Employment Land Study

Final report

For **London Borough of Haringey**

March 2022

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1 Introduction

1.1 This report updates the 'economic need' for land and floorspace in Haringey.

1.2 This was last done in 2015 and so predates the recently published London Plan. It also predates the publication of various evidence base documents that informed that plan.

1.3 Since the 2015 study one particular challenge has been that the study advised the Council to plan for a growing office market recommending that between 50,000 – 100,000 sqm of new (net additional) floorspace was justified. But since the report concluded the Borough has lost offices with the stock falling from 130,000 sq m to 116,000 sq m (2015-2019). Part of the office losses will be from Permitted Development Rights – this was known about in 2015, but had only recently been introduced with the impact unclear.

1.4 Also, compared to the 2015 study, industrial losses have far exceeded what was expected with the stock declining from 630,000 to 590,000 sq m. Importantly for the strategy and recommendations only some of the land expected to be recycled for industrial has been transitioned into offices. This was a key conclusion from the study given the inability to identify new land – growing office demand could only be met via the recycling of land between industrial and offices.

1.5 Finally, the 2015 report noted the strength of the logistics sector but concluded that "In terms of B8 land requirements, the lack of suitable B8 sites in the Borough in combination with the Council's strategic regeneration priorities make any significant B8 growth in the Borough both unlikely and unsuitable". Obviously since 2015 the logistics sector has gone from strength to strength and especially since Covid. There is evidence that unmet logistics need/demand will (and has) displaced other employment sectors as it competes for sites creating additional pressure for the remaining, diminishing, stock. Or arguably worse (for sustainable development) demand is being displaced long distance as firms look for space – with many looking to the M25 and beyond because they struggle to find space inside the capital. This means that logistics firms need to travel further, in smaller vehicles, to access Haringey residents.

1.6 Given the changes in the market; and the fact that all three broad markets are moving in the opposite direction to that advised in 2015, an update of the evidence is justified.

1.7 We know from the outset that there is no readily and available land supply in Haringey nor in the neighbouring boroughs. So, it is very unlikely that demand for land and space can be met in full. But this report looks to set out the need/demand for commercial space and explore the implications of not meeting that need for the Borough. It is the case that where sites have been lost, they have generally made a positive contribution to the Borough's housing supply. This report cannot balance the competing needs for housing and employment sites, but we illustrate the consequences of not meeting economic needs so presenting, or highlighting, the policy choices the Council will need to make in the future.

Report Structure

1.8 In this report, we first summarise national policy and practice, then a market commentary is provided in chapter 3, before chapter 4 considers economic needs using a number of methods as prescribed by the Planning Practice Guidance. Finally, Policy issues and responses are made in the concluding chapter 5.

Covid-19

1.9 This report has been prepared in very challenging circumstances. The pandemic is still well underway and will leave a permanent mark on England's economic landscape. We do not know exactly how the economy will recover.

1.10 For Planning purposes, the pandemic has not removed the pre-pandemic *capacity* of land and floorspace to re-accommodate jobs. An office that closed in lockdown remains available for re-occupation. Sites allocated in plans for economic development remain available to be taken-up post pandemic. So considerable care is needed before concluding that recovering from the pandemic needs more employment space.

1.11 The way space is used may change post-pandemic, and consideration is needed as to how planning authorities should manage this new risk. This 'second guessing' is hard – homeworking may increase but conversely the remaining office stock may be used less efficiently as offices are de-densified. Only time will tell. In this report we are reminded that planning should not constrain growth – we must be careful in using the pandemic not to cut land/floorspace from the supply that, in very uncertain times, we come to need as the recovery takes shape. Throughout the report we note where the pandemic may influence our analysis or recommendations.

2 Policy context

Introduction

2.1 This section provides an update on policy and guidance changes at national, regional (GLA), local, and neighbouring local planning authorities since the 2015 Employment Land Study (ELS) undertaken by Atkins.

2.2 Since the 2015 ELS there has been significant change to key policies including the National Planning Policy Framework (NPPF), a New London Plan, an updated Local Plan, and several major amendments to the General Permitted Development Order and the Use Class Order.

2.3 The relevant changes to policies are considered below:

National Planning Policy and Legislation

National Planning Policy Framework (2021)

2.4 In July 2018, a revised National Planning Policy Framework (NPPF) was published. Two further updates were made on 19th February 2019 and 20th July 2021. The revised NPPF sets out the overarching policy and objectives for the planning system in England.

2.5 The overarching economic objective has not changed with the revised NPPF continuing to emphasise the need to support economic growth and productivity. The revised NPPF states that the Government's overarching economic objective for the planning system is to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure (paragraph 8a).

2.6 The presumption in favour of sustainable development is carried forward from the original NPPF with local plans expected to apply a presumption in favour of sustainable development, which means they should: meet the development needs of the area and align growth and infrastructure, and make effective use of land in urban areas (paragraph 11).

2.7 Paragraph 20 of the NPPF expects strategic policies to set out an overall strategy for the pattern, scale and design quality of places and make sufficient provision for employment and other commercial development.

2.8 In respect of economic development, the guiding principle is that local plans and decisions should apply significant weight on the need to support economic growth and productivity. This should take account of local business needs and wider opportunities for development (paragraph 81).

2.9 Little has changed since the previous NPPF with regards to the expectations of local authorities on 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.

2.10 One significant change to the original NPPF is the introduction of paragraph 83 which supports storage and distribution operations, and high technology industries. In paragraph 83, planning policies are expected to recognise and address the specific locational requirements of the different sectors. The recognition of storage and distribution operations is considered to be long overdue and is testament to the growing role that logistics plays in the wider economy.

Planning Practice Guidance (PPG) (2019)

2.11 Revised planning practice guidance (PPG) for planning for economic needs was published in February 2019. A further update on planning for logistics, storage and specialised sectors was issued in July 2019. The guidance is considered to be similar to the original guidance and is detailed below.

2.12 The PPG acknowledges that national economic trends will not apply universally, and business needs will vary according to local circumstances and market conditions. Functional Economic Market Areas (FEMA) may extend over more than one Local Authority area, and the assessment of employment land need should reflect this.

2.13 The guidance states that evidence on economic need should cover the following:

- Best fit FEMA;
- The existing stock of employment land;
- Recent patterns of gains and losses of employment land;
- Market demand and business requirements (including requirements for particular types of business);
- Wider market signals; and
- Oversupply and market failure (preventing the land being used effectively for employment).

2.14 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;
- Demographically derived assessments of current and future local labour supply;
- Analysis based on the past take-up of employment land and property and/or future property market requirements; and,

- Consultation with relevant organisations, studies of business trends, and understanding of innovative and changing business models.
- The guidance states that existing stock can be identified through a simple typology of employment land by market segment and sub-areas and supplemented by information on permissions for other uses on sites formerly in employment use.

2.15 Current market demand according to the guidance can be analysed by comparing the available stock of land with the particular requirements of the area. It is also important to consider recent employment land take-up, projections and forecasts.

2.16 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 qualified. 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).

2.17 Finally, the July 2019 amendment expands the guidance as it relates to logistics and warehousing. The amendment recognises the critical role of logistics and the substantial expansion there continues to be in logistics and distribution that requires warehouse space.

2.18 The guidance advises that strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport networks, sufficient power capacity and access to appropriately skilled local labour. The need can be informed by:

- Engagement with logistics developers and occupiers to understand the changing nature of requirements in terms of type, size and location including 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 LEP.

2.19 Authorities will also need to assess the extent to which land and policy support is required for other forms of logistics requirements, including the needs of SMEs and of ‘last mile’ facilities serving local markets.

2.20 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.

General Permitted Development Order (GPDO)

2.21 In 2020, major changes were made to the General Permitted Development Order including the introduction of Class ZA which allows for the demolition of a single detached building in existence on 12 March 2020 that was used for office, research and development or light industrial processes (i.e. the previous Use Class B1), or a free-standing purpose-built block of flats, and its replacement by an individual detached block of flats or a single detached house within the footprint of the old building, with up to two additional storeys.

2.22 The new permitted development rights are subject to a number of limitations and conditions, including only applying to buildings built before 31st December 1989.

2.23 There is also a requirement for prior approval from the local planning authority in relation to certain matters including transport & highways and the impact on business of the introduction or increase in residential use in the area. No consideration with regards the loss of employment space is required when considering prior approval.

2.24 An additional change made to the GPDO was the introduction of Class AA which allows for the construction of up to two new storeys of flats in the airspace above detached buildings in commercial or mixed use, including where there is an element of residential use. This is unlikely to have as much an impact on employment land as Class ZA.

2.25 In addition to the above, the Government announced in April 2021 that they would introduce a new permitted development right, known as Class MA, to allow the newly introduced Use Class E ('Commercial, business and service uses), which includes office and light industrial to convert to residential use. The proposed permitted development right became law on 1st August 2021 and applies to buildings which have been vacant for at least 3 continuous months prior to submission of the prior approval. This builds on the flexibility created by the introduction of the new Use Class E in September 2020. Further information on the changes to the use class are detailed in the section below.

Use Class Order

2.26 Since the last employment study, the Government revised on the 1st September 2020 the Use Class Order including the merging of Use Classes A1, A2, A3, B1, B2, D1 and D2 into Use Class E 'commercial, business and service'. This now means that effectively buildings can change uses within the same use class without requiring planning permission including office previously Use Class B1a, and light industrial previously Use Class B1c, to any of the uses classes detailed above, or reverse.

2.27 Use Classes B2 (general industrial) and B8 (storage and distribution) remain unaffected by the amendments to the Use Class Order. The NPPF and PPG also remain unchanged and planning authorities are still required to understand and plan for their business needs regardless of the Use Class Order amendments.

2.28 Nonetheless, the new amendments to the Use Class are likely to have some impact on the supply of office and light industrial space given the flexibility now given to change between uses within Use Class E.

Article 4 Directions

2.29 An Article 4 direction is a direction under article 4 of the General Permitted Development Order which enables the local planning authority (LPA) to withdraw specified permitted development rights across a defined geographical area. An Article 4 direction cannot be used to restrict changes between uses in the same use class of the Use Classes Order (i.e. Use Class E – office to retail).

2.30 To apply for an article 4 direction, its purpose and extent must be justified. The amendments in the July 2021 edition of the NPPF indicates in paragraph 53 that the use of Article 4 directions to remove national permitted development rights should (where they relate to change from non-residential use to residential use) be limited to situations where an Article 4 direction is necessary to avoid wholly unacceptable adverse impacts. In all cases, Article 4 directions must be based on robust evidence and apply to the smallest geographical area possible.

2.31 As detailed in the section above, on the 1st August 2021 the new permitted development right (PDR) for the change of use from uses falling under Class E to residential. Offices and light industrial fall under the new Class E and therefore would be subject to this PDR.

2.32 For the new Class E to residential PDR, where there is an A4D in place on the 31st July 2021 relating to the previous PDR for change of use from office to residential, that direction will continue to have an effect on office to residential change of use until 31st July 2022 allowing the LPA an extended window to implement replacement A4Ds.

2.33 In July 2021, the Mayor published the Strategic Evidence to Support Article 4 Directions related to commercial (Class E) to residential permitted development rights. The evidence supports a co-ordinated approach to Article 4 Directions to help safeguard the important contributions that town centres and high streets make as well as safeguard industrial areas. The document notes that office locations locally provide an important source of employment and economic activity and contribute to the vibrancy and weekday spend of the town centres and high streets. The Mayor supports Article 4 Directions to remove Class E to residential PDR to safeguard the strategic office functions associated with these locations. These should be targeted accordingly drawing on more detailed local evidence.

2.34 The document also advises that London's industrial capacity can be impacted by Class E to residential PDR both directly, through the loss of light industrial and creative production uses that fall within Class E, and indirectly, through the introduction of residential uses in industrial areas which can compromise the integrity or effectiveness of these locations in accommodating industrial-type activities and their ability to operate on a 24-hour basis. The evidence provides the following circumstances on where an Article 4 Direction might be appropriate:

- Where local authorities may find it difficult to rely on clause MA.2.(2)(g) in the PDR legislation, which allows LPAs to measure the impact of the intended occupiers on an area the LPA considers important for general or heavy industry or storage and distribution;

- Where it is necessary to mitigate against the negative impacts of commercial to residential PDR on plan-led approaches to industrial intensification and co-location; and
- Where it is necessary to ensure that sufficient capacity for industry and logistics providing essential services to the CAZ and NIOD is not reduced by PDR.

2.35 The evidence also makes it clear that where a borough has indicated that an LSIS is suitable for industrial intensification with residential co-location, there is a risk that such locations could be particularly vulnerable to permitted development as it may be more difficult in such circumstances to rely on clause MA.2.(2)(g) in the legislation, which allows LPAs to assess the impact of the intended occupiers. Permitted development in these locations could undermine the industrial activities in an LSIS and fail to optimise the industrial and housing development capacity that could otherwise have been delivered through Local Plan-led and masterplan processes. Article 4 Directions would therefore be appropriate to mitigate against negative impacts on industrial occupiers and to fully allow for opportunities for industrial intensification and co-location.

Regional Planning Policy

The London Plan

2.36 Since the 2016 study, a new London Plan has since been published and subsequently adopted by the Mayor of London in March 2021. The London Plan guides development throughout London up to 2041.

2.37 The London Plan is guided by the Good Growth policies which include policy GG5 of the London Plan seeks to conserve and enhance London's global economic competitiveness and ensure that economic success is shared amongst all Londoners. Those involved in planning and development are expected to plan for sufficient employment and industrial space in the right locations to support economic development and regeneration.

2.38 Policy E1 of the London Plan states that increases in the current stock of offices should be supported in locations such as town centre office locations, existing urban business parks, and locally-orientated town centre office provision to meet local needs. The policy goes on to state that existing viable office floorspace capacity in locations outside the areas above should be retained, supported by Article 4 Directions to remove permitted development rights where appropriate, facilitating the redevelopment, renewal and re-provision of office space where viable and releasing surplus office capacity to other uses.

2.39 Policy E2 of the London Plan expects boroughs to include policies in local development plan documents that support the provision, and where appropriate, protection of a range of B Use Class business space, in terms of type, use and size. Policy E3 of the London Plan also asks boroughs to consider detailed affordable workspace policies in light of local evidence of need and viability.

2.40 Policy E4 aims to provide and maintain a sufficient supply of land and premises to meet current and future demands for industrial and related functions; taking account

of strategic and local employment land reviews and the potential for intensification, co-location and substitution. The policy states that retention, enhancement and provision of additional industrial capacity should be prioritised in locations that are accessible to the strategic road network and/or potential for transport by rail/water, provide capacity for logistics, waste management and emerging sectors that support London's economy and population, and provide capacity for micro, small and medium sized enterprises.

2.41 Previous iterations of the New London Plan, especially Policy E4, had a 'no net loss' stance, and broadly categorised each borough based on whether there was scope for transfer of industrial land to other uses. Haringey was categorised as a borough for 'limited' release of industrial land in collaboration with the Mayor. The Secretary of State directed the Mayor to take a more proportionate stance by removing the 'no net loss' and the categorisation. The adopted London Plan, as detailed in Policy E4 above, instead encourages boroughs to deliver intensified industrial floorspace as supported by appropriate evidence. Any release of industrial capacity should be focused in locations that are (or are planned to be) well-connected by public transport, walking and cycling and contribute to other planning priorities including housing (and particularly affordable housing), schools and other infrastructure.

2.42 Policy E5 of the London Plan is focused on the strategic industrial locations, advising that boroughs in their development plans should define the boundary of Strategic Industrial Locations (SIL) in policies maps, and develop local policies to protect and intensify the function of SILs and enhance their attractiveness and competitiveness. Boroughs should also explore opportunities to intensify and make more efficient use of land in SILs. Where suitable, boroughs should strategically coordinate development plans to identify opportunities to substitute industrial capacity and function of SILs where evidence suggests that alternative and more suitable locations exist.

2.43 Policy E6 advises on locally significant industrial locations (LSIS). Boroughs are expected to designate and define detailed boundaries and policies for LSIS justified by evidence in local employment land reviews. Boroughs should also make it clear in policy that a range of industrial and related uses are acceptable in LSIS

2.44 Policy E7 of the London Plan states that Development Plans should be proactive and encourage the intensification of business uses in Use Classes B1c, B2 and B8 occupying all categories of industrial land. The policy goes on to state that mixed-use or residential development proposals on non-designated industrial sites should only be supported where there is no reasonable prospect of the site being used for industrial and related purposes, or where it's been allocated in Development Plan or where industrial, storage or distribution floorspace is provided as part of the mixed-use intensification. Development Plans should also consider in collaboration with the GLA and neighbouring authorities the scope to facilitate the substitution of some of London's industrial capacity to related property markets.

Employment Evidence – London Plan

2.45 Haringey's office requirement is identified in the 2017 London Office Policy Review (LOPR) as 4,500 jobs over the 2016-41 period, an average of 180 per annum. This is a very modest proportion of the 620,000 projected for London as a whole, representing less than 1% of the target.

2.46 The London Industrial Land Demand Study (2017) commissioned by the GLA indicates that there will be positive net demand for industrial land in London's North, South and West sub-regions over the period 2016 to 2041, mostly driven by strong demand for logistics to service growth in London's economy and population.

2.47 The report states the LB Haringey sits within the North sub region and the industrial property market of Lea Valley. The North sub region has a stock of 778 ha with an industrial pipeline planned release of 75.4 ha of which 31.2 ha is from industrial land within LB Haringey.

2.48 LB Haringey is projected to have a land demand for general and light industry between 2016-41 of -7.5 ha, meaning a reduction in demand.

2.49 Between 2008 and 2015, Haringey experienced the biggest loss of warehouse floorspace in London with almost 80,000 sq m lost. The borough is expected to lose an additional 98,000 sq m between 2016 and 2041. LB Haringey is expected in total to release 28.7 ha of industrial land by 2016-41.

2.50 GLA's Industrial Land Supply and Economy Study (2016) shows that LB Haringey have 119.3 ha of industrial land, of which 36 ha is industry and 83.3 ha for warehouses/storage, with a further 24.2 ha for wider industrial uses (i.e. utilities and wholesale markets). An additional 11.3 ha of land is considered to be vacant industrial land.

2.51 The evidence detailed above underpinned the recently published London Plan with no further evidence expected to be published until the London Plan is next under review.

2.52 As we discuss later in this report a major complication is that the London Plan was extensively redrafted by the Inspectors as part of the examination. Also the SoS made changes to the final policy wording including removing the 'nil net loss' principle and the tables guiding boroughs on their industrial land releases (former table 6.1). This means that the evidence base for the London Plan no longer reflects the adopted policies.

Local Planning Policy

Haringey's Local Plan: Strategic Policies (2017)

2.53 Haringey's Local Plan: Strategic Policies was adopted by the Council in 2013 with subsequent alterations in 2017. The document sets out the strategic policies and long term vision of how Haringey should develop by 2026.

2.54 Policy SP8 of the Strategic Policies states that the Council will secure a strong economy in Haringey and protect the Boroughs hierarchy of employment land,

Strategic Industrial Locations (SIL), Locally Significant Industrial Sites (LSIS), Local Employment Areas and other non-designated employment sites.

2.55 The policy goes on to mention that SIL and LSIS are safeguarded for a range of industrial uses only. For Local Employment Areas, they are split into two categories, with employment land deemed acceptable for other employment generating uses that complement the traditional 'B' use classes, and regeneration areas that include uses appropriate in a mixed use development including residential.

2.56 The policy forecasts a demand for an additional 23,800 sq m of B Class floorspace up to 2026. The demand is expected 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.

Haringey's Local Plan: Development Management DPD (2017)

2.57 The Development Management DPD was adopted in July 2017 and sets out the planning policies to assist in the determination of planning applications in LB Haringey. The DPD provides detailed policies that reflect the objectives and aims set out in the strategic policies.

2.58 Policy DM37 of the Development Management DPD states that within designated SIL, LSIS and Local Employment Area – Employment Land, proposals for the intensification, renewal and modernisation of employment land and floorspace will be supported where the development:

- Is consistent with the range of acceptable uses in Policy SP8 (i.e. traditional 'B' uses or employment related uses in the case of local employment land);
- Wherever possible, is designed to allow for future flexibility of use including subdivision and/or amalgamation to provide for a range of business types and sizes, including small businesses;
- Makes adequate provision of space for on-site servicing and waiting goods vehicles;
- Improves and enhances the quality of the environment of the site and business area; and
- Makes a demonstrable improvement in the use of the site for employment purposes, having regard to the quality and type of employment floorspace, the density of jobs accommodated on site, and the wider contribution to economic objectives in the local plan.

2.59 In LSIS, Policy DM37 states that proposals for uses not within B1 to B8 will only be supported in exceptional circumstances such as relating to a use which supports the

continued function of an LSIS or the loss of the B use class land would not compromise the strategic employment land requirement.

2.60 Policy DM38 sets out the detailed policy in relation to the local employment areas designated as regeneration areas. The policy states that the Council will support proposals for mixed-use, employment led development where this is necessary to facilitate the renewal and regeneration of existing employment land and floorspace. Development is expected to maximise the amount of employment floorspace and not conflict with the continued employment function of the site and nearby employment sites.

2.61 Policy DM39 relates to warehouse living and indirectly impacts on the provision of employment floorspace in the borough. The policy states that the Council has made provision for proposals for warehouse living at selected local employment area – regeneration areas and that the Council will support proposals that diversity the employment offer.

2.62 Non-designated employment land and floorspace is protected by Policy DM40 which aims to support proposals for mixed-use, employment led development in sustainable locations where this is necessary to facilitate the renewal and regeneration of existing employment land and floorspace. In less sustainable locations, the loss of employment land will only be permitted where it can be demonstrated that the building is no longer suitable for continued employment use.

Tottenham Area Action Plan

2.63 In 2017, LB Haringey adopted the Tottenham Area Action Plan (AAP) that sets the planning guidelines and policies to support regeneration in the Tottenham areas with a focus on housing and better access to jobs and employment. The document forms part of the LB Haringey development framework.

2.64 A significant amount of employment spaces is found within the Tottenham Area including SIL, LSIS and designated Local Employment Areas. Policy AAP4 of the Tottenham AAP aims to facilitate the regeneration and renewal of designated employment areas by an intensification in land uses to maximise the amount of business floorspace and premises, and to increase the number and variety of jobs. The Council aim to achieve this by:

- Re-classifying some of the area's Designated Employment Areas;
- Protecting where appropriate industrial areas from inappropriate development as set out in SP8 and DM37 of the Local Plan (i.e. SIL, LSIS, Local Employment Areas);
- Supporting development proposals for enabling employment led mixed-use schemes, in line with Local Plan Policy DM38;
- Supporting development proposals for B1 Office uses in Tottenham Hale;
- Supporting additional employment uses to be created along the High Road
- Intensification of industrial uses on the Borough's stock of SIL; and

- Effective enforcement of non-employment or non-conforming uses which if retained would be of detriment to the area's employment stock.

2.65 Within the AAP, a number of sites are allocated for uses including new affordable employment/workspace for small and medium enterprises (SMEs). These include Gourley Triangle and Lawrence Road, and the strategic industrial land in North East Tottenham.

Draft Wood Green Area Action Plan

2.66 In February 2018 the LB Haringey held a public consultation on a draft Wood Green Area Action Plan. The document sets out draft policies for the regeneration of the Wood Green Area.

2.67 Draft Policy WG3 of the Wood Green AAP seeks to promote the local economy by supporting applications which create new employment floorspace and increase job density. The policy also supports the transformation of the Heartlands sub-area from principally industrial to mixed use encompassing flexible and affordable workspace with part of the sub area retained as a Local Employment Area.

New Local Plan (2020)

2.68 The council has begun the process of preparing a New Local Plan which will replace the existing Local Plan adopted in July 2017. Formal regulation 18 consultation on the new Local Plan began in November 2020 and finished in March 2021. The initial consultation set out the key issues LB Haringey face and sought views on the proposed options to address the key issues setting a direction of the new Local Plan.

2.69 The economy was identified as a key issue with the COVID-19 crisis considered to have had a significant impact and therefore a need to respond to changes through ensuring the employment land and buildings are fit for a post COVID future. The consultation document goes on to state that a new local plan must deliver employment premises to meet the needs of changing work styles such as flexible and co-working space. At the same time, the document must also assess if there are areas of surplus space that have no reasonable prospect of being used for business purposes. To identify the need for workspace, the consultation document states that the Council will be commissioning evidence to assess how much office and workspace floorspace is needed over the next 15 years.

Local Plan Employment Evidence

2.70 The latest assessment of the entirety of LB Haringey employment land was undertaken in 2015 as part of the evidence for the current adopted Local Plan. The document titled 'Haringey Employment Land Study' analysed the employment land supply for the borough and provided an assessment of the likely demand for employment land and premises up to 2031.

2.71 The VOA data used in the study identified 465,544 sqm of B-class use employment floorspace of which the majority (49%) was for warehousing and distribution (B8). The next largest share of B-class employment floorspace was light and general industrial (B1c / B2) with a combined 36% share of total B-class employment

floorspace. Office floorspace was the smallest share of B-class employment floorspace with a 15% share. The average premises size is 176sqm.

2.72 The largest existing employment areas in the borough were Brantwood Road SIL (45,168 sqm of B-class floorspace) and North East Tottenham SIL (42,871 sqm of B-class floorspace). Other significant employment areas included Wood Green and Millmead and Ashley Road Extension.

2.73 The study found that there was at the time of the report a vacancy rate of 6% across all B-class floorspace in the Borough, which is considered to be an acceptable level of vacancy.

2.74 The study measured the demand within the borough using three projections, namely Experian data, GLA projections and a trend based projection. The Experian data forecast from 2011-2031 the need for B-use class floorspace to grow by 198,100sqm or 34ha. Based on the GLA projections, the need for B-use class floorspace was expected to increase by at least 178,400sqm with jobs expected to increase from 73,000 in 2011 to 90,000 in 2031, the highest level of employment growth in London at 29.5%. Both projections assumed that all surplus industrial land will be re-used for B-use class and that no existing employment land will be lost to other uses over the period.

2.75 Under the trend projection, the Borough is forecast a demand of 48,000sqm of office floorspace whilst light industrial and warehousing was expected to decrease in demand by 61,000sqm resulting in a surplus of 13,000sqm of industrial floorspace. Compared to the Experian and GLA projections, the trend projection suggested a decline in demand for warehousing and storage.

2.76 In terms of supply under the trend based projection the borough is projected to have a shortfall of office floorspace of 74,000sqm by 2031 and an oversupply of industrial and warehousing by 51,000sqm. The borough is expected to have a shortfall of 23,000sqm.

2.77 Under the Experian and GLA projections the borough is projected to have significant employment shortfalls totalling a shortfall of 234,000sqm under the Experian data and a 214,000sqm shortfall under GLA projections. In all projections there is a surplus of light and general industrial floorspace.

2.78 The study concluded that future demand for office floorspace is expected to outstrip available supply and that it is important that opportunities to re-use any surplus B2/B8 land should be explored and the Council should encourage the protection of existing viable office employment areas. For industrial and warehousing, the study concluded that under the trend based projection demand for industrial and warehousing floorspace is to decline over the period to 2031 with a surplus of 51,000sqm. The study recommended that given the boroughs strong housing and regeneration priorities there is no benefit in safeguarding industrial and warehousing land that is surplus to requirements.

Neighbouring Local Planning Authorities

2.79 Since the 2015 Study, a number of neighbouring authorities have updated their local plan and employment evidence base. Below, the neighbouring authorities' position is set out.

London Borough of Enfield

2.80 The Draft Enfield Plan Regulation 18 Local Plan underwent consultation in September 2021. This Main Issues and Preferred Approaches document identifies in Draft Strategic Policy SP E1 a minimum provision of 251,500 sqm of net additional industrial and logistics floorspace; and 37,000 sqm of net additional office floorspace to meet the Borough's economic needs. To ensure the provision of additional floorspace the Council will encourage intensified development of industrial, logistics and related functions in existing employment areas, the provision of new sites in appropriate locations, and an uplift in office floorspace in Enfield's major and district centres and Meridian Water.

2.81 Draft Strategic Policy SP E3 safeguards SIL and LSIS with proposals resulting in a net loss of light and general industrial, storage and distribution, research and development and related sui generis floorspace to be refused. Where sites are redeveloped scope for intensified industrial floorspace should be prioritised over other forms of development in line with Draft Strategic Policy SP E5.

2.82 The LBE Employment Land Review 2018 identifies a total of 451.5ha of land currently in industrial use in Enfield, of which 326.2ha of land is occupied by core industrial and warehousing uses or is vacant, with the remainder being occupied by wider industrial use such as utilities, waste management and land for transport functions. There is approximately 217,500sqm of office floorspace in LB Enfield, accommodating local level provision servicing local market, with some limited sub-regional reach. A net additional requirement for industrial land of 48.6 ha has been identified from 2016-2036, with a net additional requirement for office floorspace up to 2036 of 32,200 sqm.

London Borough of Waltham Forest

2.83 LBWF are in the process of preparing a new Local Plan with Waltham Forest Local Plan Part 1 (LP1 Strategic Policies) submitted to the Planning Inspectorate for examination on 30 April 2021. The Local Plan Part 2 Draft Site Allocations document (Regulation 19) is currently being prepared after Regulation 18 consultation.

2.84 Policy 2 and 4 of LP1 seeks a net increase of 52,000 sqm employment floorspace focused in Strategic Locations and other Site Opportunity Locations. 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 focussed in BEA and town centres. Light industrial (Class E, Part G iii) and the production and distribution of goods (B2) will be delivered in smaller or sub-divided 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 co-working spaces to large offices in the designated centres or other locations with

access to supporting amenities and services. 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.

2.85 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.

2.86 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.

London Borough of Hackney

2.87 The Hackney Local Plan 2033 was adopted in July 2020, known as LP33, the Council plan to deliver a minimum of 118,000sqm of new office floorspace by 2033. New employment floorspace (B class) in the Borough will be permitted in Locally Significant Industrial Sites (LSISs), Priority Office Areas (POAs), Priority Industrial Areas (PIAs), Central Activities Zone (CAZ), and designated town centres, of which the employment floorspace is protected by Policy LP27 and LP28.

2.88 Policy LP29 seeks to provide affordable or low cost workspace, equating to a minimum of 10% of gross new employment floorspace, in the Borough's designated employment areas, the CAZ and town centres.

2.89 The 2017 Hackney Employment Land Study found a future need requirement of 146,333 sqm to 163,285 sqm of office floorspace (B1a/b) and a loss of between 65,000 and 149,000sqm of industrial floorspace (B1c, B2 and B8). The intensification of sites would deliver a net uplift of 321,000 sqm of potential employment floorspace, however there is not sufficient planning pipeline development to meet employment need to 2033.

London Borough of Islington

2.90 LBI submitted the Islington Local Plan to the Secretary of State on February 2020 and are currently addressing inspectors' matters and issues.

2.91 The LBI Employment Land Study projects demand of 400,000 sqm office floorspace in Islington from 2014-2036. Between 2005 and 2015 however there has been a net loss of over 126,000 sq m of B2 and B8 industrial stock.

London Borough of Camden

2.92 The Local Plan was adopted in July 2017 and seeks to meet objectively assessed needs to 2031 for 695,000sqm of office floorspace. Policy E1 will secure a successful and inclusive economy in Camden by creating the conditions for growth such as safeguarding existing employment sites and premises in the borough that meet the needs of industry and other employers; and supporting proposals for the intensification of employment sites and premises where these provide additional employment and other benefits in line with Policy E2 Employment premises and sites.

2.93 The Council has recently published Employment Sites and Business Premises (January 2021) planning guidance to support policies in the Camden Local Plan 2017, which further supports Local Plan policies E1 and E2, and provides guidance on the affordability of workspaces.

London Borough of Barnet

2.94 LBB is currently reviewing the Local Plan, with the Barnet Draft Local Plan (Reg 19) 2021 to 2036 (June 2021) set to be submitted for inspection (Spring 2022). The supporting Barnet Employment Land Review (BELR) states that the borough could reach up to 42,000 jobs by 2036, with a net additional demand for office floorspace in Barnet of at least 67,000m2 over the period 2016-36 to be delivered in District Town Centres in line with Policy ECY01. However, the speed with which Brent Cross office development (395,000 m2) is delivered will determine this growth.

2.95 The predominant small-scale market meeting largely local demand is very vulnerable to pressure for residential conversion and, even without permitted development is prone to attrition and gradual loss of employment land. The BELR highlights that the biggest risk to supply is gradual loss. The BELR highlights that although the majority of Barnet's industrial stock is small and ageing there is little vacancy. However, this lack of availability does indicate supply issues which have contributed to increased rents for industrial land in the Borough. Barnet envisages meeting the identified need through intensification and windfall.

2.96 Policy ECY01 of the Draft Local Plan seeks to protect and promote new employment opportunities in office spaces in Town Centres and edge of centre locations and intensification of industrial and ancillary uses in a Locally Significant Industrial Sites (LSIS). Policy ECY02 seeks 10% of new employment space in designated employment areas and mixed use development as affordable workspace.

Conclusion

2.97 The national employment policy context has recently identified the need to evidence the growing requirements of the storage and distribution sector to ensure warehousing and logistics operations are not constrained by a lack of opportunity, and this may have cross-boundary implications.

2.98 Another national factor that employment evidence must also now consider is the impact of changes to the GPDO – specifically changes to permitted development and the Use Class Order that will impact on how town centres and areas beyond perform as employment locations.

2.99 While the London Plan Inspectors were sceptical that additionality could be delivered through intensification, nevertheless the London Plan encourages a proactive approach to the intensification of business uses and delivery of additionality on industrial land. Alternative uses on industrial sites should only be supported where there is no reasonable prospect of the site being used for industrial and related purposes, and co-locating employment with other uses as part of mixed use development should be the first preference. Plans should also consider the scope for substitution to related property markets.

2.100 The evidence that underpins the London Plan employment policies projects a very low office floorspace requirement for Haringey Borough, and a negative (release) position for industrial land.

2.101 There is some concern in nearby boroughs such as Hackney and Barnet that they lack sufficient supply to meet their own needs. With some of these boroughs having been set very challenging London Plan targets – 0.5 million sq m of office floorspace in the case of Camden, it will be challenging to deliver this through intensification/co-location, and suggests a pressing need for a sub-regional approach to meeting employment needs.

3 Property market analysis

Overview

3.1 This chapter reviews the property market for employment space in the Borough covering office and general industrial/logistics space. For office and general industrial/logistics space we consider in turn demand, supply and the balance of the market. The main purpose of the analysis is to identify where there is potential demand for new floorspace, and hence a need for development land to be identified in the emerging plan.

3.2 In relation to demand, we identify the types of business that are taking space in the Borough or may consider doing so, and what property they are looking for in terms of size and quality. In relation to supply and market balance, we analyse the stock which is currently available, recently developed and in the pipeline, and the rental values and yields that properties in the area are achieving. The purpose of our analysis is to determine:

- How far the existing floorspace stock is meeting current and foreseeable occupier requirements;
- Hence, how far there is likely to be demand for more or different space, now or in the future;
- Conversely, if property and land are oversupplied, overall or in particular sections of the market.

3.3 These findings help assess the potential demand for new employment floorspace, and hence the quantity and qualitative mix of development sites that the emerging plan should identify for employment uses.

3.4 A strength of the market-facing analysis is that it considers real-life property transactions, including the values (rents and yields) realised in such transactions, and whether these values are enough to support viable development. This provides evidence of effective, or viable, demand – which means that potential occupiers will pay enough, and (where relevant) provide sufficient covenant strength[1] to support financially viable development.

Sources and definitions

3.5 The main market indicators we have considered are rental values, yields, recent take-up and floorspace availability and vacancy. In a property market context, ‘take-up’ means businesses taking occupation of business floorspace[2] Take-up covers both new-build and second-hand space (second-hand being the larger share of the market).

3.6 Our property market research has drawn primarily on the following information:

[1] A business tenant has strong covenant if there is good evidence that they will be in good financial health, and able to pay the rent, through the period of the tenancy.

[2] By contrast, in a planning context ‘take-up’ means the development of new floorspace new floorspace.

- We have relied on the property market database CoStar and commercial property research reports for evidence of take-up, availability and values, both for the market overall and individual properties. For the supply side analysis in the report, we have relied on availability[3] and vacancy[4] figures as described by CoStar.
- Total stock figures across the Borough have been derived from analysis of VOA Non-Domestic Rating statistics. This data provides a round figure of total business floorspace in square metres and total number of properties. We have cross-referenced this data with the CoStar data to provide an indication of availability and vacancy rates. Cross-referencing the CoStar and VOA data does have limitations, as there is no guarantee that the two sources are consistent regarding unit sizes and descriptions. The reason why there may be discrepancies is that the VOA data has 999 description codes which do not always correspond with the definition of employment premises as classified by CoStar. By contrast, properties listed on CoStar are divided in just three categories - industrial, light industrial and office – and some of them may fall outside the VOA definition of industrial, warehouse or office units. Due to the VOA figures being provided as a lump sum, it has not been possible to "iron out" these discrepancies.

Analysis areas

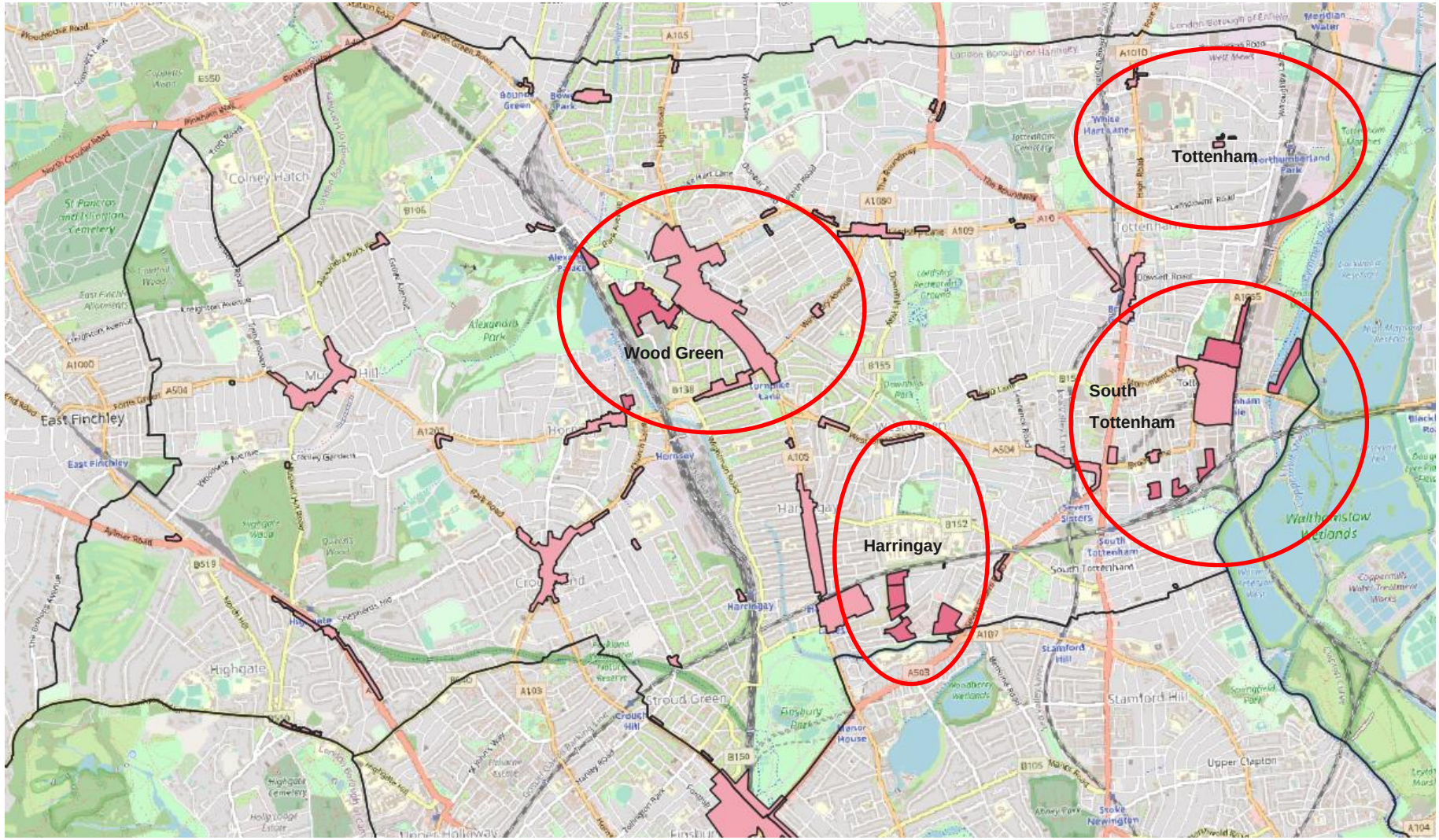
3.7 For our analysis of the industrial/warehouse market this is focused on the defined employment areas of Strategic Industrial Land (SILs) and Locally Significant Industrial Sites (LSIS). Industrial/warehouse premises can be found outside of these areas, but we consider these areas as the priorities for industrial land supply as such require specific analysis.

3.8 With regards the office market analysis, we have found this to be fragmented across the Borough and smaller than the industrial market. Therefore, in our office market analysis we have not used defined boundaries but talk about the market in the broad sub areas set out in Figure 3.1. There are small pockets of offices found outside the sub areas, for example around Muswell Hill and Crouch End, but the market here is too small to allow for any meaningful analysis. .

[3] Availability refers to *'The total amount of space that is currently being marketed as available for lease or sale in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date. CoStar includes only existing, under construction, and under renovation buildings in its statistical calculations of available space.*' Source: CoStar

[4] '*Vacant space refers to all space not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done would also be considered vacant space. Vacant space could also be quoted in one of three ways, as new, relet or sublet. New space, sometimes called first generation space, refers to space that has never been occupied by a tenant before. Relet space, sometimes called second generation space, refers to space that has previously been occupied by another tenant. Sublet space refers to space that has been leased by another tenant, is still under a lease obligation by that tenant, but is being offered for lease back to the market by the tenant with the lease obligation.'* Source: CoStar

Figure 3.1 Haringey Borough office sub-areas



Source: OS data, AspinallVerdi, September 2021

The industrial/warehouse market

3.9 For our market analysis, we consider industrial and warehouses uses (use classes E(giii), B2 and B8) as one property market sector rather than separate industrial and warehouse. This is because in Haringey it is not possible to easily disaggregate between industrial and warehouse units because most of the units are dated and the market is tight, therefore occupiers adapt and use the premises to meet their requirements.

3.10 A key requirement of the market analysis is to consider opportunities for site intensification (multi-storey units) of the two largest SILs, and any development opportunities. The reason why we need to consider site intensification is because this is promoted by the GLA as a viable solution in meeting future industrial / warehouse need in London. Especially for those boroughs within the North Circular, where population densities are higher, and the CAZ is within easy reach.

3.11 But there are still very few examples of multi-deck industrial / warehouse units in London to base our assessment upon as to whether sites in Haringey could be suitable. To date the two most commonly cited examples are X2 Warehouse Hatton Cross, near Heathrow and Travis Perkins, King Cross. Both examples are very different in nature, X2 is a 22,000 sq m two storey distribution unit built in 2008, which has a vehicle ramp access to the upper floor. Whereas the Travis Perkins site is a builders merchant of 3,900 sq m on ground floor with 563 student bed accommodation above – the development was completed in 2014.

3.12 The reason why there has been a lack of multi-storey development is that in many markets there is a disconnect between the type of space that can be delivered via decked development and market demand. Upper floor space is significantly more costly to deliver, and especially if designed for larger and heavier industrial end users. As set out in the GLA's 2018 Industrial Intensification and Co-location study, delivering floorspace to a heavy industrial floor loading (50kN/m2) is 83% more expensive than a light format of space (7.5kN/m2). So, intensification struggles to be a viable option for larger occupiers and those where floor loading is critical. But this is not the market that Haringey operates in. Here the market is driven by last mile logistics and especially direct to people's homes.

3.13 In the London Borough of Newham, examples are emerging of the form future multi-decking could take, but most are still at the planning stage and are effectively pilots, so care is needed when reading across from pilot projects. A number are on public owned land or sites that are so constrained that a multi-deck option is practical.

3.14 The proposed 40,000 sq m G Park (on a 3.3 ha site, 42m high over three floors) development in Newham is an example of a highly constrained site with little or no residential prospects being surrounded by industrial plants and an operational aggregate wharf – see Figure 3.2. It is relevant to note that while the scheme will accommodate HGVs on upper floors only 4% of movements are expected to be HGV, with the vast majority of movements (96%) expected via an 'onward fleet' delivering direct to homes using light goods vehicles, cargo bikes and cars.

Figure 3.2 G Park Newham

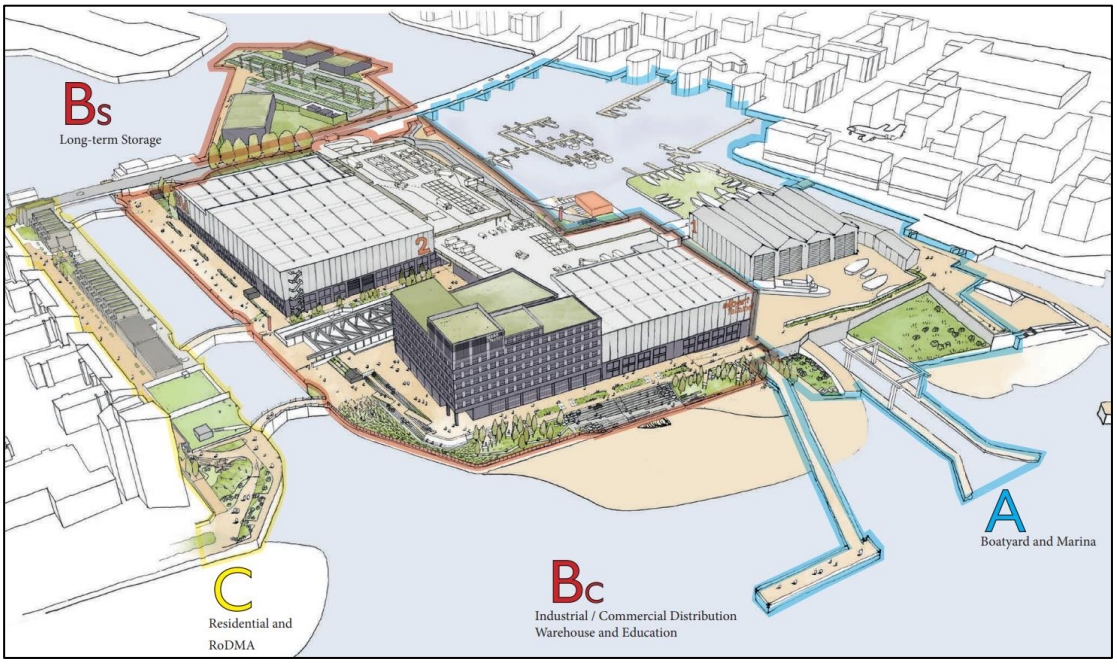


Source: G Park Docklands

3.15 Another example is the 9.58 hectares at Zone B, Albert Dock, which is owned by the GLA. A hybrid planning application has been submitted, that include industrial, employment and education use. But the proposals at Albert Island are different to that at G Park – see Figure 3.3. The proposals include 55,489 sq m of floorspace, of which 20,000 sq m forms the Ideas Factory (start-up and education uses) with the balance of the site a mix of distribution and light industrial split roughly two thirds / one third. The first floors provide larger scale industrial and distribution spaces of 3,000 -10,000 sq m, aimed at last mile / e-commerce operators.[5] The first floors are connected by way of a vehicle deck which provides service yard space. The ground floor below the service deck provides the smaller industrial and light industrial units. Also on this element of the site is the Spithead which will provide car parking for 238 spaces and storage units.

[5] WYG, December 2019, Albert Island – Environmental Statement, Volume 1 Chapter 3 – Description of Development, Pages 3 - 4

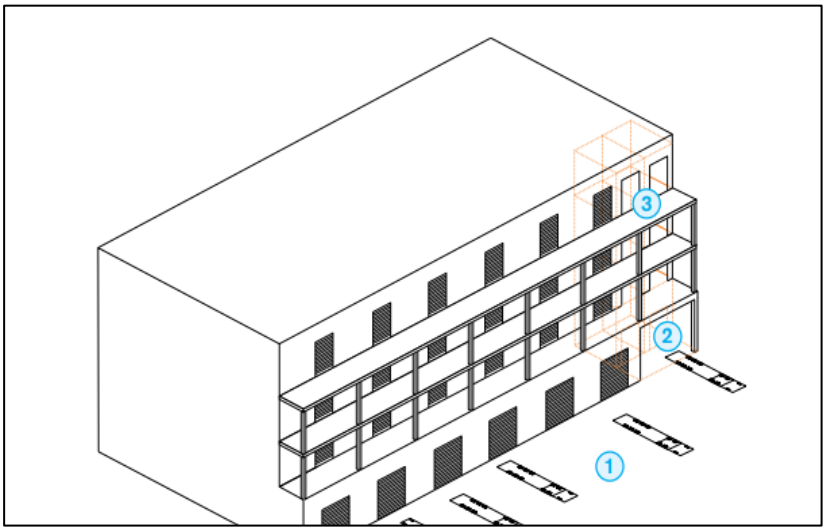
Figure 3.3 Albert Island



Source: Haworth Tompkins

3.16 A third example, still more at concept stage in the London context, is a multi-storey unit with a goods lift – see example in Figure 3.4. Because it is at concept stage there are doubts whether there is occupier and/or developer appetite.

Figure 3.4 Small industrial units, stacked on small units



Source: GLA, Industrial Intensification Primer

3.17 As we go on to explore whether the rent/yield dynamic in the Borough is likely to be sufficient to enable viable development of the additional costs involved in building a multi-storey unit for lighter uses – including last mile delivery. But viability is just one consideration. Further considerations are site configuration and type of neighbouring uses (commercial or residential and low or high rise). As can be seen from Figure 3.4 the massing needed to secure this amount of space on 3.3 ha of land results in a very bulky unit that may be difficult to accommodate on the Haringey portfolio. The large

number of vehicle movements associated with an 'intensified' site may also limit where units can be accommodated. Therefore, not all sites maybe suitable to accommodate a multi storey scenario.

Regional overview

General Profile – Greater London

3.18 London's industrial land[6] is primarily concentrated around the east (39.5%) and west (29.5%) sub-regions. With London's single largest employment area, Park Royal, located in the west. The north accounts for around 10.4% of London's industrial land supply, the second smallest total after central London. London's industrial land supply has been under pressure for many years from higher alternative uses such as residential which has led to a diminishing supply of space. Due to the competing land pressures in London, the GLA has been placing pressure on industrial developers to be more innovative in providing higher density solutions for example multi-storey units and / mixed-use industrial with residential. But due to a combination of development economics (higher build costs) and occupier requirements the market is being slow to respond to these solutions. How the market has responded, is to take advantage of the weakening retail sector and acquire retail parks to be repurposed e.g. Prologis bought Ravenside Retail, Edmonton for a small logistic hub.[7]

3.19 Demand for clean industrial/warehouse space across London is strong, this is driven by a range of industries such as; light manufacturing, industries servicing central locations, dark kitchens (servicing Deliveroo etc.), retailers (such as Amazon and supermarkets), third party logistics (3PLs) and q-commerce (quick commerce i.e. those companies offering same day delivery). We also see some small units being used by creative industries who use the units in flexible ways e.g. part manufacturing, part office space, and warehousing.

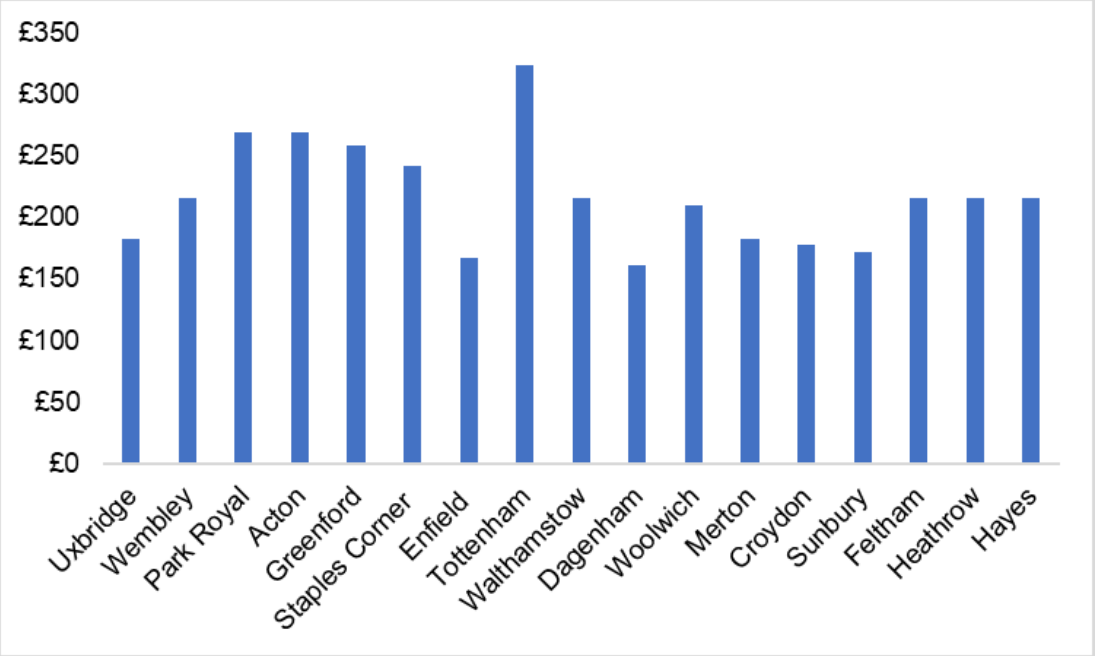
3.20 Developers, investors and occupiers are increasingly seeking industrial units that provide high levels of sustainability to meet their Environmental, Social and Governance (ESG) requirements.

3.21 Collier's report (see Figure 3.5) that prime industrial rents for units between 929 - 2,787 sq m are highest in Tottenham at £323 psm. Park Royal and the surrounding areas of Greenford and Acton have rents between £258 - £269 psm. In the south, rents in Sunbury, Croydon and Feltham range between £172 - £215 psm.

[6] CAG, October 2017, London Industrial Land Demand, Page 27

[7] Property Week, 06 January 2020, Prologis swoops for Ravenside Retail Park in £51m deal with M&G

Figure 3.5 London prime industrial rents



Source: Colliers, Prime rents - small sheds map 2021 H2

General Profile – Haringey Borough

3.22 The industrial market in Haringey is predominantly focused to the northeast of the Borough around Tottenham, with smaller pocket found around White Hart Lane, Seven Sisters, and Hornsey.

3.23 A small number of the industrial areas could be considered sub-optimal for modern occupier requirements as circulation and site access can be poor, with dated units located close to residential. But given the tight nature of the industrial market across the Borough and wider London the units are still in demand.

3.24 As we go on to demonstrate the Borough attracts a mix of occupiers including food production, clothing, breweries, vehicle repair, dark kitchens, e-commerce, q-commerce, and 3PLs.

Brantwood SIL

3.25 Brantwood SIL is located towards the northeast of the Borough in Tottenham. Brantwood SIL is a well-established industrial area and is the Borough's largest SIL at 17 ha. The principal route through the industrial area is Brantwood Road, this provides a western link to the High Road, which in turn provides a northerly link to the A406 north circular and a southerly link to central London via the A10. Brantwood Road also links through to the industrial areas of Meridian Water (outside the Borough) to the east via the Leeside Road.

3.26 As shown in Figure 3.6, most of the stock in the industrial area is purpose built but varies significantly in age, for example there is the 1920s Hyde Works, with the relatively newer Hotspur Industrial Estate (1970s), Compass West (1980s) and Lake Business Centre (1980s). Despite the units being dated and configuration sub-optimal for modern occupier requirements (low eaves heights, high site coverage, restricted access etc.) they are well occupied.

3.27 Occupiers in Brantwood SIL include UK Packaging (packaging supplier) in a 4,200 sq m unit, Cyprofood (fresh produce wholesaler) in a 2,000 sq m unit, and Enka Motors (motor repairs) in a 300 sq m unit. Occupiers are attracted to the area due to compatible neighbouring uses, availability of large industrial units with relatively close proximity to central London and the wider north London market.

Figure 3.6 Examples of industrial units, Brantwood SIL

Lake Business Centre	Compass West
	
Hyde Works	**Hotspur Industrial Estate**
	

Source: CoStar, September 2021

3.28 This is a good example of an area where multi floor units could become viable to deliver over the life of the next plan. The site is close to the north circular and near to good North/South links connecting the CAZ.

3.29 The G Park Newham example discussed above accommodates 40,000 sq m on 3.3 ha of land in a building exceeding 40m tall. The profile of that site means that development extends almost to the site boundary which would make it hard to accommodate on the edges of the SIL and would direct intensification to the core of the SIL. To achieve a site of suitable size would require site assembly across the SIL which may be difficult through private treaty negotiations.

3.30 An added complication for our work is that sites in the middle of the SIL are already developed at almost 100% plot ratios - approaching 10,000 sq m of floorspace per hectare of land. Despite being 40m+ plus tall and spread over 3 floors G Park Newham achieves 12,000 sq m/ha because of the space needed for ramps, decks and modern loading / yardage.

3.31 A solution in the form of the Albert Island example would even be harder to achieve here given the large land take of circa. 9 ha and the constraints outlined above.

3.32 A large-scale multi deck solution will clearly deliver modern space but will struggle to deliver a significant uplift in floorspace given the current plot ratios and using G Park as a guide would deliver around 2,000 sq m/ha of redeveloped / intensified space.

3.33 Smaller scale site intensification could be possible in the form of small stacked units, notwithstanding the unproven nature of delivery of this concept, around Compass West Industrial Estate. But even these require some form of serviced yard, so are unlikely to deliver significant uplift in floorspace.

North East SIL

3.34 The North East (NE) SIL is located just east of Brantwood SIL. It is another well-established industrial area and the second largest SIL at 15.4 ha. The principal route through the industrial area is Watermead Way, this provides a northernly link to the industrial area of Meridian Water (outside the Borough) and A406 north circular and a southerly link to central London via the A10.

3.35 As shown in Figure 3.7 again there is a mix of age and type of industrial units, for example:

- Mowlem Trading Estate, Units H1 – H4 were built in the late 1970s but were renovated in 2002. With the newer element (Units B, C, D1 & D2) built in 2016. The estate provides good quality purpose built industrial units with roller shutter door, dedicated car parking and service yard.
- Leeside Industrial Estate – is a late 1980s purpose built industrial estate with dedicated parking and yard space, but the units are more dated than Mowlem.
- Garman Road – here the units are more dated; there is mix of 1920s former factory buildings and 1970s purpose built industrial units. These units have little in the way of dedicated car parking and yard area.

3.36 Occupiers in the NE SIL include New Girl (clothing manufacturer/wholesaler) in an 1,843 sq m unit, Nationwide Distributor (electronic game retailer) in a 2,378 sq m unit, Pixipixel (camera and lighting rental) in a 3,112 sq m unit and Tawakal Food International (food wholesaler) in a 560 sq m unit. Occupiers are attracted to the area due to the same reasons as the Brantwood SIL.

Figure 3.7 Examples of industrial units, NE SIL

Mowlem Trading Estate	Leeside Ind Est
	
32 – 36 Garman Road	27 – 31A Garman Road



Source: CoStar, September 2021

3.37 Due to the more modern nature of the units around Mowlem Trading Estate, the site coverage of the units are lower than elsewhere. Intensification here would deliver more net additional space but the qualitative improvements less. This area would appear to be less constrained by nearby residential but has already recently been redeveloped (in part) which suggests the market is not yet willing to deliver intensified space and favours more traditional formats.

3.38 In line with the London plan there is scope to consider a comprehensive masterplan approach to encourage the release of additional intensified capacity. This should be considered a medium to long term solution to generate net floorspace due to the inherent value in the existing stock.

11 Millmead SIL

3.39 11 Miilmead SIL is smaller than the other two CILs at 8.2 ha. The industrial area is also located in Tottenham but further south than the other SILs, lying just north of Tottenham Hale Station. The industrial area is accessed from the A1055, which provides a link through to the A406 north circular and A10, for central London.

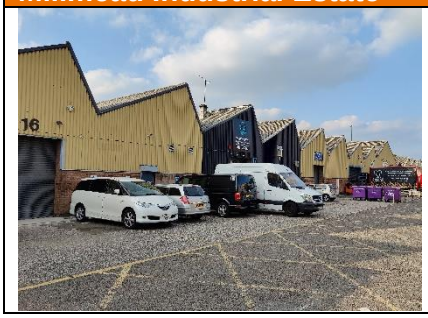
3.40 Similar to the other two SILs the stock here various in age (see Figure 3.8), and includes:

- Lockwood Industrial Park - an early 1990s purpose built industrial park. The units benefit for dedicated car parking and yard area.
- Millmead Industrial Centre – former factory building over two stories with a small service yard and dedicated car parking.
- Millmead Industrial Estate - mid 1970s purpose built industrial units set out in a terrace, The units have north roof lights, low eaves height and high site coverage (limited dedicated carparking and yard space) for modern occupier requirements. Some of the units are using shopping containers for additional storage.
- Greenhouse at Millmead Studios - co working space that includes desk, studio and event space along with meeting rooms and café. The studios range between 56 – 120 sq m.

3.41 Occupiers in the 11 Millmead SIL include Beaver Town (brewery) in two units that total 1,486 sq m, Heddonglow (construction) in a 297 sq m unit, Big K Products (charcoal distributor) in 1,527 sq m unit and Cloc (printing) in a 750 sq m unit.

3.42 Occupiers are attracted to the area due to the same reasons as the other SILs.

Figure 3.8 Examples of industrial units, 11 Millmead SIL

Lockwood Industrial Park	Millmead Industrial Centre
	
Millmead Industrial Estate	**Millmead Industrial Estate**
	

Source: CoStar, September 2021; Urbà, October 2021

Locally Significant Industrial Sites – Tottenham

3.43 In Tottenham there are a number of Locally Significant Industrial Sites (LSISs) in close proximity to each other, so we have grouped our analysis of these together. As we go onto demonstrate the LSISs also attract a wide range of occupiers who are attracted to the LSISs for the same reasons as those occupiers that are attracted to the SILs. But the age to the stock in the LSISs can be older than that found in the SILs, as such occupiers need to make further compromises in taking sub-optimal space.

3.44 **Willoughby Lane** - lies just south of the Brantwood SIL and west of the NE SIL. The industrial area comprises the Northumberland Park Industrial Estate, a small purpose built 1960s industrial estate providing a range of size of units, from around 50 – 1,115 sq m. As shown in Figure 3.9 the units are dated, with relatively low eaves and high site coverage (limited dedicated carparking and yard space) for modern occupier requirements. Access to the units is further restricted due the there being a number of vehicle repair businesses (e.g. Richard Motors, Cosar Motors, and Dogan Motors) meaning that vehicles are double parked. In addition to vehicle repairs, there are the food wholesalers The King Escalope in an 838 sq m unit and Jays Foods.

Figure 3.9 Examples of industrial units, Northumberland Park Ind. Est

Units 15 - 16	Units 17 - 18
	

Source: CoStar, September 2021

3.45 **Lindens / Roesberry Works –** lies just northwest of 11 Millmead SIL and comprises the Roseberry Industrial Park. As shown in Figure 3.10 the park comprises 1970s purpose built industrial units with small, dedicated service yards and car parking. Occupiers include Hussy Clothing (clothing wholesaler) in a 180 sq m unit and London Meats (food wholesaler) in a 113 sq m unit.

Figure 3.10 Examples of industrial units, Roseberry Industrial Park

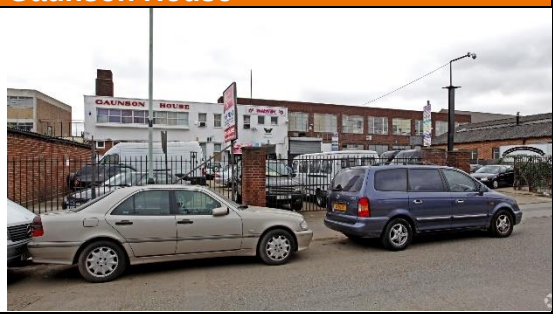
Units 1 - 6	Units 14a – 16a
	

Source: CoStar, September 2021

3.46 **South Tottenham** - is located just south of Tottenham Hale Station. It is a relatively large industrial area compared to the other LSISs in Tottenham. As shown in Figure 3.11, here we see a range of types and age of industrial unts – some are former manufacturing units that are now used for businesses centres which provide a mix of industrial, workshop and office space. Other units are relatively more modern (although still dated) purpose built industrial units. The industrial area comprises the High Cross Business Centre, Tudorleaf Business Centre, Rainbow Works, and units along Markfield Road. Again, the units have a high site coverage with limited yard space and dedicated car parking. Some of the units are in terraces with north roof lights with low eaves height for modern occupier requirements. Also, there is Gaunson House which has Euroart Studios that provides affordable workspaces to artist.

3.47 Occupiers here include Industrial & Marine Supplies (marine machinery distributor), Ultima Rubber Stamp Co (rubber stamp manufacturer) in a 359 sq m unit, Polydiam Industries (manufacturer of photopolymer stamp & platemaking) in a 356 sq m unit and ABC Motors (vehicle repair) in a 208 sq m unit.

Figure 3.11 Examples of industrial units, South Tottenham

High Cross Business Centre	Tudorleaf Business Centre
	
Rainbow Works	**Gaunson House**
	

Source: CoStar, September 2021

3.48 **Rangemoor Road** – is another industrial area which has a mix of type of units that include former manufacturing units and relatively modern purpose built units – see Figure 3.12. Some of the units along Bernard Road are in a particular poor state of repair. Occupiers include Topps Tiles (trade counter) in a 590 sq m unit, Edible London (community interest company) and Alto Stile (furniture designer/manufacture) in a 48 sq m unit.

Figure 3.12 Examples of industrial units, Rangemoor Road

1 Bernard Road	Royal Vale House
	

Source: CoStar, September 2021

Locally Significant Industrial Sites – White Hart Lane / Queen Street

3.49 Towards the north of the Borough are two LSISs, we group our analysis of these areas together as follows:

- **White Hart Lane** – comprises Segro Park and St Georges Industrial Estate. The industrial area is located on White Hart Lane which directly links to the A10 Great Cambridge Road, and provides a northernly link to the north circular and a southernly link to central London. Segro Park is the redevelopment of the former

Safehouse Self Storage facility. The development comprises 8 light industrial/ warehouse units ranging in size from 720 – 4,651 sq m, in total the development will provide 18,600 sq m. It is being promoted as a carbon negative scheme and is due to be completed Spring 2022. St Georges Industrial Estate is an early 1990s development of purpose built industrial units. Occupiers include; Sema (homeware) in a 1,579 sq m unit and Topps Tiles (trade counter) in a 1,022 sq m unit.

Figure 3.13 Examples of industrial units, White Hart Lane

Units 1 – 4 Segro Park	St Georges Industrial Estate
	

Source: CoStar, September 2021

- **Queen Street** – is located to the north of the Borough and forms part of a wider industrial area. The site can be accessed via Selby Road and Queen Street, both of which link onto White Hart Lane which as expressed above provides northernly and southerly links. The site predominantly comprises Booker Cash & Carry along with the council owned Frontier Works. Occupiers at Frontier Works include; Tech & Just Fx (event technology) located across three units that total 211 sq m, Paradise Patties (food production) across two non-adjoining units that total 147sq m, Wildes Cheese (food production) in two units that total 133 sq m, and Cerematech (Ceramic Material & Equipment Supplier) in two units that total 76 sq m.

Figure 3.14 Examples of industrial units, Queens Street

Booker unit	11 – 13 Frontier Works
	

Source: CoStar, September 2021

Locally Significant Industrial Sites – Vale Road / Tewkesbury Road

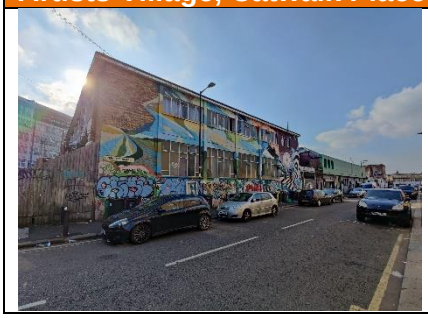
3.50 Vale Road / Tewkesbury Road LSIS is located to the south of the Borough and is an element of a wider industrial area known as the “Harringay Warehouse District.” Access to the industrial area is through Hermitage Road which provides a direct link

onto the A105 Green Lanes, this in turn provides a northernly link to the north circular and a southerly link into central London.

3.51 The Harringay Warehouse District provides affordable live / workspace for artists, makers performers and alternative community advocates[8] in former industrial, factory and warehouse units (see Figure 3.15). In addition there are examples of these units still be used for traditional industrial uses (see Figure 3.15).

3.52 Examples here include New River Studios that provides music practice rooms, recording studio, radio station, event space, bar/café and private studio. In addition to the affordable live / workspace there are Euro-Link Clothing (manufacturer) in a 186 sq m, Daytona (vehicle repair) in a 723 sq m unit and Daikan Applied Americas (manufacturer) in a 46 sq m unit.

Figure 3.15 Examples of industrial units, Vale Road / Tewkesbury Road

Vale Road	Tiverton Foundry
	
Artists Village, Catwalk Place	**Overbury Road**
	

Source: CoStar, September 2021; Urbà , October 2021

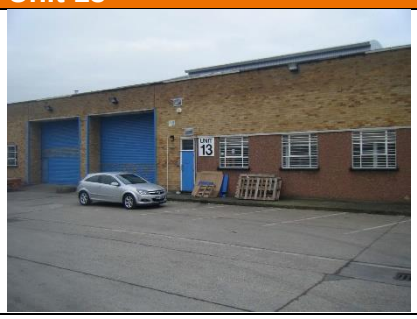
Locally Significant Industrial Sites – Cranford Way

3.53 Cranford Way is located just south of Hornsey Railway Station, towards the south of the Borough. Access to the estate is off the A103 which provides a link to the A1. As shown in Figure 3.16 the industrial estate is a mix of dated (mid 1960s) and more modern (mid-2000s) purpose built industrial units.

3.54 Occupiers include Smith News Trading (newspaper and magazine wholesaler) in a 2,255 sq m unit and a 2,367 sq m unit, Howdens (joinery trade counter) in a 2,000 sq m unit, Fed Ex (3PL) in a 1,430 sq m unit, and a Deliveroo dark kitchen.

[8] https://tottenhampavilion.com/harringay-warehouse-district/

Figure 3.16 Examples of industrial units, Cranford Way

Unit 16 - 17	Unit 13
	

Source: CoStar, September 2021

Demand

3.55 In this section we analyse the take-up of industrial/warehouse floorspace in the Borough over the last five years, drawing on the CoStar database. This floorspace take-up is the space that business occupiers move into, this includes lease agreements and owner-occupier acquisitions in any given year. It takes no account of floorspace vacated as businesses move out or close down. It is important not to confuse this floorspace take-up with the land take-up discussed above, which relates to the development of new floorspace into the market.

3.56 Table 3.1 shows that in the five years to 2020 the take-up of industrial space in the Borough averaged 13,092 sq m per annum, over an average of 23 units.

Table 3.1 Industrial floorspace take-up, 2016-21, Haringey

Calendar year	No. of transactions	Total take-up sq m
2016	24	16,319
2017	37	19,478
2018	18	10,631
2019	22	8,313
2020	13	10,721
2021*	20	11,599
Total	*134*	*77,061*
Annual Average 2016 - 2020	*23*	*13,092*

Source: CoStar 2021
*2021 is a partial year, data taken between 1st January – 22 September 2021

3.57 In terms of floorspace, between 2016 and 2017 take-up both in terms of total floorspace and number of transactions were high. Given the current tight nature of the industrial/warehouse market in the Borough, take-up has fallen in the following years not through a lack of demand but a lack of supply.

3.58 Units taken-up in the five-year period include:

- 7 Seven Sister Sports (clothing) taking a 79 sq m unit at 23-25 Bernard Road on a 5-year lease.
- ARDA Food (food production) taking a175 sq m unit at Rangemoor Road Industrial Estate on a 20-year lease.
- Toolstation (trade counter) taking a 366 sq m unit at Rangemoor Road Industrial Estate on a 10-year lease.

- Pressure Drop (brewery) taking a 570 sq m unit at Lockwood Industrial Park on a 10-year lease.
- Marlborough Highways (civil engineering) taking a 3,000 sq m unit at Mowlem Trading Estate on a 7-year lease.

3.59 Demand for industrial space across the Borough is strong and comes from a variety of businesses representing different sectors with no one dominant sector driving demand. We see demand from food production and wholesalers, vehicle repairs, clothing, 3PLs, industries servicing central London, e-commerce and q-commerce. There is also demand from creative industries, attracted to the cluster created at Harringay Warehouse District.

3.60 Demand is predominantly for space up to 930 sq m – this size of space attracts the smaller companies who are using the unit as their sole base as well as q-commerce[9] for their last mile hub. Demand for units above 930 sq m is from 3PLs, retailers and those larger established companies. Demand for space is both from existing occupiers in the Borough who are coming up to a lease event (e.g. expiry or break) and occupiers out of the Borough. The demand from out of the Borough are more "footloose" requirements i.e. those companies needing to service the London market, but due to the tight nature of the market, are prepared to follow the availability of suitable size and quality of space that meets their requirements.

3.61 Occupiers seek industrial units with dedicated yard space and carparking, with eaves height around 9 metres. As with the wider market, occupiers are seeking units that provide high levels of sustainability to meet their ESG requirements.

Supply and market balance

3.62 CoStar report that there is a total availability of 34,089 sq m and vacancy of 16,572 sq m i.e. therefore around half of the space advertised as available is currently vacant. When we compare with CoStar data with VOA total stock (see Table 3.2), we see that availability is around 5.83% of total floorspace with vacancy much lower at 2.83%. CAG indicated in their study[10] that vacant industrial land should be around 5% and vacant industrial floorspace around 8% for efficient market operation (fictional rates). We can therefore see that the Borough's vacancy rate is below that required for a healthy market.

Table 3.2 Floorspace availability & vacancy, industrial, Haringey - September 2021

Total stock	585,000 sq m
Availability floorspace	34,089 sq m
Availability %	5.83%
Vacancy floorspace	16,572 sq m
Vacancy %	2.83%

Source: CoStar, VOA, AspinallVerdi, September 2021

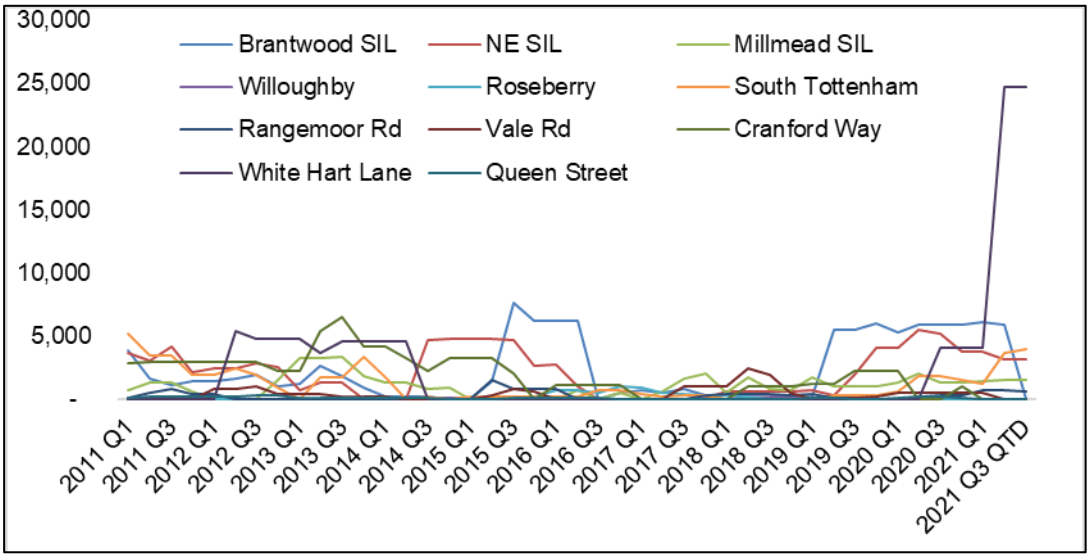
[9] Savills, 14 June 2021, How quickly will Q-commerce continue to grow?

[10] CAG, October 2017, London Industrial Land Demand, Page 11

3.63 Against the average annual take-up of 13.092 sq. m (see Table 3.1), it shows a supply of around 9-months, based on vacancy.

3.64 We can also see from the analysis of each of the employment areas (see Figure 3.17) that the majority of availability is found at White Hart Lane – the availability is Segro Park. Without the new supply generated by Segro Park, availability would be significantly tighter.

Figure 3.17 LB Haringey industrial availability

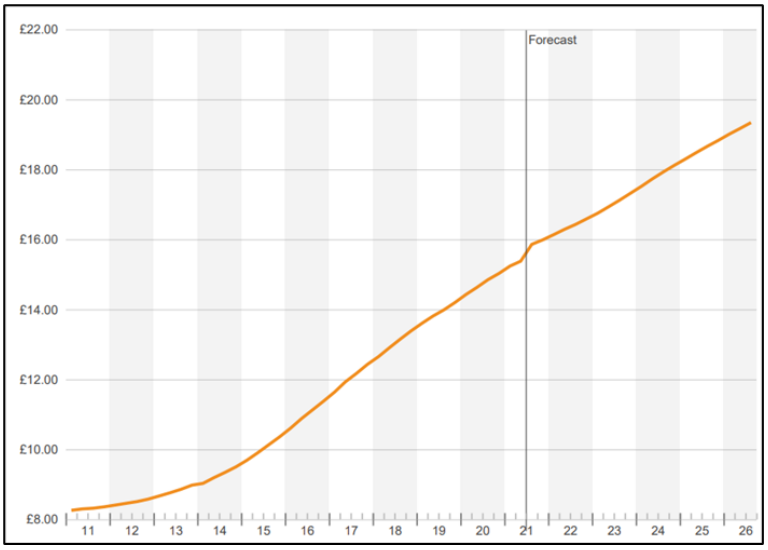


Source: CoStar, September 2021

Rents and the economics of development

3.65 Market rent (as defined by CoStar[11]) has been steadily increasing (see Figure 3.18Figure 3.19) over a number of years across the Borough. CoStar is reporting for quarter 3 a rent of £15.80 psf, which equates to £170 psm.

Figure 3.18 Market rent, Haringey Borough

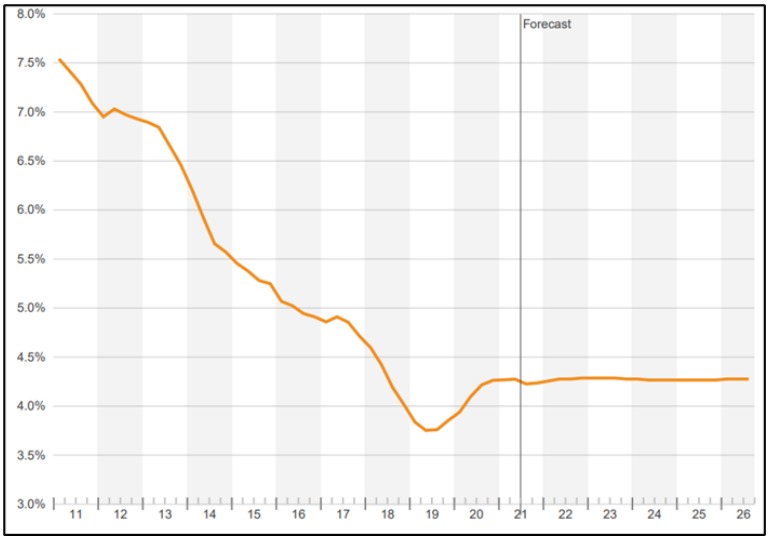


[11] CoStar defines market rent as the rental income that a property would most probably command in the open market.

Source: CoStar, September 2021

3.66 In turn, market yield (as defined by CoStar[12]) have generally been falling (see Figure 3.19) across the Borough, with CoStar reporting for quarter 3 a yield of 4.25%.

Figure 3.19 Market yield, Haringey Borough



Source: CoStar, September 2021

3.67 The combination of rising rents and falling yields mean that capital values have been increasing, which improves development viability.

3.68 The Borough wide analyse from CoStar does not reflect the details of specific deals, where there is evidence of both higher and lower rents:

- Unit 2, High Cross Business Centre a 222 sq m unit was let at a rent of £183 psm on a 5-year lease.
- J1 – J4 Mowlem Trading Estate, Lomart (wholesaler) took a 1,243 sq m unit at a rent of £172 psm on a 10-year term.
- Lockwood Industrial Park, Pressure Drop (brewery) took a 570 sq m unit at a rent of £156 psm on a 10-year lease.

3.69 In addition, new build space at Mowlem Trading is currently being offered to the market at £220 psm.

3.70 CoStar report that in August 2021, Mowlem Trading Estate was sold to Goodman for an undisclosed sum, but they indicate it was at a yield of circa 2.5%.

3.71 The above rents and yields are sufficient to maintain existing premises and should be sufficient to support new build development, ignoring "hope value"[13] for residential on any land value assumption.

3.72 Recent consultations with agents and developers in London have indicated that multi-storey/deck should be viable in locations such as Haringey (i.e. inside the north

[12] CoStar defines market yield as the smoothed average yield series using modelled yields and estimates as well as actual observations.

[13] RICS describes Hope Value as 'An element of market value in excess of the existing use value, reflecting the prospect of some more valuable future use.'

circular) on those sites with no inherent value (i.e. space not viably let), but at present there are no direct examples for draw upon. Should suitable sites be made available over the plan period then there is scope for these to be viably developed for multi-storey/deck units.

Development

3.73 We have already set out the Segro Park development on White Hart Lane. The only other industrial opportunity is at Pinkham Way. This is a former sewage works site of 6.6 ha located adjacent to the North Circular at Bounds Green. The site does have some constraints, but its size and location make it ideal for multi-deck warehousing. The G Park example highlighted above is coming forward on a site of around half of that at Pinkham Way - so the broad concept of fitting a multi-deck unit with a ramp to provide logistics space could be possible, subject to much more detailed feasibility work.

Conclusion

3.74 The Borough has a strong industrial market, but it suffers from a lack of modern purpose built accommodation. The majority of stock is sub-optimal for modern occupier requirements as circulation and site access can be poor, with dated units which lack dedicated car parking and service yards. But despite the quality of the accommodation available, the space is well occupied because of the general tight nature of the industrial market across London and the Borough's proximity to central London and the north circular.

3.75 Demand for space across the Borough comes from a range of industrial occupiers. There is also demand from creative industries, attracted to the cluster created at Harringay Warehouse District. Demand comes from existing occupiers in the Borough and out-with, requiring a range of sizes. Occupiers are seeking industrial units with dedicated yard space and car parking, with eaves height around nine metres. As with the wider market, occupiers are seeking units that provide high levels of sustainability to meet their ESG requirements.

3.76 The rents/yields achievable in the Borough means development is viable. There are limited opportunities in the SILs for site intensification that will generate significant uplift in floorspace. A lot of the existing stock in the SILs have high site coverage, where units are at lower densities these are functionally well and have sufficient inherent value as not to incentivise these sites being redeveloped at higher densities. Notwithstanding this, there could be opportunities in the Brantwood SIL to deliver some small stacked units and a masterplan approach in the NE SIL to deliver larger scale multi-deck units – these should be seen as a medium to long-term aim over the plan period. The land at Pinkham Way provides the greatest opportunity to deliver an uplift in floorspace through new build multi-deck unit(s), but this is subject to much more detailed feasibility work.

The office market

Office market overview

3.77 Before the pandemic, speculative office development was only occurring in strong and established office markets such as in central London, Thames Valley (e.g. around Reading) and key regional centres such as Birmingham and Manchester. In other markets, new development required a pre-let in place to a blue-chip covenant on institutional lease terms. At this time, we were also seeing a shift in office requirements from out of town locations to town and city centres. This was driven by staff wanting to be closer to public transport links and amenities. More latterly, corporate occupier requirements are providing greater emphasis on ESG.

3.78 During the start of the pandemic, the government encouraged working from home measures, many offices were left unoccupied or at greatly reduced occupancy. Companies were forced to embrace video conferencing and other measures to ensure business continuity.

3.79 Despite the easing of restrictions, it is still too early to tell what the future of the office market will look like. But current signs are that some companies will allow some form of working from home to continue, for example, Nationwide are now allowing all staff to work remotely and the likes of HSBC, KPMG and Deutche Bank are introducing some form of hybrid working. At the other end, Goldman Sachs is insisting everyone return to the office.

3.80 In recent years the main drivers of demand for new office space have been from finance, professional services, Technology, Media and Telecommunications (TMTs) and flexible workspace providers.

Regional overview

General Profile – Greater London

3.81 London's office market is primarily concentrated in central London, stretching from Paddington to the west through to Canary Wharf in the east and from Kings Cross in the north through to Victoria in the south. Demand for office space in central London is from a range of sectors including banking and finance, professional services, public sector, creative industries, insurance, and TMTs. Many companies use central London as their UK and/or European headquarters. As with the wider UK market prior to the global pandemic, there was strong demand from flexible workspace providers.

3.82 Agents Carter Jonas[14] report that the central London office market has been impacted by the pandemic with the following trends emerging:

- Reduction in advertised rents of between 7.5 – 15%.
- Discounts on advertised rents can be negotiated between 5 – 10%.
- Rent-free period increasing.
- Shorter leases lengths as tenants seek greater flexibility.

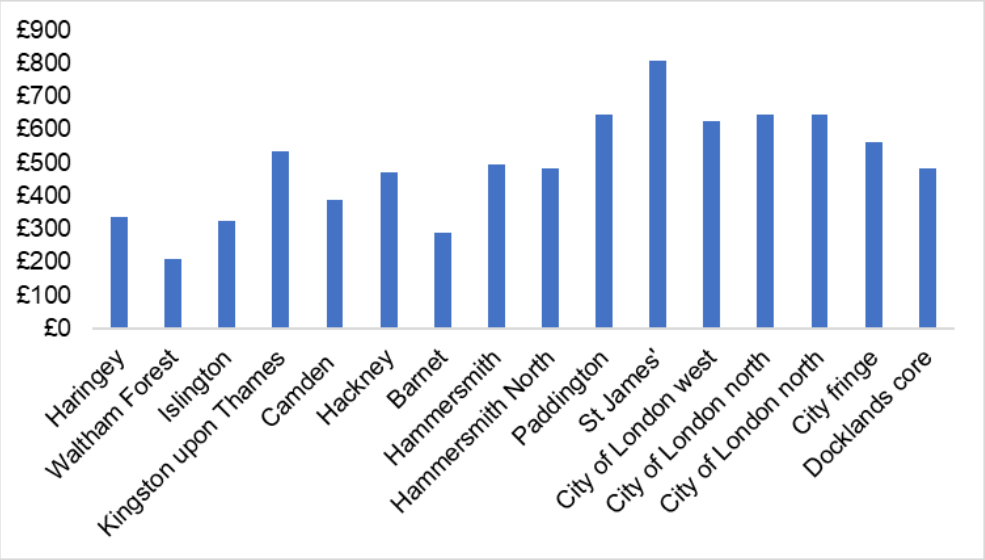
[14] Carter Jonas, Q1 2021, The London Office Market – A Guide to rents, rent free periods and market trends

- Downsizing – reflecting new working practices and reduced headcount, to reduce costs.
- Rising vacancy rates.
- Short-term improvement in demand for services and co-working space as "stop-gap" solution whilst seeking new space.

3.83 The outer London market is relatively smaller than the central London market. Occupiers tend to be here for; historic reasons, affordability, servicing the local market or owners have links to the areas e.g. they live nearby.

3.84 As shown in Figure 3.20 market rents[15] in central London locations tend to be higher than in outer locations. Rents in St James' are £807 psm and the city £646 psm. Whereas Merton (£388 psm) and Ealing (£323 psm) are much lower. Market rents in Haringey are £335 psm, Waltham Forest are £323 psm and Camden are £388 psm. Situations, where rents are lower, means the viability of new office space is more challenging.

Figure 3.20 London office "Market Rents"



Source: CoStar, September 2021

General Profile – Haringey Borough

3.85 The office market in the Borough is very dispersed with no office core, even in the town centres there is no concentration of offices and lack of purpose-built space.

Wood Green

3.86 The office market in Wood Green is found around Clarendon Road (west of Wood Green High Road), along the High Road and close to the tube stations. As shown in Figure 3.21, the majority of office stock is dated but new space is sometimes provided as part of new build residential development.

[15] CoStar defines market rent as the rental income that a property would most probably command in the open market.

3.87 Around Clarendon Road, there is The Chocolate Factory which is the former Barratt's factory now managed by Workspace. The Chocolate Factory provides flexible workspace for creative industries. In addition, at Clarendon Road, is the purpose-built office of 1 Clarendon Road where PJR Creative (construction) have a 1,380 sq m unit. Also, we see new space being provided at Katrina House, with Fortwell Solicitors (professional services) in a 73 sq m unit. Towards Turnpike Station, there are examples of converted properties used as offices, with Demsa Accounts (professional services) in a 56 sq m unit at 278 Langham Road. The majority of occupiers are located in Wood Green for historic reasons, links to the local community and/or those companies seeking affordable space.

Figure 3.21 Examples of office units, Wood Green

The Chocolate Factory	1 Clarendon Road
	
Clarendon Road	**278 Langham Road**
	

Source: CoStar, September 2021

Harringay

3.88 In Harringay offices are dispersed along Green Lanes and in around the Warehouse District. As shown in Figure 3.22, in Harringay there are examples of small standalone Victorian buildings converted into offices – occupiers in these building include Fletcher Solicitors (professional services) in a 164 sq m unit and Penguin Music School (education). In addition, new build space has been provided on the ground floor of residential mixed-use developments such as Salisbury Promenade which has attracted Ersan & Co Solicitors (professional services). In the Warehouse District, office space is found in converted industrial units targeted for creative industries. Occupiers are attracted to Harringay for the same reason as those occupiers in Wood Green, with those in the Warehouse District also attracted to the clustering of similar businesses.

Figure 3.22 Examples of office units, Harringay

602 Green Lanes	Salisbury Promenad
	

Source: CoStar, September 2021, Googlemaps, September 2021

South Tottenham

3.89 In South Tottenham there are a number of examples of standalone purpose-built offices, examples (see Figure 3.23) that include:

- Helen House – which is occupied by Green Park Housing Co-operative (property company) in a 114 sq m unit.
- Tamil House - occupiers here include Solomon Shepherd (professional services) in a 169 sq m unit and London Solicitors (professional services) in a 150 sq m unit.
- The Trampery – advertised as 2,787 sq m of studio space for entrepreneurship and creativity. The space includes 44 studios from 2 – 15 people and 48 desks in open plan workspace. The Trampery advertises that together with Launch they provide support for young and early stage entrepreneurs for those aged between 18 – 30.

3.90 Occupiers are attracted to this area due to the availability of affordable purpose built office space, public transport links and the need to service the local area.

Figure 3.23 Examples of office units, South Tottenham

Helen House	Tamil House, Fountayne B,.P
	

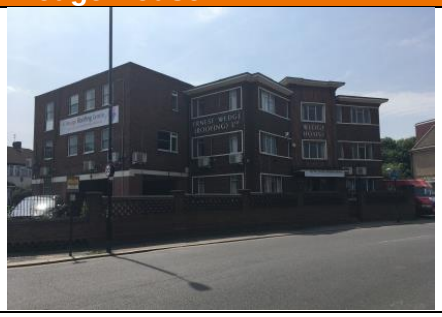
Source: CoStar, September 2021

Tottenham

3.91 Similar to south Tottenham there are examples of standalone offices in Tottenham, some of which are dated and others more modern – see Figure 3.24. We see Tottenham Hotspur (football club) have taken a 1,230 sq m unit at the Paxton

Building, which forms part of the wider football stadium development. Whereas in the dated Wedge House, Stonemere IT (IT support) occupy a 23 sq m unit

Figure 3.24 Examples of office units, Tottenham

Paxton Building	Wedge House
	

Source: CoStar, September 2021

3.92 Occupiers are attracted here for generally the same reasons as those in South Tottenham.

Demand

3.93 In this section we analyse the take-up of office floorspace in the Borough over the last five years, drawing on the CoStar database. This floorspace take-up is the space that business occupiers move into, this includes lease agreements and owner-occupier acquisitions in any given year. It covers both new and second-hand space and takes no account of floorspace vacated as businesses move out or close down It takes no account of floorspace vacated as businesses move out or close down.

3.94 Through our analysis of office take-up recorded on CoStar we have found that there are a number of transactions recorded as “offices” but we do not consider the space to be offices, these are:

- Date of transaction (DOT): 02/05/2018 – 5,265 sq m –the redevelopment of Hornsey Town Hall at The Broadway.
- DOT: 24/07/2019 – 1,350 sq m - acquisition of Canning Crescent Health Centre at 276 – 292 High Road, Wood Green.
- DOT: 16/09/2019 - 600 sq m – Early Haig Hall acquired for Kido Schools at Elder Avenue, Crouch End.
- DOT: 12/11/2020 – 1,012 sq m for performance art space at 269A Archway.

3.95 Due to the sizes of the above transactions, they are having a distorting effect on the take-up figures, so we have removed them from our analysis. In addition, the CoStar take-up in 2019 includes the transactions at Tottenham Hotspur Stadium of 3,437 sq m and 1,231 sq m to the football club on the completion of the stadium, we would consider these to be a “one-off” deals and does not represent a “typical year”. To help “smooth out” our analysis over the last five years, we have reported take-up with and without the Tottenham Hotspur deals (see Table 3.3). As shown in Table 3.3, in the five years to 2020, the take-up of office space in the Borough averaged 2,755 sq m without the Tottenham Hotspur deal and 3,689 sq m with, these were over an average of 12 units per annum. In terms of the number of units transacted we would consider the office market in the Borough to be small compared to other London

Boroughs, for example the London Borough of Haringey[16] averaged 50 transactions over the same 5-year period and Camden saw 145 transactions in the calendar year 2020.

Table 3.3 Office floorspace take-up, 2016-2020, LB Haringey

Calendar year	Incl. Tottenham deals		Exc. Tottenham deals	
	No. of transactions	Total take-up sq m	No. of transactions	Total take-up sq m
2016	7	2,144	7	2,144
2017	12	3,186	12	3,186
2018	6	1,121	6	1,121
2019	16	8,434	14	3,766
2020	14	2,990	14	2,990
2021*	5	571	5	571
Total	*60*	*18,446*	*58*	*13,777*
Annual Average 2016 - 2020	*12*	*3,689*	*12*	*2,755*

Source: CoStar 2021

*2021 is a partial year, data taken between 1st January – 24th September

3.96 Demand for office space across the Borough is from a variety of sectors with no one sector driving demand. Demand is usually for smaller occupiers typically requiring units up to 250 sq m. The majority of occupiers seek affordable workspace. Examples of recent take-up include:

- BWF Solicitors (professional services) taking a 190 sq m unit at 214 - 218 High Road, Tottenham.
- PCR Biosystems (medical) taking a 280 sq m unit at 397- 405 Archway Road, Archway.
- Bartender Lifestyle (training provider) taking a 450 sq m unit at Vale Road, Harringay Warehouse District.
- Investors in Property (property agents) taking a 44 sq m unit at 62A Highgate High Street, Highgate.

Supply and market balance

3.97 CoStar report that there is a total availability of 7,918 sq m and vacancy of 7,515 sq m i.e. therefore the majority of space advertised as available is currently vacant. When we compare with CoStar data with VOA total stock (see Table 3.4) we see that availability is around 7.33% of total floorspace with vacancy slightly lower at 6.96%. When we cross-reference the availability and vacancy rates in Table 3.4 with the average annual take-up in Table 3.3 they equate to 2-years 10 -months supply based on availability and 2-years 8-months supply based on vacancy. Given the size of the Borough's market we consider the vacancy rates to reasonable.

[16] We have chose Haringey as we are currently undertaking a similar study so we have the data available.

Table 3.4 Floorspace availability & vacancy, office, Haringey Borough - September 2021

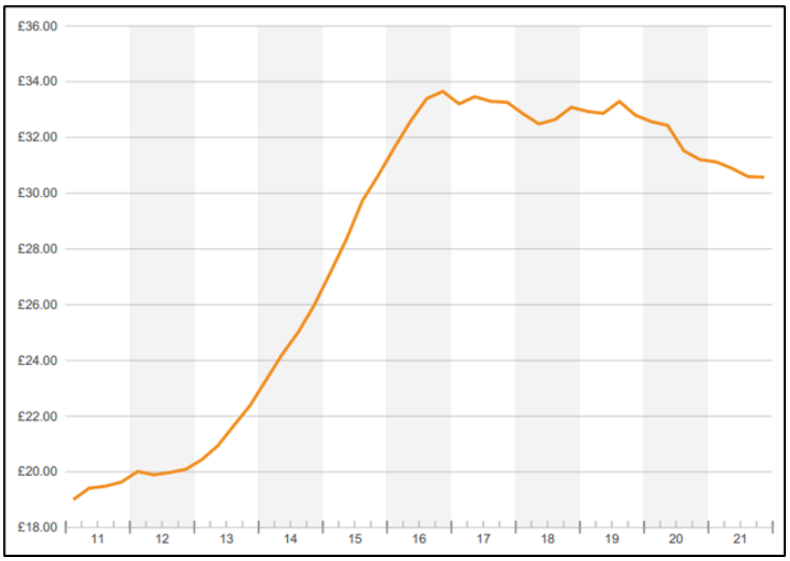
Total stock	108,000 sq m
Availability floorspace	7,918 sq m
Availability %	7.33%
Vacancy floorspace	7,515 sq m
Vacancy %	6.96%

Source: CoStar, VOA, AspinallVerdi, September 2021

Rents and the economics of development

3.98 Market rent (as defined by CoStar[17]) has been steadily decreasing (see Figure 3.25) over a number of years across the Borough. CoStar is reporting for quarter 3 a rent of £30.56 psf, which equates to £329 psm.

Figure 3.25 Market rent, Haringey Borough



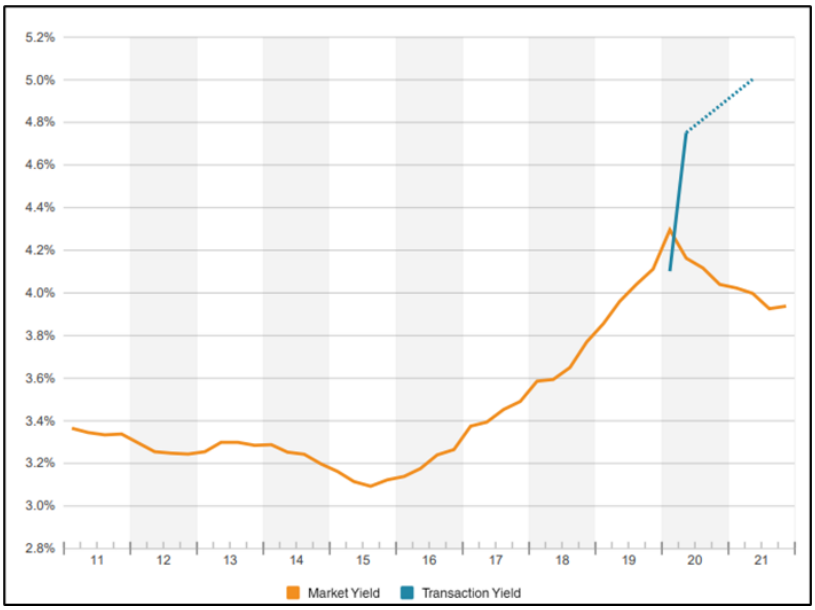
Source: CoStar, September 2021

3.99 Market yield (as defined by CoStar[18]) have generally been increasing (see Figure 3.26) across the Borough, with CoStar reporting for quarter 3 a yield of 4.12%.

[17] CoStar defines market rent as the rental income that a property would most probably command in the open market.

[18] CoStar defines market yield as the smoothed average yield series using modelled yields and estimates as well as actual observations.

Figure 3.26 Market yield, Haringey Borough



Source: CoStar, September 2021

3.100 The combination of falling rents and rising yields mean that capital values have been decreasing, which means generating viable development is more challenging.

3.101 Analysis of specific deals show that rents vary across the Borough, typically falling in the £108 - £268 psm range. Rents are typically driven by the quality of space available rather than specific locations, examples of deals include:

- 214 - 218 High Road - BWF Solicitors took a 189 sqm unit at £162 psm on 10-year lease.
- 397 - 405 Archway Road – Danehurst Developments took a 125 sq m unit at £280 psm on a 5-year lease.
- 794 High Road, Tottenham - Tottenham Hotspur took a 1,231 sq m unit at £177 psm on a 39-year and 9-months lease.

3.102 With regards yields:

- Alexandra House at Wood Green, a 5,100 sqm building was sold in March 2020 at a yield of 4.1%.
- 640 - 656 High Road, Tottenham, a 1,858 sqm building was sold in April 2020 at a yield of 4.75%. 640 - 656 High Road, Tottenham. The building is let to The Secretary of State for Housing, Communities and Local Government until March 2028.

3.103 The above rents and yields are sufficient to maintain the existing space, but not sufficient to enable standalone new build speculative development.

Development

3.104 Currently there is no new build offices being promoted, new space is usually delivered as part of residential mixed-use development rather than standalone development.

Conclusion

3.105 The office market across the Borough is very dispersed with no office core found. There is a small concentration of purpose-built offices in Tottenham and Wood Green, the balance of the offices found in converted buildings. Overall, the office market is quite small.

3.106 Demand for office space is from a range of occupiers, predominantly seeking affordable space, servicing the local marker and/or seeking the benefits of the public transport access provided in Tottenham.

3.107 The market is generally in balance, with rents and yields being sufficient to maintain the existing stock but not sufficient to stimulate standalone new build development on a speculatively basis

4 Introduction to Future Need

Introduction

4.1 In this chapter we assess the need for employment floorspace/land over the Plan period 2022-37; following the methods set out in the Planning Practice Guidance.

4.2 The PPG provides three broad approaches:

- Projections based on past trends of development completions
- An assessment based on labour demand (economic forecasts)
- Labour supply. We do not follow this approach because the Experian economic model considers both labour and supply. It is the only one of three main models available that makes explicit assumptions regarding the population size and profile. Additionally, while labour supply tells us about an area's ability to accommodate economic growth, it tells us little about whether the firms involved want or need this space. If there is no demand for labour – these jobs will not translate into a demand for floorspace.

4.3 We focus on Past Trends and Labour Demand because they tell us what occupiers may demand in the future. They both seek to estimate how much space firms may take up in the future. Following the assessments, we then conclude on the right approach for the Plan.

Past Trends

4.4 The first and simplest approach to assess future demand is to project forward the past. As with any of the approaches to 'need' set out in the PPG, there is no guarantee that there is land to accommodate this projection, but the logic flows that if land was taken up in the past there is at least evidence of demand that similar may be taken up again in the future in the same market area.

4.5 For this assessment we use Plan monitoring data provided by the London Datahub which monitors completions - gains and losses in office, industrial and warehousing floorspace. For this study we have been provided with 15 years of data back to 2004/5 and ending in 2018/19. Data for 2019/20 and 2020/21 is not yet available on a consistent basis. We have added a filter to this data to identify whether the developments are within Designated Employment Areas (DEAs) or undesignated.

4.6 First, we consider the results of the analysis at the Borough-wide level and on a per annum basis for the past five, ten and fifteen years, for office (including R&D), then industrial and finally warehousing are shown below. We then move on to consider where the changes have occurred – whether in the DEAs or in undesignated areas.

Table 4.1 Office trends in floorspace change

Past trends Per annum average	Gross Gains sq m	Gross Losses sq m	Net Change sq m
Five year (2014/15-18/19)	1,081	6,402	-5320
Ten year (2009/10-18/19)	4,426	4,248	178
Fifteen year (2004/5-18/19)	3,074	3,168	-94

Source: London Datahub monitoring and Stantec analysis

4.7 The data shows that for office the longer term trend is for gains to broadly nullify losses, but in the most recent five year period there is a large difference as very little new office has been developed and a higher amount of floorspace lost.

4.8 Turning to industrial uses, the data for the longer periods is consistent with net change averaging around -3,300 sq m. It is a similar picture for net change over the most recent period too, but the amount of activity is down considerably.

Table 4.2 Industrial (light industrial and B2) trends floorspace change

Past trends Per annum average	Gross Gains sq m	Gross Losses sq m	Net Change sq m
Five year (2014/15-18/19)	41	2,777	-2736
Ten year (2009/10-18/19)	2,093	5,490	-3397
Fifteen year (2004/5-18/19)	1,778	5,100	-3322

Source: London Datahub monitoring and Stantec analysis

4.9 Finally, for warehousing (Table 4.3 below) the net change is more than double the industrial losses and with virtually no gains – the data identifies just three warehouse gains over the whole period, each of around 1,200 sq m (averaging to around 230 sq m per annum). Losses have reduced significantly in the most recent period. It is relevant to note that this data does not include 555 White Hart Lane as this is too recent for the data set.

Table 4.3 Warehousing trends floorspace change

Past trends Per annum average	Gross Gains sq m	Gross Losses sq m	Net Change sq m
Five year (2014/15-18/19)	223	3,945	-3723
Ten year (2009/10-18/19)	232	8,933	-8701
Fifteen year (2004/5-18/19)	235	7,544	-7309

Source: London Datahub monitoring and Stantec analysis

4.10 We next look at where change (development) has taken place. For this we focus on the ten year past as it has similar characteristics to the 15 year, includes the data for most recent period and broadly takes in a complete economic cycle.

Table 4.4 Distribution of office floorspace change – 2009/10-18/19

Past trends Floorspace change Ten years - 2009/10-18/19	Gross Gains sq m	Gross Losses sq m	Net Change sq m
Arena Design Centre	0	460	-460
Ashley Road	0	919	-919
Bounds Green Industrial Estate, N11	453	0	453
Brantwood	18,828	0	18,828
Cross Lane	859	0	859
Overbury & Eade Road	157	147	10
Hale Wharf	0	238	-238
Vale Road/Tewkesbury Road	0	604	-604
White Hart Lane	15,065	0	15,065
Willoughby Lane	0	90	-90
Wood Green	0	346	-346
DEAs grand total	**35,362**	**2,804**	**32,558**
Non-designated	8,898	39,677	-30,779
TOTAL	**44,260**	**42,481**	**1,779**

Source: London Datahub monitoring and Stantec analysis

4.11 There are two important points to note from the table above – firstly over the past ten years office floorspace (including R&D) has grown, albeit marginally, and secondly growth has been in the DEAs and losses have been on non-designated sites.

4.12 Most of the office gains (76%) have been in the Brantwood and White Hart Lane DEAs with 20% on non-designated sites. The losses have almost entirely been on non-designated sites. Virtually no change in Wood Green town centre.

Table 4.5 Distribution of industrial floorspace change – 2009/10-18/19

Past trends Floorspace change Ten years - 2009/10-18/19	Gross Gains sq m	Gross Losses sq m	Net Change sq m
Ashley Road	0	1,198	-1,198
Bounds Green Industrial Estate, N11	1,213	0	1,213
Brantwood	18,828	1,365	17,463
Cranford Way	260	0	260
Cross Lane	0	1,032	-1,032
Overbury & Eade Road	175	186	-11
South Tottenham	0	678	-678
Vale/ Eade Roads	0	1,715	-1,715
White Hart Lane	0	171	-171
DEAs grand total	**20,476**	**6,345**	**14,131**
Non-designated	453	48,556	-48,103
TOTAL	**20,929**	**54,901**	**-33,972**

Source: London Datahub monitoring and Stantec analysis

4.13 Almost all of the new industrial floorspace has been delivered at Brantwood, and the majority of the losses have been on non-designated sites.

Table 4.6 Distribution of warehouse floorspace change – 2009/10-18/19

Past trends Floorspace change Ten years - 2009/10-18/19	Gross Gains sq m	Gross Losses sq m	Net Change sq m
Brantwood	1,113	37,656	-36,543
Cross Lane	0	569	-569
Hale Wharf	0	4,881	-4,881
Vale/ Eade Roads	1,208	0	1,208
White Hart Lane	0	18,409	-18,409
DEAs grand total	**2,321**	**61,515**	**-59,194**
Non-designated	0	27,812	-27,812
TOTAL	**2,321**	**89,327**	**-87,006**

Source: London Datahub monitoring and Stantec analysis

4.14 There have been substantial losses of warehousing stock, and this has happened across DEAs as well as non-designated sites. In the case of the two main DEAs – Brantwood and White Hart Lane land has been recycled from warehousing to R&D and industrial in the case of the former and office in the case of White Hart Lane.

4.15 Overall, in the ten year period the DEAs have seen positive office and industrial change balanced against warehouse losses. This compares with the heavy losses of floorspace across all three land use categories seen in the undesignated areas. The employment floorspace stock in Haringey has reduced by 120,000 sq m during these ten years.

Where are the jobs?

4.16 One particular feature of the Haringey economy is that while space has been lost the Borough has not lost jobs.

Table 4.7 Haringey job change 2016-19

Job change 2016-19	Job change Total	Job change p.a.
Office	**1,043**	**348**
Industrial	*140*	*47*
Warehousing	*272*	*91*
Industrial total	**412**	**137**

Source: Experian Economics (June 2021) and Stantec analysis

4.17 In the most recent period for which data is available (2016-19) Haringey has experienced positive job growth in all three employment land use activities. Office job change in this recent short period past has been relatively strong (348 jobs per

annum) as we shall see shortly when compared to the GLA projection. The positive industrial job change (137 jobs per annum), albeit of a low order is also encouraging as in many other locations industrial job numbers are flat, albeit no longer declining. The warehouse job growth is modest and compliments the slowing down in the loss of warehouse floorspace seen in the Borough over the past five years.

Floorspace densities

4.18 The table below shows employment densities is Haringey in 2019.

Table 4.8 Floorspace densities 2019

Densities	Floorspace sq m	Jobs	Density sq m NIA/ job
Office	116,000	18,275	6.3
Industrial/whsing	598,000	13,506	44.3

Source: VOA for floorspace and Experian and Stantec analysis for jobs

4.19 For industrial the Borough density is where we would expect it to be, with little influence from warehousing that generally experiences lower densities of around 70 sq m per worker. The Borough stock is more aligned with light industrial that has higher densities generally around 35-45 sq m per worker.

4.20 The office density is very high at 6.3 sq m per worker. We have researched London borough office densities, and these vary between around 14 and as low as four sq m per worker, with the London average at around 11 sq m per worker. While Haringey's office density at 6.3 sq m per worker is high this may reflect the very low levels of existing office stock (at 108,000 sq m Haringey is one of the smallest boroughs). The boroughs with the small office markets record the highest densities, and the main reason is likely to be that they have very little purpose built large footplate office floorspace, which tend to have lower worker densities compared to smaller stock that may not be purpose built and operates at high worker densities.

Summary

4.21 The PPG requires estimates of future need to explore a past take-up approach. However, because floorspace change has been negative in the past, this would not appear practical. In common with many other Local Authority areas the Borough has been growing jobs while losing floorspace.

4.22 For offices this pressure is now so extreme that there is only 6 sq m per office worker against a London average of 11 sq m. However, this high density is tempered by the fact that there are a number of other boroughs with high densities, with the common thread being they all have comparatively small office markets. The boroughs with strong office sectors almost all have densities of between 10-14 sq m per worker.

4.23 Haringey has a strong and relatively large industrial sector (combined industrial and warehousing) and the density of 44 sq m per industrial worker is where we would anticipate for a Borough where the balance is with industrial rather than warehousing.

Labour Demand – GLA projections and economic forecasts

4.24 In the following analysis we compare the GLA's view on the demand for employment land with economic data from an economic forecast. We do this firstly looking back at what has happened in the recent past compared to what was projected, and then we move on to use the forecast to estimate change over the Plan period.

4.25 The economic forecast data comes from Experian, one of the three industry standard forecasting houses[19]. Experian (and the other houses) provide time series job demand data, that looks back as well as forward, and the historic data, extending back as far as 1997 is constantly updated to reflect more recent official published data from the ONS and Government. Thus, Experian's view of the past reflects what actually happened (latest official data is up to 2019), whereas their view of the present (post 2019) is forecast.

4.26 The GLA 2017 projections that underpin the new London Plan remain the latest GLA data, although we know that these are currently being updated. The industrial projection is from the GLA Industrial Baseline report (2017) and that for offices from the London Office Policy Review (2017). The GLA report in land areas (hectares) for industrial uses, whereas for offices the GLA report job numbers and floorspace (sq m).

4.27 We use an Experian forecast rather than one from either of the other two economic forecasters chiefly because Experian are more explicit regarding their labour supply assumptions, using ONS population projections at the local level as their baseline. The other forecasting houses use their own population models that may not align with official data.

The past

4.28 Here we compare the GLA projection for the Borough with our best estimate of what actually happened using the historic economic data from Experian.

4.29 The table below summarises the number of net additional jobs per annum for offices and the land area (hectares) for the combined industrial and warehouse sector (unfortunately the GLA do not project job change for industrial activity).

4.30 The GLA projections for both office and industrial have a base year of 2016 and end date of 2041, and we have taken a per annum average and compare this with the actual past based on the Experian economic forecast for the 2016-19 period. This is a relatively short period and was at the top of an economic cycle, and therefore caution is needed reading too much into the data, but it provides context and a general 'direction of travel' nonetheless.

[19] The other two being Oxford Economics and Cambridge Econometrics.

Table 4.9 Haringey - jobs and land change

	Office	Industrial	
	Jobs pa	Jobs pa	ha pa
GLA (per annum 2016-41)	180		-1.1
Experian (per annum for 2016-19)	348	137	

Source: GLA - Industrial Land Demand Study, 2017 and London Office Policy Review 2017 and Experian June 2021 and Stantec analysis

4.31 Table 4.9 above shows recorded office job growth over the period (the Experian figure) has been double the GLA projection albeit both figures are relatively modest. A feature of office job growth in the Borough, in common with most boroughs and indeed more widely than London, has been that this has not been matched by growth in office floorspace. Indeed the jobs have been delivered by 'spaceless growth' denoted by the low worker densities noted above. The VOA floorspace data for Haringey shows that floorspace declined by 8% over those three years (125,000 in 2016 to 116,000 in 2019), and for a longer context, since 2009 has declined by a fifth

4.32 For industrial uses the GLA only consider land, not jobs. The projection for Haringey was for 28.7 ha to be released over the 25 years 2016-41, equivalent to a loss of 1.1 ha per annum (as shown in Table 4.9 above). We know from our past trends analysis that industrial floorspace (including warehousing) was indeed lost (as shown on Table 4.2 and Table 4.3) at a rate of 6,500 sq m per annum, which in land terms is 1 ha per annum, so on a par with the GLA projection. We can also see this in the VOA official data that shows 598,000 sq m in 2019 down 4% (24,000 sq m) since 2016. As shown in the table above Experian show modest job growth (137 jobs pa) for this period. Based on what we know from the completions data it is likely that this modest increase in jobs stems from the recycling of lower job density warehousing stock to higher job density industrial.

4.33 It is worth noting that according to VOA data over the past decade the Borough has lost 84,000 sq m of industrial land with the stock declining from 669,000 sq m in 2012 to 585,000 in 2021), thus the past three years (loss of 6,500 sq m per annum) is broadly reflective of the ten years (loss of 8,400 sq m per annum). This compares with a much faster decline in the preceding decade (2002-11) when losses where double that rate (floorspace was 853,000 sq m in 2002, so the average annual rate of loss 2002-11 was 16,000 sq m per annum).

4.34 While there has been positive job growth for both office and industrial, neither sector has seen this economic growth translate to demand for new employment floorspace.

Future demand

4.35 First, we set out the method for how we quantify future demand for employment floorspace using the Experian based forecast. Then we set out the calculations for office followed by that for industrial demand based on the Experian data. Finally, we compare this Experian based forecast view on future demand with the GLA projection.

Method overview

4.36 To quantify future demand for the employment land uses - offices and industrial space (industrial including storage and distribution), we start with the raw economic data (job forecasts), which are provided by Experian.

4.37 The Experian's job forecast data covers every year between 1997- 2041, thus spanning the proposed Plan period 2022-2037, but with a 'past' that helps us look at trends. The economic data are continuously updated to reflect the latest official survey data. In terms of the 'breakpoint' between the actual past (based more on actual official published survey data than forecast) and the forecast, the most recent survey data is for 2019, and 2019 is therefore the breakpoint – the most recent year of 'real' data.

4.38 The Experian forecast for the whole economy is provided as 38 separate employment activity (job) sectors that relate to the Standard Industrial Classification (SIC), and this 'raw data' forecast for the Borough is presented at Appendix A.

4.39 The method to turn the raw forecast into an estimate of future demand for employment floorspace and land in summary is as follows:

- Step 1 translate the Experian jobs by sector data into land use class data using our bespoke sector-to-space mapping technique (a full explanation of this is provided at Appendix B).
- Step 2 translate demand for jobs into net demand for space using established job density ratios and informed by our 'sense check' of densities.
- Step 3 calculate gross demand for space by accounting for future losses in the existing stock of premises and land.
- Step 4 identify gross supply of land and floorspace identified for employment use (permissions and allocations).
- Finally, at Step 5 calculate the market balance, comparing gross demand with gross supply.

Demand for Offices

4.40 First, we examine the demand and supply floorspace balance for offices based on the Experian baseline forecast, then we compare that to a floorspace balance based on the latest GLA projection of office jobs growth.

Experian

Step 1

4.41 The baseline economic forecast (job change) comes from Experian's June 2021 issue, which we turn from economic sectors to land use categories by using our sector to land use mapping approach (as explained in Appendix B), where we identify land use category at the 'finest grain' level within the SIC (five digit over 700 economic sectors).

Step 2

4.42 As shown in line (a) on Table 4.10 below the forecast produces net growth of 160 office jobs per annum, or in rounded terms 2,400 jobs over the 15 year plan period.

The table goes on to calculate the net demand for floorspace generated by job change (as calculated in rows a-d), plus an adjustment for any current under-provision in the existing stock (row e), and then finally presented as Gross Internal Area (g) by conversion from Net Internal Area (f).

Table 4.10 Net demand for offices, Haringey Borough – 2022-37

		Total	p.a.
a	Jobs change (2022-37)	2,393	160
b	Density factor (sq m NIA /job)	12.0	12.0
c	Occupier demand (sq m NIA) [a*b]	28,715	1,914
d	Vacancy factor (sq m NIA) [c*8.1%]	2,326	155
e	Stock vacancy adjustment (sq m NIA)	583	39
f	Net demand (sq m NIA) [c+d+e]	31,624	2,108
g	**Net demand (sq m GIA)** [f/0.85]	**37,204**	**2,480**

Sources: Experian forecast (June 21), density factor - HCA Guide (2015) figure for professional services. Stock vacancy adjustment - CoStar for current (Sept 21) vacant floorspace (7%) and VOA for total stock floorspace (108,000 sq m), NIA to GIA 85% factor as advised by the HCA Guide.

4.43 Applying a standard density factor of 12 sq m NIA per office job (b) to the additional job number (a) identifies the floorspace those jobs will occupy (c). To allow for a little flexibility in that new stock an allowance for a little extra availability is added (the vacancy factor), which at 8.1%[20] increases the demand figure by 2,300 sq m (d).

4.44 The final factor (e) involves an adjustment to ensure the property market is operating at optimum efficiency, this time addressing the existing stock, making an allowance to rebalance the market so it operates at optimum efficiency. As referred to above the industry accepted optimum vacancy level is 7.5%, and at this rate there is choice and flexibility in the market. We make the adjustment based on the current vacancy rate (as identified by CoStar), adding or subtracting depending on whether the rate is above or below 7.5%.

4.45 The current vacancy rate in the total stock is 7.0%, which is close to optimum, and only requires a very marginal 0.5% uplift equating to just 583 sq m (e) to achieve this. Thus, net demand sums to approximately 32,000 sq m NIA (f), or 37,000 sq m GIA (g).

4.46 This is a comparatively modest requirement, but substantial for a borough like Haringey that has a very small office stock, representing a potential addition of around a third of existing total stock (108,000 sq m).

Step 3

4.47 Next, we turn net into gross demand by accounting for future losses in the stock of premises and land. We need to do this to identify the total office floorspace that will

[20] 8.1% being 7.5 / 92.5 = 8.1% above occupier demand. With 7.5% being the industry-wide accepted vacancy rate in an optimally efficient market.

be developed if the planning authority provides land for it. We do this as shown in Table 4.11 below.

Table 4.11 Gross demand for office floorspace, Haringey Borough 2022-37

		Sq m
g	**Net demand 2022-37 (sq m GIA)**	**37,204**
	Office losses (add to demand)	
h	Planning permissions	9,623
i	Plan allocations	8,000
j	Total future losses (h+i)	17,623
k	**Gross demand (sq m GIA)** [g+i]	**54,827**

Source: GLA datahub planning monitoring data (latest 2019/20), and Stantec analysis.

4.48 Just one planning permission loss in the pipeline in DEAs, that being a 4,100 sq m net loss through the Chocolate Factory redevelopment. All the other losses (22 schemes totalling 5,500 sq m) are on non-designated sites, mostly small schemes with the largest 1,500 sq m at 640/656 High Rd, Tottenham Hale. The only site allocation that is likely to result in a reduction in office floorspace is SA8 Station Road Wood Green, where redevelopment is likely to lead to a reduction in office content. Thus, gross demand sums to 55,000 sq m.

Step 4

4.49 The penultimate stage is to identify the known future floorspace available for office uses. We account for two types of supply (i) any extant planning permissions for employment uses and (ii) any plan allocations for office use. The totals are shown in Table 4.12 below.

Table 4.12 Gross supply of office floorspace, Haringey Borough 2019

Pipeline		Sq m
l	**Planning permissions**	
	Bounds Green Industrial Estate	3,131
	Constable Crescent	158
	South Tottenham	2,216
	White Hart Lane	505
	Wood Green	0
	DEAs grand total	***6,010***
	Non-designated	6,457
l	**Planning permissions total**	**12,467**
m	Plan allocations	35,035
n	**Total supply (sq m GIA)** [l+m]	**47,502**

Source: GLA datahub planning monitoring data (latest 2018/19), and Stantec analysis

4.50 The distribution of the permitted office floorspace (l) is interesting, as it is split fairly evenly between DEAs and non-designated sites. Half the permitted floorspace in the DEAs is one scheme (1 Cline Rd) in the Bounds Green Industrial Estate, a second scheme (car wash site) at South Tottenham accounts for 1,900 sq m, with three other much smaller schemes accounting for the rest. Much the largest proposed addition beyond the DEAs is 4,000 sq m at Tottenham Hotspur Football Ground, with a further nine schemes with planning permission for office.

4.51 There is a relatively large amount of floorspace allocated for employment uses[21], equivalent to around a third of the existing total provision. Most of the office sites are within Wood Green and Tottenham, and most are modest opportunities for net additional through redevelopment of existing town centre uses. The only large scale opportunity is at the Tottenham Hale Retail Park where 13,900 sq m of new office space is identified in the AAP. Overall, the net additional floorspace identified in site allocations sums to 35,000 sq m.

4.52 Together permissions and allocations available for office use total to approximately 48,000 sq m.

Step 5

4.53 The final stage is to calculate the market balance, which assesses if there is sufficient supply to meet the identified demand for offices. If the balance is positive then there is sufficient, or possibly more than sufficient floorspace to meet the demand. If there is a shortfall, this will denote a need for more floorspace to be identified and allocated in the plan.

[21] Sites in the in the Site Allocations DPD, Tottenham AAP and the emerging Wood Green AAP

4.54 Table 4.13 below carries forward the gross demand (k) and gross supply of floorspace (n) from previous tables to calculate the 'balance'.

Table 4.13 Office market balance, Haringey Borough

Balance		2022-37 Sq m	Per annum Sq m
k	Gross demand (sq m GIA)	54,827	3,655
n	Total supply (sq m GIA)	47,502	3,167
o	**Under supply** (sq m GIA) [n-k]	**7,325**	**488**

Source: Stantec analysis

4.55 In quantitative terms the Borough has a modest undersupply of office floorspace of approximately 7,000 sq m. This is a small surplus, and conditional on all the sites in the supply coming forward in the next plan period, or through the delivery of further windfall sites.

GLA

4.56 Next, we turn to quantify what the equivalent balance figure would be for the most recent GLA projection. We have seen earlier that the latest GLA projection, albeit that that is from 2017, is 180 office jobs per annum. While we cannot be sure what an updated projection would now be, we can be confident that the figure will not have risen, and therefore the 180 office jobs per annum represents the upper end of the projection / forecasts. It is also the case that 180 jobs per annum projection is close to the Experian 160 jobs per annum forecast. Indeed, as the tables below demonstrate the office floorspace requirement is just 5,000 sq m higher under the GLA scenario.

4.57 We do not need to go through the same detail as is set out above for the Experian forecast because the calculation of gross demand – accounting for future losses and the pipeline of supply are exactly the same. So, we set out the calculation of net demand and then move on to set out the overall balance.

Table 4.14 Net demand for offices based on GLA projection, Haringey Borough

		Total	p.a.
a	Jobs change (2022-37)	2,706	180
b	Density factor (sq m NIA /job)	12.0	12.0
c	Occupier demand (sq m NIA) [a*b]	32,472	2,165
d	Vacancy factor (sq m NIA) [c*8.1%]	2,630	175
e	Stock vacancy adjustment (sq m NIA)	583	39
f	Net demand (sq m NIA) [c+d+e]	35,685	2,379
g	**Net demand (sq m GIA)** [f/0.85]	**41,983**	**2,799**

Sources: job change from GLA London Office Policy Review, 2017, all other data as per Table 4.10 above

4.58 The GLA job change projection is just 20 office jobs per annum higher than the Experian forecast. Converting this to a floorspace requirement identifies a figure just 5,000 sq m higher at 42,000 sq m compared with the Experian forecast of 37,000 sq m.

4.59 Table 4.15 below calculates gross demand (k) by summing (g) in the table above plus the future losses from row (j) in Table 4.11 above, and gross supply of floorspace (n) from Table 4.12 to calculate the ‘‘balance’.

Table 4.15 Office market balance based on GLA projection, Haringey Borough

		2022-37	Per annum
		Sq m	Sq m
k	Gross demand (sq m GIA)	59,606	3,974
n	Total supply (sq m GIA)	47,502	3,167
o	**Under supply** (sq m GIA) [n-k]	**12,104**	**807**

Source: Stantec analysis

4.60 On the basis of the GLA projection the Borough has an under-supply of future office floorspace of 12,000 sq m, which again is conditional on the schemes and sites in the supply coming forward and/or additional windfall sites coming forward.

Office conclusions

4.61 The overall quantum of office floorspace (including R&D) in the Borough over the past decade (to 2019) has remained at about the same level, albeit the VOA statistics indicate floorspace has been lost, but this is likely to exclude the substantial R&D development at Brantwood. Thus, the past trends approach to identifying future need would therefore suggest a low fairly static number.

4.62 While floorspace has not grown, the past has seen office job growth in what is termed 'spaceless growth', but this cannot continue indefinitely as office worker densities in the Borough are high, and at some point more office space will be needed.

4.63 The economic forecast approach identifies past and future growth in office jobs that broadly align with the GLA projection. Applying the economic forecast and the GLA projection to the Plan period identifies a gross demand for between 55-60,000 sq m over the 15 years. This is equivalent to increasing the total existing office stock by half. The pipeline of supply is 48,000 sq m, so largely sufficient, should it all come forward, to meet most of the demand scenario. We recommend allowing for the upper end of this range (an additional 12,000 sq m), and the approach of a positively prepared Plan should be to require net additional on as many allocated sites as possible.

4.64 A conclusion from the property market assessment is that new build offices are not currently viable to deliver on their own. But should the office market improve further development may be viable, as the high worker density rate (6.3 sq m / worker) and the vacancy rate hovering around the optimum level (7/7.5%) indicate this is quite possible. The site allocations in the regeneration areas of Wood Green and Tottenham are the obvious locations.

Demand and supply for Industrial

4.65 The assessment of industrial demand (which includes demand for warehousing as well as industrial activities) follows the same method to that used above for office need.

4.66 As we know from the market assessment, we do not have a credible GLA scenario because as set out in Table 4.9 above the GLA view (albeit the view in 2017) is for negative change - a loss of 1.1 ha per annum. As we demonstrated earlier it is the case that Haringey has lost industrial space in the past, and at 1 ha per annum in the short recent past. However, as we have also seen the market is positive, vacancy rates are low and it is the availability of sites that is constraining the market.

4.67 As we shall see in this chapter the economic forecast for industrial is positive, albeit modestly so (33 jobs pa over the Plan period (2022-37). This masks a small negative job change for core industrial while warehousing activity is forecast to grow, with overall a positive 500 jobs required to 2037.

4.68 We saw in the preceding chapter that the industrial property market is tight, with a low vacancy rate (2.8%) that means there is little choice in the market which has repercussions for market efficiency. This combined with a fairly substantial pipeline of industrial losses generates the industrial floorspace /land requirement that we set out below.

4.69 The table below estimates the net demand for industrial activity. It does this separately for core industrial and warehousing, applying industry standard density factors. The stock vacancy adjustment is applied to the total industrial figure (core industrial and warehousing combined) because the source data for the stock (the VOA) does not provide these separately.

Table 4.16 Industrial (net demand)

		Core industrial	Ware-housing	Total Industrial	p.a.
a	Jobs change (2022-37)	-191	685	494	33
b	Density factor (sq m GIA /job)	45.0	66.5		
c	Occupier demand (sq m GIA) [a*b]	-8,579	45,533	36,954	
d	Vacancy factor (sq m GIA) [c*8.1%]	-695	3,688	2,993	
e	Stock vacancy adjustment (sq m GIA)			27,320	
f	**Net demand** (sq m GIA) [c+d+e]			**67,267**	**4,484**
g	**Net demand** (hectare) [f @65% plot ratio]			**10.3**	**0.7**

Sources: jobs – Experian forecast data and Stantec analysis. Density factor – from the HCA Guide (2015) core industrial is the average for B1c and B2 and the last mile (reduced by 5% from GEA to GIA as recommended by HCA) figure for warehousing. Stock vacancy adjust - CoStar for 2021 vacant floorspace (rate 2.8%) and VOA for total 2021 stock floorspace (585,000 sq m).

4.70 Applying the density factors (b) to the job change totals that will be delivered, adding a modest amount extra to allow for some flexibility in this new provision (d) we arrive at a net demand of approximately 40,000 sq m (c+d). The forecast minor reduction in core industrial jobs is more than made up for by the forecast growth in warehousing jobs (forecast to grow at 45 jobs pa), albeit that even here forecast growth is around half the rate seen in the fast growth in the 2016-19 period (91 jobs pa). These warehousing jobs are predominantly in wholesaling (as shown in the forecast data set at Appendix A) and are likely to be associated with last mile deliveries, and also in activity to service the CAZ.

4.71 To this is added the stock vacancy adjustment to return the stock from the currently low 2.8% rate to the optimum 7.5% to allow for choice and competition in the market. The current low vacancy generates a comparatively large adjustment of 27,370 sq m (row e).

4.72 Overall industrial net demand is approximately 68,000 sq m, or what equates to just over 10 ha in land terms at a 65% plot ratio[22].

4.73 Next, we calculate gross demand.

[22] Plot ratio is the floorspace to land area ratio. A ratio of 100% would indicate the amount of floorspace (provided on one or more levels) is the same as the sq m of the site area.

Table 4.17 Gross demand for industrial floorspace, Haringey Borough 2022-37

		Sq m
g	**Net demand (sq m GIA)**	**67,267**
	Industrial losses (add to demand)	
h	Planning permissions	24,817
i	Plan allocations	0
j	**Total future losses (sq m)** [h+i]	**24,817**
k	Gross demand (sq m GIA) [g+j]	92,084
l	**Gross demand (hectare)** [k/6,500]	**14.2**

Source: Council planning monitoring data and Stantec analysis

4.74 There are a total of 39 planning permissions involving loss of industrial or warehousing uses, three quarters of the floorspace to be lost is industrial and one quarter warehousing. The core industrial losses are mostly in the DEAs with Ashley Road (Ashley Gardens) and Wood Green (a net loss of industrial through redevelopment at the Chocolate Factory) experiencing the majority of these. The warehousing losses are also largely in the DEAs with the largest two being at the Bernard Works, Rangemoor Rd (2,000 sq m) and Brantwood House, Brantwood (1,500 sq m), the remaining 19 schemes are all much more minor in scale.

4.75 There are no plan allocations that seek the loss in industrial floorspace, and as for office nil net loss is assumed, and therefore the total losses needing to be replaced amount to 25,000 sq m (j).

4.76 The reprovision of the stock that is in the pipeline to be lost ((h) in the table above) contributes substantially to take the overall demand (gross) to 92,000 sq m. This is equivalent to 16% of the Borough's existing industrial stock (585,000 sq m in 2021 source: VOA).

4.77 Next, in Table 4.18 below we account for the future supply of industrial floorspace.

Table 4.18 Gross supply of industrial floorspace, Haringey Borough 2021

Pipeline		Sq m
m	**Planning permissions**	
	Marsh Lane	2,565
	North East Tottenham	875
	Rangemoor Rd	1,117
	DEAs grand total	***4,557***
	Non-designated	15
m	**Planning permissions total**	**4,572**
n	Plan allocations	5,439
o	Total supply (sq m GIA) [m+n]	10,011
p	**Total supply (hectare)** [o/6,500]	**1.5**

Source: Council planning monitoring data and Stantec analysis

4.78 There is very little positive industrial supply in the permissions pipeline with just about all within the DEAs. Over half the floorspace is to be provided by a light industrial permission at the Marsh Lane Waste Depot. The only other scheme of note being light industrial at the Bernard Works, Rangemoor Rd. The Plan allocations contain a small amount of potential new additional floorspace with just over half identified at SA25 Land Adjacent to Coronation Sidings, Wood Green.

4.79 Finally, turning to market balance, Table 4.19 carries forward the gross demand (l) and gross supply of floorspace (p) from previous tables to calculate the 'balance' (q).

Table 4.19 Industrial market balance, Haringey Borough

Balance		2022-37		Per annum	
		Sq m	Ha	Sq m	Ha
l	Gross demand (hectare)	92,084	14.2	6,139	0.9
p	Gross supply (hectare)	10,011	1.5	667	0.1
q	**Under supply (ha)** [l-p]	**82,073**	**12.6**	**5,472**	**0.8**

Source: Stantec analysis

4.80 In quantitative terms, meeting demand over the 15 year plan period requires the Borough to find 82,000 sq m (rounded), which in land terms would require almost 13 ha if developed at a 65% plot ratio.

4.81 In practical terms the Borough is unlikely to find this quantum of land, and intensification through redevelopment is likely to continue to be the main source of supply.

Industrial conclusions

4.82 The losses in the industrial stock over the past decade have been running at an average of around 12,000 sq m per annum (industrial and warehousing together), job numbers have also declined. However, the recent past has seen a turn-around in job numbers, particularly in warehouse related employment (and particularly wholesale).

4.83 The GLA projection for Haringey was for 1.1 ha to be lost annually. However, the property market identifies a positive need for industrial floorspace, with the main driver of demand being the growth forecast in warehouse jobs, but there is also a significant existing shortage of industrial stock and very little in the future provision, which points to a need to boost provision.

4.84 The forecast and these other factors indicate a need for 82,000 sq m over the Plan period, which would add 14% to the existing stock (585,000 sq m). In land terms this would require 13 ha.

Summary and Conclusions

4.85 The office market in the Borough is small, and future need and existing potential supply are largely in alignment. Based on an Experian economic forecast and GLA projection the need over the Plan period is between 55- 60,000 sq m, and the supply around 48,000 sq m generating a small undersupply of between 7-12,000 sq m. However, this would change if the one large office allocation within the Borough – Tottenham Hale Retail Park were not to come forward and not involve substantial office within the Plan period.

4.86 For industrial the losses in the past have now turned to a positive need to gain floorspace; almost 1 ha per annum is needed (13 ha over the Plan period) to meet the need generated by the combination of the need to accommodate job growth (largely in the warehousing sector) and to reprovide for planned future losses. The only known site capable of accommodating some of this need is Pinkham Way, but even with that site in play, depending on how much it could support, more floorspace may be required to avoid constraining economic growth, and this can only be achieved through intensification via redeveloping existing employment sites.

5 Conclusions

Policy Issues and Responses

Industrial

5.1 In this assessment we found that the Borough's stock of property (totalling 585,000 sq m) is well occupied, intensively used and while some of the stock is dated it is generally fit for purpose. There is also positive 'need' for additional land and/or floorspace so a demand for more. But almost no land supply. This is particularly an issue for industrial uses which have been harder to accommodate in mixed use redevelopment schemes.

5.2 For industrial uses we have estimated a need over the Plan period for around 82,000 sq m of net additional space, equivalent to a 14% increase in total stock. Given the nature of the market this is driven primarily by logistics demand and especially last mile delivery.

5.3 The London Plan encourages boroughs to make provision for additional industrial capacity, and specifically logistics (as well as waste management) in locations that are accessible to the strategic road network[23]. We are aware of only one such undeveloped site in the Borough that could be capable of accommodating some of the demand - Pinkham Way (DEA 14). This site is approximately 8 ha, although the developable area would be likely to be much less, but is currently identified for future waste management purposes and is also designated a Site of Importance for Nature Conservation (SINC). However, as is referred to in the property market section, the direct access on to the North Circular Road and suitable size and shape makes it very attractive for industrial and warehouse uses, and subject to detailed feasibility work could potentially accommodate multi-deck unit(s). Given the nature of multi-deck formats as discussed elsewhere in this report, and the site's direct access on to the North Circular, this site could accommodate the bulk of the Borough's identified industrial need over the whole Plan period.

5.4 The London Plan also encourages the intensification of existing sites. However, industrial intensification is far from a universal panacea because intensified formats of space utilisation are more costly to build and operate. There is no track record of delivery of such intensification in London, with only a sole example (X2 at Heathrow) being completed. There are however, a number of emerging schemes including Albert Island and also G Park in Newham that are discussed elsewhere in this report. At the time of drafting these are very much pilot schemes and both sites are highly constrained / untypical, and in the case of Albert Island owned by the Mayor.

5.5 It is our view that G Park Newham is a good example of a multi-decked format that could possibly work in this Borough. The unit is specifically designed to meet the needs of last mile logistics to service the CAZ and the wider inner London population. Here the proximity to the North Circular makes this area especially attractive as a location to serve both the local and City/CAZ distribution requirements. However,

[23] London Plan Policy E4(D)

pragmatically the G Park site is a good size (3.3 ha), and free of significant constraints on and immediately beyond the boundary, which allows for greater height and massing. Even in London's SILs this sort of opportunity is relatively rare, and not common in this Borough. Thus, with so little 'track record' to date of multi-deck formats delivering site intensification of industrial uses, it is questionable to what extent this or any other borough should rely on this format to meet economic needs. The risk of relying on such intensification to meet identified industrial need was a major issue at the London Plan Examination, and it is fair to say the Inspectors were highly sceptical that needs could be met through such intensification.

5.6 On the assumption that intensification will in time be viable, pragmatically a SIL location would be the most likely and preferable place to accommodate intensified space. But as discussed the largest of the Borough SILs (Brantwood), is already very intensively developed with plot ratios already exceeding 100% in areas. A lack of land for servicing is already an issue, and proximity to residential neighbours may limit bulk and massing. The more likely option, that appears to be generally free of these complex constraints, is North East SIL. To determine the scope for intensification and possibly (on the margins) co-location, we recommend that a master-planning exercise should be undertaken with the site owners.

5.7 Should Pinkham Way not be an option for the Council to pursue for industrial use, then the general lack of new site opportunity means that intensification of existing sites through multi-decked redevelopment is likely to be the only available option over the Plan period. This may not be viable at present, but that position is likely to change as supply tightens across London. Given that the scale of Borough need, only a handful of intensification sites would be needed to accommodate the required growth.

Offices

5.8 The Borough's office market is small (just 108,000 sq m) and very dispersed with no main office core, and the only concentrations of purpose-built offices in Tottenham and Wood Green, and here the areas are small with the balance of the offices found in non-purpose built stock.

5.9 Office rents and yields are sufficient to maintain the existing stock, but not sufficient to stimulate standalone new build development on a speculatively basis.

5.10 At the time of drafting providing advice relating the office market is challenging. A full return to the office is unlikely, with one of the best indicators of what is to come being that some commuter rail services are being withdrawn to reflect the lower flows expected.

5.11 An added complication in the Borough is that very little office space has been delivered, permitted development has reduced the stock, but the office job economy has still grown. There is a disconnect between the need for office space, and the correlation with job growth.

5.12 In 2019 we may have concluded that with office densities now so low, that was the point where offices could not be further intensified. At that point job growth would generate a demand for new space, at some point over the plan period. Haringey, and other boroughs were already using their office stock more intensively than any GLA

benchmark would suggest. However, in 2022 with the long term economic effects of the pandemic 'washing around', we may now be further away from this 'tipping point'.

5.13 For the Borough this is not such a significant issue. There is a large supply of space in the planning pipeline, which is roughly enough to meet the identified need over the plan period (55-60,000 sq m). Wood Green and other regeneration opportunities have helped provide this positive supply in sustainable and in policy preferable locations.

5.14 However, our data and Covid more generally would suggest a cautious approach should be taken. This is because following the data (past take-up, forecasts etc) it will be many years before this space may be taken up. Most of the pipeline supply is in the outstanding local plan allocations (35,000 sq m) with a further 13,000 sq m benefiting from planning permission.

5.15 With this pipeline in place there is no merit in looking for further sites in the short term. This is despite a very small shortfall in plan period 'need' (7-12,000 sq m). Even were sites to be taken up, as the data would suggest the gap would not emerge until the latter end of the plan period, and well before any plan review. It is however prudent, given paragraph 82 of the NPPF, to identify where further supply may be found if the need arises, but looking for 'supply' that is unlikely to be needed for many years is not necessary in the current circumstances. This position would change if the one large office allocation the (re)development at the Tottenham Hale Retail Park were to fail the NPPF 'reasonable prospect' test. Then alternative provision would need to be identified.

5.16 This does give rise to a possible short-term over-supply, which may need to be managed by reconsidering the likely timing of allocations. Many of the allocations were scoped when the economic outlook for offices was very different, and the likelihood now is that they will take longer to deliver.

5.17 An obvious unknown is the scale of office releases, via permitted development or future planning permission. The analysis above could support a less restrictive stance to office losses than would have been the case in the past, because the market has weakened. But for decision-making the key indicator is around vacancy rates and viability. The Borough's office pipeline will be challenging to bring forward given that new build space is currently unviable to deliver, and it is unclear when that may change.

5.18 This means that retaining 'fit for purpose' existing space is much more important because it is not viable to replace occupied (or fit to occupy) space. When making decisions it will be important to consider the vacancy rate in both the floorspace and number of units. We estimated around 7% of the space (and units) are vacant at the moment, and this is reasonable in this market.

Warehouse Living

5.19 A key element of the current plan policy relates to Warehouse Living. This is an unusual concept and not one commonly found elsewhere. It was a pragmatic response to a (then) declining demand for industrial space overall, but a recognition that a distinct 'warehouse living' product could address qualitative need and demand.

It is a novel way of securing lower cost and flexible employment space that the traditional market struggles to meet.

5.20 The intention to retain and secure low cost affordable and flexible space remains sound and given the shortage of stock in the Borough, it is even more so now compared to when first introduced. However, one risk with the current strategy is that this may overtime hinder the intensification and renewal of the area and sites. If this area was assessed as a traditional employment area a likely policy recommendation would be redevelopment and small-scale intensification, reflecting the quality of the existing stock and the low density of many plots.

5.21 While there are frequent concerns that multi-floor industrial units are unviable to deliver and accommodate, the nature of warehouse living means it is less reliant on heavy industrial standard specifications and so costs. Floor loading standards for decks and access ramps are significant cost items for logistics (the strongest industrial sector), but are obviously much less relevant to warehouse living occupiers.

5.22 The London Plan challenges boroughs to make the most efficient use of their land and ideally the Council should work with the area to secure additional space where possible. In this report we recognise that forcing change on this area – to for example *require* intensification as a route to offset or count towards 'need' would be wrong and could undermine the concept.

5.23 Recognising that no area of London is entirely immune for the push for additional homes and economic space, it may be sensible to commence long term planning recognising that many of the units will over a plan period, require significant investment and / or redevelopment, and so a positive policy response to address redevelopment would be sensible. At this point intensification should be explored for net additional 'warehouse living' and/or alternative formats of industrial style space that meets the needs of the creative sector and/or additional local scale opportunities noting that the warehouse living area includes a number of traditional industrial users who, if displaced in favour of a different sector, would need to be accommodated elsewhere.

High Street supply

5.24 In this assessment we would normally only consider 'industrial estates' or similar as a route to meet economic needs. However, the High Street is experiencing radical change and the supply of vacant retail space represents an opportunity for new economic uses.

5.25 Given the location of the high streets, and the nature of the property, any space is unlikely to be re-used to meet industrial logistics needs; nor for heaver industrial processes. But could represent a new supply of local quality and scale units for sectors including creative firms – many of whom often 'blur the boundary' between retail and industrial uses. Some units will have the potential to operate in a similar way to Warehouse Living where the property and allocation allow for this flexibility.

5.26 In our recommendations we suggest focusing efforts to meet local scale, qualitative light industrial and workspace uses in the Borough's centres and high streets. In these locations where property is redeveloped every effort should be made to secure

new employment uses on the ground floors where retail is not a prospect. This would also include provision for small scale micro-logistics (dark stores) and creative workspaces.

5.27 Core industrial land should be prioritised for those more traditional users that would struggle to be accommodated in the more fine grained high street environment.

5.28 The GLA has provided headline guidance setting out how councils could make better use of former retail space for new industrial uses[24].

5.29 The re-use of empty town centre space for new office uses should be encouraged, but given the pipeline of office supply and the relative strengths of the markets the evidence would suggest prioritising industrial and workshop style space rather than office.

5.30 One caveat to this is where new small offices compliment working from home. We may still be far from Covid recovery, and the market will take a long time re-adjust. But one prospect is that a new demand for local office spaces may emerge as workers balance traditional office with home working, and the need on occasion for a alternative location to work.

[24] www.london.gov.uk/publications/high-streets-all-challenge

Appendix A Detailed economic forecasts (Experian economics)

SIC Division	Job forecasts (000s) 2022	2037	Change 2022-37
Accommodation & Food Services	6.7	7.7	1.0
Administrative & Supportive Services	4.3	4.8	0.5
Agriculture, Forestry & Fishing			
Air & Water Transport			
Chemicals (manufacture of)			
Civil Engineering	0.1	0.1	
Computer & Electronic Products (manufacture of)			
Computing & Information Services	1.9	2.2	0.3
Construction of Buildings	3.1	3.2	0.1
Education	8.6	10.0	1.4
Extraction & Mining			
Finance	0.9	0.9	
Food, Drink & Tobacco (manufacture of)	1.2	1.0	-0.2
Fuel Refining			
Health	4.2	5.4	1.2
Insurance & Pensions			
Land Transport, Storage & Post	5.9	6.5	0.6
Machinery & Equipment (manufacture of)			
Media Activities	1.3	1.4	0.1
Metal Products (manufacture of)			
Non-Metallic Products (manufacture of)	0.1	0.1	
Other Manufacturing	0.9	0.8	-0.1
Other Private Services	3.2	3.8	0.6
Pharmaceuticals (manufacture of)			
Printing and Recorded Media (manufacture of)	0.4	0.2	-0.2
Professional Services	5.9	6.7	0.8
Public Administration & Defence	3.3	3.5	0.2
Real Estate	3.3	4.0	0.7
Recreation	6.1	7.6	1.5
Residential Care & Social Work	4.2	5.0	0.8
Retail	9.8	11.0	1.2
Specialised Construction Activities	2.6	3.0	0.4
Telecoms			
Textiles & Clothing (manufacture of)	0.6	0.4	-0.2
Transport Equipment (manufacture of)			
Utilities	0.4	0.4	
Wholesale	4.5	5.1	0.6
Wood & Paper (manufacture of)			
TOTAL	**83.5**	**94.8**	**11.3**

Source: Experian Economics June 2021

Appendix B Labour supply method

1 Economic statistics and forecasts tell us nothing directly about employment space, because they do not classify jobs according to the type of space they occupy. Rather, the statistics split jobs into economic sectors (industries and services), according to the Standard Industrial Classification (SIC). To estimate how many jobs will be based in offices and industrial space, and how many in 'non-B' spaces such as retail premises, schools and hospitals, we need to translate sectors into land uses.

2 For this, we have used a method developed by the PBA team (formerly Roger Tym & Partners) over a series of employment land reviews, and tested in a large-scale study of the Yorkshire and Humber region in 2010[25]. To our knowledge there is no other published empirical research on the relationship between activity sectors and land uses.

3 The tables below show the sectors that are classified to industrial (subdivided into manufacturing and warehousing) and offices respectively. The names and numbers that identify each activity sector are from the UK Standard Classification of Economic Activities 2007 (SIC 2007)[26]. These tables aggregate the data from the finest grain 5 digit SIC level which is the base for the mapping. The reason we use the 5-digit level is that within each sector there may be activities that are industrial based and others that are office or manufacturing. Further on in this note we cite construction activity as an example of a sector containing different land use activities.

[25] Roger Tym & Partners with King Sturge for Yorkshire Forward, Planning for Employment Land: Translating Jobs into Land, March 2010

[26] http://www.businessballs.com/freespecialresources/SIC-2007-explanation.pdf

Table A5.1 Industrial sectors

Manufacturing		
Manufacturing and repairs	10-33	All manufacturing
	95.00	Repair of computers and personal and household goods
Other industrial		
Construction	43.2	Electrical, plumbing and other construction installation activities
	43.3	Building completion and finishing
	43.9	Other specialised construction activities not elsewhere specified (nec)
Motor vehicle activities	45.2	Maintenance and repair of motor vehicles
	45.4	Sale, maintenance and repair of motor cycles and related parts and accessories
Sewage and refuse disposal	37	Sewage
	38	Waste collection, treatment and disposal activities
Employment activities (part)	78	
Warehousing		
Wholesale trade except of motor vehicles and motorcycles	46	
Freight transport by road	49.41	
Removal services	49.42	
Storage and warehousing	52.10	
Other supporting land transport activities	52.21	
Cargo handling	52.24	
Post and courier activities	53.00	
Packaging activities	82.92	
Employment activities (part)	78	

Note
SIC 78, Employment Activities, covers workers employed through agencies in all activity sectors. They should be redistributed across the whole economy, both to B-class sectors and other sectors, in proportion to each sector's share of total employment.

Table A5.2 Office sectors

Office sectors		
Publishing	58	Motion picture production activities
Motion picture, video and TV programme activities	59.11	Motion picture, video and TV programme production activities
	59.12	Motion picture, video and TV programme post-production activities
	59.13	Motion picture, video and TV programme distribution activities
	59.20	Sound recording and music publishing activities
Programming and broadcasting activities	60	
Computer programming, consultancy and related activities	62	
Information service activities	63	
Financial service activities except insurance and pension funding	64	
Insurance, reinsurance and pension funding except compulsory social security	65	
Activities auxiliary to financial services and insurance activities	66	
Real estate activities	68	
Legal and accounting activities	69	
Activities of head offices, management consultancy activities	70.	
Architectural and engineering activities, technical testing and analysis	71	
Scientific research and development	72	
Advertising and market research	73	
Other professional, scientific and technical activities	74	
Renting and leasing activities	77.40	Leasing of intellectual property and similar products
Employment activities (part)	78	
Security and investigation activities	80	
Office admin, office support and other business support activities	82	
Public administration and defence; compulsory social security	84.1	Administration of the State and the economic and social policy of the community
	84.3	Compulsory social security activities

Note
SIC 78, Employment Activities, covers workers employed through agencies in all activity sectors. They should be redistributed across the whole economy, both to B-class sectors and other sectors, in proportion to each sector's share of total employment

4 On a technical note, most economic forecasts show around 20-30 broad activity sectors, a much coarser-grained classification than the SIC sectors in the table above, and the 5 digit SIC level we use that is set out in the Annex below. For example, the table counts as a B-space activity only part of the Construction industry (SIC 43.2, 43.3 and 43.9), whereas forecasts typically show only Construction as a whole (SIC 43). To estimate future employment in sub-sectors such as SIC 43.2, we assume that the share of each sub-sector's employment in its 'parent' sector stays constant.

5 There are two further technical difficulties with the relationship of sectors to land uses. The first is that the line between production space (factories and workshops) and warehousing is blurred. This is not surprising, because manufacturing and warehousing largely occupy the same kinds of buildings, many units combine both functions in proportions that vary over time, and smaller buildings are allowed to shift between the two without planning permission.

6 In setting total land provision targets, therefore, factories, workshops and warehouses, should be merged into a single 'industrial' category. This should not cause any problems, because these uses operate in similar buildings and at similar employment densities, except for very large units including strategic warehousing. In areas where they form a significant part of the stock, these large units should be allowed for separately.

7 The other problem with the tables is that some of the jobs which the table allocates to industrial space are in fact in offices. These jobs are probably in administration, sales and marketing functions of industrial and related businesses. A construction or plumbing business, for example, will often have an office that deals with orders, appointments, record-keeping and the like. In some cases this will be ancillary to an industrial unit and therefore not count as office space, but in other cases it will be free-standing. If the business is small, the office may be its only premises.

8 In total, the Yorkshire and Humber survey found that around one tenth of the jobs which our method allocates to industrial space (factories, workshops and warehouses) are in fact in offices. For a large area such as the region, this is too small a proportion to distort land provision targets. But in some local authority areas, especially the more highly urbanised, it is likely that the distortion is significant. Employment land reviews should aim to correct these distortions, using local knowledge to adjust the relationships shown in the tables above.

9 There are many other, place-specific factors why the sector-to-land-use relationships in the tables above may be invalid. For example, in some places large business units are assigned to the wrong sector or the wrong side of the local authority boundary. In other places, particular sectors are untypical and do not occupy the kinds of space that one would normally expect. In one local authority area in England, for example, there are many jobs classified to Other Supporting Land Transport Activities, SIC 52.21, which normally would occupy warehousing in the local authority area. But in this case most of the SIC 52.21 jobs relate to railway maintenance and the people concerned work all over the country, mostly outdoors.

10 Where such anomalies arise, close inspection of the numbers, combined with local knowledge, should help correct the statistics and customise the sector-to-land-use assumptions.

11 However, it is inevitable that sector-to-land-use relationships are less reliable for small than larger areas. As the Yorkshire and Humber survey illustrated, the relationships shown in our tables work very well for whole regions. But they are not reliable for

individual buildings or employment areas, and may not be reliable at local authority level. This is one of the reasons why demand forecasts are more robust for regions that individual local authority areas.

12 The Yorkshire and Humber report provides further information and advice on sector- to-land-use relationships.

13 The schedule that follows drills down to the lowest level SIC (5-digit) categories, showing the type of space assigned to each activity. The schedule excludes categories that are not associated with the B Use Class.