

Report to Area Plans Sub-Committee D

Date of meeting: 14 June 2006.



Subject: Business Starter Units, Fleming Road, Waltham Point

Officer contact for further information: Barry Land (01992 – 56 4110).

Democratic Services Officer: Adrian Hendry (01992 – 56 4246).

RECOMMENDATION:

That consent be given to vary the definition of Business Starter Unit Space to permit a maximum size not exceeding 5,000 sq.ft (or in the case of Units 1 & 2 – 7,300 sq.ft.); and a minimum of 2 units of 2,400sq.ft. or less.

Background

1. In February 2001 planning permission was granted for the commercial development at Waltham Point which included the provision of Business Starter Units. The permission was accompanied by a section 106 Agreement that included the definition of Business Starter Unit Space as follows:

“..the provision of a building or buildings.....with the following criteria:

- a) providing a minimum of 30,000 sq ft gross external floorspace;
- b) no single unit shall have a maximum size of more than 5,000 sq ft; and
- c) a minimum of 7 units shall be of 2,400 sq ft or less.”

2. The Agreement included provision for changing these criteria if necessary.

3. Detailed permission was granted in June 2004 for a development that met the above criteria and this was constructed and completed in March 2005, providing 11 units in total: two at 4,915 sq ft, two at 3,550 sq ft and the remaining seven at 2,360 sq ft.

Current Position

4. To date only 4 of the units have been sold and the developers are seeking agreement to changing the size and mix of the units to allow flexibility in marketing the site.

5. Details have been submitted of a very extensive marketing campaign over the period April 2004 to February 2006. A good degree of interest has been shown but mostly for the larger units. This has led to the sale of the two units of 3,550 sq ft and one of the units of 4,915 sq ft but of only one of the smaller units.

6. This comes as some surprise to the developers and their agents. The market in North London and this part of Essex has been good for the smaller units and some analysis has been carried out to determine reasons for the lack of interest experienced here. It has been concluded that the smallest of the units are generally only attractive when sited within or very close to built-up areas where the staff of small businesses live, whereas Waltham Point is seen as being a little remote compared to Enfield, Waltham Cross or Harlow.

7. The Council's position in suggesting the criteria was, to some extent, based upon the experience of the small businesses located in the former buildings on the Royal Ordnance Site before redevelopment. However, those businesses have been relocated for many years, and it must be borne in mind that the accommodation in the old buildings was for let on short leases at relatively cheap rates. The current units are for sale at market values.

8. The developers are requesting that flexibility is allowed in marketing the site so that it would be possible to combine two of the small units to create units of 4,800 sq ft; to allow Unit 1 at 4,915 sq ft to combine with the unit adjacent to create one of 7,300 sq ft; and to require a minimum of only 2 units to be retained at 2,360 sq ft.

Conclusion

9. The extensive marketing campaign has indicated that there is limited demand for the smallest of the units on this site. Units of under 5,000 sq ft are still regarded as 'small' and would not attract large distribution companies, so the intention of providing accommodation for small businesses would still be fulfilled. Furthermore, it would be preferable to have a thriving commercial estate of medium-sized units than a half-occupied estate of small units awaiting the possibility of a changing market some time ahead.

10. It is therefore concluded that no objection be raised to varying the original definition to state:

- a) no single unit shall have a maximum size greater than 5000 sq ft (except in the case of a combined Unit 1 & 2 that can extend to 7,300 sq ft.); and
- b) a minimum of 2 units shall be of 2,400 sq ft or less.