and equates to 11,000 sqm pa.

- Office need was much lower at 37,000 sqm, a per annum average need for 1,600 sqm

7.67 This was based on an economic forecast in the 2016 ELR.

7.68 This latest study has made four updated assessments of future industrial and office demand:

- three assessments based on past trends –
  - two of which relate to competed floorspace – based on five and ten-year trend periods
  - one based on job change over a four-year period 2015-19, using data supplied by leading economist house Experian Economics.
- The fourth assessment uses the latest (June 2022) economic forecast also from Experian Economics.

7.69 The tables below set out the results of the four assessments for industrial floorspace need – separately for core industrial and warehousing and then in aggregate- over the 22 year plan period.

Table 7.13 Enfield Borough core industrial floorspace–- summary of the 2019-41 demand assessments

Demand 2019-41	1 Past trends 5 year Completed floorspace sq m	2 Past trends 10 year Completed floorspace sq m	3 Past trends 4 year Job change sq m	4 Economic forecast sq m
Net demand	121,554	42,123	673,456	32,278
Gross demand	121,554	42,123	673,456	32,278
Gross demand per annum	5,525	1,915	30,612	1,467

Source: Stantec analysis

7.70 The different assessment methods exhibit a wide range of demand estimates, with the long term (ten year) trend and economic forecast most closely aligned. The short term job change only serves to indicate that the relationship between jobs and floorspace is not a simple relationship! The more recent past trends (five years) shows a strengthening demand compared with the longer term, which more closely aligns with the market view.

Table 7.14 Enfield Borough warehouse floorspace - summary of the 2019-41 demand assessments

Demand 2019-41	1 Past trends 5 year Completed floorspace sq m	2 Past trends 10 year Completed floorspace sq m	3 Past trends 4 year Job change sq m	4 Economic forecast sq m
Net demand	184,779	100,710	781,305	264,816
Gross demand	186,621	102,553	783,147	266,658
Gross demand per annum	8,483	4,661	35,598	12,121

Source: Stantec analysis

7.71 For the reasons outlined above we set aside the past trends job change estimate for warehousing, we note that the more recent past trends has seen stronger growth than over the longer term, and that it is the economic forecast that is most positive for warehousing floorspace demand.

Table 7.15 Enfield Borough total industrial floorspace - summary of the 2019-41 demand assessments

Demand 2019-41	1 Past trends 5 year Completed floorspace sq m	2 Past trends 10 year Completed floorspace sq m	3 Past trends 4 year Job change sq m	4 Economic forecast sq m
Net demand	306,333	142,834	1,454,761	297,094
Gross demand	308,176	144,676	1,456,603	298,936
Gross demand per annum	14,008	6,576	66,209	13,588

Source: Stantec analysis

7.72 The two past trends in completed floorspace demand assessments (assessments 1 and 2) illustrate how delivery of new industrial floorspace has accelerated in the most recent five years (1), with the longer 10 year period (2) averaging half the five year. The past trends in job change approach (3) that took in a period of accelerated growth (2015-19) generates an extreme floorspace demand that does not accord with any other approach nor is it reflective of the market. We must therefore treat this as an outlier' because it generates a demand in excess of the Borough's total current stock of industrial floorspace, which is clearly a position that does not pass any sense test. Finally, the economic forecast (4) is in very close alignment with the five-year past trend demand figures and also accords with the property market view.

7.73 We look at demand for the industrial market in aggregate because in practice there is one property market for core industrial and warehousing activities. The property needs of manufacturers logistics/distributors and other forms of industrial use share the same locational and site / premises characteristics.

7.74 The NPPF requires Council's to plan positively (but of course realistically) for growth, and so with past trends (five-year floorspace completions) and the economic forecast in very close alignment, we recommend taking forward the quantum of demand based on the most positive of these – the five-year past trend. In this respect we note that the economic forecast is likely to under-estimate future warehouse jobs growth that are associated with the retail sector. Thus, it is sensible to plan on the basis of the most optimistic view of future floorspace growth – some 306,000 sqm over the Plan period.

7.75 We next turn to demand for office floorspace.

Table 7.16 Enfield office floorspace–- summary of the 2019-41 demand assessments

Demand 2019-41	1 Past trends 5 year Completed floorspace sq m	2 Past trends 10 year Completed floorspace sq m	3 Past trends 4 year Job change sq m	4 Economic forecast sq m
Net demand	-135,832	-89,451	-40,471	28,143
Gross demand	-151,098	-104,718	-55,738	43,410
Gross demand per annum	**-6,868**	**-4,760**	**-2,534**	**1,973**

Source: Stantec analysis.

7.76 For office all the past trends are negative, particularly negative in the more recent past for completed floorspace, but this largely relates to the heavy loss in one year 2016/17. Given that we know PDRs accounted for the bulk of the losses from the mid-2010s onwards but are now much less significant, we anticipate that the future is likely to see a fairly 'flat' trajectory.

7.77 The economic forecast is at a similar level on a per annum basis to the Regulation 18, a relatively low growth rate that is at the 'optimistic end' of a flat trend-based approach – we therefore recommend the Plan's office demand figure is based on the economic forecast – some 43,000 sqm over the Plan period, equivalent to around 2,000 sqm per annum. This is a modest figure, but builds in a little optimism over the lifetime of the Plan so that Enfield's office market does not miss out should the market pick up.

8 Existing supply and market balance

8.1 In this chapter we review the current committed supply and compare that to the gross demand for the 2019-41 plan period to identify the market balance for office and then industrial uses.

Industrial – supply

8.2 Enfield's industrial supply comprises i) recent completions (since 2019) row (n) in the table below, (ii) extant planning permissions (row o) and (iii) any plan allocations (row p). Appendix B sets out the schedule of the industrial (and office) pipeline of permissions and allocations.

8.3 The table below summarises the current supply of industrial floorspace through completions, pipeline permissions and plan allocations.

Table 8.1 Enfield industrial–- recent and future supply

	Pipeline	Core industrial Sq m	Ware-housing Sq m	Total Industrial Sq m
n	Completions (net change) 2019/20-2021/22	1,188		1,188
o	Planning permissions	13	3,452	3,465
p	Plan allocations	0	0	0
q	**Total supply (sq m GIA)** [n+o+p]	**1,201**	**3,452**	**4,653**

Source: LB Enfield AMRs as per above, HELAA data and Stantec analysis.

8.4 The completions figure reflects the overall small positive net change in industrial floorspace, with gains exceeding losses (excluding Meridian Water) in the two most recent years (as recorded in the most recent AMR).

8.5 The extant planning permissions figure is very largely the extension to Snowbird foods on Wharf Road in the southern parcel of Brimsdown, where an underutilised site will undergo significant intensification from an existing 700 sqm to 4,000 sqm.

8.6 With no industrial allocations in the adopted Plan the overall supply of floorspace is approximately 4,600 sqm. Compared to the 100,000 sqm recorded in the 2018 ELR this is a clear demonstration of how tight the industrial property market is currently.

Industrial – market balance

8.7 Table 8.2 below carries forward the gross demand based on the 5 year past trend approach (row m) and gross supply of floorspace (q) from previous tables to calculate the under-supply or the 'balance to find' (r).

Table 8.2 Enfield industrial balance

	Balance 2019-41 (based on 5 year past trends)	Core industrial Sq m	Ware-housing Sq m	Total Industrial Sq m
m	Gross demand (sq m GIA)	121,554	186,621	308,176
q	Total supply (sq m GIA)	1,201	3,452	4,653
r	**Under supply** (sq m GIA) [m-q]	**120,353**	**183,169**	**303,523**

Source: HELAA data and Stantec analysis.

8.8 The industrial requirement, based on the 5 year past trend approach, after accounting for existing commitments is in rounded terms 304,000 sqm or on the basis of a 65% plot ratio 47 ha. Given the shortage of land in London (and a policy thrust for intensification) it may be preferable to express this in terms of floorspace, but the hectarage figure is still useful to illustrate a ‘fallback’. If the floorspace were not provided on intensified existing sites, it would need to be provided elsewhere. Note that we have applied a 65% plot ratio, but this assumes an urban brownfield site. As we see beyond London, where warehousing is promoted, this is generally at lower densities, and 35% is not unusual for major greenfield logistics sites out of London where to make them acceptable considerable landscaping and buffering is required, and more land would be needed. Later in this report we run a scenario on some of the future supply options to identify scope to meet the identified need at the lower (and higher) plot ratios.

Office – supply

8.9 Enfield’s supply of office floorspace comprises i) recent completions (since 2019) row (n) in the table below, (ii) extant planning permissions (row o) and (iii) any plan allocations (row p). Appendix C sets out the schedule of all the office (and industrial) completions, pipeline permissions and allocations.

Table 8.3 Enfield office - completions and future supply

	Pipeline	Sqm
n	Completions 2019/20-2021	0
o	Planning permissions	3,401
p	Plan allocations	**0**
q	**Total supply (sqm GIA)** [n+o+p]	**3,401**

Source: LB Enfield AMRs as per above, HELAA data and Stantec analysis.

8.10 In the first two years of the plan period there were no office completions (row n), and the bulk of the pipeline of permissions (row o) is at New Ladderswood - that will provide 3,000 sqm of office space.

8.11 With no office allocations in the adopted Plan (row p), the overall supply of office floorspace is just 3,401 sqm (row q). This, as was the case for industrial, is a much smaller pipeline supply total than the 34,600 sqm recorded in 2018 ELR.

Office – market balance

8.12 Table 8.4 below carries forward the gross demand (m) and gross supply of floorspace (q) from previous tables to calculate the under-supply or 'balance to fil (r).

Table 8.4 Enfield office balance

		2019-41 Sq m
m	Gross demand (sq m GIA)	43,410
q	Total supply (sq m GIA)	3,401
r	**Under supply** (sq m GIA) [m-q]	**40,009**

Source: HELAA data and Stantec analysis.

8.13 There is very little current supply (3,400 sqm) to set against the 43,000 sqm demand for office space, and thus the need for additional supply (the balance to find) in rounded terms to meet demand is 40,000 sqm. However, for pragmatic reasons we return to later, should sites not be promoted to accommodate this in what is a very challenging market, we consider progressing with less than this would not be unsound in the current market.

Conclusion

8.14 Thus, we have undertaken a number of quantitative assessments, which when sense checked against the more qualitative review of the property market leads us to consider the best approach to identify the most appropriate balance of industrial and office floorspace / land to find over the LB Enfield plan period (to 2041) remains one based on an economic forecast.

8.15 The findings for industrial and office need over the plan period are:

- For industrial – the under-supply/need is 304,000 sqm equivalent to 47 ha over 22 years. So, a little higher than the 251,500 sqm over 23 years identified in the June 2021 Regulation 18 Plan.
- For office the requirement is 40,000 sqm over 22 years. So, very similar to the 37,000 sqm over 23 years identified in the June 2021 Regulation 18 Plan.

8.16 Our assessment of industrial need is a little higher than the Regulation 18 figure, but not as high as might have been anticipated. We next turn to supply, but here make the connections that because the market is currently under-supplied with committed floorspace, and the short-term signals are still strong, the supply-side priority should be to try and front load the supply of land as far as possible, ahead of the time when the intensified forms of industrial redevelopment become viable.

8.17 We recognise that, in the current market, any positive office floorspace requirements may be questionable. But this recommendation needs to be seen in the context of a whole plan period, and also that a positive supply is always needed to offset losses or assist with attracting new investment to the Borough. In line with the approach taken to evidence the Regulation 18 Plan and established best practice, our recommendations are based on forecast job growth and, assume that new floorspace is needed to facilitate or accommodate the growth in jobs. This is a positive outlook given recent market signals. But an alternative could easily be that we make short-term pessimistic assumptions, that are disproven over the plan period and opportunities to grow the market and boost Enfield's economy are missed.

8.18 So, our office need assessment should be viewed as positive in the current climate. But this should not prevent those who wish to promote land to meet, or even (within reason) exceed this. The requirement is relatively modest, but the currently available committed supply is only one tenth of this, enough at recent development rates for two years delivery, and more provision is needed. We have noted that the office market is not delivering at the moment, and should the Council be unable to evidence supply for this requirement over the plan period we would suggest that the priority should be to identify at least enough to provide at recent rates of job growth[25] to Plan review (five years sums to circa 10,000 sqm). The market may be very different by the time we get to Plan review.

[25] Table 7.16 identifies a job related change figure of 2,000 sqm per annum

9 Meeting the need - future supply

Introduction

9.1 Next, we consider the potential supply to meet the need identified in the preceding chapter.

9.2 First, the existing designated employment sites are described and reviewed with consideration of their continued suitability to support employment uses. The key indicators discussed are rents[26] and owner/developer interest, also discussed is the potential for intensification of part or whole of the site through redevelopment.

9.3 Then sites that could potentially be designated or allocated as part of future employment land supply are considered from the perspective of whether they are likely to be attractive to employment occupiers / developers. These are the Regulation 18 sites plus others that have come through the Call for Sites. Ultimately it will be for the Council to consider if those sites deemed attractive for employment uses are suitable in the context of the Local Plan's wider policy objectives.

9.4 In each case we make two recommendations. For the existing employment sites this is broadly:

i. Should the site continue to be protected (or be protected) as an allocation in the plan – as strategic industrial land (SIL) or a local significant industrial site (LSIS) or release.

- Given the shortage of stock in the Borough there is no scope to proactively release, and so we recommend retaining sites and allocating a small number of new. The rationale for ongoing protection is wider that a short-term need for space and especially in respect of the larger SIL sites it is about safeguarding the potential for longer term additional capacity. In all cases site promoters should be encouraged to pursue an intensification approach in accordance with London Plan E7.
- At the time of writing redevelopment for intensified floorspace is generally not viable. While there is emerging evidence to suggest this may change – with the GLA working to develop a small number of pilot projects , and a small number of market-led schemes such as Vpark, Barking Riverside albeit the recently consented two storey warehousing scheme on Plot 3 only achieves a 54% plot ratio. Over time, we expect build costs and values to rebalance, making intensified floor space a more attractive route to meeting economic needs.
- But this only strengthens the need for strong policy protection because the larger sites in London (many clustered in Enfield) are physically best suited to accommodating the more bulky and intensive formats whose height, scale and massing limits where such opportunities can emerge – hence the larger SIL

[26] A caveat on rents. It is not always possible to apply a specific rent to an individual estate, where there is a wide cross-section of properties of varying condition, size and specification and an average rent is of little value. The rents we identify are our view of the market based on comparable evidence, but not detailed transactional evidence as these deals are complicated by many external and lease factors. For the larger estates we tend to quote a rent range. In small estates that contains a single type of building then we can apply a single rent.

sites remote from sensitive receptors and constraints are the key future reservoir.

- Related to this, previous rounds of industrial protection have encouraged market-led regeneration with much for Borough's stock located on physically uncomplicated SIL sites. These have been redeveloped for modern and fit for purpose 'prime' industrial property. As prime sites they warrant continued protection, but the (currently unviable) intensification potential also needs protecting, as their integrity as uncomplicated industrial sites will be vital in the future to securing intensified formats.

ii. Secondly, we identify whether an area (or sites within designated area) can be firmly relied upon to give scope for intensification, or whether it is a site where only encouragement towards intensification can be realistically achieved. In this regard we know that the focus of demand is for larger scale logistics activity that need large well connected uncomplicated sites, where intensification via typologies E and F is most likely to be viable. In planning terms such sites can be relied upon. Whereas there are other sites that may be well located, but for reasons of the type of occupier or the size of site are not currently viable for redevelopment, and these sites need policy protection to encourage future (mid-longer term) consideration of intensive forms of redevelopment.

9.5 The site assessment findings are based on the site appraisals (see Appendix D), to which we add location plans and aerial views of each site in order to form a contextual view.

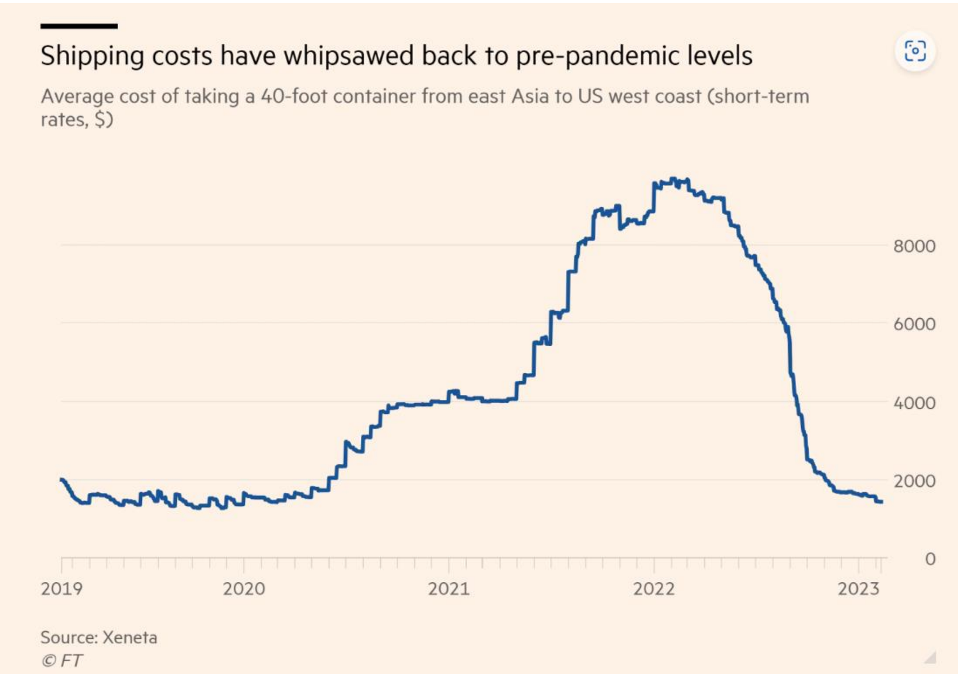
9.6 Other considerations to take account of in an ever-changing dynamic market are:

- Urban logistics, its neighbours and population growth – residential has been built up around industrial estates given the GLA's policies over the past 10 /15 years. Because of this, there is a general view that where this has happened hours of use and operations for industrial warehouses in urban environments should be restricted. The issue with this, the very efficient and effective supply chain operating in an urban environment requires the ability to operate out of hours when the road network is quieter. Restricting hours of use and operation adds more polluting vehicles to London's already heavily congested road network, exasperating the impacts of pollution caused by stagnated traffic and no flow. Currently, London's population is growing at 1.12% which is equivalent to circa 100,000 people each year. There is already an under supply of residential property and therefore more will need to be built (probably on employment sites) however an increasing population will require more urban logistics and as yet, traditional residential with traditional industrial has not been delivered in a scheme successfully and perhaps, nor should it. The British Property Federation suggests that 69 sq ft of warehouse space is required for each additional new home. Based on the London Plans recommendations of 52,000 new homes annually this would suggest a future need of 3.588million sq ft to support the planned new homes.
- Expanded ULEZ – this is likely to have more implications for SME's than it is to larger businesses. Generally, the larger companies will be able to shoulder the cost to change fleet or who no doubt have already started the migration to

modern vehicles to meet corporate social responsibility (CSR) targets. The cost to smaller businesses can be they need to move further out and service a different market outside of ULEZ, begrudgingly pay the daily fee which equates to c£3,900 a year for 1 vehicle (assuming a 6 day week) or upgrade their vehicles in order to comply. Yet further costs for small businesses to bear.

- Onshoring / Offshoring – Could there be a balance to be struck between both, perhaps. Onshoring is typically discussed more when the supply chain is problematic and the cost of shipping is high. There are significant benefits to the supply chain by implementing onshoring, however the cost to implement this can be significant and noticeably the wage requirements in London make this quite an expensive option. Whilst shipping prices were at historic highs this was being discussed with far more urgency however now shipping prices have cooled the discussions have petered down. Shipping costs, Financial Times: “This month (Feb 23) it cost $1,444 to ship a standard 40ft steel container from eastern China to the US west coast at short notice, according to shipping data specialist Xeneta, down from a peak of $9,682 in March last year. The widespread delays and queues, which hit ports at the height of the pandemic, have also dissipated”. The business case which may have been presented in a boardroom in March 2022 is likely to now be more difficult to return a positive return on capital, although of course there are other considerations.

Figure 9.1 Shipping costs 2019-2023



Source: https://www.ft.com/content/d739cd47-e434-43c3-9b4e-472bcef4abaf

- Environmental, Social and Governance (ESG) - How will the entire industrial market, from Micro companies up to Global market leaders adapt to meet future needs and Government legislation. Will central Government start taxing buildings like they tax vehicles? The financial implications of having greener buildings is becoming more apparent, especially given the cost of utilities in the market currently. Within the market we are now seeing new buildings being marketed to showcase the cost savings (one would imagine this type of marketing will be scrutinised more in future with clear guidelines). An example of recent marketing campaign is below:

Figure 9.2 Belvedere Wharf Marketing Campaign

- Within the Logistics sector the drive and expectation is for greener buildings however research needs to be undertaken as to how existing buildings can be made more energy efficient without the need for full scale redevelopment as this cannot be a sustainable option looking forward into the long term. Alongside ESG, Energy Performance Certificates (EPCs) are becoming more important as an indication of a buildings performance and this can have implications for both prospective occupiers but also within the industrial investment market including funding agreements.
- Future fuels for commercial vehicles and decarbonisation – electric fleet vehicles are becoming more popular however the distances and time spent on the road is restricted by the operational efficiency of the batteries and limited rapid charging availability across the capital. This is a consideration that all boroughs should review and potentially monetise on joint venture basis. The need for facilities closer to target markets in terms of proximity is important now and will continue to grow until the operational efficiency of these vehicles has improved or further technologies are introduced. There are approximately 615,570 trucks on UK roads and 4.887 million vans. Vans make up 1 in 8 vehicles on our roads, the largest proportion ever recorded according to Motorparc data from the Society of Motor Manufacturers and Traders (SMMT). Ownership of electric commercial vehicles has also risen, with vans up some 67.3% and buses and coaches increasing 34.9%, while the number of zero emissions trucks has almost trebled since last year however this represents fewer than one in 600. Therefore more change is in the pipeline with a large amount of capital being invested in alternative fuel options such as Biofuel,

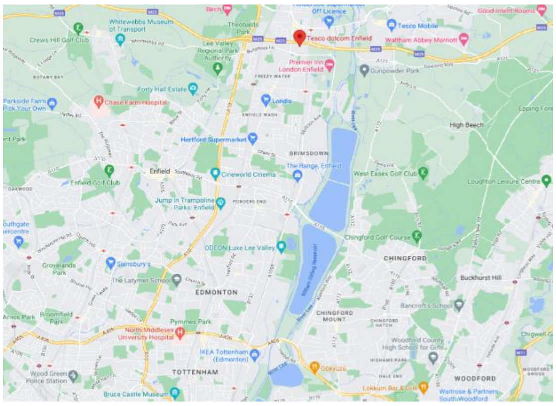
Kinetic, Thermoelectric, Hydrogen etc may offer future possibilities to support the electric rollout.

Designated employment sites

9.7 Below, we summarise our findings of the existing sites in Enfield, commencing with the Strategic Industrial Land (14 sites), then the Locally Significant Industrial Sites (currently nine sites), then non-designated sites that may have potential for employment use. We provide a description of each site – location and occupiers, with a focus on assessing whether to maintain/provide a designation and identifying the potential for redevelopment and intensification.

Strategic Industrial Land

Freezy Water SIL (ID: C1)



9.8 This estate comprises five good quality modern warehouses /distribution centres. The site is close to Junction 25 of the M25, road access is therefore excellent, a particular advantage for HGVs.

9.9 In terms of occupiers, Yodel, Tesco and OMA Studios occupy the three large distribution centres, all of which have good sized yards with access for large vehicles. The two smaller warehouses are occupied by Hensolt (manufacturers of maritime equipment) and various other smaller firms including Procookware, GLS Educational Supplies and Bargain Shack.

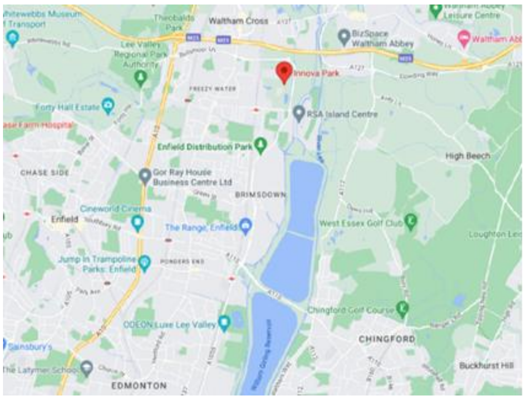
9.10 The site is owned by various funds and property companies. The estate is fully occupied. Rents for one of the large warehouses on the site are around £20.00 psf. No obvious further redevelopment opportunities.

Recommendation:

- The site should remain as SIL
  - Because the site is well located, free of major constraints for industrial uses and in demand.
- The site has redevelopment / intensification potential, but given the high quality and modern stock currently on site it would not be sensible to assume or rely on this as a source of supply over the plan period.
  - In the fullness of time this is the type of large uncomplicated site that provides the best opportunity to meet market demand. Therefore, the site needs to be

retained and protected as SIL to safeguard opportunity for future additional capacity.

Innova Park SIL (ID: C2)



9.11 Innova Park is a modern industrial and logistics park providing high quality warehousing. The very close proximity to both the M25 and central London are attractive features to occupiers requiring distribution warehousing. The estate is dominated by large logistics and distribution centres.

9.12 Occupiers include Iceland, John Lewis and OMA:X Films. Sony also previously occupied a large warehouse, but the warehouse was subsequently sold to Goodman when Sony vacated in 2020.

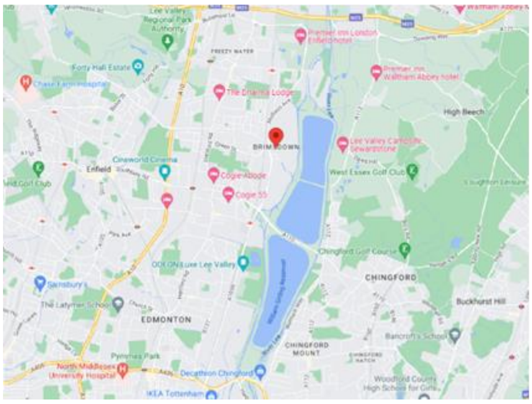
9.13 This type of industrial estate is professionally managed and there is little opportunity for improvement. Given that the units are all relativity new there would be little appetite for intensification or redevelopment in the short term.

9.14 Rents are currently around £20.00 per sq ft, which is a substantial increase on the rents seen for large logistics centres a few years ago (pre-Covid).

Recommendation:

- The site should remain as SIL
  - Because the site is well located, free of major constraints for industrial uses and in demand.
- The site has redevelopment / intensification potential, but given the high quality and modern stock currently on site it would not be sensible to assume or rely on this as a source of supply over the plan period.
  - In the fullness of time this is the type of large uncomplicated site that provides the best opportunity to meet market demand. Therefore, the site needs to be retained and protected as SIL to safeguard opportunity for future additional capacity.

Brimsdown Part A SIL (ID: C3)



9.15 The northern most part of the Brimsdown area is home to several large logistics warehouses occupied by Ervi (Hermes), FedEx, and EFH Housewares. The Arena Industrial Estate sits centrally and provides good quality space.

9.16 Occupiers here include Tri-Star Packaging and several clothing firms, one unit measuring 17,700 sq ft is currently available. Also on the site are several older generation buildings occupied by various local firms. The southern part of the area is constrained by an electrical substation.

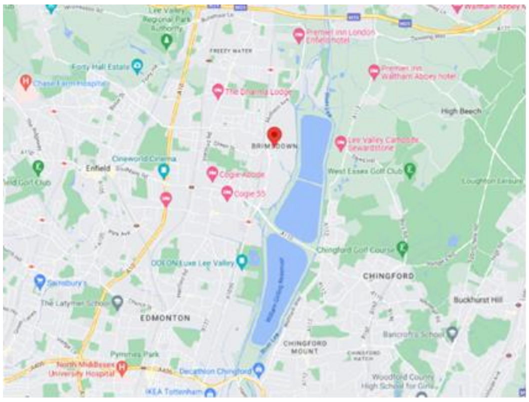
9.17 The ownership structure of the site is mixed between occupiers, investment firms and the local authority. Rents are currently between circa £14.00 -£19.00 per sq ft.

9.18 The site is well established, is home to large high quality modern logistics stock, with the scope for further redevelopment restricted to replacement of some of the older stock where there may be opportunity to increase eaves heights.

Recommendation:

- The site should remain as SIL
  - Because the site is well located, free of major constraints for industrial uses and in demand.
- The site has redevelopment / intensification potential in the short/medium term, but only small-scale possibilities, with the majority of the existing high quality and modern stock. Thus, it would not be sensible to assume or rely on this as a source of supply over the plan period.
  - In the fullness of time this is the type of large uncomplicated site that provides the best opportunity to meet market demand. Therefore, the site needs to be retained and protected as SIL to safeguard opportunity for future additional capacity.

Brimsdown Part B SIL (ID: C4)



9.19 As with Part A, the central part of Brimsdown is dominated by large distribution logistics warehouses with occupiers including, Marks and Spencer, Makro, Greggs, Amazon, Warburtons, DPD. Most of the buildings are well specified, however there are a number of older generation buildings that cater for the needs of local businesses seeking lower rents.

9.20 The ownership structure is very fragmented with many owner occupiers as well as property investment firms. The estate is clearly well established and functions effectively. Headline rents are up to £22.00 per sq ft.

9.21 As with Part A, substantial redevelopment has already taken place which means the area already has high quality modern stock, and intensification opportunities are limited to replacement of some of the older stock, again allowing the opportunity for higher eaves height.

9.22 One area that is actively being promoted is a 5.1 ha pension fund owned site - Land to the South of Millmarsh Lane (ID: SA49). The buildings on the site are warehouses of a mix of ages and quality with substantial areas of car parking. We understand the promoter seeks redevelopment to increase the quantum of industrial floorspace, albeit they seek this within a mixed-use scheme, which given it is SIL this would not be appropriate. This parcel is unconstrained by sensitive receptors, and any of the intensification typologies B,D,E or F could be possible, and given its setting the most intensive type E would be most appropriate.

9.23 Another area with potential for intensification is Land and Buildings South East of Stockingswater Lane (ID: CFS248). This is a 5.7 ha site immediately south of the Millmarsh Lane site referred to above. The site is currently occupied by Amazon, but has redevelopment potential.

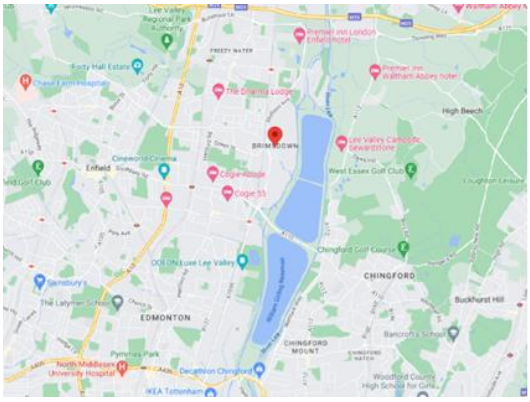
9.24 The existing building provides a good quality logistics warehouse with a very large yard area. The site is promoted for a multi-level warehouse with makerspace on upper floors.

9.25 As with the land immediately to the north, this site is unconstrained by sensitive receptors and whilst intensification typologies B,D,E or F could be possible, redevelopment here could take the form of the largest unit intensification (typology E).

Recommendation:

- The site should remain as SIL
  - Because the site is well located, free of major constraints for industrial uses and in demand.
- While the majority of the area accommodates existing high quality and modern stock, there are two parcels with redevelopment / intensification potential in the short/medium term that together sum to over 10 ha, Both areas should be considered sources of supply over the plan period.
  - In the longer-term other parcels may come forward, as this is the type of large uncomplicated site that provides the best opportunity to meet market demand. Therefore, the site needs to be retained and protected as SIL to safeguard opportunity for future additional capacity.

Brimsdown Part C SIL (ID: C5)



9.26 Part C of Brimsdown is more mixed in context compared to the other areas. The eastern part of the site is occupied by two new high quality estates, one developed by SEGRO and the other, a new distribution warehouse by ArrowX. The very southern parcel, between East Duck Lees Lane and the River Lee Navigation has recently been redeveloped for a production plant for the Beavertown Brewery. In what is likely to have been a drafting error the Beavertown Brewery parcel is not included within the SIL. The remainder of the area is occupied by older densely developed warehousing interspersed with several new warehouses.

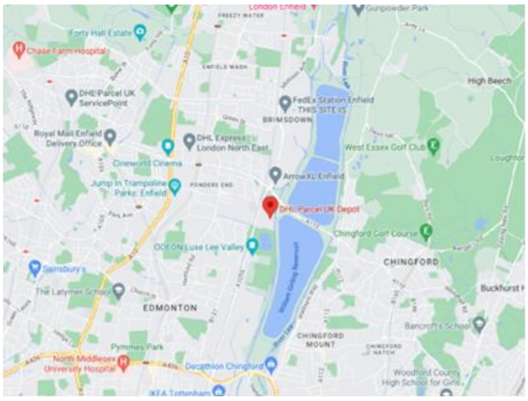
9.27 Occupiers include Howdens, Eda Foods, London Film Studios, Edmundson Electrical, Beavertown Brewery and multiple local occupiers. The ownership structure is fragmented with freeholders including the local authority, property companies, pension funds, investment firms and owner occupiers. Rents are circa £22.00 per sq ft.

9.28 The recent new development proves that there is a market for the redevelopment of older stock. Certainly, some of the buildings on the site are ripe for redevelopment.

Recommendation:

- The site should remain as SIL
  - Because the site is well located, free of major constraints for industrial uses and in demand.
  - The Beavertown Brewery unit on East Duck Lees Lane should be included within the SIL.
- The site has redevelopment / intensification potential especially in areas with older stock, in the same way as may come forward in Brimsdown B.
  - Because the site is generally free of constraints, and already intensively developed, intensification format E or D would best meet the market need for large scale logistics.
  - In the fullness of time this is the type of large uncomplicated site that provides the best opportunity to meet market demand. Therefore, the site needs to be retained and protected as SIL to safeguard opportunity for future additional capacity.

Meridian Business Park SIL (ID: C6)



9.29 Meridian Business Park comprises a mix of industrial warehousing, multi-let industrial terraces and open storage land. Both DHL and DPD have parcel depots on the site. There are three good quality warehouses and a smaller estate comprising some older style multi-let industrial buildings, generally these are occupied by local business. Good access to the A110/A10.

9.30 There is a significant quantity of hard standing on the site, some of which is used for plant hire/storage and the rest is used for vehicle parking. Amazon occupy a compound which is used for charging their electric vehicles.

9.31 Whilst it may seem obvious to promote the hard standing areas of this site for industrial development and potentially intensified industrial development it is essential to recognise the importance of open storage, particularly permanent open storage sites, in the commercial market place. There are now very few left in London, and they are fast becoming a valuable resource with the rise of vehicle deliveries, as showcased by Amazon's electric vehicle charging facility on this site. Ultimately however the market will likely dictate whether these plots will be developed, and logistics warehousing would also be welcomed by the market.

9.32 Storage Land Rents: £4.00-7.00 per sq ft and industrial warehouse unit rents: c.£19.00-22.00 per sq ft.

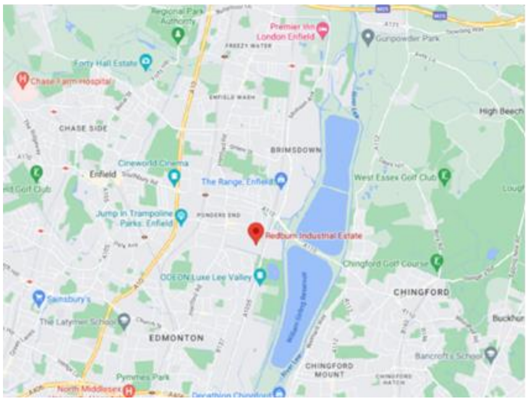
9.33 A small (0.5 ha) site at the very southern edge of the SIL - **6 Morson Road (ID: SA50)** - currently in use as a concrete batching facility has been promoted by owner SEGRO through the HELAA for redevelopment. On its own the site could accommodate a single warehouse with a good sized loading yard or a small industrial terrace, but not intensified because it is too small. However, if considered with the adjacent sites that are in use for open storage could come forward for more much intensive redevelopment.

Recommendation:

- The site should remain as SIL
  - Because the site is well located, free of major constraints for industrial uses and in demand.
- The site has redevelopment / intensification potential (large areas of low intensity parking/hard standing), but with logistics occupiers requiring significant yardage space it would not be sensible to assume or rely on this as a source of supply over the plan period.
  - The Morson Road site may come forward for redevelopment in isolation, and because it is small at just 0.5 ha would not deliver much new floorspace, but much more opportunity could arise should the site be considered with other land.

- This is the type of large uncomplicated site that, subject to identifying willing landowners necessary to assemble sites with intensification potential, provides the best opportunity to meet market demand. Therefore, the site needs to be retained and protected as SIL to safeguard opportunity for future additional capacity.

Redburn Trading Estate SIL (ID: C7)



9.34 Redburn Trading Estate, immediately to the west of Meridian Business Park is an established 1980s trading estate with several terraces of steel portal frame units that range in size between 200 - 1,500 sqm all with parking and loading at the front. Loading is via a full height steel roller shutter.

9.35 The estate is already densely developed and given it is a little more remote from the highway network than other estates, occupiers are predominantly industrial rather than logistics. The estate is generally in good condition albeit with estate road parking and estate management issues, which are entirely expected with the nature of this type of estate.

9.36 There are currently no units recorded as available to let on the estate, the last letting we are aware of achieved circa £15 per sq ft for a small unit, the larger units will transact slightly below the level of a smaller units.

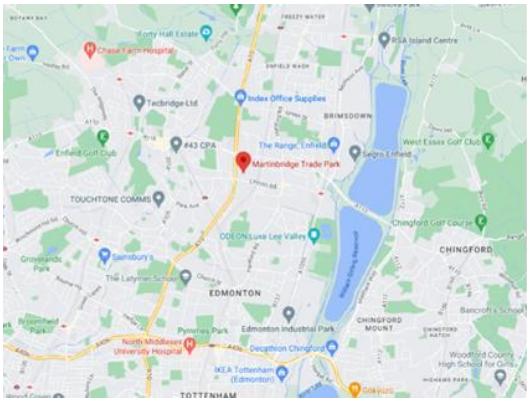
9.37 This type of well-established estate is essential for local business who generally require secondary industrial floorspace.

Recommendation:

- The site should remain as SIL
  - Because the site is less well located than others in the area, it is important in serving the local industrial market, and is evidently in demand.
- The site has little/no redevelopment / intensification potential so not a source of supply over the plan period.

Great Cambridge Road Part A SIL (ID: C8)

9.38 The northern section of The Great Cambridge Road Estate generally comprises good quality buildings on a long-established industrial site. North of Southbury Road the stock is older, with secondary relatively densely developed buildings, occupied by vehicle and building services uses. Either side of Crown Road the estate comprises large and medium sized warehouses of good quality, occupied by the likes of DHL, Selco and DPD. South of Southbury Road is Heritage House, a record store occupied by Crown Records Management and distribution hub operated by Waitrose.



9.39 Ownership is a mixture of owner occupiers, private investors, investment funds and property companies. This site has some good quality industrial buildings with rents ranging from £10.00 - £22.00 per sq ft

9.40 A major opportunity for substantial net additional floorspace has recently been granted planning permission (July 2023) **Heritage House (ID: CFS281)**, for a new multi-level logistics scheme (broadly typology E). This is a 4.6 ha site that currently

provides 20,321 sq of B8 floorspace and is let to Waitrose and Crown Records Management. Promoter British Land's redevelopment will double the floorspace to 41,000 sqm, equating to an almost 100% plot ratio. Though outline consent has been granted, the size and location of the site suggests intensification typologies B, D, E and F could be appropriate. A site immediately to the south has also been promoted for development – the 2ha **Haselmere Business Centre (ID: TBC)**. Whist the site has been promoted for non-SIL compatible uses (i.e. mixed use redevelopment, including housing), there is potential for both sites to be considered together to optimise potential industrial/ logistics floorspace delivery. A much smaller site with potential for net additional employment space is the Local Authority owned 0.7 ha **Crown Road Lorry Park (ID: SA46)** Currently used as a vehicle park, secured with palisade fencing, but with potential to provide small and medium size industrial units. Whilst small, which may constrain development possibilities, the site is otherwise unfettered and could potentially deliver typology B intensification.

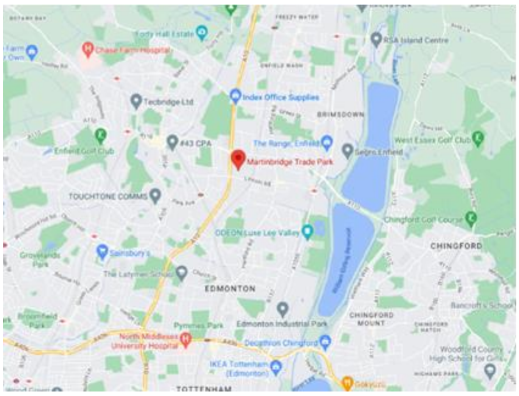
9.41 Adjoining the SIL to the west are retail warehouses that have potential scope for redevelopment for employment uses. These areas (three parcels – within the Enfield Retail Park furthest north, and De Mandeville Gate Retail Park furthest south) that could potentially expand the SIL are considered later in this sites' assessment (see section from paragraph 0 onwards).

Recommendation:

- The site should remain as SIL
  - Because it is a well-established industrial area with direct access on to the strategic road network (A10), it is in demand and should be retained.
  - There is scope for expansion of employment uses and/or expansion of SIL designated area on land immediately to the west that is currently designated retail parks. Elsewhere the opportunity for viable redevelopment of retail parks for uses including employment has been encouraged by redesignation as mixed-use employment opportunity areas.
- There are immediate redevelopment / intensification potential at both Heritage House and of comparatively more minor scope at Crown Road. The scope for intensification at these sites is likely to be realised during the plan period and therefore can be considered a source of supply.
  - In the fullness of time this is the type of large regular shaped site that provides opportunity to meet market demand. Therefore, the site needs to be retained and protected as SIL to safeguard opportunity for future additional capacity. It is quite possible that the three possible expansion areas may leaver more comprehensive intensification opportunities when considered alongside the existing SIL.

Cambridge Road including Martinbridge Trading Estate Part B SIL (ID: C9)

9.42 This site straddles Lincoln Road. North of Lincoln Road is the Martinbridge Trade Park, which comprises several terraces of largely good quality fully occupied industrial units let to various local businesses. This area is owned by several property investment funds. South of Lincoln Road is the Great Cambridge Industrial Estate, mostly owned by SEGRO consisting of around ten large and well specified warehouses. Occupiers include, clothing companies, distribution, kitchen workshops, self-storage facility, auto care and several trade counter users.



9.43 On the southern fringe are older buildings on Progress Way, and the site is currently the subject of a planning application to replace the existing units that are no longer fit-for-purpose and that fail to meet modern day requirements, with new modern warehouse units. This site demonstrates the ‘tension’ between the desire for intensification and the requirements of modern warehousing need. The existing collection of buildings provide 12,913 sqm of floorspace on a 1.9 ha site that equates to a plot ratio of 67%. But these buildings have reached the end of their lifecycle, are very inefficient in terms of energy and the yardage is insufficient for the turning of larger delivery / service vehicles. Added to which the access arrangements on to the A10 need improvement, which has a land use implication. The yardage and access issues are key here, as providing the required yardage for the three proposed warehouses would result in a reduction in overall floorspace, providing 9,436 sqm – a plot ratio of just 49%, but provided in modern fit for purpose buildings.

9.44 In terms of redevelopment and intensification elsewhere in the SIL there is potential because of the scale of the area means ramped access to service upper floors may be possible. The 4.5ha **Land to the north of Lincoln Road** was promoted through the Regulation 18 consultation, and is considered to have potential for intensification through redevelopment. The scale of what is possible will be limited by the proximity to residential on the eastern side. However, impacts could be addressed through the design and configuration of proposals. The site could accommodate intensification typologies B, D and F, with typology B the approach most likely to optimise the capacity of the site..

9.45 There is also the potential for expansion of the SIL to the northwest, an area currently occupied by large retail units with access directly on to the A10 (Great Cambridge Road) (see comments above in respect of Great Cambridge Road Part A SIL and also Southbury Reg1 and 2 below at paragraph 0).

9.46 Rents:

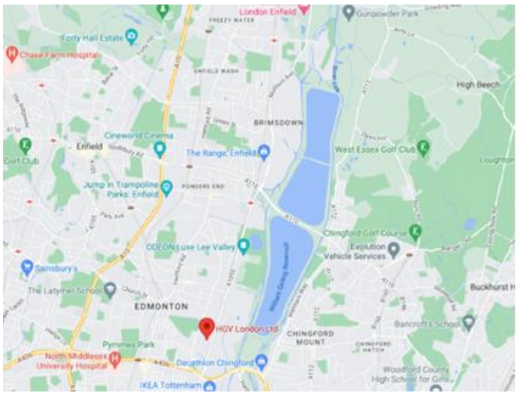
- Older generation units (Progress Way) - £10-12 per sq ft.
- Modern units - £20.00-£27.00 per sq ft (smaller Great Cambridge Ind Est).

Recommendation:

- The site should remain as SIL

  - Because it is a well-established industrial area with direct access on to the strategic road network (A10), is in demand and has scope for expansion.
- The site has expansion potential through the adjacent retail and De Mandeville Gate Retail Park, and the older stock has redevelopment potential as evidenced by current interest north of Lincoln Road. However, this would be largely redevelopment of industrial and would see replacement with warehousing. Because of the high prevailing plot ratios the scope for significant intensification is otherwise limited.
  - In the fullness of time this is the type of large uncomplicated site that provides opportunity to meet market demand. Therefore, the site needs to be retained and protected as SIL to safeguard opportunity for future additional capacity.

Montagu Industrial Area North SIL (ID: C10 and SA51)



9.47 The northern edge of the site comprises a CEMEX plant and the brand new Workstown North Eighteen development, delivered in conjunction with Enfield Council. This new industrial scheme comprises two terraces of units delivering 5,170 sqm of new industrial space with rents at £18.00 per sq ft, we understand that three of the nine units remain unlet. London Metric recently let c23,000 sq ft at £20.50 psf. Rents would therefore be in the range of £18-21 per sq ft.

9.48 Current occupiers in the estate include plant hire, car uses, concrete suppliers, waste services and food manufacturers. The largely local authority owned site is almost fully occupied, and clearly provides needed secondary floorspace to local occupiers.

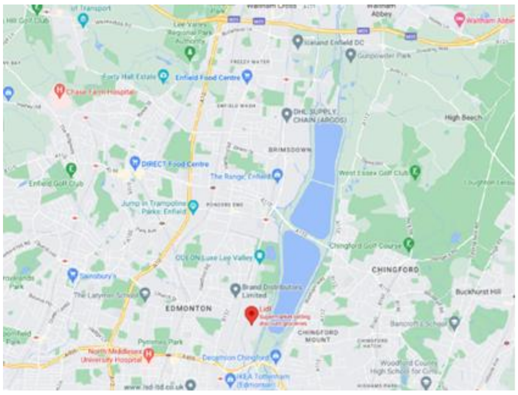
9.49 An outline planning application for the comprehensive redevelopment of the rest of the estate is currently being considered by the LPA. This will provide a new waste management facility and increase the industrial floorspace by 17,900 sqm. The site currently provides 22,000 sqm on a 5.7 ha site, at a plot ratio of 39%. A 65% plot ratio would be achieved on site by a net additional 14,894 sqm. Thus, the proposed floorspace only adds 3,000 sqm above the 65% benchmark, taking the plot ratio to 70%.

Recommendation:

- The site should remain as SIL
  - Because the site is well located, free of major constraints for industrial uses and in demand.
- The estate is coming forward for comprehensive redevelopment / intensification potential (large areas of parking/hard standing) in the short term, but the

application is not being progressed through a typology type. The site provides lots of smaller units for local businesses, with a high proportion being general industrial, and therefore typologies B, D and F are also appropriate at this location in addition to E.

Aztec 406 SIL (ID: C12)



9.50 Aztec 406 comprises six detached warehouses and is accessed from Ardra Road. Set back from the road Lidl occupies a 290,000 sq ft cross docked warehouse distribution centre, Biffa occupies another warehouse for waste management purposes, and a further warehouse is occupied by Ark Data Centres. Adjacent to the road, Crown Workspaces (office fitter) occupy two warehouses and Bestway wholesale occupy a further warehouse.

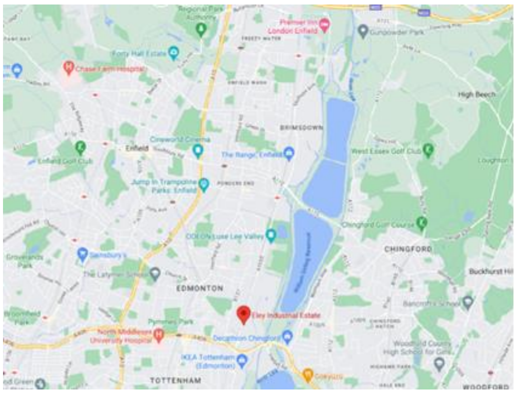
9.51 The site is fully occupied, the buildings are in good condition, are well specified with good sized yard area and clearly operate efficiently for their current uses. There is good access to the North Circular via A1055.

9.52 There is a small plot of undeveloped land adjacent to Pymmes Brook, which we estimate could accommodate a warehouse building of circa 25,000 sq ft, otherwise the buildings are modern and good quality. Rents here would now be in the region £16.00 - £20.00 per sq ft.

Recommendation:

- The site should remain as SIL
    - Because the site is well located, free of major constraints for industrial uses and in demand.
- The site has minor development potential in the short term (circa 2,000 sqm), and redevelopment / intensification potential in the medium/long term, but as the site is small and the majority of the existing buildings are good quality modern stock this is unlikely to deliver much net additional. Thus, it would not be sensible to assume or rely on this as a source of supply over the plan period.

Eley's Estate SIL (ID: C13)



9.53 The Eley estate has changed organically and been refreshed over many years and therefore has a very mixed occupier profile and building type. It has direct access on to the North Circular and is in a predominantly industrial area.

9.54 The southern end of the estate is occupied by modern terraces of warehouse units which are mainly occupied by trade counters and other local distribution and manufacturing occupiers.

9.55 Schroder's own Advent Business Park and BNP Paribas owns the adjoining Edmonton Trade Park. Other owners in this part of the site are property companies and owner occupiers. Rents for these types of units are in the region of £18.00-20.00 per sq ft, the Advent Way estate has now achieved £22.00 per sq ft.

9.56 In the south-eastern corner of the estate which running adjacent to Pymmes Brook is the Angel Road Retail Park, designated a mixed-use employment area in the 2020 Edmonton Leeside Area Action Plan. Here three large warehouses (one on the west side of Eley Road) used as an events venue, brewery and cash and carry are within the mixed-use area and not within the SIL). To the west of these warehouses is a tightly developed part of the estate which comprises long established secondary industrial space occupied by local businesses that include, joiners, car uses, cash and carry and food producers, this area is owned by an investment trust.

9.57 The centre of the park is dominated by the Coca-Cola owned and occupied distribution and bottling plant, a high specification facility with a large yard area. To the west is a further area of densely developed industrial units which house local occupiers. This area is owned by owner occupiers and various property companies. The land immediately north and north-east of the Coca-Cola plant is low density, containing a lot of open storage, which is either vacant or used for vehicle storage. Occupiers include demolition contractors, motor uses, joiners and a training provider.

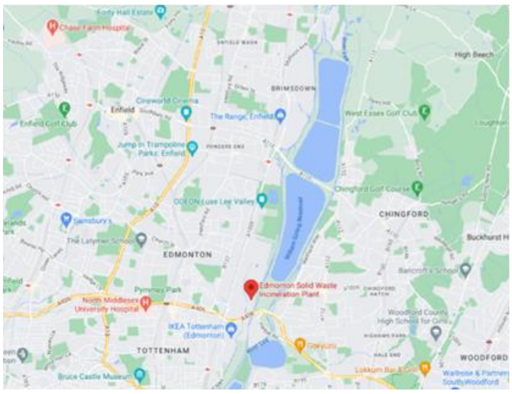
9.58 The northern section of the estate is occupied by several large warehouses which all have small yard areas. Occupiers include go karting, self-storage, tyre fitters and a wholesaler. This area is owned by a mixture of owner occupiers and property companies.

9.59 There is certainly scope for redevelopment and intensification. This estate has developed incrementally over the years, with buildings being replaced as and when they reach the end of their useable life, many of the older factory units have been replaced with modern better specified units.

Recommendation:

- The site should remain as SIL
  - Because the site is well located, free of major constraints for industrial uses and in demand.
  - The SIL boundary should be extended to include the Angel Road units currently designated as a small mixed-use area.
- The site has redevelopment / intensification potential because there are areas of older stock. However, because of the fragmented ownership this is unlikely to be a short-term opportunity. Thus, it would not be sensible to assume or rely on this as a source of supply over the plan period.
  - In the fullness of time this is the type of location that provides an opportunity to meet market demand. Therefore, the site needs to be retained and protected as SIL to safeguard opportunity for future additional capacity.

Edmonton Eco Park SIL (ID: C14)



9.60 This site consists of the Edmonton Solid Waste Incineration Plant and the under construction sustainable waste management hub. The site will be operated by London Energy. We cannot apply a rent to this site as it is a highly specialist facility which would likely never come to the leasing market.

9.61 The site is currently being redeveloped to deliver the North London Heat and Power Project, which was granted Development Consent in 2017 and has been under construction since 2019. It is part of the £1.2 billion redevelopment of the site into an advanced and sustainable waste and recycling hub, including a new energy recovery facility.

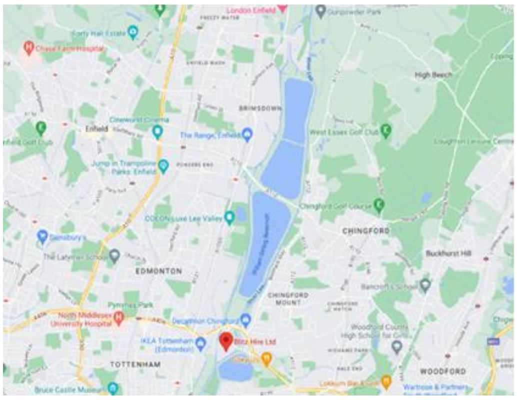
9.62 This site should be retained and protected as SIL and would be suitable for employment uses should at some point in the future the waste management facilities no longer be required.

Recommendation:

- The site should remain as SIL
  - Albeit that it is in single use for waste management (B2 class activity) for the foreseeable future, should it become available for general types of industrial uses it would be in demand.
- The site has redevelopment / intensification potential in what would only be the very long term. Cannot be considered as a potential source of supply over the plan period.

- In the fullness of time this is the type of location and large uncomplicated site that provides the best opportunity to meet market demand. Therefore, the site needs to be retained and protected as SIL to safeguard opportunity for future additional capacity.

Harbet Road Industrial Estate SIL (ID: C15)



9.63 This estate is within the Meridian Water Regeneration Area. In this section we discuss the designated Harbet Road SIL., At the end of this chapter we return to discuss the wider Meridian Water Regeneration Area in more detail, and how this and other areas within the Regeneration Area could be considered.

9.64 Harbet Road was acknowledged in previous intensification work to be the Borough's premier opportunity site for intensification through various redevelopment typologies. While for all typologies the market is currently unviable for intensive forms of redevelopment, when the market turns this site is likely to be the first to come forward

9.65 In the southern area, the estates are mixed quality, the Hastingwood Trading Estate provides some good quality small business space and occupiers include events space, food manufacturers, joiners and cleaning companies, rents in this area are circa £15.00 psf. The western area provides large warehouse buildings of mixed quality and occupiers include window manufacturers, kitchen manufacturers, car uses and metal works. To the south is a scaffolding yard and a large Arriva London Bus depot. In this area there is scope for redevelopment, particularly on the underdeveloped area

9.66 The northern part of the area provides temporary home to the Troubadour Film Studios (15-year consent) with much of the remaining area cleared and/or used for parking. Attracting the film studios to the Borough, even on this temporary basis is a positive step for the Borough's economy and aligns with the GLA's economic ambitions to attract the creative industries.

9.67 Ownership is largely with the local authority.

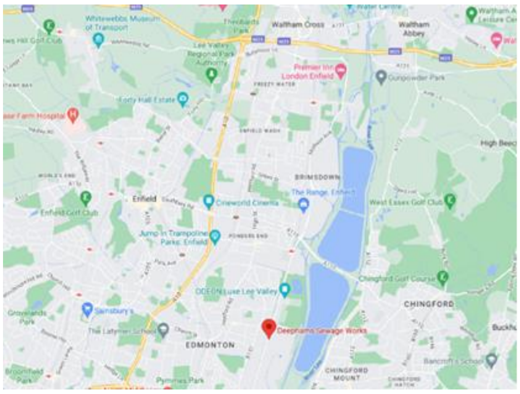
Recommendation:

- The site should remain as SIL
  - Because the site is well located, large scale, free of major constraints for industrial uses and in demand.
- The site has redevelopment / intensification potential, and has been previously identified as the area with the potential to come forward first. However, in the short/medium term the temporary uses make this difficult, but it is a realistic

prospect for significant net additional floorspace in the longer term. The site could be considered a potential source of supply over the plan period if landowner aspirations could align with potential for intensification, including through the potential for consolidation

- In the fullness of time this is the type of location and large uncomplicated site that provides the best opportunity to meet market demand. Therefore, the site needs to be retained and protected as SIL to safeguard opportunity for future additional capacity.

Deephams Water Treatment Works SIL (ID: EL14)



9.68 A sewage treatment works owned and operated by Thames Water, it is located just south of Picketts Lock Lane and to the east of Meridian Way. It was designated as SIL in the 2020 Edmonton Leeside AAP.

9.69 In 2019 Thames Water completed upgrade works at a cost £250 million, and therefore it is unlikely much or any of the site would be available for employment uses in the short to medium term.

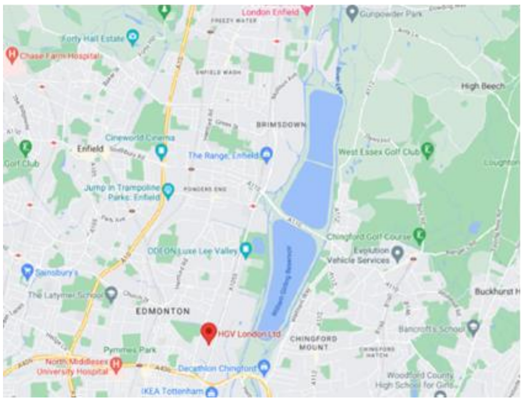
9.70 Should the site come forward for redevelopment in the longer term, it would be a good candidate for either multi-let or standalone warehouse units similar to the estate immediately to the south. Any redevelopment of the site would likely require a considerable and costly remediation program given the previous use.

Recommendation:

- The site should be retained as a SIL.
  - this is because in the long term should the works relocate, it has potential to provide employment uses as it is a large uncomplicated site (albeit contamination could be an issue) with good access to the strategic road network and neighbouring employment uses.

The Locally Significant Industrial Sites

Montagu Industrial South LSIS (ID: C11)



9.71 The southern part of the Montagu estate is split in two by Conduit Lane. The area north of Conduit Lane has three plots all with very low built density, occupied by contractors, vehicle uses, a metal waste / recycling centre and a coach hire service. This area is mainly owned by the local authority

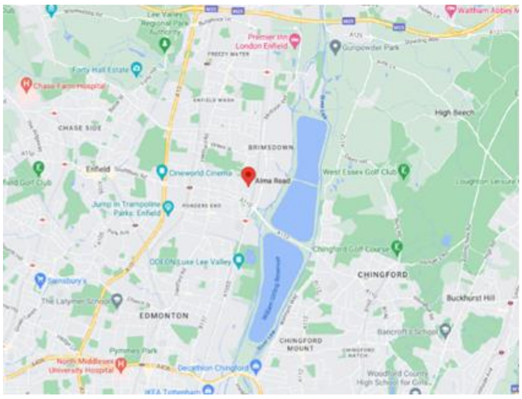
9.72 The area south of Conduit Lane is mainly owned by Kenninghall Holdings, a property company, with some small parcels owned by the local authority. The site operates as a metal recycling centre, with one car garage at the entrance. Rent on this estate will now be around £12.00-£15.00 per sq ft.

9.73 While it is important that the Borough accommodates the type of existing 'dirty' industrial uses associated with SILs, as they provide important functions, both parts of C11 have good opportunity for intensification and redevelopment given the low density of current uses, and the excellent direct access on to the North Circular.

Recommendation:

- The site should be upgraded to SIL
  - Because the site is well located (direct access to North Circular), free of major constraints for industrial uses and in demand.
- The site has redevelopment / intensification potential (current uses are all very low density uses) in the medium/longer term, but there are no deliverable intensification typologies that would reprovide the existing uses on site. Thus, displacement of the existing activity would be necessary for intensification to happen these. Thus, with no indication of landowner/occupier willingness to relocate, it would not be sensible to assume or rely on this as a source of supply over the plan period.

Alma Road LSIS (ID: C16)



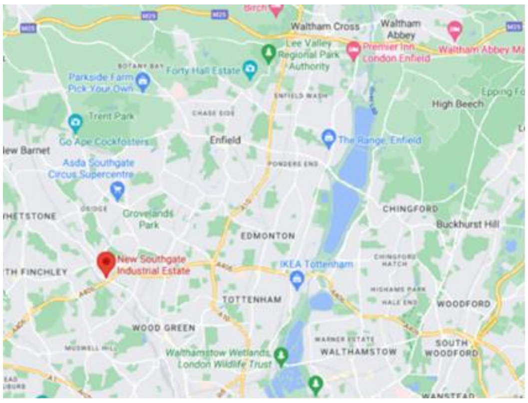
9.74 Site C16 is between Alexandra Road and Alma Road, west of but close to Brimsdown. It comprises a fragmented mixture of traditional mid to late 20th century industrial warehouse and factory buildings, and site coverage/plot ratio is high. The units range substantially in size, some have parking and loading, however many do not. Parking and loading arrangements are the key issue of concern in this location, leading presumably to some estate management issues.

9.75 The estate is currently fully occupied, this suggests that the units, whilst not modern with some reaching the end of their useable lives, work well for occupiers looking for cheaper and less ‘shiny’ floorspace, supporting mainly local businesses.

9.76 Ownership is fragmented and thus complete redevelopment as proposed at the comparable Montagu Industrial Estate would be challenging. In terms of rents, there have been few deals in recent years, but we estimate rents currently sit at around £12.00- 15.00 psf, lower still units in poorer condition. The large amount of floorspace on site limits the quantitative potential of many of the intensified typologies.

- The site should remain as LSIS because:
  - The site meets a local need for space that is not addressed on the major SIL sites. The current portfolio is well occupied, home to a lot of local businesses and capable to being refurbished to remain attractive over time.
- The site has some potential for intensification– but should not be considered as a potential source of supply over the plan period.
  - This is because while redevelopment should be encouraged, the site is already intensively developed, there are lots of existing occupiers, paying comparatively low rents that would need to be re-accommodated and the surrounding residential limits the scope for decked intensification.
  - If an opportunity emerges the focus should be to maximise smaller industrial potential, and consider to what extent a redevelopment scheme meets a simpler profile of occupier including price, terms and broad specification.

New Southgate Industrial Estate LSIS (ID: C17)



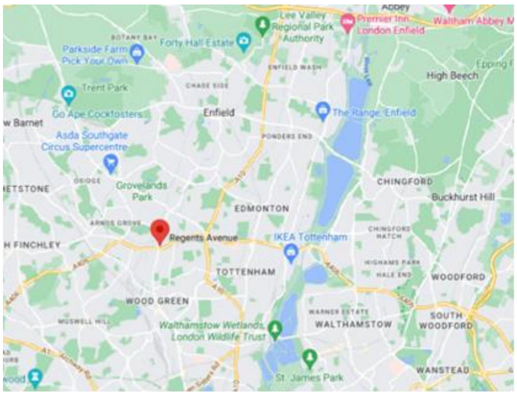
9.77 The majority of the original New Southgate Estate has been redeveloped for residential (with some commercial floorspace on the ground floor). The remaining area comprises two standalone industrial warehouse/industrial units separated by an office building. Neither industrial unit are in employment use - one occupied by a funeral directors and the other a trade counter (tile and bathroom warehouse). Rental value for the existing warehouse is around £20.00 per sq. ft.

9.78 Currently a planning application is under consideration to replace the office (1,300 sqm) and the larger industrial building (1,300 sqm) with a self-storage warehouse (8,300 sqm, a net increase of 7,000 sqm, but the job dividend will be low) and industrial unit (456 sqm built speculatively). Ideally the site would support smaller scale local logistics.

Recommendation:

- The site should remain as LSIS
  - Provides for the local need not addressed in the SILs, and has better access to the road network than many other LSIS.
- The site has redevelopment / intensification potential, – but because of small scale (other than for storage) this would in particular limit scope to adequately access upper floors, nearby residential and already high plot ratio, cannot be considered as a potential source of significant supply over the plan period.
  - If an opportunity emerges the focus should be to maximise smaller industrial potential and also consider to what extent a potential redevelopment scheme meets a simpler profile of occupier including price, terms and broad specification.

Regents Avenue LSIS (ID: C18)



9.79 Regents Avenue LSIS is dominated by the Arriva bus garage, which occupies the majority of the buildings and the yard area as a storage and servicing facility. The remainder of the site is occupied by motor vehicle local services - vehicle sales, vehicle hire and a MOT and servicing centre. Historical images suggest that in the last 10 years some of the buildings (which were also vehicle garages) have been demolished to make way for an increased yard area for the car hire operation. The site has good access on to the North Circular. Rent will be in the region of £13.00-£16.00 per sq ft.

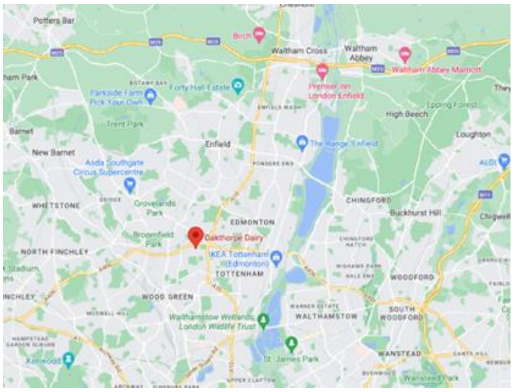
9.80 While the vehicle related uses are low density, these are the sorts of local service activity needed throughout the Borough.

9.81 In terms of scope for intensification, there is little opportunity here unless the majority freeholder - Arriva London were to vacate, and that is unlikely given sites with good access to the strategic road network for bus operators are rare in London.

Recommendation:

- The site should remain as LSIS
  - Provides a location for critical transport infrastructure - a bus garage - and has attracted inter-related motor vehicle activity on-site.
- Redevelopment / intensification potential, – scope is significantly constrained by the need to retain the bus garage on site, and there are no intensification formats for this, especially as this would mean a much taller bulkier building on site. Thus, very unlikely to offer potential in the plan period, so cannot be relied upon. Would only be considered in the unlikely event that the bus garage relocated.

Oakthorpe Dairy LSIS (ID: C19)



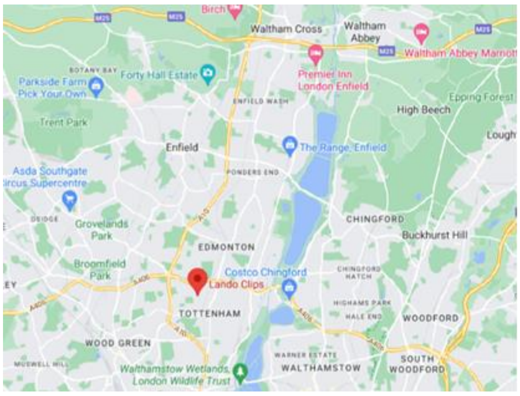
9.82 Oakthorpe Dairy comprises a large milk and cream processing plant, owned and operated by Arla, it was subject of a large investment program in 2005. The site is predominantly built out with a large building and various milk storage silos. The site has access to both the Great Cambridge Road (A10) and the North Circular Road via Ostliffe Road. The unit has a good sized yard and loading canopy with storage for a large number of refrigerated HGV trailers and tankers. The site is purpose built for the current owner's purposes and has a high plot ratio.

9.83 There is no indication that Arla seeks to dispose of the site. If the site came to the market there is a small pool of occupiers who would be interested (without major alterations) in taking the unit as currently built, but given its good access to the strategic road network some industrial funds and developers would consider conversion to a distribution warehouse. In the current market, we would anticipate rents in the region of £20.00 per sq ft for a new warehouse

Recommendation:

- The site should remain as LSIS
  - Accommodates single occupier in purpose built modernised premises.
- Redevelopment / intensification potential – the constraints of existing high plot ratio, surrounding residential that will limit height of any stacked intensification means this site offers very little hope of significant net additional floorspace. So cannot be relied upon over the plan period, would only be considered in the event that the dairy relocated.

Commercial Road and North Middlesex Estate LSIS (ID: C20)



9.84 This 10 ha site comprises a wide variety of buildings that range widely in quality and specification. It accommodates many local businesses that include food manufacturers, car mechanics, textile companies, carpenters, kitchen manufacturers, clothing companies, tile supplies, and a recycling centre.

9.85 The site ownership structure is fragmented although the local authority owns a quantity of stock here, other freeholders include investment trusts, property companies, foreign investors and owner occupiers

9.86 In terms of built context, a considerable amount of the buildings on site are older generation, some with north lit roofs and some more conventional brick built warehouses with corrugated roofs. There are also several more modern and refurbished warehouses, particularly on the south of the site, with older stock in the north. The site is quite intensely developed with generally little yardage space. Double parking on the main estate roads does restrict access, and such management issues are not uncommon on a mixed estate such as this.

9.87 Due to the already high density and the fragmented ownership, opportunity for intensification are limited, especially as the plot ratios are already well above what would be expected of a modern institution grade scheme. However, increasing ground floor capacity with better yard provision could create a more manageable and indeed suitable cluster of industrial warehouse accommodation.

9.88 Older generation units (Bull Lane) -achieve rents of £9-12 per sq ft. Modern units - £17.00-19.00 per sq ft (Pretoria Road North).

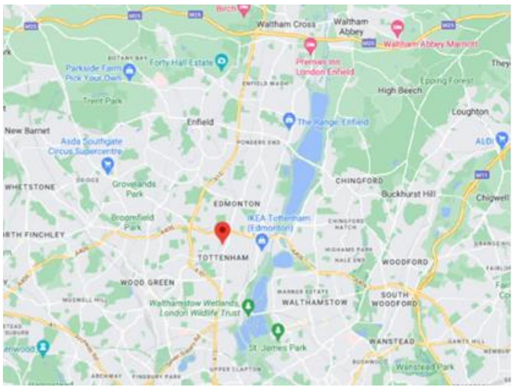
9.89 The site provides important secondary floorspace, but there is potential for intensification through redevelopment here. A planning application has recently been submitted for the redevelopment of some of the older stock and the open waste site in the north for industrial and warehousing uses. However, this proposed redevelopment would only deliver a very marginal increase in the overall industrial floorspace.

9.90 The site should be retained and protected as a LSIS.

Recommendation:

- The site should remain as LSIS
  - The site is important in meeting local business demand, and provides a wide range of accommodation and price points and choice in the market.
- Redevelopment / intensification potential – already very densely developed, and with requirements looking for more not less yardage, there is little prospect of offering potential net additional in the plan period, so cannot be relied upon.

Langhedge Lane Industrial Estate LSIS (ID: C21)



9.91 The Langhedge Industrial Estate is an established location comprising of two terraces of industrial warehousing, plus a further two connected units.

9.92 The site is privately owned, and occupiers include various food related companies, a metal workshop and a clothing company. The northern terrace is of lower quality being of single storey portal frame construction with a mezzanine level, quoting rents for these units are around £14.00 psf. The southern terrace comprises marginally higher quality warehouses, with offices on the first floor and eaves heights of circa five metres, rents for these units are circa £18 psf. All units have good loading, access and parking facilities. The estate is gated. Connectivity is good with the A406 adjacent, but a constraint is the surrounding the area is residential.

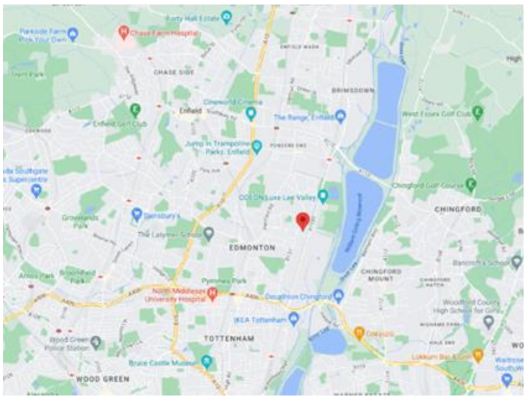
9.93 This estate offers good industrial provision and is fully occupied, but there is little opportunity for further intensification through redevelopment save for the northern terrace.

Recommendation:

- The site should remain as LSIS
  - The site is important in meeting local business demand and providing local employment opportunities.
- Redevelopment / intensification potential – a small site, already with high site coverage and constrained by the neighbouring residential. Possible potential in

the plan period, but given the constraints this would be unlikely to deliver net additional, so cannot be relied upon to deliver in the Plan period.

Claverings Industrial Estate LSIS (ID: C22 and SA30)



9.94 This Council owned site is dominated by the 1960s business centre either side of Central Way. The complex is in poor condition, but has high occupancy and provides more affordable commercial space for local occupiers. The rest of the estate comprises steel portal framed warehouses all of which appear to be occupied, and some older north lit warehouse and factory units that may have restricted loading and circulation space, but the strong occupation levels suggest that the occupiers are willing to compromise for paying lower rents compared to modern industrial estates. Rents for the well specified units would be £15.00 psf, however these will likely fall to below £10.00 for the poorer quality space.

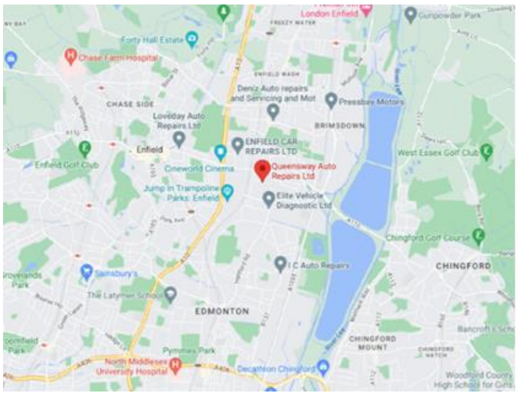
9.95 This site provides much needed more affordable space sought after particularly by local businesses. It has reasonable access onto Meridian Way (A1055) and good links to A10 and North Circular, which makes it an attractive location for industrial uses, and suggests redevelopment will be considered at some point.

9.96 However, and for viability reasons (stemming from the low prevailing rents) a different approach may be needed.

Recommendation:

- The site should remain as LSIS
    - The site is important in meeting local business demand especially at the low cost 'value' end of the market.
- Redevelopment / intensification potential – the main buildings are, or heading towards no longer being fit for purpose, albeit occupancy is high. With prevailing rents at £15 psf it may be difficult to redevelop and reprovide, and a different approach needed. It is an attractive location with reasonable access and unhindered by constraints. The relatively small area (max 2.5 ha) limits the intensification opportunity to small scale stackable intensification opportunities (type F or B), a realistic prospect within the plan period

Queensway Industrial Estate LSIS (ID: C23)



9.97 This site is made up several large industrial warehouses and an Arriva a bus garage and multiple smaller business units supporting the local business market, including vehicle uses and food production interspersed with non-industrial uses such as a church.

9.98 The estate roads, loading facilities and circulation space are generally poor quality, and are likely to lead to estate management issues.

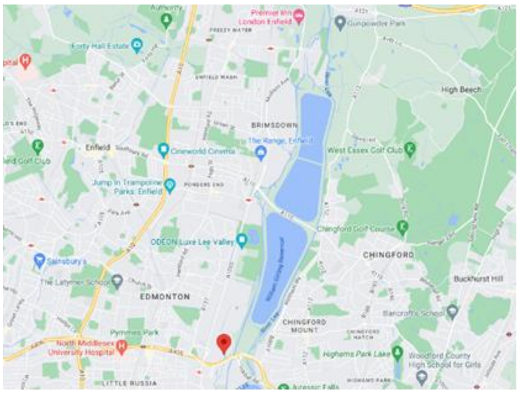
9.99 There is little vacancy on the site and no properties being marketed, most recent quoting rents were in the region of £10 psf, this will have increased to £14.00 psf following the recent growth in the market.

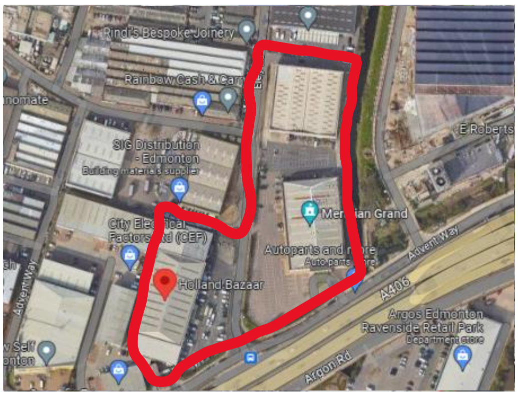
9.100 If the bus depot were to come onto the occupational market, there would be interest from logistics occupiers, however the building would need to be reconfigured. Clearly the short comings of the estate do not affect the small businesses who require commercial floorspace at a lower rent.

Recommendation:

- The site should remain as LSIS
  - It provides a location for the bus garage, and provides for local business needs.
- Redevelopment / intensification potential – very unlikely to offer potential in the plan period, so cannot be relied upon. Would only be considered in the unlikely event that the bus garage relocated.

Angel Road Retail Park MUOA (ID: EL16)





9.101 The Angel Road Retail Park comprises three large retail warehouses to the north of Meridian Water and the A406 North Circular and east of the Eley Industrial Estate.

The group were designated as MUOA (Mixed Use Opportunity Area) in the 2020 Edmonton Leeside AAP.

9.102 The buildings are standard retail warehouses, and conversion to industrial warehousing could be possible. The site would also be suitable for redevelopment for higher quality industrial uses, adjacent to the Eley Estate.

9.103 The site has excellent transport connections, neighbouring employment uses and no obvious constraints with the possible exception of flood risk.

Recommendation:

- The site should be redesignated as SIL.
- This is because the site supports a mix of uses, with only one of the three units currently in employment use, but in time all three buildings and indeed the site could accommodate employment uses given the site is highly attractive from an employment perspective.
- Redevelopment / intensification potential –two of the three existing buildings are in non-employment use, but these are established uses and may not offer potential for employment reuse or redevelopment in the plan period, so cannot be relied upon.

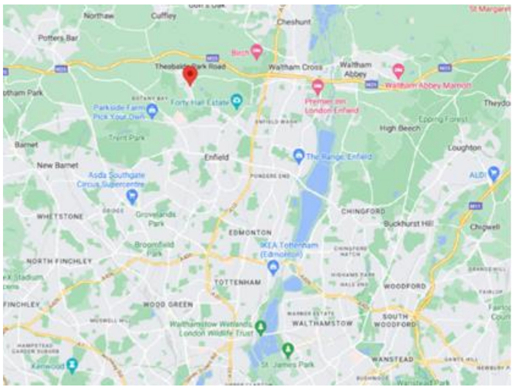
Candidate sites for employment designation

9.104 Below we consider existing non-designated employment sites for:

- suitability for designation as LSIS, and
- scope for intensification of use.

9.105 The consideration of the need to designate is taken in the context of Enfield's emerging employment policies and particularly Strategic Policy E3: Protecting employment locations and managing change and Policy DM E6: Redevelopment of non-designated industrial sites, which set out what and how sites will be protected.. LSIS are those that have either have or have scope to support a cluster of employment activities, and that may be in multiple ownership. Such sites will be in areas of market attraction, generally >0.5 ha in size with potential for intensification of uses and where any loss in employment floorspace should not be considered. Where sites are in single occupancy, and/or single ownership and below a size threshold that makes more intensive redevelopment unlikely (broadly <0.5 ha) such sites are more appropriately managed through DM6.

Kingswood Industrial Estate (ID: C24)



9.106 Kingswood Industrial Estate is a 2 ha site in the village of Crews Hill. Currently the location is remote from the urban area, and has inter-related transport access and labour supply issues, and lacks the other infrastructure benefits that the established industrial areas have. However, Crews Hill is identified as a place-making opportunity in the emerging plan (Strategic Policy SP PL9), and comprehensive development at the scale proposed would allow infrastructure upgrades to support some more intensive use of existing employment sites, and therefore the employment uses (sui generis), albeit relatively low density, need to be protected. opportunities. Here we focus on employment potential.

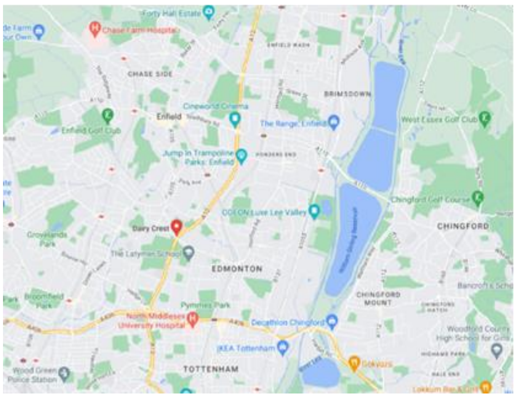
9.107 The Estate provides hard standing for open storage, with small parcels of land a let to a number of occupiers including a timber merchant, skip company, metals dealer and a garden centre. It is development in the Green Belt. The ownership of the site is fragmented with some owner occupiers and some private individual owners. If the whole site came to the leasing market, we anticipate a rent of c.£4-5.00 per sq ft (subject to utilities and the make-up of the ground).

9.108 Given its scale this site merits designation. However, SIL type strategic uses would appear unlikely because of landscape constraints and it is also unlikely to be needed for the type of local provision supported by LSIS designation. Therefore, we recommend that this site is given protection through the bespoke allocation that will come forward for the comprehensive development of Crews Hill. This would allow the particular opportunities and constraints to be considered, protecting and realising appropriate employment activities at an appropriate scale.

Recommendation:

- The site should not be protected through a bespoke Crews Hill designation.
    - This is because it is a relatively large site currently providing employment opportunities, and has scope to deliver more intensive employment uses. this is because the location is remote from the urban area, with corresponding transport access and labour supply issues and lacking the other infrastructure benefits that the established industrial areas have.

Dairy Crest Depot, Church Street (ID: C25)



9.109 The milk depot site is in single occupation and comprises a five bay open warehouse, vehicle access is though the warehouse leading to a good yard at the rear. It is an attractive location with direct access to the A10, but is a small site at just 0.4 ha and has neighbouring residential in close proximity.

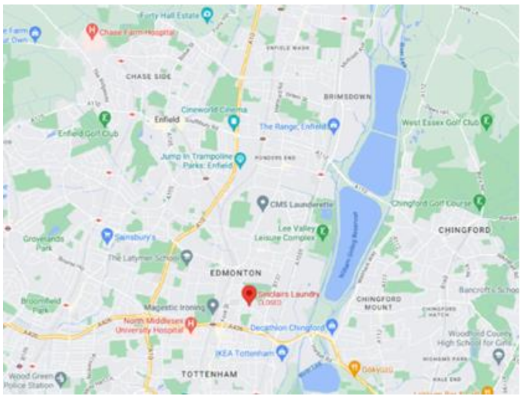
9.110 If it were to come to the market, we are confident there would be interest for fulfilment, delivery warehousing uses

9.111 We anticipate a rent of £9.00 per sq ft being achievable for this facility given for the market need for satellite delivery hubs in urban areas, and the site's good access to the strategic road network. With a building upgrade the rents could be in the region of £16-17.00 per sq ft.

Recommendation:

- The site should not be designated as a LSIS.
    - The site is in single occupation and the building specific to that use, and redevelopment to alternative employment use would be unlikely given the site is remote from other employment, is small at less than 0.5 ha, has immediate neighbouring residential and would achieve relatively low rents.

Brettenham Road Warehouse (Sinclair Laundry) (ID: C26)



9.112 This is the 0.3 ha site of the former Sinclair Laundry. The site, currently owned by Imperial London Hotels limited is now vacant and in disrepair. Access to the A406 is via residential streets, and the site comprises a mix of industrial buildings including a north lit warehouse, two brick built warehouses, a water tank and various ancillary industrial buildings. The site is very intensely developed with very little yard space.

9.113 The building has been constructed specifically for laundry uses and therefore would be unlikely to suit another occupier. Consequently, if it were to be offered to the market, it would be very unlikely -to attract employment uses for either reuse or redevelopment. Rents of £8-10.00 per sq ft are likely if a basic refurbishment is carried out.

9.114 The site is small, remote from other employment activity and situated within a residential area, which may generate conflicts concerning traffic and hours of use/operation. New employment occupiers may be found, but redevelopment for employment uses is unlikely given the small scale, low rents achievable and remoteness.

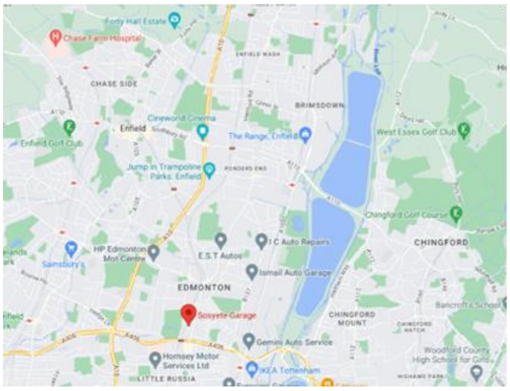
Recommendation:

9.115 The site should not be designated as a LSIS.

- To continue solely in employment use the building would need to be replaced, but it is in a residential area, remote from other industrial uses, with poor access to the strategic road network and is very small.

- Future redevelopment of the site should be managed in accordance with PoliciesE3 and E6 to ensure that potential demand and deliverability of employment uses in this location is properly tested.

Park Avenue Garage (ID: C27)



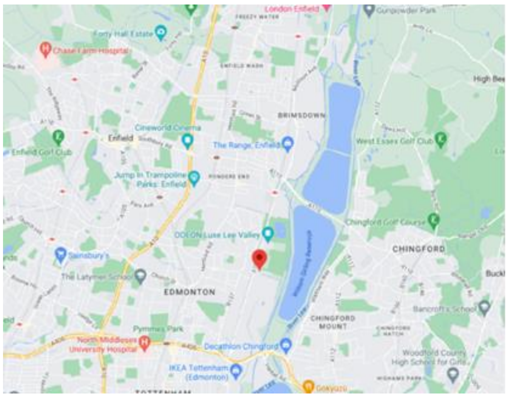
9.116 This site previously consisted of a garage and several low rise brick industrial buildings. Only the garage now remains as the other buildings have been demolished to make way for residential schemes. The remaining part of the site (0.4 ha) comprises a vehicle MOT and servicing garage made up of differing buildings of varying age/quality.

9.117 The commercial element of this site is owned by Waltham Builders Limited, and the occupier is Sosyete Garage and VW Centre. Placing a rental value on this site is challenging given the makeshift nature of the buildings. However, there is strong demand for sites suitable for vehicle repair/maintenance uses. If this site were to come to the letting market, it would likely be on a short-term basis with development breaks and would attract a rent of around £8-10.00 per sq ft.

Recommendation:

- The site should not be designated as a LSIS.
  - While it provides local employment opportunity and vehicle servicing activity, it is a very small site with residential in close proximity, and given its remoteness from other employment activities it has little prospect of attracting alternative employment uses.

Picketts Lock Wholesale (ID: C28)



9.118 This 2.5 ha site is to the north of Thames Water's Deephams site and immediately northeast of Claverings Industrial Estate, and has access on to Meridian Way via Pickett's Lock Lane. The site abuts Green Belt immediately east and north.

9.119 It comprises two four-bay warehouses, both with separate loading facilities. The primary occupier is Abra Wholesale, other occupiers include a Kosher food supplier and a packaging company who have good loading facilities with adequate yard depth and vehicle circulation. The site is owned by a Local Authority Mutual Investment Trust. The buildings are brick built and are of good quality despite being an older generation. A large car park fronts Picketts Lock Lane, but otherwise the loading and circulation for the rear units are very compromised and restrictive in nature.

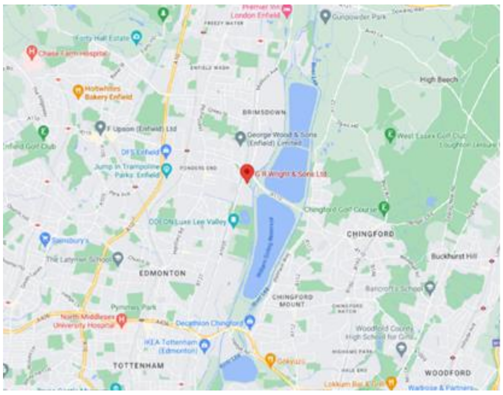
9.120 While already with high site coverage, the site has been promoted through the Call for Sites (CFS 286) and there could be scope to redevelop the site and to reconfigure to provide a single distribution hub with significant height with associated loading and parking, albeit the adjacent Green Belt is a consideration and given the high coverage of existing buildings on site net additional would be minimal. Notwithstanding this, the site could accommodate intensification typologies B and F, ideally B.

9.121 The existing units would let well on the open market, we estimate that rents of £12-14.00 per sq ft are appropriate, and a new distribution warehouse could achieve a rent in the region of £20 per sq ft.

Recommendation:

- The site should be designated as a LSIS.
  - This site is well located in terms of attraction for modern industrial needs, close to other industrial estates and well served by transport infrastructure.
- Redevelopment / intensification potential –the site could accommodate intensification typologies B and F, ideally B; the site lies in an area that is in demand for employment use.

GR Wright and Sons (ID: C29)



9.122 This 2.5 ha site is development within the Green Belt, occupied by Wrights flourmill, and has been so for many years, with the original mill buildings remaining in situ, and the River Lee Navigation running through the site. Many of the buildings and structures on site are Grade II listed, which is a major limitation on redevelopment opportunitIes. New facilities have been added incrementally over the years. The location is immediately north of Meridian Business Park (ID:6) which is designated SIL, and adjacent to Ponders End station and easy access to the A10 via the A110.

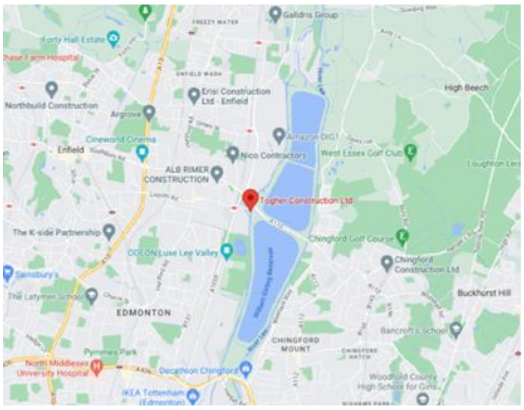
9.123 This is a very specialised facility with a long-established single occupier that were it to be vacated would be extremely unlikely to find a new occupier able to operate from the existing buildings, and will probably never come to the leasing market, consequently we cannot place a rental value on it. If a modern warehouse scheme was redeveloped on the site, a rent in the region of £20 per sq ft is likely to be achievable.

9.124 While the location has excellent transport connections, proximity to other industrial uses and isolation from sensitive neighbours, factors that make it very attractive for industrial / warehouse uses, its siting within the Green Belt and the stock of Listed Buildings means its redevelopment for other employment uses is extremely unlikely, with repurposing of the existing buildings for other uses much more likely.

Recommendation:

- The site's location within the Green Belt and stock of Listed Buildings suggests this site should not be designated for employment uses.
- Redevelopment / intensification potential – the Listed Buildings and siting in the Green Belt suggest this site cannot be considered to offer redevelopment / intensification opportunities.

Wharf Road Industrial Estate (ID: C30)



9.125 This 0.6 ha site comprises two older generation industrial warehouses, currently occupied by a construction company. The site is adjacent to Ponders End Lock, the A110 is close by and provides fast access to Great Cambridge Road. The buildings have good sized yard areas, good vehicular circulation, and function well for both current occupiers and would attract other industrial occupiers.

9.126 Intensification through redevelopment could be possible, to provide modern industrial warehouse units, and because the area is not constrained by neighbouring residential this could be with significantly more height than the existing units. The site is owner occupied and therefore there is no rental data available. However, these units would be popular on the open market and likely attract rents of circa £12-13.00 per sq ft.

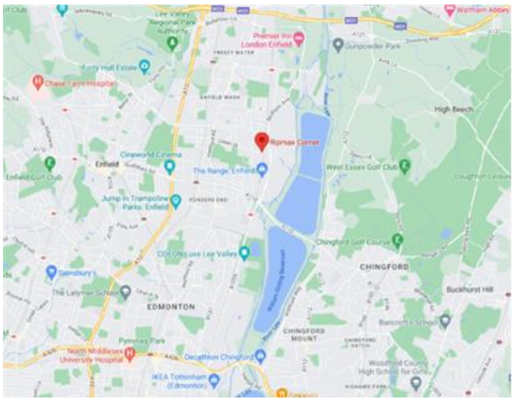
9.127 This site should be considered for designation as a LSIS as it currently provides unconstrained functional stock with the prospect of redevelopment in the future.

Recommendation:

- The site should be designated as a LSIS.
  - This site is well located in terms of attraction for modern industrial needs, close to other industrial estates, unconstrained by sensitive neighbouring uses and well served by transport infrastructure.

- Redevelopment / intensification potential – while not immediately a candidate for intensification and therefore cannot be counted as supply for the Local Plan, the site is free of major constraints for industrial uses and in an area that is in demand.

Ripmax (ID: C31)



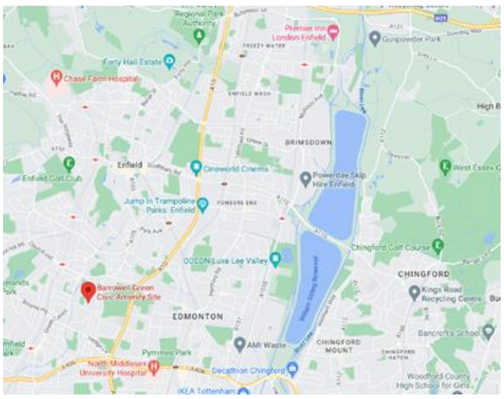
9.128 This site has planning permission for the demolition of the existing buildings and construction of a mixed-use residential scheme that includes some flexible commercial floorspace. The occupiers have vacated, and the site is boarded up. We are unaware of whether construction has commenced. The site previously comprised two warehouses, one 1960s building with large office component and the other a modern structure which appears to have been of good quality.

9.129 The site is now owned by Stonegate Homes, but previously Ripmax and therefore no rental data is available. The buildings would have let well on the open market (especially the more modern warehouse), given the proximity to the Brimsdown Industrial area, although the immediate residential context would have been concerning for some occupiers. If the buildings were to remain as they are, they would probably attract an overall rent per sq ft in the region of £14-15.00 per sq ft.

Recommendation:

- The site’s residential permission suggests this site should not be designated for employment uses.

Barrow Well Green Recycling Centre (ID: C33)



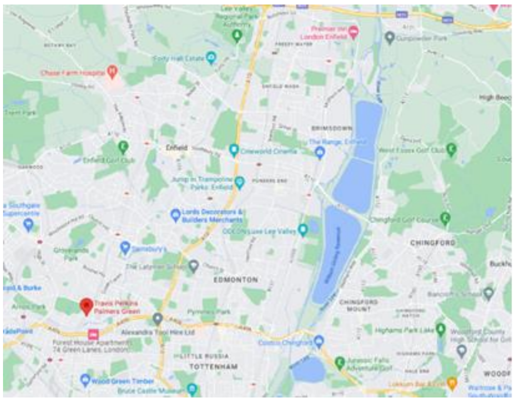
9.130 This 0.5 ha site, owned by the local authority, operates as the Barrowell Green Civic Amenity Site (recycling centre). It is an oval shape and set back from the main road by a long access road. The site is surrounded by a residential estate and playing fields, with further residential underway on the adjoining site.

9.131 It is very unlikely that this site will come forward for commercial redevelopment in the Plan period given its current use, nor would it be suitable given the surrounding residential context. If the site were to come forward to the leasing market it would be for open storage site or waste transfer handling uses, and in the current market would attract a rent of c.£5.00 per sq ft. We have seen an increase in open storage rents in the last few years.

Recommendation:

- The site should not be designated for employment uses.
    - this is because it is a safeguarded waste site in the newly adopted NLWP. It also constrained by its physical shape, size and poor vehicular access and links to the strategic road network (A10).

Travis Perkins Palmers Green (ID: SA39)



9.132 This 0.62 ha site currently comprises a brick and corrugated steel warehouse with a large yard that is owned and operated by Travis Perkins builders' merchants. The surrounding context is residential and a supermarket and is close to the Palmers Green local centre.

9.133 Promoted through the Call for Sites for a mixed-use scheme, incorporating reprovided employment uses including a builders' merchant, as well as residential. Travis Perkins have precedent for this type of building with their Camden mixed use scheme.

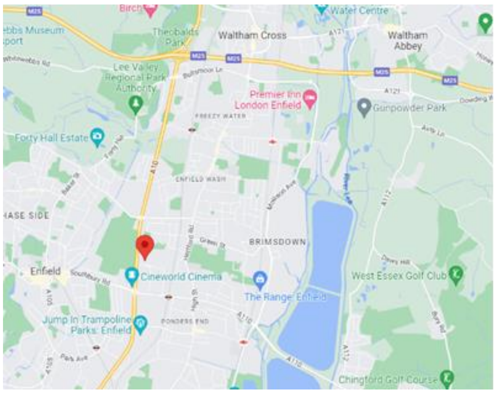
Recommendation:

- The site should be designated as a LSIS.
    - this is because it is a functioning employment site within the urban area, is relatively unconstrained in shape and context and has adequate access to the strategic road network (North Circular).

Sites with potential for allocation for employment use

9.134 These are sites included in the Regulation 18, plus some additional sites that have come forward through the call for sites. Rather than commenting on market conditions and rents, we discuss the suitability of what is being proposed, and whether there is market demand in the area and any site specific advantages / constraints that may affect market demand.

Southbury: potential SIL extensions (ID: Reg1 and Reg 2 (Enfield and De Mandeville Retail Parks))



9.135 Lying immediately adjacent to, but not in the Cambridge Road SIL, are three parcels (top aerial) promoted through the Call for Sites for mixed uses including employment. These are all currently in retail warehouse use, and within the designated Retail Parks. They collectively sum to 8 ha (4.5, 0.5 and 3.0 ha north to south). The southern-most parcel overlaps with the Reg2 area the 4 ha De Mandeville Retail Park (bottom aerial) that consists of two large retail units (Morrisons foodstore, a Currys retail warehouse). Thus, discounting for the 1.3 ha overlap these four parcels could collectively provide 10.7 ha of new SIL employment land.

9.136 All these parcels would be attractive to the industrial market given the location adjacent to SIL and with excellent access to the strategic road network (A10) via Southbury Road.

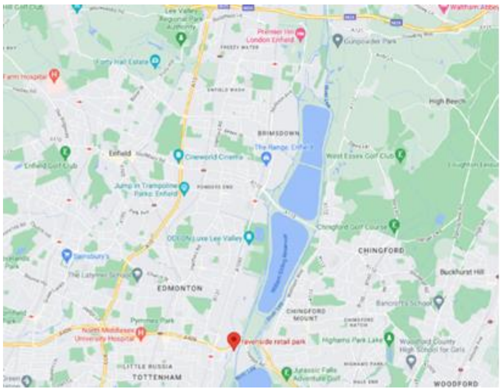
Recommendation:

- Safeguard these parcels for future SIL extensions.
    - These parcels, like the Ravenside Retail Park in the south of the Borough would make logical extensions to the SIL should the landowners seeks to bring them forward for redevelopment.
    - This is because this is an area attractive to the market and in demand, and such a change would see the expansion of existing SIL, replacing retail uses that may be surplus to market requirements in the future.
    - The alternative strategy is to redesignate the retail parks in their entirety as mixed-use employment areas, as the Council has done elsewhere. In this way

the options for redevelopment would be much wider than they are through the current designation.

- However, as there is no firm evidence of commitment to deliver employment uses on any of the land, the parcels cannot at this time be identified as deliverable floorspace/land within the Plan period.

Ravenside Retail Park (ID: SA47)



9.137 This estate is within the Meridian Water Regeneration Area. In this section we consider the merits of this site for employment use. At the end of this chapter, we return to discuss the wider Meridian Water Regeneration Area in more detail, and how this and other areas within the Regeneration Area could be considered.

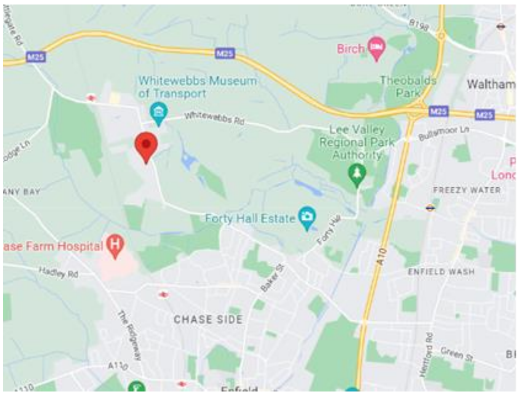
9.138 This 3.3 ha site, owned by Prologis, currently comprises three large retail buildings and associated car parking. Immediately to the south are the outdoor parking and storage areas on the Orbital Business Park. The site has excellent road connectivity (easy access to the North Circular), prominence

9.139 There would be demand for the existing buildings if they were converted into industrial and logistics warehouses, however the current layout is an inefficient use of the site. The site could potentially be intensified through a stacked industrial redevelopment scheme (typology B or F) and is unconstrained by residential or other sensitive uses, so significant height should be possible delivering typology B intensification. The options for intensified redevelopment would expand significantly if this were to include land formerly occupied by the Orbital Business Park located immediately to the south.

Recommendation:

- The site should be designated as a SIL.
  - This site is an exceptional location in terms of attraction for modern industrial needs, with easy access onto the North Circular, close to other industrial estates and unconstrained by sensitive neighbouring uses.
- Redevelopment / intensification potential – this site has been promoted through the Call for Sites for industrial uses, and given its excellent transport connections, attractive and unconstrained location could deliver typology B intensification.

Parkview Nurseries (ID: CFS294)



9.140 This 6.9 ha site in the village of Crews Hill is currently occupied by garden centres and glasshouses associated with plant nursery use, and is development within the Green Belt. Currently the location is remote from the urban area, and has inter-related transport access and labour supply issues, and lacks the other infrastructure benefits that the established industrial areas have.

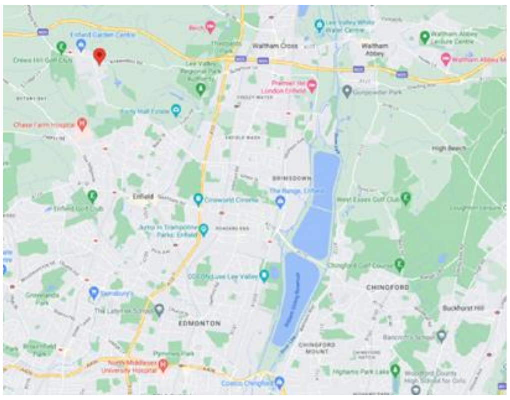
9.141 However, Crews Hill is identified as a place-making opportunity in the emerging plan, and comprehensive development at the scale proposed would allow infrastructure upgrades to support some more intensive use of existing employment sites, and therefore the employment uses (sui generis), albeit relatively low density, need to be protected.

9.142 Given its scale this site merits designation. However, SIL type strategic uses would appear unlikely because of landscape constraints and it is also unlikely to be needed for the type of local provision supported by LSIS designation. Therefore, we recommend that this site is given protection through the bespoke allocation that will come forward for the comprehensive development of Crews Hill. This would allow the particular opportunities and constraints to be considered, protecting and realising appropriate employment activities at an appropriate scale.

Recommendation:

- The site should not be protected through a bespoke Crews Hill allocation/designation.
  - This is because it is a relatively large site currently providing employment opportunities, and has scope to deliver more intensive employment uses..

Land at 135 Theobalds Park Road (ID: SA48)



9.143 This 1.5 ha green field site in the village of Crews Hill is promoted for either an industrial or retail use.

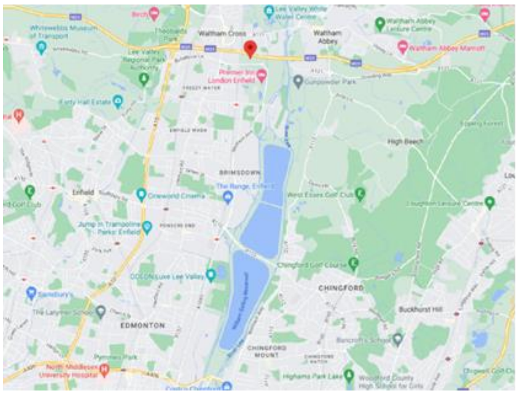
9.144 Currently the location is remote from the urban area, and has inter-related transport access and labour supply issues, and lacks the other infrastructure benefits that the established industrial areas have.

9.145 However, Crews Hill is identified as a place-making opportunity in the emerging plan, and comprehensive development at the scale proposed would allow infrastructure upgrades to support some more intensive use of existing employment sites, and therefore the employment uses (sui generis), albeit relatively low density, need to be protected.

Recommendation:

- The site should not be protected through a bespoke Crews Hill allocation.
  - this is because it could accommodate employment uses, albeit in response to landscape constraints these may be relatively low intensity.

Land West of Rammey Marsh (ID: SA52)

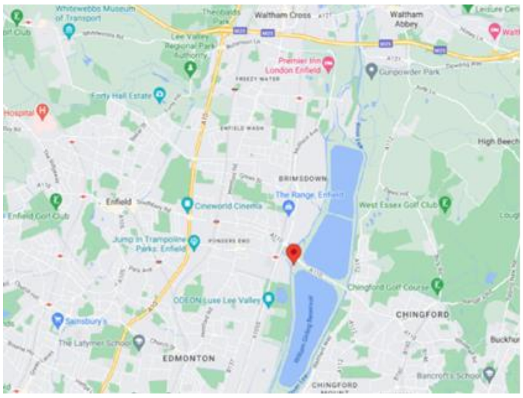


9.146 This 12 ha site, immediately south of the M25 and with good connections to Junction 25, is an excellent location for a large logistics scheme, similar to those immediately adjacent at Freezy Water (Mollison Avenue) to the west and Innova Park to the south. However, the site is within the Green Belt. The site is jointly owned by the local authority, Transport for London and the Lee Valley Regional Park Authority.

Recommendation:

- The site should be considered for SIL designation.
  - this is because it is a prime location for industrial uses with excellent access to the strategic road network, and would access the existing infrastructure available to the neighbouring existing industrial estates.
  - It could deliver short-term need.
  - Green Belt designation is a major constraint

Car Park Site Wharf Road (ID: SA53)

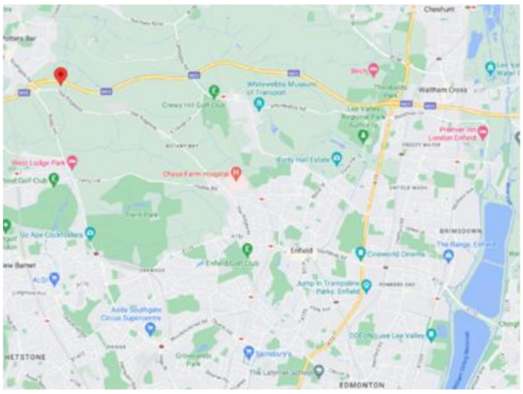


9.147 This 0.8 ha surfaced car parking site, owned by SEGRO, is a good candidate for industrial development or open storage land, and would let well on the market as such. However, its siting within the Green Belt and proximity to the River Lee Navigation are major constraints.

Recommendation:

- The site should be considered for designation as LSIS.
  - this is because it is an open site within the urban area, with good road access and a good location for industrial uses.
  - It could deliver short-term need.
  - Green Belt designation is a major constraint.

Land East of Junction 24 (ID: SA54)



9.148 This Local Authority owned 10 ha site is immediately south of the M25, at the very northwest ‘corner’ of the Borough and in very close proximity to Junction 24 of the M25. The surrounding context is a stonemason’s open storage yard, a large dwelling and a school, but otherwise countryside. The site is entirely within the Green Belt.

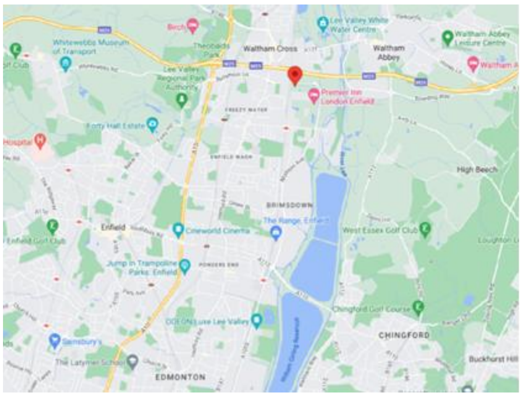
9.149 The site could potentially take access onto the Ridgeway (A1005), which is suitable for HGVs and provides easy access onto junction 24. Landscape and Green Belt issues apart, a logistics scheme such as those at Mollison Avenue and Innova Park close to Junction 25 would be attractive to the occupier/developer market.

Recommendation:

- The site should be considered for designation as SIL.
  - because it has excellent potential access onto the strategic road network, and would certainly be in demand for logistics uses.

- However, it would require more infrastructure to support employment uses than other possible employment sites in the Green Belt, given its remoteness
- It could deliver short-term need.
- Green Belt designation is a major constraint.

Land to the North West of Innova Park (ID: SA55)



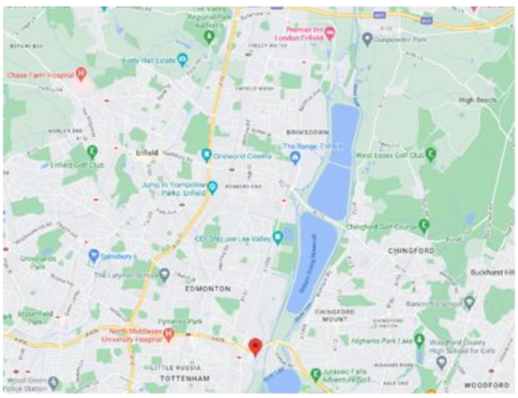
9.150 This land (3.2 ha) is immediately adjacent to Innova Park, but is not part of the SIL and like the site immediately to the north (Land West of Rammey Marsh (ID: SA52)) it is within the Green Belt. It is owned by Kennet Properties (part of Thames Water).

9.151 It is an excellent location for employment use given the high quality road transport links and the proximity to neighbouring established industrial locations. Setting aside all other policy issues the site would certainly be attractive for a single warehouse similar to that occupied by John Lewis at Innova Park.

Recommendation:

- The site should be considered for designation as SIL extension.
  - because it has high quality access onto the strategic road network, is adjacent to other employment areas that already are served by the required infrastructure, and it would certainly be in demand for logistics or indeed other industrial uses.
  - It could deliver short-term need.
  - Green Belt designation is a major constraint.

Employment opportunities in the Meridian Water Regeneration Area (ID: EL2/15)



9.152 We discuss the Meridian Water area separately due to its status as an areas of significant change within the Lee Valley Opportunity Area. The regeneration agenda here is longstanding and has been guided by a Masterplan (2013) that is now 10 years old and based on evidence that is much older.

9.153 For this work the Meridian Water area presents both a challenge and also an opportunity.

9.154 The Meridian Water area was, and still is, a major industrial location. The network of industrial sites is arguably one reason why the area was selected for 'regeneration'. The regeneration agenda was framed in the context of continued industrial decline and policy-led releases of industrial land. At the time the industrial portfolio was seen as a regeneration opportunity to deliver new homes and jobs – in new and growing sectors as opposed to declining industrial.

9.155 The original visioning for the area saw the replacement for these declining sectors with a new generation of high technology, knowledge-based and creative industry led sector growth. While many of these sectors, especially the creative sector, occupy industrial formats the policy thrust was for offices and workshops. Because office style jobs can be accommodated on land at much higher densities than industrial the strategy could deliver both new homes and also jobs – albeit in a different set of economic sectors.

9.156 Turning to 2023; the chronic need for new homes remains as before. The quantum of need may change, but the policy thrust to boost housing supply remains. However, what has changed is that at the time the strategy was originally shaped London had a surplus of industrial stock. The win/win scenario originally outlined may no longer hold true.

9.157 From a policy perspective London now has a chronic shortage of industrial property that is not addressed in the London Plan. Industrial demand is growing as opposed to contracting and this demand is now supercharged with a post-Covid switch to online retailing. Here the most obvious example is the recent closure of the Edmonton Ikea which has partly been justified by the rise of e-commerce reducing the need for physical stores.

9.158 Meanwhile, while industrial demand has strengthened demand for other formats of economic space has weakened and particularly for offices. The original intention was to provide replacement employment opportunities primarily through an office and/or workshop style space. This was because office style employment was considered to be better skilled and higher wage than the prevailing industrial sectors. Setting aside to what extent office style jobs may be higher skilled and higher waged there is little firm evidence to support an office led approach in 2023.

9.159 Even before Covid there were signs that office floorspace demand was weak in Enfield. There was also evidence of a very large, and undeveloped, positive pipeline of office space looking to capture new sectors and footloose demand elsewhere – including high profile, highly aspirational, office-led developments in other London Plan opportunity areas. A number of these other opportunity areas aim to capture opportunities from the creative industries and/or life sciences and it is unclear to what extent the global/London wide demand for these growing sectors has already been addressed.

9.160 For this report, the above suggests that an office-led strategy to regenerate the remaining industrial stock in the area would not accord with the most recent economic evidence. The win/win scenario originally developed for the area no longer holds true because there is now an economic need for industrial space and a questionable need for a large supply of office format space.

9.161 Further our report is complicated because earlier work highlighted Meridian Water as one area that could accommodate the most intensive formats of industrial development. Earlier intensification work for the Borough highlighted the Meridian Water area (particularly Harbert Road) as an area suitable to accommodate some of the most intensive redevelopment formats tested. While that work, the Avison Young/Aecom work did not test the viability of the intensification formats this area is adjacent to the North Circular, this is an area highly attractive to logistics operators. Logistics firms are the most likely to be able to afford to occupy these intensive formats. They also have limited 'areas of search' because they need to be located close to population centres. Sites outside of London would necessitate operators to operate across the Greenbelt increasing milage, trips and costs.

9.162 Harbert Road was identified in earlier evidence as an industrial-led intensification opportunity, because it is well located and generally free of constraints that could accommodate multi-deck logistics space (typology E).

9.163 We cannot disagree with the logic that highlights this area as one suitable for industrial intensification. What must be understood is that even in Regeneration Areas intensification is required to increase industrial floorspace and not to maintain the floorspace, but free up land for other uses.

9.164 Nor can we avoid questioning the continued logic to promote office format space and while there is demand for some workshop style space in the Borough – particularly to accommodate smaller firms who do not need a pure industrial unit – the scale of this demand will always be modest in comparison to other industrial formats.

9.165 Meridian Water will undoubtedly come forward in large part as mixed-use schemes, and we note that the Call for Sites promoted the Harbet Road SIL and the 'western bank' for mixed use redevelopment. In this report we cannot advise on the most appropriate mix for these or other areas. However, with an acknowledged London-wide shortfall in industrial land / floorspace the economic evidence would always result in a policy recommendation to maximise the economic potential of the area and individual sites, and address the sectors where demand is strongest. This would result in a recommendation that land should be allocated for intensive forms of industrial development. But given the need is also for housing, we suggest that the residential-led housing sites should be encouraged to provide employment uses as part of the mix.

9.166 Our suggestion would be to reduce the emphasis on office led economic development – this is not supported by evidence – while increasing the emphasis on replacement industrial space. Ideally policy should aim for net additional industrial space because there is simply no land available to accommodate replacement space. Any capacity the Borough identifies is likely to be needed to address current undersupply and the need for growth space as opposed to replacement, so that businesses are provided with the opportunity to expand, relocate or new entrants to the LB Enfield market, so supporting growth in the local economy and jobs opportunities for local residents.

9.167 Workshops should remain part of the strategy, but their role quantified because our opinion is that workshop style demand is likely to be modest and especially where the format is akin to offices as opposed to industrial units. The ability of small and high-profile sectors to grow into space at Meridian Water also needs testing.

9.168 Our objective is not to dent aspirations for this area, but we need to note that there is a strong source of less aspirational style growth – in normal economic sectors – that is currently unaddressed and further releases of SIL land only makes this more challenging.

10 Conclusions and recommendations

10.1 In this final chapter we draw together i) the assessment of demand that after taking account of known committed supply identified the need for industrial and office floorspace / land, and ii) the assessment of potentially available future supply to meet that identified need. We focus on industrial need because this accounts for the bulk of the need, but also conclude on the need for office floorspace.

Industrial & Logistics

10.2 The Council has taken proactive steps to quantify the potential for intensification of floorspace across the Borough, aiming to boost its supply of available space whilst minimising the need for additional employment land.

10.3 Outlined below is the Borough's projected pipeline of new space, categorised by descending levels of certainty in supply.

10.4 For industrial purposes, we have calculated a need of c.13,818 sqm per annum (304,000 sqm across the plan period). Our calculations are based in 2019.

10.5 In this section we provide recommendations as regards the supply to meet this need, broken down over three periods as follows:

A) Plan period 1 (2019 – 2023) (c.69,091 sqm of industrial need)
B) Plan period 2 (2024 –2029) (c.69,091 sqm of industrial need)
C) Plan Period 3 + (2030 – 2042) (c.165,818 sqm of industrial need)

Supply

10.6 Below, we conclude on the available supply as assessed in the preceding chapter.

Plan Period 1 (2019-2023) & Table 10.1 Supply (c.52,675sqm)

Table 10.1 Sites with extant planning permissions to provide net additional employment floorspace

	Ha	Existing (sq m)	Proposed (sq m)	Net additional (sq m)	Existing plot ratio (per cent)	Proposed plot ratio (per cent)
Commitments within designated areas						
Heritage House, Great Cambridge Rd	4.6	20,321	42,381	22,060	44	92
Montagu Industrial Area North	5.7	19,625	37,527	17,902	34	66
Meridian 7	0.4	0	8,500	8,500	0	193
Snowbird Foods Ltd. Extn 14 Wharf Rd	0.6		3,289	3,289		
Riverwalk Business Park, Brimsdown	0.2	0	924	924		
Total	**12**	**39,946**	**92,621**	**52,675**		

Source: land and floorspace areas supplied by LB Enfield

10.7 The primary source of supply, as detailed in Table 10.1 comes from the traditional planning pipeline. This category is made up of sites with outstanding planning permission for economic development.

10.8 Additionally, this ‘top tier’ supply might include outstanding land allocations i.e. sites designated for development but not yet utilised. Typically, Councils are required to maintain a land supply for at least 15 years and regularly review their plans, resulting in a substantial reservoir of potential development sites. However, in Enfield’s case, the combined supply from both sources amounts to approximately 52,675 sqm, with no outstanding land allocations identified. This figure falls short of expectations, considering Enfield’s obligation to provide sufficient land for economic development. Historically, many London boroughs with older plans had been promoted on the assumption of continued industrial losses, leading to a scarcity of outstanding land allocations specifically for industrial uses.

10.9 The supply shown in Table 10.1 would barely cover four years of economic need, and is only sufficient for the initial four years of the plan. Notably, at the time of drafting, Enfield has already accumulated a backlog of economic need, rendering the permitted pipeline of space (as shown in table 10.1) insufficient to meet the requirements of the first five years.

10.10 Furthermore, the ELR has factored in committed losses and aligns with the principles outlined in the London Plan, which advocates a positive need for net increase in floorspace. Consequently, no further losses should be anticipated without adequate provision for replacement. If economic sites are lost via ‘windfall’ they need to be replaced. Even without making any provision for further losses, our analysis reveals an immediate shortfall in supply as of 2023/24.

10.11 Given the absence of immediately deliverable sites, it is very likely that the second plan period would commence with a shortfall / deficit in supply.

Plan Period 2 (2024 –2029) & Table 10.2 Supply (c. 52,580sqm)

10.12 The supply detailed in Table 10.1 is required to address the 2019-2023 period, but falls short by approximately 16,415 sqm. Consequently, the period 2024-29 commences with this shortfall (equal to roughly 1.25 years), in addition to a further requirement for 69,091 sqm. Roughly 85,505 sqm therefore needs to be delivered between 2024 and 2029.

10.13 Unfortunately, there is no existing pipeline of supply to meet this need. The next available source is anticipated to be at Meridian Water, an emerging allocation with some well-developed sites. Over the period of the Meridian Water Masterplan, the area is projected to deliver around 52,580 sqm of net additional space. However, it is important to note that a substantial portion of this space, particularly parcels B and D, is in the process of comprehensive redevelopment and proposed release from SIL designation, while other sites are intensified.

Table 10.2 Meridian Water

	Ha	Existing (sq m)	Proposed (sq m)	Net additional (sq m)	Existing plot ratio (per cent)	Proposed plot ratio (per cent)
Parcel A (Hawley Yard)	3.5	7,530	58,100	50,570	22	166
Parcel B	4.1	3,180	0	-3,180	8	0
Parcel C	4.8	16,358	38,838	22,480	34	80
Parcel D (proposed LSIS)	5.8	14,440	29,000	14,560	25	50
Parcels B / D		64,350		-64,350		
Ravenside Retail Park (Prologis)	3.5	0	32,500	32,500	0	92
Kenninghall Metals and Waste	3.4	8,500	8,500	0	25	25
Meridian Water total	**25.1**	**114,358**	**166,938**	**52,580**	**45**	**66**

Source: land and floorspace areas from Meridian Water emerging masterplan , LB Enfield

10.14 The Council has estimated that 64,350 sqm of industrial capacity will be lost from these parcels[27] – some of the space has already been lost as sites have already been cleared and temporary uses established. We understand that around 17,000 sqm of space remains on the site but will also be cleared over time. The estimate of 64,350 may be low because we noted that the Councils AMR/monitoring data discussed earlier suggested 72,000 sqm of space was lost in the 2019/20 monitoring year – so within this plan period. The reason we understand the Council uses 64,350 instead is because not all this 72,000 sqm was lettable/useable when lost because the site was being manged out of employment uses.

10.15 While some floorspace losses will have occurred prior to 2019 the land remained SIL and it is only via the plan review that the SIL land (and its industrial capacity) is to be lost/released. So; it is fair to still show this as a loss and the loss of the SIL land removes capacity for 64,350 sqm of space (assuming a 65% plot ratio). Albeit the parcels, as of 2024, only accommodate 17,000 sqm of built space and historically, prior to our base date, the site could have accommodated even more space.

10.16 Exactly when Meridan Water moves into a net additional position will depend on detail phasing and timing. Also; to what extent early delivery phases are needed to re-accommodate any occupier whose space needs to be released or simply redeveloped. We understand that the Council, as landowner, is looking to use Hawley Yard as an early phase but also use some of this space to re-accommodate users displaced from elsewhere.

10.17 Without additional land, it is very unlikely that the Borough could meet its early requirements. The total sum of all land in Tables 10.1 & 10.2 is 105,255 sqm; the 10 year requirement up to 2029 is 138,180 sqm. This is a shortfall of 32,925 (just under 2.4 years' supply).

[27] Footnote 59 of the London Plan defines floorspace capacity as: "Floorspace capacity is defined here as either the existing industrial and warehousing floorspace on site or the potential industrial and warehousing floorspace that could be accommodated on site at a 65 per cent plot ratio, whichever is the greater" .

10.18 In practice, Merdian Water will be delivered over the whole plan period, but at the time of writing Meridian Water is the most advanced source of new supply available here and so most likely to assist in 2024-29.

Plan Period 3 (2030-2042) & Table 10.3 Supply (74,189sqm)

10.19 In similar studies for areas outside of London, we would stop ‘counting’ the supply at this stage. Without robust delivery-side evidence from a site promoter it is difficult to ‘count’ additional supply; in the absence of a willing landowner there is no reasonable prospect of a site coming forward to meet economic need.

10.20 As previously confirmed, there is a shortage of supply in Enfield, with the Borough unable to demonstrate a robust pipeline of space to meet economic needs arising since 2019.

10.21 However, London is reliant on the recycling of land, and the London Plan relies almost exclusively on intensification to meet its needs. The London Plan strategy is challenging, as clearly reflected by the Plan Panel’s conclusion that its strategy is aspirational but not necessarily realistic[28] (subsequent changes to the Plan by the Secretary of State allowed Boroughs to allocate Green Belt if needed). While challenging, encouraging developers to promote intensified space and make the most efficient use of land is a sensible planning strategy.

10.22 Enfield’s Local Plan and its policies are poised to facilitate the emergence of future supply in appropriate locations. Given the lengthy timelines associated with masterplan-led initiatives and the need for robust delivery evidence, the Council is proactively identifying potential sites for intensified brownfield development.

10.23 It is important to note that, despite the London Plan being adopted in 2021, and various GLA-authored evidence being in circulation well before then (the Industrial Primer was published in 2017), only 20ha of the boroughs stock (317ha[29]) of land has promoted for inclusion in this plan as intensified industrial (ex MW and the pipeline).

10.24 Also, no intensified development has been completed in Enfield. The Borough expects the recently permitted scheme at Heritage House (see Table 10.1) to be implemented, but this will be the first such scheme in Enfield, and one of a very limited number that have been developed anywhere in London. We understand that redevelopment at Meridian Water is committed to delivering intensified space, partly because the site is owned and controlled by the Council, who recognises that it has a role to play in leading intensified formats. If these sites were not in Council ownership, a different strategy may have been promoted.

10.25 So not only does the Borough have no remaining un-built allocations, there is only a slim pipeline of permitted space, and very little new economic space has been promoted (intensified or otherwise).

10.26 Given the lack of promoted sites, the Council has looked to be proactive and identify where future supply could come forward. This work, the Council’s AECOM/Avison

[28] As set out in Paragraph 419 (onwards) of the London Plan Panel report

[29] As calculated by the GLA Industrial Baseline 2023.

Young Intensification evidence, looked to identify theoretical potential for intensification.

10.27 Table 10.3 below highlights those sites, drawn from the earlier intensification work, where the Council considers that there is intensification potential. It comprises land submitted in the Call for Sites, though they were not promoted for very significant intensification andaround 50% of the total land in Table 10.3 is also being proposed for industrial land release or mixed use.

Table 10.3 Sites with intensification potential

	Ha	Existing (sq m)	Proposed (sq m)	Net additional (sq m)	Existing plot ratio (per cent)	Proposed plot ratio (per cent)
Land to the South of Millmarsh Lane within Brimsdown	5.1	22,000	98,669	76,669	43	193
Land South East of Stockingswater Lane within Brimsdown	5.2	19,625	100,360	80,735	38	193
6 Morson Road within Meridian Business Park	0.4	0	2,600	2,600	0	65
Crown Road Lorry Park within Great Cambridge Road	0.7	150	8,363	8,213	2	116
Land and buildings north of Lincoln Road	4.5	25,940	52,268	26,328	58	116
Claverings Industrial Estate	2.4	16,258	19,477	3,219	67	81
5 Picketts Lock Lane	1.8	12,400	14,697	2,297	68	81
Sites with intensification potential total	**20.2**	**96,373**	**296,433**	**200,060**	**47**	**147**

Source: land and floorspace areas from LB Enfield

10.28 The quantum of floorspace in table 10.3 have been taken from typologies developed by AECOM/Avision Young although amended (reduced) by Stantec to remove elements of these typologies that were detrimental to viability and deliverability.

10.29 The numbers set out above do not reflect the only scenarios/typologies tested by AECOM for each site but they reflect the most intensive of the typologies suggested for each relevant site.

10.30 In the table and text below we show the intensification capacities, developed from the AECOM work (as shown in Table 10.3[30]) alongside our understanding of developer's current site promotion. As the table demonstrates where sites are being promoted they are for much lower capacities than had been identified in the intensification work.

10.31 So; there are two main issues/concerns with this supply. Firstly, developers do not support significant intensification on their sites. While 20ha of land has been promoted for intensification the intensification yield is modest and makes only limited inroads to the requirements to find around 200,000 sqm of space.

10.32 Secondly – with only 20ha of land promoted to meet the 200,000 sqm of need there is no reasonable route to address this shortfall using lower assumptions than set out in table 10.3. More land would be required. The 20ha in table 10.3 is promoted for a net

[30] Note – the Statenc Work adjusted some of the typology capacities downwards – as noted in their work.

additional 74,000 sqm of space so, to meet a 200,000 sqm shortfall assuming a similar scale of uplift needs 54 ha in total – more than double the promoted supply.

10.33 If the site capacities in table 10.3 are not delivered there is insufficient supply to meet needs.

Table 10.4 Intensification sites (net gain in 10.3 compared to revised figures)

Site	ha.	Total Extant	Total 10.3	Total Revised	Net Gain 10.3	Net Gain Revised	Net Gain (Revised -v- 10.3)
Millmarsh Lane	5.1	22,000	98,669	35,500	76,669	13,500	-63,169
Stockingswater Lane	5.2	19,625	100,360	45,000	80,735	25,375	-55,360
6 Morson Road	0.4	0	2,600	2,600	2,600	2,600	0
Crown Road Lorry Park	0.7	150	8,363	4,645	8,213	4,495	-3,718
Lincoln Road	4.5	25,940	52,268	50,940	26,328	25,000	-1,328
Claverings Industrial Estate	2.4	16,258	19,477	19,477	3,219	3,219	0
5 Picketts Lock Lane	1.8	12,400	14,697	12,400	2,297	0	-2,297
Total	**20.2**	**96,373**	**296,434**	**170,562**	**200,061**	**74,189**	**-125,872**

Table 10.5 Intensification sites (plot ratios in 10.3 compared to revised figures)

Site	ha.	Extant	10.3	Revised
Millmarsh Lane	5.1	43	193	70
Stockingswater Lane	5.2	38	193	87
6 Morson Road	0.4	0	65	65
Crown Road Lorry Park	0.7	2	116	66
Lincoln Road	4.5	58	116	113
Claverings Industrial Estate	2.4	67	81	81
5 Picketts Lock Lane	1.8	68	81	68

Millmarsh Lane (Brimsdown)

10.34 The Borough's intensification evidence identified this a site that could accommodate a significant uplift in floorspace – up to 98,000 sqm of space. The size of this site and its location means it is one of the few that could accommodate very bulky, very intensive property formats. The Brimsdown area is highly accessible and one of the largest reservoirs of remaining SIL land in London. If the Borough is to seek to meet its needs via intensified formats, and accepting that the Borough quantitative needs to aspire to greater uplifts than the GLA minimum 65%, Brimsdown is clearly and area the Borough the needs focus.

10.35 Of the Table 10.3 sites this is one of the less intensively used (43% plot ratio), and partly because of its large size was identified in the AECOM work as being capable

capable of accommodating space at a very high ratio. There are no obvious reasons why a very intensive and bulky format of building could not be accommodated here – although as part of this evidence we cannot consider delivery in detail.

10.36 Despite being flagged as suitable for a very intensive redevelopment the site is not being promoted as such. Instead, two schemes are suggested via the Call for Sites. One is for mixed use redevelopment which would introduce residential into the protected SIL and result in the long-term loss of industrial capacity, reducing the scope for more intensive proposals to come forward.

10.37 Reflecting the fact that this is economic evidence, we cannot consider the balance/need for alternative uses. But SIL land is a scare and so the capacity of SIL land should always be protected. Other uses, which reduce the capacity of SIL land to meet economic need should be resisted.

10.38 The second is a redevelopment option for industrial, although with a much reduced yield of 35,500 sqm. This would still represent an increase in floorspace but to minimise the need for new land the Borough needs to work with site promoters to maximise the yield on this site.

10.39 Given the site owners are promoting only 35,500 (an uplift of 13,500 sqm) the most that could be assumed would be net additional 13,500 vs nearly 100,000 sqm in the intensification work.

Stockingswater Lane (Brimsdown)

10.40 The site is also in Brimsdown but south of the Millmarsh Lane Area.

10.41 Owned by British Airways Pension Group, and promoted on by Areli Developments Ltd, the site measures 5.2ha and is within a SIL designation. Documents comprise a competed submission form and site plan. It is being promoted for a 'significant intensification of industrial floorspace' which is calculated at a total quantum of 45,000 sqm (a net increase of 25,375 sqm as opposed to the 80,735 sqm uplift in Table 10.3).

10.42 So; as with Millmarsh Lane – there is no developer evidence to support very significant intensification, with an increase with around 25,000 sqm net additional promoted. As with Millmarsh Lane unless very significant intensification proposals emerge the industrial yield is helpful, but in qualitative terms modest.

6 Morson Road

10.43 The site is being promoted by Heatons on behalf of Tarmac, who have a freehold interest. Documents comprise a completed submission form, site location plan, photos, and four-page covering letter. Support for more intensive and efficient development of the site is being sought, but no figures are provided in the submission regarding floorspace increase. As the 2,600 sqm listed in Table 10.3 would appear achievable (a development ratio of 65%) this would seem to be a reasonable assumption – that at best 2,600 sqm of space could be delivered.

Crown Road Lorry Park

10.44 The site is owned, and being promoted by, the London Borough of Enfield. Submission documents comprise a completed submission form and site plan. The site is being promoted for 'up to 50,000 sqft' of new small and medium industrial/business units. This translates to c.4,645 sqm of new floorspace, and net increase of 4,495 sqm. In contrast, Table 10.3 gives a potential net increase of 8,213 sqm employment floorspace on the site.

10.45 So, at best, we could expect 4,645 sqm of net additional space here.

Lincoln Road

10.46 Site promoters suggest that this site can be redeveloped and intensified with a suggestion that up to 75,000 sqm could be delivered, which would be around 50,000 sqm of net additional space. But we understand this is being expressed as a range (from zero intensification to the 50,000 net additional). The AECOM work assumed a net increase of 26,328 sqm (which would still double the floorspace on a very intensive site already). Given the range, and the fact the upper end of this range exceeds the AECOM estimate (and elsewhere developers are all promoting less) we would assume a net additional 25,000 sqm may be available – in the middle of the developer's range, and close to the AECOM figure.

Claverings Industrial Estate

10.47 The site has been promoted by the London Borough of Enfield, who have a freehold on the site. The submission form puts the site forward for a mix of uses, including commercial, and industrial, office, and community uses. It was subject to a residential-led mixed use development under the 2021 draft Local Plan, but this is no longer the case in the most recent version of the emerging Plan published in late 2023. The submission does not provide details of the potential floorspace, but the proposed increase of 3,219 sqm detailed in Table 10.3 is considered achievable, if a little optimistic. For the purposes of the table we have carried this figure over into the revised figures.

5 Picketts Lock Lane

10.48 The site is owned by the Local Authorities Mutual Investment Trust, and is being promoted by a community group called Enfield RoadWatch. Enfield RoadWatch have not contacted the Trust regarding the site, and are instead asking the Local Authority to engage with them in order to facilitate development. The group is seeking residential development with the possibility for (unspecified) mixed use. The landowner has subsequently promoted the site for a range of uses – if taken forward as an redeveloped industrial site the Call for Sites response suggests very little increase which is likely to reflect the already high baseline plot ratio and the challenge, given that many sites are already intensively developed, of significant intensification while market confidence is weak.

Summary of 10.3 'supply'

10.49 After reviewing the material presented by site promoter, which has developed in alignment with the GLA and Borough material, it is evident that developers are promoting much less intensive formats. If these proposals were to obtain planning permission, they would add only 74,189 sqm compared to 200,060 flowing from the Intensification work[31].

[31] Neither AECOM nor AV made formal recommendations regarding the 'correct' typology. Because the Borough is struggling with supply they have assumed the most intensive industrial format developed for each site.

10.50 Based on these submissions, we recommend that the Council, in its endeavour to balance the need for economic space and land supply, assumes only 74,189 sqm will be delivered by the sites in Table 10.3. However, the Council should continue engaging with promoters to potentially increase this figure further. While some proposals still involve intensification', it is noteworthy the AECOM study suggests additional capacity beyond what developers are currently promoting.

10.51 What this shows is that, out of the approximately 200,060 sqm of net additional floorspace identified by the AECOM/Avison Young study through potential intensification, developers are only promoting around 74,189 sqm. Furthermore, even within this 74,189 sqm, some are being promoted for alternative uses that would introduce housing into SIL parcels, thereby reducing the Borough's intensification potential.

10.52 Of the 20ha. of land, around 50% is promoted for industrial land release, in whole or as part of a mixed-use proposal.

10.53 For the Plan, it is clear that the 200,060 sqm shown in Table 10.3 is not a robust source of supply that can be relied on to meet economic needs. At best, across the 10.3 sites we can expect 74,189 sqm.

10.54 Regarding timing and phasing, none of these proposals are currently in the process of planning, despite there being nothing preventing intensified sites coming forward immediately. Consequently, they cannot address any short term deficits or plan period backlogs within the first five years. Additionally, with no planning applications in progress, it is likely to be at least five years before delivery can commence. Therefore, these proposals may provide limited assistance to the Borough's supply until at least 2029 and, even then, if delivered, may only provide 74,189 sqm of space against a need for 165,820 sqm once supply from Tables 10.1 and 10.2 is considered.

10.55 We do not consider this a failure of the Boroughs thrust to secure intensified space, nor that intensification evidence was wrong. The critical issue for Enfield is that Intensification, of a scale that Enfield could demonstrate it can meet its needs in full, is theoretically possible – the Intensification evidence led to identification of sites are critical to an intensification strategy. But as addressed in the Stantec / GWM work, developer confidence is weak for understandable viability reasons. So; it is no surprise that developers are promoting much more modest uplifts.

10.56 The fundamental problem/issue remains that only 20ha of land has been promoted for industrial re-development and intensification. If only 20ha of land is available the only way the gap can be closed, that the Borough can meet its needs in full, would be via a strategy as illustrated in table 10.3.

Further Sources of supply

10.57 Table 10.6, based on earlier intensification evidence, highlighted the potential to re-purpose retail space/land for industrial use. This represents a relatively new source of supply: previously, there was no expectation that out-of-centre retail sites would undergo redevelopment for industrial purposes, but the outlook has changed post-Covid.

10.58 The sites in Table 10.6 are listed as very long-term opportunities: no site is currently marketed or proposed for redevelopment, and most are still in active retail use. But they are all sites of a size, scale and location that could be redeveloped for new industrial space.

10.59 Unlike Table 10.3, which lists sites that have been promoted for redevelopment, Table 10.6 is contains sites that are unlikely to yield any floorspace in the Plan period. There are instead sites that that the Borough should consider as candidates for more detailed masterplan work, recognising that change is on the horizon.

10.60 One potential risk for the Council is that, without clearly expressing its aspirations for intensified floorspace in these areas, developers may pursue other proposals that do not explicitly address or meet economic needs. Given the limitations imposed by bulk, scale, and massing on feasibility of intensified formats, emerging opportunities involving large and reasonably uncomplicated sites should be evaluated for their economic potential alongside considerations for housing and other uses.

Table 10.6 Land in other uses with potential for employment use

	Site area	Plot ratio scenarios	
	Ha	**@65%**	**@101%**
Enfield Retail Park			
Main retail park (north of area)	4.5	29,120	45,248
2 and 4 Dearsley Road – McDonalds/Krispy Kreme	0.6	3,608	5,606
De Mandeville Retail Park			
333-337a Southbury Rd (Currys PCW, Easyliving, Harveys Argos)	1.4	9,172	14,251
A10 sites south of the junction with Southbury Road			
270 Great Cambridge Road – DFS	0.8	5,291	8,221
198 and 232 Great Cambridge Road – Furniture Village Enfield and	1.0	6,399	9,943
Non-designated land	**8.2**	**53,589**	**83,269**

Source: land and floorspace areas from LB Enfield

Greenbelt

10.61 The final source of supply is Greenbelt.

10.62 Against a need of 304,000 sqm over the period 2019-42, we have confirmed the Borough's robust supply as:

- Table 10.1 - 52,675 sqm;
- Table 10.2 - 52,580 sqm (incl. a loss of 64,350 from parcels B and D);
- Table 10.3 - 74,189 sqm (as opposed to a possible yield expected yield of 200,060 if if the sites are more aggressively intensified).

10.63 This leaves a shortfall of 124,556 sqm (just over nine years' supply). With only 52,675 sqm in the planning pipeline to address a need of 69,091 sqm since 2019, the need for additional land is immediate and short term.

Table 10.7 Employment Land Supply (Tables 10.1, 10.2, 10.3) excluding Green Belt (sqm)

	2019-2023	2024-2029	2029-2042
Need (raw)	69,091	69,091	165,818
Supply (Table 10.1)	52,675		
Supply (Table 10.2)		52,580*	
Supply (Table 10.3)			74,189*
Green Belt	n/a	n/a	n/a
Need (incl. previous shortfall)	n/a	85,507	198,745
Shortfall (cumulative)	**16,416**	**32,927**	**124,556**

We have assumed that Meridian Water (Table 10.2) will be delivered in full over the period 2024-29, and the 10.3 sites over the period 2029-42. It is likely to be the case that delivery is spread across the 2029 watershed.

10.64 Outside of Table 10.1, there is no short-term supply. Even allowing for the degree of intensification promoted by developers of the Table 10.3 sites, it is very unlikely this will assist until the middle of the plan period (by which time we hope that viability improves, and formal planning applications can be determined for more intensified schemes). Even at that future point, there is insufficient supply to address plan period needs.

10.65 We understand that there are no willing ‘partners’ able to assist the Borough with its land supply, and, with the Borough already seeking intensified space where offered, there is very limited scope to address any shortfall. But there are Green Belt sites being promoted.

10.66 If allocated, we would expect these to assist with delivery in the middle of the plan period. The sites are in very strong demand and are located where they can address larger / strategic needs (the most viable market segment at the moment). Like Table 10.3 sites they currently have no applications pending, but we would expect applications soon after allocation. Unlike 10.3 sites, they do not have existing firms to manage out or re-accommodate.

10.67 The ELR list three Green Belt sites collectively offering 18.0 ha, with the potential for 117,195 sqm if developed at 65% plot ratio. We understand that the promoters are likely to resist such a high plot ratio because logistics operators currently prefer lower plot ratios and, as noted in this report, intensified schemes are challenging to deliver. But with limited land, and the need to make the most efficient use of land, seeking the GLA 65% intensified threshold would seem sensible. Table 10.8 the current supply of employment land, with the addition of those Green Belt sites put forward in the Call for Sites with such a plot ratio. Assuming a rate of delivery that splits evenly across 2024-29 and 2029-42, there will be a shortfall of 7,362 sqm by the end of the Plan period in the event that these Green Belt sites are developed.

Table 10.8 Employment Land Supply including Green Belt

	2019-2023	2024-2029	2029-2042
Need (raw)	69,091	69,091	165,818
Supply (Table 10.1, 10.2, 10.3)	52,675	52,580	74,189
Supply (Green Belt Sites)		58,597*	58,598*
Need (incl. previous shortfall)	n/a	85,507	140,148
Shortfall (cumulative)	**16,416**	**-25,670**	**7,362**

As noted above, we expect the Green Belt sites to come forward quickly, and have therefore split it evenly between periods 2024-29 and 2029-42

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Industrial & Logistics Recommendations

- **The sites set out in table 10.1 should be allocated in the Plan for redevelopment – at a minimum as set out in that table.**

10.68 We understand that this supply is promoted, well advanced, and can meet the backlog/shortfall that has developed since 2019.

- **The sites set out in table 10.2 should be allocated for redevelopment as part of the Meridiam Waterside Policies.**

10.69 The Council will continue to seek ways to deliver more space but for viability and delivery reasons cannot commit to further economic space.

- **The sites set out in table 10.3 should be allocated for intensification**

10.70 The sites have been promoted for redevelopment, and with a pressing shortfall of around 165,820 sqm, it is vital that the Council continues to work with developers to maximise this yield.

10.71 We have no evidence that more space than the currently promoted 74,189 sqm, is deliverable. No more than this is being promoted by developers, and the Council has no evidence that even modest intensification is viable at the moment.

10.72 The sites should be allocated for intensification, but the Council should be realistic as regards their expectations. Because of the quantitative shortfall, the Borough would be right to continue to challenge developers' expectations here.

10.73 In our opinion, and reflecting the scope of our (economic) work the, Council should resist (re)development proposals that do not maximise the delivery of economic floorspace within SIL. Particular regard should be given to meeting larger, more difficult to accommodate, core SIL users.

10.74 Given the shortage of SIL land, uses that to not require SIL land should not generally be supported.

10.75 Other, lighter industrial uses should continue to be directed to Local Industrial Sites or, if a quantitative case is made to include light formats as part of redevelopment proposals, consideration should be given as to whether alternative sources of local supply exist – including for example the re-use of High Street space for workshops and studio space. Lighter uses do not need core SIL uses and so, if promoted, the economic benefit of including them is reduced because there is likely to be an opportunity costs to other SIL uses that is not recognised.

10.76 One factor to consider is that if these sites are assumed to come forward in the short term, we may only expect intensification at the lower end of any theoretical range. Time is needed to develop confidence viability to deliver the most intensive formats originally developed by AECOM. If the sites are ultimately delivered for less intensive formats, it is very unlikely they will be available for further rounds of intensification within the plan period. The potential capacity for very intensive formats would be lost. This means that they are a poor source of short-term plan period need – if developed too early their future capacity would be lower.

- **The sites set out in table 10.6 should not be allocated for intensification**

10.77 The role of the 10.4 sites is to suggest future areas of search – where capacity may be developed in future plan rounds (for example, where the Borough may wish to engage with developers along the lines of the process outlined in Policy E7 of the London Plan). If proactive master planning / engagement does not commence now, masterplan-led solutions will not be available when future updates to the Enfield Plan need to re-confirm a plan period supply.

- **The sites set out in table 10.8 should be allocated for development with intensive formats sought as far as possible.**

10.78 Releasing Greenbelt would appear to be the only route to demonstrating a plan period supply.

10.79 We have established that around 70ha. of land needs to be redeveloped and intensified to address a 124,556 sqm shortfall – assuming 70ha. of land moves from 40% to 65% plot ratio.

10.80 But only 20ha of land has been promoted for an redevelopment and, in this Borough, the Council has already been proactive with its own land holdings and masterplanning at Meridian Water.

10.81 We see no way to move all the intensification capacity set out in table 10.3 into a robust supply, given that site owners are seeking much less optimistic redevelopment options (and, we understand, after considering their viability evidence).

10.82 If all the Green Belt sites set out in the ELR are allocated, and developers work to a 65% plot ratio, the Borough can meet its economic needs.

10.83 If further sites are not allocated; and the Plan relies on supply set out in 10.1, 10.2 and 10.3: a deficit of around 9 years of 'need' would remain unaddressed.

- **No further Plan-led losses should be made**

10.84 Given the imbalance and shortage of stock, and that London has moved into a period of industrial floorspace growth, no planned losses should be made.

10.85 We have made no positive provision for additional plan period losses, although our earlier analysis suggests that around 3,000 sqm of industrial space has been lost per annum (*outside Meridian) Water.

10.86 If we were to roll forward this rate of loss, this would need to fully replaced.

10.87 We have not made this adjustment because the majority of the historic trend period reflects the position prior to the new London Plan, and the GLA's recognition that London is now chronically undersupplied. Even the GLA has moved from promoting mixed use regeneration of large SIL sites to encouraging, and supporting, pilot intensification proposals.

10.88 Also, if we were to make provision to replace any element for future losses this would require additional land – and the Borough is already looking to new sites already.

10.89 However, if there are further losses we would expect them to be small scale, windfall losses, where on balance Decision Making accepts an alternative use. The most likely new use is residential with sites to be lost mostly likely already operating in close proximity to existing housing. Future losses are more likely to be E class space outside designated, and protected employment sites.

10.90 Reflecting this we suggest that there is flexibility in the Boroughs approach to addressing office requirements so 'office' space is flexibility delivered and can meet needs traditionally associated with B1c light industrial demand but is now found within the new E class.

10.91 Also, as far as possible the Borough front loads its supply and works to being forward its supply as quickly as possible.

10.92 We provide office recommendations in the next section.

Offices Sector Conclusions

10.93 The focus of our work has been on industrial and particularly logistics because it is these sectors that drive economic need, and particularly the most viable and in demand formats. A logistics focus also reflects the Boroughs role as set out in the London Plan.

10.94 Here we conclude regarding office provision. We need to recognise that the office market remains challenging and that Enfield has never been a core office market. There were previous aspirations to grow a new market at Meridian Water but, in the current climate, it is not pragmatic to promote new office locations when existing locations inside and outside the Borough are struggling.

10.95 Many major office schemes that have already been built across London are looking to diversify their offer from main offices into workshops, studios and space for the creative sector. They are looking to subdivide larger floorspaces to appeal to smaller SME occupiers. So, in a post covid market, supported by the new E use class the differentiation between (light) industrial demand and offices has blurred.

10.96 As part of this ELR we have quantified a need for 40,000 sqm of new 'office' space over the plan period. But, in applying this through policy and reflecting weak office demand this should be considered as 'flexible E' class so that, when delivered, space can appeal to a wider audience as possible.

10.97 As a result we recommend that the plan provide for new offices as part of wider, non SIL related, mixed use proposals where development schemes can provide for E class space and provide for flexibility within the E class so that space could meet the needs of very light industrial Worksop and studio spaces.

10.98 The Council should also seek to direct E class demand as a route to regenerate and reuse office stock and former retail uses that could accommodate workshop/studio style demand. E class space should not encouraged on SIL land where it does not need SIL site characteristics.

10.99 Aligning with this we understand that there is scope for around 40,000 sqm of 'E' class space to be provided as part of Meridian Water (outside the MW Hinterlands). This would quantitively meet an 'office' based need but, reflecting the market, and also the Councils aspirations to support its creative sector and SME firms, who may struggle to secure limited SIL land supply may be accommodated in the non industrial, more mixed use, Meridian water areas.

10.100 Focusing new office development here would complement the new Town Centre at Meridian Water. Obviously, at the moment the town centre has no office space but offices are an accepted component of a vibrant town centre mix. If there is any positive office growth in this plan period it should be directed to Meridian Water. Also, given Meridian Warter is a longer term opportunity, hopefully short term delivery issues can be addressed.

10.101 Reflecting a post covid office market we do no consider the lack of a robust pipeline of office space such a concern. It is reasonably clear that industrial/logistics have developed a shortfall/backlog by 2024 with the sector stressing the urgency for a short and medium term supply. We have heard no similar concerns from the office sector because early plan years were strong covid years, with poor short term market signals and because of the depth of the covid crisis the market is still exceptionally cautious about its future.

10.102 Where possible, the Council should continue to resist the loss of viable to occupy space – space that can be let at prevailing rents/values because while delivering new space is a clear challenge. PDR continues to release space and at a rate that has left the Borough with almost no vacant stock – with only 2% vacant. Our understanding is that the loss of stock over time has not yet led to an increase in value to the extent that developer interest has returned. While all available evidence today supports a strong industrial market, that is undersupplied and viable to deliver (although not very intensive formats) today – this is not the case with offices. The Council needs to monitor its office market, especially its vacancy rate, and manage its stock carefully because the existing office stock is still occupied but if lost cannot readily be replaced.

Table 10.9 Distribution of allocated office floorspace in Enfield

Site Allocation	Site size (ha)	Allocated figure
SA5.2 Meridian Water Phase 2	12	13,200
SA5.3 (Former IKEA)	8.5	13,200
SA5.5 (Merdian 13)	1.6	6,800
SA5.4 (Tesco Extra)	4.2	6,800
Total		**40,000**

Office Sector Recommendations

10.103 The office market is clearly in flux and short term delivery expectations obviously modest -as best. But the plan is a long term plan, covering multiple economic cycles and needs to provide flexibility for the market to respond.

10.104 Meridian Water is a major development opportunity and, as a new town centre (with no office space at the moment) should be the priority location if the office market does grow. As a new town centre the Council, and landowners will need to engage in an element if 'market making' because there is no track record of delivery here.

10.105 So, the sites set out in table 10.9 should be allocated for some office – although, efforts should avoid developing inflexible formats that cannot be used for the range of E class uses. Flexibility is needed and given concerns regarding London's industrial supply there is little risk of a oversupply of E class industrial type property.

Appendix A Experian economic forecast

Appendix B Method to turn economic sector into B class land use

Appendix C Planning supply pipeline

Appendix D Site assessment proformas

Pages 1-6 designated sites
Pages 7-10 Regulation 18 and Call for Sites