

23 August 2021



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Submitted via email: ikemp@icloud.com

Dear Ian,

**Barnet Draft Local Plan Examination in Public - London Gateway Services, Edgware, HA8
Written Representations on behalf of Bridge Industrial and Evergreen Real Estate Partners
Matter 2: Spatial Strategy and Strategic Policies**

We write on behalf of our clients Bridge Industrial and Evergreen Real Estate Partners, to submit written representations to the Barnet Local Plan Examination in Public in relation to Matter 2: Spatial Strategy and Strategic Policies.

Savills submitted representations to the Regulation 19 consultation on behalf of the above clients in August 2021 in regard to land at London Gateway Services, Edgware, HA8 – a copy of these representations is appended to this document for completeness. We would be grateful if the Inspectors can refer both to these representations along with the previously submitted Regulation 19 representations, as the concerns raised in the latter still apply to the Plan.

The representations prepared by Savills in August 2021 focussed primarily on the strategic employment policies and underpinning evidence base documents used to inform the relevant employment growth targets and identified employment locations in the Plan. A brief summary of the comments made previously in relation to the Regulation 19 document are as follows:

- There is not considered to be a coherent strategy for the delivery of industrial land across the borough within Draft Policies BSS01, GSS01 and ECY01.
- The suggestion in Paragraph 9.7.3 of the Regulation 19 document stating that the Council “*envisages meeting the identified [industrial need] through intensification and windfall*” is considered to be an unrealistic strategy which pays no regard to demand or viability considerations.
- Paragraph 9.7.4 of the Regulation 19 document acknowledged that industrial intensification will present challenges for smaller LSISs, which underscores questions as to why the Plan’s proposed industrial strategy is seemingly wholly dependent upon the intensification of existing employment areas.
- Policy GSS11 of the Draft Local Plan, which considers the borough’s main road corridors and the sustainable growth achievable, is silent on the potential for sustained employment in such locations.
- The M1 motorway is not identified as a ‘Major Thoroughfare’. If Policy GSS11 is revised, it is recommended that the M1 motorway be identified as such, given it forms an arterial road network which could support employment land uses, helping to direct employment, and particularly industrial land uses, toward suitable locations as per the requirements of Policy ECY01 (f) and (j).
- The economic evidence base underpinning the Draft Local Plan includes both the London Industrial Land Demand Study (LILDS) and the Barnet Employment Land Review (BELR), both now circa five years old (prepared in June and October 2017 respectively) and are thus considered to inaccurately reflect existing supply and demand for industrial land uses.



Written Representations in Relation to Inspector's Matters, Issues and Questions

These written representations seek to provide comments on the following Matter identified by the Inspectors and related questions:

'Matter 2: Spatial Strategy and Strategic Policies'

Issue: Whether the spatial strategy and strategic policies of the Plan are positively prepared, justified, effective and consistent with national policy, and in general conformity with the London Plan, in relation to the scale and distribution of the development proposed?

Question 1 - Does the Plan's vision and key objectives provide a positively prepared and justified approach for Barnet's future growth?

Response: It is not considered that the Plan's key objectives provide a positively prepared and justified approach for the future growth in Barnet.

As stated in the previous Regulation 19 representations submitted by Savills, there is no quantified floorspace target for industrial development and wider growth in Policy BSS01 (the 'Spatial Strategy for Brent') nor Policy ECY01(B), as there is for office development in the same policies. This has not been addressed in the Main Modification to the Regulation 19 document. Instead, the Plan states in Paragraph 9.7.3 that the Council "*envisaged meeting the identified [industrial need] through intensification and windfall*" which is not considered to be an informed nor justified approach.

The Plan is not considered to be positively prepared given the absence of clearly justified, calculated industrial floorspace growth targets, relying on an unproven strategy of intensification which in practice tends to be a form of development which is only likely to be viable in certain higher value parts of London. Wholly relying on this method and windfall sites, rather than undertaking up-to-date objectively assessed need assessments for employment land demonstrates the lack of a clearly-formed, robust strategy which underpins the economic growth objectives for the borough across the plan period.

As such, the Plan's key objectives, particularly in regard to economic growth, are not seen to be positively prepared nor justified, and thus are not sound.

As requested in the Regulation 19 representations appended to this statement, we urge the Council to undertake an updated employment land needs assessment, to better reflect the spiralling demand for industrial accommodation both in the borough and across London. This would help to better inform the key economic objectives contained within the Plan, and would allow for a justified and positively prepared strategy for meeting employment demands, particularly for industrial floorspace, in comparison to the current unsound strategy proposed.

Question 5: Is the spatial strategy for the Borough and the overall distribution of development proposed in the Plan as set out in Policy BSS01 based on relevant and up-to-date evidence and would it promote a sustainable pattern and scale of development in accordance with national policy and in general conformity with the London Plan?

Response: The spatial strategy for the Borough as set out in BSS01, and within other Policies such as Policy ECY01, is not considered to be based on relevant and up-to-date evidence.

The evidence base used to inform the economic strategies underpinning the Plan includes both the London Industrial Land Demand Study (LILDS) and the Barnet Employment Land Review (BELR). Both documents are circa five years old (prepared in June and October 2017 respectively) and therefore do not accurately reflect current supply and demand for industrial land uses half a decade later.

High-level analysis was undertaken by Savills' Economics team in August 2021 to support the Regulation 19 representations made, in regard to modern demand for industrial floorspace. This analysis, which can be reviewed in the Appended representations, identified the following issues:

- There has been limited if any delivery of new industrial floorspace since 2006 in the Borough, which significantly limits industrial growth capabilities, whilst also contributing to rising industrial rents further impacting operational costs to existing occupiers.
- At the time of preparation (August 2021) there was not a single available modern industrial building within the borough, with the average age of the five available units being 38 years.
- At the time (August 2021), the industrial vacancy rate was 1.2% within Barnet, well below the general 8% rate considered by the GLA to be needed to ensure efficient operation of the market.

Given the continually escalating demand for industrial floorspace, it is fair to assume that the above concerns will have significantly hindered Barnet's industrial productivity and wider economic growth and will continue to do so if not addressed. To combat this, a Plan is required which is positively prepared, based upon current economic demands. However, the currently proposed Plan and the policies within fail to take in to account these current demands, instead relying on outdated data which resultantly fails to successfully address the clear need for well-planned industrial floorspace in the borough.

Policies BSS01 and ECY01 are not considered to be justified, positively prepared and resultantly are not sound.

Summary

We would urge the Council to consider the representations above and also those submitted to the Regulation 19 consultation in August 2021, to better reflect on the requirements for employment land uses, particularly industrial uses, across the Borough.

We trust that the above representations are of assistance in the examination of the Barnet Local Plan. We would be grateful if you could acknowledge receipt of these representations. Please feel free to contact myself or Alex Cole if you have any queries or would like to discuss these representations in further detail.

Yours sincerely

A handwritten signature in black ink, appearing to read "Nick Green", with a stylized, cursive script.

Nick Green
Director

Enc. As above

Appendix One – Representations on behalf of Bridge Industrial and Evergreen Real Estate Partners in response to the Barnet Regulation 19 Local Plan Consultation

04 August 2021



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Dear Sir / Madam

Representations to Barnet Draft Local Plan Regulation 19 Publication Consultation London Gateway Services, Edgware, HA8

We write on behalf of our clients Bridge Industrial (Bridge) and Extra MSA London Gateway Ltd (Extra), to submit formal representations to the Barnet Local Plan. These representations concern the policies in the draft Plan in relation to the provision of employment land and specifically in respect of land at London Gateway Services, Edgware, HA8. The entire site as edged red on the enclosed site location plan is owned freehold by Extra MSA London Gateway Ltd, a wholly owned subsidiary of Extra MSA Group. The company is in discussions with Bridge and also with Welcome Break (the tenant operator of the services) in relation to the redevelopment of the site.

Extra MSA Group is the freehold investment owner of this site and eight other Welcome Break tenant-operated MSAs, in addition to being the owner of 10 other MSA property assets in the UK. These provide a range of important facilities for motorway users including fuel and EV charging, food and drink, overnight accommodation, meeting facilities and parking.

Bridge Industrial is an integrated real estate company and investment manager, focussing on the acquisition and development of land and existing industrial facilities in both the U.K. and the U.S. Since their expansion to the U.K. in November 2020 Bridge Industrial has assembled a pipeline of sites intended to come forward in the next few years, demonstrating their commitment to investing in the U.K. market in the short and long-term.

These representations, prepared by Savills London Planning, are supported by an analysis of industrial land supply in Barnet, prepared by Savills Economics. The analysis also includes a review of the 2017 Barnet Employment Land Review, which has helped to inform the Barnet Draft Local Plan and the relevant policies therein. The analysis can be viewed in Appendix One of these representations.

Site and Surrounding Context

The London Gateway site is located in northwest Barnet, measuring approximately 8 hectares in total. The site comprises the Welcome Break motorway services, accessible from the M1 motorway for motorists travelling to and from London. The main services building is located to the southeast of the site, adjacent to coach and car parking facilities. There are additional coach parking facilities to the north and south of the Welcome Break services building, together with a petrol station. Along the northern site boundary sits an area of dense vegetation, with a hardstanding storage area.

Motorists enter and exit the site from the M1, whilst the site itself is also accessible to employees via a service road leading from Ellesmere Avenue to the south. The site is enclosed to the immediate north and east by the M1 motorway, and by the West Coast mainline railway line to the immediate west. There is a Ramada Hotel (c200 bedrooms with ancillary restaurant and meeting rooms) located immediately adjacent to the site to the

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south (and also operated by Welcome Break), with built development extending further southwards and westwards from the site.

The site is not located in a conservation area and it does not contain any statutory or locally listed buildings, nor are there any statutory or locally listed buildings in the surrounding area. Green belt land extends to the wider north, east and west of the site although the site is very well separated from the green belt by the substantial infrastructure of the motorway and railway lines. The site is located within Flood Zone 1 which represents the lowest probability of flooding from rivers or the sea.

The closest bus stops to the employee site entrance at Ellesmere Avenue are located circa 480 metres northeast along Barnet Way, providing frequent services to destinations including Cockfosters, Colindale and Edgware.

Comments on the Regulation 19 Document

Overview

Our representations comprise this letter together with the attached report which analyses the employment land position in Barnet. In essence we consider that the draft Local Plan (DLP) fails to properly understand the need for new employment land in the borough, or to make any provision for new sites to come forward. Further provision should be made in order to meet a pressing need and the London Gateway Services site provides an excellent opportunity to develop new high quality logistics employment facilities, immediately accessible to the strategic road network, on a brownfield site outside the green belt and away from any residential areas.

At the same time the existing motorway services are of some age and are in need of upgrading to meet current needs. There is surplus land on the site and it should be allocated in the DLP for mixed-use development comprising a replacement motorway service area and new employment land.

Barnet's Employment Growth Strategy

The identification within Policy GSS01 of principles aiding the delivery of sustainable growth across Barnet, in order to create more than 27,000 new jobs across the plan period up until 2036, is welcomed in principle. Likewise, the acknowledgement that employment growth can be delivered sustainably outside of identified employment areas such as town centres and Locally Significant Industrial Sites (as per Policy ECY01(j)) dependent upon satisfying site-specific criteria is also seen to be beneficial, providing flexibility for growth across the borough to ensure that Barnet's employment targets can be achieved rather than prohibiting development outside designated locations.

However, whilst a clear strategy has been developed for the delivery of office floorspace across the borough, as demonstrated by the quantitative floorspace targets and locations for growth re-iterated throughout Policies BSS01, GSS01 and ECY01, there is no coherent strategy for the delivery of industrial land across the borough. It is surprising that given the identification in Paragraph 9.2.1 of Barnet's "relatively low supply of established industrial sites" and the identified demand of up to 13.5ha of industrial land as per Paragraph 9.7.2, no detailed strategy identifying the quantum of floorspace sought or industrial jobs to be created has been devised. Instead, Paragraph 9.7.3 of the Draft Local Plan simply states that the borough:

"envisages meeting the identified [industrial need] through intensification and windfall".

This is considered to be an unrealistic strategy which pays no regard to demand or viability considerations. There is no evidence that intensification of industrial land has been delivered anywhere in the borough to date, and in our experience it is a form of development which is only likely to be viable in certain higher value parts of London. As such we consider that intensification is unlikely to come forwards in Barnet in the short to medium term. We note that paragraph 9.7.4 of the DLP acknowledges that industrial intensification will present challenges for smaller LSISs in Barnet, which underscores our questions as to why the DLP's proposed industrial strategy is seemingly wholly dependent upon the intensification of existing employment areas.

Policy GSS11 of the Draft Local Plan, which considers the borough's main road corridors and the sustainable growth achievable along said routes, is also silent on the potential for sustained employment in such areas. It is recommended that Policy GSS11 is revised so that consideration is given to the employment potential along such routes, as this would help to identify and support suitable areas for employment growth. In this regard, it is also noted that the M1 motorway is not identified as a 'Major Thoroughfare'. If Policy GSS11 is revised, it is recommended that the M1 motorway be identified as such, given it forms an arterial road network which could support employment land uses, helping to direct employment, and particularly industrial land uses, toward suitable locations as per the requirements of Policy ECY01 (f) and (j).

DLP Economic Evidence Base

In addition to the inadequacy of the proposed industrial strategy for the borough, it is noted that the economic evidence base underpinning the Draft Local Plan includes both the London Industrial Land Demand Study (LILDS) and the Barnet Employment Land Review (BELR). Both documents are four years old (prepared in June and October 2017 respectively) and are thus considered to inaccurately reflect existing supply and demand for industrial land uses. The LILDS identifies 7.3ha of industrial land would be required to meet industrial needs across the borough; however, given the significant time which has passed since the Study was published, and the effects of the Covid pandemic, this figure is inaccurate.

To gain a greater understanding of the currently industrial market within both Barnet and London, and to further assess the applicability of the Barnet Employment Land Review in particular concerning current industrial market dynamics, high-level analysis has been undertaken by Savills Economics team. The analysis can be viewed in full in Appendix One.

The five industrial demand scenarios across the draft plan period used within the 2017 BELR are taken from the 2017 LILDS. The scenarios however do not reflect the unprecedented demand for modern, flexible industrial premises that has taken place in Greater London and across the UK in recent years. Barnet's demand forecasts, if used to underpin the emerging planning policies for employment growth in the borough, should account for the critical role that industrial buildings now play in the economy and for the immediate floorspace shortage, which at present they do not.

Barnet's approach to employment land does not reflect the reality of the industrial sector having had its strongest year in 2020. Savills Research from January 2021 'The Big Shed Briefing' reported that in 2020 gross take-up in the sector reached 50.1 million sq ft. of floorspace, 12.7 million sq ft. ahead of the previous record set in 2016 and 80% above the long-term average. Consequently, the 2017 BELR's Baseline Projection's methodology results in a general underestimation of future land needs.

Another issue identified with the 2017 BELR is that the five scenarios used do not take into account the existing acute shortage of industrial premises in the borough. Barnet needs to address the current shortage, rather than focussing solely on future needs. Four of the five scenarios within the BELR suggest that Barnet could release a further 2 ha to 29 ha of employment land. This is clearly misaligned with today's industrial market dynamics and thus calls into question the reliability of the Review.

In addition to the above findings, Savills Economics have also investigated existing industrial market conditions within Barnet. Findings suggest in the first instance that there has been limited if any delivery of new industrial floorspace since 2006, which significantly limits industrial growth capabilities, whilst also contributing to rising industrial rents further impacting operational costs to existing occupiers. Meanwhile, there is not a single available modern industrial building within the borough, with the average age of the five available units being 38 years. There are no buildings of a sufficient specification that satisfy the requirements of occupiers requiring modern premises. Such occupiers require flexible accommodation with sufficient head room, adequate loading areas and direct access to the strategic road network. This demonstrates a lack of available and suitable high quality, modern industrial floorspace within the borough, which is likely to be significantly hindering Barnet's industrial productivity and wider economic growth.

At present, the industrial vacancy rate is 1.2% within Barnet, well below the general 8% rate considered by the GLA to be needed to ensure efficient operation of the market. There has also been limited if any industrial development activity in the last 15 years.

Summary

Following a review of the Barnet Draft Local Plan, it is considered that the proposed strategy for meeting industrial demand across the borough is wholly inadequate and unachievable. Industrial intensification is not expected to deliver any new industrial capacity in the short to medium term. There appears to be no strategy beyond a reliance on intensification to meet the industrial needs of the borough, which could see industrial activity stagnate. Likewise, analysis undertaken by Savills Economics demonstrates that the economic evidence base underpinning the preparation of the Local Plan, particularly the BELR, is outdated, and unrepresentative of current industrial market dynamics within Barnet.

Proposed Allocation

The existing London Gateway Services site comprises the Welcome Break motorway services, for motorists and commercial traffic going to and from London via the M1 motorway.

The existing MSA 'land take' is not fully utilised and the services themselves date back some 50 years. The site includes a significantly larger than required coach interchange which is out of date and is no longer fully needed. The services are in need of renewal and consolidation to provide a modern facility commensurate with the needs of today's motorway users, and consultation with Highways England MSA Policy division has commenced.

The redevelopment of the northern section of the overall site creates the opportunity to provide a new and fully up-to-date MSA facility on the southern section of the site, to be operated in conjunction with the existing hotel. This would not be commercially deliverable in isolation and the ability to link the project with the development of the surplus land for employment purposes presents an excellent opportunity to deliver new services at the site. The new MSA facility would make an important contribution to 'road safety', being a significant improvement on the existing facilities.

Bridge Industrial, together with Extra and Welcome Break are currently exploring redevelopment opportunities at the London Gateway Services site. The proposals would comprise a comprehensive redevelopment to consolidate and enhance the motorway services, whilst redeveloping the northern portion of the site to provide circa 27,000 sq m of industrial and ancillary office floorspace, with associated HGV loading and parking facilities.

An overview of the key planning matters associated with the comprehensive redevelopment of the site is provided below.

Principle of Redevelopment

The National Planning Policy Framework (NPPF) provides the strategic framework for planning guidance across England. Given the ever-increasing pressure for suitable and available land to meet development needs, Section 11 of the NPPF strongly encourages both planning policies and decisions to promote an effective use of land in meeting development needs. Paragraph 120 in particular explicitly states that the redevelopment of under-utilised land and buildings should be supported, whilst the utilisation of suitable brownfield land is prioritised. Paragraph 121 and 122 note that local planning authorities should take a proactive role in identifying and helping bring forward land to meet development needs, reflecting current market dynamics.

At a regional level, London Plan Policy GG2 echoes the approach outlined above, whereby development should seek to prioritise the development of brownfield land whilst proactively exploring the potential to intensify the use of land to support additional workspaces. Likewise, at a local level Draft Local Plan Policy GSS01 states that all development must make the best use of land, following a design-led approach that optimises the

capacity of sites.

London Plan Policy E4 clearly states that a sufficient supply of land and premises in different parts of London to meet current and future demands for industrial and related functions should be provided, including for light and general industry and storage and logistics/distribution. The provision of additional industrial capacity above that identified in designated employment locations should be prioritised in locations that are accessible to the strategic road network (our emphasis).

The proposed redevelopment of the Gateway Services site is seen to comply with the policy objectives from local to national level identified above. The consolidation of the motorway services, allowing for employment floorspace to come forward, would allow a more efficient use of the site, whilst also providing enhanced and up-to-date motorway service facilities to meet current needs. Likewise, the redevelopment of this brownfield site to provide industrial floorspace would help to meet acknowledged needs for such more employment land in both Barnet and across London.

Taking the above matters in to consideration, it is considered that the principle of employment land uses in this location is wholly supported by London Plan policy.

Summary

The London Gateway Services site represents a deliverable and appropriate brownfield site located outside the green belt adjacent to the strategic highway network. As stated, the existing services are in need of modernisation for the benefit of motorists using the services, improvements which alone would not be deliverable.

The comprehensive redevelopment of the London Gateway Services site provides an opportunity to update the motorway services facilities whilst also bringing forward a significant quantum of modern, high-quality employment floorspace within the borough. This addresses a need for additional employment land which the DLP presently fails to acknowledge.

We trust that the above representations are of assistance in the ongoing preparation of the Barnet Local Plan. We wish to be kept up to date with the progress of the new Local Plan preparation, and we look forward to further opportunities to engage. We would be grateful if you could acknowledge receipt of these representations.

Please feel free to contact Nick Green or Jack Conroy if you have any queries or would like to discuss these representations in further detail.

Yours sincerely



Nick Green
Director

Enc. As above

Appendix One – Economic Analysis (Savills Economics)

LB Barnet Draft Local Plan

Regulation 19 Submission

1. Introduction

- 1.1.1. Savills have been commissioned by Bridge Industrial and Extra MSA London Gateway Ltd to submit this representation for the LB Barnet Draft Local Plan ('DLP'). These comments relate to the London Gateway Service Area which is a commercial site with direct access to the M1 motorway in the northwest corner of Barnet.
- 1.1.2. The purpose of the commission is to consider if the DLP's evidence base for industrial land policy is relevant and up-to-date; if it takes account of current property market conditions; and if the approach to meeting the needs of the industrial property market are realistic. We conclude that in all three instances the answer is an emphatic 'no'.
- 1.1.3. London and the rest of the UK is experiencing unprecedented need for modern, well-located industrial premises. But there is insufficient supply. The shortage is particularly acute in LB Barnet ('Barnet') where the vacancy rate is currently 1.2% and there is not a single available modern industrial building. The average age of the five available units is 38 years.
- 1.1.4. In spite of the severe supply shortage, Barnet's evidence base and draft policies provide for no new employment land and very limited scope for new premises. The only conceivable way that new industrial floorspace could be delivered is through site redevelopment and intensification which, on existing industrial sites, is expensive, time-consuming and risky.
- 1.1.5. This representation comprises two parts. It first critically assesses the approach and conclusions in Barnet's 2017 Employment Land Review ('2017 ELR') which is its key evidence base document of employment land. It then sets out current property market conditions.
- 1.1.6. The conclusion is that the DLP fails to ensure sufficient land for industry will come forward to meet the needs of the economy.

2. Barnet's Evidence Base Identifies A Severe Supply Shortage But Doesn't Provide Realistic Solutions

- 2.1.1. Barnet relies on its 2017 ELR to underpin its draft employment land policies. However the report does not reflect the fundamental repositioning of the role of industrial land and premises within the UK economy. This is because:
 - The full extent of the change in the industrial market may not have been fully apparent when the report was written and
 - The assessment ignores the immediacy of the existing shortage of industrial premises and the lack of any suitably modern buildings.
- 2.1.2. The 2017 ELR identifies a 'consistent decline' in Barnet's industrial stock and characterises the existing stock as 'small scale' and 'very old'. It also acknowledges that industrial occupiers require premises that are 'flexible', of a 'higher specification' and of better overall quality. The report rhetorically asks whether the



borough should try to attract new investment or simply allow its industrial base to diminish. It answers this question clearly:

‘It is critical for the Borough to find a way of accommodating the needs of its diverse group of (industrial) occupiers.’ (Page 58)

- 2.1.3. The 2017 ELR cites five industrial demand scenarios over a time period which covers the DLP. These are taken from the 2017 London Industrial Land Demand (‘LILD’) study. The five scenarios are set out in **Table 2.1. The scenarios do not reflect the unprecedented demand for modern, flexible industrial premises that has taken place in Greater London and across the UK.** Barnet’s demand forecasts should account for the critical role that industrial buildings now have in the economy and for the immediate floorspace shortage.
- 2.1.4. Barnet’s Baseline Projection scenario in **Table 2.1** is the only scenario linked to property market demand signals. However it uses past take-up from an out-of-date time period (1998 to 2008) and future anticipated employment growth. The methodology does not align with the current demand. The DLP suggest that the 7.3 ha of demand in the Base Projection scenario can be met through a combination of intensifying existing sites and occupiers moving to new premises outside the borough. However Intensification is a time-consuming and expensive process that requires landlords to forgo rental income during redevelopment combined with the risk of securing of future rental levels that ensure redevelopment is viable. Whilst intensification is a risky development proposition which sometimes works in Central London, it is far less likely to succeed in Outer London locations.
- 2.1.5. Savills also questions the usefulness of the Baseline Project scenario’s use of employment forecasts to help estimate future employment land need. Employment forecasts often reflect ongoing economic restructuring from industrial activity towards services. This typically projects declines in the industrial sectors of the economy. Inevitably, demand projections based on this method lead to underestimations as forecasted declines in employment are assumed to translate into negative demand for industrial floorspace. This is not often the case.
- 2.1.6. Another issue is that the five scenarios in **Table 2.1** do not take into account the ***existing*** acute shortage of industrial premises. Barnet needs to address the ***current*** shortage and not just its future needs. Four of the five scenarios suggest that Barnet could release a further 2 ha to 29 ha of employment land. This is patently out of step with today’s property market dynamics.

Table 2.1 Five Scenarios of Industrial Land Need from the 2017 LILD Study

Scenario	Basis for Industrial Land Demand Estimate	Employment Land Demand (2016-41)
Baseline Projection	Based on combination of past take-up over period from 1998 to 2008 and employment forecasts.	7.3 ha (including -2.2 ha for manufacturing; -0.2 ha for utilities; and 9.3 ha need for warehousing)
Trend Supply	Based on historic industrial land release projected forward.	-29.1 ha

Scenario	Basis for Industrial Land Demand Estimate	Employment Land Demand (2016-41)
Planning Pipeline	Based on the amount of industrial land that would be released under current plans including the existing development pipeline and areas earmarked in Opportunity Area Planning Frameworks, Local Plans and in Housing Zones.	-1.8 ha
Planning & Infrastructure	This adds to the planning pipeline scenario (above) with further industrial land release related to the development of Crossrail 2 and the Bakerloo Line Extension.	-12.3 ha
Intensification & Substitution	Based on potential additional industrial land released through intensification of existing industrial area and further releases that might be achieved through meeting more of London's demand for warehousing from outside of its borders.	-5.1 ha

Source: 2017 ELR

2.1.7. Barnet's approach to employment land does not reflect the reality of the industrial sector having had its strongest year in 2020. Savills Research from January 2021 The Big Shed Briefing reported that in 2020 gross take-up reached 50.1 million sqft of floorspace, 12.7 million sqft ahead of the previous record set in 2016 and 80% above the long-term average. In addition, the employment forecasts used in Barnet's Baseline Projection disregards occupational changes within the industrial sector where higher-value, office-based functions are increasingly co-located with traditional industrial activities.

2.1.8. Consequently, the 2017 ELR's Baseline Projection's method, in conjunction with subtracting negative manufacturing demand from positive warehouse demand, results in an underestimate of future land needs. While some manufacturing jobs may be lost over the plan period, there is nothing in Barnet's evidence base to demonstrate that its manufacturing sites are appropriately located for redevelopment for warehouse-based activities.

3. There Is A Severe Shortage Of Industrial Floorspace In Barnet

3.1.1. This section presents the supply situation of Barnet's industrial property in three charts. It shows the following:

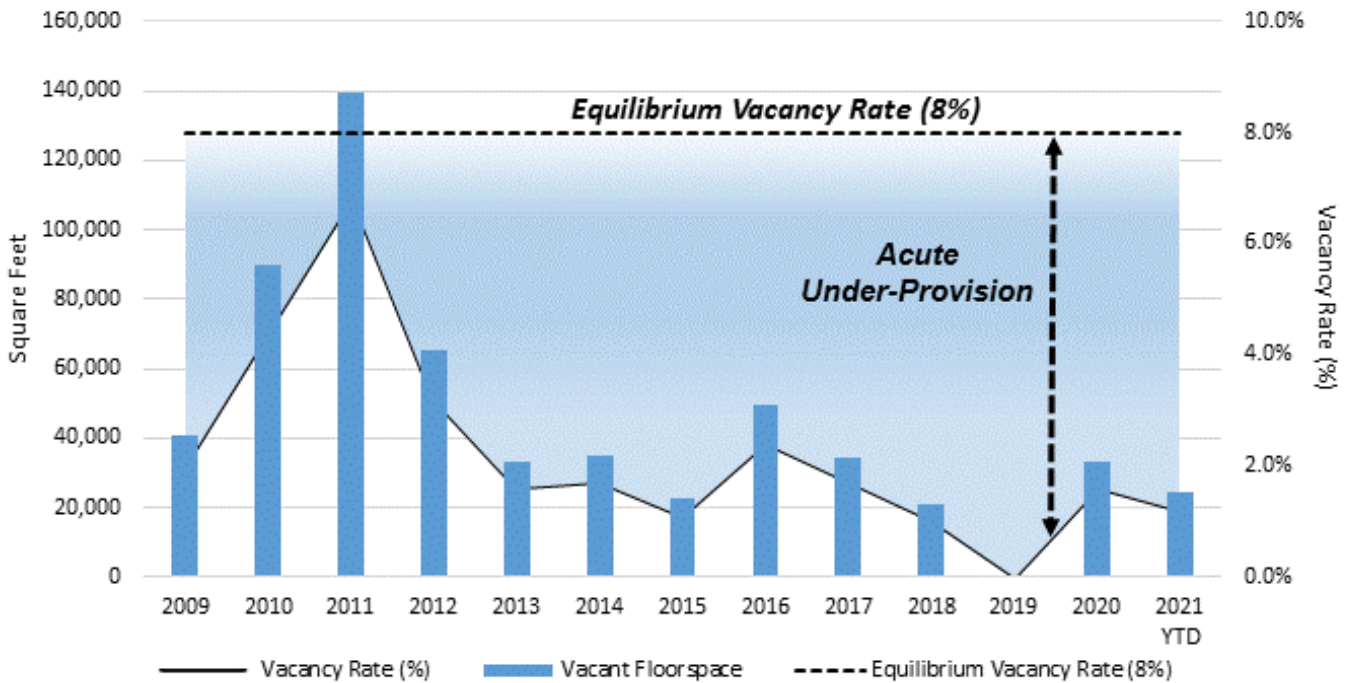
- There is severe under-provision of industrial premises preventing occupiers from expanding and causing them to leave Barnet. This is reducing economic growth and employment.
- There has been no substantial delivery of industrial floorspace in 15 years. This has contributed to a spike in rental levels.



- Barnet’s industrial stock is of average or below-average quality. There is not a single available building with modern premises. The average age of the five buildings with available floorspace is 38 years.

3.1.2. **Figure 3.1** shows that since 2013 the vacancy rate in Barnet has been primarily below 2%. According to the GLA’s planning framework¹, a vacancy rate of 8% is generally required to ensure the efficient operation of the floorspace market. Figure 3.1 shows that the actual vacancy rate has been consistently below 8%. The current gap in under-provision is more than 100,000 sqft which is shown by the blue area which is the difference between the equilibrium vacancy rate of 8% and the current vacancy rate of 1.2%. The prolonged under-provision is detrimental to Barnet’s local economy and employment.

Figure 3.1 Historic Vacant Floorspace and Vacancy Rate & Level of Under-Provision in Barnet



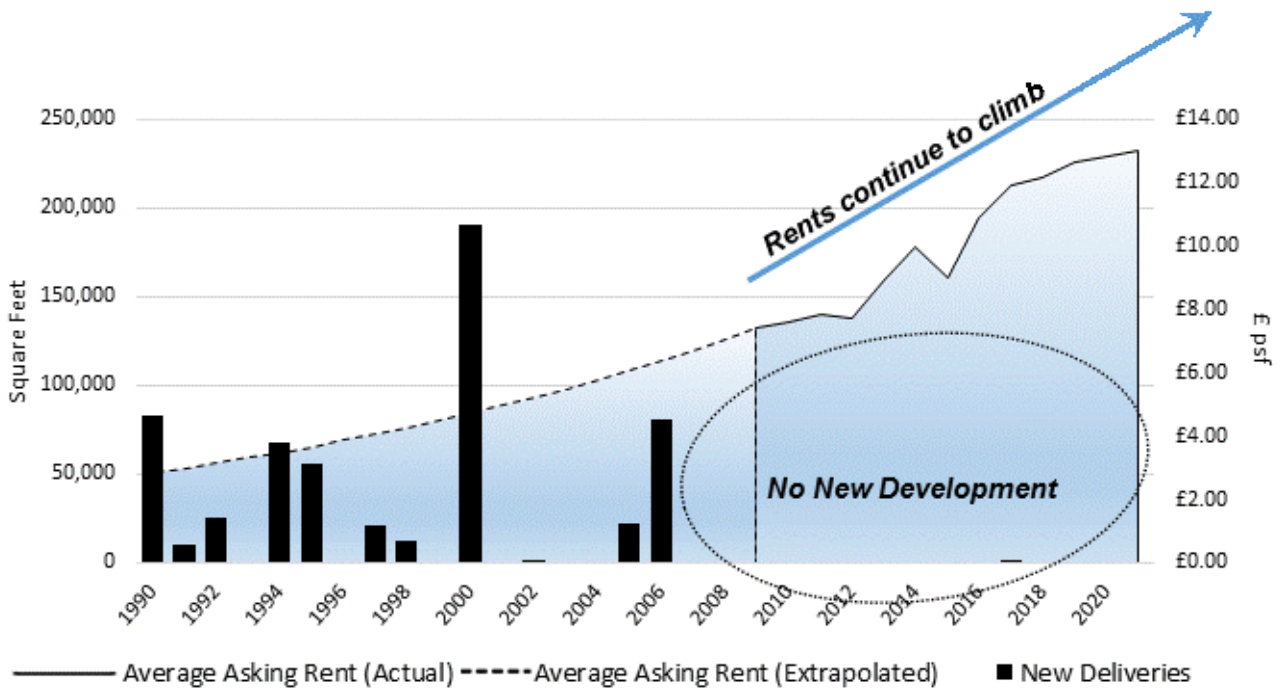
Source: Savills; CoStar (2021)

3.1.3. **Figure 3.2** shows the new industrial floorspace completed since 1990. There has been virtually no delivery of new industrial floorspace since 2006. This contributes to the increase in rents which is impacting operational costs existing occupiers in Barnet. But even more detrimental is that no new floorspace be being provided so that local occupiers can expand and grow.

¹ Land For Industry and Transport Supplementary Planning Guidance (2012), page 32



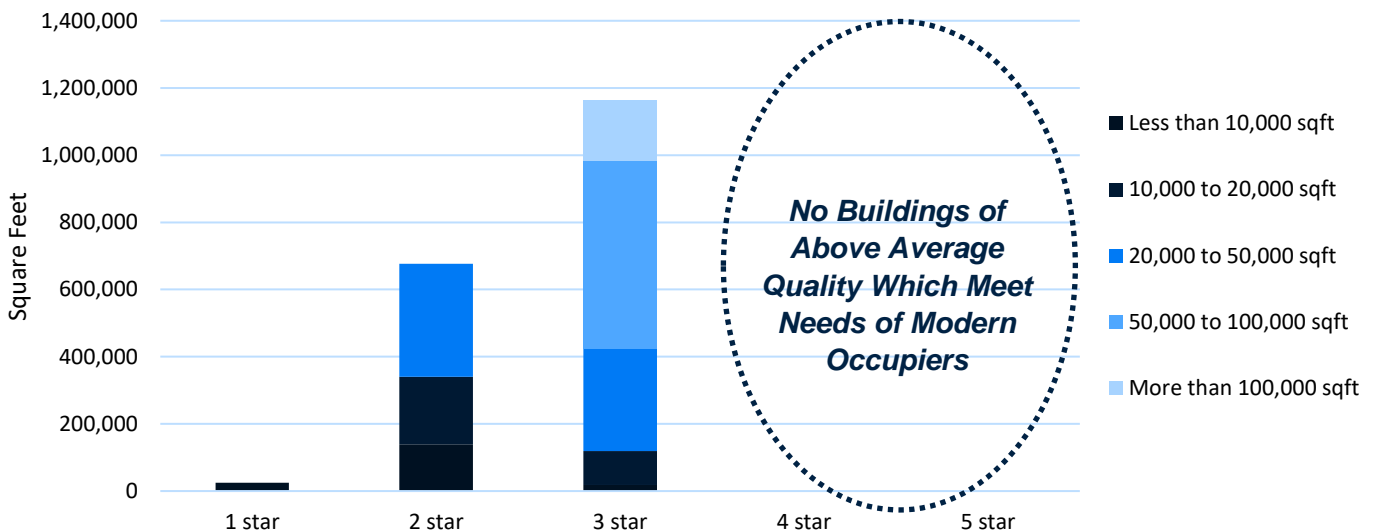
Figure 3.2 Historic Delivery and Average Asking Rents in Barnet



Source: Savills; CoStar (2021)

3.1.4. **Figure 3.3** shows the sub-par quality of Barnet’s existing stock. Much of the stock is average quality (3 stars out of 5) and the rest is below-average (1 or 2 stars out of 5). There are no buildings of a sufficient specification that satisfy the requirements of occupiers requiring modern premises. Such occupiers require flexible accommodation with sufficient head room, adequate loading areas and direct access to the strategic road network.

Figure 3.3 Quality of Existing Stock By Size Category



Source: Savills; CoStar (2021)

4. Conclusions

- 4.1.1. This representation shows that Barnet's evidence base is not in step with the current dynamics of the industrial property market. Its demand forecasts should reflect the critical role the industrial premises are playing in the economy and address the immediate acute floorspace shortage. However, they do not.
- 4.1.2. It also presents the current state of Barnet's industrial market. The vacancy rate is 1.2%, well below the rate needed to ensure efficient operation; there has been virtually no development activity in 15 years; and the existing stock does not meet the needs of modern occupational requirements.