Commercial Strategy

Caxton Mews – Wood Green

March 2020

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ABOUT ASC

1. ABOUT ASC

1.1. Andrew Sissons Consulting (ASC) was formed by Andrew Sissons upon leaving Hackney Council in 2015. At Hackney, Andrew headed up the Council's multi-award winning Regeneration Team and was responsible for a range of high profile projects including Tech City, Ways into Work, Hackney Fashion Hub, the Shoreditch Hotel cluster and the management of key town centre and business districts including Shoreditch, Stoke Newington, Dalston, Hackney Wick and Hackney Central.

1.2. ASC has now grown to six people from a variety of key sectors. The team were selected so that we cover a wide range of skills and expertise including regeneration, leasing, planning policy, research, branding and marketing.

1.3. ASC have worked on an array of schemes such as TileYard Music Studios campus in Kings Cross, Stratford Shopping Centre, Bohemia Place, the Vulcan Wharf Brewing and Cycling Cluster and Paradise in Lambeth.

1.4. ASC works with an array of major developers on mixed-use regeneration schemes across London and the UK, in particular helping to form economic and industry clusters, along with business districts and developing industrial and manufacturing space for businesses in the new economy, as well as traditional industrial requirements.

1.5. ASC provides a bespoke commercial real estate agent service working with start- ups and SME businesses particularly within the tech, food and leisure, creative, cultural and maker and light industrial sectors. ASC also provides tenants and landowners with advice and guidance around curation, lettings and placeshaping.

THE SCHEME

2. THE SCHEME

2.1. Caxton Mews is a development being brought forward by Aitch Group working in partnership with Mura Estates in Wood Green, Haringey.

2.2. The scheme, designed by PRP Architects, will see the development of 75 homes and 952.29 sqm (GIA) of commercial space that will provide a range of different sized units and uses designed in an innovative new interpretation of an urban mews with a commercial yard.

2.3. The development is located close to a number of proposed major regeneration schemes, such as St William's Clarendon Gasworks and the Council's redevelopment of the Wood Green Library.

2.4. The area is starting to emerge as a commercial location, with buildings such as Workspace Group's Chocolate Factory and Imperial House quickly becoming a new business hub for London's creative and start up community.

THE BRIEF

3. THE BRIEF

3.1. To work with Aitch Group, the professional team and the key stakeholders of the project to advise on the commercial components of the development; helping to build the scheme from the ground floor upwards with a dynamic offer that creates a real destination for Wood Green.

3.2. To examine the full suite of commercial use classes to assess what is viable for the location.

3.3. To work with Aitch Group, the scheme architects and the professional team to help develop fit for purpose commercial space that meets market demands and requirements, such as key design and fit out specifications needed by the types of businesses that will locate to Wood Green.

3.4. To examine what type of retail and food & beverage will be feasible, viable and sustainable in the long term at Caxton Mews.

3.5. To produce a full commercial strategy document for the planning application for Caxton Mews.

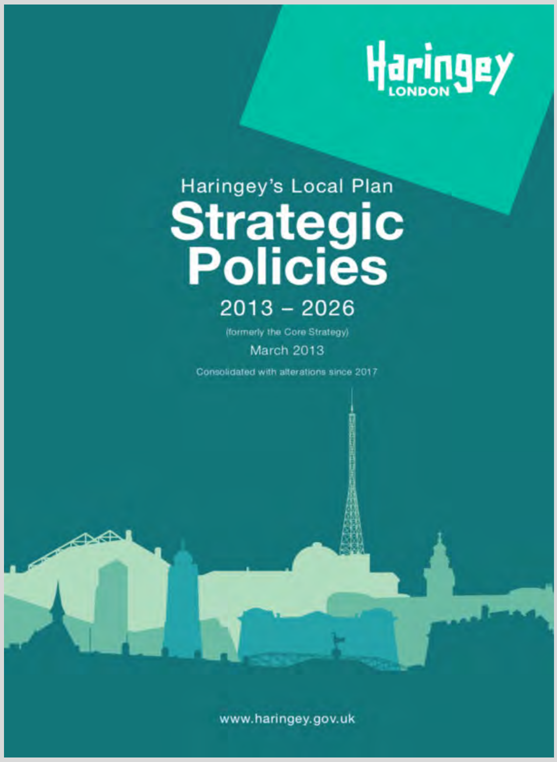
3.6. To provide advice on the likely ERV, incentive packages and void periods for the development.

PLANNING POLICY

4. PLANNING POLICY

This chapter of the report details of the relevant planning policy both locally and regionally that are relevant to the site in terms of the employment proposals and the commercial strategy.

The following local, regional and sub regional planning policies were considered in the development of this strategy:



Regional Planning Context

- Adopted London Plan (including amendments) (2017)
- Draft London Plan Consultation (December 2018)
- Minor suggested changes (August 2018)
- EIP (Jan-May 2019)
- Further suggested changes (2019)
- London Plan due for adoption in March 2020

Draft London Plan 2017

The GLA Draft London Plan was consulted on from the 1st of December 2017 and the 2nd March 2018 with the Examination in Public will commence on Tuesday 15th of January 2019 and the publication of the Final London Plan is expected during the autumn of 2019.

In August 2018, the Greater London Authority ('GLA') published the draft New London Plan (including minor suggested changes). At the time of writing, the draft New London Plan is undergoing Examination in Public and as such, it is considered that the document carries limited weight but as this weight may increase by the time the application for the proposed development is determined.

The London adopted Plan (2016) is the strategic, spatial plan for London. As such it provides the spatial strategy and policy context for how and where growth is to be accommodated, across Borough boundaries. The themes within the London Plan are strategic, however key objectives include the need to optimise the re-development of previously developed land and promoting high-density development in areas that are highly accessible by public transport.

The Mayor of London's overall objective within the London Plan (2016) is "planning for growth", doing this in ways which does not worsen the quality of life for London as a whole. To achieve this, it states that London will need to make the best use of land that is currently vacant or under-used. The London Plan recognises that the private-sector dominates London's economy, accounting for 84% of output and employment. It recognises that achieving all the environmental, economic and social objectives outlined in this Plan relies upon modernisation and improvement of the capital's stock of buildings and public realm, and this in turn means encouraging private investment and development.

The plan promotes regeneration, including high-density, mixed-use places that make the best use of land. It prioritises development within Opportunity Areas, brownfield land and sites which are well-connected by existing or planned transport links. It seeks to conserve and enhance London's global economic competitiveness and seeks improvements to the competitiveness and quality of office space of different sizes.

Draft London Plan Minor Suggested Changes (August 2018)

In August 2018 the GLA published minor suggested changes to the London Plan the key changes included the evidence process for seeking alternative uses on such sites and maintain floor space of secondary and tertiary commercial floor space across London

July 2019 London Plan Suggested changes

In July 2019 the GLA published further suggested amendments to the London Plan. The key areas that apply to this project include some minor amendments to Policy E2 that helps to define the GLA position around the provision of affordable workspace.

In terms of industrial land and B1 C maker space, the London Plan was amended to strengthen the quality of provision particularly focusing on providing yard space for occupiers and recognising this is critical to ensuring commercial space can function properly and is fit for purpose.

In Policy E8 the plan was updated to include GA which informed that Boroughs are encouraged to identify and support the growth of sustainably located employment clusters in inner and outer London.

Policy 6.83 included that schemes should support the growth of the circular economy which is a key part of London's new and emerging maker community.

The draft also included a new paragraph in Policy 6.8.6A that reported Boroughs across London contain a variety of employment areas which provide locations and opportunities for locally significant sectors and clusters of businesses. These are important for local economies and provide diverse employment.

London Plan policies considered within this commercial strategy document included policies:
2.4; 2.7; 2.14; 2.15; 2.16; 2.17; 4.1–4.8, 4.10, 4.12.

Haringey Local Plan

The Haringey Local Plan was published in March 2013 and proposed a diverse range of policies designed to expand the Borough's commercial stock and boost economic activity. Key policies included setting the direction for commercial components of mixed-use schemes, the protection of existing B1 floor space and how existing commercial space can be used more strategically and intensively. The Plan also set the direction for the creation of a diverse local economy, particularly promoting a series of key industries including modern manufacturing and making, business innovation and green industries. The Local Plan also set out ambitions around creating local employment opportunities and supporting local SME's.

The Caxton Mews scheme has taken on board the direction and ambitions of the Local Plan to ensure local businesses benefit from appropriately designed commercial space that is fit for purpose and appropriate in terms of size and fit out specification.

The space is also ideal for the types of businesses that Haringey want to build their local economy around and will ensure an opportunity for a dynamic cluster of small businesses that we anticipate will be a mix of maker, business innovation, the creative and potentially green industries.

We have also reviewed the potential for local retail provision as part of the scheme as set out in policy SP1 Managing Growth and SP10. These provide the planning context for the regeneration of Wood Green along with the distribution of retail in key town centres. This enables us to examine the potential for a small component of secondary A class uses on units 1, 2 and 3 which front onto Mayes Road and are adjacent to the shopping centre. This could create some interesting spaces for independent cafes, yoga and fitness studios and potentially some format of convenience retail offer.

SP1: MANAGING GROWTH

The Council will focus Haringey's growth in the most suitable locations, and manage it to make sure that the Council delivers the opportunities and benefits and achieve strong, healthy and sustainable communities for the whole of the Borough. The Council will maximise the supply of additional housing to meet and exceed its minimum strategic housing requirement of 19,802 homes over the plan period from 2011-2026. The Council will promote development in the following Growth Areas:

- Wood Green;
- Tottenham Hale; and
- North Tottenham (which includes Northumberland Park, the redevelopment of Tottenham Hotspur Football Stadium, and High Road West).

The Council will expect development in the Growth Areas to:

- Provide approximately 20,410 new homes and the majority of new business floorspace up to 2026;
- Maximise site opportunities;
- Provide appropriate links to, and benefits for, surrounding areas and communities;
- Provide the necessary infrastructure; and
- Be in accordance with the full range of the Council's planning policies and objectives.

The Council will promote development in the following Areas of Change:

- Tottenham High Road Corridor; and
- Seven Sisters Corridor.
- Parts of the Borough outside of the Growth Areas and Areas of Change will experience some development and change in contributing towards meeting local development needs. The Council will ensure that development in these Areas of Limited Change will respect the character of its surroundings and provide environmental improvements and services.

SP8: EMPLOYMENT

The Council will secure a strong economy in Haringey and protect the Borough's hierarchy of employment land, Strategic Industrial Locations, Locally Significant Industrial Sites, Local Employment Areas and other non-designated employment sites.

The forecast demand is for an additional 23,800 m² of B Class floorspace up to 2026.

This forecast demand is to be met through:

- The reconfiguration and re-use of surplus employment designated land in B2 and B8 Use Classes;
- The intensification of the use of existing employment sites (where possible);
- The provision of B1a/b floorspace as part of mixed-use development on suitable sites, including town centre sites; and
- The protection of existing viable B Class Uses on designated and non-designated sites.

In addition the Council will also:

- Support local employment and regeneration aims;
- Support environmental policies to minimise travel to work;
- Support small and medium sized businesses that need employment land and space; and
- Contribute to the need for a diverse north London and London economy including the need to promote industry in general in the Upper Lea Valley and in particular, promote modern manufacturing, business innovation, green/waste industries, transport, distribution and logistics.

SP10: TOWN CENTRES

Distribution of retail across Haringey

The Council will promote the distribution of retail growth to meet the required additional 13,800m² gross comparison goods floorspace and an additional 10,194m² net convenience goods floorspace by 2016. The majority of this additional retail growth will be met in Wood Green Metropolitan Centre and the five District Town Centres.

Protecting and enhancing Haringey's Town Centres

The Council will promote and encourage development of retail, office, community, leisure, entertainment facilities, recreation uses, arts and cultural activities within its town centres according to the borough's town centre hierarchy.

Wood Green Metropolitan Town Centre will be the principal focus of growth accommodating an extensive range of the types of development set out above, which should help to shape Wood Green into a thriving and vibrant centre for north London.

Development proposals which foster a diverse evening and night time economy in Wood Green will be supported providing that measures are in place to address issues such as community safety, policing, litter and the potential impact of noise and disturbance to local people.

The District Town Centres of Bruce Grove/ Tottenham High Road, Crouch End, Green Lanes, Muswell Hill and West Green Road/Seven Sisters will continue to be supported and strengthened as important shopping and service centres to meet people's day-to-day needs. The Council will take a proactive partnership approach to reinvigorating these town centres, widening their role and offer, developing their identities, improving the public realm and accessibility to them.

Haringey's Local Shopping Centres will continue to be supported in providing core local shopping facilities and services (such as convenience store, post office, and newsagent) for their respective local communities, largely catering for a catchment area within walking distance.

It is possible to identify potential future changes to the borough's town centres over the life of the Local Plan, including potential new centres. Given the existing scale, role and function and mixed use development which is currently taking place at Tottenham Hale there may be potential to designate Tottenham Hale Urban Centre as a new District Centre.

EXISTING LAND USE

5. EXISTING LAND USE

5.1. The Caxton Street site is a former petrol station adjacent to the Mall shopping centre the site which has frontages on to Caxton Street and Mayes Road has been vacant for approximately 15 years and the land has not had any form of productive use during this period of time.

5.2. The site does not create any employment or full time employment roles for the Borough. The site has been hoarded for a considerable period of time and provides a major opportunity to deliver a mixed-use scheme that will create new homes, economy activity and active frontages to enhance the Town Centre and provide fit for purpose uses on a hoarded and underutilised site.

LOCAL BUSINESS DEMOGRAPHICS

6. LOCAL BUSINESS DEMOGRAPHICS

6.1. The business by enterprise type in Haringey mirrors that of most outer London Boroughs with 93.9% being micro businesses of 1 to 9 people. This is above the inner London average of 90.6%. Based on our data these types of businesses tend to have requirements for 1,000 to 5,000 sq ft of space.

Enterprises	**Haringey (Numbers)**	**Haringey (%)**	**London (Numbers)**	**London (%)**
Micro (0 To 9)	11,310	93.9	458,830	90.6
Small (10 To 49)	645	5.4	37,810	7.5
Medium (50 To 249)	85	0.7	7,465	1.5
Large (250+)	10	0.1	2,075	0.4
Total	12,050	-	506,180	-

Source: NOMIS - UK Business Counts (2018)

6.2. The small business community is below the London average of 7.5% with a figure of 5.4%, and the medium sized enterprises of 50 to 249 people is half the London average of 0.7% of all businesses. Large businesses of over 249 people are minimal in the Borough and account for only 10 businesses in total.

6.3. It is also worth considering businesses by enterprise type in the surrounding Boroughs, which demonstrates that Haringey currently has a smaller business community than Hackney, Enfield and Waltham Forest.

6.4. In terms of business births in the last period of recorded data from 2016 to 2018, Haringey has seen a small drop in the registration of new business births, from a high of 2,415 in 2016 to a low of 2,150 in 2017.

	2016	2017	2018
Haringey	2,415	2,150	2,275

Source: London Data Store

6.5. Importantly, there has been an increase of micro businesses in the area over the last eight years, which demonstrates the substantial growth of this type of operation in the Borough. This has grown from 7,095 micro enterprises in 2010 to 11,310 at the last available record in 2018.

6.6. The chart below details the impressive growth of small business in the area over the last decade and demonstrates that business confidence is growing in the area. It is our view that this translates into additional demand for bespoke small business space for micro and small businesses ranging ion size from 1,000 sq ft up to 5,000 sq ft.

Date	Haringey	Haringey (%)	London (%)	Great Britain (%)
2010	7,095	93.1	89.5	88.7
2011	7,220	93.4	89.5	88.8
2012	7,970	93.2	89.4	88.6
2013	8,075	92.6	89.1	88.2
2014	8,775	92.9	89.6	88.3
2015	9,910	93.1	90.1	88.7
2016	10,720	93.6	90.6	89.2
2017	11,410	93.9	90.9	89.5
2018	11,310	93.9	90.6	89.3

Source: Inter Departmental Business Register (ONS)

WOOD GREEN AND WIDER HARINGEY MARKET

7. WOOD GREEN AND WIDER HARINGEY MARKET

7.1. This section reviews supply and demand for B1 use commercial office accommodation within the Borough and wider sub-region.

7.2. The Wood Green area is starting to become a much more established commercial location with the emergence of places such as the Chocolate Factory and Imperial House, which are home to a new breed of business and entrepreneur.

7.3. Wood Green has been identified by the Greater London Authority as a key regeneration area due to its strong local amenity provision and economic importance to the Haringey Borough, being the largest and most densely occupied conurbation within the Borough. In recent years Wood Green has seen a decline in its economic fortunes, facing stiff competition from other north London centres.

7.4. As a result, Haringey Council launched a number of regeneration projects that would have seen Wood Green receive a radical makeover as part of £3.5 billion of mixed-use developments to include; over 8,000 new homes, increased retail space and producing more than one million sq ft of employment space. However, since the termination of the HDV it is unclear what the future of these schemes will be.

7.5. At present, Haringey Borough has circa 2.26 million sq ft of office stock of which 45,000 sq ft is available to lease, with a vacancy rate of 2.0%. Of this total space only circa 2% is of a Grade A standard (4 star rated on CoStar), the majority of stock being of Grade B/C and not suitable for modern occupier requirements. Additionally, the Borough has no major space under construction currently and the next 12 months is set to deliver approximately 15,000 sq ft of 'new' space (newly developed or refurbished).

7.6. In terms of new developments, in the surrounding area Berkeley Homes are bringing forward Clarendon Gasworks which will be a mixed-use development that includes 1,714 studio, 1, 2 and 3 bedroom apartments together, with circa 40,000 sq ft of commercial, retail and community space as well as the creation of a public square and landscaped courtyards. The development will be completed in five phases, with the final phase earmarked for completion in 2028.

CGI – Clarendon Gasworks

7.7. Demand for the 5 year average annual take up for the Haringey Borough is circa 20,000 sq ft. Over the last 5 years rents have risen from the five year average of £16.50 per sq ft to reach peaks in 2017 & 18 of £21.50 - £22.00 per sq ft. Detailed below we have provided a schedule of availability in the Borough.

Property		Available Sq Ft	Asking Rent (£psf)	Comment (incl specification)
	**Aztec House** 397-405 Archway Road, N6 4EY	Part 2nd: 1,375	£29.82	Grade B/C office accommodation • Air conditioning / heating units • Suspended ceilings with integrated lighting • Raised floors • Passenger lift • CCTV • 4 private car parking spaces
	**The Chocolate Factory** 5 Clarendon Raod, N22 6XJ	1st floor suite: 1,329 3rd floor suite: 810	£31.00	Unfurnished office / studio accommodation available by way of flexible term licence / lease
	**Units 8 – 10 Bounds Green** Gateway Mews N11 2UT	Part 1st: 1,092 Part 1st: 1,092 Part G: 1,005	£26.23	Gated Office Development • Allocated parking • Air conditioning • Fully carpeted • Kitchenettes
	**Emma House** 214-218 High Road N15 4NP	3rd: 800 2nd: 400 1st: 330 G: 365	£16.00	Grade B Office Accommodation available by way of an assignment • Ground floor reception • Two car parking spaces • CAT II lighting • Electric heating • Comms area on the 3rd floor
	**Anna House** 214-218 High Road N15 4NP	Part G: 1,365	£24.91	Grade B Office Accommodation • Good natural light • Perimeter trunking • Suspended ceilings with integral Cat II lighting
	**Fishmongers Arms** 287-295 High Road N22 8HU	Part G: 3,650	£27.40	Office / Retail Ground floor commercial unit within a mixed use building • Customer parking facilities
	**Imperial House** Willoughby Lane N17 0SP	4th: 5,000 3rd: 5,000 2nd: 5,000 1st: 5,000 G: 5,000	£20.00	Office Accommodation available on a floor by floor or whole building basis Accommodation offered at a Shell and Core specification

7.8. Market analysis clearly indicates that Wood Green and the wider Haringey market has a very limited established office market i.e. office space taken on long term FRI leases. However, it is clear that there is commercial demand on the more flexible and smaller end of the market, with start-ups and independents looking for cheap flexible space with good connectivity to wider London markets. This demand can be broadly separated into the following typologies:

- Artists' studios
- Design and maker spaces
- Co-working spaces
- Start-up and other SME businesses
- Grow on/move on space
- Smaller corporate space

7.9. As with many other Boroughs, the key demand has been the expansion of small to medium enterprises, with start-ups and SME's scouting for new 'hot' locations within the capital without the inner London rent levels. The top issues for SME's considering relocation are public transport accessibility, property cost, potential for business clustering and the quality of the local supporting retail and leisure infrastructure.

7.10. Much like other London centres Wood Green has benefitted from the dispersal of London's creative industries. On the back of this appeal many of these centres are becoming strong dynamic markets for co-working and flexible office space, that can both support growing firms and creatives as well as provide the required flexibility for their businesses to expand. Key examples of this in Wood Green are The Chocolate Factory, located just to the north of the site and The Green Rooms, located opposite Wood Green underground station. Several of the small co-working operators have indicated that the area is probably underprovided in terms of co-working/shared workspace. The area has a high proliferation of freelancers and self-employed workers, especially in the Haringey Ladder/Wood Green area.

7.11. In other parts of the Borough areas like Tottenham are increasingly becoming places where the creative and maker communities are settling, with businesses such as Brew and Bottle, Wild Fizz Kombucha and Blacklines Drinks settling around an emerging local ecosystem of bars, restaurants, cafes and cultural institutions.

7.12. Haringey as a borough has circa 5.5M sq ft of retail accommodation of this retail provision only around 70,000 sq ft is currently available for lease which is very healthy in the current market. The borough enjoys a relatively low vacancy rate of 1.3% and the average take up rate in the borough is around 45,000 sq ft per annum.

7.13. The majority of the boroughs retail space is small independent shops and the main retail centre for the Borough is adjacent to Caxton Mews. The Mall provides 617,000 sq ft of retail space across 100 stores. The mall has a mix of national chains including Debenhams, Primark, Lidl, H&M, Sports Direct, Boots, Argos, TK Max, Wilko as well as independent stores. The Mall also includes a 12 screen Cineworld, a Gym and a Market Hall.

7.14. The Clarendon Gasworks scheme will include some new convenience retail, cafes and restaurant space and will ultimately bring 1700 + new homes and circa 5000 people that will also benefit the Caxton Mews scheme.

7.15. It is our view that commercial units 1,2 and 3 at Caxton Mews are very desirable as retail units particularly for independent operators looking for secondary retail locations that have good visability and good quality foot fall but are located in close proximity to the main town