



North London Property News

Issue 2 February 2010

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Brent Cross Cricklewood will put North West London firmly on the map

At the end of 2009 after many years of hard work and meticulous planning, the £4.5bn Brent Cross Cricklewood regeneration passed a major milestone when Barnet Council Planning Committee resolved to grant outline consent for the scheme to create a new Town Centre in North West London.

Subject to a green light from the Mayor of London and from Government, the decision will pave the way for the Brent Cross Cricklewood Partners – a consortium comprised of Hammerson plc, Brookfield Europe and Standard Life Investments – to press ahead with the detailed planning for 1.4m sq m of mixed-used development. State-of-the-art design standards will be strictly adhered to in the delivery of modern new buildings and generous public spaces.

Brent Cross Shopping Centre will remain the main focus for retail activity but will be transformed into an outward facing vibrant shopping and leisure district, surrounded by external streets and squares. This important local landmark will be expanded to ensure that it continues to attract visitors from across the capital. A net additional 55,000 sq m of new comparison retail will be developed alongside new cafes, restaurants and leisure facilities including a multi-screen cinema.

Brent Cross Cricklewood will bring new jobs, prosperity and vitality to an area of untapped potential. Local people will be well placed to compete for the 27,000 new jobs which will benefit the local economy and the wider capital. The recession has proved that London should not just rely on one sector or just the central zone. It is anticipated that about 1,400 construction jobs will be created in building the scheme itself. A further 4,300 jobs will be in retail, 1,750 jobs in the hotel sector and more than 1,000 jobs in the community and industrial sectors respectively.

A new commercial district incorporating approximately 370,000 sq m of office space will create a new economic powerhouse for this part of London. This will take full advantage of the scheme's location which makes it a natural 'gateway' to the capital with excellent connections to Central

London, the Midlands, the North and Europe.

The local transport network will benefit from around half a billion pounds investment. New roads, bridges and increased capacity at key junctions will better link the strategic road network including the A406 North Circular Road, and the M1. The public transport provision will be boosted by a major new train station – it is rare indeed that London gets a new station – capable of servicing 46,000 passengers per day, as well as a new larger bus station at Brent Cross.

The environmental plans will create green energy to provide electrical power, district cooling and heating. The Partners are aiming to reduce carbon emissions by 60% below the level allowed by current building regulations

In total, the Partners will be investing just under £1bn on community and transport infrastructure - the largest ever contribution in the area's history. The resulting modern, sustainable town centre will be a place that Barnet can be proud of – and North London will massively benefit from.

For more information, please see www.brentcrosscricklewood.com



New High Street and public square outside Brent Cross Shopping Centre



Brent Cross Cricklewood at night

SPONSOR ARTICLE Bouygues Development - the First Thing We Develop is Trust

Bouygues Development is an experienced developer which operates in a number of market sectors in the UK including housing, commercial office space, mixed use developments and major regeneration schemes. Bouygues Development is part of Bouygues Construction – a world-leading construction and services group. Generating value through creativity and delivery, we enable environments and communities to thrive. We seek to work with partners in a way that differentiates ourselves, providing a comprehensive development package, with innovative and highly-experienced staff. The interests of our clients are at the heart of our approach and by ensuring we understand our clients' objectives we build trust, confidence and long-term partnerships.

AN INTEGRATED MODEL

The Bouygues business model, coupled with our in-house capabilities and commercial networks, allows us to integrate a diverse range of integral components. So however complex your development schemes are, we can devise and deliver the best solutions and, where necessary, provide full long-term management of the facilities. Our in-house capabilities not only assist us in handling risk management, preparing legal, financial and technical documentation, but also allow us to provide cost certainty and guaranteed maximum prices with the strong covenant of the Company's underwriting. Such comprehensive capabilities enable us to provide innovative solutions in a dynamic market.

PARTNERSHIP APPROACH

As part of a large group, we bring the certainty and delivery required to build trust and provide confidence, using our collective skills and expertise to deliver agreed outcomes. The communities in which we work are also our partners and we engage with them at an early stage to ensure their full participation. We are dedicated to providing sustainable solutions that will become focal points for the local community.

We believe that through a partnership approach, our combined strengths can deliver remarkable results. With partnering experience in both the public and private sectors, we have the capacity to create successful partnerships in each.

For more information, please see www.bouygues-uk.com



Market Conditions in North London: Spotlight on Office Space

This article presents findings on office availability and demand in North London, based on North London Business internal data. We estimate a total of 1.4m sq ft vacant office floorspace across North London (boroughs of Barnet, Enfield, Haringey & Waltham Forest), constituting up to 370 units counting parts of buildings that can be taken separately. In fig 1, maximum space available represents the total space offered. This has been supplemented in some of the size bands to ensure suites offered within a larger building are reflected also within the smaller size brackets.

Fig 2 shows most freehold office currently available is in Barnet, with over 40 freehold properties offered above 500 sq ft. In terms of total floorspace this is accentuated with many premises available in the larger size bands. Enfield has roughly half this number available. Haringey & Waltham Forest together have just a handful of freehold offices, mainly above 2,000 sq ft. There are virtually no offices under 500 sq ft for sale.

There are five times as many leasehold as freehold offices currently available, constituting almost three times as much floorspace. In terms of leasehold, fig 3 shows Barnet again offering significantly more office space than the other boroughs, with Enfield in second place. All four boroughs can provide a reasonable choice of small offices under 500 sq ft. There is a lack of larger office sizes available particularly in Haringey & Waltham Forest. Whereas such requirements could easily be met in more central boroughs, this would generally come at a higher price, with Waltham Forest office asking prices averaging only £14.50 psf and the other three boroughs around £17.00 psf.

NLB receives over 50 enquiries per month for commercial property, of which about a third come from start ups and two thirds from existing businesses. NLB received 115 office enquiries in July – Dec 09.

Fig 4 shows over 75% of NLB enquiries were for offices under 5,000 sq ft, with the rest split between 5 – 10,000 sq ft and 10,000 sq ft +. Only 8.5% specified freehold offices, all under 5,000 sq ft – this may reflect an emphasis on working with occupiers.

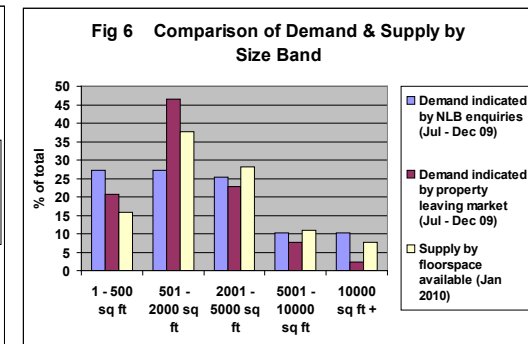
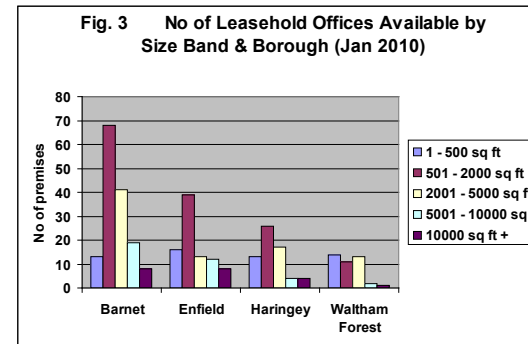
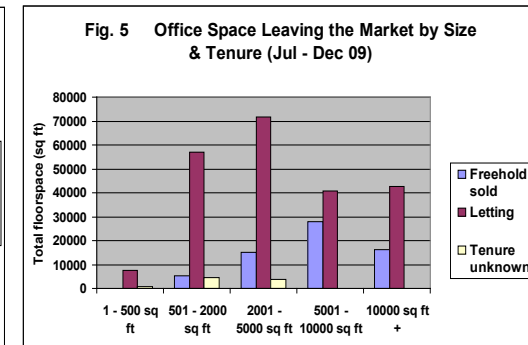
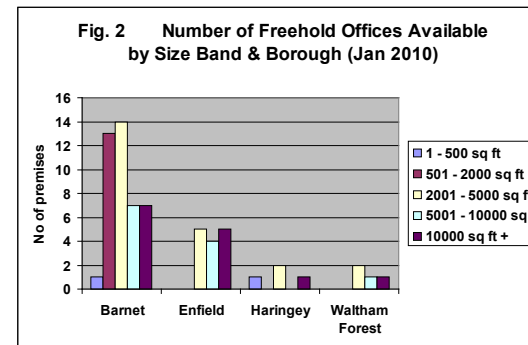
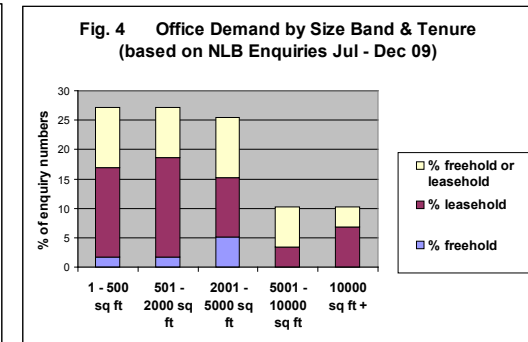
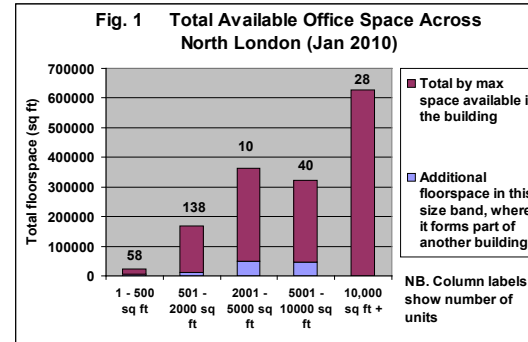
Companies seeking over 5,000 sq ft came predominantly from education & training institutions or companies, the property sector and creative sector, with one large requirement from the environmental/waste management sector. Enquiries seeking below 5,000 sq ft were from a broad mix of sectors but typified again to some extent by the creative sector, education and training as well as some community and social uses in the smallest size band.

From Jul – Dec 09 220,000 sq ft office space was let and 65,000 sq ft was sold based on our own data combined with Focus (CoStar). About two thirds of deals taking place were lettings, the rest being sales (with a small amount of unknown deal types). Fig 5 shows that most floorspace was let in the 2,001 – 5,000 sq ft size band, comprising 24 lettings. By number of lettings, most deals occurred in size band 501 – 2,000 sq ft, comprising 52 deals. There were 24 lettings in size band 2,001 – 5,000 sq ft, 6 in 5,000 – 10,000 sq ft and 2 in 10,001 sq ft +. Most sales occurred in the 5,001 – 10,000 sq ft size band, comprising 4 deals. One freehold property was sold over 10,000 sq ft and 6 in the 2,001 – 5,000 sq ft size band.

Fig 6 seeks to provide an indicative comparison of demand & supply. It appears there could be scope for improved supply of offices below 500 sq ft, as well as possibly offices sized 500 – 2,000 sq ft.

However whether demand can be satisfied depends on a variety of factors, as well as size. These could include quality of the space provided, cost, accessibility, and image of the area. With the current slow pace of development, this could be a time for refurbishment, raising quality & value of stock with less capital required than for new developments, benefitting both owners & future occupiers.

Please note that this information is provided to the best of our knowledge, reflecting stock, enquiries and deals we are aware of. In fig 5 & 6, there may be instances where property has left the market due to withdrawal rather than a deal, though this has been excluded where known.



○ Commercial Property Agents Comment on the Office Market

“Following a very difficult start to the year, there were signs of some modest improvement within the office market in the second half of 2009.

Enterprise Rail acquired 17,100 sq ft at Endeavour House in New Barnet, after winning further contracts to upgrade the rail infrastructure for the 2012 Olympics. This followed a comprehensive refurbishment by the Landlord, Greenhills. Subsequent lettings were concluded at the end of 2009 including 5,900 sq ft to Teletext Holidays.

Barndoc Limited, a provider of locum services to Enfield NHS PCT, has taken 5,200 sq ft at Churchwood House in Cockfosters from Topland. TA Horn Limited, part of the Kinetics Group, has leased 3,800 sq ft at Innova House, Innova Park in Enfield.”

Cliff Bonnet, Director, SBH Page & Read

“Demand for office space in North and North East London is dominated by non-traditional B1 uses, particularly the training sector. Unit sizes range from around 1,500 sq ft up to about 7,000 sq ft. Interestingly supply of traditional office space is limited although office space on industrial estates are becoming a significant proportion of vacant accommodation.

One letting of note is the new 35,000 sq ft headquarters building for Newlon Housing Trust at Lee Valley Estates’ Hale Wharf, Tottenham major mixed use development. Strettons have 28,000 sq ft of offices at Uplands Business Park, Walthamstow under offer.”

Neal Matthews, Director, Strettons

“Multi-let fund and asset manager Valad Property Group has secured the first letting at their 15,000 sq ft Vision 25 development on the 100 acre mixed use Innova Park in Enfield. Mansell Construction Services Ltd has taken

5,000 sq ft at the quoted rent of £18.50 psf on a 10 year lease. The three-storey building provides grade A office accommodation.

Valad also developed the nearby Pavilions scheme of small units aimed at owner occupiers which completely sold through during the early part of the recession.”

Peter Higgins, Associate, Glenny LLP

“The North London office market is relatively buoyant. Michael Berman & Co have recently let 16,350 sq ft to various occupiers at Lyttleton House, Lyttleton Road, Hampstead Garden Suburb N2. In addition a ground floor suite of 3,475 sq ft has been let at Dove House, Arcadia Avenue, Finchley Central N3.”

David Raphael, Director, Michael Berman & Co

“The third and fourth quarter of 2009 saw an increase in activity within the commercial sector. Most of this activity was in the investment market. Office space enquiries increased slightly from the low of the previous three quarters, with most of the enquiries coming from government or charity backed organisations looking for education and training space.”

Nicholas Seaton, Partner, Paul Simon Seaton

“The office market in North London was generally slow during the early part of 2009, although demand picked up towards the middle and end of 2009. Mehdi & Ward have let most of their smaller office suites (1,000 sq ft – 2,500 sq ft) and demand for space between 5,000 sq ft and 10,000 sq ft also increased although this was partly due to larger companies down-sizing. Demand for the early part of this year remains good.”

Adam Druce, Partner, Mehdi & Ward



Right: Vision 25, Innova Park, Enfield

○ The Office Economy and Offer in North London Mike Taylor, GVA Grimley

North London’s office market bears the makings of a business location that can start to rival other leading office areas in the capital. However there is work to be done to achieve this.

The four North London boroughs provide significant levels of office accommodation, but some 30% were built before 1980 and 40% before 1940 representing older stock than some other parts of London. The economic recession has clearly driven down office rental values and increased the short-term supply of floorspace (some 34,000 sq m is currently available). However while the supply is there now, it is clear that the quality, choice and mix of office accommodation needs improving if it is to work in the longer term.

Why is this so important for North London? Well there are a number of good reasons why we should be committed to the development of more new, high quality office stock. Successful and sustainable areas are those that can offer more than just new homes or improved local services. The Mayor’s London Plan identifies much of North London as an Opportunity Area for significant future housing and employment growth, signaling the area’s place at the heart of London’s wider economic growth agenda. The local authorities support this vision of a growing and more economically self-sustaining area. This can only succeed if more new office floorspace is developed at the right locations to retain and attract new business and help supply new jobs for a growing residential population.

North London is under-represented in indigenous and foreign direct investment compared to the other sub-regions of London, yet transport accessibility, skills, housing and other quality of life measures are comparable with other parts of London. The availability of good quality employment floorspace, especially office accommodation is a critical factor.

Average office rents are around £170 per sq m; with considerable variation below that level across North London. At these levels and in the current economic climate, it is hard for developers to see a viable way to develop new speculative office schemes.

How do we move forward? We need to adopt a greater focus, directing new office development to the most appropriate locations in North London, those that are best placed to deliver viable new schemes, principally the town centres. We must support this with investment to enhance the quality of those centres in terms of their business environment but also their mix of services. We must also use spatial plans to direct new offices away from areas that need other forms of investment and development to drive their regeneration such as residential or retail uses. We should not be afraid to invest in removing the most obsolete and poorest quality office stock and changing uses to raise the bar in terms of quality of office accommodation overall.

These ingredients for success are already evident in many places in North London and much has already been achieved. There are major new regeneration development schemes advancing today including Brent Cross Cricklewood and Tottenham Hale, which include new employment spaces as part of their mixed use proposals. Alongside this, there is a renewed emphasis from the Mayor and from each of the North London boroughs to get the offer right in the town centres, including providing an attractive environment for office based businesses. Greater focus on the best office development locations, better place-shaping and proactive property and planning decisions will demonstrate public intent and commitment to office investment and development.

For more information, contact Mike Taylor, Director, Planning & Regeneration, GVA Grimley (020 7911 2754 / mike.taylor@gvagrimley.co.uk)



GVA Grimley



○ A Constructive Conservation Helen Bowman, English Heritage

English Heritage (EH) believes that a constructive approach to managing change in our historic built environment – a precious and finite resource - and the continued development of historic places ensures that they can be enjoyed long into the future. We are keen to encourage the recognition and reinforcement of a places' historic significance, as the starting point for accommodating change and adaptation.

Experience has shown that understanding the historic significance of places can unlock development potential and that unique character carries an economic premium. Heritage can be the key to providing new development with a context and genuine sense of place.

For any development that is proposed within an historic context, we strongly advocate drawing up a conservation appraisal at the concept phase. This could take the form of a concise Conservation Statement, or for more complicated buildings or sites a detailed Conservation Management Plan.

Characterization – a study that generates a complete picture of the historic development of an area over time – can also be a useful tool to identify how the past can positively contribute to the future. In each case, the aim is to understand the significance of a historic asset and suggest how it might be managed to accommodate change without causing harm to the qualities which make it special.

English Heritage encourages engagement – with ourselves and the local planning authority - at the earliest stages of a project. Experience shows that pre-application advice will save time and money.

We have produced a suite of guidance to help developers, planners, architects and local authorities create schemes that reflect an understanding and appreciation of the role that the historic environment can play in new development – for everyone's benefit.

For more information please visit www.helm.org.uk or telephone 020 7973 3000.



ENGLISH HERITAGE

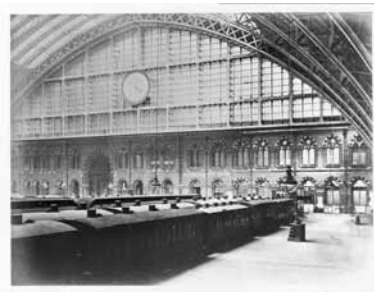
KINGS CROSS CENTRAL - A CONSERVATION PERSPECTIVE

Argent's redevelopment of the former Kings Cross Railway Lands, a 53 acre site featured in the previous North London Property News, as well as being one of the most ambitious regeneration projects in Europe is also an area of immense historic interest and character. Partly within a conservation area, the site contains 20 historic buildings and structures, some of national importance, and the charismatic Regents Canal.

At the southern point of the development, the stunning restoration of the Midland Grand Hotel and dramatic new concourse for Kings Cross Station are well advanced. At its heart conversion of the listed Granary Warehouse into the new University of the Arts is nearing completion and the imaginative re-use of the gasholders as flats, restaurants and a park will follow.

For English Heritage, the project is an exemplar of constructive conservation. Early, collaborative, constructive discussions between all the key partners led to a shared understanding of what makes the area special. A strong commitment by the developer to create a new London quarter with a unique sense of place allowed English Heritage to adopt a flexible approach to assessing proposals for change and new development. Although unusual and rather complicated, a planning permission based upon design parameters rather than detailed applications has given the developer the necessary degrees of flexibility and certainty whilst allowing English Heritage to understand and manage impacts upon the historic environment.

We are confident that this scheme will prove a success, having already seen the positive impacts of the constructive conservation approach in the triumphant transformation of the grade I listed St Pancras station into London's Eurostar terminal.



Forthcoming Events

Retail - The Changing Landscape

Date & Time: 10 March 2010, 7.30am-9.30am

Venue: The Dorchester, Park Lane, London, W1K 1QA

Contact: www.moversandshakers.uk.com/

Mipim, Cannes

Date: 16th - 19th March 2010

As usual, NLB is sending a delegation to Mipim to promote the area and engage with government figures. If you would like us to take material to Mipim on your behalf please let us know.

Contact: Ellen Scrimgeour
on 020 8885 9200, or e-mail
ellen.scrimgeour@northlondonbusiness.com

Property Linx – the North London Property Forum

Date: 24th June 2010

Venue: To be confirmed

Contact: Jennifer Pooran on 020 8885 9200, or e-mail jennifer.pooran@northlondonbusiness.com

To sponsor, submit an article, profile or commentary, please contact North London Business
t 020 8885 9200
e fung.tsui@northlondonbusiness.com

○ Personality Column Shifa Mustafa



Name: Shifa Mustafa

Organisation: London Borough of Waltham Forest

Position: Acting Executive Director Environment & Regeneration

About your Organisation: Waltham Forest, located in North-East London, offers unprecedented development opportunities. It occupies a unique position in London acting as a bridge between East and North London. Not only is it an Olympics host borough but it also benefits from being part of the London-Standed-Cambridge growth corridor and the Upper Lea Valley Opportunity Area.

Born: Finsbury Park Islington

First Job: Trainee on Haringey Council's junior entrant scheme

Philosophy: Try and fail, but don't fail to try; the only real failure in life is the failure to try. To fail is no sin, to fail to act is the sin.

Favourite Development or Building: The Palace of Westminster for its Gothic splendour and its riverside setting

Ideal Regeneration location: Waltham Forest for its wealth of opportunity and its unique place in London

Guru: Sir Alan Sugar (challenge yourself & be the best)

Most Overused Word or Phrase at the Moment: It's complicated

What Talent Would You Most Like to Have: To be able to dance to a professional standard

Favourite Alternative Profession: Lawyer

Most Influential Book: Anything on good food and good health

Tip to Property Professionals: Always see the big picture



north london