

# Regeneration & Economic Development Scrutiny Panel

## Enfield Industrial Estates

November 2022

[www.enfield.gov.uk](http://www.enfield.gov.uk)

Striving for excellence



# North London Industrial Market

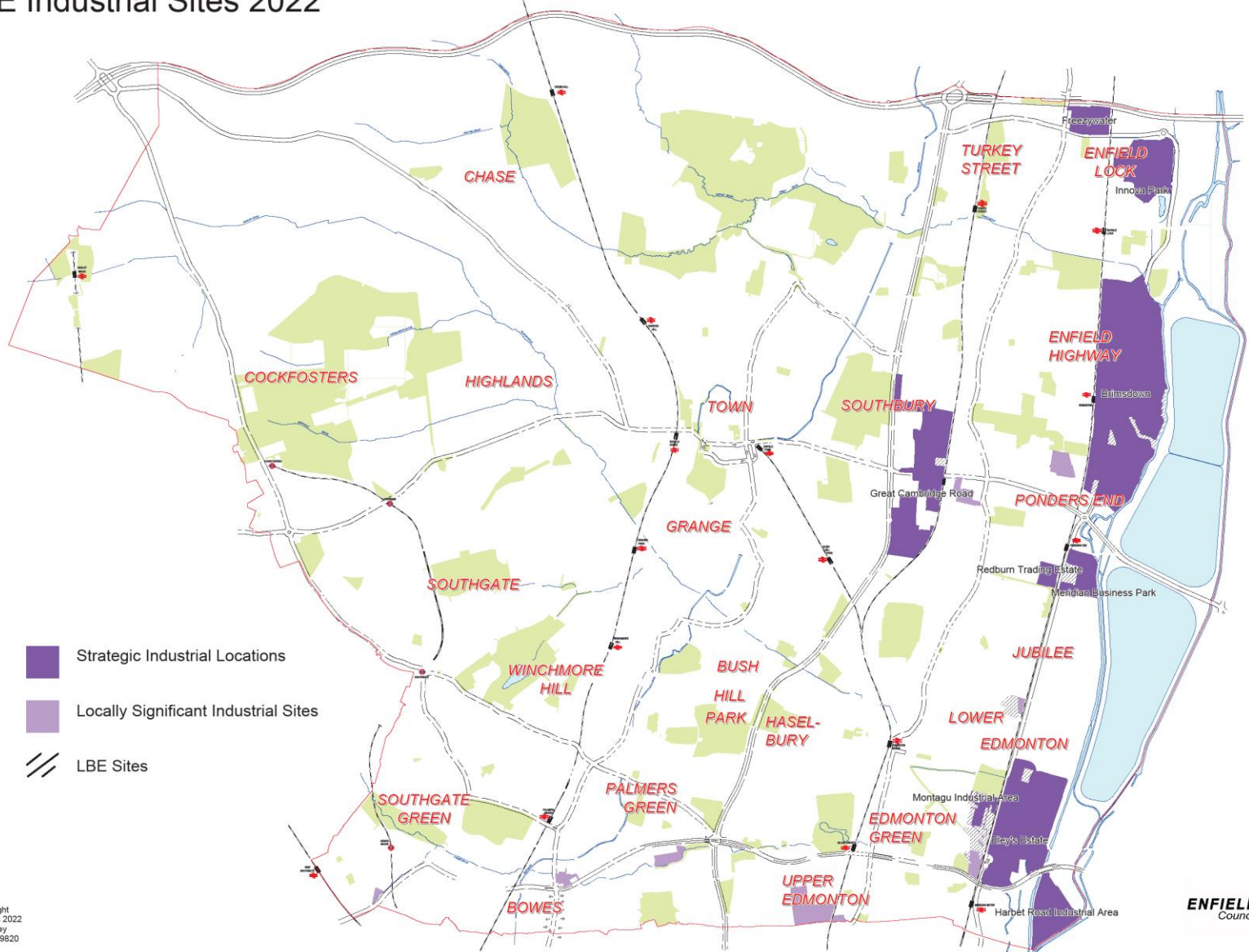
- NE London sub-region one of the largest in London
- High concentration of space in Lee Valley corridor
- Previously a strong manufacturing base but now shifting towards logistics and 'last mile' distribution
- Benefits of good transport links and access to labour
- The sector has emerged strongly from Covid
- Demand from occupiers & investors remains strong
- Enfield alone has 15M Sq.Ft of large logistics and manufacturing space
- Plans for sector growth through policy & intervention

# Enfield Industrial Market

- Enfield hosts 1,100 acres (450Ha) of industrial land
- Includes 800 acres of Strategic Industrial Land (SIL)
- More industrial space than most other London districts
- Large proportion located on east side of the Borough
- Area remains popular with occupiers – low vacancy rates
- Draft Local Plan identifies need for 250,000 SqM of additional employment floorspace up to 2039
- Much of the existing stock is middle-aged with increasing obsolescence - functional & compliance (e.g. MEES)
- Significant potential for regeneration & job creation
- Council has an important role as a significant landowner and enabler of development

# Enfield – Principal Industrial Sites

LBE Industrial Sites 2022



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# Enfield Industrial – Planning Context

## London Plan – Adopted 2021

- Requirement to supply enough industrial floorspace to meet needs
- Strong protection for sites with Strategic Industrial Land designation
- Promotes intensification of space on industrial sites

## Local Plan (Core Strategy & Development Management Doc')

- Requirement to retain/enhance industrial capacity in SIL sites
- Retain industrial uses in Locally Important Industrial Sites (LSIS)

## Draft Enfield Local Plan (to 2039)

- Meeting needs through new development in urban and rural locations
- Encouraging policy context for intensification
- Ambition to transform industrial estates through greening and provision of better amenities



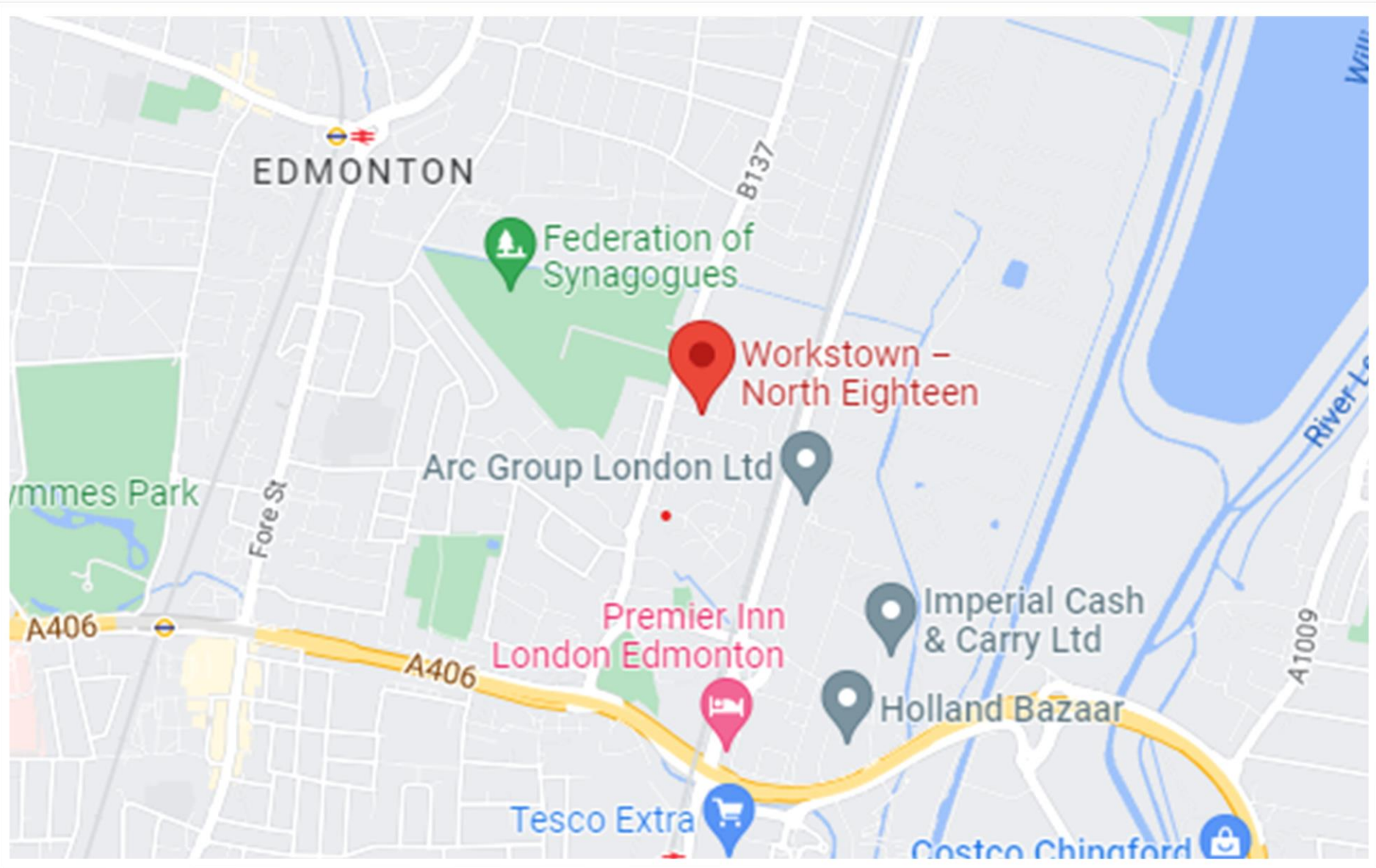
# Enfield Council Owned Industrial Assets

- Two principal industrial estates in LBE ownership
- Montagu:
  - Strategic site on 28 acres off A406 (already 65% LBE owned)
  - Circa 350K SF of ageing space – fast becoming obsolete
  - Actively working on regeneration with development partner
- Claverings:
  - Trading estate 6 acres - 170K SF compromised space in multiple use
  - Feasibility on redevelopment options needed (begin early 2023)
- LBE also owns:
  - Redburn Estate - 23 geared ground leases effective from circa 1980. Leases are geared to a percentage of market rent and Mixture of owner occupiers and investment funds
  - Jeffreys/Mollison/Brimsdown – 3 Sites held by way of long leases from circa 1970 (all owner occupied)

# Enfield Owned Industrial Assets

Location	Sq. meters	Rent p.a.	Capital Accountancy Value £m
Montagu Industrial Estate	43,936 (16,314 buildings and 27,622 yards)	£1,300,000	£21,915,360
Claverings Industrial Estate	16,263 of buildings.	£665,392	£7,557,210
Redburn Industrial Estate	15,209 of buildings	£137,655	£3,340,000
Jeffreys/Mollison/Brimsdown	16,835 of land	£266,513	£8,780,000

# Montagu Industrial Estate

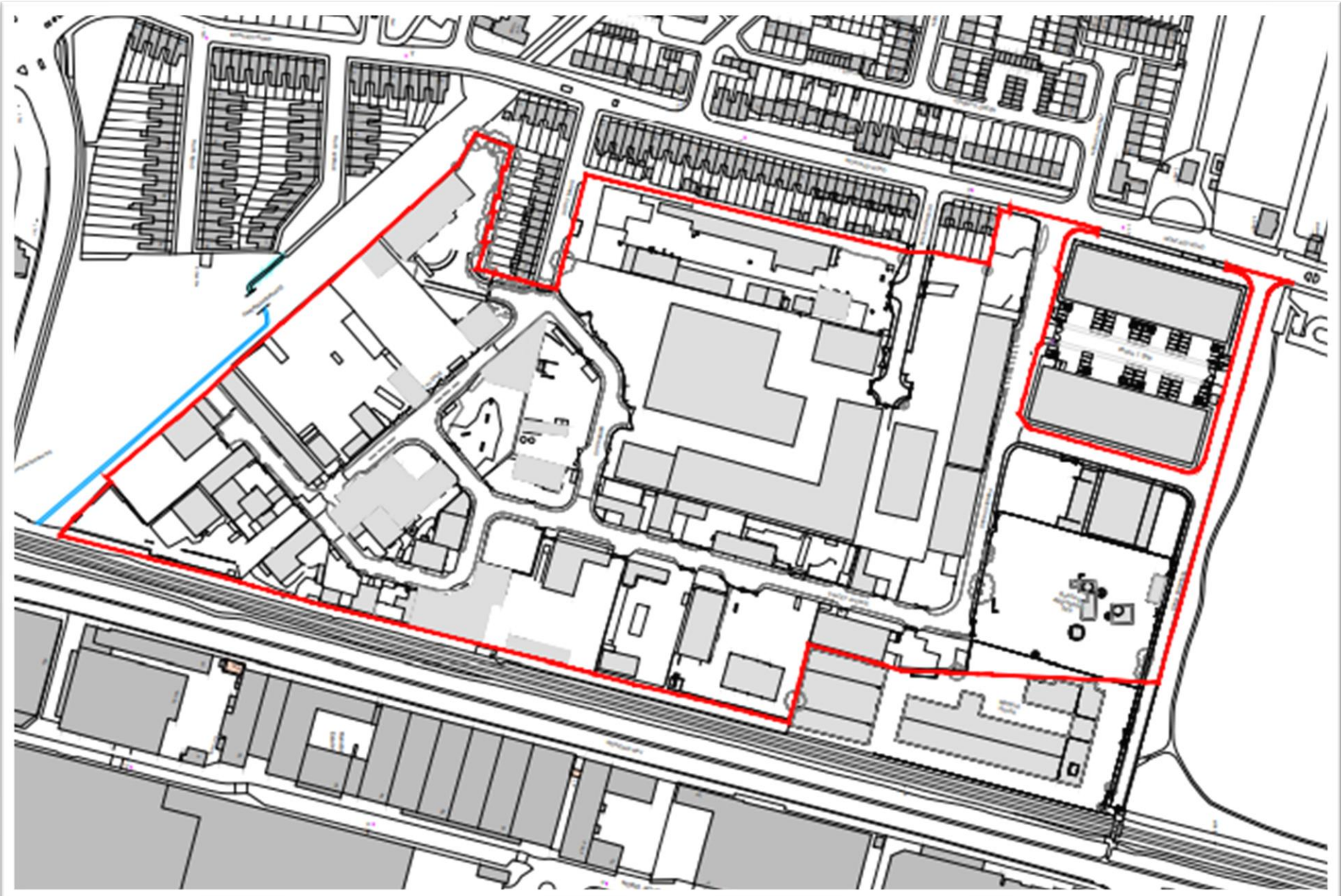




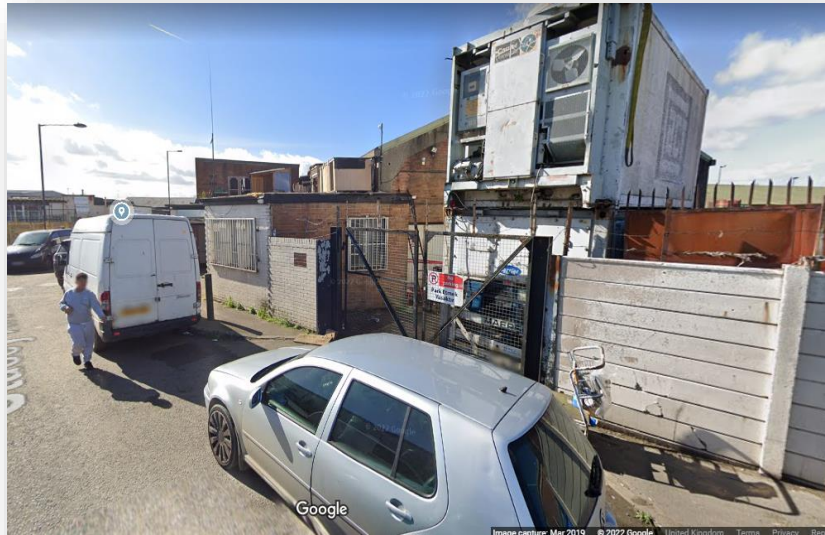
# Montagu IE - Background

- Ageing estate just off N.Circular (close to Meridian)
- Existing buildings fast becoming obsolescent
- At end of economic life so *'do nothing'* not an option
- Joint Venture formed with Henry Boot Developments (HBD) in 2018 to regenerate the whole estate
- LBE owns 65% of site and negotiating on the rest
- CPO required to 'sweep up' remaining land interests
- Phase 1 finished late 2021 - nearing full occupancy
- Also need to deal with major waste operator (GBN)
- Costs challenging - Business Case under review

# Montagu IE – Existing Site Plan



# Montagu IE – Existing Buildings



# Montagu IE – Project Objectives

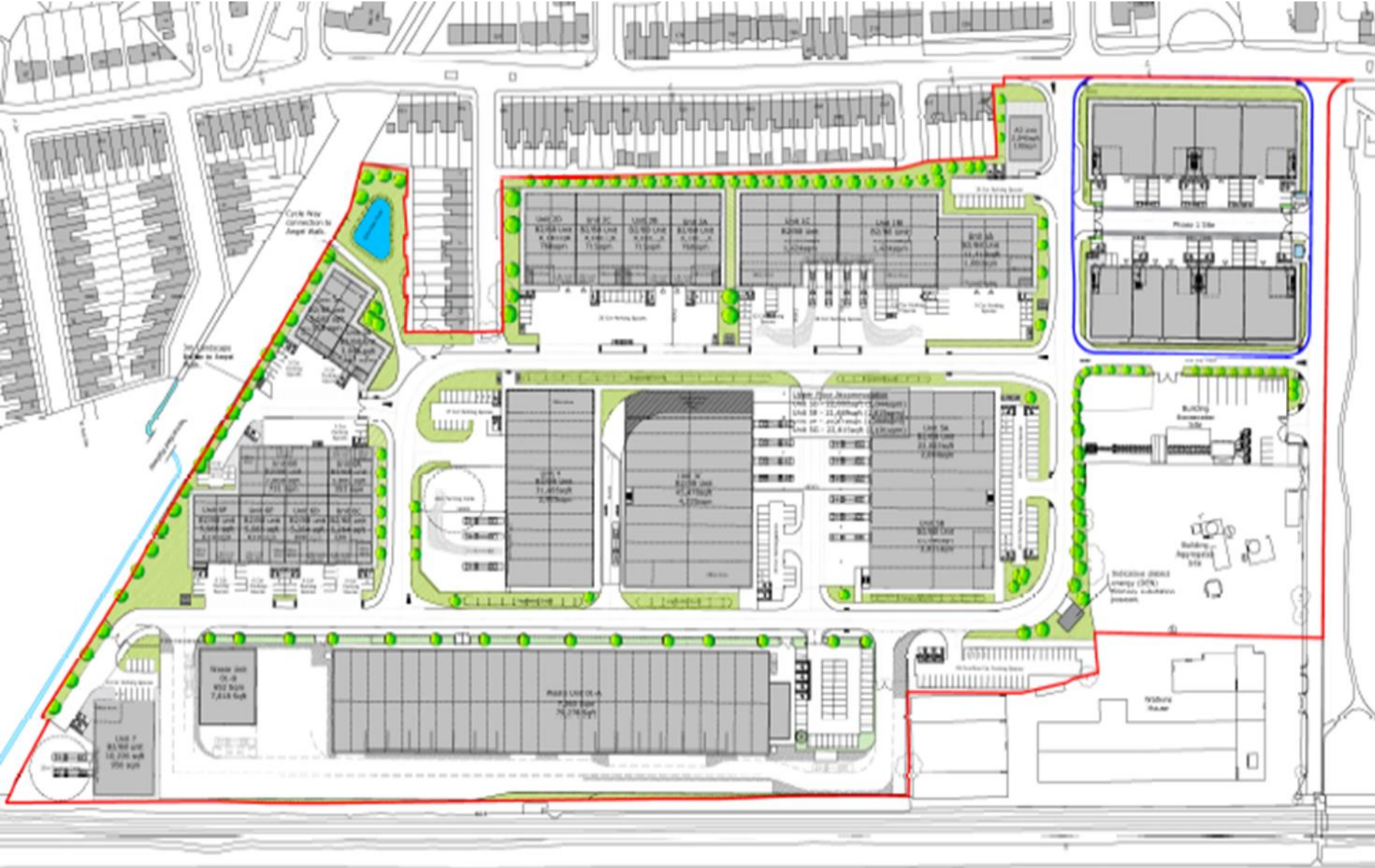
- Regenerate a declining industrial estate
- High quality space with good environmental cred's
- Economic Development
  - i. Modern scheme matching building types to demand
  - ii. Attract & retain business in the Borough
- Employment
  - i. Safeguard existing job numbers within estate
  - ii. Create 500+ additional jobs in completed scheme
- Financial outcomes:
  - i. Sustainable new revenue streams (extra £6M p.a.)
  - ii. Generate development profit for re-investment

# Montagu IE – Phase 1

- 59,000 sq.ft. in 8 units at front of the estate
- All let or in solicitors hands – full occupancy early 23
- Several new entrants to Borough (c.100 add'n jobs)



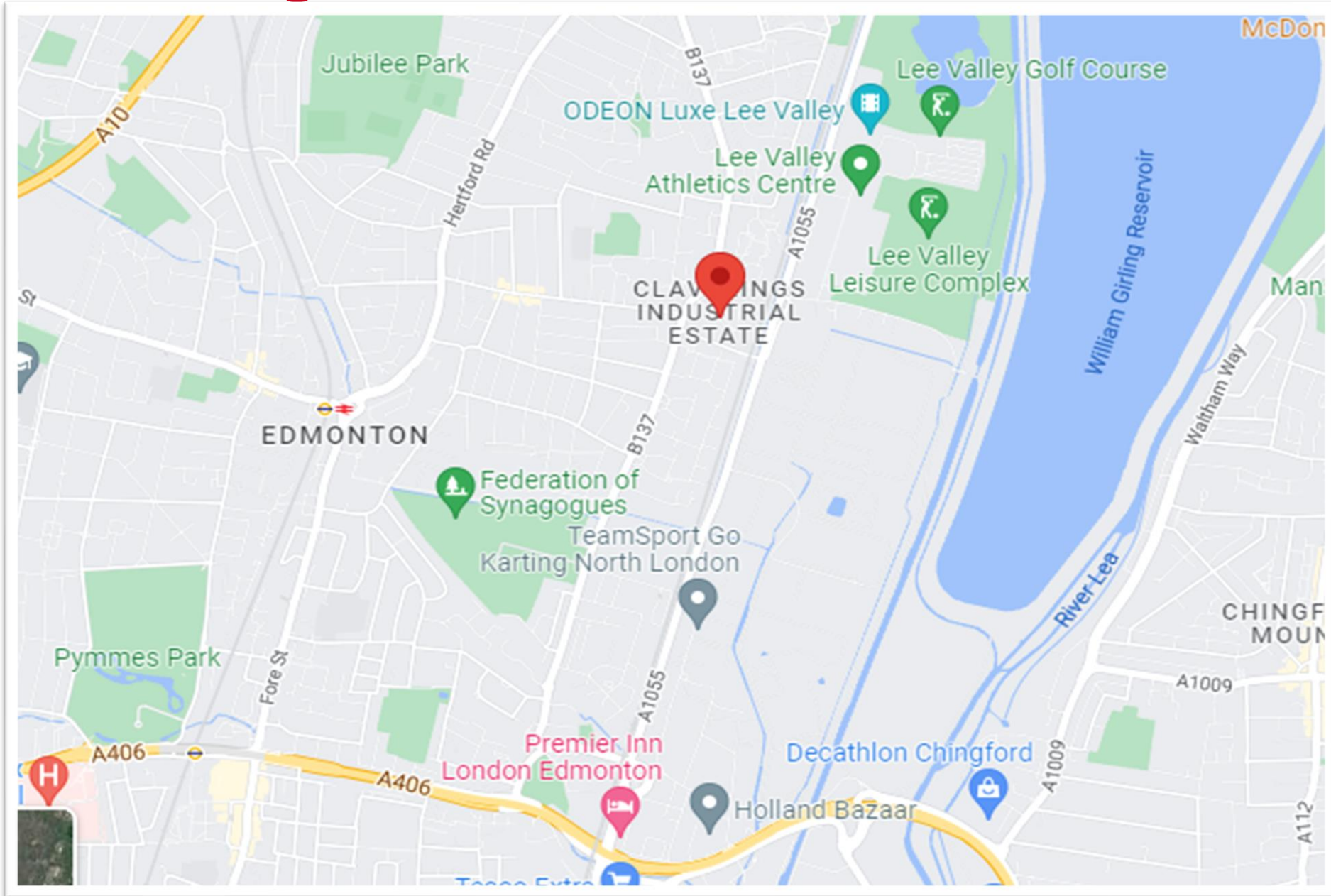
# Montagu IE – Masterplan



# Montagu IE – Look Ahead

- Planning for scheme Master-Plan (late 2022)
- Cabinet reports for CPO & Business Case update
- Target of Cabinet approvals by March 2023
- CPO will assist negotiations on remaining land
- Team working hard to help key occupiers re-locate
- Looking to move GBN within the new scheme
- Alternatively develop around GBN (but sub-optimal)
- North London industrial market remains sound
- Programme to be built & occupied in 5-6 years
- Phase II could begin from mid-2024

# Claverings Industrial Estate





# Claverings – Background

- Ageing industrial estate – constrained & multi-level
- Number of LBE & VCS partners been allowed to use ‘spare’ space on short-term basis in past 5-10 years
- Site identified in 2021 for sale to generate funds for LBE capital programmes (e.g. Build the Change)
- However ext’g occupancy prevents ‘simple’ solutions
- Also legal and infrastructure constraints (e.g. long L/H interests & telecoms masts in centre of site)
- Significant opportunity but not a quick win
- Needs well defined joined-up approach and likely to be a 3-5 year delivery programme

# Claverings Ind' Estate – Photo of Existing



# Claverings – LBE & VCS Occupiers



# Claverings – Next Steps & Timings

- Feasibility for moving LBE services (mainly on site)
- Outline scheme & phasing plan to be produced
- Discussions with LBE planners on scheme content
- Continued engagement with key VCS occupiers
- Ongoing work to address legal & infra' constraints
- Work up strategic options & costed Relocation Plan
- Consider JV (as at Montagu) or sale for cash receipt
- Finalise Development Brief and Relocation Plan
- Report back to EMT & Regen' Board (from mid-23)
- Cabinet report for approval to proceed (late 23)

# Summary

- Enfield has significant areas of industrial land
- Space located mainly on East side of Borough
- Number of schemes/buildings becoming obsolete
- LBE has 2 ageing estates that need regeneration
- Montagu 'in flight' and Claverings @ initial feasibility
- These schemes could create c.600K SF new space
- Local Plan looks to allocate new sites of 30+ acres
- A further 500K SF plus of new space on LBE land
- Significant opportunities for growth & new jobs
- Sustain Enfield's place in N.London market

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Thank You – Any Questions?

