INDUSTRY IN THE UPPER LEA VALLEY

MAYOR OF LONDON

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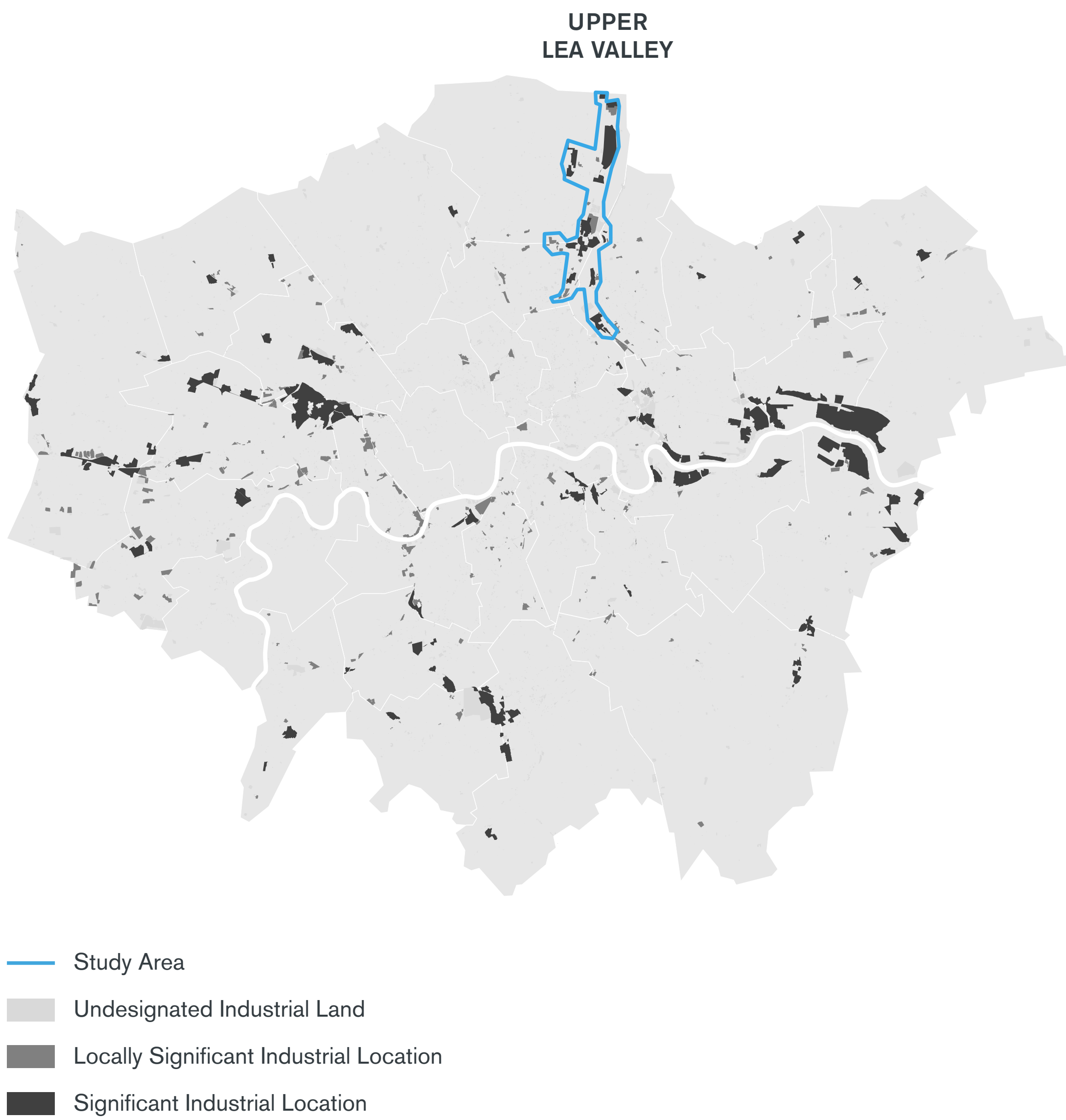
Contents



Geographic distribution of industrial areas in London.
Source: 'Industrial Land Baseline', Aecom, 2016

Introduction

This document brings together a series of industrial audits carried out in the Upper Lee Valley between 2012 and 2016. It checks the quality of data and standardises how it is treated. In doing this it provides an unparalleled insight into industry and employment in the ULV. It also enables comparisons to be made with other industrial areas across the city.

The work provide a baseline for further interrogation of the threats and opportunities that face the ULV in a time of unprecedented change - in part driven by existing regeneration work but amplified by the prospect of Crossrail2 arriving in the next decade. This interrogation will generate the insight required to develop a set of propositions for the delivery of mixed and attractive neighbourhoods in the ULV and will inform the evolution of the ULV OAPF refresh.

Industrial land is under increasing pressure across the city. Until recently there has been a sense that the decline in manufacturing output meant it was no longer required. More recently London seems to be reaching a tipping point and more care and attention is being paid to the potential for mixing industry with residential, as well as intensifying existing industrial uses. A parallel process of reassessment is underway in terms of the effectiveness of established designations and regulation such as SIL.

Values are rising across the ULV - in part due to ongoing regeneration but also as a result of Crossrail 2. However the data suggests strong locational drivers for distribution and logistics, meaning that sector is willing to pay a premium to remain within the M25 in Enfield (access to London access to major English cities). Mid 20 Century stock that used to accommodate larger scale manufacturing is now more intensively occupied by SMEs and micro businesses - increasing the job density in Tottenham Hale and parts of Blackhorse Lane. Other sectors with relatively strong representation include fashion and textile and food and drinks. (Ref East London Fashion work). Understanding the needs and potential quality of jobs in each area, and in particular sectors could generate a focused and effective strategy for the ULV which nurtures a strong local economy and great placemaking.

Methodology

Recent employment studies of industrial estates in the Upper Lea Valley have sought to reveal the diversity of businesses that operate from these areas. To date, researchers at the GLA, London Metropolitan University and Gort Scott Architects have reviewed employment activity on estates in Haringey, Enfield and Waltham Forest. The aims of this report are twofold: to consolidate this previous research, and to provide an overview of industrial employment for the whole of the Upper Lea Valley. For more detail on methodology please refer to the appendices.

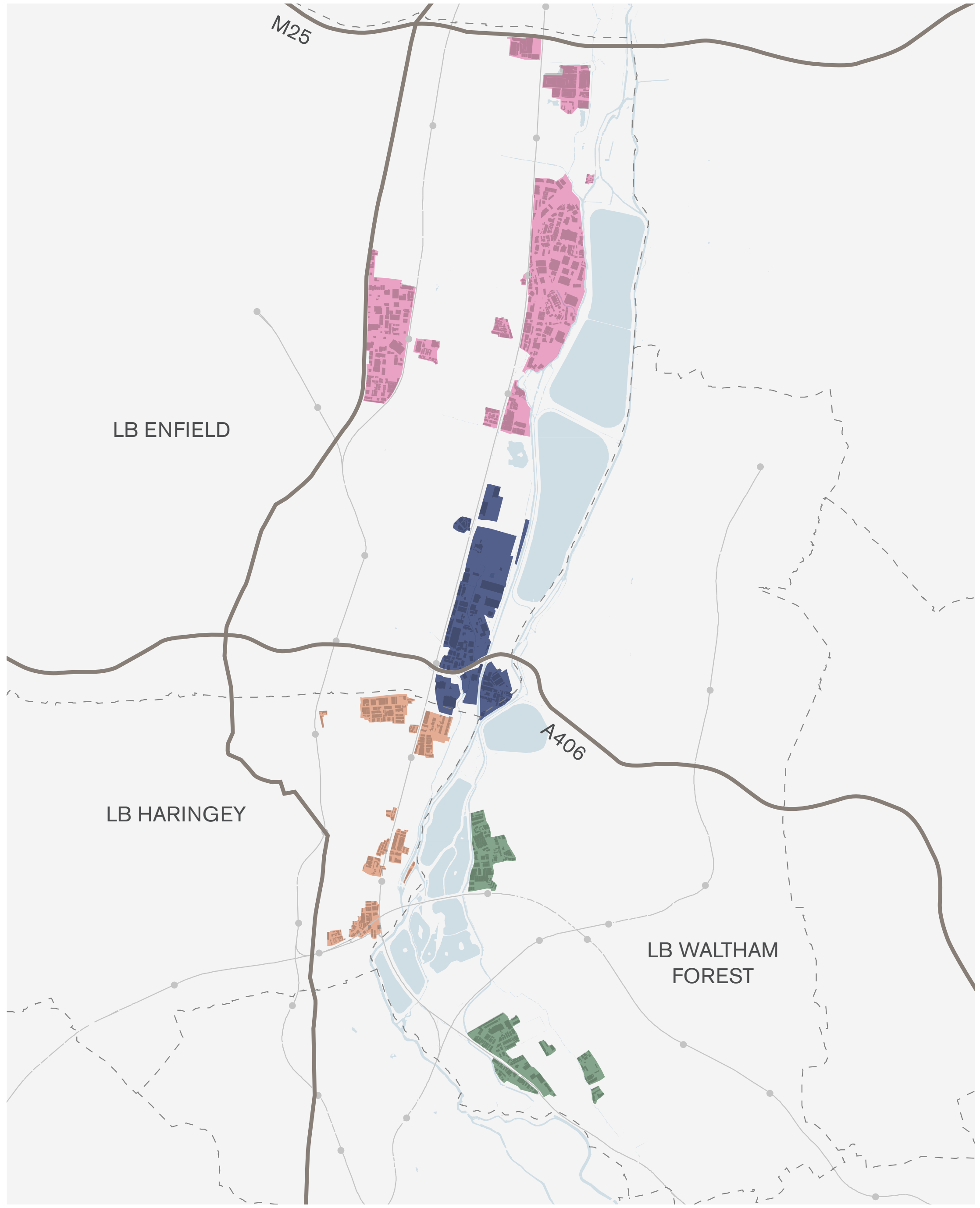
The data in this report is drawn from surveys of the following four sites:

Area **01: North East Enfield**
Surveyed by the GLA in early 2016. Researchers visited the area's industrial sites and recorded business occupancy. Coverage was comprehensive and the survey data is likely to still be accurate.

Area **02: South East Enfield**
Partially surveyed by students at London Metropolitan University in early 2015. Researchers were not able to find out business occupancies for all industrial sites. GLA surveyors returned to parts of the area in late 2016 to update the data and to visit estates that the previous survey had missed.

Area **03: Blackhorse Lane & Lea Bridge**
Surveyed by Gort Scott Architects in late 2012 and early 2013, as part of a commission by LB Waltham Forest and the GLA. While coverage was comprehensive there has likely been some churn since the survey was undertaken. Some industrial areas around Blackhorse Lane have also been de-designated, with units being demolished to make way for housing.

Area **04: Tottenham**
Surveyed by Gort Scott Architects in late 2012 and early 2013 as part of a commission by the GLA. Whilst coverage was similarly comprehensive, the age of the survey means there will have been churn since.



Study sites in ULV

- Site 01: North East Enfield Industrial Area
- Site 02: South East Enfield Industrial Area
- Site 03: Blackhorse Lane & Lea Bridge
- Site 04: Tottenham
- London borough boundaries
- Key motorways and roads
- Railway lines

N

0 1km

TOTAL: UPPER LEA VALLEY

Businesses	Jobs	Employment Space
2078 (100%)	40,200 jobs (100%) 25,000 local jobs	3,486,000m² (100%)

Employment Density	Vacancy Rate	GVA
115 employees/ha	6%	£2.15 billion

AREA 01: NORTH EAST ENFIELD

Businesses	Jobs	Employment Space
635 (31%)	16,500 jobs (42%) 11,000 local jobs	1,600,000m² (47%)

Employment Density	Vacancy Rate	GVA
103 employees/ha	8%	£862 million

AREA 02: SOUTH EAST ENFIELD

Businesses	Jobs	Employment Space
267 (12%)	8000 jobs (19%) 4,800 local jobs	1,160,000m² (32%)

Employment Density	Vacancy Rate	GVA
69 employees/ha	6%	£446 million

AREA 03: BLACKHORSE LANE & LEA BRIDGE

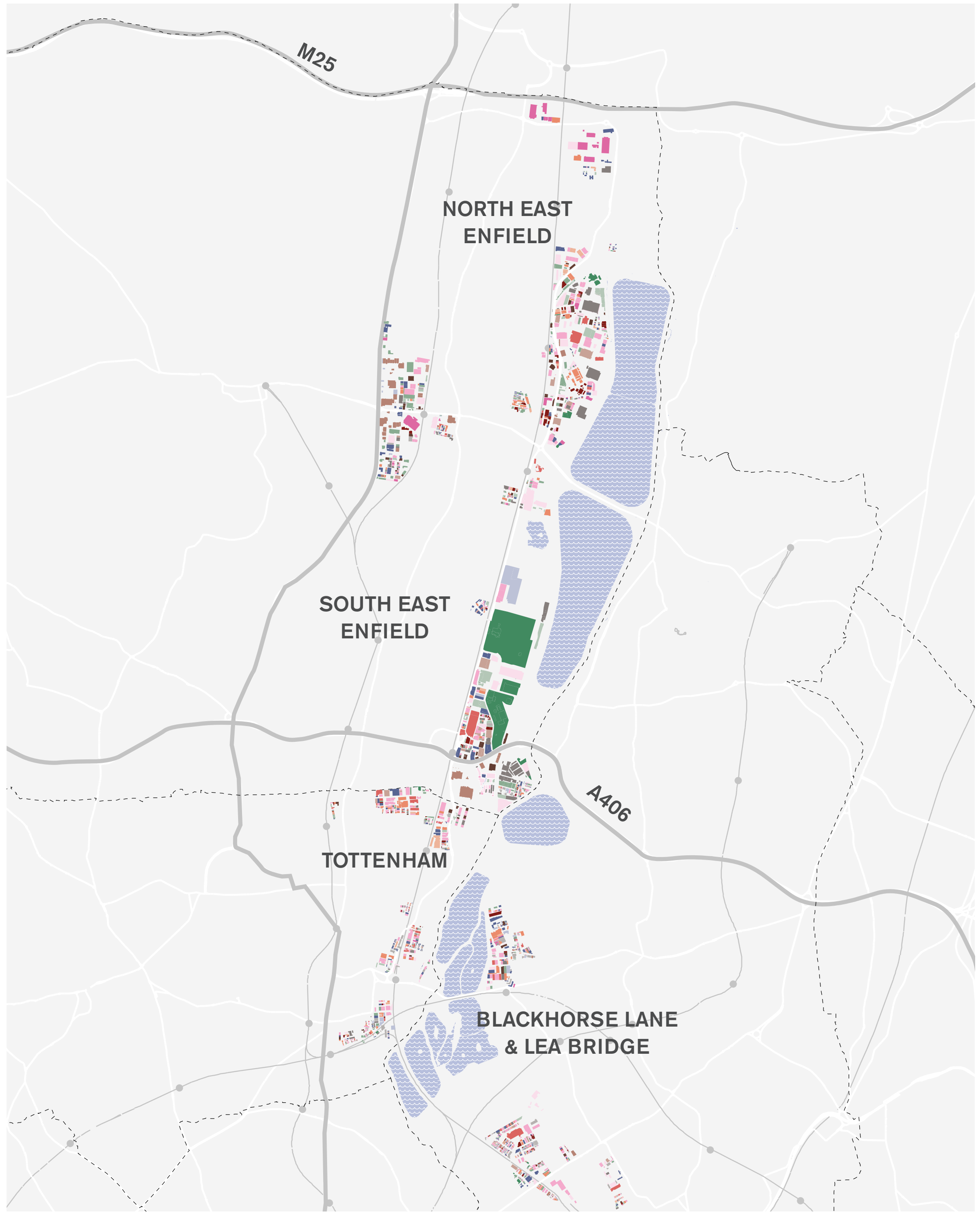
Businesses	Jobs	Employment Space
518 (25%)	6,800 jobs (17%) 3,700 local jobs	350,000m² (10%)

Employment Density	Vacancy Rate	GVA
191 employees/ha	3%	£373 million

AREA 04: TOTTENHAM

Businesses	Jobs	Employment Space
658 (32%)	8,800 jobs (22%) 5,500 local jobs	360,000m² (11%)

Employment Density	Vacancy Rate	GVA
115 employees/ha	4%	£474 million



Business Activity: Key

- Manufacture: metals and machinery
- Manufacture: food, beverages, and catering
- Manufacture: other
- Manufacture: printing
- Utilities
- Vehicle sale and repair
- Construction
- Construction-related retail, hire and wholesale
- Retail
- Wholesale
- Retail Warehousing
- Wholesale Warehousing
- Transportation and logistics
- Services
- Restaurants, leisure and faith
- Vacant
- Unknown

N

0 1km

Business Sectors in the ULV

Industrial estates in the Upper Lea Valley are home to a large variety of business types. The adjacent graphs show the full range of sectors that these businesses cover. For clarity business sectors have been grouped, with manufacturing in red, utilities, vehicle repair and construction in green, customer facing activities in brown, warehousing and distribution in pink, and service activities in blue.

In terms of business numbers warehousing and distribution activities (shades of pink) are the dominant sector (26% of businesses). This sector generates a large amount of employment, almost 13,500 jobs or 34% of employment in the ULV. However, these uses tend to be space hungry, requiring large amounts of yard space for HGV access and thereby generating lower employment densities than other sectors. This has not been fully catpured in the data as only the Brimsdown study consistently captured yard space associated with an industrial unit. For the sake of consistency, this study only includes yards of large utilities sites, or open storage sites.

The strength of the ULV's manufacturing industry is evident across the three graphs. Grouped together, the four manufacturing categories account for a high proportion of the area's businesses (20%), as well as overall employment (22%). Manufacturing tends to generate some of the densest forms of employment, as well as higher value employment (on average almost £66,000 GVA per job, compared to £57,000 GVA per job in transport and logistics).

Manufacture: metals and machinery
Manufacture: food, beverages, and catering
Manufacture: other
Manufacture: printing
Utilities
Vehicle sale and repair
Construction
Construction-related retail, hire and wholesale
Retail
Wholesale
Retail Warehousing
Wholesale Warehousing
Transportation and logistics
Services
Restaurants, leisure and faith
Vacant
Unknown

Fig 01. Distribution of total businesses by business activity

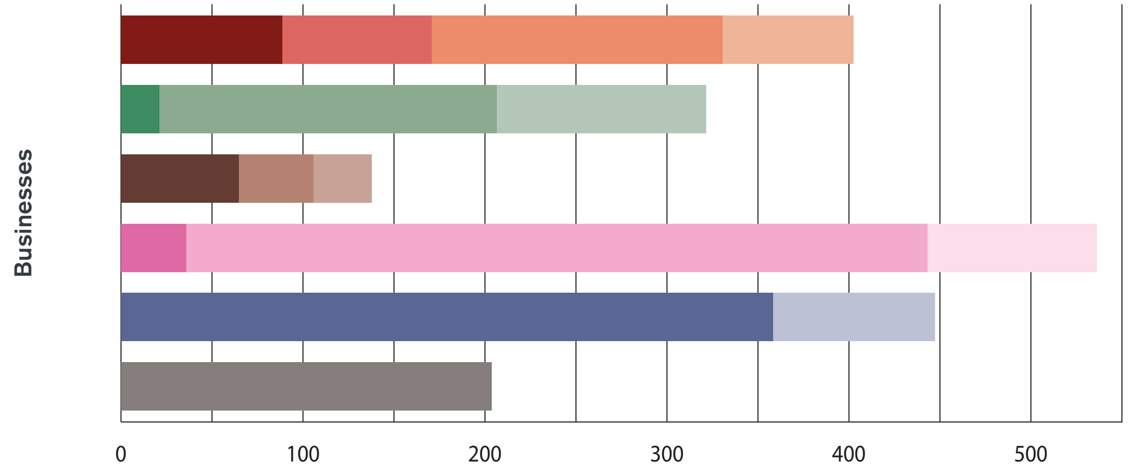


Fig 02. Distribution of total jobs by business activity

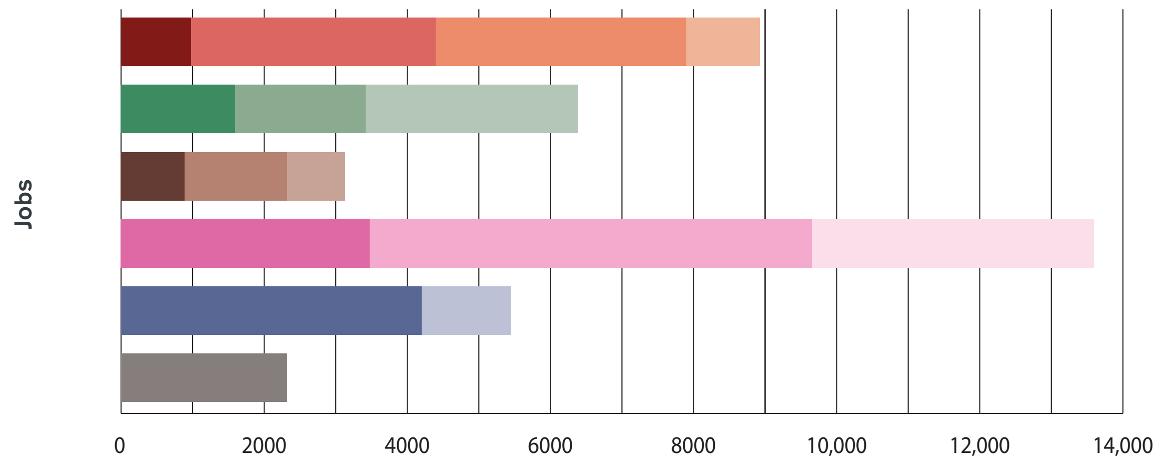
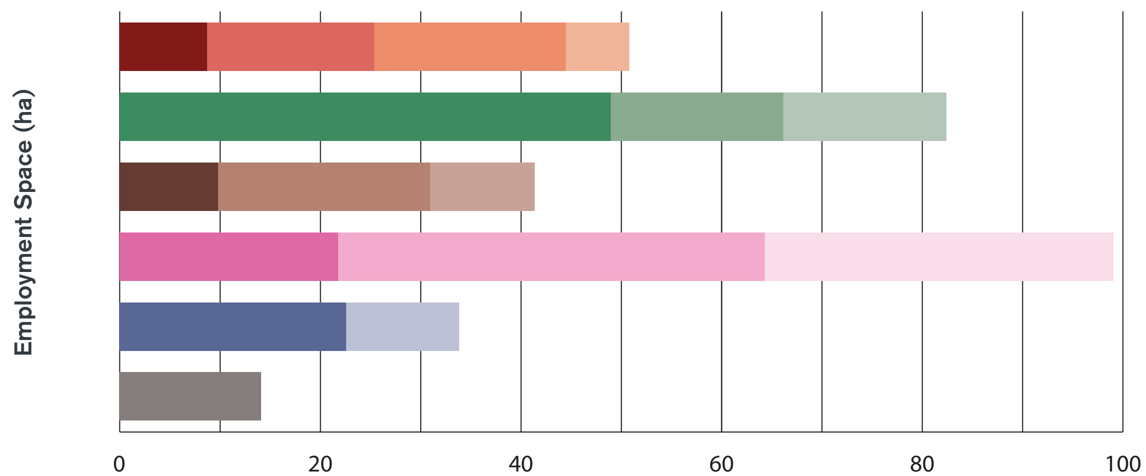
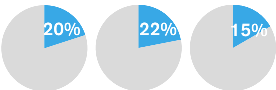


Fig 03. Distribution of total employment space (ha) by business activity



Sector Studies

Manufacturing



Total businesses in the ULV
20%

Total jobs in the ULV
22%

Total employment space in the ULV
15%

Businesses
403

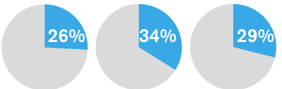
Jobs
8900

Local Jobs
5700

Employment Space
508,000m^2

GVA
£586,278,000

Logistics and warehousing



Total businesses in the ULV
26%

Total jobs in the ULV
34%

Total employment space in the ULV
29%

Businesses
537

Jobs
13,600

Local Jobs
8400

Employment Space
991,000m^2

GVA
£706,378,000

Sector Studies

Food and drink

12% 17% 11%

Total businesses in the ULV
12%

Total jobs in the ULV
17%

Total employment space in the ULV
11%

Businesses
255

Jobs
6600

Local Jobs
4200

Employment Space
390,000m²

GVA
£408,752,000

London Industrial Area Comparisons

In many respects, the Upper Lea Valley's industrial estates function in a similar fashion to industrial estates in other parts of London. Industrial sites in Park Royal and on the Old Kent Road, like those in the ULV, are composed of a large range of businesses, and they occupy large areas of land.

By most measures, the ULV is the largest of the three industrial areas. It has the greatest number of businesses (2052), the most jobs (40,000), and largest amount of employment space (3,200,000m²). However, in comparison to inner-London industrial areas such as the Old Kent Road, the ULV has lower employment densities. Lower densities in the ULV are for the most part driven by space hungry utilities uses, but also larger, new build stock in Brimsdown (for more detail see section on building types).

- Manufacture: metals and machinery
- Manufacture: food, beverages, and catering
- Manufacture: other
- Manufacture: printing
- Utilities
- Vehicle sale and repair
- Construction
- Construction-related retail, hire and wholesale
- Retail
- Wholesale
- Retail Warehousing
- Wholesale Warehousing
- Transportation and logistics
- Services
- Restaurants, leisure and faith
- Vacant
- Unknown

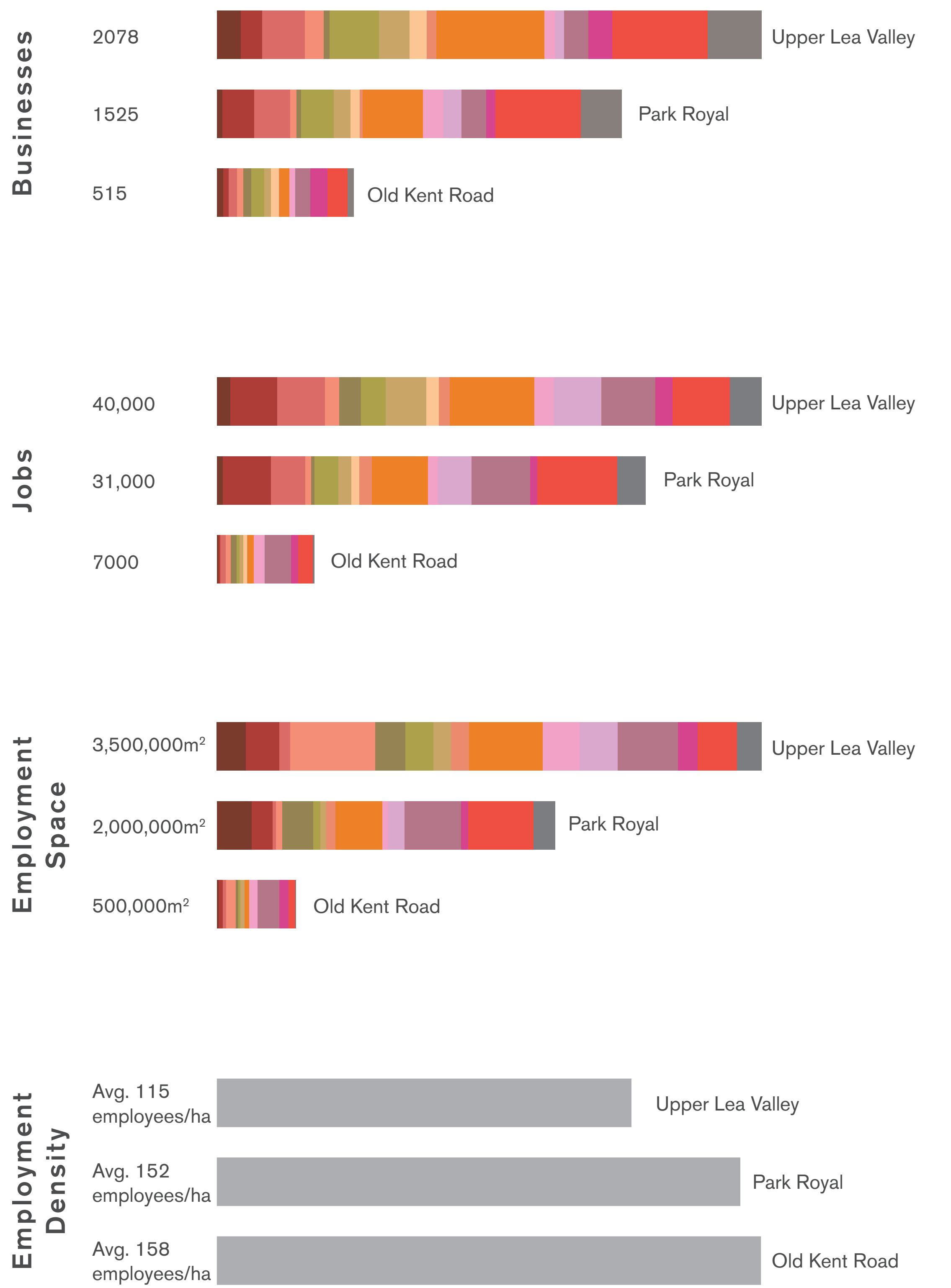
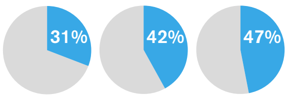


Fig 04. Composition of businesses, jobs, floorspace and employment density of the Upper Lea Valley, Park Royal and Old Kent Road

Area 01: North East Enfield



Total businesses in the ULV
31%

Total jobs in the ULV
42%

Total employment space in the ULV
47%

Businesses
635

Jobs
16,500

Local Jobs
11,000

Employment Space
1,600,000m^2

Employment Density
103 empolyees/ha

Vacancy Rate
8%

GVA
£862 million

Survey Date
2016 (GLA)

The North East Enfield Industrial Area is the northern most study site in this survey, and includes Brimsdown, Freezywater, Innova Park and Southbury. By area, it is the largest of the four sites, containing 47% of employment space, and 42% of jobs in the ULV.

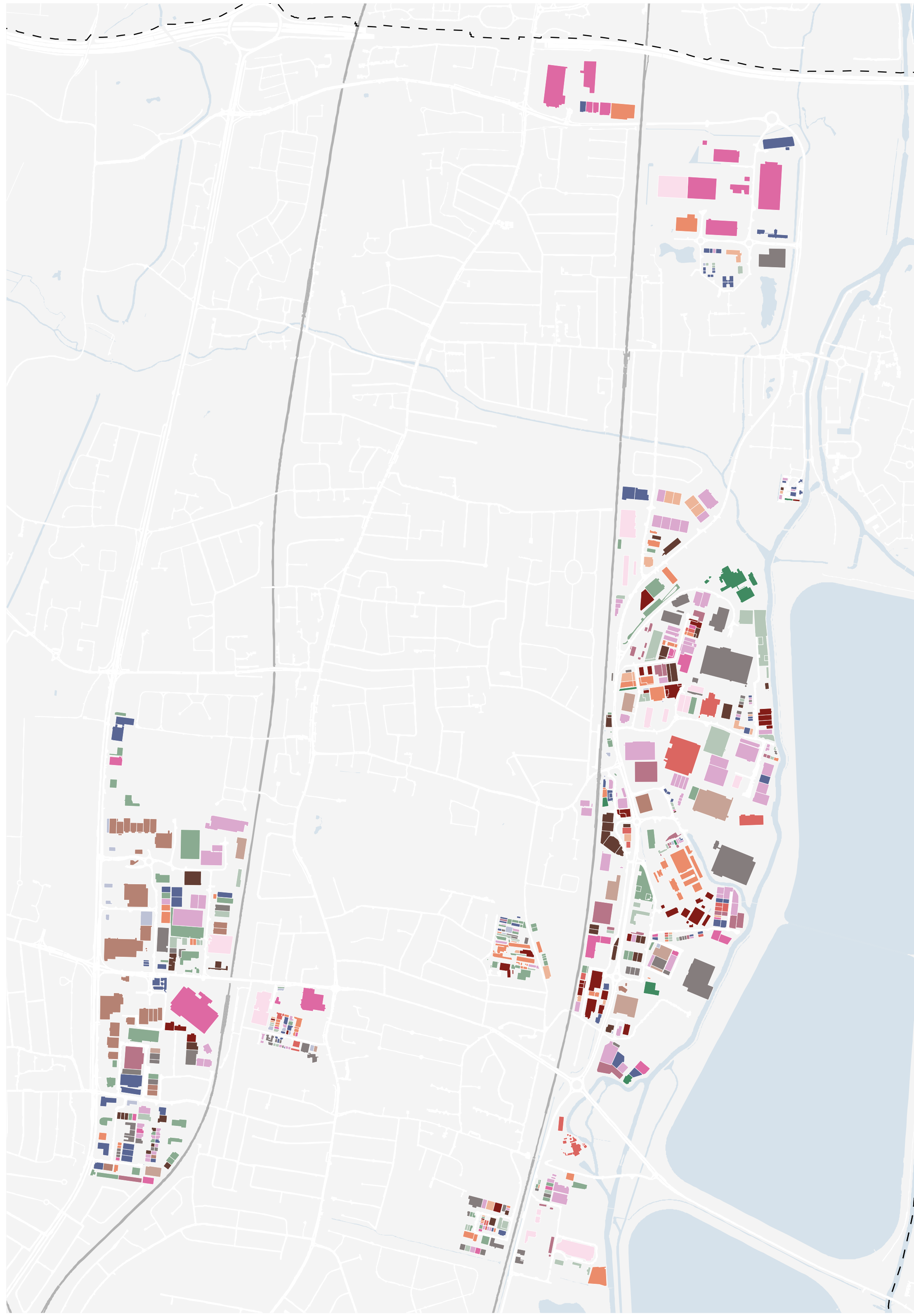
The area, particularly Brimsdown and Freezywater, benfits from good road access to the M25 and radial routes into London. As a result, warehousing and logistics have a strong presence in the area, with national retailers including Tesco, John Lewis and Iceland, as well as specialist courier firms such as Hermes and DHL, chosing to locate in the. Nearly 8000 people work in warehousing and logistics, almost 50% of employment in Brimsdown.

The predominance of large logistics and distribution type uses is reflected in the building stock, which tends to be larger and newer than the rest of the ULV. 36% of employment space in NE Enfield was built in the past 10 years. The predominance of this larger, newer stock is also reflected in a relatively low employment density, only 103 employees/ha.

However, there is also some older industrial stock which houses a typical mix of small manufacturers, vehicle related activity and other services, much of it serving a more local market. Vacancy rates in these smaller units are low, with the area's relatively higher vacancy rates being driven up by larger, newly built units.

Exterior of the Tesco warehouse at Freezywater

Area 01: North East Enfield



Business activity on industrial sites in North East Enfield

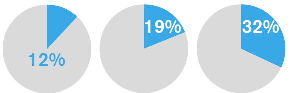
Business Activity

- Manufacture: metals and machinery
- Manufacture: food, beverages, and catering
- Manufacture: other
- Manufacture: printing
- Utilities
- Vehicle sale and repair
- Construction
- Construction-related retail, hire and wholesale
- Retail
- Wholesale
- Retail Warehousing
- Wholesale Warehousing
- Transportation and logistics
- Services
- Restaurants, leisure and faith
- Vacant
- Unknown

N

0 1km

Area 02: South East Enfield



Total businesses in the ULV
12%

Total jobs in the ULV
19%

Total employment space in the ULV
32%

Businesses
267

Jobs
8000

Local Jobs
4,800

Employment Space
1,160,000m^2

Employment Density
69 empolyees/ha

Vacancy Rate
6%

GVA
£446 million

Survey Date
2015 (London Metropolitan University); 2016 (GLA)

The South East Enfield Industrial Area straddles the North Circular and lies to the east of Lea Valley Railway Line. Although it is the second largest site in this study in terms of floorspace, it is home to the fewest businesses (267), with large areas occupied by single occupier sites such as the Eco-Park waste management site and Coca-Cola. It should be noted that the former skews the employment density figures, with smaller sites achieving comparable employment density to other areas in the ULV.

Alongside the larger sites, there is a substantial amount of older, smaller industrial stock, with relatively little new stock. This older stock is home to some manufacturing, as well as a proportionately higher number of warehousing and customer facing wholesale uses and businesses servicing the construction trade. Food related wholesale is particularly common in areas such as the Eley Industrial Estate, and tends to serve customers from the local area.

Demand for space is high, with the site benefiting from good road access. This is relfected in the vacancy rates which are extremely low. Much of the vacant space around Stonehill are in fact sites awaiting redevelopment for housing, and are therefore unlikely to be re-occupied as industrial uses in the short term.

View towards former BOC warehouses, soon to be occupied by the makerspace Building Bloqs

Area 02: South East Enfield

Business Activity

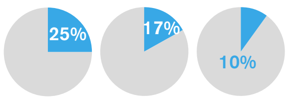
- Manufacture: metals and machinery
- Manufacture: food, beverages, and catering
- Manufacture: other
- Manufacture: printing
- Utilities
- Vehicle sale and repair
- Construction
- Construction-related retail, hire and wholesale
- Retail
- Wholesale
- Retail Warehousing
- Wholesale Warehousing
- Transportation and logistics
- Services
- Restaurants, leisure and faith
- Vacant
- Unknown

N

0 1km

Business activity on industrial sites in South East Enfield

Area 03:
Blackhorse Lane & Lea Bridge



Total businesses in the ULV
25%

Total jobs in the ULV
17%

Total employment space in the ULV
10%

Businesses
518

Jobs
6,800

Local Jobs
3,700

Employment Space
280,000m^2

Employment Density
191 employees/ha

Vacancy Rate
3%

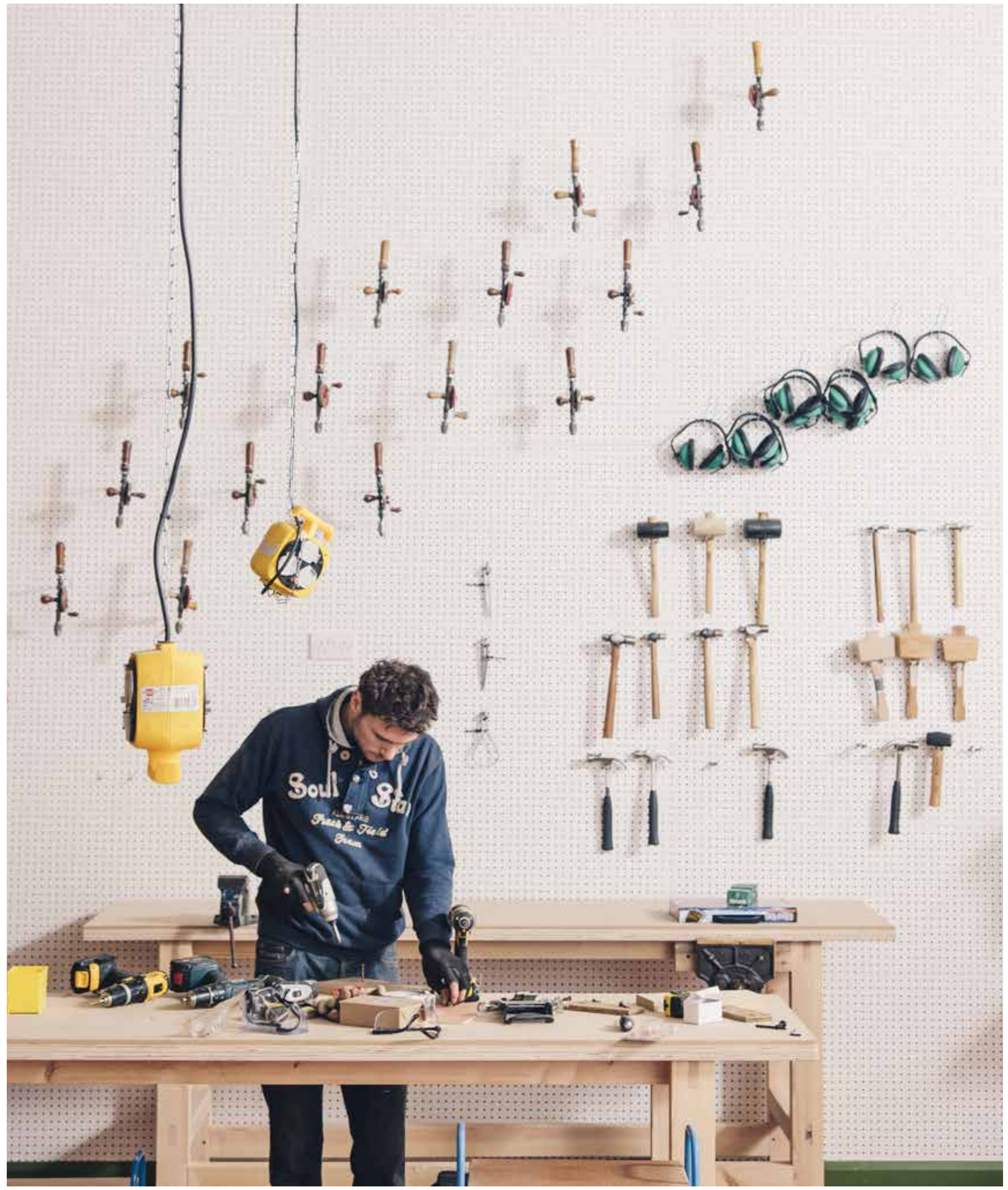
GVA
£373 million

Survey Date
2012-13 (Gort Scott)

While Blackhorse Lane and Lea Bridge may be the smallest industrial sites within the ULV - just 10% of total employment space - both sites contain an astonishing density of activity. Compared to the relative isolation of Brimsdown and South East Enfield, these areas have a more cheak-by-jowel existence with surrounding residential area. Industrial stock tends to be older and smaller, with the average unit a quarter of the size of those found in Brimsdown. Only 3% of floorpsace comes from stock built in the past 10 years.

The smaller scale of industrial stock provides a home to a large number of SMEs, including a high proportion of manufacturing. Almost 35% of employees in Blackhorse and Lea Bridge work in some form of manufacturing. This includes a more recent wave of artists, makers and other creative practitioners - such as Blackhorse Workshop, a shared access maker space open to all - as well as more conventional manufacturing businesses that tend to be central London serving.

Demand for space is extremely high with vacancy rates as low as 3%. This is well below recommended frictional rates that allow for a healthy churn of businesses.



Blackhorse Workshop is a shared access workshop operating on a membership basis (Photo: Ben

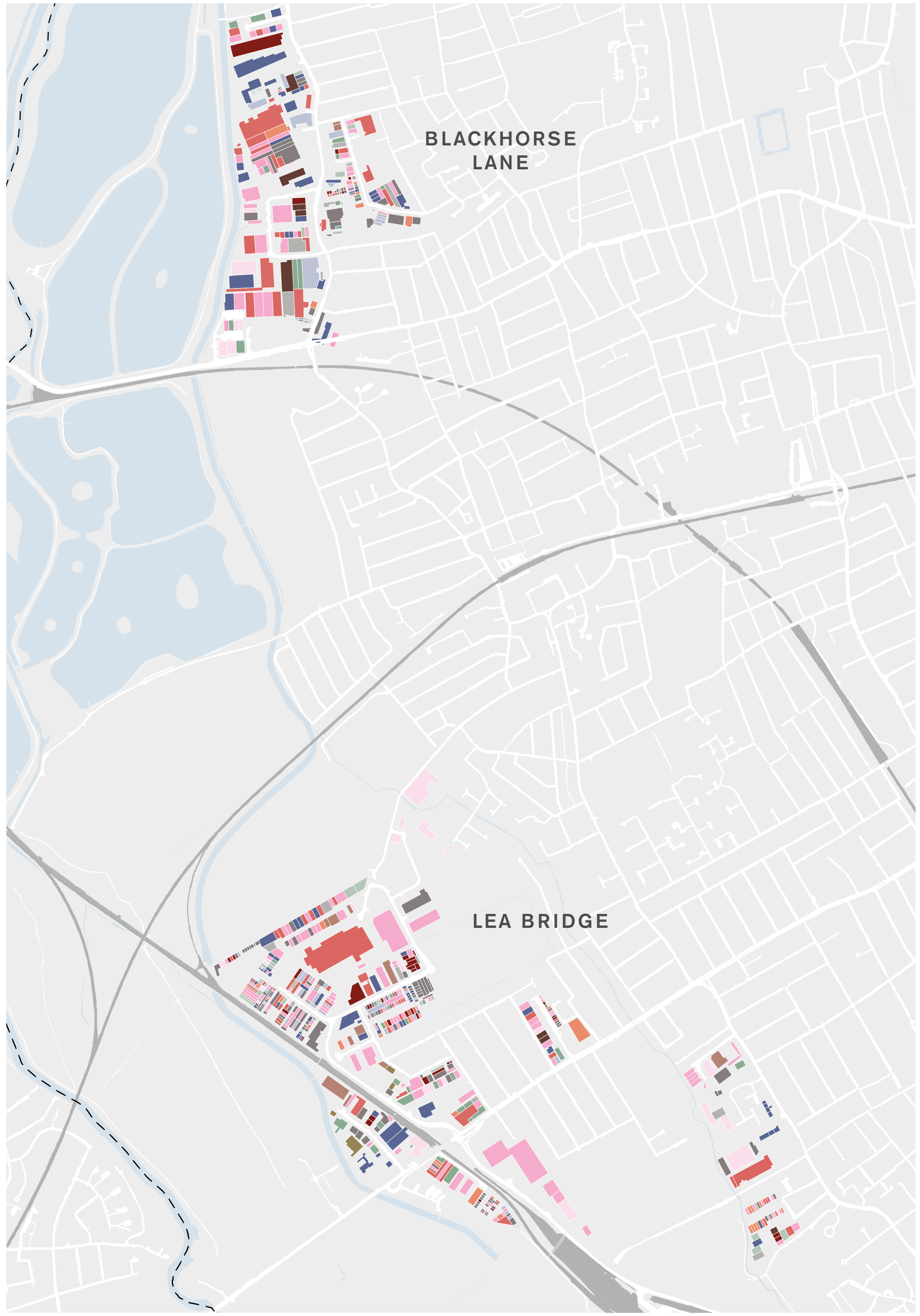
Area 03: Blackhorse Lane & Lea Bridge

Business Activity

- Manufacture: metals and machinery
- Manufacture: food, beverages, and catering
- Manufacture: other
- Manufacture: printing
- Utilities
- Vehicle sale and repair
- Construction
- Construction-related retail, hire and wholesale
- Retail
- Wholesale
- Retail Warehousing
- Wholesale Warehousing
- Transportation and logistics
- Services
- Restaurants, leisure and faith
- Vacant
- Unknown

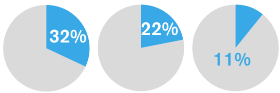
N

0 — 1km



Business activity on the Blackhorse Lane & Lea Bridge industrial sites

Area 04: Tottenham



Total businesses in the ULV
32%

Total jobs in the ULV
22%

Total employment space in the ULV
11%

Businesses
658

Jobs
8800

Local Jobs
5500

Employment Space
360,000m^2

Employment Density
242 empolyees/ha

Vacancy Rate
4%

GVA
£474 million

Survey Date
2012-13 (Gort Scott)

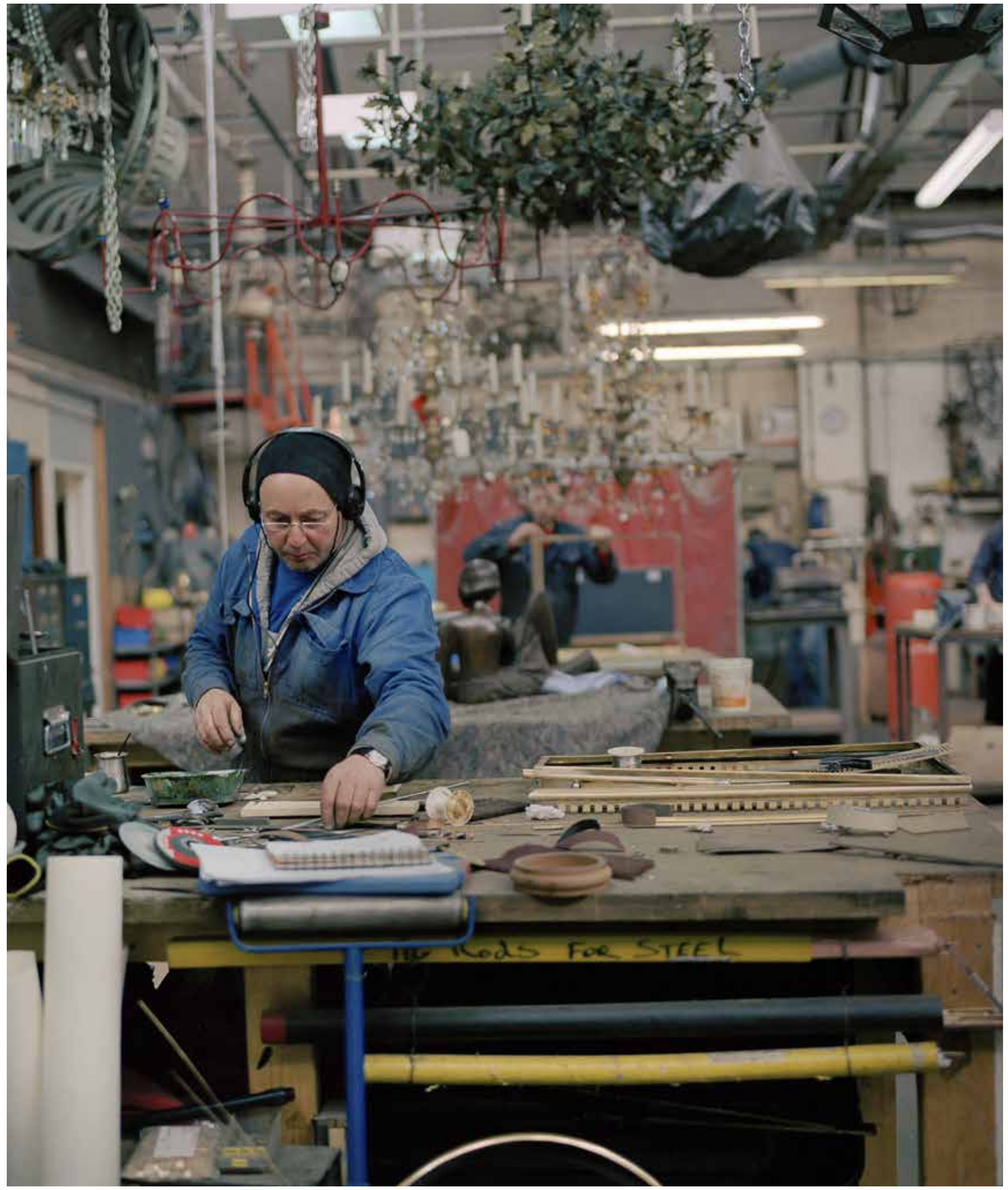
Tottenham's industrial areas are made up of a series of industrial estates at Northumberland Park, Tottenham Hale and Seven Sisters.

By employment area, Tottenham, is the second smallest area in the ULV. However, as with Blackhorse Lane and Lea Bridge there is a density of activity that is unmatched in the ULV. Industrial stock tends to be older (95% of stock is more than 20 years old), and smaller (the average unit size is just 426 sqm). As with Blackhorse Lane demand for smaller industrial space is high, with only 4% vacancy rate.

22% of employment is based in manufacturing, again much of this being small scale and central London serving. A further 16% of jobs are in wholesale warehousing, and a proportionately large number of jobs come from construction (11%).

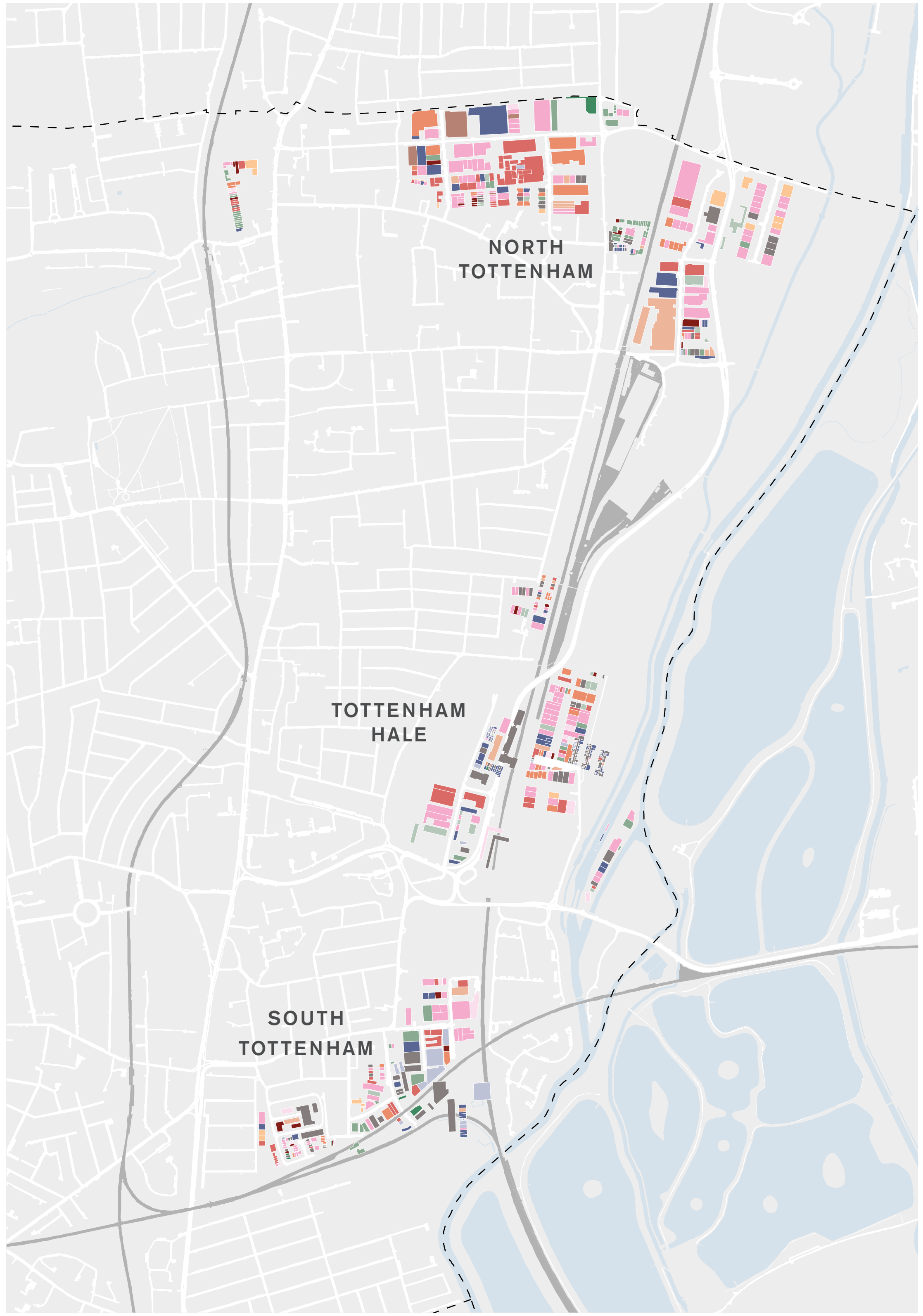
It is worth noting that 19% of businesses in Tottenham are classified as unknown. This is where researchers were unable to determine the primary activity of the business.

Finally, the data for this study was gathered in late 2012 - early 2013, and there is likely to have been some churn in the area with new sectors emerging in the past 3-4 years.



Cox Workshop produce bespoke lighting and furniture pieces from their unit in the Millmead

Site 04: Tottenham



Business activity on industrial sites in Tottenham

Business Activity: Key

- Manufacture: metals and machinery
- Manufacture: food, beverages, and catering
- Manufacture: other
- Manufacture: printing
- Utilities
- Vehicle sale and repair
- Construction
- Construction-related retail, hire and wholesale
- Retail
- Wholesale
- Retail Warehousing
- Wholesale Warehousing
- Transportation and logistics
- Services
- Restaurants, leisure and faith
- Vacant
- Unknown

N

0 1km

Building Types

The map opposite highlights a clear distinction between the north and south ULV, with older indsutrial stock (light blue) at the southern end of the ULV, and more recently built stock (dark blue) to the North. This pattern of investment is also reflected in the size of stock . Industrial stock in Brimsdown is on average 4 times larger than its counterparts in Tottenham and Waltham Forest (1700sqm to 430sqm). Average units sizes for South East Enfield are distorted by the inclusion of large yard spaces associated with the waste-management and sewage works sites.

Older, smaller stock tends to provide greater employment density. While buildings built before 1995 make up 29% of total employment floorspace, they also house 41% of all jobs in the ULV. By contrast stock built after 2005 takes up 20% of all employment floorspace and houses 24% of jobs. It should also be noted that this study only counted standalone yard space, such as open storage sites, or those associated with large utilities sites. More recently built stock tend to have a higher proportion of yard space, and it is therefore likely that employment densities in post-2005 would be considerably lower.

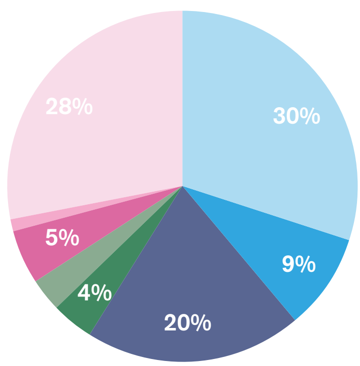
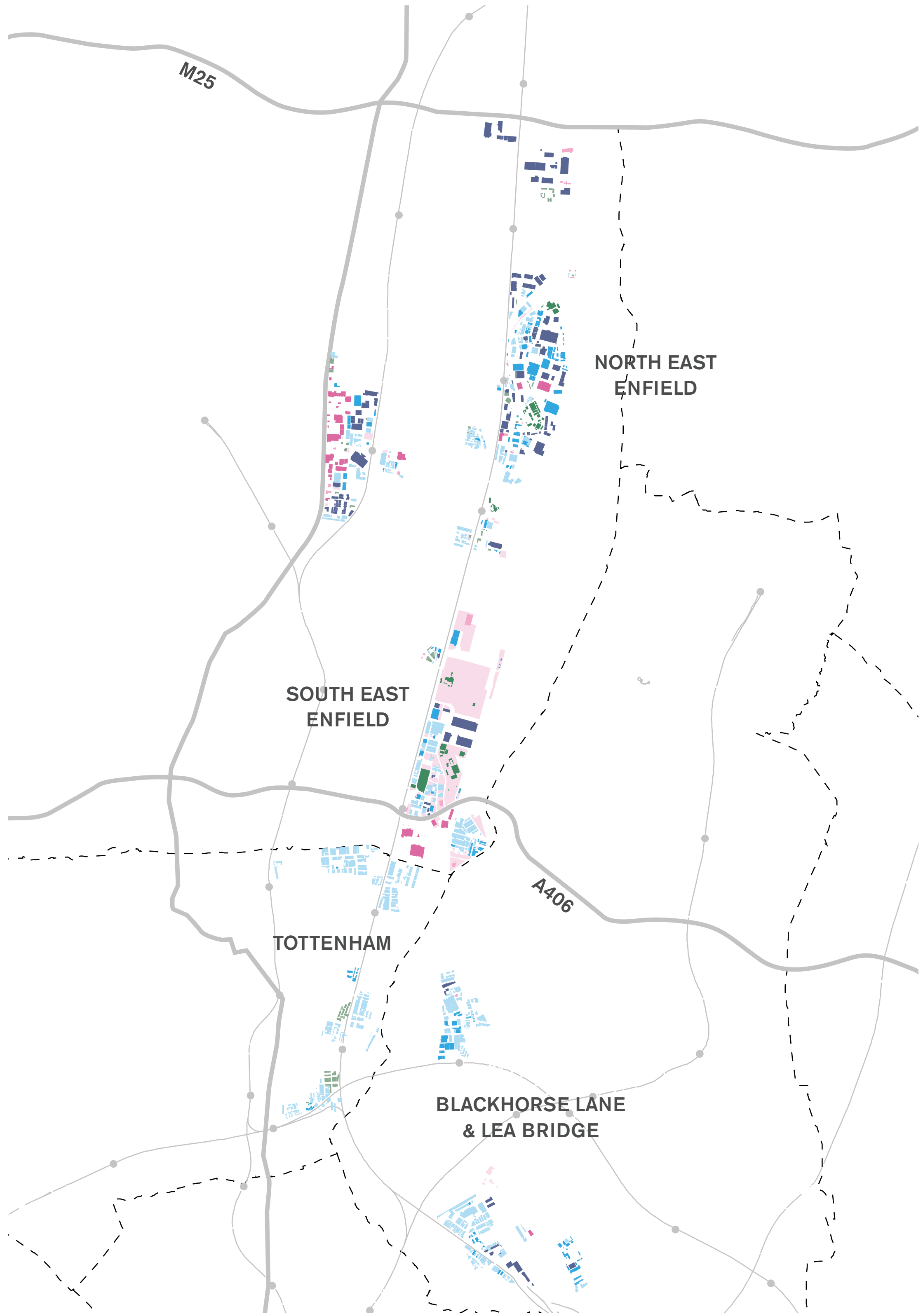


Fig 05. Distribution of total floorspace by building type

Building Types: Key

- Industrial building (1945-1995)
- Industrial building (1995-2005)
- Industrial building (post 2005)
- Bespoke industrial or utilities premises
- Office space
- Retail development
- Other
- Yard space



Distribution of industrial building stock across the ULV

Hitch Mylus make bespoke furniture for the likes of Google and Eurostar. Production is based in a a modest unit in the Alma Road industrial area, North East Enfield

Conclusion

Both the boroughs and GLA have a shared aspiration to ensure good growth in the ULV which supports thriving local economies, creates opportunities for local people, and delivers much needed housing.

Until recently there has been a sense that the decline in manufacturing output meant industrial land was no longer required. More recently increasing care and attention is being paid to the impact of continued loss of employment land and the potential for intensifying and combining some industry and housing. The combination of population growth and limited housing supply across London, change already underway and the legacy of industrial land release in the ULV, and the potential arrival of Crossrail 2, mean business as usual models cannot deliver the good growth that underpins a thriving local economy.

This work reveals that significant role of the areas surveyed in terms of GVA (£2.15bn) Enterprise (2051 businesses) and jobs (almost 40,000 people including 25,000 local people). All of this is accommodated within a fixed area of 340 Ha employment land which is in high demand. We know it's in high demand because this baseline report identifies that across the valley there is an average of 6% vacancy rate, while in Tottenham Hale, Blackhorse Lane & Lea Bridge levels are at 4% and 3% respectively. This means that across the ULV industrial land is close to or below the 4-5% frictional level set out in the London Plan – meaning the economy cannot function at its most effective.

We also know from this work, that certain sectors are concentrated in the ULV, and we have begun to identify sectors which have the potential to intensify and grow – creating good quality jobs in the process. 'Manufacturing' as a designation generates better quality jobs (on average almost £66,000 GVA per job, compared to £57,000 GVA per job in transport and logistics) and provides almost 10,000 jobs in the ULV. It also includes a thriving food and beverage sector - which could possibly become s focus for growth. Anecdotal evidence suggests that building on existing relatively low value elements of the fashion industry supply chain might represent another opportunity. It is this part of the story that we now need to focus our attention on.

Conclusion (contin.)

As a result of this work and ongoing discussions with borough leadership in the ULV it was agreed to develop strategic understanding of the economy to inform ULV OAPF refresh, to explore models for delivering good growth, and to identify areas for coordination across borough boundaries.

A working group including GLA Planning and the boroughs most affected by the anticipated change in the ULV has been established to develop the evidence base for the OAPF. Consultants will be commissioned to interrogate this study and other data to develop a better understanding of sectoral trends and needs, as well as the current stock and locational advantages. This will generate the insights required to develop a set of propositions for the delivery of good growth in the ULV informing the evolution of the ULV OAPF refresh. It will also help to strategically align borough strategies for intensifying and mixing.

Appendix - research methodology

The data presented in this document has been drawn together from four previous studies.

- North East Enfield (GLA, We Made That, 2016)
- South East Enfield (London Metropolitan University, 2015. Followed by GLA, 2016)
- Blackhorse Lane & Lea Bridge (Gort Scott Architects, LB Waltham Forest and GLA, 2013)
- From Around Here: Tottenham Employment Study (Gort Scott Architects, UCL, GLA, 2012)

Studies in North East Enfield, Blackhorse Lane & Leabridge, and Tottenham were comprehensive. Data for South East Enfield was less comprehensive, and required selective further survey work by the GLA to fill particular geographic gaps. It is worth noting that all these surveys are necessariyl snap shots. Since undertaking the surveys, particuarly those in Tottenham and LB Walthm Forest, there will likely have been some churn in businesses. However, the surveys do capture the range of businesses that occupy industrial estates. While individual businesses may have moved or gone out of business, it is likely that the range and distribution of sectors identified by this study are still correct.

While data from these studies was presented and categorised differently, the underlying methodologies for all 4 studies remained consistent. Research was always on the ground, with businesses uses mapped and interviews conducted with between 10-15% of businesses in that area. As a result it was possible to pull together data from all four studies and make it consistent with the most recent study (North East Enfield). All uses were applied a Standard Industrial Category, which was then used to generate the categories used in the study.

Where exact employment numbers were not known for a business, an average employment density was used to approximate the number of jobs on site. These densities were worked out for each of the use categories within this study to allow for finer grain distinction between different types of uses.

It should be noted that all floorspace figures in this study do not include external yard space unless used as part of a large utilities site (such as those found in South East Enfield) or operating as a standalone yard space (e.g. open storage site). While external yard space had been counted as part of the Nort East Enfield study, the other studies had not registered these spaces. Due to constraints of time it has not been possible to map all yard spaces. This has an impact on density calculations, and while all density comparisons within this study have been made consistently, these figures will not be strictly comparable with London wide figures without further work being undertaken to determine total yard space occupied in the ULV.

GVA calculations were made using figures from GLA Economics Working Paper 63: Gross Value Added per Workforce Job in London and the UK. These GVA figures were applied to the SIC categorised data entries.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