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# ENFIELD LOCAL PLAN REGULATION 19

STAGE 1 MATTERS  
ISSUES & QUESTIONS

MATTER 3: EMPLOYMENT  
LAND NEED AND SUPPLY

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ON BEHALF OF IKEA PROPERTIES  
INVESTMENTS LTD (ID REF: 01921)

JANUARY 2025

Q210717

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# 1 Introduction

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- 1.1 IKEA Properties Investments Ltd (“IKEA”) are a significant stakeholder in Enfield, having previously traded from their store at Glover Drive, Meridian Water, for 17 years, between 2005 and 2022 inclusive.
- 1.2 IKEA are the freehold owner of the site, containing their former store, which is allocated in the draft Regulation 19 Enfield Local Plan (“draft Local Plan”) under Allocation Reference SA5.3: *Former IKEA, Meridian Water* (site area 8.41 ha) and identified for residential led mixed use.
- 1.3 IKEA are seeking to divest their property, and following the marketing of the site in 2023, are in advanced discussions with a national homebuilder, who is proposing comprehensive development of the site for a residential led mixed use.
- 1.4 IKEA have duly made representations to the draft Local Plan, raising the following matters:
  - 1.4.1 IKEA supports residential led regeneration of the site and the surrounding Meridian Water area.
  - 1.4.2 The draft Local Plan, however, fails to properly account for the true capacity of the site in terms of housing delivery, which is significantly under-estimated considering its proximity to Meridian Water train station.
  - 1.4.3 In failing to optimise the housing delivery on the site, the draft Local Plan fails to capture the following benefits:
    - A greater level of housing delivery, across a range of tenures, including affordable housing.
    - Helping to deliver a vibrant, mixed tenured, mixed use, community.
    - Making the best use of sustainably located brownfield land, whilst delivering a new community of scale, which will help to catalyse the development of other sites in Meridian Water.
    - Making the best use of existing and proposed local infrastructure, including that funded by Central Government (including the Meridian Water train station and more recent HIF funding awarded for delivering major transport infrastructure)<sup>1</sup>.
    - Opportunities to deliver employment uses, especially those in demand, on that part of the site that is less suitable for residential use.
    - Assisting the Council in delivering their ambitions for 10,000 new homes at Meridian Water.

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<sup>1</sup> The DLUHC have awarded £195m (£170m in 2020, and a further £25m in 2024) for infrastructure (naturalisation of the Pymmes Brook, two new parks, roads, bridges, footpaths and cycle links) to support the new residential and business community proposed at Meridian Water.

- 1.4.4 There are no sound grounds for supporting the scale of office floorspace proposed in the Allocation (as well as the lack of clarity in the allocation relating to office floorspace).
- 1.5 Following submission of the representations to the draft Local Plan, IKEA have engaged with Officers (and consultants of) the Council, to seek modifications to the allocation, given it presently will artificially and mechanistically suppress the site's true capacity. That engagement is still ongoing.
- 1.6 IKEA are intending to be represented at the Hearings on Matter 3 (the subject of this Statement) and Matter 5<sup>2</sup>.
- 1.7 This Statement goes on to demonstrate that there is little logic in promoting the scale of office floorspace in the Borough, and most notably at Meridian Water, given the Council's own evidence that demonstrates that the demand (and, therefore, need) for office floorspace is questionable both within the Borough, and more specifically, at Meridian Water itself.
- 1.8 This Hearing Statement goes on to demonstrate that the regeneration and growth focus on Meridian Water is justified and appropriate, albeit the allocation of land known as SA5.3 is framed in a manner that artificially and mechanistically suppresses the site's true capacity, and that uplifting the housing delivery numbers in the allocation and taking a more flexible approach to employment development on the site, will enable the Plan to capture a range of benefits (outlined above) through optimisation of the site's regeneration.

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<sup>2</sup> Matter 5: Key Diagram, Spatial Strategy and Methodology for Selecting Site Allocations.

## 2 Issue 3.1: Whether the assessment of overall employment land need and requirement is justified, positively prepared, consistent with national policy and in general conformity with the London Plan

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Policy SS1 sets out a requirement for 304,000 sqm of net additional industrial and logistics floorspace of 40,000 sqm of net additional office floorspace. The Employment Topic Paper<sup>3</sup> sets out how these figures were derived.

Note: As part of the 'stage 1' hearings, I wish to focus on the overall requirement. Other matters relating to employment land, including supply issued, will be addressed through subsequent MIQs.

- 2.1 This Hearing Statement is primarily concerned with the land use issues associated with office floorspace. IKEA consider that the Local Plan's approach to reserving 40,000 sqm of office floorspace provision at Meridian Water is unsound, and most notably promotes a strategy that is not justified, nor effective and not consistent with national policy<sup>4</sup>.

*Q3.1: Are the requirements for additional floorspace justified and based on robust and up to date evidence of need?*

- 2.2 The evidence base used in the preparation of the draft Local Plan's policies relating to employment need and requirements is set out in a range of historic reports, with the most recent being the Employment Land Review (December 2023)<sup>5</sup> ("ELR"), summarised in TOP4.
- 2.3 Being only 12 months old, the employment evidence is relatively up to date.
- 2.4 However, in respect of whether the requirements for additional floorspace for office purposes is justified, this is clearly not the case, as demonstrated in the ELR and explained further below.
- 2.5 The office market in Greater London, as well as nationwide, has been muted for a number of years, most notably, since Covid-19 and there has been a clear shift away from a "pre-let" market. CBRE<sup>6</sup> calculate that less than 3% of deals between 2018-2023 in the South East (of England) were pre-lets.

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<sup>3</sup> Document TOP4.

<sup>4</sup> Paragraph 34 of the NPPF (December 2023) sets out the four tests of soundness.

<sup>5</sup> Authored by Stantec UK Ltd and Grant Mills Wood.

<sup>6</sup> Commercial advisors to IKEA.

- 2.6 Outside central London, CBRE note that demand for offices has become concentrated in eight core locations, namely Richmond, Putney, Wimbledon, Chiswick, Ealing, Watford, St Albans and Croydon. Speculative office development (as well as refurbishments) in these locations have largely worked due to (i) rental levels being enough to make development costs work and (ii) there being enough office occupier demand.
- 2.7 CBRE estimate that the construction costs of developing new fit for purpose offices are now so high, due to inflationary pressures on construction costs, that rent per sq ft needs to be between £45-£50 per sq ft to make such development viable. This is difficult to sustain in a location such as Meridian Water, not only because this is a location that has no current market profile, but comparable locations have barely reached £30 per sq ft.
- 2.8 Office leasing deals in Greater London, are generally between 1,000-2,000 sqm, as occupier demand is muted. Therefore, delivering large-scale offices is commercially challenging, leaving aside the lack of viability.
- 2.9 The above views of CBRE align with the findings of the Council's own evidence, which demonstrate:
- Employment in office-related service sectors in Enfield is below the London average<sup>7</sup>.
  - The office market is small<sup>8</sup>, with the London Office Policy Review (2017) noting that *"Enfield is a small and insignificant office market, and we do not expect this to materially change"*<sup>9</sup>.
  - Enfield does not have an established office market and there has been a steady decline in office floorspace over the past 12 years (as measured between March 2010 and March 2022) with the Council's advisors (Stantec) predicting a continued decline in office floorspace<sup>10</sup>.
  - The loss of office floorspace has been accelerating from 2017, with a significant reduction in the year up to 31 March 2023<sup>11</sup>.
  - Stantec recognise that the office stock within Enfield is broadly in balance with demand, and over the Plan period, they expect only marginal change in office floorspace<sup>12</sup>.
  - As a consequence of the above, Stantec anticipate future office demand to be on a *"fairly flat trajectory"*<sup>13</sup>. Despite the low supply and low demand for office floorspace within Enfield, the draft Local Plan is based on a highly optimistic economic forecast equal to circa 43,000 sqm of office floorspace<sup>14</sup>. It is, however, recognised that whilst this a modest figure, it is built on optimism given the relatively flat trajectory, and based on a premise that Enfield's office market should not miss out in the event the market picks up. It is clearly based on hope rather than evidence.

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<sup>7</sup> Page 22 of the ELR.

<sup>8</sup> Page 38 of the ELR.

<sup>9</sup> Paragraph 6.2.45 of the London Office Policy Review (2017).

<sup>10</sup> Paragraph 5.55 of the ELR.

<sup>11</sup> See paragraph 7.3 of the ELR, and paragraph 7.35.

<sup>12</sup> Paragraph 7.37 of the ELR.

<sup>13</sup> Paragraph 7.76 of the ELR.

<sup>14</sup> Paragraph 7.77 of the ELR.

- The ELR demonstrates that an office-led strategy does not align with economic demand evidence<sup>15</sup>.
- In conclusion, the ELR questions a spatial policy approach that promotes office format space and recommends reducing the emphasis on office-led economic development while increasing the emphasis on replacement industrial floorspace<sup>16</sup>.
- In the alternative, there is clearly a strong demand for and evidence of need, for additional industrial and logistics floorspace. The ELR recommends that the spatial approach should be to increase the net additional industrial floorspace in recognition that the availability of land (for new or replacement space) is limited. Importantly, there needs to be a strong policy protection of Strategic Industrial Land (“SIL”), whilst designating more SIL where possible.

2.10 SIL is the subject of Policy E5 of the London Plan, which requires Development Plans to adopt local strategies to protect and intensify their function, as well as increase their attractiveness given the strong need and demand for such land in London.

2.11 In the case of SIL in Enfield, there is a recognised shortage of stock and the recommendation of the ELR is that existing SIL should be retained and a number of new sites should be allocated<sup>17</sup>.

2.12 It is notable that the ELR recommends that the existing SIL designation at Harbutt Road (the eastern part of the Meridian Water) should remain allocated as SIL, due to it being well located, large scale, free of major constraints for industrial uses and in demand<sup>18</sup>.

2.13 Despite this recommendation, the draft Local Plan proposed a significant change in the designation of the SIL land in this area, and it is proposed to reduce it by over 50%.

2.14 Figure 2.1 below demonstrates the proposed reduction in the SIL designation (made up of sites 4 x A, B, C and D)<sup>19</sup> where Sites B & D are proposed to be de-allocated from SIL and allocated respectively for mixed use purposes (site B) and Locally Significant Industrial Sites (site D).

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<sup>15</sup> Paragraph 9.160 of the ELR.

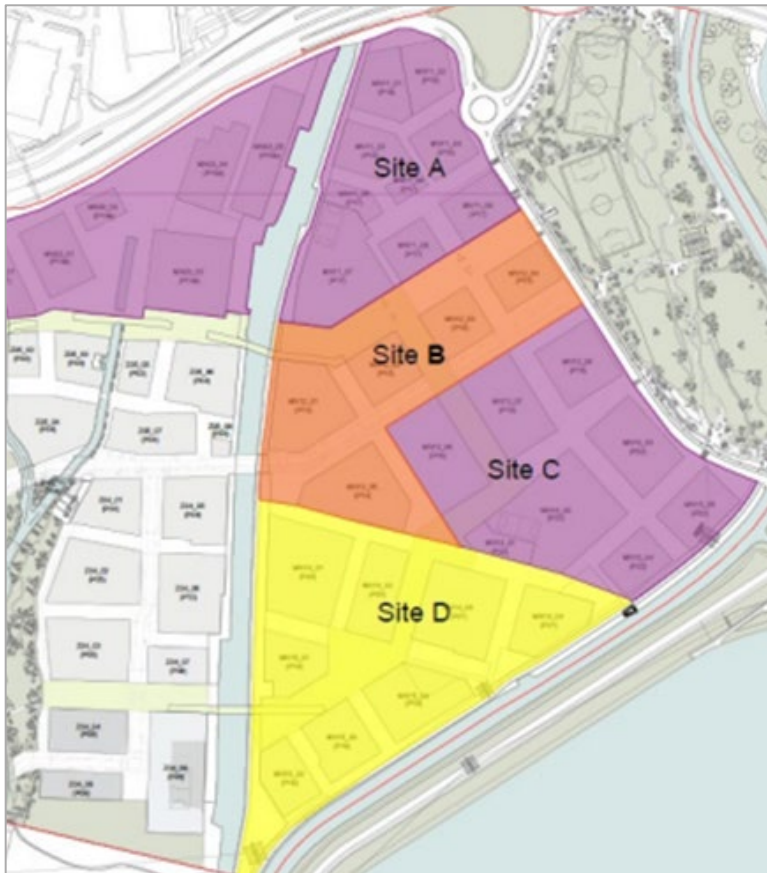
<sup>16</sup> Paragraph 9.164 and 9.166 of the ELR.

<sup>17</sup> Paragraph 9.4 (i), first bullet.

<sup>18</sup> Paragraph 9.67 of the ELR.

<sup>19</sup> Quod calculate that site A extends to circa 3.3 ha, site B is 4.4 ha, site C is 5.1 ha and site D is 6.2 ha.

Figure 2.1: Designated (adopted) SIL – Sites A, B, C and D



- 2.15 The overarching recommendation of the ELR is to reduce the emphasis on office-led economic development, given that is not supported by evidence, whilst increasing the emphasis on replacement industrial floorspace, which is supported by evidence<sup>20</sup>.
- 2.16 Whilst it is appreciated that this Hearing Session on Matter 3 is not site specific, as these are matters to be addressed through subsequent MIQs, it is important to note at this point that in terms of the area of concern to IKEA (ie, Meridian Water) the ELR is very clear that the office market is, and will remain, challenging, and Enfield has never been seen as a core office market. In light of this, the ELR states<sup>21</sup> that “...*there were previous aspirations to grow a new market at Meridian Water but, in the current climate, it is not pragmatic to promote new office locations when existing locations inside and outside the Borough are struggling*”.
- 2.17 Moreso, the Local Plan’s approach to reducing the amount of SIL in Meridian Water is not justified in light of the Council’s economic evidence.
- 2.18 Therefore, in answer to Q3.1, up to date evidence demonstrates that additional office floorspace of the order being promoted in the Plan (40,000 sqm) most notably at Meridian Water, is simply not justified, nor is the proposed reduction in SIL.

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<sup>20</sup> Paragraph 9.166 of the ELR.

<sup>21</sup> Paragraph 10.94 of the ELR.



*Q3.2: Do the requirements appropriately reflect the quantitative and qualitative need for those forms of development over the Plan period?*

- 2.19 It is demonstrated in answer to Q3.1 above that both the quantitative and qualitative need for office floorspace does not support the scale of growth promoted in the Local Plan, which is recognised as being unrealistically and optimistically unwarranted and without justification.
- 2.20 On the other hand, a wider range of employment demands and needs, most notably in the industrial and logistics sector is proven, such that existing SIL should be protected, and in the interests of sustainable development, existing urban and previously developed land should be the focus for such development. Meridian Water is seen as an area of high demand for such uses and, as such, the draft Local Plan's spatial approach should underpin growth of such employment, where appropriate.

*Q3.3: Are the requirements for additional floorspace consistent with the expectations of the London Plan?*

- 2.21 Policy E1: Offices of the London Plan, seeks to consolidate and "...where viable – extend[ed]..." office development, focused on three specific areas<sup>22</sup>.
- 2.22 In the case of Enfield, the focus for expansion of offices is noted as being the centres of Angel Edmonton, Edmonton Green, Palmers Green and Southgate. However, it is recognised that the commercial growth potential of these centres is limited.
- 2.23 Moreso, the London Plan recognises that the office market is going through a period of restructuring, and whilst growth in the office market is expected to continue throughout the whole of London, the growth in office employment demand in outer London, is anticipated to be selective, and focused in West and South London primarily, where values are sufficient to make new office development viable. This aligns with the views of CBRE above, and the findings of the Council's ELR.
- 2.24 In summary, it is unsound for the Plan to adopt a mechanistic approach to providing office floorspace at a set level, when it is clearly demonstrable that office demand and need is low, and the provision proposed in the draft Local Plan is overly optimistic. It is further demonstrated that it is important to ensure that employment land, for a wider range of employment uses is satisfied through the Local Plan, through both protection of SIL and the ability for mixed use allocations such as SA5.3 to provide for a wide range of employment uses.

**TOTAL WORD COUNT 2140**

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<sup>22</sup> Criterion D of Policy E1 of the London Plan (2021).



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