



# North London Property News

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In Spring this year North London Business was reconfirmed as the investor development agency for North London covering 4 core boroughs of Enfield, Barnet, Haringey and Waltham Forest but with the ability to work farther afield. Under the mandate of the Boroughs our key role is to attract inward investment from the property sector, work with those investors to help them achieve their ambition and ensure, wherever possible, that their relationship with the Boroughs is as good as any in the Country.

We have now admitted Redbridge and Camden into membership and therefore provide a full inward investment service to both Boroughs. North London Business can now boast a service for the property industry that stretches from the West End of London through to the borders of Essex and Hertfordshire, a huge area full of opportunity and potential for the property industry.



In common with the rest of the economy, the performance of the property sector in North London is patchy with good and bad news. Prices appear to have stabilised and occupier demand for commercial premises remains firm. However, retrenchment amongst the business community is restricting demand, there remains a lack of sites and access to development finance remains a problem. However, activity continues and all over North London there are examples of development and regeneration projects that continue to move forward.

The key role of North London Business is to speed up the pace of investment in the area. Historically the 4 Boroughs of Enfield, Haringey, Waltham Forest and Barnet have suffered from low levels of business investment. This can be witnessed by a recent research study undertaken by Think London with GVA Grimley that identified a higher percentage of our office stock was built before 1990 than in any other part of London. This indicates that estate and office renewals have not been as active as elsewhere in London and this is affecting the competitiveness of the area in attracting overseas occupiers looking for Grade A type premises. However, on the converse this stock tends to be at the lower end of property pricing and as a result the area remains popular with UK and overseas businesses wanting to establish a foothold in the London property scene.



Looking forward with the market set for recovery, an abundance of schemes, better resourced Local Authorities and a real willingness to work in partnership with the private sector to speed up the pace of investment and change we believe that North London offers opportunity for property investors like nowhere else in London.

Gary Ince, CEO, North London Business

## Development Snapshot

### Hale Village - Tottenham Hale

- Scheme includes residential accommodation, office, educational use, health facilities, crèche, hotel and local retail
- Residential element includes 500 affordable and 700 private tenure units
- Brownfield site
- Sustainability features include biomass boilers, rainwater harvesting and green roofs



# Market Conditions in North London: Spotlight on Industrial Units

This report provides a snapshot of market conditions for industrial properties in the London Boroughs of Barnet, Enfield, Haringey and Waltham Forest, the four core boroughs of North London Business. The data was captured from our property database system that consolidates most commercial agency stock across the area. The data for available units, or units that entered the market, and data for units that were taken off the market, or unit deals, was collated up to 31 August 2009. The report is expected to reflect the current market conditions of industrial units, as the properties listed on the database are gathered, on a day-to-day basis, from major commercial agents operating in the above four boroughs. However, please note that due to the general nature of operation, information received for availability is usually proactive, whereas that for deals is usually reactive. Also, due to the amount of available data received for certain unit types, the data in the figures may not represent market conditions as precisely as if there were more data available.

Figure 1 shows that between the period of 1 March and 31 August 2009, the number of industrial unit deals is at a peak in April. The quieter months of June, July and August may reflect the negotiations and legal work behind later deals. However, Glenny LLP reports a surge of occupier activity throughout the summer months, having business space transactions in excess of 600,000 sq ft throughout their region of the NE and SE, M25 region, in July and August alone. John Bell, head of Business Space Agency, commented, "To complete 600,000 sq ft of occupier driven transactions during the months of July and August is a tremendous achievement in any year, let alone one that's deep in recession. Hopefully the above goes some way to dispel that myth within our region at least, albeit it would be naive to think that we're out of the woods just yet".

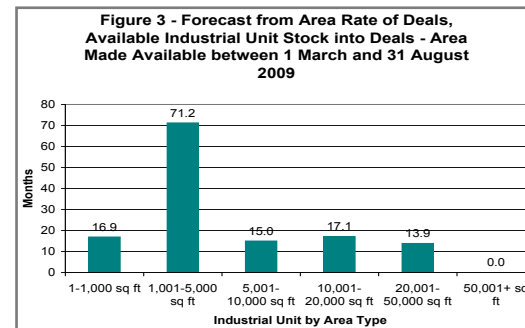
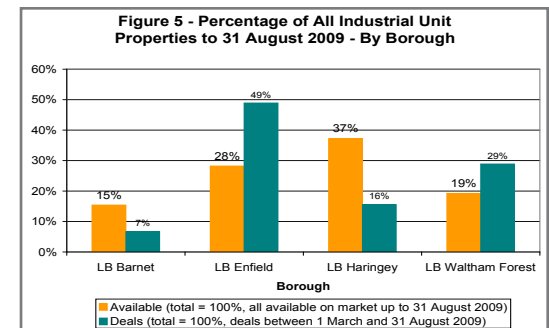
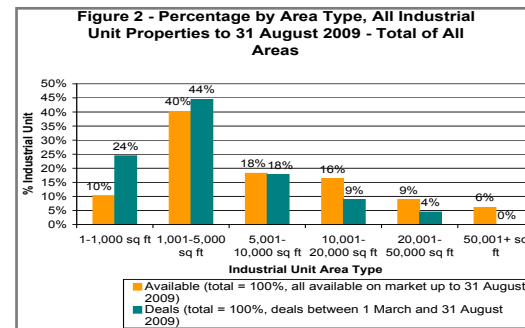
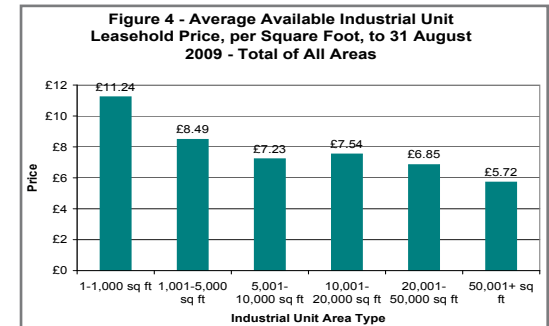
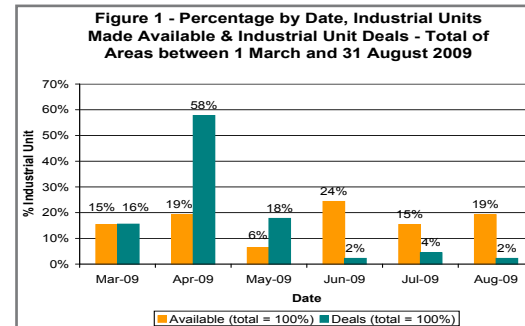
For unit availability and deals between 1 March and 31 August 2009, Figure 2 shows that units between 1,001

and 5,000 sq ft make up nearly half of all deals within the four boroughs, and units between 1 and 1,000 sq ft make up almost a quarter of all deals. There were no deals for units over 50,000 sq ft in the above 6-month period. Figure 2 also shows that 2 out of 5 units available were in the size range of 1,001 to 5,000 sq ft, whereas nearly 1 in 5 of units available was in the range of 5,001 to 10,000 sq ft.

Noting that no deals were logged for units over 50,000 sq ft, the forecast, as shown in Figure 3, for converting all units area types made available between March and August 2009 into deals, except for units between 1,001 and 5,000 sq ft, is approximately 15 months. Figure 3 may show that units between 1,001 and 5,000 sq ft are not as attractive as those of other sizes during the current, challenging economic conditions.

Figure 4 shows that, apart from units up to 1,000 sq ft and units over 50,000 sq ft, the average available leasehold price is £7.53 per sq ft. The average available leasehold price of units up to 1,000 sq ft of £11.24 per sq ft, or 49% above the £7.53, is believed to reflect the cost of additional facilities provided within these units when compared with larger industrial units. The value of units over 50,000 sq ft may not reflect the true condition of the market as the price of over half of the properties of 50,000 sq ft or over, particularly those of high quality or new units, are only provided on application.

When comparing the four London Boroughs of Barnet, Enfield, Haringey and Waltham Forest by numbers of available units and deals as in Figure 5, Enfield captured almost half of all deals within the four boroughs, and over a quarter of all deals occurred within Waltham Forest. Over a third of all available units that went on the market during the period of 1 March and 31 August 2009 were within the London Borough of Haringey, whereas approximately 3 in 10 of all available units were in the London Borough of Enfield.



**NEW - Feature your properties on the online North London Database**

North London Business has just launched a new tool on its online database, commercial agents can now feature their properties for sale or let to enhance their visibility and to gain greater exposure to people looking for premises. Advertising rates for featuring your properties are very competitive, for more details contact North London Business on 020 8885 9200. To see how properties will be displayed log on to [www.northlondonbusiness.com](http://www.northlondonbusiness.com).



# ○ Property Market Overview

Paul Willmott, Director, Planning, CB RICHARD ELLIS



# ○ King's Cross Central is Open for Business

Roger Madelin, Joint Chief Executive, Argent Group



For those considering development, an additional hurdle to market challenges is the ever-changing policy context. In an era of constant change, for long term projects the policy landscape can shift markedly through the course of a project, never more so than now with the Mayor updating strategic planning policies in the London Plan, the forthcoming general election and with boroughs preparing their own Local Development Frameworks.

By the time you read this, the Mayor will have embarked on public consultation on his review of the London Plan (21 October 2009). Whilst Boris is retaining the fundamental objective of accommodating London's population and economic growth, he is making a number of changes to Ken's policies.

Housing quality and choice is a key theme: retaining the emphasis on increasing supply, but focussing on the quality of new homes. The 50% strategic affordable housing target will be replaced with targets agreed with each borough, and the make up of affordable housing will shift to 60% social and 40% intermediate (from 70/30). The draft Housing Design Guide sets out how the Mayor is seeking to improve quality through minimum space standards and new design requirements.

The Outer London Commission's recommendations will be reflected in the revised draft; recognising the important role of town centres across London and highlighting Brent Cross as a retail-led Outer London Development Centre. Other areas of change will include greater emphasis on heritage and preserving local character. Consultation will run for three months with public examination in the summer, by which time we will have a new Government.

The party conferences marked the start of what will be a long election campaign. The general and local

elections next spring will mean significant change and upheaval. Whatever happens there will be a change in Government: if Labour wins it will be in a different context, with a new cast with new priorities. If it is a Tory administration, the big theme will be localism and community engagement with incentives for delivery rather than regionally imposed targets and policy. The commitment to abolish regional planning though will not apply in London where we have a democratically elected Mayor.

Authorities will be incentivised to deliver housing through the Treasury matching council tax receipts from new housing for six years, with additional measures for affordable housing. Development levies (S106 and the emerging Community Infrastructure Levy (CIL)) will be reviewed to simplify and localise them, ensure communities are properly compensated, and ensure viability of regeneration and development is not threatened.

Proposals for CIL continue to cause concern in the development sector and threaten to nip in the bud any development recovery. In London added complexity is created by the Mayor levying CIL to collect development contributions for Crossrail, which will be pre-emptive over the boroughs' CIL.

These changes all have significant implications for development potential and land value.

CB Richard Ellis is a Fortune 500 company and the world's largest commercial real estate services firm. The UK Planning Consultancy Service operates a specialist London Team with expert knowledge and experience of working with the Mayor and London Boroughs. They can be contacted at: london.planning@cbre.com or on 020 7182 2000.

For many decades people have talked about regenerating King's Cross. For the majority it was just talk, for a few it was a dream that failed to materialise. Some said the task was too great. We are now proving that cynicism wrong, as King's Cross Central emerges as the most exciting development in the capital.

With outline planning permission in place for 8 million sq ft of mixed use development, a key tenant in the University of Arts London secured, keen interest from business to move to the site and a strong delivery vehicle in place, the vision is now becoming a reality.

The recession has of course had an impact. We are not, for example, building speculatively at King's Cross Central. However, the economic climate has forced us to think innovatively and we are confident this innovation is the key to successful delivery.

Earlier this year, as the recession really started to bite and many developments were stalling, we announced a £250 million investment into the scheme to deliver key infrastructure and for the construction of the University of Arts London, which is relocating the renowned Central Saint Martins to King's Cross Central in 2011.

The scheme's joint venture partners - Argent, London & Continental Railways and DHL - invested £150 million to ensure that the site is ready for business. The investment is delivering the laying out of Granary Square, the construction of an energy centre, the building of roads, the installation of new bridges over Regents Canal and preparation works to the Grade II Great Northern Hotel, which we expect to be open in time for the Olympics.

Our 4.9 million sq ft of office space will totally transform London's commercial sector. We have a unique offer - a variety of locations and tenures, large buildings, small bespoke spaces, modern new builds and stunning heritage structures. It is this blend, along with the wider

mix of homes, restaurants, shops, public space, that sets King's Cross Central apart from other developments.

Many have spotted the opportunity already. We have just announced a £42 million funding package with the Home and Communities Agency and appointed our affordable housing partner, One Housing Group, which will deliver the first phase of affordable housing across the site. On the commercial front, we are in serious discussions with a dozen major companies about locating their business to King's Cross. If all of these conversations turned into deals we would have almost 2 million square feet of buildings occupied.

All in all, not bad for a development that many thought was too great a task to take on!



1-3 Canal Street



Granary Square



# ○ David Hayward, Senior Policy Officer at the London Development Agency talks about Delivering the Growth Agenda and the New London Brownfield Sites Database

## DELIVERING THE GROWTH AGENDA

In 2007 the North London Development and Investment Framework (NLDIF) was published as a response to the challenges set by this ambitious growth agenda. The NLDIF set out the site investment opportunities and requirements.

The six boroughs in the London end of the London Stansted Cambridge Peterborough corridor form a key strategic location for growth. Together they can contribute over 20% of the capital's housing growth over the next decade.

Like the rest of the UK and beyond, the economic downturn has had a major impact on growth in North London. However the NLDIF offers a robust framework for overcoming this challenge. The NLDIF also represents the continuing commitment to a partnership approach to support the Mayor of London's ambition of delivering 50,000 new homes across the city within the next three years.

To help achieve this growth the London Development Agency (LDA) and the North London Strategic Alliance (NLSA) have brought together the NLDIF partnership to develop projects that contribute to this ambition. Some exciting projects are now in development including a project to support the planning and delivery of social infrastructure in North London.

The partnership will also be exploring opportunities for more cross borough approaches to development. A good example of this is the Seven Sisters corridor project to deliver cross-borough public realm improvements that can respond to emerging developments.

September also saw the launch of the North London Design Surgeries, a pilot scheme delivered by Urban Design London, NLSA, the LDA and Homes and Communities Agency (HCA) London to support boroughs in accessing and promoting high quality

design. The first of five design surgeries was recently held at LB Enfield with four more surgeries running until January 2010. Boroughs should email [annie.li@urbandesignlondon.com](mailto:annie.li@urbandesignlondon.com), or [rachel.victor-sampson@haringey.gov.uk](mailto:rachel.victor-sampson@haringey.gov.uk) for further details on how to get involved in this pilot.

## THE LONDON BROWNFIELD SITES DATABASE

Land redevelopment opportunities, including new homes, in London are set to be transformed, thanks to a new online tool, launched earlier this month by the LDA and the HCA.

The London Brownfield Sites Database is the country's most comprehensive database of land available for redevelopment and is accompanied by a Best Practice Guide.



It records around 2,300 previously developed brownfield sites across London, equivalent to over 2% of the land in London. This is an increase of over 1,000 sites than was recorded on the previous National Land Use Database (NLUD) system.

Using Geographic Information Systems mapping, the Database includes transport routes, deprivation, social infrastructure, heritage and natural environment assets. The Ordnance Survey mapping base allows additional information to be overlaid and users can identify sites suitable for development, and better explore and understand a site's context.

At a time when developers are seeking greater certainty over site availability and site suitability, this resource will help to establish clear redevelopment opportunities. London boroughs can use the data to inform policies, site specific allocations, and housing and employment land availability assessments. The Database and Good Practice Guide are freely available at [www.londonbrownfieldsites.org](http://www.londonbrownfieldsites.org)

## Forthcoming Events

### Property Linx – the North London Property Forum

Date: Spring 2010

Venue: To be confirmed

Contact: Jennifer Pooran on 020 8885 9200, or e-mail [jennifer.pooran@northlondonbusiness.com](mailto:jennifer.pooran@northlondonbusiness.com)

### EG Offices Summit 2009

Date & Time: 11 November 2009, 8am-1pm

Venue: The King's Fund, 11–13 Cavendish Square, London, W1G 0AN

Contact: [www.estatesgazetteevents.com/officesummit09](http://www.estatesgazetteevents.com/officesummit09)

### Student Accommodation 2009

Date & Time: 24th November 2009, all day

Venue: Millennium Gloucester Hotel, 4 Harrington Gardens, London, SW7 4LH

Contact: <http://network.propertyweek.com/events/student-accommodation-2009>

# ○ Personality Column Chris Shellard



- Name: Chris Shellard
- Company: Lee Valley Estates
- Position: Project Director
- About your Company: A commercial property company with significant experience in regeneration and is the principle developer for Hale Village N17.

- Born: Bishops Stortford, Hertfordshire.

- First Job: Engineer, my second job teaching at the local college was far more interesting.

- Philosophy: When it comes to project management it is sometimes easier to obtain forgiveness than it is permission. I am a fan of Miles Davies who once said 'it is important to know when not to play'.

- Favourite Development or Building: Royal Opera House, Covent Garden in particular the Floral Hall. The architects BDP are also responsible for the design of Hale Village.

- Ideal Regeneration location: An area with a shared vision, sense of community, transport connections, and water.

- Guru: Professor Ted Wragg, an inspiration to teachers.

- Most Overused Word or Phrase at the Moment: Sustainability.

- What Talent Would You Most Like to Have: Diplomacy.

- Favourite Alternative Profession: Teacher, having a captive audience.

- Most Influential Book: In Pursuit of Wow by Tom Peters.

- Tip to Property Professionals: Ignore local planning policy at your peril.



If you would like to sponsor, or would like to submit an article, profile or commentary, please contact Fung at:  
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