

Public Document Pack



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THE CABINET

**Wednesday, 15th June, 2016 at 8.15 pm in the Civic Centre,
Restaurant**

AGENDA – PART 1 TO FOLLOW PAPERS

Please find attached a copy of the following report which was marked as “to follow” on the agenda previously circulated.

**11. ACQUISITION OF LAND: PURCHASE OF SITE ON GIBBS ROAD,
MONTAGU INDUSTRIAL ESTATE, N18 3PU (Pages 1 - 16)**

A report from the Director of Finance, Resources and Customer Services is attached. (Report No.14, agenda part two also refers). (**Key decision – reference number 4343/U197**)

(Report No.13)
(8.45 – 8.50pm)

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MUNICIPAL YEAR 2016/17 REPORT NO. 13

MEETING TITLE AND DATE	Agenda Part: 1	Item - 11
CABINET – 15 June 2016	Purchase of Site on Gibbs Road, Montagu Industrial Estate, N18 3PU	WARD: Edmonton Green
KD 4343/U197		

Cabinet Members consulted: Cllrs Taylor, Sitkin & Lemonides

Report of:

Director of Finance, Resources and Customer Services

Contact officers:

Detlev Münster Tel: 0208-379-3171 email: detlev.munster@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 Authority is being sought to purchase a vacant industrial site on Gibbs Road, Montagu Industrial Estate, N18 3PU which has recently come to the market.
- 1.2 The property is being offered freehold with full vacant possession through the acquisition of a company. The site is 3.52 acres with several industrial buildings measuring just over 80,000 sq.ft and is strategically located in the centre of the Montagu Industrial Estate.
- 1.3 This is a rare and unique opportunity to acquire a significant area of land in the Montagu Industrial Estate which is primarily in Council ownership. Consolidation of Council land is highly desirable and will assist the Council with its regeneration, financial and economic development ambitions.
- 1.4 Approval is required to fund the acquisition using funding from the Capital Programme.

2. RECOMMENDATION

- 2.1 Cabinet approves the acquisition of the property which will be achieved through the purchase of a company specifically set up to hold the property on Gibbs Road, N18 3PU, or through direct purchase of the property by negotiation and delegates authority to the Director of Finance, Resources and Customer Services in consultation with the Cabinet Member for Finance to agree final Heads of Terms and exchange/complete the transaction if the Council's offer is accepted by the vendor, subject to appropriate legal, finance and property due diligence being undertaken to the satisfaction of the Director of Finance, Resources and Customer Services in consultation with the Cabinet Member for Finance.
- 2.2 Cabinet recommends to Council an addition to the Capital Programme to be funded from borrowing to enable the purchase of the site as detailed in the Part 2 report.

3. BACKGROUND

Overview of the Montagu Industrial Estate

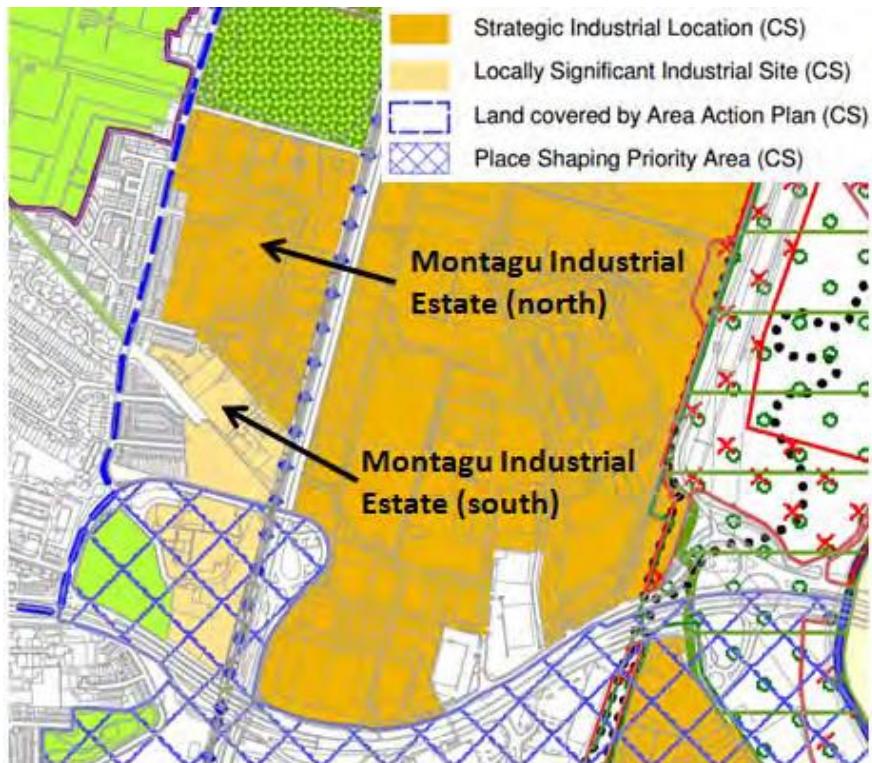
- 3.1 The Montagu Industrial Estate (The Estate) is located towards the southern boundary of the London Borough of Enfield, abutting the railway line to the eastern boundary. Access into the industrial area is off Montagu Road via three Ingresses; Pegamiod Road, Princes Road and Second Avenue. To the Montagu Road boundary, along part of the proposed site, sits a large number of low rise, high density residential dwellings. Montagu Road leads, via its intersection with Conduit Lane, directly onto the A406 North Circular Road and the A1055 'north/south' route (Meridian Way). The Estate benefits from excellent communication links; being located adjacent to the A406 (North Circular Road), close to the junction of the M25 and A10, which provides access to much of London's 7.8m occupants, plus the wider motorway network.
- 3.2 The Estate is circa 38 acres, the majority of which is an employment use and is designated as a Strategic Industrial Location.
- 3.3 The Estate originates from the post war period and has evolved since that time alongside the economic trends of the UK generally, presumably commencing with high density (and multi-level) manufacturing but fragmenting as those buildings reached the end of their life or became impractical. Due to the fragmented nature of the Estate generally, its location, and differing ownerships there has been no cohesive redevelopment within this area beyond owner occupiers adapting or remodelling existing premises. In many cases buildings have been returned to their core value, namely open storage. Due to the age and type of the location it has resulted in a number of what might be termed 'anti-social' users clustering in this area including car breaking, car repairs, scrap recycling, plant hire and pure general storage. Due to the aged nature of the infrastructure the road access, originally designed for lighter traffic, has further suffered due to the high density nature of the location with constant on street car parking both legal and illegal.
- 3.4 The Estate is in a state of decline and is blighted by urban decay. The Estate is also experiencing severe congestion and the estates layout is no longer fit-for purpose. Businesses located in the area are also observed to be land hungry yet, with low employment densities.

Ownership and Tenancy

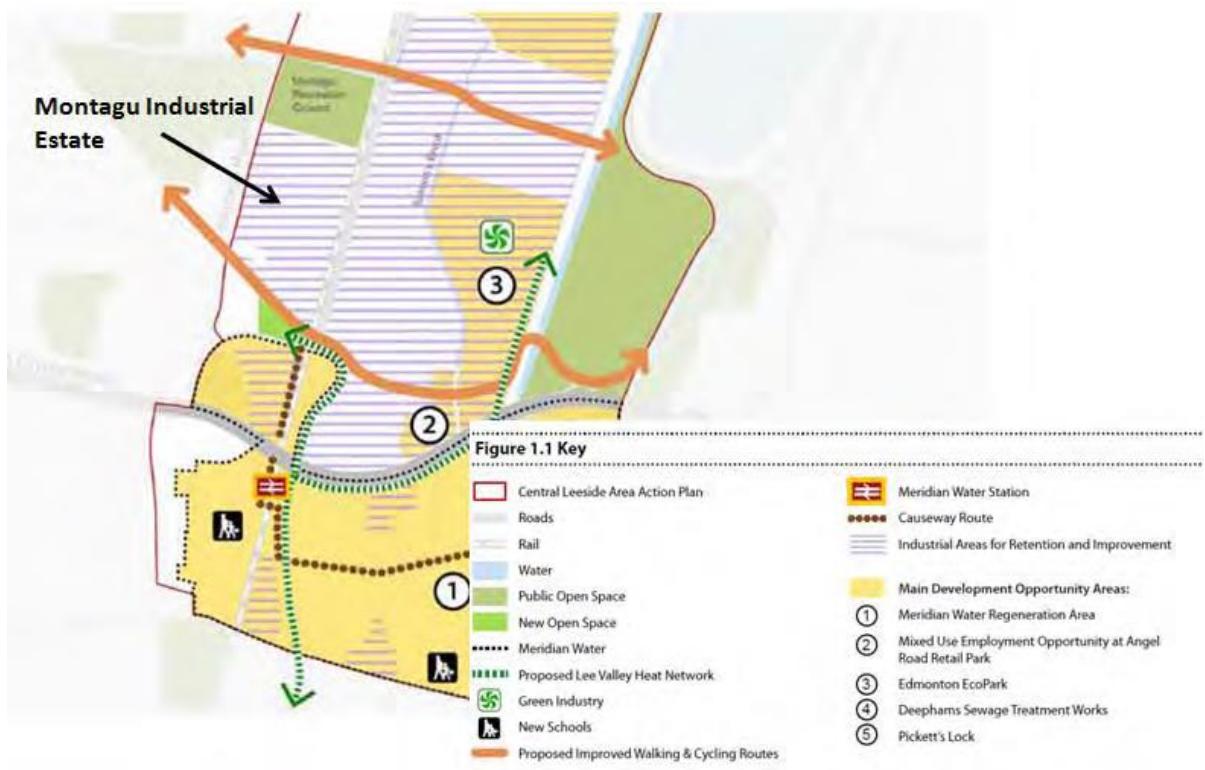
- 3.5 The area designated for employment use totals approximately 27.5 acres (72%) of the overall site. The remainder of the industrial estate comprises:
 - Amenity space (3.7 acres)
 - Other areas, such as roads (1.69 acres)
- 3.6 The Council owns approximately 66% of the industrial estate's overall landholding.

Planning Considerations

- 3.7 The majority of the area is designated as a Strategic Industrial Location (SIL) with the remainder of the employment land designated as a Locally Significant Industrial Site (LSIS).



Enfield Plan (2010) Proposals Map



Vision for Central Leeside

- 3.8 The Central Leeside Proposed Submission Area Action Plan (November 2014) once adopted will guide regeneration and future development of Central Leeside. The Montagu Industrial site is shown in the figure above as being retained as an industrial area.
- 3.9 The SIL and LSIS designations support and protect employment use and resist the loss to other uses.

Economic Outlook and Property Market Commentary

- 3.10 The conclusions drawn from economic reports are that despite increasing concerns over the outlook for the global economy, the UK is relatively well placed to deliver growth in 2016, with consumption and business investment providing the main drivers to expansion. This view is a reflection of the economy over the last 12 months and any commentary would be incomplete without considering the economic and political uncertainty of the EU referendum in June. Capital market teams from the leading consultancies are reporting limited activity since the referendum was announced.
- 3.11 Consequently, it is proposed that this period up to the EU decision can be used as a period of planning and preparation. Property forecasts suggest that if the UK elects to remain in the EU the property markets will rebound to robust levels. If the UK votes to leave this could lead to an outward yield shift.
- 3.12 Regardless of the referendum, over the past six months, investment performance of UK commercial property has been steadily moving back to core fundamentals. Property yields are stabilising and the occupier markets – in particular the business space markets of industrial/logistics and offices – are performing well benefitting from robust demand, tight supply and steady rental growth.
- 3.13 UK economic growth is expected to be 2.5% in 2016, moderating from the 2.8% expansion seen in 2015. Although growth has softened year-on-year, the UK outperformed all the world's advanced economies except for the US and Spain in 2015. Continuing low interest rates and inflation, alongside rising employment, are expected to support this growth level.
- 3.14 Recent momentum in the UK economy has partly resulted from global economic trends. A slowdown in China has prompted significant falls in commodity prices, with increasing supply forcing oil prices to a 12-year low. Despite negative implications for the UK's North Sea oil and steel industry, low prices have maintained UK inflation at low levels, with rising real incomes supporting robust domestic consumer spending.
- 3.15 While the economic outlook has become more uncertain compared with last year, the market fundamentals are broadly supportive for property in 2016. Based on LSH's Real Estate Forecasting rental growth is expected to average 2.8% and 2.4% for south east industrial and offices sectors during 2016 - 2019. In light of the weakening global outlook, the Federal Reserve's move to tighten monetary policy has fuelled the debate as to if and when the Bank of England will follow. However, regardless of the timing, commercial property should take this in its stride and owing to the demand/supply ratio will not lead to rents falling provided that rate hikes are undertaken gradually, as is assured by the Monetary Policy Committee.
- 3.16 While the UK economy and property market will not be immune to a possible escalation of a global economic slowdown, recent volatility in the stock markets is likely to fuel already strong overseas demand for UK property investment. That said, the UK's reputation as a 'safe haven' for international capital may be put to the test if the UK electorate votes to end its membership of the EU in the referendum.
- 3.17 The year 2015 was strong for performance, with continuing yield movement supporting All Property returns of circa 13% (IPD Quarterly Index). Returns are forecast to moderate to circa 9% in 2016, with capital growth contributing 4%. While this is down on 2015, this is healthy against both its historic trend and those of competing assets.
- 3.18 Forecasts reflect a tailing off of yield compression, which in 2016 is likely to be largely confined to selected sectors and markets where there remains perception of value.

Crucially, rental growth, which is now firmly back on the agenda across much of the UK, will be key to driving performance moving forward.

- 3.19 With the central London markets looking increasingly expensive, institutional investors are expected to spread demand to fringe locations in search of yield.
- 3.20 The emergence of meaningful rental growth across various markets and sectors will tempt more investors to reposition assets through active management. In the office markets, a combination of robust occupier demand and further relaxation of Permitted Development for conversion to residential, will continue to put pressure on supply across all grades, making refurbishment and redevelopment opportunities increasingly attractive in selected markets.
- 3.21 Speculative development in the logistics sector soared in 2015, with 10m sq ft currently under construction across the UK. Despite this, the steady growth of ecommerce means the sector remains structurally undersupplied with modern logistics space. We see scope for more development to come forward in 2016, albeit increasingly at 'off-prime' locations where site values remain attractive and occupiers can locate more affordably.
- 3.22 Industrial rents across Greater London have continued to grow with prime rents increasing by 2.7% and secondary by 3.6% in 2015 compared to 3.3% and 7.8% in 2014.
- 3.23 Of most relevance to Montagu is the small unit sector (units <10k sqft) where availability decreased from 28% to 14% of the total stock in 2015 with an equal split between Grade A and second hand. The small sector also accounted for almost a third of take up in Greater London. Nationally 60% of the private sector workforce is employed within the Small and Medium sized Enterprises (SME's). In Enfield, industrial rents have increased by 11% for prime and 6% for secondary in 2015. Across the UK prime rents grew by 3.8% and secondary by 8.5% further demonstrating pressure on secondary stock due to the lack of new build.

4. PROPOSAL

- 4.1 The purchase of the freehold interest of the property at Gibbs Road, Montagu Industrial Estate is proposed. This will be achieved through the purchase of the shareholding of the company which was set up by the fund managers (Foresight Fund Managers Limited) to purchase and hold the land on their behalf or through direct purchase of the property by negotiation.
- 4.2 The property is currently on the market and full details of the property are shown on the attached sales particulars within Appendix 1. Suffice to say that this is an industrial complex of just over 80,000 sq ft occupying a site of 3.52 acres in the centre of the Montagu Industrial Estate.
- 4.3 The units were constructed / improved approximately 2 / 3 years ago and let to Kedco, a recycling operator by the former owner, Gibbs Transport. The investment was then sold to a third party, Foresight Group with the benefit of the lease to Kedco. The tenant subsequently have failed to make any progress with their proposed use of the premises, partly we understand due to the cost of initial investment and partly due to the lack of available waste and we understand are no longer trading
- 4.4 This property has recently come to the market on a freehold basis with vacant possession and a price guide in the range of £8 - £9 million and offers are invited by mid-June.

- 4.5 For reasons outlined in this report (particularly Part 2), it would be highly prudent for the Council to acquire this site.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Not acquiring the property is considered a lost opportunity, and land consolidation at a later date will prove to be more costly and time consuming.

6. REASONS FOR RECOMMENDATIONS

- 6.1 This is a rare opportunity in the Enfield property market. The site's planning context and its constraints severely restrict the potential for other uses, in particular residential development.
- 6.2 In our view there are several reasons that justify the Council acquiring the property, and these are outlined in Part 2.
- 6.3 Due to the need for an urgent decision to enable the Council to take advantage of this time limited opportunity it has been necessary to use the Council's urgency procedure in order to gain the necessary approvals to proceed.

7. KEY RISKS

See Part 2.

8. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND SERVICES AND OTHER DEPARTMENTS CUSTOMER

8.1 Financial Implications

- 8.1.1 The land purchase will be funded through an addition to the 2016/17 Capital programme, funded through borrowing, as outlined in Part 2.
- 8.1.2 Prior to entering into contract, full financial due diligence of the company holding the land will need to be undertaken.

8.2 Legal Implications

- 8.2.1 The Council has powers under section 120 of the Local Government Act 1972 to acquire land by agreement for any of the Council's functions now or for future use. In addition the general power of competence under section 1 of the Localism Act 2011 grants the Council the power to do anything that a private individual may do subject to the restrictions set out in section 2 of that Act. Subject to the matters outlined below the general power of competence also enables the Council to acquire a company in which the land is vested, by purchasing the shares in that company from its shareholder(s).

- 8.2.2 When considering an acquisition of land/property the Council must act in accordance with the Property Procedure Rules which state that: "Acquisitions of property must be approved by the Assistant Director (Property Services) in consultation with the relevant Portfolio holder and the report must outline the purpose to which the asset will be put. This must be demonstrated by the inclusion of a business case that the service is able to fund all costs and expenses associated with the acquisition and running costs." Advice must also have

been obtained that the property to be acquired represents value for money and is suitable for the proposed purpose, or is required for an approved Council scheme.

- 8.2.3 In the event of an onward disposal this will also need to comply with the Property Procedure Rules.
- 8.2.4 Initial inspection of the title documents indicate that there do not appear to be any unduly onerous rights or covenants affecting the title which would affect the existing or proposed use of the property. The Council has power under the Town and Country Planning Act 1990 to acquire or appropriate property for planning purposes in order to override any rights or covenants but this would be subject to payment of compensation if appropriate to the persons having the benefit of the rights or covenants. Further investigations are required to assess the environmental status of the land and it is not known whether there is any contamination of the property.
- 8.2.5 Prior to entering into a contract for the purchase of the property necessary local authority and environmental searches would need to be undertaken. It is anticipated that, due to the historic use of the property and its location, an environmental search result would state that there is a risk of land contamination and therefore remediation works to facilitate development are likely to be required.
- 8.2.6 Prior to purchasing the company in which the land vests due diligence will be undertaken. Assuming that the only asset of the company is the land, then legal due diligence will relate to matters (including but not limited to) employment contracts, liabilities, obligations and other contracts. Separate due diligence will be undertaken in respect of accounting and tax to identify any relevant financial matters or tax liabilities.

8.3 Property Implications

- 8.3.1 As embedded in this report.
- 8.3.2 The Council's external consultant (Lambert Smith Hampton) has provided strategic property advice for the Montagu Industrial Estate, has inspected the Property and has undertaken an initial valuation. A Red Book Valuation for the property to support the acquisition strategy proposed in Part 2 is being finalised. This will need to be cross referenced with the financial due diligence to be undertaken on the company that was set up to hold the property.
- 8.3.3 The property is offered on a freehold basis and with full vacant possession. The ability to let the property on a temporary basis has also been considered and this is expected to generate an income for the Council, although this cannot be guaranteed. In the event that the Council is unable to let the property on a temporary basis for part or all of the period leading up to the regeneration of the estate, an appropriate contingency budget needs to be set aside for holding costs. These costs include Business Rates estimated at £47,000 per annum exclusive, £40,000 p.a. in respect of security costs and management costs of circa £10,000 p.a.
- 8.3.4 There is reference to contamination from previous uses prior to 2010.
- 8.3.5 Important to note that previous consent in 2010 included the condition (number 16) that restricts Second Avenue access to emergency use only. This appears to be extending the position agreed and conditioned in earlier consents. It appears that since the pallet company, the scaffolding company and car breaker already use Second Avenue, there is no spare traffic capacity to serve the subject site. Condition 17 refers to operation of a Delivery and Servicing Plan and there may restrictions of times of access. Traffic generation is

considered less of an issue since previously approved for 154 movements a day, 84 for HGVs. 2010 consent was on basis of 35 staff on site.

9. PERFORMANCE MANAGEMENT IMPLICATIONS

- 9.1 The purchase of the property will assist in the delivery of the Council's regeneration and economic development agenda.
- 9.2 The purchase will be managed by Strategic Property Services with support from its external consultant, Lambert Smith Hampton.

10. EQUALITIES IMPACT ASSESSMENT

The proposed purchase will not cause a change to policy, budgets or service delivery and therefore an Equalities Impact Assessment is not considered necessary.

11. PUBLIC HEALTH IMPLICATIONS

Not Applicable

12. IMPACT ON COUNCIL PRIORITIES

12.1 Fairness for All

The purchase of The Property will assist in promoting the regeneration of the area.

12.2 Growth and Sustainability

The purchase of this property will enhance the Council's property asset base and generate future income streams.

12.3 Strong Communities

The Council will be able to improve employment densities in the Montagu Industrial Estate by being able to actively manage and control the Estate.

BACKGROUND PAPERS

See Part 2.

FREEHOLD SALE

WASTE MANAGEMENT, ENERGY AND INDUSTRIAL OPPORTUNITY



**MONTAGU INDUSTRIAL ESTATE, GIBBS ROAD,
EDMONTON, LONDON N18 3PU**

- Unique opportunity.
- Boasting an outstanding location with excellent access.
- Freehold.
- Site area 1.43 hectares (3.52 acres).
- Building floor areas 7,454.11 sq. m (80,238 sq. ft).

CONTACT US

Strictly by prior appointment with Colliers International through:

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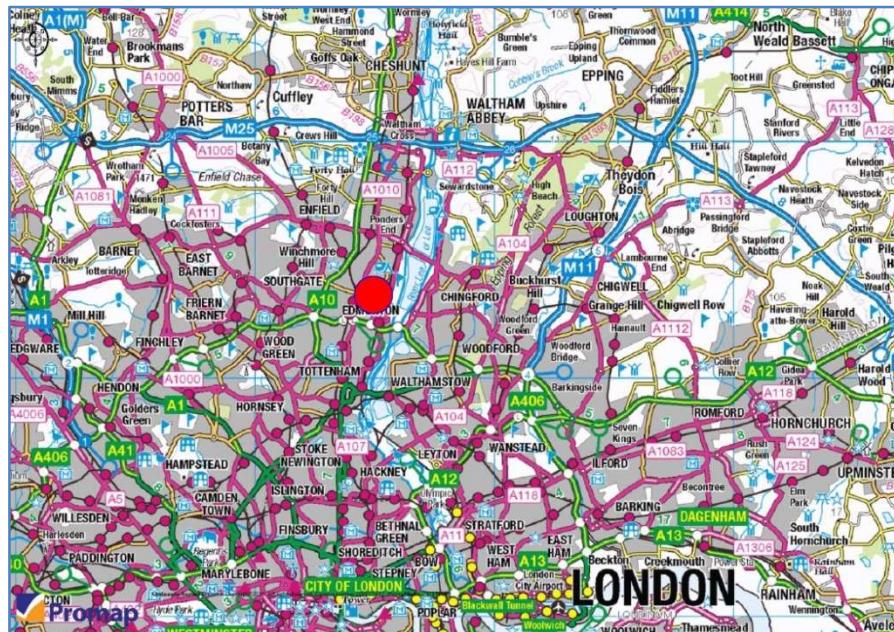
MONTAGU INDUSTRIAL ESTATE, GIBBS ROAD, EDMONTON, LONDON N18 3PU

LOCATION

The subject site is positioned within an established industrial location in the London Borough of Enfield as denoted by the red circle. Loughton lies approximately 5.72 miles to the north east with Cheshunt 5.96 miles to the north and Central London 7.24 miles to the south. Junction 25 of the M25 at the intersection with A10 lies 4.7 miles to the north.

Enfield is a key and long established industrial area with good links to the M25 and central London. As a result of its location and excellent transport links, Enfield has benefitted from its ability to service both London and the surrounding area. The industrial market crosses a number of district boundaries, stretching from Waltham Abbey, in the Epping Forest District and Waltham Cross in the Broxbourne District in the north to Upper Edmonton in the south. The property has the benefit of three points of access, two from Gibbs Road from the south and Second Avenue to the north.

Enfield's manufacturers largely comprise firms in the food and drinks industries together with other important subsectors in oil, plastic and chemical sectors.

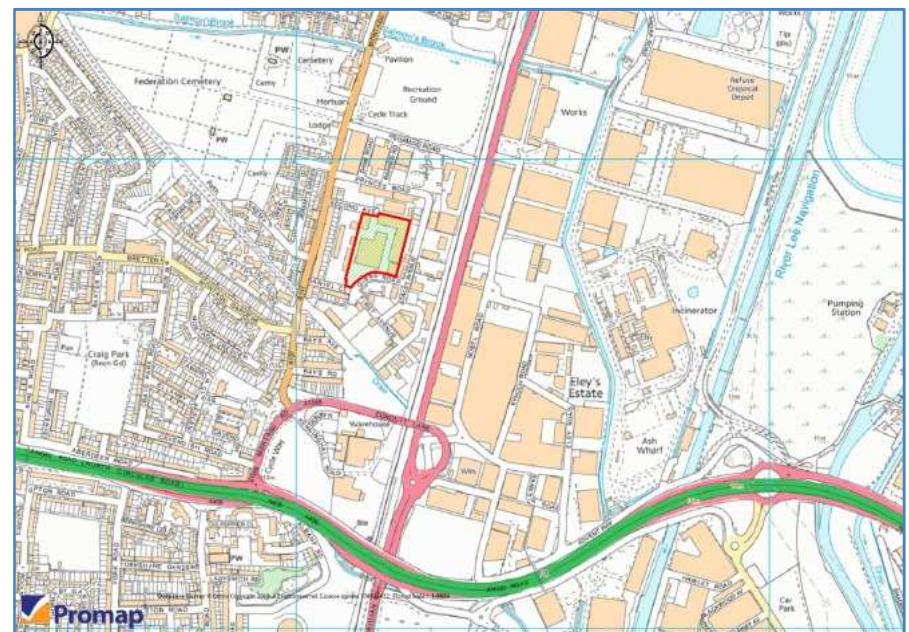


SITUATION

The subject property is situated on the north side of Gibbs Road at the southern end of Montagu Road Industrial Estate. The estate is accessed from Montagu Road (B137) to the west which provides direct access to North Circular Road (A406) to the south and Meridian Way (A1055) to the east.

Montagu Industrial Estate comprises a traditional industrial estate with approximately 60 units ranging from small workshops and terraced units to larger self contained warehouses with yards. The occupiers of the estate range from larger national and international Companies to local businesses.

The site is bound on all sides by other industrial uses these include Hanson Premix, a Café, PHS Group, Metal & Waste Recycling and Fourways Plant Hire.



MONTAGU INDUSTRIAL ESTATE, GIBBS ROAD, EDMONTON, LONDON N18 3PU

DESCRIPTION

The subject site provides a strategically located opportunity in north London. The buildings have either been upgraded or purpose built to accommodate waste management, energy production and traditional industrial operations.

The property comprises the following buildings:

Industrial Building One

This is nearing the end of its building phase and comprises an L shaped footprint of a traditional steel frame construction with part concrete block part profiled clad elevations under a pitched roof benefitting from translucent panels.



Industrial Building Two

This building is centrally located and comprises four terrace units which have been upgraded to provide one single structure. The building comprises a traditional steel frame construction with part concrete block part profiled clad elevations together with internal concrete push walls under a pitched roof benefitting from translucent panels.



Industrial Building Three

A standalone older building located in the north western corner of the site of a steel frame construction with brick and block work elevations under a pitched roof.



Office

This is located adjacent to the site entrance and provides a brick constructed building arranged over ground and first floors under a flat roof. Internally it benefits from painted plastered walls, double glazing and recessed lights with open plan accommodation together with kitchen and WC at ground floor with separate offices at first floor. Attached to this is an additional industrial unit (warehouse) backing onto the western boundary with brick elevations under a pitched roof benefiting from translucent panels.

The balance of the property provides a concrete yard, two weighbridges, palisade fencing and security gates.

MONTAGU INDUSTRIAL ESTATE, GIBBS ROAD, EDMONTON, LONDON N18 3PU

ACCOMODATION

We have measured the property in accordance with RICS Code of Measuring Practice (6th Edition) and the gross internal floor areas are set out below:

Ref	Description	Floor	Area sq. ft	Area sq. m
A	Industrial Building One	Ground	32,112	2,983.23
B	Industrial Building Two	Ground	36,221	3,364.89
C	Industrial Building Three	Ground	6,209	576.84
D	Office	Ground	1,225	113.76
D	Office	First	1,225	113.76
E	Warehouse	Ground	3,247	301.63
TOTAL			80,239	7,454.11

ENERGY PERFORMANCE CERTIFICATE

The offices have been assessed in terms of their energy rating as D84, Certificate Reference Number 0760-0636-8209-3794-9002.

A copy of the Certificate and Recommendation Report are available on request.

SERVICES

We understand that the subject property is connected to mains services including water, gas, electricity and sewage together with interceptor tanks. We understand that a potential grid connection exists.

SITE AREA

The subject property has an approximate site area of 1.43 hectares (3.52 acres). Our understanding of the boundary is shown outlined in red on the below plan and has been computed using the Ordnance Survey Pro-Map system.



MONTAGU INDUSTRIAL ESTATE, GIBBS ROAD, EDMONTON, LONDON N18 3PU

PLANNING

Montagu Industrial Estate is covered by Enfield Council Local Plan, under this plan the property is zoned as a Strategic Industrial Location. In addition Montagu Industrial Estate is included in the North London Waste Plan which classifies the potential of the subject site to be in an area to provide for integrated resource recovery facilities, waste transfer, processing and recycling, thermal treatment, anaerobic digestion, pyrolysis, gasification and mechanical biological treatment with a strong emphasis on heat and energy production.

The subject site benefits from a number of planning permissions granted by Enfield Council, with the documents available online dating back to 1948. The most pertinent permissions relating to the current use are outlined below.

Permission No: TP/09/1862 – March 2010

Use of site as an industrial facility for the production of renewable energy from waste timber involving extension to existing buildings, new pump house, substation and condensers with associated works and formation of a new exit to Gibbs Road.

Permission No: TP/09/1151 – September 2009

Increase in height of roof of existing building together with external cladding and roller shutter doors.

Permission No: TP/07/2486 – December 2007

Erection of an open fronted storage building along the north and east boundary, alterations to parking layout and new vehicular access to Gibbs Road.

Permission No: TP/00/1669 – October 2000

Formation of vehicular access, gates, fence and warehouse doors.

Permission No: LBE/88/0034 – August 1988

Demolition of existing factory and provision of access road between Second Avenue and Gibbs Road plus future use of remainder of site for industrial and warehousing development.

Further details on the planning permission are available on request.

ENVIRONMENTAL PERMIT

Under the Environmental Permitting (England & Wales) Regulations 2010 an Environmental Permit was issued to Enfield Biomass Limited, Permit Number EPR/PP3833KG, for the installation of energy recovery from waste in a co-incineration plant.

The proposed facility will be designed to generate electricity through gasification of treated waste wood. At full capacity 60,000 tonnes per annum will result in the export of 83,000 MWh of electricity to the national grid.

WASTE MANAGEMENT MARKET

Changes in waste regulations and the introduction of landfill tax have had a significant impact on the waste industry. In particular an increasing proportion of waste is now being separated for recycling and diverted away from landfill.

The waste sector is underpinned by the introduction of EU directives and the EU Roadmap to a Resource Efficient Europe resulting in this sector experiencing significant growth since the turn of the millennium. There still remain opportunities in the waste sector driven by regulatory and fiscal drivers, environmental awareness and the availability of contracted income streams.

Key factors for growth include:

Legislation – The EU provides the legislative framework for the collection, transport, recovery and disposal of waste. The key drivers include the Waste Framework Directive, Landfill Directive, Aggregates Levy, WEEE Directive, Waste Incineration Directive, End of Life Vehicles Directive and the Battery Directive which are there to promote responsible waste management.

Recognising the true value of waste – Waste is no longer seen as “waste” but as a “resource” that can generate income streams associated with recyclates and fuel for the generation of energy introducing the concept of a circular economy and resource management.

MONTAGU INDUSTRIAL ESTATE, GIBBS ROAD, EDMONTON, LONDON N18 3PU

Energy – As a result of fiscal drivers and the requirement to produce 20% of our energy from renewable resources by 2020 together with the opportunity to provide energy security there is a significant focus on waste as a source for energy production.

Fiscal drivers – Both financial incentives and tax sanctions exist to stimulate recycling and the diversion of waste streams from landfill which has provided opportunities for the development of alternative technologies in extracting maximum value from this resource known as waste.



STRATEGIC IMPORTANCE

The London Plan produced by the Mayor of London's office and adopted in 2011 reports that in 2008 there was 22 million tonnes of waste produced in London. Of this 4.2 million tonnes was municipal household waste, 7.5 million tonnes was commercial and industrial waste, and 10.4 million tonnes was construction, excavation and demolition waste.

The London Plan sets a number of targets and key objectives relating to how the city's waste should be managed. The primary strategies were twofold; to see a substantial increase in the amount of recycling, and secondly to achieve a position where as much of London's waste as is possible is managed within its boundaries.

With regard to the aim of increasing recycling the Plan establishes targets of increasing the recycling of municipal household from 21% in 2008 to 45% in 2015 and 50% by 2020. Further, there is an objective for London to manage as much of its own waste as is possible, the target set in the Plan is for 100% self-sufficiency by 2031.

The North London Waste Plan (NLWP) sets out to support North London's waste as far up the waste hierarchy as practicable, to ensure environmental and economic benefits are maximised by utilising waste as a resource. The majority of existing waste facilities are located to the east of the Lee Valley corridor which are away from immediate urban areas and sensitive receptors.

Given that the predominant transport mode for waste movement is road, it is desirable to reduce the distance travelled. Where demand arises, opportunities to seek a wider network of waste management facilities due to proximity are supported by the North London Waste Plan.

Waste is exported to a number of areas outside of North London. The NLWP seeks to reduce waste exports and increase the amount managed in proximity to its source through providing capacity.

The Mayor's Business Waste Strategy, "Making Business Sense of Waste" sets a target to recycle 70% of commercial and industrial waste by 2020. This strategy includes having in place the waste management infrastructure to reduce the reliance on landfill.

With this borne in mind the subject site is well located and matched to fulfil existing and future waste management and renewable energy strategies.

ACQUISITION CONSIDERATIONS

- Prime strategic location.
- Footprint for large scale operations.
- Potential for further development.
- Supported by European, national and regional waste plans.
- Fit for purpose accommodation.

MONTAGU INDUSTRIAL ESTATE, GIBBS ROAD, EDMONTON, LONDON N18 3PU

VAT

The property is elected for VAT.

LEGALS

Each party is to bear their own legal costs.

PROPOSAL

We are instructed to seek offers for the associated company, Edmonton Property Company Limited, to include the freehold subject to contract and exclusive of VAT.

For further information please contact:

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