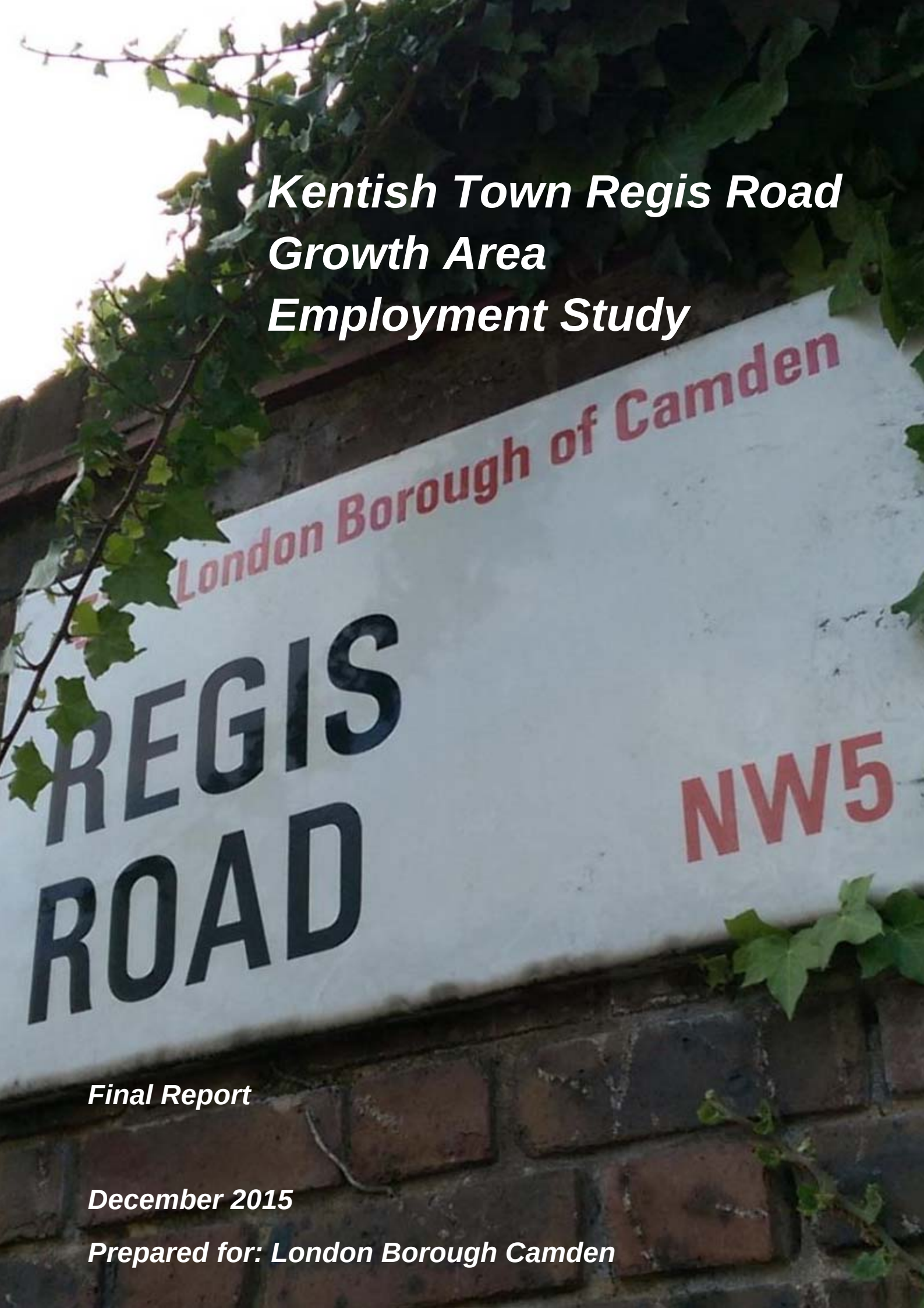
# Kentish Town Regis Road Growth Area Employment Study




*Final Report*

*December 2015*

*Prepared for: London Borough Camden*

Revision Schedule

| Rev | Date | Details | Prepared by | Reviewed by | Approved by |
|---|---|---|---|---|---|
| 1 | 25th Sept 2015 | Working draft report | Simon Thurley | Gregory Openshaw | Gregory Openshaw |
| 2 | 16th October 2015 | Draft Report | Simon Thurley | Gregory Openshaw | Gregory Openshaw |
| 3 | 11th November 2015 | Draft Report V2 | Simon Thurley | Gregory Openshaw | Gregory Openshaw |
| 4 | 22nd December 2015 | Final Report | Simon Thurley | Gregory Openshaw | Gregory Openshaw |

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# 1 INTRODUCTION

## 1.1 Context

1.1.1 In August 2014 URS (now AECOM Infrastructure and Environment UK Limited, here after 'AECOM') completed the London Borough of Camden employment land review (ELR), which informed the Council's Local Plan review. The employment land review highlighted the importance of maintaining industrial land in the Borough, including land that accommodates uses which support the functioning of the Central Activities Zone (CAZ).

1.1.2 Recently there has been interest in designating the southern part of the Kentish Town Industrial Area as a Growth Area and the Council is exploring this proposition. The Council recognises that intensification of this area, if managed in a comprehensive way, could bring additional benefits to the Borough, such as new homes and jobs, and connecting communities by improved movement around and through the area.

1.1.3 With this proposition in mind, the Council would like to understand the potential impact of any redevelopment of Kentish Town Industrial Area on Camden's local economy and the CAZ.

## 1.2 Study Objectives

1.2.1 The Council, in correspondence with the GLA, has identified a number of key questions which will help to assess the redevelopment proposals and their impact on the local Camden economy and operation of the CAZ. These questions are:

1. What is the range and scale of business activities currently taking place in the defined Regis Road area?
2. What evidence is there of the level of demand for premises at Regis Road e.g. are there any vacant premises or indications of high turnover?
3. How many business activities currently taking place at Regis Road directly and indirectly support the functions of London's CAZ, and what floorspace/ site area is involved? What is the floorspace/ site area of businesses which do not support the CAZ function?
4. Which of the Regis Road activities could potentially take place in the context of a higher intensity redevelopment of the site providing both employment growth and new housing?
5. To what extent do business activities elsewhere in Camden directly or indirectly support the functions of London's CAZ, and where are they located?

1.2.2 In addition to this final question the Council has asked for a general assessment to be made on the capacity of industrial land across London to accommodate any relocation of businesses from the Regis Road industrial estate.

1.2.3 In responding to these questions the study will provide LB Camden Council with an evidence base to understand the potential impact of redevelopment on Regis Road industrial estate's business operations and whether existing businesses could be incorporated into site redevelopment. The decision to support redevelopment is for the Council and partners to make so this study will not conclude with recommendations for whether or under what conditions redevelopment of Regis Road would be suitable.

## 1.3 Approach

1.3.1 Our approach to developing this evidence base draws upon existing information published, and primary research including a site visit and assessment of the industrial estate and discussions with two key interested parties.

1.3.2 The study has been informed by research on the economic opportunities of the Kentish Town Industrial Area (referred to hereafter as the 'KT Economic Opportunity' report)[1] undertaken in 2014 by GL Hearn. That report was prepared to consider the current and future economic contribution of the Regis Road and Holmes Road Employment Area in Kentish Town in order to assist in developing future options for the area as part of the Local Plan review.

1.3.3 Discussions were had with GL Hearn and CREATE REIT with regards to redevelopment proposals for the Regis Road industrial estate and the wider Kentish Town Industrial Area. GL Hearn are representing a large property and infrastructure company who have an interest in the site. CREATE REIT represent a collection of investors with land holdings at within the Regis Road industrial estate and along Kentish Town Road. Factual information held by GL Hearn and CREATE REIT was shared with AECOM and has supplemented reporting.

## 1.4 Study Area

1.4.1 The study area forms part of the wider Kentish Town Industrial Area which is identified within the LBC Local Development Framework (LDF) Policies Map and is outlined within **Figure 1.1**. Kentish Town Regis Road Growth Area, which encompasses the Regis Road industrial estate, is shown in **Figure 1.3**.

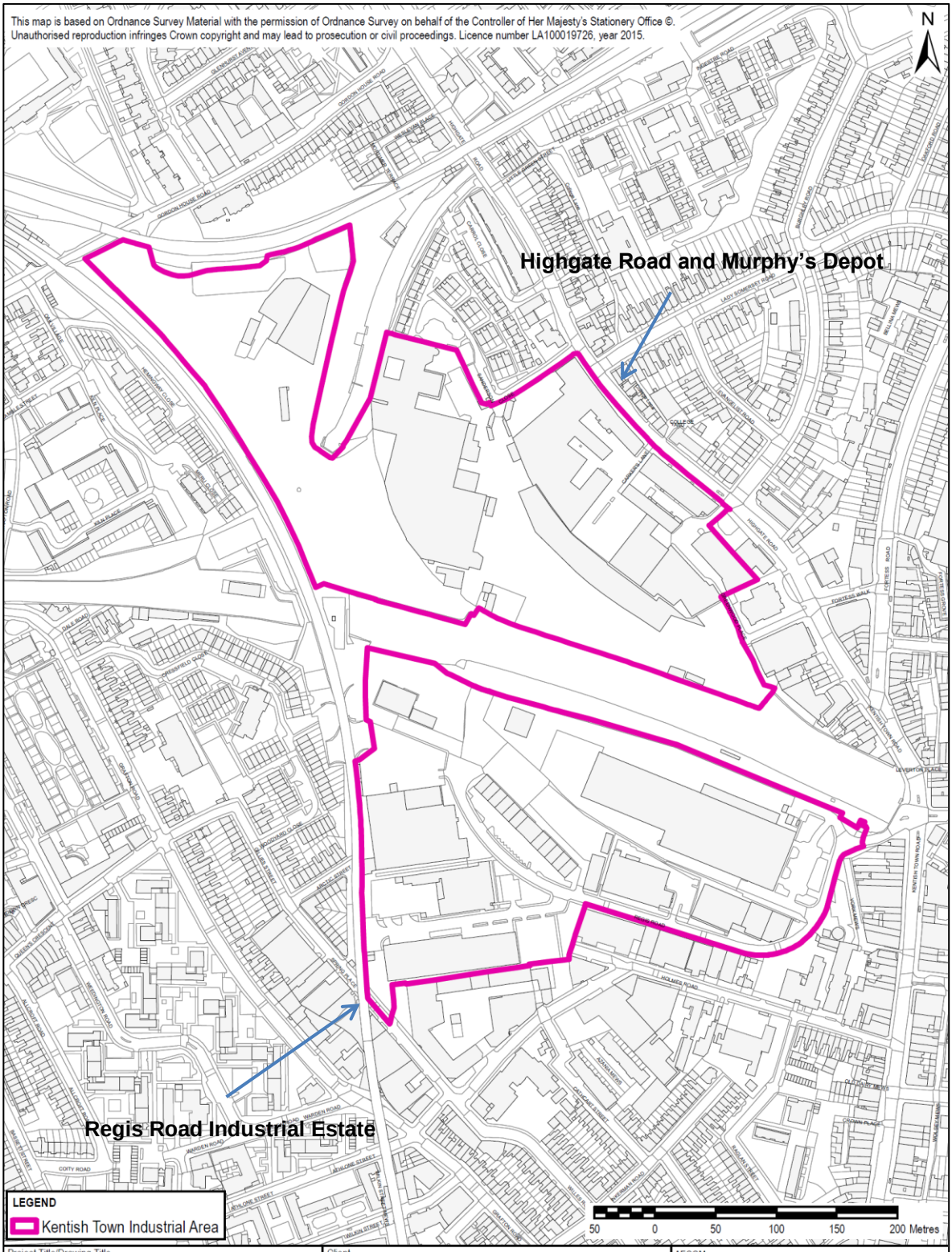
1.4.2 The Kentish Town Industrial Area is the only designated industrial area in the Borough. The industrial area includes Regis Road industrial estate and Murphy's depot site to the north of the Midland Main / Thameslink Rail Line as well as a cluster of creative and cultural businesses along Highgate Road. To the south of Regis Road industrial estate is Holmes Road which predominantly consists of residential and B1 employment uses alongside Kentish Town police station. Within this area there is recent evidence of employment land being lost to residential uses, particularly for student accommodation.

1.4.3 Regis Road industrial estate is located within close proximity to Kentish Town High Street and as such benefits from high public transport accessibility to both the rest of the Borough and Greater London. The site does however suffer from traffic congestion at peak hours given the high number of vehicle movements generated by the distribution uses on site and the single vehicular access route.

1.4.4 The industrial estate covers approximately 7.4 ha of land and contains approximately 31 business units containing 20 businesses. The site is relatively low density, in terms of ground coverage and intensity of plot use, and accommodates a wide range of business activities and premises types. This is discussed further in **Section 2**.

[1] GL Hearn, (2014). *Kentish Town Industrial Area Economic Opportunity Report.*

## Figure 1.1: Kentish Town Industrial Area




| Project Title/Drawing Title | Client | | | AECOM |
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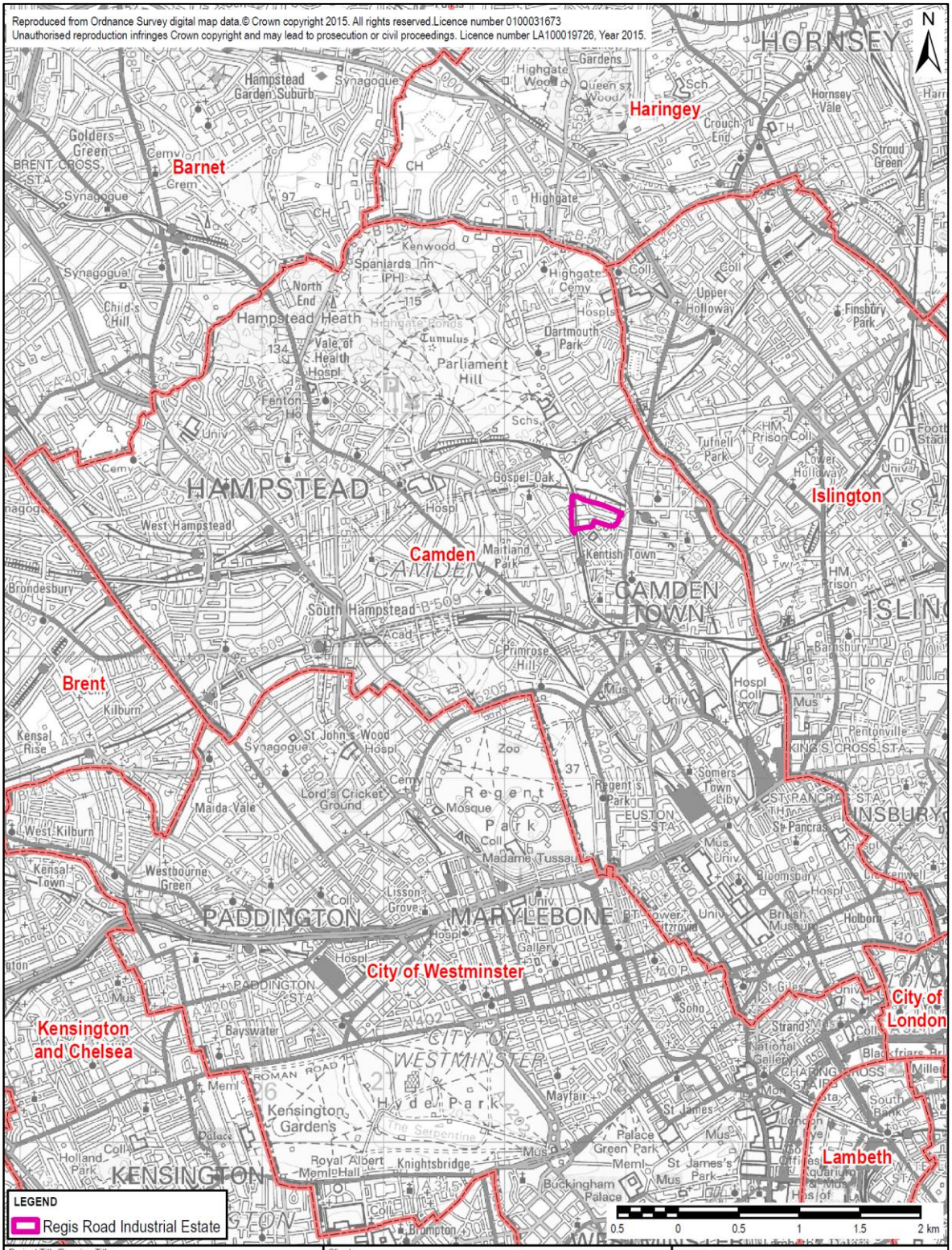
| | Drawing Number<br>FIGURE 1.1 | | Rev<br>0 | |

**Figure 1.2: Regis Road Industrial Area – Wider Context**

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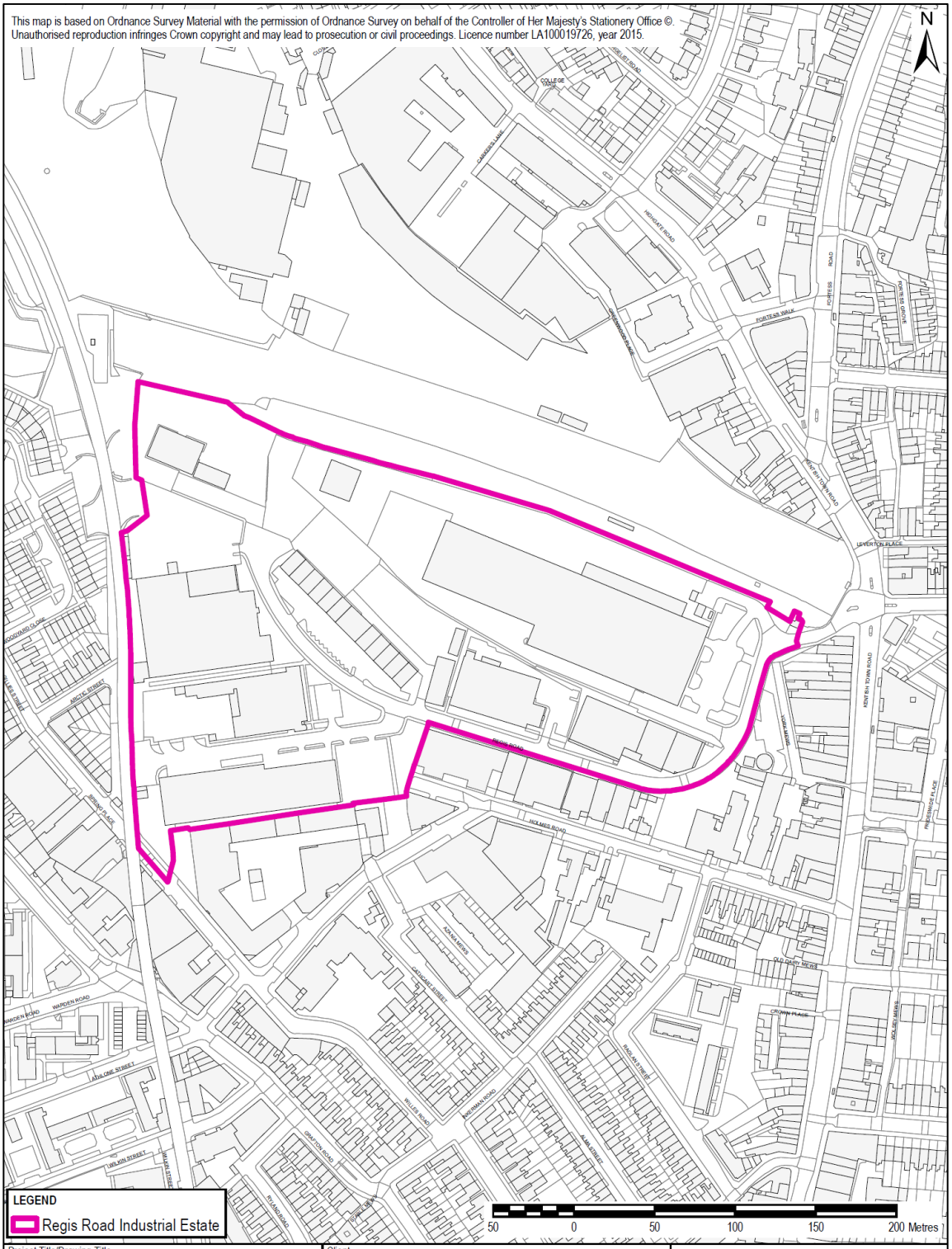
| | Drawing Number: FIGURE 1.2 | | Rev: 0 | |

## Figure 1.3: Draft Camden Local Plan Proposed Kentish Town Regis Road Growth Area

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| | Drawing Number<br>FIGURE 1.3 | | Rev<br>0 | THIS DOCUMENT HAS BEEN PREPARED PURSUANT TO AND SUBJECT TO THE TERMS OF AECOM'S APPOINTMENT BY ITS CLIENT. AECOM ACCEPTS NO LIABILITY FOR ANY USE OF THIS DOCUMENT OTHER THAN BY ITS ORIGINAL CLIENT OR FOLLOWING AECOM'S EXPRESS AGREEMENT TO SUCH USE, AND ONLY FOR THE PURPOSES FOR WHICH IT WAS PREPARED AND PROVIDED. |

## 1.5 Structure of this Report

1.5.1 Following this introduction, this report is structured as follows:

- **Section 2:** Presents information on the range and scale of business activities at Regis Road industrial estate;
- **Section 3:** Provides information relating to the demand for land and premises at Regis Road industrial estate;
- **Section 4:** Sets out information on the which businesses support the functioning of the CAZ;
- **Section 5:** Considers the operational requirements of existing businesses and the implications for retention alongside non-industrial uses;
- **Section 6:** Presents information on the capacity of LB Camden and London more widely to accommodate any relocation of businesses from Regis Road industrial estate; and
- **Section 7:** Summarises the report.

# 2 RANGE AND SCALE OF BUSINESS ACTIVITIES

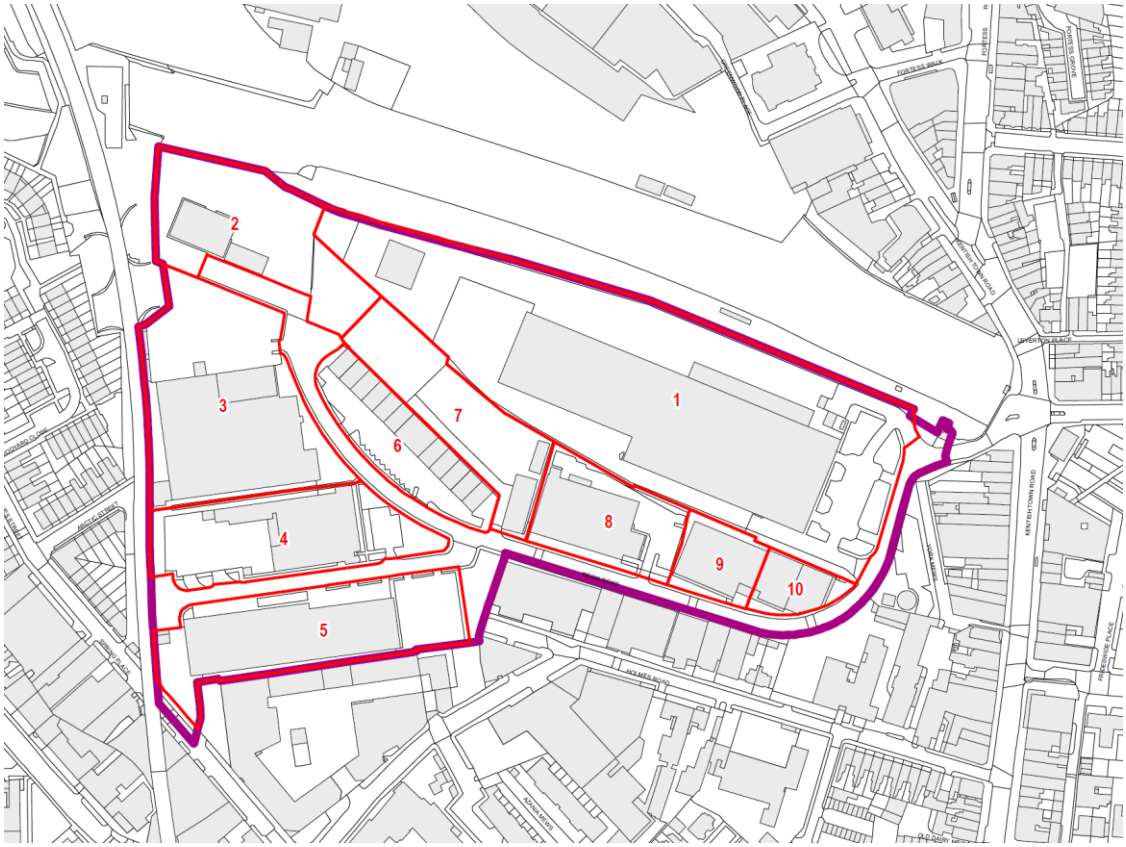
## 2.1 Introduction

2.1.1 This section identifies the business activities taking place in the Regis Road industrial estate, the scale and type of employment floorspace which supports these activities, and the types of premises on site. It also provides an estimate of the scale of employment found on site as well as the likely occupations of these jobs.

## 2.2 Business Activities within Regis Road Industrial Estate

2.2.1 The Regis Road industrial estate can broadly be broken down into ten individual employment sites. These employment sites are shown below in **Figure 2.1**.

**Figure 2.1– Site Boundaries**




2.2.2 These ten employment sites accommodate a total of 20 business units of various sizes which support a range of business uses and activities. Details of the 20 business units are provided in **Table 2.1**.

**Table 2.1: Business Activities in Regis Road Industrial Estate**

| Site ID | Business Unit | Business Name | Activity | Use Class |
|---|---|---|---|---|
| 1 | 1 | UPS | Parcel delivery | B1a / B8 |
| 2 | 2 | Asphaltic Roofing | Roofing supplies | B8 |
| 3 | 3 | Royal Mail | Sorting office and fleet maintenance | B8 |
| 4 | 4 | Fairfax Meadow | Meat processing and distribution | B1a / B2 / B8 |
| 5 | 5 | Spire BMW | Car servicing and sales | B2 / Sui Generis |
| 6 | 6 | EKO | Mail delivery and courier services | B1a / B8 |
| 6 | 7 | Caraselle Direct | Teleshopping and marketing | B8 |
| 6 | 8 | Woo & Co | Architectural practice | B1a |
| 6 | 9 | Plumb Inn | Plumbing supplies | B8 |
| 6 | 10 | Angelana Investments | Property and investment | B1a |
| 6 | 11 | Ace Sports Direct | Sports goods and retail | B8 |
| 6 | 12 | Fashion Nation | Fashion retail | B8 |
| 6 | 13 | Railings Gallery | Art gallery and framing services | B1c |
| 6 | 14 | HGV Training | Training and recruitment | D1 |
| 7 | 15 | Camden Recycling | Recycling management | Sui Generis |
| 7 | 16 | Camden Car Pound | Car pound | B1a / Sui Generis |
| 8 | 17 | Select Retail | Fashion retail | B1a / B8 |
| 9 | 18 | JML | Teleshopping | B1a |
| 10 | 19 | Howdens | Timber merchant | B1a / B8 |
| 10 | 20 | Musion | Holographic technology | B1a |

Source: AECOM / GL Hearn

2.2.3 As shown above, Regis Road industrial estate includes office, industrial/light industrial and warehousing/distribution use classes. In addition to more traditional industrial functions, the estate also accommodates two sui generis uses (a Household Waste Recycling Centre (HWRC) and a car pound). The recycling centre is of strategic importance to the Borough's waste management capacity given it is the only reuse and recycling centre in the borough.[2]

[2] North London Waste Authority (NLWA), (2009). *North London Joint Waste Strategy*.

## 2.3 Type of Premises

2.3.1 As demonstrated above the Regis Road industrial estate accommodates a wide range of business activities and types. The predominant business premises are purpose built warehouse and distribution and industrial units. There are a number of industrial and warehousing units on site with floorspace over 2000 sqm in addition to smaller office and workshop type spaces under 500 sqm. The larger units on site are occupied by key businesses such as UPS, Royal Mail, Fairfax Meadows, Select Retail and JML.

2.3.2 A number of warehousing and industrial units were observed on site which included office type functions alongside more traditional industrial space. This is typically in the form of ancillary and back office functions above the primary working space, however a number of units have more substantial functions more representative of head office type operations.

2.3.3 An analysis of the quality of units on-site is mixed with variances in age and quality. However, on the whole it was assessed that the current units provide an adequate standard of accommodation for the existing uses on site and appear to be generally fit for purpose and this is demonstrated by the low levels of vacancy observed on site.[3]

## 2.4 Scale of Business Activities

2.4.1 Regis Road industrial estate occupies 7.4 hectares (ha) of land of which approximately 6.6 ha comprises the business's site areas and 0.8 ha of internal roads. This accounts for almost a quarter (23%) of core industrial and warehousing land in Camden in 2015.[4]

2.4.2 In total UPS, Asphaltic, Royal Mail, Fairfax Meadow and Spire BMW occupy approximately 78% of land.

2.4.3 With regards to floorspace, there are currently 20 business units in operation within the estate occupying a total of 38,200 sqm of employment floorspace, including 4,250 sqm of floorspace used for operational purposes by the LB Camden Car Pound and HWRC. Details on the scale of employment floorspace provided within these business units are shown below in **Table 2.2**. Details are also provided on the utilisation of each employment site with regards to the floorspace it supports.

[3] Though Table 2.1 records each premises being used by a business, there is a low level of floorspace vacancy within premises as recorded by EGi data and explained in Section 3.2.
[4] Based on research undertaken by AECOM and the GLA.

**Table 2.2: Floorspace and Site Area of Businesses**

| Site ID | Business Unit | Business Name | Floorspace (sqm) | Site Area (sqm) | Floorspace to Site Area Ratio |
|---|---|---|---|---|---|
| 1 | 1 | UPS | 10,070 | 24,289 | 0.41 : 1 |
| 2 | 2 | Asphaltic Roofing | 3,170 | 5,642 | 0.56 : 1 |
| 3 | 3 | Royal Mail | 4,760 | 8,928 | 0.53 : 1 |
| 4 | 4 | Fairfax Meadow | 2,900 | 5,702 | 0.51: 1 |
| 5 | 5 | Spire BMW | 3,830 | 6,652 | 0.58: 1 |
| 6 | 6 | EKO | 620 | 3,661 | 0.84: 1 |
| 6 | 7 | Caraselle Direct | 430 | | |
| 6 | 8 | Woo & Co | 210 | | |
| 6 | 9 | Plumb Inn | 220 | | |
| 6 | 10 | Angelana Investments | 300 | | |
| 6 | 11 | Ace Sports Direct | 170 | | |
| 6 | 12 | Fashion Nation | 200 | | |
| 6 | 13 | Railings Gallery | 430 | | |
| 6 | 14 | HGV Training | 490 | | |
| 7 | 15 | Camden Recycling | 2,000 | 4,492 | 0.95: 1 |
| 7 | 16 | Camden Car Pound | 2,250 | | |
| 8 | 17 | Select Retail | 2,850 | 3,551 | 0.80: 1 |
| 9 | 18 | JML | 2,130 | 1,669 | 1.28: 1 [5] |
| 10 | 19 | Howdens | 840 | 1,174 | 1.00 : 1 |
| 10 | 20 | Musion | 330 | | |
| **Total** | | | **38,200** | **65,760** | **0.58 : 1** |

Source: GL Hearn (2015), AECOM (2015)

2.4.4 Analysis from **Table 2.1** and **Table 2.2** indicates approximately 68% of the employment floorspace provision within the Regis Road industrial estate is occupied by warehouse and distribution uses; 7% is occupied by office uses; and 25% by industrial/light industrial and yard uses, of which a proportion of floorspace is occupied by sui generis uses.

[5] JML operates over two storeys.

2.4.5 In terms of floorspace, six units account for approximately 66% of the total. In contrast, there is limited provision of smaller units provided within the estate, with only nine units providing less than 500 sqm of employment floorspace, of which half provide less than 250 sqm of floorspace.

2.4.6 The ratio of floorspace to business site area within the Regis Road industrial estate is 0.58 to 1.00, which is similar to average plot ratios for industrial and warehousing uses in inner London[6]. This level of land utilisation reflects the operational needs of the business activities taking place on site and includes space for access and circulation.

## 2.5 On-Site Employment

2.5.1 No information is available on employment counts for businesses within the Regis Road industrial estate. Employment has therefore been estimated by applying the HCA Employment Densities Guidance[7] to the floorspace and use classes presented in **Table 2.1** and **Table 2.2**. Applying these relevant employment densities indicates that approximately 981 jobs are accommodated within the industrial estate.[8]

2.5.2 A comparison between the total employment floorspace within Regis Road industrial estate and the estimated number of jobs indicates that the employment density across the site is approximately 37 sqm per employee.

2.5.3 The employment profile within the Regis Road industrial estate is also indicative of the types of employers found within the estate. The five largest employers within the Regis Road industrial estate account for approximately 65% of the total jobs accommodated within the industrial estate.

2.5.4 A comparison between jobs and use indicates that the majority of jobs on-site are based in both distribution and warehouse and office type uses. In contrast a relatively small proportion of jobs are based within industrial and light industrial uses within the estate.

2.5.5 The majority of these jobs are considered to be across a wide range of occupations including elementary occupations; process plant and machine operatives; skilled trades and associate, professional and technical occupations. The warehouse and distribution sector is estimated to generate a large proportion of the jobs on-site, the majority of which are likely to be in lower skilled occupations such as warehousing and packing or operative roles. In comparison, the higher skilled occupations are likely to be found within the industrial/workshop uses, such as the BMW repair centre and office based jobs supporting within professional and technical jobs.

**Qualitative, economic and land use characteristics**

2.5.6 In terms of quality, the estate performs well against the strategic land use and economic criteria in the Mayor of London's Land for Industry and Transport SPG[9] including:

- Meets demonstrable strategic and local demand (see section 3);
- Supports local or strategically important clusters of employment or industrial activity;

[6] GLA, (2012. London Office Policy Review (LOPR).
[7] Homes and Communities Agency, (2010); Employment Densities: 2nd Edition 2010.
[8] This is comparable to GL Hearn's findings which estimated that the Regis Road industrial estate supported a total of 1,095 jobs, which equated to approximately 800 Full Time Equivalent (FTE) jobs.
[9] Mayor of London. Land for Industry and Transport SPG. (2012) paragraphs 4.14 - 4.15.

- Is viable for industrial development;
- Meets demand and addresses particular need for waste management and recycling;
- Offers provision for SMEs serving local residential and commercial areas including provision of lower cost accommodation;
- Is well located to support the functions of the Central Activities Zone; and
- Offers potential for 24 hour working and provides facilities for bad neighbour uses.

# 3 DEMAND FOR SITES AND PREMISES

## 3.1 Introduction

3.1.1 This section will provide an indication of both existing vacancy levels within the Regis Road industrial estate as well as a brief overview of existing demand and future demand for employment land within the Regis Road area and the wider Borough.

## 3.2 Vacancy Rates

3.2.1 Vacancy rates can provide an indication of demand. An updated analysis of vacancy has been carried out drawing upon up to date Estates Gazette EGi data and property searches.[10] EGi data suggests there are currently no vacant marketed units within the Regis Road industrial estate and that the previously vacant unit (Unit 2000)[11] has now been let to Musion, a company who specialise in holographic technology. This information was corroborated through the site survey and builds on anecdotal evidence that vacancy rates within this estate have been low in recent years.

3.2.2 The high occupancy rate recorded within Regis Road is indicative of the market environment for industrial and office uses within LB Camden more broadly. LB Camden's employment land review (ELR) of 2014 identified low levels of vacancy for both office and industrial uses within the Borough.

3.2.3 EGi data records that across the Borough there is currently 4,069 sqm of vacant industrial floorspace within five vacant business units. The majority of this vacant floorspace is within one large distribution warehousing / workshop unit.[12] The remaining vacancies are predominantly small industrial and workshop type spaces under 100 sqm. These low levels of vacancy point towards a continued demand for industrial and warehousing premises within LB Camden and lack of an adequate range and scale of vacant units to enable a frictional allowance between supply and demand. Without this buffer, the commercial property market is not able to operate effectively and consequently opportunities for businesses to take up larger spaces or contract in response to economic conditions are limited.

3.2.4 Whilst low vacancy levels were recorded within Regis Road and the wider Borough, the recent ELR noted evidence of loss of non-designated employment land to residential uses; most notably student accommodation. This loss of non-designated industrial land was recorded within areas of proximity to key transport links and local town centres including along Holmes Road to the south of the Regis Road industrial estate.

## 3.3 Existing Demand Supply Balance

3.3.1 A strategic picture of demand was set out in LB Camden's 2014 ELR. The 2014 ELR found that the demand and supply of employment land within the Borough is broadly in balance. Supply of high quality employment land within the Borough, is however very constrained and there has been very little new, high quality employment floorspace constructed within the Borough in recent years. The following sections outline the findings of GL Hearn's market analysis within the Regis Road area over the past five years for both industrial and office uses.

[10] It is worth noting that the EGi vacancy data is based on marketed units only and therefore may not necessarily capture all vacant units.
[11] As identified in the KT Economic Opportunity report.
[12] EGi captures data on office and industrial premises which are being actively marketed, and provides a good representation of total floorspace available within an area.

***Industrial***

3.3.2 GL Hearn indicate that within the last five years there have been limited transactions within the industrial and warehouse market which is reflective of the limited supply of industrial land within the Borough and the turnover rates within the existing market. As discussed above, this supply has been further constrained by the erosion of non-designated industrial land to other high value uses such as residential within recent years.

3.3.3 Within the last five years the majority of transactions have been for smaller units, with a limited number of transactions for large units, although GL Hearn indicate this is likely to be due to the lack of stock of larger units within the area and the attractiveness of larger Strategic Industrial Locations (SIL) within Greater London. It is estimated that annual take-up of industrial and warehousing floorspace within the previous five years was an average of 3,900 sqm per annum indicating a very modest market for industrial floorspace.

***Office***

3.3.4 The office market was found to be comparable to the industrial market within the area and the majority of transactions were for smaller units with a limited number of deals for units of over 1,000 sqm. This is reflective of discussions with market agents which suggest that market demand and interest is dominated by SMEs and start-up businesses who are seeking small and affordable workspaces within accessible distances to the city.

3.3.5 The adoption of new permitted development rights in May 2013 allows the change of use from B1(a) office to residential (C3) without the need for planning permission. In the short term this may see a reduction in office floorspace within the borough as a result of high land values from residential uses compared with commercial uses. The Council have recently made a number of Article 4 Directions for certain parts of the borough to remove the right to change of use from office to residential. The direction includes parts of Regis Road Industrial Estate were office uses are present.

3.3.6 GL Hearn estimate that take-up in the office sector over the previous five years was approximately 105,000 sqm, equivalent to 21,000 sqm per annum[13]. The majority of this take-up was for units under 250 sqm representing the localised demand for smaller units within this area.

## 3.4 Future Demand

3.4.1 The recent Employment Land Review (ELR) forecast the likely demand for both office and industrial floorspace up to 2031 considering a range of economic factors including historic trends in floorspace and employment, and GLA employment forecasts across the relevant functional property market area. The forecast indicated that across the Borough there could potentially be a requirement for 695,000 sqm of net additional office (B1a&b) floorspace by 2031. The forecast also concluded that there could be a contraction in demand for industrial (B1c, B2 and B8 uses) floorspace of approximately 10,000 sqm or 2.2 ha of land.

3.4.2 The ELR concluded that the majority of demand for new large office floorspace will likely be concentrated within the Midtown area and in and around King's Cross, Euston, Tottenham Court Road and Holborn which represents the Central London office market within Camden. With regards to local office space, total demand of expected to represent less than 10% of the

[13] This market analysis relates to the local catchment around the Regis Road Industrial Estate including Kentish Town, Hampstead and Holloway as well as the northernmost parts of the Kings Cross area (but not the redevelopment area).

borough wide office floorspace demand. The study indicated that the majority of this net additional demand would come forwards within Camden Town and Kentish Town and could be in the form of small business workspace.

# 4 CAZ SUPPORTING FUNCTIONS

## 4.1 Introduction

4.1.1 The lack of vacant units within Regis Road suggests that the estate is highly sought after for business functions and activities which are dependent upon close proximity to markets and a need to service clients efficiently. Regis Road benefits significantly from its proximity to Central London and the Central Activities Zone (CAZ). This section will provide an overview of what can be defined as CAZ supporting functions and an analysis of those activities currently taking place within the Regis Road industrial estate.

## 4.2 The CAZ and its Support Requirements

4.2.1 The CAZ is defined by the GLA as "*London's globally iconic core and one of the worlds most attractive and competitive business locations. It accommodates one third of London's jobs and generates almost 10% of the UK's output*".[14] It provides key strategic functions for Greater London which are fundamental to its status as a successful world city and to the economies of inner and outer London as well as the wider metropolitan area and the UK as a whole.

4.2.2 The CAZ area intersects ten boroughs[15] and over the London Plan period is expected to see significant growth of just under 270,000 new jobs. To support this level of growth the draft CAZ Supplementary Planning Guidance (SPG) identifies that sufficient capacity should be provided to "*meet the needs of industrial and related uses that are essential to sustain the city's metabolism including services for the service sector*". This includes providing for low value added businesses and activities which are essential to meeting the needs of the CAZ, but which are increasingly coming under pressure from higher value land uses.

4.2.3 CAZ supporting functions can be defined in essence by the value and contribution they make to the operations of the CAZ and how they support the business supply chain. An important qualifying point is the frequency of the service or function they provide and the distance from market which drives the needs of the CAZ. Businesses can be seen to support the CAZ both directly and indirectly. This recognises that some activities are closer to the end service or product supplied to the CAZ than others.

4.2.4 The draft CAZ SPG recognises that within the CAZ there is limited industrial capacity and many sites are placed under pressure from competing high value land uses. Consequently it identifies that inner London boroughs should take account of the supply and demand for industrial and related uses which provide for and support the functioning of the CAZ. The GLA identify that the following uses should be considered as those which provide essential services to the CAZ:

- Sustainable distribution / logistics;
- 'Just-in-time' servicing (such as food service activities, printing, administrative and support services, office supplies and repair / maintenance);
- Waste management and recycling; and
- Land to support transport functions.

[14] Greater London Authority (GLA), (2015). *Draft Central Activities Zone SPG.*
[15] The CAZ intersects, to varying degrees, with the following London boroughs: City of London, City of Westminster, Camden, Hackney, Islington, Kensington and Chelsea, Lambeth, Southwark, Tower Hamlets and Wandsworth.

4.2.5 In the following section we provide a high level analysis of the businesses currently operating within the Regis Road industrial estate which directly and indirectly support the CAZ. It should be noted however that this is a broad assessment of CAZ supporting functions and this study is limited in the analysis and judgements it can make regarding business supply chain relationships, the location of end markets or customers/clients and the frequency or scale of delivery. Further consultation should be considered with businesses prior to the submission of any planning application to develop a more detailed understanding of their connections with the CAZ and the extent of their supporting services and products.

## 4.3 CAZ Supporting Functions at Regis Road Industrial Estate

4.3.1 This section outlines the CAZ supporting functions identified within the Regis Road industrial estate. It is important to recognise however that this analysis is based on desk based research and consultation with interested parties. No primary research has been undertaken and therefore without further consultation it is not possible to know where the nature of the end markets and customer bases for the identified CAZ supporting functions. In addition it has not been possible to define the extent to which these businesses serve both the CAZ and the wider Greater London area.

4.3.2 Of the business units identified within the Regis Road industrial estate it is considered that five of them either directly or indirectly provide a CAZ supporting function. All of these businesses provide distribution and 'just-in-time' type functions which help to service Central London activities, details of which are presented in **Table 4.1** below. Whilst the Camden recycling centre offers waste management facilities these are for residents only and therefore it has been discounted from our assessment of CAZ supporting functions.

**Table 4.1: Businesses within Regis Road Industrial Estate which Support the CAZ**

| Site ID | Business Unit | Business Name | CAZ Function |
|---|---|---|---|
| 1 | 1 | UPS | Proving 'just-in-time' mail delivery and postal services to Central, West and North London markets. |
| 3 | 3 | Royal Mail | Provision of postal services. |
| 4 | 4 | Fairfax Meadow | Meat supply and distribution to the food and accommodation sector within Central London including restaurants and hotels. |
| 6 | 6 | EKO | Bike delivery hub for TNT courier services. |

Source: AECOM

4.3.3 **Table 4.2** demonstrates that CAZ supporting businesses within the Regis Road industrial estate occupy approximately 51% of the total floorspace and represent 20% of the businesses within the industrial estate.

4.3.4 With regards to employment, CAZ supporting businesses represent approximately 35% of all jobs within the Regis Road industrial estate despite occupying over half of all employment floorspace. This again reflects the low density and large footprints of these business activities and the nature of their premises requirements including adequate space for access, servicing and circulation.

**Table 4.2: Businesses within Regis Road Industrial Estate which Support the CAZ**

| Site ID | Business Unit | Business Name | Floorspace | Indicative Employment |
|---|---|---|---|---|
| 1 | 1 | UPS | 10,070 | 160 – 180 |
| 3 | 3 | Royal Mail | 4,760 | 65 – 70 |
| 4 | 4 | Fairfax Meadow | 2,900 | 70 – 75 |
| 6 | 6 | EKO | 620 | 18 - 20 |
| **Total** | | | **18,350** | **313 - 345** |

Source: AECOM

4.3.5 As discussed previously there are limitations to how definitive the study can be in determining the extent to which businesses within the industrial estate support the CAZ. For example, whilst the UPS facility provides ‘just-in-time’ functions which may support activities within the CAZ, it is considered unlikely that these functions comprise the majority of floorspace which support business activities. The evidence does suggest however that this location is suitable for accommodating CAZ serving functions.

# 5 EXISTING ACTIVITIES AND REDEVELOPMENT

## 5.1 Introduction

5.1.1 The draft Local Plan describes the Regis Road industrial estate as currently being very low density and identifies the potential opportunity to increase densities on site through comprehensive mixed use redevelopment. A key consideration of this study has been to understand the nature and scale of the existing business functions within the Regis Road industrial estate and to consider the potential for these activities to take place in the context of a higher intensity mixed-use redevelopment of the site.

5.1.2 This section provides a high level classification of the business typologies observed within the Regis Road industrial estate. These typologies are defined by the character of the spaces which businesses occupy rather than the activities of the businesses themselves. The framework provides a broad theoretical understanding of how compatible each typology is within mixed-use development. This section also provides a high level analysis of the site's opportunities and constraints with regards to the retention of business typologies on site.

## 5.2 Business Typologies

5.2.1 The business typologies are defined by the type of premises within which they are accommodated and the size of the premises or unit. There are broadly six dominant business typologies and these are presented below in **Table 5.1**.

**Table 5.1: Business Typologies Observed within Regis Road Industrial Estate**

| Business Typology | Typical Description | Typical business activities |
|---|---|---|
| Small office-type space | Desk work, any floor, lower ceiling, <500m$^2$ | B1a / B1b |
| Large office-type space | Desk work, any floor, lower ceiling, <500m$^2$ | B1a / B1b |
| Workshop-type space | Light industrial or artistic studio, any floor, higher ceiling | B1c / B2 |
| Small industrial / warehouse-type space | Purpose built shed, loading bay, higher ceiling, <500m$^2$ | B2 / B8 |
| Large industrial / warehouse-type space | Purpose built shed, loading bay, double ceiling height, >500m$^2$ | B2 / B8 |
| Yard / Open Storage-type space | Yard or open storage area with no or only small ancillary buildings | B8 |

Source: AECOM

5.2.2 Further detail is provided below on each of the six business typologies identified as part of this study.

***Small Office Type Space***

5.2.3 Small office spaces typically offer conventional office floorspace provision within both individual units and across a number of units. This typology is predominantly found within existing buildings rather than being purpose built and is likely to accommodate primarily desk-based activities. These are likely to include professional and business services and creative

industries such as advertising, architecture, design and film and media. They are likely to be let on an individual basis on conventional lease agreements and have no particular external access or servicing requirements.

***Large Office Type Space***

5.2.4 As with small office spaces, this typology is predominantly associated with desk based activities although given the larger floorplates this type of space accommodates a wider range of occupiers. Occupiers of large office type spaces range from single occupiers utilising whole floorplates or buildings to small businesses occupying space on temporary term in flexible co-working, incubator or accelerator formats. Typical occupiers are likely to be conventional office based operations including professional and business services, headquarter type functions, creative industries, social enterprises and start up and early stage enterprises.

***Workshop Type Space***

5.2.5 This typology typically includes workspace for business activities which require premises requirements beyond that which can be provided by conventional office typologies. These spaces are likely to have higher ceilings and access and servicing facilities for the delivery of materials. These spaces can be both large and small and likely to include artistic studios, space for creative industries such as film and image production and small scale production activities.

***Small Industrial / Warehouse Type Space***

5.2.6 Small industrial and warehouse type spaces are likely to accommodate small scale industrial uses such as manufacturing, printing, textiles and small scale production activities. The spaces will include high ceilings and often have loading bays to allow servicing of the unit by good vehicles. The units are likely to be purpose built at located at ground level with potentially some ancillary office space on mezzanine levels above the primary workspace.

***Large Industrial / Warehouse Type Space***

5.2.7 These spaces typically accommodate higher intensity uses across large scale floorplates. Uses will likely have high servicing requirements and can generate large volumes of vehicle deliveries and sales. Ceiling heights within these units are typically double height and there will be substantial servicing and access requirements to allow access by heavy goods vehicles. Large scale manufacturing, heavy manufacturing, wholesale and storage uses are likely to occupy these types of purpose built units which will often be leased on an individual basis on long leases to single occupiers. Business activities supported may be either very active (i.e. production based activities) or relatively inactive i.e. warehouse and storage units).

***Yard / Open Storage Type Space***

5.2.8 This typology is characterised by a lack of physical buildings although some ancillary office space may be provided in some instances. This typology can broadly be defined as including either a production yards (e.g. used to store materials or accommodate production activities) or services yards (e.g. vehicle maintenance or equipment repair). These spaces typically accommodate the storage of good and materials and often require sufficient access and servicing due to the delivery and movement of items stored on site. Uses are likely to include construction operations, waste and storage operations and service providers (e.g. vehicle repair).

**Figure 5.1: Examples of Business Typologies**


*1. Small Office Type Space*


*2. Large Office Type Space*

*3. Workshop Type Space*

*4. Small Industrial / Warehouse Type Space*

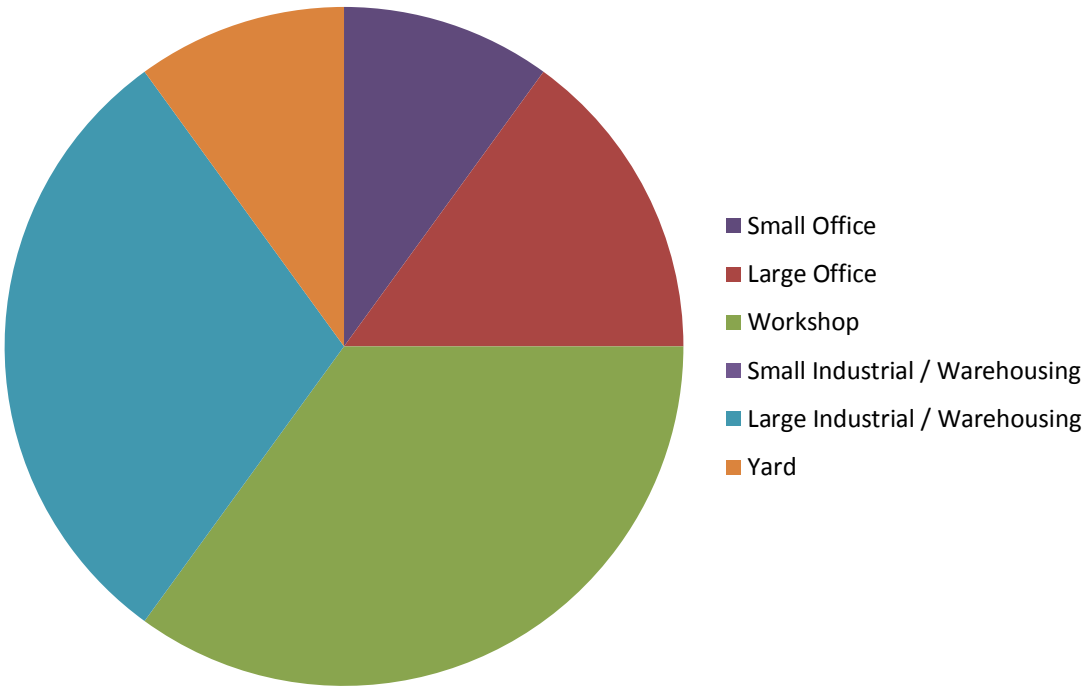
*5. Large Industrial / Warehouse Type Space*

*6. Yard / Open Storage Type Space*

5.2.9 A comparative analysis of the typologies observed within the Regis Road industrial estate indicates that the estate has a high number of 'large industrial and warehousing' and 'workshop' type spaces. Within the estate there are also a number of office type spaces as well as yard spaces. **Figure 5.2** below outlines the total number of units by the typology they occupy and illustrates the large amount of industrial and warehousing based economic activity taking place within the estate.

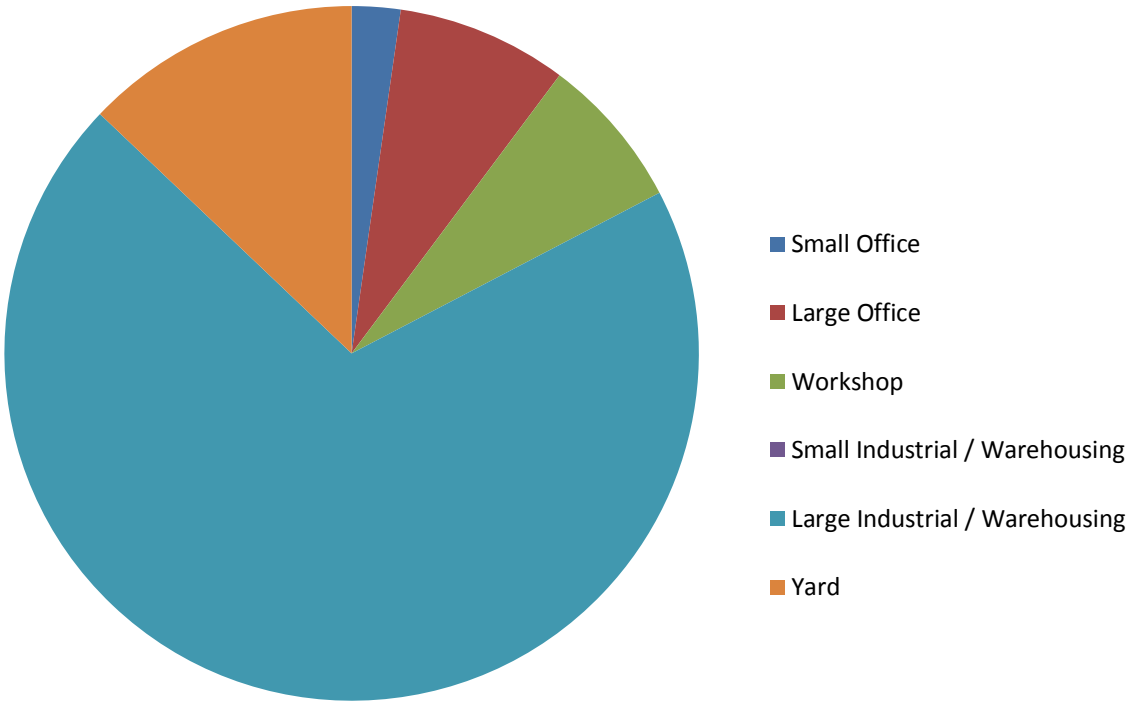
5.2.10 Further analysis of the business typologies by the total floorspace occupied by each typology demonstrates that the vast majority (70%) of the employment floorspace within the estate is taken up by 'large industrial and warehousing type space' which is consistent with the number of businesses engaged in distribution and warehousing activities within the estate and their operational floorspace requirements. Yard and open storage type space is also well represented in terms of total floorspace (13%) whilst workshop and office type spaces account for significantly smaller proportions overall. **Figure 5.3** below provides more details.

**Figure 5.2: Business Typologies by Total Number of Units**




Source: AECOM

**Figure 5.3: Business Typologies by Total Floorspace**




Source: AECOM

## 5.3 Business Typologies and Compatibility with Mixed Use Development

5.3.1 The co-location of employment and residential uses can be implemented at various spatial scales including:

- The individual building scale - mixing uses within a single building horizontally or vertically;
- The block scale - mixing single use buildings adjacent to one another in a neighbourhood block; and
- The multi-block scale - mixing single use blocks across a larger area.

5.3.2 An understanding of how business typologies can fit alongside non-industrial uses in mixed use environments is also critical to ensuring that long term business operations are perceived positively within a neighbourhood and that the employment space is considered attractive from a market perspective.

5.3.3 **Figure 5.4** provides a high level analytical framework for considering the compatibility of different business typologies at various spatial scales within mixed use residential developments. It is colour coded to indicate the potential scale of design considerations in integrating each typology within a residential led mixed use development. These design requirements include access and servicing of units, negative environmental (such as air quality, visual, noise or congestion) and exterior and interior design.

**Figure 5.4: Employment Typologies and Mixed Use Development**

| Typology | Compatibility at Multi-block Scale | Compatibility at Block Scale | Compatibility at Building Scale |
|---|---|---|---|
| Small Office Type Space | Fully compatible | Fully compatible | Fully compatible |
| Large Office Type Space | Fully compatible | Fully compatible | Some design considerations |
| Workshop Type Space | Some design considerations | Some design considerations | Some design considerations |
| Small Industrial / Warehousing Type Space | Some design considerations | Significant design considerations | Significant design considerations |
| Large Industrial / Warehousing Type Space | Some design considerations | Significant design considerations | Not typically suitable |
| Yard / Open Storage Type Space | Significant design considerations | Significant design considerations | Not typically suitable |

Source: AECOM

5.3.4 As **Figure 5.4** shows, office and light industrial workshop type spaces are largely compatible (in functional and design terms) with mixed use development at all spatial scales. The use classes associated with these typologies (B1a/b/c) are mostly desk based activities such as creative services and industries, professional and business services, light industrial activities and research and development operations. These businesses can be considered 'clean' industries, have minimal environmental considerations, relatively less service and access requirements compared with distribution businesses due to the lack of deliveries of goods and are more easily integrated into mixed use developments horizontally or vertically.

5.3.5 Successful integration of industrial and warehousing typologies into mixed use development would require more consideration of the design of access and servicing including appropriate access and circulation space for goods and service vehicles and potential separation of access and servicing routes from residential users. Consideration would need to be given to the hours of operation of likely employment activities and any restrictions which could be placed on industrial uses. Uses associated with these typologies have the potential to generate environmental issues for sensitive nearby receptors given the nature of the activities they accommodate and the frequency of deliveries they are likely to generate. Sensitive design of appropriate environmental mitigation measures to control air and noise emissions should also be considered.

## 5.4 Considerations for Redevelopment: Businesses

5.4.1 The compatibility of business typologies with mixed-use development is primarily determined by the operational requirements of businesses and the potential adverse environmental considerations arising from business activities.

5.4.2 For the purposes of this study the operational requirements of existing business activities are taken to include:

- Access requirements, including suitable access and circulation routes- e.g. for heavy goods vehicles;

- Servicing requirements, including the frequency of servicing - e.g. off road or on road loading/unloading; and
- Parking requirements for customers and staff.

5.4.3 Potential adverse environmental characteristics of existing business activities which could affect the successful integration of these activities with more sensitive uses such as residential are also considered and include:

- Adverse noise, visual and air quality impacts;
- Consideration of the nature of activities taking place (e.g. heavy industries vs clean industries); and
- Businesses' likely requirements for hours of operation.

5.4.4 Operational requirements and potential adverse environmental activities of the existing business typologies on site have been considered and a view provided on the extent to which these activities could be integrated into redevelopment proposals at three scales:

- Multi-block;
- Block; and
- Within an individual building.

5.4.5 In addition, development viability can influence whether business typologies are compatible alongside non-business uses. Introducing mixed-use development within designated industrial areas will impact on land values and rents, which could affect the retention of industrial and warehousing uses. Research by AECOM for the GLA indicates that, per hectare, residential land values in LB Camden are more than five times industrial land values. It is important to remember though that industrial land provides economically viable space for businesses and industrial activities including lower value, affordable space.

5.4.6 Our assessment of the compatibility of existing business typologies found at Regis Road Industrial Estate with a residential mixed-use development is based on the typology framework set out within **Section 5.3** above and their operational and environment needs. The results are presented in **Table 5.2**.

**Table 5.2: Compatibility of Business Typologies with Mixed Use Redevelopment**

| Business Unit | Business Name | Operational Requirements | Environmental Considerations | Compatibility with Mixed Use Development | | |
|---|---|---|---|---|---|---|
| | | | | Multi-block | Block | Building |
| 1 | UPS | 24h access and regular servicing<br>Requires off street loading / unloading<br>Circulation space and regular access for HGV vehicles. | Potential adverse noise considerations due to 24hr operational working | | | |
| 2 | Asphaltic | Circulation space and regular access for HGV vehicles<br>Large yard type space for the storage of materials<br>Requires off street loading / unloading | Minimal environmental considerations | | | |
| 3 | Royal Mail | 24h access and regular servicing<br>Circulation space and regular access for HGV vehicles<br>Requires off street loading / unloading | Potential adverse noise considerations due to 24hr operational working | | | |
| 4 | Fairfax Meadow | Circulation and regular access for HGV vehicles<br>Requires off street loading / unloading | Potential adverse noise considerations from large numbers of vehicle movements | | | |
| 5 | Spire BMW | Likely to require off street loading / unloading<br>Circulation space for car storage and movements | Likely to be adverse noise considerations during regular working hours | | | |
| 6 | EKO | On street loading / unloading likely to be adequate | Minimal environmental considerations | | | |
| 7 | Caraselle Direct | No direct operational requirements | Minimal environmental considerations | | | |
| 8 | Woo&Co | No direct operational requirements | Minimal environmental considerations | | | |
| 9 | Plumb Inn | Likely to require off street loading / unloading | Potential for small scale adverse noise considerations from deliveries and vehicle movements. | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 10 | Angelana Investments | No direct operational requirements | Minimal environmental considerations | | | |
| 11 | Ace Sports Direct | On street loading / unloading likely to be adequate | Potential for small scale adverse noise considerations from deliveries and vehicle movements. | | | |
| 12 | Fashion Nation | On street loading / unloading likely to be adequate | Potential for small scale adverse noise considerations from deliveries and vehicle movements. | | | |
| 13 | Railings Gallery | On street loading / unloading likely to be adequate | Minimal environmental considerations | | | |
| 14 | HGV Training | No direct operational requirements | Minimal environmental considerations | | | |
| 15 | Camden Recycling Centre | Large yard type space for the storage and processing of waste material | Potential for adverse noise, visual and air quality considerations given the nature of activities on site. | | | |
| 16 | Camden Car Pound | Large yard type space for car storage and processing | Potential for adverse noise considerations from frequent vehicle movements | | | |
| 17 | Select Retail | Likely to require off street loading / unloading | Potential for small scale adverse noise considerations from deliveries and vehicle movements. | | | |
| 18 | JML | On street loading / unloading likely to be adequate | Minimal environmental considerations | | | |
| 19 | Musion | No direct operational requirements | Minimal environmental considerations | | | |
| 20 | Howdens | Likely to require off street loading / unloading Circulation space for HGV vehicles | Potential for small scale adverse noise considerations from deliveries and vehicle movements | | | |

Source: AECOM (2015)

## 5.5 Considerations for Redevelopment: Site

5.5.1 At a site level there are a number of constraints and opportunities with regards to proposals for a mixed use redevelopment of the Regis Road industrial estate. It should be recognised however that the large size of the Regis Road industrial estate increases the opportunity for different uses to be located on-site in a compatible way at both multi-block and block scales.

5.5.2 The Regis Road industrial estate represents Camden's largest supply of industrial employment land within the borough. The phasing of redevelopment would therefore need to be carefully considered to minimise disruption to existing businesses. There may be opportunities to decant existing activities to other locations within the industrial estate or alternatively other parts of the borough to retain business uses on site/locally as the development proceeds. At present GL Hearn are supporting preparations of a mixed-use masterplan for the Regis Road Industrial Estate. This masterplan highlight the opportunities for employment-led redevelopment of the estate through increasing densities across the site and broadening the businesses base to include, for example, sectors which are important to the local economy such as media and creative industries. The emerging masterplan demonstrates the potential of the area to retain existing businesses (particularly those which are currently serving the CAZ) alongside residential development. In addition CREATE REIT are developing proposals for the redevelopment of the south east area of the site and the Kentish Town Road, with a view to delivering economic, community and environmental benefits.

5.5.3 The industrial estate has high levels of accessibility to public transport given its proximity to Kentish Town station which is served by the Northern Line and Thameslink and bus routes along Kentish Town road. The site has an average Public Transport Accessibility Level (PTAL) of between 4 and 6a. This level of accessibility demonstrates the sites strong potential for a higher intensity use of the existing land and in particular for B1 (a/b/c) employment uses as well as residential and associated commercial uses.

5.5.4 The industrial estate is bordered to the north and the west by two rail corridors which provide barriers to the site from the rest of the surrounding area and restrict the permeability of the site to adjacent areas. These corridors could potentially be opened up through redevelopment of the site to increase the accessibility of the site and to improve legible connections to surrounding neighbourhoods. There could also be opportunities for employment uses to be located along the rail corridors to provide a buffer for sensitive uses (such as residential) from the railway corridors.

5.5.5 Whilst the site benefits from high public transport accessibility, the local road network (and in particular the access to the site) suffers from congestion during peak hours. Despite the estate's proximity to the CAZ, access to the site could limit the attractiveness of the estate for CAZ supporting functions which provide 'just in time' operations and those which require good access to the strategic road network to and from central London.

5.5.6 There are currently two protected sight lines running through both the south-west and north-east corners of the industrial estate. These sight lines may potentially constraint the massing of development within these areas but offer opportunities for lower density masses, such as warehousing and industrial uses to be located within these areas of the site.

## 5.6 Prospects for Retention of Businesses on Site

5.6.1 As demonstrated within the preceding sections there is strong potential for the retention of existing business typologies which currently operate in the Regis Road industrial estate within a mixed use redevelopment of the site.

5.6.2 Careful consideration will need to be given to the integration of the typologies at the appropriate scales. A significant proportion of the units on site are B1 use class including small and large office type spaces as well as workshop spaces. With careful design to enable adequate access and servicing requirements and to mitigate any potential adverse environmental impacts, these typologies could readily be integrated alongside mixed use residential led re-development.

5.6.3 It may be more difficult however to integrate the large warehousing and industrial typologies and their associated activities such as UPS, Royal Mail and Fairfax Meadows as part of a large scale redevelopment with higher land use intensity. These typologies are not typically compatible with mixed use development at the building scale, although with sensitive design they can be integrated into the multi-block or block scale. Similarly, the yard type spaces which support the Camden recycling centre, the car pound and Asphaltic activities may also present challenges in any potential integration alongside sensitive uses such as residential. Given the aspirations for intensification of uses on the site and the large floorplates these typologies occupy however, it may be challenging to retain such uses within the industrial estate.

# 6 RELOCATION CAPACITY

## 6.1 Introduction

6.1.1 This section addresses objective 6 and identifies CAZ supporting functions within the Borough and the wider supply of vacant industrial land and vacant industrial floorspace within the LB Camden and Greater London. This vacancy is given as an indication of the potential capacity for industrial areas to accommodate any relocation of business from Regis Road industrial estate, should this be required.

6.1.2 This analysis has drawn upon our findings from **Task 5**, the 2014 ELR site assessments carried out by AECOM and land use mapping of industrial land across London.

## 6.2 CAZ Supporting Businesses Located in LB Camden

6.2.1 The scope of this study has also considered businesses within the wider supply of industrial land within LB Camden which accommodate CAZ supporting functions. This analysis has captured the characteristics of these functions as well as their distribution and location.

6.2.2 **Table 6.1** outlines the CAZ supporting functions identified within the wider supply of industrial land within LB Camden. This information is based on 2014 ELR and desk based research.

6.2.3 The Valuation Office Agency (VOA) records the amount of floorspace in an area by building type. The latest available VOA data records 334,000 sqm of industrial floorspace within the LB Camden. CAZ functions therefore account for up to 9% of all industrial floorspace within the Borough. As previously noted however, it is not expected that all of this floorspace is used for CAZ supporting activities - businesses are likely to serve a wider market area taking in areas outside the CAZ and such as outer London locations.

6.2.4 The 2014 ELR identified ten CAZ supporting functions within LB Camden with an aggregated floorspace of 29,500 sqm. Regis Road industrial estate therefore accounts for 40% of the firms and 62% of the floorspace of the CAZ supporting floorspace in the Borough. This reflects the presence of large warehousing units accommodating UPS, Royal Mail and Fairfax Meadows within the estate.

**Table 6.1: Businesses in LB Camden Defined as CAZ Supporting**

| Business Name | Activity | Location (Site / Cluster) | Floorspace (sqm)[16] |
|---|---|---|---|
| UPS | Postal distribution | Regis Road Industrial Estate | 10,070 |
| EKO | Bike delivery hub for TNT courier services | Regis Road Industrial Estate | 620 |
| Royal Mail | Postal distribution | Regis Road Industrial Estate | 4,760 |
| Fairfax Meadow | Food distribution | Regis Road Industrial Estate | 2,900 |
| DPD Interlink Express | Postal distribution | Camley Street | 1,545 |
| Veolia | Waste Management and Recycling | Cedar Way Industrial Estate | 372 |
| Daily Fish Supplies Ltd | Food distribution | Cedar Way Industrial Estate | 1,308 |
| Richmond Laundries | Laundry servicing | Cedar Way Industrial Estate | 522 |
| Parcel Force | Postal distribution | Royal College Street | 6,054 |
| Wasabi | Food preparation and distribution | St Pancras Commercial Centre | 1,338 |
| **Total** | **-** | **-** | **29,489** |

Source: AECOM

## 6.3 Capacity of Industrial Sites/Clusters to Accommodate Relocations

*Provision of Vacant Industrial Land*

6.3.1 Vacant industrial land can be defined as vacant cleared sites, land with derelict industrial buildings and land with vacant industrial buildings. **Table 6.2** indicates that within LB Camden there is less than 0.5 ha of vacant industrial land and within the wider CAZ there is less than 4ha. Across inner London more broadly, there is approximately 150 ha of vacant land and across London as a whole over 500 ha. Whilst there is limited capacity to accommodate relocation of industrial activities within LB Camden, the Central London sub region and the CAZ, there is capacity to accommodate relocation across other areas of London. However, most of this capacity is located within East London and will be utilised to accommodate land use change in London Riverside, the Royal Docks, Bexley Riverside and Greenwich Opportunity Areas. The capacity in East London is therefore not considered to be a viable substitute for capacity to accommodate relocated CAZ activities from the North London sub-region.

[16] Floorspace figures for business units outside of Regis Road have been determined using VOA data. Floorspace figures for business units within Regis Road are based on data provided by GL Hearn (2015).

6.3.2 Vacant industrial land should also be considered in relation to the stock which is in use. **Table 6.2** provides estimates of the amount of vacant industrial land relative to total stock across different geographies. Vacant industrial land across LB Camden is estimated at less than one percent which is significantly lower than the average for all other geographies including the CAZ. This indicates limited opportunities to accommodate new B-use class employment development within existing industrial land.

6.3.3 Comparatively, LB Camden has a similar proportion of vacant developable industrial land as Islington and Wandsworth and Southwark but a significantly smaller proportion than all other boroughs which intersect the CAZ.

**Table 6.2: Stock of Vacant Industrial Land**

| Location | Total Vacant Industrial Land (Hectares) | Vacant Industrial Land as a Proportion of all Industrial Land Approximate % |
|---|---|---|
| LB Camden | <0.5 ha | <1% |
| Central London | 8 - 9 ha | 2 - 3% |
| Greater London | 500 – 550 ha | 7 - 8% |
| CAZ | 3 – 4 ha | 3 - 4% |
| Inner London | 160 – 170 ha | 9 – 10% |
| Outer London | 380 – 400 ha | 7 - 8% |

Source: AECOM (2015)

*Provision of Available Industrial Floorspace*

6.3.4 EGi data records approximately 4,000 sqm of marketed industrial floorspace within LB Camden - around 1.4% of the total amount of industrial floorspace within the borough.[17] This rate is lower than the average for Inner London and significantly lower than the average for Outer London and Greater London as a whole. The rates of vacant marketed floorspace in LB Camden and Inner London suggest a supply constrained commercial property market, with levels of vacant floorspace lower than the optimal level for efficient market operation.

[17] EGi data captures marketed units only so this calculation is likely to under-represent vacancy levels, though not significantly in our professional view.

**Table 6.3: Existing Stock of Vacant Industrial Floorspace**

| Location | Total Vacant Floorspace (sqm) | Vacant Floorspace as a proportion of all industrial floorspace (%) |
|---|---|---|
| LB Camden | 4,000 | 1.4% |
| Central London | 110,000 | 5.2% |
| Greater London | 2,006,000 | 10.0% |
| CAZ | 3,500 | n/a * |
| Inner London | 229,000 | 4.1% |
| Outer London | 1,776,000 | 12.4% |

Source: AECOM (2015); EGi (2015); VOA (2012)
Industrial uses are defined as use classes B1c, B2 and B8
* Data on floorspace stock unavailable for the CAZ

6.3.5 The majority (three quarters) of the vacant floorspace within LB Camden is comprised of a single vacant distribution / workshop space close to Kings Cross. The warehouse was previously used for the storage of cars and is currently the focus of a mixed use planning application to provide residential uses with flexible office, cultural and amenity uses at ground level. This site is a prime example of the competing pressures within LB Camden for the provision of new housing alongside employment uses.

*Suitability of Available Industrial Land / Floorspace to Accommodate Regis Road CAZ Supporting Functions*

6.3.6 The preceding analysis indicates that there is currently limited available vacant industrial land and marketed floorspace within LB Camden and the wider CAZ to accommodate any relocation of those functions within Regis Road Industrial Area that support the CAZ. Vacancy rates for both land and floorspace in LB Camden are currently lower than optimal frictional land vacancy rate, which suggests a commercial market where demand is in excess of supply.[18]

6.3.7 The data provided is however a reflection of the current situation and as the provision of vacant industrial land / vacant floorspace changes over time so will the opportunities (and constraints) to accommodate relocation of businesses located within the Regis Road Industrial Estate. It is likely that further evidence on relocation opportunities would need to be submitted alongside any planning application for redevelopment of Regis Road Industrial Estate.

6.3.8 The comparatively small proportion of vacant land and floorspace within LB Camden and the wider CAZ boroughs would indicate a requirement for areas outside of the CAZ to potentially

[18] Frictional vacancy is defined as the optimum level of surplus capacity in the market at any given time to allow an efficient churn of occupancy. The Greater London Authority (2012) Land for Industry and Transport Supplementary Planning Guidance (SPG) provides a benchmark for what is an appropriate level of frictional vacancy for industrial and office uses. For industrial uses frictional land vacancy is suggested as 5% and for office uses it is suggested as 8% of stock. Vacancy levels below the rates of frictional floorspace or land vacancy could act as a constraint on economic activity.

accommodate the future relocation of CAZ functions from within Regis Road if this were to be required due to redevelopment. The figures of total vacant land and floorspace at a London wide level suggest however that there is a significant capacity to accommodate relocation of CAZ supporting businesses. However, as indicated in paragraph 6.3.1 above most of this capacity is located in East London where it will be utilised to accommodate land use change in Opportunity Areas. There is a question therefore about the degree to which employment land capacity in East London would be a viable substitute for capacity to service CAZ activities from the North London sub-region.

6.3.9 Established industrial and warehousing areas such as Heathrow and Park Royal in the West London sub-region and in Enfield to the north of LB Camden are potential locations for the re-provision of these business typologies although the attractiveness of these locations will very much depend on the factors discussed above. Furthermore, capacity at Park Royal and Heathrow is limited with very low vacancy rates. These locations will also be expected to accommodate industrial and warehousing demand and support land use change in the wider Old Oak Common Opportunity Area. Further assessment of the capacity and suitability of employment land in London to accommodate relocation from Regis Road, as part of any development scheme, is therefore recommended.

6.3.10 In summary the ability of a business to relocate is determined by a range of factors including access to markets, customers/clients, supply chains, labour force, operational flexibility and financial health. The potential for relocation will also depend on the capacity of the business to secure viable and suitable alternative premises with the right contractual terms and rental levels. The cumulative substitution of industrial/distribution capacity from inner/central London to outer London is also likely to have impacts on congestion, vehicle miles, emissions and London's wider sustainability. Assessing these impacts however is beyond the scope of this study.

# 7 SUMMARY

7.1.1 This study has sought to bring together a robust evidence base to support the study objectives set out within paragraph 1.2.1.

7.1.2 It has examined the nature and scale of the existing activities taking place within the Regis Road industrial estate, which forms part of the only designated industrial area in the borough, as well as providing an indication of the current level of demand for premises and the presence of CAZ supporting functions within the estate. In addition it has attempted to provide a perspective on the prospects for retention of the existing business typologies on site as part of proposals for a mixed use residential led redevelopment of the site and the potential opportunities within the wider borough and the wider economic area for the relocation of existing CAZ functions.

7.1.3 The report has demonstrated that the industrial estate currently supports a wide range of activities and business typologies and accommodates around 1,000 jobs. Currently there are no vacant units on the estate and existing units are considered to be generally fit for purpose. In terms of quality, the estate performs well against the strategic criteria in the Mayor of London's Land for Industry and Transport SPG.

7.1.4 In particular large warehousing and industrial units are well represented and the site contains LB Camden's strategically important waste and recycling centre. These represent challenges for redevelopment of the site and the successful integration of existing business typologies within mixed use development. The site has numerous constraints and opportunities but as evidenced in this study there may be potential for the integration of existing activities within redevelopment proposals as part of a Plan-led approach subject to appropriate design considerations and the sensitive integration of employment and residential uses, as well as the ongoing viability for industrial and warehousing uses. In addition, given the large size of the Regis Road Industrial Estate, there is a significant opportunity for redevelopment to reconfigure existing uses in a way which achieves the sensitive integration and mix of employment and non-employment uses. However, though not assessed as part of this study, mixed-use redevelopment could lead to increased land and rental values and impact on the viability of this location to support existing industrial and warehousing uses.

7.1.5 This study has found that outside of the Regis Road industrial estate there is limited capacity in the rest of the LB Camden or within the CAZ to accommodate relocation of existing business activities. The lack of available vacant industrial land suggests the requirement for larger established industrial areas to accommodate any potential relocation of CAZ supporting functions away from the Regis Road industrial estate, should they not be able to be accommodated on-site as part of any redevelopment scheme. More broadly, across London, there is a supply of vacant land which could accommodate relocation from Regis Road. However much of this capacity is in East London, or in established industrial areas such as Park Royal or Heathrow, which are either geographically distant to Regis Road, are designated to support land use change or have low rates of vacancy. This study notes that relocation of industrial capacity from in and around the CAZ to outer London areas could, cumulatively, give rise to negative impacts on the economic function of the CAZ/inner London, vehicle miles and congestion.

7.1.6 It will be important that any mixed-use scheme for the area ensures that use of the site for industrial and warehousing businesses that support Central London functions, and the local

economy, can be sustained in the long term and maximises the reprovision of existing uses on-site to enable the same functions to be performed.

7.1.7 The layout of the site is currently low density and careful masterplanning could potentially allow continuing support for CAZ functions, bring new space for businesses in growth sectors such as creative and technology sectors, and deliver new housing. Any redevelopment should bring considerable improvements to the quality of the site's environment and bring benefits to the local community.