



## **Economic Needs Assessment**

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February 2018

Project Ref 39597

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Revision	Date	Description	Prepared	Reviewed	Approved
1	5 <sup>th</sup> May 2017	Draft report	AL	RP	RP
2	27 <sup>th</sup> June 2017	Draft 2 Report	AL	RP	RP
3	19th Oct 2017	Final Report	AL	RP	RP

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# 1 INTRODUCTION

- 1.1 This report sets out the findings of an economic study that aims to support future economic development in the Borough of Basingstoke & Deane (the Borough).
- 1.2 The Local Plan, adopted in 2016 guides development in the Borough and allocates new land where needed in the period to 2029. For office and industrial uses the Plan concluded that demand would be met from the existing stock, and no new land allocations were needed. However, for storage and distribution a need was identified, but this related primarily to evidence from just one economic forecasting house and evidence from property agents. This evidence therefore needs further investigation and analysis, which the Council committed to do, and if a need is identified the Council will consider the progression of the allocation of land for B8 uses.
- 1.3 This study supports the Council's commitment to review the need for land to be allocated for storage and distribution – the B8 use class activities, but it also updates the Borough's wider employment land and economic evidence<sup>1</sup>. This is because, in practice many buildings can be occupied by B1c, B2 or B8 uses, and many developments are built with this flexibility of end occupier in mind. By reviewing the need for all B class uses, and the interactions between them the study will be able to consider how best to incorporate the wider Borough needs into land allocations. They also compete for labour alongside all other economic uses, so updating the Borough's whole economic evidence base is appropriate.
- 1.4 The assessment of the need for employment land and floorspace focuses on the Local Plan period – 2011-2029. However, to support the development of the Council's 'Horizon 2050' project the study projects the micro and macro-economic trends to 2050, and considers how these might affect the local economy. However, there is a need for caution with these projections because they go well beyond the timescales of the economic forecasters, and they should therefore only be taken as a guide of what would happen if the future replicated the past.

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<sup>1</sup> Employment uses are defined in planning terms as the B use class uses - B1a office, B1b research & development, B1c light industrial, B2 general industrial and B8 storage & distribution

## 2 PLANNING POLICY CONTEXT

### Introduction

- 2.1 This section sets the policy context for the study, starting with the national context, and then considers the recently adopted Local Plan.

### National policy and guidance

#### National Planning Policy Framework

- 2.2 In respect of economic development, as for all other land uses, the guiding principle is that Local Plans should positively seek opportunities to meet the development needs of their areas.
- 2.3 Key paragraphs from the Framework include:
- Planning should do all it can positively to support sustainable economic growth. It should not act as an impediment to such growth (paragraph 19).
  - To help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business (paragraph 20).
  - Local Plans should inter alia (paragraph 21):
    - set out a clear economic vision and strategy for their area;
    - identify strategic sites, or set criteria to help identify other sites, for development in line with that strategy;
    - support existing business sectors and where possible plan for new or emerging sectors likely to locate in their area;
    - plan positively for clusters or networks of knowledge-driven, creative or high-technology industries;
- 2.4 In respect of sites allocated for employment use the Framework (paragraph 22) makes clear that:
- planning policies should avoid long term protection where there is no reasonable prospect of a site being used for that purpose;
  - land allocations should be regularly reviewed;
- 2.5 Local authorities should work strategically across local boundaries, and in particular:
- In building evidence bases, collaborate with neighbouring and county authorities and Local Enterprise Partnerships (paragraph 160)

- In policy-making, co-ordinate strategic priorities across boundaries and accommodate the needs of neighbouring authorities that do not have enough sustainable capacity in their own areas (paragraphs 179-180).
- 2.6 Local Plans should be supported by an evidence base that (paragraph 160/1):
- Assesses needs for land and floorspace, both quantitative and qualitative, for all foreseeable types of economic activity over the plan period;
  - Reflects a clear understanding of business needs
  - Is based on close work with the business community to understand their needs and also identify and address barriers to investment, including lack of housing, infrastructure or viability.
- 2.7 The Framework is clear that Local Plans should work proactively to identify and meet the development needs of businesses including business sectors likely to locate in the area. It is clear from this that business demand should be the major driver directing local strategy. Cooperation with the LEP is important in respect of developing the evidence base.
- 2.8 Allocations should be reviewed on a regular basis, and strategic needs (and storage and distribution comes into this category) should be considered across local boundaries.
- 2.9 Of relevance for this post-Brexit world is the Framework's advice to plan positively for growth and not to act to impede growth. Given that the effects of Brexit cannot be predicted with any level of assurance, and the timescales for any effect are also unknown, to prepare a 15-year Plan on the basis of a Brexit-led economic downturn would be contrary to the Framework.

## Planning Practice Guidance

- 2.10 The government's Planning Practice Guidance (PPG) expands on the question of cross-boundary working, advising that authorities join forces with neighbours, in line with the Duty to Co-operate, so that assessments of development needs cover market areas that straddle local authority boundaries. 'This is because such needs are rarely constrained precisely by administrative boundaries.'
- 2.11 The Guidance states that local economies often overlap local administrative boundaries, but regional economies are too large to be helpful for individual boroughs, and states:

*'The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area.'*<sup>2</sup>

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<sup>2</sup> Paragraphs 8 and 12 of the PPG, 6th March 2014

- 2.12 The PPG refers to a number of data sources that are key to identifying discrete economic areas, referred to as functional economic market areas (FEMAs), chief amongst them travel to work areas.
- 2.13 Where joint assessments are not practical due to different plan-making timetables, single-authority assessments may be acceptable; in that case authorities should refer to neighbours' evidence bases; and future timetables should be co-ordinated so that assessments are undertaken jointly.
- 2.14 In relation to the planning evidence base, unlike for housing the PPG does not set out a method for assessing future employment needs. The Guidance says that the purpose of an assessment of land availability is to identify a future supply of land which is suitable, available and achievable for economic development uses over the Plan period, but is not prescriptive as to how this should be achieved. The Guidance provides a 'shopping list' of factors that the evidence should cover - which includes demand (business requirements, recent take-up), supply (the existing stock of employment land, recent development, employment land lost to other uses, physical / ownership constraints) and the balance between the two (rental values, land values, evidence of oversupply and market failure).
- 2.15 The Guidance adds that the evidence should estimate the future demand for land and floorspace, based on projections or forecasts; these forecasts should be both quantitative and qualitative and they should be broken down into sectors or market segments. It also lists other information that should be considered, including consultations.
- 2.16 Plan makers should consider forecast scenarios based on:
- sectoral and employment forecasts and projections (labour demand);
  - demographically derived assessments of future employment needs (labour supply techniques);
  - analyses based on the past take-up of employment land and property and/or future property market requirements; and
  - consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.
- 2.17 The Guidance refers to the need for Councils to make sure that the economic forecasts that they rely on account for the locally distinct employment conditions, which may differ from national economic trends.
- 2.18 This last point is important in the consideration of the sub-regional demand for storage and distribution that is a key issue facing the local economy. In broad terms storage and distribution functions on two levels, that have different and distinct markets and property requirements. At the local level there is storage and distribution activity that serves residents and businesses in the local area. Premises for this activity tend to be near their market, typically for 'last mile' van/small lorry

type delivery, and can be accommodated in small to medium sized units. Economic forecasts of labour demand will be aware of this activity in their forecasts because it is locally generated and related to the size and structure of the local population. But storage and distribution also operates on a sub-regional level, where the model is a central hub using large vehicles to deliver to the 'last mile' delivery points.

- 2.19 These larger units tend to be footloose and follow land supply and strategic road routes. The location where a logistics firm operates from reflects the trade-off between land costs (and availability) and transport costs. While sites adjacent to motorways are the traditional locations for this type of activity; where land is expensive or simply not available, these uses will find other locations. For the Local Plan it is very difficult to establish the local need for land to meet this type of demand. But collectively meeting the need for larger warehouses is still important to the health of the regional and national economy.

## Local Plan

- 2.20 The Borough's Local Plan covers the 18-year period between 2011 and 2029.
- 2.21 The strategic employment policy (EP1) directs where inward investment and the growth and retention of existing business should be focused, which key employment sectors provide particular opportunities and sets a criteria based policy test for proposals for storage and distribution floorspace outside of the existing Strategic Employment Areas. Policy EP2 provides protection for existing employment areas – those being the strategic locations (12 in Basingstoke and four in other settlements), and also other non-designated areas in employment use elsewhere within settlement boundaries.
- 2.22 The Plan sets an all jobs target range of between 450-700 net new jobs per annum (8,100-12,600 jobs during the whole plan period), but does not set targets for how this range will be achieved. However, the Council's Employment Land Review 2013 (ELR)<sup>3</sup> does provide forecasts for the B class sectors - 8,500 will be office based, whilst manufacturing is forecast to lose 1,800, and storage and distribution forecast to gain 1,500 jobs. The total number of jobs predicted in the ELR 2013 on the basis of the Experian Forecast is just over 21,000. However, the ELR update in 2015 utilised an economic forecast from Cambridge Econometrics, which produced a more modest prediction of 12,700 jobs, with the vast majority of growth focused on office based employment.
- 2.23 The Plan identifies that the Borough has an oversupply of poor quality office stock, but lacks good quality Grade A space.
- 2.24 The industrial sector is acknowledged to be functioning well, vacancy rates are comparatively low and there is demand for new industrial premises.
- 2.25 In respect of storage and distribution, and based on the Council's ELR evidence, the Local Plan identified a shortage of medium sized sites for storage and distribution and

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<sup>3</sup> Table 8.2, 2013 Employment Land Review, BDBC, published Feb 2014 <https://www.basingstoke.gov.uk/rte.aspx?id=1094>

a need for up to 122,000 sq m floorspace over the Plan period. The ELR found that the existing Strategic Employment Areas are unlikely to be able to accommodate all of the requirements, and that this need would be met through allocation(s) in a subsequent Development Plan Document.

- 2.26 Until that DPD is prepared, and in accordance with the Local Plan Inspector's recommendation, proposals for storage and distribution facilities on sites outside of the Strategic Employment Areas will be positively considered through the application of criteria identified in Policy EP1.
- 2.27 The Borough has a large rural hinterland and a large number of small settlements that host a wide range of rural economic activities. The Council seeks to support economic growth and diversification where appropriate (EP4). The critical role of rural businesses in supporting local services, and supplementing use by local residents is recognised, as is the potential to reuse existing buildings in the countryside for tourism related accommodation and activity (EP5). These policies seek to balance the goal of supporting the rural economy, while also protecting the character of the countryside, and preventing inappropriate traffic generation.

## Conclusions

- 2.28 The key messages from national policy/guidance for the Council, and issues from the Local Plan policies are:
- the need to plan positively to support sustainable economic growth and to meet the development needs of business;
  - the need to identify strategic sites, or set criteria to help identify other sites, for development in line with that strategy;
  - ensure sites allocated for employment use have a reasonable prospect of coming forward;
  - the need to estimate the future demand for land and floorspace, based on projections or forecasts (both quantitative and qualitative) broken down into sectors or market segments;
  - account for locally distinct employment conditions, which is important in the consideration of sub-regional demand for storage and distribution that is a key issue facing the local economy; and
  - the position in respect of land allocations for storage and distribution, and other uses if required, needs to be analysed in light of the current economic context, using a range of data sources. Future employment land allocations will need to respond to the analysis set out in this report.

### 3 THE FUNCTIONAL ECONOMIC GEOGRAPHY

- 3.1 The needs of economic land uses – which include employment uses – should, according to the PPG, be assessed at the level of the FEMA, which is unlikely to correspond neatly with individual local authority or regional boundaries.
- 3.2 The PPG does not explain the purpose of defining and developing policy at FEMA level, but an explanation is provided by a Communities and Local Government guidance note, published in 2010, on which the PPG is clearly based<sup>4</sup>. The note provides a clearer definition and rationale for the concept of a FEMA:

*‘Economic flows often overlap local authority boundaries. This means that the functional area over which the local economy and its key markets operate will not necessarily adhere to administrative boundaries. Instead, key economic markets broadly correspond to sub-regions or city regions - known as functional economic market areas (FEMAs)...*

*Whereas the national or regional level is often seen as too large to tackle many of the issues facing individual urban economies, local authority areas can be too small if they cover a smaller geographical area than their economic markets. Policies designed at a local authority level, for example, may not fully consider the costs and benefits of implementing a policy if this spreads beyond their administrative boundaries. This can make it harder to tackle economic challenges effectively.*

*If economic policy is formulated at the FEMA level, as a closer fit to the area’s real economic market, most of the impacts of the policy area will be contained. There will be less risk of local policies which are against the wider sub-regional or national interest, and local partners will be able to make more strategic decisions on economic development.’*

- 3.3 Thus, the purpose of defining such an area is to allow the FEMA partner authorities to align policies in relation to new and existing employment sectors to promote the growth in employment for the collective good. In this regard it will be easier to undertake the demand supply balance across a wider than local market area as this may involve ‘trading’ future growth in the various employment sectors.
- 3.4 The Enterprise M3 LEP (EM3) has recently considered the economic geography for those parts of Hampshire and Surrey within the M3 corridor, and below we summarise the findings of that study<sup>5</sup>. We then compare the EM3 view against an assessment of the functional geography based on commuting flows and administrative areas as advised by the PPG, and drawing on the findings of a recent FEMA study in neighbouring Berkshire<sup>6</sup>.

<sup>4</sup> Communities and Local Government, *Functional Economic Market Areas*, An economic note, February 2010, ISBN: 978-1-4098-2201-1

<sup>5</sup> EM3, Commercial Property Market Study, July 2016, Regeneris Consulting

<sup>6</sup> Berkshire FEMA Study, Thames Valley Berkshire Local Enterprise Partnership, Feb ‘16

## The LEP view on economic geography

- 3.5 Regeneris Consulting were commissioned to look at the current and future demands of the commercial property market in the M3 corridor. The study subdivides the M3 corridor into eight market areas, and Basingstoke and Deane is grouped in a market area with Andover.

### Office

- 3.6 Across the EM3 area in 2016 office take up was at its highest rate since the downturn in 2008, the most active area being the north-east part of the LEP, the area closest to London. The report acknowledges that the office market in the Basingstoke and Andover area is dominated by Basingstoke, which has the largest supply of office floorspace in the whole EM3 area. In contrast the report states that Andover has a very small office market, and occupier demand for space tends to flow to the nearby centres of Basingstoke, Winchester and Reading, and does not generate scope for new development in Andover.
- 3.7 The report concludes that the challenge for Basingstoke and Deane is an existing over-supply of poor quality second-hand office space, which leads to a weak market depressed rental values. This combination discourages investors from building new, high quality offices, and speculative development is not viable. The report draws comparison with the significant investment that has been ploughed into high quality stock in towns on the M4 corridor, and considers that the Basingstoke and Deane's office market is weakening against its competitors.
- 3.8 The report identifies the development viability gap in Basingstoke's office market, and points to the need for public investment to address this gap where this can be justified.

### Industrial

- 3.9 In terms of the industrial market the report identifies a persistent and wide spread shortage of existing industrial space and land identified for future industrial use.
- 3.10 The report recognises that there is a large supply of vacant industrial space in Andover, but a shortage of smaller scale industrial space in Basingstoke. This finding points to a difference between Andover and Basingstoke, and suggests that in terms of the industrial economy these areas do not share a common functional area. The vacant space in Andover is not 'relieving' pressure on Basingstoke and the sites are not interchangeable, which would be expected in a functional economic area.

### Storage and distribution

- 3.11 The EM3 study identifies a strong demand for storage and distribution space, and particularly smaller scale B8 in and around Basingstoke, with the reasons for current levels of demand neatly summed up as:

*“The move towards online retailing and consumers’ desire for next day deliveries is placing demands on the warehousing sector which have not been seen in the*

*past. This has been coupled with a shift in focus from the major supermarkets away from large superstores towards a larger number of smaller convenience stores, particularly in urban locations. Both of these trends mean more and more warehouse space will be required on the edge of conurbations to replenish stock in the time frames required.” Page 10/11*

- 3.12 The report identifies that there is space and land available for storage and distribution, but it is all in Andover, and also hints at the interchangeability between industrial and storage and distribution space:

*“Basingstoke and Andover is the only market area where there is a large supply of vacant industrial space and a large supply of sites suitable for future development. However, this is all located in Andover, and is dominated by very large warehousing.” Page 61*

- 3.13 This is an issue we frequently come back to in this report, but in terms of defining the FEMA, the large supply of vacant industrial / storage and distribution space/land in Andover, and shortages (albeit particularly for smaller scale stock) in Basingstoke indicate these areas are not part of the same functional economic area.

## Conclusion

- 3.14 Grouping Andover and Basingstoke together makes sense from a strategic overview perspective because of the need to subdivide the wider EM3 area, and also because it reflects the largely rural nature of both boroughs.
- 3.15 But even in this strategic work there are signs that these are two markets, which are very different. For storage and distribution, which is the main land use issue for this study, the fact that there is an acknowledged shortage of space in Basingstoke, but an oversupply in Andover strongly suggests we need to consider these areas as separate market areas.
- 3.16 We will next move on to test the functional geography, following the guidance set out in the PPG stating with travel to work data.

## Functional Geography

- 3.17 The PPG advises that there is no standard approach to defining individual FEMAs, but factors that *‘it is possible’* to take into account include:
- Coverage of Local Enterprise Partnership
  - Travel-to-Work Areas
  - Housing market areas
  - Flows of goods, services and information
  - Service market for consumers
  - Administrative areas
  - Catchment areas of cultural and social facilities
  - The transport network.

- 3.18 But when it comes to hard data the PPG suggests a single source for defining FEMAs - the ONS Travel-to-Work Areas (TTWAs), which are based on commuting data only. However, the TTWAs ignore administrative boundaries, and are therefore of limited value for Duty to Cooperate discussions. Our method for defining the FEMA is therefore based mainly on commuting data and administrative boundaries. The objective is to identify an area that records the highest self-containment in terms of commuting flows, and which also best fits the administrative boundaries. First, we look at the raw TTWAs and then we review the commuting flow data from the 2011 census at local authority area level.
- 3.19 The PPG does not prescribe a threshold to help define the FEMA. We have adopted the ONS's definition of Travel to Work Areas (TTWAs) that states that:
- 'The current criterion for defining TTWAs is that generally at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area... However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted.'*
- 3.20 The lower 67% threshold for self-containment for origin and destination commuting is therefore appropriate in the case of Basingstoke and Deane.

## Travel-to-Work Areas

- 3.21 ONS publishes Travel to Work Area (TTWA) maps based on commuting data from the Census. Extracts from the 2001 and 2011 TTWA maps are shown below (Figure 3.1 and Figure 3.2). A comparison of the maps show that Basingstoke's TTWA has expanded to the southeast to now include Alton, and takes in more area to the north west, towards Newbury.
- 3.22 This is consistent with the general pattern of increasing commuting distances, but the considerable increase in size of Basingstoke's TTWA indicates a growing sphere of economic influence between 2001 and 2011.
- 3.23 However, we need to be cautious about drawing strong conclusions from this shift because, in general, the land which has moved TTWA is rural and even small shifts in (small) flows can result in a shift in geography. Additionally, the expansion of the Basingstoke area towards Newbury suggests that the Atomic Weapons Establishment (AWE) at Aldermaston, which is in West Berkshire district, has been included within Basingstoke's sphere of influence rather than Newbury/West Berkshire's.
- 3.24 What is constant between the two Census year outputs is a Basingstoke centric TTWA; clearly separated from Andover and the other main EM3 towns.

**Figure 3.1 2001 Travel to Work Areas**



Source: 2001 Census, ONS

**Figure 3.2 2011 Travel to Work Areas**



Source: 2011 Census, ONS

3.25 While the TTWA suggests there is a Basingstoke centric market area, as referred to above TTWAs do not follow administrative boundaries. So, to test whether, for the purposes of the Development Plan, it is sound to consider the Borough as a FEMA we look at Borough-level commuting data.

## Commuting at administrative area geography

- 3.26 The 2011 Census provides the most up-to-date data on commuting flows, and we look for containment thresholds of around 67% to define TTWAs. However, two-thirds of commutes is not a hard and fast threshold as in areas such as Basingstoke a relatively large proportion of workers commute into London, and those that work in the Borough consequently represent a lower proportion and a pragmatic view needs to be taken.
- 3.27 We measure self-containment in two ways – origin (where local residents go to work) and destination (where local workers come from). The origin self-containment for Basingstoke and Deane is 63%, meaning that just short of two-thirds of residents work in the Borough and the remainder commute out. The destination containment is higher at 68%, which indicates a high number of local jobs are filled by residents of the Borough.

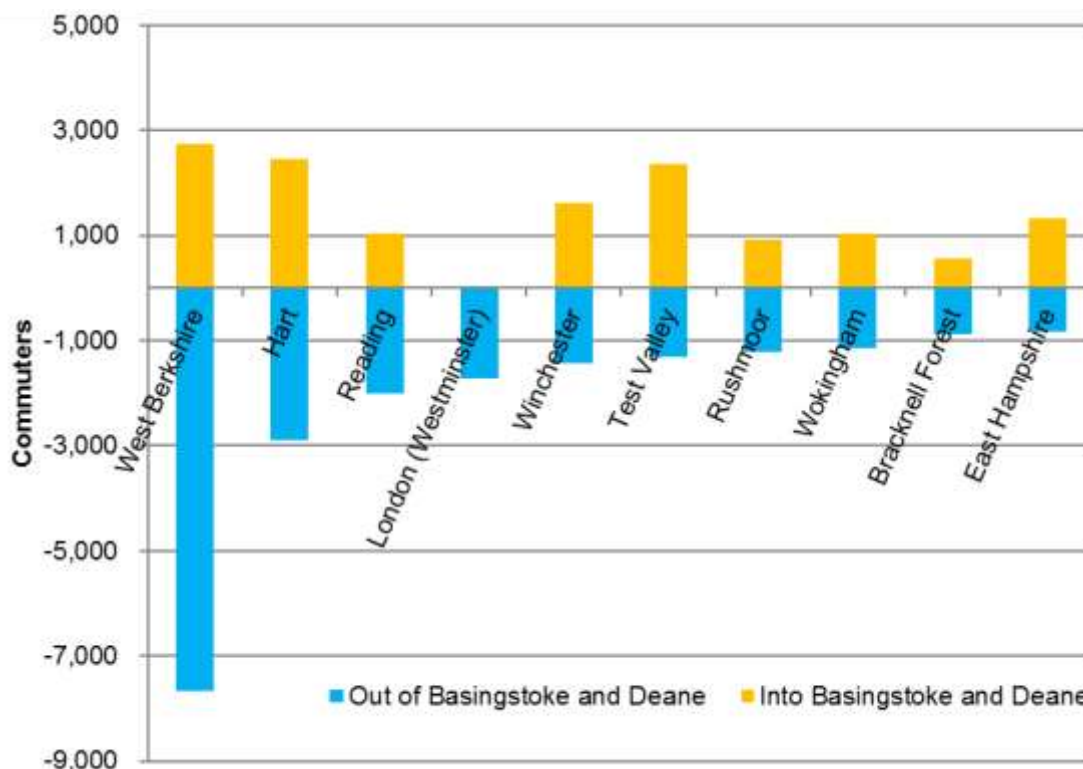
**Table 3.1 Commuting containment, Basingstoke and Deane**

Origin (trips from)	Destination (trips to)		Total trips from Basingstoke	Origin containment
	Basingstoke and Deane	Elsewhere		
Basingstoke and Deane	53,094	30,545	83,639	<b>63%</b>
Elsewhere	25,437			
Total trips to Basingstoke and Deane	78,531			
<b>Destination containment</b>	<b>68%</b>			

Source: ONS, Census WU01UK - Location of usual residence and place of work by sex (2011 Census), PBA

- 3.28 We have looked to see whether the Borough's containment can be improved upon by combining with other Local Authorities. We do this by identifying the Authorities with the strongest affinity with Basingstoke and Deane, as per Figure 3.3 below, and then analysing the strength of the commuting flows with these Authorities.

**Figure 3.3 Commuting in and out of Basingstoke and Deane, 2011**



Source: ONS, Census WU01UK - Location of usual residence and place of work (2011)

- 3.29 Much the strongest affinity for the Borough is with West Berkshire district. But this is likely to be a mix of two different factors. Firstly, the north of Basingstoke is rural and the major employment centres in nearby West Berkshire are the closest and most accessible places to work from here. This includes Newbury but also the Atomic Weapons Establishment (AWE) at Aldermaston and Burghfield (circa 4,500 jobs).
- 3.30 Secondly a number of the large business parks on the south western side of Reading are actually in West Berkshire district. The large commuting outflow from the Borough to West Berkshire will be in response to the close proximity for many residents to either Greater Reading, Newbury or AWE.
- 3.31 The Figure shows that flows between the Borough and Test Valley (Andover) are substantially less than those to West Berkshire, below those with Hart and little better than with the districts in the wider area.
- 3.32 The table below summarises the various potential FEMA combinations involving the Borough. The purpose is to identify if any of the combinations are clearly better than the others and better than the Borough’s own self-containment rate that is discussed above.

**Table 3.2 Combined authority containment rates**

	<b>Containment Origin Destination</b>	
<b>Basingstoke &amp; Deane and W. Berkshire</b>	<b>70%</b>	<b>69%</b>
Basingstoke & Deane and Test Valley	66%	63%
Basingstoke & Deane and Hart	66%	60%
Basingstoke & Deane, W. Berkshire and Hart	69%	66%
Basingstoke & Deane, W. Berkshire and Test Valley	68%	69%
Basingstoke & Deane, W. Berkshire, Hart and Test Valley	66%	68%

Source: ONS and PBA

- 3.33 The analysis strongly dismisses an Andover (Test Valley) and Basingstoke geography. It shows that the most self-contained geography is Basingstoke with West Berkshire, which as discussed above picks up the substantial number of jobs at AWE Aldermaston located close to the Basingstoke and Deane Borough boundary in the rural part of the District.
- 3.34 Thus, the high containment does not automatically mean that the two Authorities form a FEMA for the purpose of planning. The practical issue with a West Berkshire and Basingstoke FEMA is that West Berkshire is much more strongly linked to Reading (and Wokingham). Also the recent Berkshire EDNA study<sup>7</sup> commissioned by West Berkshire and the local LEP considered the District on its own to represent a relatively self-contained FEMA. The study did identify links to Basingstoke and Deane in terms of the TTWA and property market, but for FEMA purposes it considered Basingstoke and Deane to be part of the M3 property market corridor, and therefore disregarded the potential for FEMA partnering.
- 3.35 Contextually, reflecting our market consultations, agents report limited market links between West Berkshire, Greater Reading and Basingstoke and Deane. Agents report that as opposed to being a common market area where occupiers see Basingstoke and West Berkshire as interchangeable locations, they are instead viewed as strong competitors. This endorses the West Berkshire conclusions that, while there are links, the two districts are distinctly different functional markets, and so separate FEMAs.

<sup>7</sup> Berkshire Functional Economic Market Area Study, Feb 2016, prepared for the Thames Valley Berkshire Local Enterprise Partnership ('TVBLEP') and the six Berkshire authorities of Bracknell Forest, Reading, Slough, West Berkshire, Windsor and Maidenhead and Wokingham.

## Conclusions

- 3.36 The EM3 LEP considers that the Borough shares an economic market area with Andover, but the TTWA and ONS commuting data evidence and indeed the conclusions of the Regeneris EM3 study suggests that in planning terms this does not reflect a functional economic geography in the terms of the guidance set out in the PPG.
- 3.37 Turning to our analysis;
- our assessment of commuting data shows that the Borough's self-containment is close to the benchmark threshold for a FEMA. But there are still some links with neighbours we need to consider.
  - This is most obvious between Basingstoke and West Berkshire where we can see a commuting imbalance. But the most likely cause is the AWE site, located close to Tadley, and that has a large labour demand, but whose commuting flows tell us very little about the 'general' market and relationship between West Berkshire and Basingstoke. A further complication is the fact that West Berkshire includes a number of employment sites within 'Greater Reading'
  - The statistical relationship between Berkshire and Basingstoke is obviously complex. But the property market considers Reading and Basingstoke to be different (competing) markets, adding weight to market opinion that they are not part of the same functional market area. A study by the Berkshire Authorities acknowledged some links between Berkshire and Basingstoke, but concluded that Basingstoke did not form part of a market area with any of the Berkshire authorities.
  - Thus, we conclude that West Berkshire does not form part of a FEMA with Basingstoke. This, along with the weak links with other Hampshire districts, supports a view similar to that already agreed with the Housing Market Area geography. Namely that Basingstoke forms a reasonably pragmatic self-contained market area.
  - Although concluding Basingstoke forms a FEMA, this is a pragmatic conclusion and (as with all geographies) is far from perfect. The economic links between Basingstoke and Deane and all the other neighbouring districts need to be discussed through Duty to Cooperate discussions<sup>8</sup>, because all FEMAs are permeable to some degree.
- 3.38 Next we move on to consider the Borough's socio-demographic profile.

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<sup>8</sup> Duty to Cooperate authorities – Most relevant from an employment perspective - Reading, West Berkshire, Test Valley, Hart, plus neighbouring - Winchester, East Hampshire and Wokingham albeit the economic links with these are much weaker.

## 4 SOCIO-DEMOGRAPHICS

- 4.1 In this section we review the socio-economic trends for Basingstoke and Deane, where possible comparing data with the previous (2013) Employment Land Review, and also set against regional, national and neighbouring authority trends.
- 4.2 The purpose of this section is to consider employment in the Borough in a wider sense than just the B class uses, again checking for functional economic links with other areas and also to check for any strategic changes to employment since the Local Plan evidence as set out in the last ELR was prepared in 2013/4.
- 4.3 The data used in this section are sourced principally from official statistics published by the Office for National Statistics (ONS).

### Population and jobs

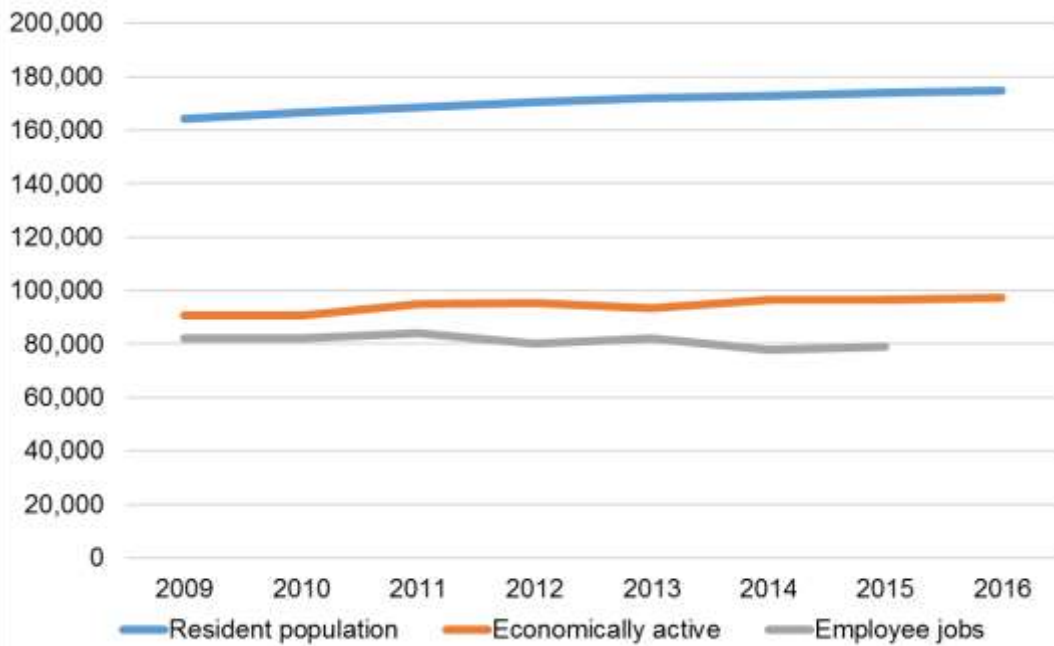
- 4.4 Figure 4.1 below presents population and job data for Basingstoke and Deane. The latest ONS<sup>9</sup> mid-year estimate for the Borough's population (2016) was 174,600. This is 3.6% higher than 2011, but a lower rate than for Great Britain 3.8 and the South East (4.3%).
- 4.5 The number of economically active residents<sup>10</sup> in 2016 was 97,100, which was 2.4% higher than 2011. The proportion of the Borough's 16-64 age group that are economically active is 84.6%, which is higher than both the south-east (81%) and Great Britain (77.8%).
- 4.6 Whilst activity rates have improved, and remain comfortably above regional and national averages, the number of employee jobs has remained largely unchanged since the economic crisis of 2008 at around 80,000.

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<sup>9</sup> 2015 Mid-year estimates

<sup>10</sup> Economically active - those aged 16 and over, source: ONS annual population survey (Jan-Dec data)

**Figure 4.1 Population, economically active and employee jobs in Basingstoke and Deane, 2009-2016\***



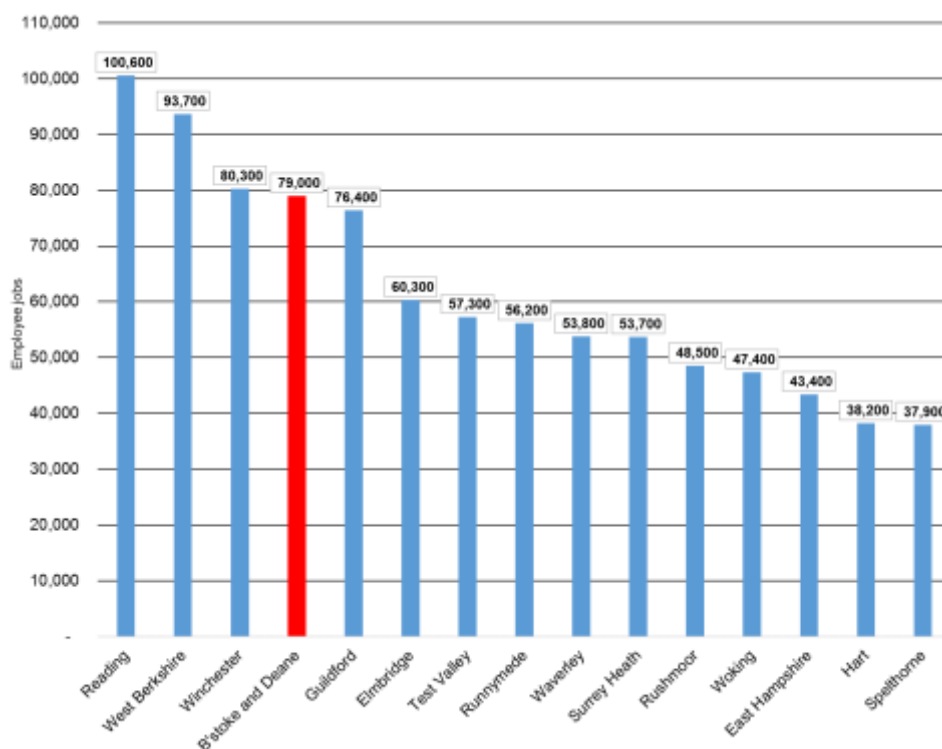
Source: Population: ONS mid-year estimates (Nomis), Economically active: ONS annual population survey, Employee jobs: latest Business Register and Employment Survey (BRES), Table 6 (release 28<sup>th</sup> Sept 2016) \*latest data is 2015,

Nb employee jobs exclude self-employed, government-supported trainees and HM Forces.

4.7 Figure 4.2 below replicates an assessment of jobs made in the 2013 Borough ELR<sup>11</sup>. It is a 'league table' of employee jobs that takes in a wider geography than just the EM3 area, and is useful to compare performance, especially against areas with the stronger economies Basingstoke and Deane remains one of the key economic drivers in the region, as it was in 2011 as documented in the last ELR. In 2011 Basingstoke and Deane ranked third in terms of jobs compared to fourth in 2015. While job numbers in the Borough have remained largely static since the economic crisis some other locations, notably those in the Thames Valley, and Reading and West Berkshire in particular have experienced fast rates of growth. So while Basingstoke has not lost jobs it has not been able to capture the growth seen in other districts.

<sup>11</sup> Figure 4.2, 2013 Borough ELR

**Figure 4.2 Employee jobs Borough and surrounding districts\*, 2015**



Source: ONS, 2015 BRES Table 6 release date 28th Sept 2016

\* for purposes of comparison the figure covers the same locations as those included in Figure 4.2, of the 2013 Borough ELR

## Sectors

- 4.8 Table 4.1 below shows the distribution of jobs in Basingstoke and Deane across the broad industrial sectors between 2009-15. The BRES data is survey based and tends to be ‘lumpy’, therefore not too much can be read into the yearly changes, and its usefulness is to understand the overall sector mix.
- 4.9 The data shows that overall job numbers are lower in the two most recent years compared with earlier years, and whilst there is volatility in the data that may be due to data recording issues, the main decline has been in the B class activities of manufacturing and finance and also arts/entertainment.
- 4.10 The B class sectors have experienced marginal decline overall, while other classes such as education and health have grown. One interesting feature of the local economy is that the industrial sectors, which have generally declined nationally, have remained reasonably stable. The BRES categories do not neatly accord with land use, and the industrial activities straddle a number of categories including utilities, motor trades as well as manufacturing, and when considered in this broader context indicates that jobs in this wider industrial sector have held up reasonably and comparatively well over the period.

**Table 4.1 Employee jobs in B'ke & Deane by industrial sectors, 2009-15**

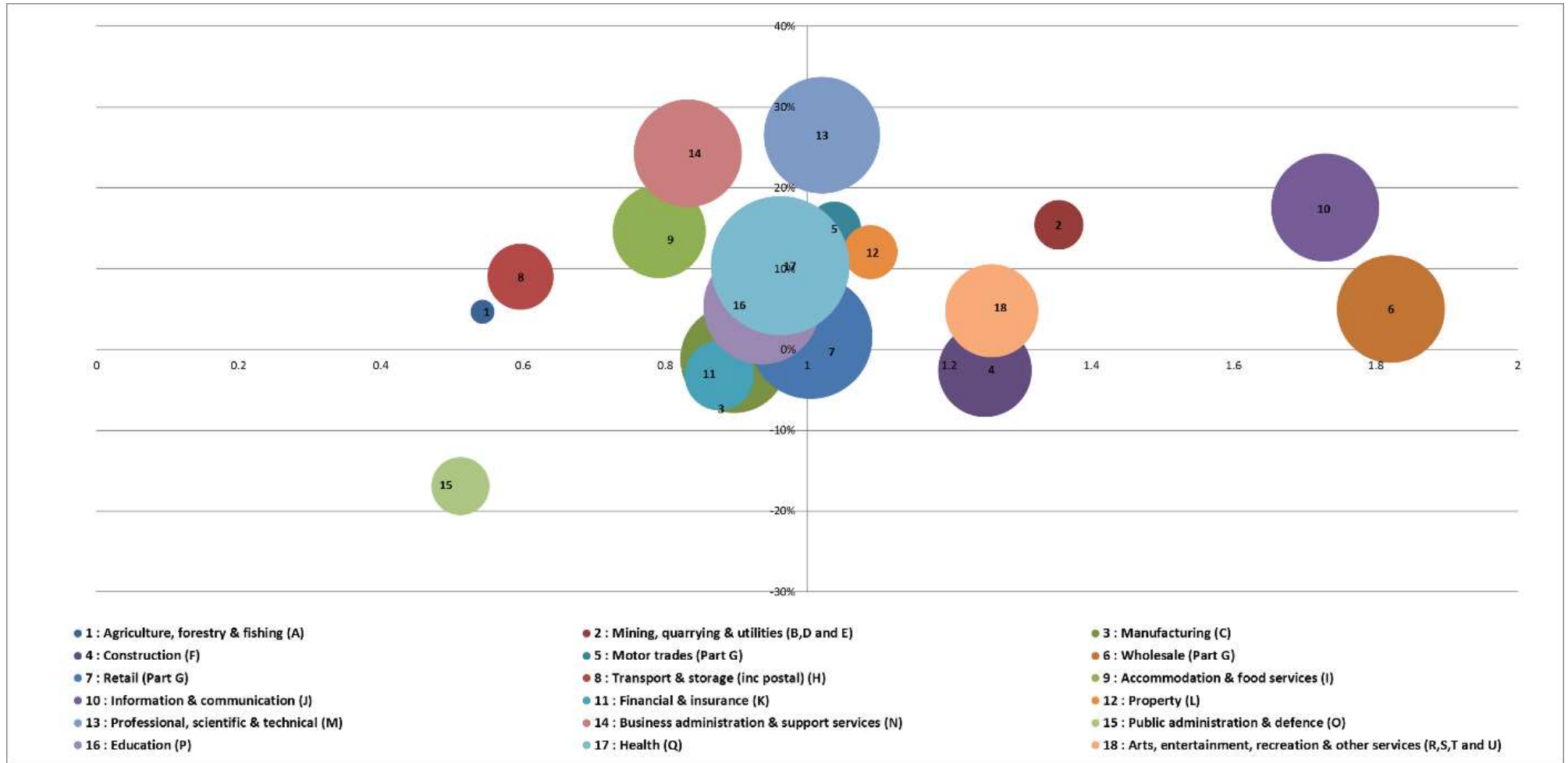
Broad Industry Broad Sector	2009	2010	2011	2012	2013	2014	2015	
1 : Agriculture, forestry & fishing (A)	250	125	150	75	75	225	300	0.4%
2 : Mining, quarrying & utilities (B,D and E)	600	900	900	400	1,000	1,000	1,250	1.6%
3 : Manufacturing (C)	8,000	8,000	8,000	7,000	6,000	6,000	6,000	7.4%
4 : Construction (F)	5,000	5,000	5,000	4,500	4,500	4,500	4,500	5.6%
5 : Motor trades (Part G)	1,250	1,250	1,500	1,250	1,250	1,500	1,500	1.9%
6 : Wholesale (Part G)	7,000	6,000	6,000	6,000	6,000	7,000	6,000	7.4%
7 : Retail (Part G)	8,000	8,000	8,000	8,000	8,000	8,000	8,000	9.9%
8 : Transport & storage (inc postal) (H)	2,500	2,500	2,500	1,750	1,750	2,000	2,250	2.8%
9 : Accommodation & food services (I)	4,000	4,500	4,500	4,000	4,500	4,000	4,500	5.6%
10 : Information & communication (J)	6,000	5,000	6,000	5,000	7,000	5,000	6,000	7.4%
11 : Financial & insurance (K)	4,000	3,500	3,000	3,000	3,500	3,000	2,500	3.1%
12 : Property (L)	1,000	1,250	1,250	1,250	1,250	1,500	1,500	1.9%
13 : Professional, scientific & technical (M)	6,000	6,000	6,000	6,000	6,000	7,000	7,000	8.7%
14 : Business administration & support services (N)	6,000	6,000	7,000	7,000	6,000	6,000	6,000	7.4%
15 : Public administration & defence (O)	1,750	1,750	1,500	1,500	1,500	1,750	1,750	2.2%
16 : Education (P)	6,000	7,000	6,000	7,000	7,000	7,000	7,000	8.7%
17 : Health (Q)	9,000	9,000	8,000	8,000	9,000	9,000	10,000	12.4%
18 : Arts, entertainment, recreation & other services (R,S,T & U)	7,000	7,000	7,000	7,000	7,000	4,500	4,500	5.6%
<b>Total</b>	<b>82,000</b>	<b>82,000</b>	<b>84,000</b>	<b>80,000</b>	<b>82,000</b>	<b>78,000</b>	<b>79,000</b>	<b>100%</b>

Source: NOMIS Labour Market Profile using data from ONS BRES, Table 6 ONS release date 28th Sept 2016. Data excludes farm-based agriculture and self-employed, government-supported trainees and HM Forces.

Nb the totals do not sum the sectors due to rounding. Data not available pre-2009, nor as yet post 2015.

- 4.11 The previous ELR noted that three quarters of the employee jobs in the Hampshire Economic Area were concentrated in just four sectors - finance & business service, public admin, education & health and, hotels & catering. Basingstoke and Deane's sector profile is different, with these categories cumulatively contributing only 40% of the jobs. The Borough's sector split (refer to percentage figures in the right hand column of Table 4.1) has a wider economic base, and is not so reliant on office jobs.
- 4.12 Figure 4.3 over the page shows the Borough's location quotient, the measure of specialisation in the local economy compared to the national picture in the broad industrial groups for 2015. The data used is the latest BRES data available for total employment (2015). The horizontal axis gives an indexed score against the national average (where a score of 1 denotes job representation matches the national average, and a higher the score represents a higher concentration and vis versa). The percentages on the vertical axis identify the change in sector jobs at the national level since the base year, which in this case is 2009, the year after the economic downturn took hold. It shows sector change in the period between 2009 and 2015, and we note public admin and defence is in the bottom left quadrant - job reduction and lower than average concentration. The size of each marker circle reflects the sectors share of total jobs in the Borough; the larger the circle the more jobs in that sector.

Figure 4.3 Location quotient, 2015



Source: the latest available Business Register and Employment Survey data, Nomis – Basingstoke and Deane & England and Wales

- 4.13 The location quotient shows that the Borough exceeds national average employment levels (top right quadrant) in Information & communication (10/J), wholesale (6/Part G) and arts, entertainment, recreation & other services (18/R, S, T&U). Manufacturing jobs (3) are marginally below the national average, but this is not unusual for an area in the South East of England where the manufacturing sector is not as strong as other economic sectors.
- 4.14 The largest sectors are education and health (16 and 17) and retail (7) that are in line with national averages, and are growing sectors.

## Productivity

- 4.15 Productivity within the resident labour force in Basingstoke and Deane matches the regional productivity rate, and is higher than the county and national averages and most of the neighbouring Hampshire authorities, but is behind most of the other neighbouring authorities located to the north and east closer to London.

**Table 4.2 Gross Value Added per resident worker, 2016**

	GVA per residence based employment (£)	Relative to the UK (UK=100)
Reading	80,684	158
West Berkshire	78,245	153
Guildford	70,442	138
Winchester	68,599	135
Wokingham	58,170	114
Woking	56,169	110
<b>Basingstoke &amp; Deane</b>	<b>53,607</b>	<b>105</b>
<i>South East</i>	<i>53,241</i>	<i>104</i>
<i>United Kingdom</i>	<i>50,996</i>	<i>100</i>
<i>Hampshire</i>	<i>49,998</i>	<i>98</i>
Test Valley	48,681	95
East Hampshire	45,474	89
Hart	44,916	88

Source: Experian (December 2016)

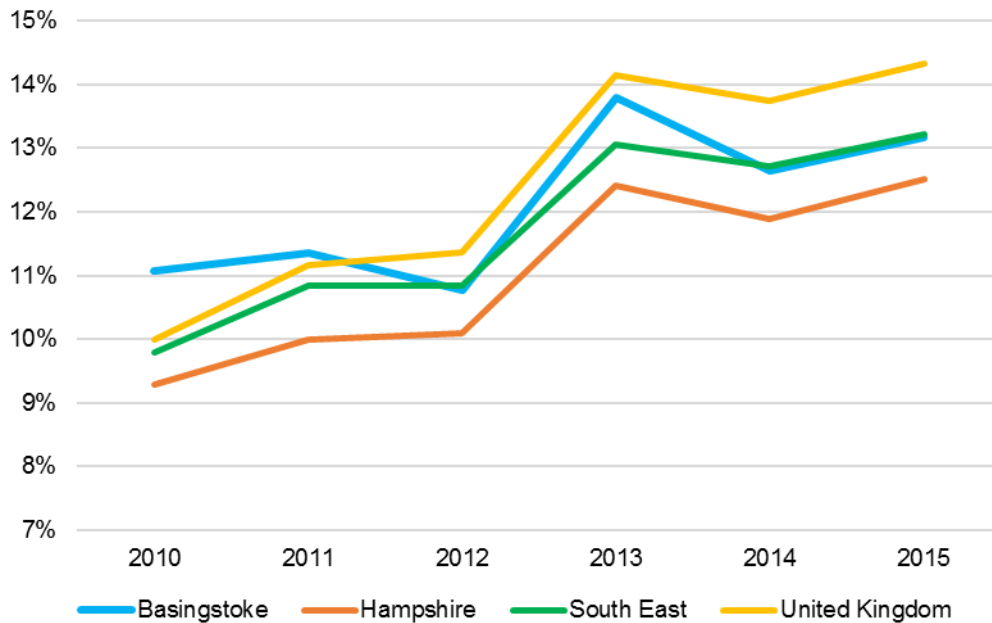
- 4.16 The relative position of the Borough compared to those with higher GVA has weakened since the last ELR.

## Business Demography

- 4.17 The rate of business formation in Basingstoke and Deane since 2010 has been higher than the county average and similar to the South East, but is running below national averages.

4.18 The previous ELR charted business formation rates from 2004, and showed a general decline to 2009, with a recovery after the financial crisis. Figure 4.4 below shows the recovery was generally maintained to 2013, and by 2015 business formation was a percentage point above rates a decade previous (13% compared to 12%), which is a healthy position for the Borough, matching the average formation in the region.

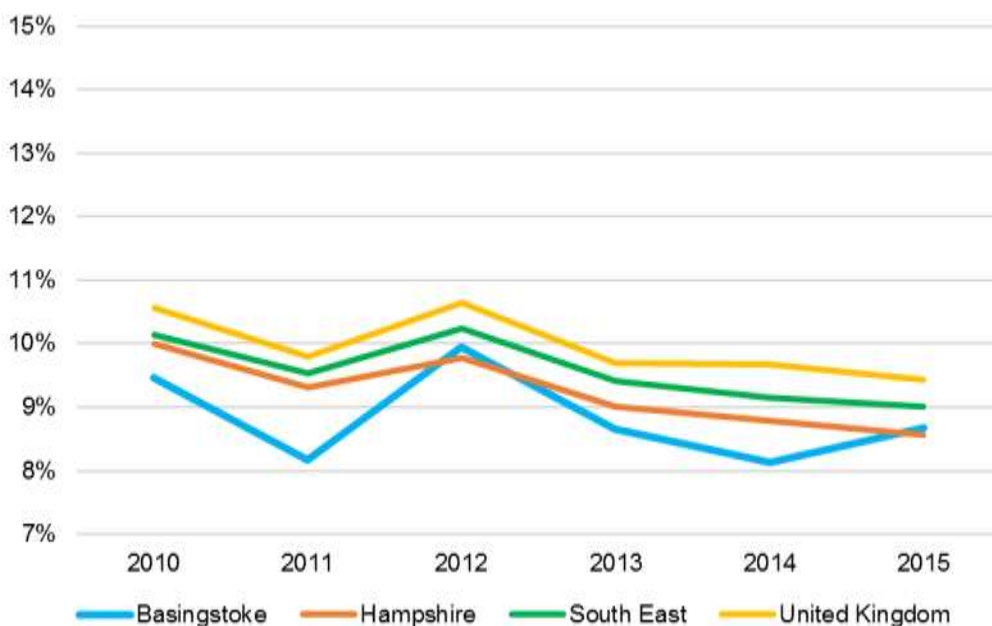
**Figure 4.4 Business formation rates, 2010-15**



Source: Business demography 2015, ONS latest 23<sup>rd</sup> November 2016 release.

4.19 The closure rate for businesses in the Borough is generally lower than national, regional and county averages, which again is a healthy position for the Borough.

**Figure 4.5 Business closure rates, 2010-15**



Source: Business demography 2015, ONS

- 4.20 These charts show the higher rate of business formation compared to closure in the Borough, which follows the national trend, but the overall growth in businesses is comparatively higher in Basingstoke and Deane compared with the average benchmarks. With the exception to the spike in business closures in 2012, the Borough has had an annual net gain of between 200 and 380 new businesses in the first half of the current decade. This continues the general trend identified in the previous ELR of business start-ups exceeding closures.
- 4.21 Whilst as explained above, business employee numbers in the Borough have reduced in recent times, the rise in start-ups will have led to increasing numbers of self-employed people.

## Labour market

- 4.22 All data points to a very healthy local labour market. As we noted at the beginning of this section the Borough's economic activity rate at 84.6%<sup>12</sup> is higher than the South East and national averages. These percentages are little changed from the position in 2013 as reported by the last ELR.
- 4.23 Unemployment in the Borough stands at 3.0%, lower than both the South East (3.8%) and Great Britain (4.7%)<sup>13</sup>.
- 4.24 Again as with the previous ELR, the proportion of the Borough resident workforce holding degrees (NVQ 4 equivalent and above) at 38.6% is lower than the South East (41.4%), and marginally higher than the Great Britain average (38.2%). The number and proportion of the workforce population that have no qualifications is below the threshold for release. The proportion for 2015 was just 3.2%, which was approximately half the regional figure and just a third of the national figure<sup>14</sup>.
- 4.25 Basingstoke and Deane's occupation profile (shown in Table 4.3 below) is broadly similar to the regional average, albeit the region has slightly higher proportions overall in the managerial and professional groups (SOC groups 1, 2 & 3), whilst the Borough has higher proportions of people in administrative and secretarial occupations (SOC4).
- 4.26 Nationally jobs in the storage and distribution sector breakdown as follows<sup>15</sup>:
- Half are in the unskilled manual workers' categories (SOC 8&9),
  - 13% are in the administrative and secretarial occupations (SOC4),
  - 17% in managerial and professional occupations (SOC1&2).

<sup>12</sup> ONS Annual Population data. Retrieved from Nomis on 26 January 2017. The proportion of working age residents in or seeking employment.

<sup>13</sup> Source: ONS annual population survey - year to March 2017. Figures are a proportion of the economically active,

<sup>14</sup> Source: ONS annual population survey - year to Dec 2016. Figures are for those of aged 16-64.

<sup>15</sup> Source: jobs in storage & distribution - ONS Table CT0524 - Economic activity (part-time, full-time, self-employed) 2011 Census

- The remaining 20% are spread across all other occupational groups.

4.27 The key unskilled manual worker categories overall match the regional average. Thus, from a skills perspective the Borough has no clear advantage or disadvantage in terms of resourcing storage and distribution activity. However, the driving skills required for both working in the storage unit and transporting the goods are skills that can be acquired relatively quickly and cheaply, and many logistics firms provide training for new entrants.

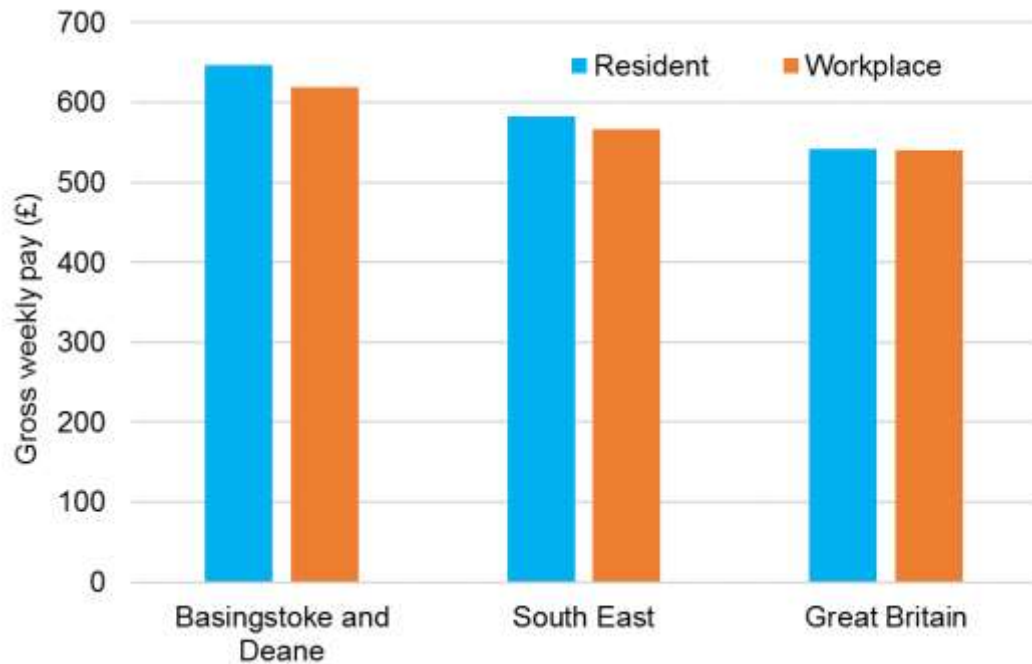
**Table 4.3 Resident workers' occupation profile**

Standard Occupation Category	Basingstoke and Deane	South East	Great Britain
	percent	percent	percent
SOC 1: managers, directors and senior officials	12.9	12.2	10.7
SOC 2: professional occupations	20.4	22.5	20.4
SOC 3: associate prof & tech occupations	13.3	14.8	14.2
SOC 4: administrative and secretarial occupations	13.6	10.5	10.2
SOC 5: skilled trades occupations	11.6	10.2	10.4
SOC 6: caring, leisure and other service occupations	7.1	9.2	9.1
SOC 7: sales and customer service occupations	7.4	7.0	7.5
SOC 8: process, plant and machine operatives	7.1	4.8	6.3
SOC 9: elementary occupations	6.5	8.6	10.7

Source: ONS, Annual Population Survey, 12 months to March 2017

- 4.28 Average gross weekly earnings in Basingstoke and Deane are 10% higher than the regional average and 20% higher than the national average. This is likely to be driven by out-commuting of residents to larger employment centres such as London and Reading.
- 4.29 The resident workforce (all residents in the workforce regardless of where they work) remain higher than the wages of those working in the Borough (workplace jobs), we suspect because a proportion of the resident workforce commute into London for higher waged jobs. The gap has narrowed marginally since 2012 when it stood at 5.5% to 4.6% in the latest 2016 data.

**Figure 4.6 Mean gross weekly earnings, 2016**



Source: 2016 Annual Survey of Hours and Earnings, ONS

- 4.30 Levels of deprivation in Basingstoke and Deane are low. The Borough is ranked the 275<sup>th</sup> most deprived local authority in England<sup>16</sup>. There are isolated pockets of deprivation in wards around the Basingstoke urban area including Chineham, South Ham and Buckskin.

## Conclusion

- 4.31 The review provides an update on the Borough's economic performance since the previous ELR in 2013. The key points are:
- The number of employee jobs in the Borough has remained static over the period since the economic crisis.
  - Reading and its satellite district, West Berkshire have experienced very strong employment growth over the same period.
  - The manufacturing sector has been remarkably resilient in the Borough.
  - The Borough has higher provision of jobs in the information/comms and wholesale sectors compared to the national average.
  - Encouragingly the trend for business start-ups to exceed closures has continued since at least 2004.
  - The Borough's economic activity rate is high and unemployment is low.
  - Earnings for both residents and the Borough as a workplace are significantly higher than the regional and national averages.

<sup>16</sup> English Indices of Deprivation 2015, DCLG, 30<sup>th</sup> Sept 2015

## 5 THE PROPERTY MARKET

### Introduction

- 5.1 This chapter reviews the property market for employment space in the Borough of Basingstoke and Deane. Specifically, we look at the market for:
- Offices (B1a)
  - General Industrial (B1(c) & B2 Uses)
  - Regional/ strategic B8
- 5.2 We explore the market for each type of property in turn, taking into account demand, supply, and then looking at how these two factors interact, considering the supply and market balance.
- 5.3 Our assessment of demand examines the types of business looking for space in the area. We also consider the size and quality of space they require.
- 5.4 In terms of supply, we look to the stock which is currently available. We look at the rental values properties in the area are achieving.
- 5.5 Establishing the supply and market balance involves looking to assess whether available stock is currently meeting the needs of occupiers in the area and whether there is need for more employment space in Basingstoke. This also provides an indication of where there is an oversupply of employment floorspace.
- 5.6 Assessing the market in this way allows us to establish where there are viable opportunities for new development. Also, this allows us to identify property which may be underperforming and highlight examples of space for which there is no demand. It may be found that some of this space is suitable for re-development or re-allocation for other uses.
- 5.7 Our research into the employment property market has involved two aspects – analysis of market transactions and consultation with commercial agents and other stakeholders such as Hampshire Chamber of Commerce and Basingstoke Together (Business Improvement District).
- We have used the property market database Estates Gazette Interactive (EGi) to provide an indication of take-up and availability. Analysis of this resource provides an understanding of market trends, as well as establishing the values achieved by specific properties.
  - Consultation helps to provide a greater qualitative understanding of the market. We have engaged in telephone consultations and a stakeholder workshop. In this workshop and subsequent exchanges, agents, the business community and investors contributed their opinions and knowledge of the market.
- 5.8 The main market indicators we have considered are rental values, recent take-up and floorspace availability (vacancy). In a property market context, 'take-up' means the

occupation of business floorspace.<sup>17</sup> Take-up covers both new-build and second-hand space (second-hand being the larger share of the market).<sup>18</sup> When we consider ‘availability, we consider all space currently being marketed. This takes into account both new and second-hand space.

- 5.9 We acknowledge that this report is being written at a time when there is a level of uncertainty in the UK commercial property market. Following the UK’s decision to leave the European Union in 2016, confidence in the market has cooled. Estates Gazette report that the number of commercial transactions has fallen by a fifth since the announcement. Additionally, they state that where deals have been made, they are typically taking longer to secure<sup>19</sup>.

## The designated strategic employment areas

- 5.10 The Local Plan identifies a total of 16 sites, 12 located in Basingstoke and four in other settlements as set out below. Collectively these sites provide 353 ha of employment land.

- Basingstoke Town
  1. Basing View
  2. Brighton Hill Industrial Estate
  3. Chineham Business Park
  4. Daneshill East
  5. Daneshill West
  6. Hampshire International Business Park
  7. Houndmills
  8. Land North of Daneshill East
  9. Land South of Chineham Business Park
  10. Moniton Trading Estate
  11. Viables Business Park
  12. West Ham Industrial Estate

- 5.11 Other Settlements

13. Campbell Court (Bramley)
14. Kingsclere Park (Kingsclere)
15. Ardglan Road Industrial Estate (Whitchurch)
16. Hatch Industrial Park (Old Basing)

- 5.12 Most of the Borough’s employment space is concentrated in and around the town of Basingstoke, and this is considered to be the Borough’s main employment market.

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<sup>17</sup> By contrast, in a planning context ‘take-up’ means the land developed to provide new floorspace.

<sup>18</sup> Second-hand stock comprises all previously occupied floorspace, including refurbishments.

<sup>19</sup> Estates Gazette, 2017. *Commercial Deals Fall*. Accessed: <http://www.egi.co.uk/news/brexit-impact-commercial-deals-fall-by-18/> (14/03/17)

Space beyond Basingstoke is small industrial estates, which agents' state are well occupied.

- 5.13 The majority of the town's employment sites are located around the ring road, with industrial sites in particular proving successful here due to the strong connections to the road network. It noteworthy that the large-scale office developments in Basingstoke – Basing View, but also elsewhere in the town centre, mostly date from the New Town expansion period, and are the product of the large population, and large labour supply available at that time.
- 5.14 We have undertaken an assessment of all these designated sites to identify where there is potential for new development, intensification or redevelopment for employment uses, and also to identify if any area (or part area) is no longer suitable for employment use and should be released for other uses. The assessment is referred to throughout this chapter and in the assessment of floorspace supply in the next chapter.
- 5.15 The assessments involve considering a number of factors and issues such as current land use, planning history, potential constraints to future redevelopment in respect of bad neighbour issues. The focus is on the consideration of the area's attractiveness to occupiers and developers, with proximity to sensitive neighbours (eg residential, schools and heritage assets) being an important factor. The external environment is another key consideration – an area's prominence (more important for office activity rather than industrial); compatibility with surrounding uses (more important for industrial activity); and access to local amenities, which is more important for office activities. The elements of an estate/park's internal layout are considered – layout, parking, servicing arrangements and landscaping that are important to all. Then accessibility to the strategic road network and local access arrangements that are critical for industrial uses, and access to public transport which is important for office activities. Finally, market signals were reviewed, which focused on the type/activities of occupiers and vacancy rates.
- 5.16 The areas were scored in a general sense, mostly using a '*poor, reasonable, good*' rating, with the critical analysis being an overview of whether the land should be retained in its current use (to which the answer is 'yes' in all cases because of the lack of opportunity elsewhere, even in the case of the poorest performing Moniton Trading Estate). Potential opportunities for new development, intensification and expansion were also considered. The sites' assessment reviews for each area are set out in **Appendix A**.
- 5.17 The remainder of this chapter considers the office and industrial markets in turn. The analysis has two purposes. Firstly, we aim to identify where there is potential demand for new development – thus, a need for the allocation of more employment land. Secondly, we will establish whether some of the existing stock may be surplus to market requirements.

## Offices

### Overview

- 5.18 During the recession in the latter years of the 2000s, speculative office development in the UK came to a standstill. As the national economy improved (around 2010), speculative office building restarted. This occurred firstly in London and then followed into a number of core regional cities such as Manchester and around the Thames Valley. Demand in these centres is typically coming from professional services (such as lawyers and accountancy firms) and TMTs (Technology, Media and Telecommunications).
- 5.19 Office development is typically only viable and of investment interest in major towns and cities. Generally, new development requires a pre-let in place to a blue-chip covenant – i.e. on a long lease to a high-quality tenant that is likely always to pay its rent and adhere to its obligations. This structure gives sufficient security to the investment to enable funding to be obtained.
- 5.20 Knight Frank report that the office market along the M3 corridor was slow throughout 2016. Take-up for the year amounted to circa 590,000 sq ft (55,000 sq m). This is a third less than has been traditionally taken over the 10-year average. However, during the same period, availability fell to 2.5m sq ft (233,000 sq m). This is 22% less than the 10-year average and represents vacancy of 6.1%.<sup>20</sup> The fact that take-up and vacancy have both fallen indicates that stock has been lost – either to redevelopment, or to permitted development rights.

### Demand

- 5.21 Demand for office space in the Borough can be categorised into Small & Medium Enterprises (SMEs) and corporate occupiers.

#### *Corporate Businesses*

- 5.22 Basingstoke has a number of large corporate occupiers in the town with headquarters-style offices. The occupiers represent a wide variety of sectors, including pharmaceuticals, IT and financial services and include Eli Lilly, Sony, Axa Wealth, the Automobile Association and Fujitsu. These larger occupiers are generally found in the town for historic reasons.
- 5.23 In recent times Basingstoke has struggled to attract new and retain existing corporate occupiers. This appears to be largely related to limitations regarding the quality of the stock available. Agents indicate corporate occupiers will continue to be lost from the town unless the quality of stock and the availability of good quality supporting amenities is improved. An example of good complementary amenities is that seen at Green Park, Reading, which has café, restaurant, shops, children's nurse and a hotel.

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<sup>20</sup> Knight Frank, 2016. *M25 Offices: Investment, Development & Occupier Markets: Q4 2016*.

- 5.24 But the story is more complex than simply suggesting Basingstoke lacks development sites of sufficient quality. Rents in Reading are now generally viable but they lack a large premium over what is viable to deliver. This presents Basingstoke with an ongoing dilemma. Even with a portfolio of high quality land, to deliver a viable to build rent in Reading would be very similar to that in Basingstoke.
- 5.25 In the current market, without a large additional premium for a Reading location (as opposed to Basingstoke) many occupiers prefer to cluster at Reading because they simply view Reading as a more 'premium location'. This suggests that, should Basingstoke seek to attract (or retain) corporate office occupiers this needs to be addressed as part of a whole package of measures to improve the image of the Borough.

### *SMEs and emerging sectors*

- 5.26 In our assessment of SMEs, we also consider microbusinesses. Table 5.1 explains that microbusinesses have a headcount of 10 or fewer, small businesses 50 or fewer (but 10 or more), and medium sizes are 250 or fewer (but 50 or more). Or it can be classified by turnover or balance sheet.

**Table 5.1 Definitions of SMEs & microbusinesses**

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

Source: [http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition\\_en](http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en)

- 5.27 A large proportion (90%<sup>21</sup>) of SMEs in the Borough are microbusinesses. The SMEs represented in Basingstoke cover a wide range of sectors. However, there is a concentration of the Digital Tech sector. This is considered a growth sector in the Borough, with Basingstoke ranked number one in the UK for its digital economy by the National Institute of Economic and Social Research<sup>22</sup>.
- 5.28 The economic forecasting work is discussed in the next section, but ahead of this both the Experian and Cambridge forecasting houses identify what they refer to as the IT sector as having grown substantially in recent times, and forecast further growth throughout the Plan period (broadly from 5,500 jobs in 2011 to 6,800 in 2029), albeit in total job terms it will remain far behind the major office activities such as professional services that is forecast to reach 10,000 jobs by 2029.
- 5.29 Neither the property agency indicators nor the jobs forecasts identify any other emerging employment growth sectors in the Borough over the Plan period.

<sup>21</sup> Destination Basingstoke, 2017. *Working on Basingstoke*. Accessed: <http://www.destinationbasingstoke.co.uk/working-in-basingstoke/>. 15/03/17.

<sup>22</sup> Basingstoke and Deane Borough Council, 2013. *Economic Master Plan for Basingstoke 2033*.

### *Space requirements of SMEs and emerging sectors*

- 5.30 SMEs based in the Borough are typically owned and staffed by local people or they form part of a supply chain for larger occupiers.
- 5.31 In some cases, SMEs will be operated from home. Where SMEs do take space, it is serviced offices or subdivided space in larger offices. Demand for larger space is driven by internal business growth and not inward investment. An example of this is NewVoiceMedia who have experienced significant growth and now have multiple locations internationally. Instead of moving out of Basingstoke, this business has continued to take larger spaces in the town as their business has expanded.
- 5.32 In London and some regional cities, there has been a trend for start-up businesses in the creative and technology sectors taking flexible and co-working space and this appears to be also happening in Basingstoke. We have been told anecdotally that there is demand for this type of space, particularly due to the growth of the digital technology sector.
- 5.33 SMEs are more price-sensitive than large corporate occupiers, and therefore more flexible in the type, quality and location of accommodation they are prepared to take. Although these businesses would often prefer new-build space, they may not be able, or may be unwilling, to pay the higher rents required for better-quality space.
- 5.34 Because the type and size of SMEs are wide ranging, the size of space they want is also wide ranging. Agents' indicate that demand is generally for units of up to 15,000 sq ft (1,400 sq m), with the occasional requirement of up to 25,000 sq ft (2,300 sq m). This is supported through the Council's own data recorded by its Economic Development team. Currently there are 17 requirements listed for units of up to 15,000 sq ft (1,400 sq m) with only 4 requirements for units larger than this.

### **Supply and Market Balance**

- 5.35 In our assessment we have considered offices across the Borough, but we recognise that the bulk of the office stock is situated in Basingstoke.

#### *Corporate*

- 5.36 In terms of suitable stock for corporate occupiers, the strongest office locations are Basing View Business Park, Chineham Park and Viabes Business Park.
- 5.37 Table 5.2 shows the availability of offices offering floorspaces greater than 15,000 sq ft (1,400 sq m). We have looked at space of this size as all of the units above this threshold are standalone office buildings, or separate floors within larger corporate offices. This configuration of space is attractive to large occupiers as it allows them to place the corporate identity on the property, and marks a threshold between corporates and the market for smaller spaces which is driven by SMEs.

**Table 5.2 – Availability of larger corporate offices (over 15,000 sq ft / 1,400 sq m)**

Grade of Space	No. Units	Available Floorspace (sqft)	Available Floorspace (sq m)	Proportion
New-Build	1	60,535	5,630	16%
Refurb	4	135,541	12,605	29%
Secondary	6	178,957	16,643	55%

Source: EGi

- 5.38 Table 5.2 indicates that there is currently very little new-build space available. All available space is contained in one unit, The Florence Building at Basing View. Although advertised, it is being speculative built.
- 5.39 The Florence Building is available on a floor-by floor basis (9,300 sq ft to 12,400 sq ft / 850-11,150 sq m) or as a whole (60,535 sq ft / 5,600 sq m) therefore could attract both SMEs and corporate occupiers. Rents in the mid £20s psf are expected for this development, although no rent is currently being quoted. The Florence Building development is being brought forward with the assistance of the Local Authority.
- 5.40 This is one positive way the Council is seeking to change the image of the Borough, creating a higher value hub, which (ideally) in the medium term will re-set the rental tone for Basingstoke at a level where (non-assisted) development is viable. But, success can only be measured once the space is let at a level which is approaching viable. If the space can only be let at low rents this could further undermine confidence in the Basingstoke market.
- 5.41 There are other ongoing efforts being made by the Council to improve Basing View. There are active efforts to provide a hotel within the business park, and the Council has recently appointed prestigious architects and urban designers BDP to provide a masterplan for the area.
- 5.42 In addition to Florence House, there are a number of examples of refurbished space available, these are as follows:
  - Chineham Gate, Chineham Park - entire building of 48,235 sq ft (4,500 sq m) available at an advertised rent of £21.50 psf. Although not advertised as such, the building could sub-divide into smaller suites.
  - Central 40, Chineham Park - up to 27,619 sq ft (2,600 sq m) available at a rent of £18.50 psf.
  - Former SSE building, Centenary House, Winchester Road – space available from 3,304 sq ft to 43,687 sq ft (300-4,000 sq m).
  - The V3 Building, Viabes Business Park – floorplate of 16,000 sq ft (1,500 sq m) available, although space can be sub-divided into suites from 5,000 sq ft (460 sq m). The space is available at a quoting rent of £17.50 psf.
- 5.43 There are also examples of poorer-quality secondary stock. Circa 60,000 sq ft (5,600 sq m) of space is advertised at Grosvenor House, Basing View, although on our site

visits this unit appeared to have boarded up windows and appeared to no longer be fit for purpose.

- 5.44 Agents state that Permitted Development (PD) rights have removed a significant amount of office stock from the market. PD development is attractive in the Borough due to the comparatively higher residential values compared to offices. Agents' have indicated that PD has yet to lead to tightening supply, but there are concerns that unless controlled, it will continue to remove stock from the market.
- 5.45 However, given the large amount of currently vacant stock any Article 4 Directions (removing PD rights) could only be justified on a very selective basis; targeting only those sites in the best and most accessible locations, which cannot be replaced with new sites in the future. Should the vacancy rate drop then the case could be made for more extensive removal of PD rights. Around 8% vacancy could be considered normal, and once this is reached then more extensive intervention could be justified.
- 5.46 In the next chapter we review the scale and future potential for office floorspace losses to residential under PD.

### *SMEs*

- 5.47 For SMEs the main office locations are:
- Basing View Business Park – 65-acre urban business park benefitting from proximity to the Railway Station and town centre.
  - Chineham Park – 90-acre high-quality business park situated on the A33. Benefits from good on-site amenities.
  - Viabes Business Park – mixed business park with offices and industrial space. Well-connected by road due to its position between junctions 6 and 7 of the M3 motorway.
- 5.48 As the majority of demand from SMEs focusses on units of less than 15,000 sq ft (1,400 sq m), we have considered the availability of stock up to this size. Table 5.3 shows the office stock advertised on EGI. This tends to involve either smaller offices or floors within larger buildings.

Table 5.3 – Available office space (sub-15,000 sq ft / 1,400 sq m)

Grade of Space	No. Units	Available Floorspace (sqft)	Available Floorspace (sq m)	Proportion
New-Build	0	0	0	0%
Refurb	22	88,783	8,257	28%
Secondary	84	231,133	21,495	72%

Source: EGI

- 5.49 Table 5.3 indicates that there is currently no available new-build space for SMEs. But as we previously mentioned The Florence Building will be available on a floor-by floor basis (9,300 -12,400 sq ft / 850 – 1,150 sq m) therefore it could accommodate SME requirements from those willing and able to pay market rents for new space.

- 5.50 There is also a reasonable supply of refurbished space available in Basingstoke to meet demand. As we have highlighted above there are a number of buildings such as Chineham Gate, Central 40, Chineham Park, Centenary House and The V3 Building which are flexible enough to accommodate SMEs and large corporate requirements. In addition, there are a number of other smaller units available at Chineham Park and space available at Basing View: Midpoint (5,900 sq ft / 550 sq m) and Springpark House (4,719 – 9,833 sq ft / 440 – 900 sq m). Thus, in addition to a pipeline of new space there is also availability in refurbished stock for SMEs not willing or able to pay top market rents.
- 5.51 A substantial amount of secondary space is currently advertised. This varies between reasonable quality, and stock nearing economic obsolescence. This stock is spread throughout the Borough's business parks and industrial estates.
- 5.52 Agents report that there is a healthy supply of serviced office space in the Borough, with Regus offering space at Chineham Park and Instant Offices providing space at various locations including Basing View. The serviced office space available is typically of a reasonable quality: generally refurbished space within secondary or fairly modern units. Although it is not possible to quantify the available stock for this type of space (not reliably recorded in property data), agents report that there is sufficient supply with a good level of availability.
- 5.53 Additionally, Basingstoke will soon have access to flexible and co-working space at Belvedere House at Basing View, where BizSpace and Desklodge have taken space.
- 5.54 SMEs are therefore reasonably well served by availability of serviced office, refurbished stock and new space, albeit only available once construction of the Florence Building is complete.
- 5.55 Finally, while this market is well catered for, some agents have highlighted the fact that for many owners subdividing space, offering small units to SME firms, is not their ideal route. The 'healthy' supply of this space could also be viewed as a symptom of a not particularly strong corporate market for larger buildings.

## Rents

- 5.56 As touched on above, rents for good quality space varies between £18.50 psf and £21.50 psf. At these rents, new development is not viable but sufficient for space to come forward on a refurbished basis e.g. Chineham Park, Centenary House, Viables Business Park and Basing View.
- 5.57 We understand that rents at the Florence Building that benefits from LEP funding support could be around £25 psf, which if achieved would set a new rental tone for Basingstoke. Our analysis indicates that rents would have to increase further to over £30 psf for development to be commercially viable without public sector intervention or other more viable uses cross-subsidising the development. However, recent experience at Basing View has led the Council to consider that rents could be viable a little lower than this at £27-£28 psf.

## Development Opportunities

- 5.58 The identified development opportunities are summarised in Table 5.4 below. The table is in two parts – planning permissions and site allocations. In respect of the latter we have used the site area measurement to estimate a potential floorspace figure based on a plot ratio of 90%.

**Table 5.4 Potential opportunities for additional office floorspace**

Location	Address	Permission / allocation	Available site area (ha)	Net floor-space gain (sq m)
<b>PERMISSIONS</b>				
Basing View	Site of Scott House, Basing View	permission		6,667
Bramley	Former MOD site, German Rd	permission		513
Chineham	Adjacent Alberto Culver, Lime Tree Way	permission		2,000
Chineham	Elderwood, Crockford Lane	permission		4,555
Chineham	Redwood, Crockford Lane	permission		11,515
Chineham	Spindlewood, Crockford Lane	permission		4,222
	Armstrong House, Aldermaston Rd	permission		779
	Ashe Warren Farm, Ashe Warren	permission		260
	Barn at Park Prewett, AldermarstonRd	permission		293
	Boundary Hall site, Aldermarston Rd, Tadley	permission		935
	Breach Farm, Loddon	permission		405
	Construction House, Burghclere	permission		204
	J A Hirst & Sons Recycling Yard, Whitchurch	permission		1,446
	Riverside View, Old Basing	permission		344
	Southern Communications Ltd, Down St, Dummer	permission		469
<b>Office permissions</b>				<b>34,607</b>
<b>ALLOCATIONS</b>				
Basing View	City Wall House, Basing View	allocation	0.35	3,150
Basing View	London House, Basing View	allocation	0.41	3,690
Basing View	Site 16, opposite Mountbatten House, Basing View	allocation	2.2	19,800
<b>Office allocations</b>				<b>26,640</b>
<b>TOTAL OFFICE</b>				<b>61,247</b>

Source: BDBC and HCC, and PBA survey/analysis

Where the location column is blank this means the permission is not in a designated location.

- 5.59 The opportunities for net additional office floorspace sum to in the region of 60,000 sq m, and this figure is used in the next chapter to identify the demand/supply balance.

- 5.60 Agent's see Basing View as having potential for new office development, due to its town-centre location and rail connections. But it is felt that the business park would require modernising: making it easier to navigate, and offer a greater array of complimentary amenities. The Council will need to facilitate the works and any initial office development because of the viability issues faced with low current rents.
- 5.61 In the long-term, if rents increase to a level which makes speculative development viable, there is a risk involved – this will put Basingstoke in direct competition with other office locations. This means that Basingstoke will lose one of its attractive features – it will no longer be a more affordable alternative to locations such as Reading. Given that Basingstoke does not currently offer the amenities and infrastructure which are available elsewhere, and is also not widely regarded as a strong office location, it is likely that businesses will chose locations with these strengths over Basingstoke. This again makes improvements to the infrastructure and reputation important. These improvements will be necessary if attitudes towards Basingstoke are to be changed, and to potentially allow for competition with other locations. This would help to retain existing occupiers, and potentially help to attract new ones.

### Surplus to Requirements

- 5.62 There are some poorer-quality offices which are close to obsolescence and are not suited for modern occupier requirements. These will typically be poorly accessed by public transport, distant from the town centre and may be neighboured by unappealing surrounding uses. These sites will need to be assessed for redevelopment on a case-by-case basis.
- 5.63 In addition, there are examples of good quality offices that although may not be close to obsolescence are suited to redevelopment. There are some existing buildings developed on a build to suit basis for a specific occupier requirement, and not necessarily located in the core office locations. For example, the Motorola site at Viabes Business Park is a bespoke office in a location more suited to industrial uses.

### Conclusion: Offices

- 5.64 Given current levels of demand and availability of existing stock (including redevelopment options) no new land is required for office development.
- 5.65 In the short-term development opportunities will be limited to the refurbishment of existing stock. Because of this, it is important that good quality existing stock is protected against redevelopment where possible. While the Borough still has a large supply of vacant space the extensive use of Article 4 Directions cannot be justified. But removing PD rights could be justified in selective cases where stock is at risk of loss, and cannot be replaced with similar accessible sites elsewhere. Most obviously, those highly accessible sites in proximity to the town centre (and railway station).
- 5.66 As shown through Chineham Park, the better quality existing older buildings in Basingstoke are suited to capture the demand from SMEs. This trend is likely to continue, especially as rents do not currently make new build space viable.

- 5.67 We are aware that there has been an alternative suggestion, from the EM3 report, that the Council should release office stock with a view to inducing a shortage of supply and so increasing rents to a viable (new build) level. However, our consultations and analysis highlights a significant risk to Basingstoke should this approach be taken forward. Such a strategy may increase rents, but this would be to the detriment of the existing stock of firms and employers. Also in the long-term, if rents do increase and make speculative development viable, the risk is Basingstoke will no longer be a cheaper alternative to locations such as Reading, which agents report, currently gives it a competitive advantage. Given equal quality property, both offered at a rent that makes new build viable, our consultations strongly suggest that the wider 'package' Reading can offer at the heart of the Thames Valley will out compete equivalent property in Basingstoke.
- 5.68 For these reasons, we don't consider proactively inducing a shortage of stock as a sensible planning approach. Instead the Council should continue, via its planning powers, to seek investment and renewal of the existing portfolio and only release sites / property where there is strong evidence that refurbishment and renewal is not viable. At the moment, there is no evidence that there is, in general 'no reasonable prospect' (NPPF para 22), of office sites being used as such.
- 5.69 In the longer term the weak market view of Basingstoke needs addressing as part of a wider package of improvements (in infrastructure, labour supply and environmental investment). This is because to improve rents Basingstoke needs to improve its demand profile, and should this succeed, then rents should improve and development become more viable.

## Industrial

### Overview

- 5.70 Basingstoke and Deane has maintained a strong industrial sector since the town was originally planned back in the 1960s, with this strength linked to the purpose built industrial estates that were well laid out and provided good quality buildings and environments, in the right locations to benefit from the excellent transport communications and with a locally available labour force.
- 5.71 Over the years some of the stock has been redeveloped or refurbished, but much of it, has not been refreshed. Many agents say that the short leases on which these premises are made available has held back a lot of renewal in the estates.
- 5.72 Our opinion is that this is certainly an issue. Elsewhere we see freehold values far exceeding leaseholds and freehold certainly attracts a premium.
- 5.73 Here, the main concern is not necessarily that the Council is the freeholder (as opposed to another owner) but that the leases are nearing their end. With short leases there is less motivation for occupiers to invest. It is also the case that much of the space is the same age and approaching obsolescence at the same time.
- 5.74 For our study we need to be cautious about making explicit recommendations about how the Borough manages its stock. For example, whether it ought to sell sites; this

goes beyond the remit of planning and planning policy. Instead we only note that many agents are concerned about the state of the existing stock and the need for investment in its redevelopment. But fundamentally, for our purposes, Basingstoke's industrial stock is in the right locations, has the critical mass factor, designed in resilience and is capable of serving future industrial requirements.

- 5.75 The focus of the industrial market in Basingstoke and Deane is concentrated in and around the town of Basingstoke. Although there are a small number of industrial sites beyond the town, the market is generally driven by activity related to the town. The key strength of the town lies in its strategic location on the M3 motorway. Additionally, the ring road around the town also provides good access to the motorway. As such, the town's multiple industrial sites are located on or close to the ring road.
- 5.76 The nature of the stock – its purpose-built design and generally good access – has meant that the Borough's industrial market has done particularly well. Industrial activity has generally been in decline nationally since the late 1970s, but because of these qualities the Borough has retained much more industrial activity compared to other areas elsewhere. Whilst the global economic crisis led to a shortage of speculative industrial space being built, Basingstoke has retained a strong industrial economy, mainly through churn of existing stock
- 5.77 A strong market and lack of new space coming forward has led to a shortage of immediately available stock. Occupiers were forced to take either second-hand space or wait for build-to-suit opportunities. In recent years' speculative development has returned, especially of large units of 100,000 sqft plus. This has been helped by the easing of the financial markets. However, there has generally been an imbalance in the market with supply not keeping pace with demand, especially for units of less than 100,000 sqft where there has been very little speculative built space.
- 5.78 Colliers report that industrial rents are showing steady growth throughout the UK. Beyond the South East, 2.5% growth was experienced in December 2016, whilst the South East showed 4.9% growth. They also state that supply has been very limited. This is particularly the case for storage and distribution units of over 100,000 sqft (9,300 sq m).<sup>23</sup>
- 5.79 Property agent's Cushman & Wakefield state that "In the short-term, occupier demand is expected to remain strong, supported by both a rise in exports and ecommerce related activities. Severe supply constraints in key regional markets should continue to put upwards pressure on prime rents." Over the long-term Cushman & Wakefield predict that "demand for industrials will fluctuate with economic drivers such as the value of Sterling, manufacturing and production, exports, domestic consumption and BREXIT"<sup>24</sup>.

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<sup>23</sup> Colliers, 2017. *Research and Forecast Report UK: Snapshot. January 2017.*

<sup>24</sup> Cushman & Wakefield (Spring 2017) *UK Industrial & Logistics Market Outlook*

5.80 For the purpose of this section, we combine industrial and distribution uses (B1c, B2 and B8) into one property market sector. This is because these different uses occupy the same types of buildings in the local market. We have then split our analysis into general industrial (B1(c) & B2 Uses) and regional/ strategic B8 – this is because they have different demand drivers.

## General Industrial (B1(c) & B2 Uses)

### Demand

5.81 Demand for general industrial units in Basingstoke comes from a variety of businesses representing different sectors with no one dominant sector driving demand. For example, on our site visit we observed industrial estates which are occupied by MOT centres, trade counters, manufacturing, and pharmaceutical companies. To reinforce the point one agent drew our attention to the Loddon Centre. This estate is occupied by businesses involved in:

- Telecommunications
- Embroidery
- Home Entertainment
- Window Provider
- Industrial Measurements

5.82 Agents report that demand is typically from local businesses servicing the local market who are looking to expand. These businesses are often run by owners who live in the area, and are staffed by local people. Where there is demand from regional and national companies, this tends to be trade counter users. The availability of stock in Basingstoke allows local firms to establish, grow and expand more readily than tighter markets.

5.83 However, although demand is strong firms remain risk adverse. Occupiers usually need premises that are immediately available and cannot commit to long-lead in periods<sup>25</sup> before space becomes available. In addition, these occupiers do not want to commit to medium/long term leases. Depending on the nature of businesses, some smaller local occupiers may be more price-sensitive, and therefore willing to compromise on the quality of space they occupy.

5.84 Some occupiers in this size range may seek to acquire buildings on a freehold basis. This means company owners can own and then lease the property back to the company.

5.85 Based on past take-up, occupiers have typically taken units of up to 20,000 sq ft (1,900 sq m). But agents report that general industrial occupiers want space of up to 50,000 sq ft (4,700 sq m), however, this size of space is not readily available in the

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<sup>25</sup>Typically, 9 months' build, plus agreeing terms (further 2-3 months) and agreeing design and planning (6-months plus), compared to 2-3 months to agree terms, sign a lease and move in

Borough. This is resulting in occupiers, in some instances, taking multiple units as a compromise.

## Supply and Market Balance

- 5.86 In Basingstoke space is generally found in the industrial estates around the ring road. These include:
- Kingsland Industrial Estate
  - Danes Hill Industrial Estate
  - West Ham Industrial Estate
  - Houndmills Industrial Estate
  - Viabes Business Park
- 5.87 Agents report that demand is currently outstripping supply for industrial units in Basingstoke with occupiers struggling to find suitable accommodation. There is generally low vacancy and agents report that current availability represents less than a year's supply.
- 5.88 Table 5.5 shows the industrial stock which is currently advertised in Basingstoke. Although Table 5.5 indicates that there are 10 new-build units currently available, two of these units have not yet been built. These are units advertised at Intec Business Park that represent almost all of the new-build space, amounting to circa 108,000 sq ft (10,000 sq m). Beyond this there is only 24,000 sq ft (2,200 sq m) of new-build space currently available and this is typically in smaller units of around 3,000 sq ft (280 sq m).

**Table 5.5 – Available General Industrial (B1c & B2) Space**

Grade of Space	No. Units	Available Floorspace (sqft)	Available Floorspace (sq m)	Proportion
New-Build	10	132,795	12,350	27%
Refurb	4	34,531	3,211	7%
Secondary	36	326,509	30,365	66%

Source: EGi

- 5.89 There is a very small amount of refurbished space available, with the majority of available stock being secondary. This stock varies in quality and is spread throughout Basingstoke's industrial sites. Agents report that some of the available stock is also poor quality and not fit for purpose.
- 5.90 Despite there being demand for freehold units, agents report that very few sites are made available on this basis. As noted above this is generally due to the fact that the Council possess the majority of employment sites in the Borough, and only let space on a leasehold/long leasehold basis.
- 5.91 Issues around the lack of freehold space is having an impact on the delivery of new stock. This is restricting the market in two ways:
- Occupiers who want to own their site do not have this option

- Development and refurbishment will not happen on sites where there is not sufficient time left on the lease to ensure they can make a return on their investment. This means that poor-quality stock is retained, even in cases where it is hard to re-let.
- 5.92 Because demand is not being met, agents report that businesses are being lost from Basingstoke because they cannot get the accommodation they want. This is both the case for businesses looking for better quality space, and also those who are looking to expand. Agents indicate that some businesses have been lost to locations such as Hook, which is just outside the Borough boundary on the M3. They will also look at locations such as Winchester, the Blackwater Valley and south coast locations.

## Rents

- 5.93 The new units at Chineham Park and Houndmills Trade Park are available at rents of between £11.50 and £12.50 psf. Generally, this size of development of smaller units (less than 10,000 sq ft / 930 sq m) is fairly rare in the industrial market because developers are often reluctant to bring forward smaller units due to occupiers generally having weaker covenants and higher build costs. But, due to the tight supply of stock in the Borough, rents are at a level whereby this type of development is viable.
- 5.94 Due to the lack of availability of new build stock, secondary rents in the Borough tend to be strong. Space is available at West Ham Industrial Estate for £7.50 psf. At Hatch Industrial Park, space is being let for £8.75 psf. Rents at these levels means refurbishment of stock is viable.

## Development Opportunities

- 5.95 The identified development opportunities are summarised in Table 5.6 below. The table is in two parts – firstly the commitments - planning permissions and site allocations and secondly sites we have identified as having potential to deliver net additional floorspace. In respect of allocations and sites with potential we have used the site area measurement to estimate a potential floorspace figure based on a plot ratio of 40%.
- 5.96 Market signals are such that industrial stock is viable in Basingstoke and developers are willing to deliver new premises speculatively. This means that there is an opportunity to provide new space. But, agents highlight a lack of suitable and available sites for development, and the brevity of the list reaffirms this view.

**Table 5.6 Potential opportunities for additional industrial floorspace**

Location	Address	Permission or allocation	Available site area (ha)	Net floor-space gain (sq m)
<b>PERMISSIONS</b>				
Chineham	Larchwood, Crockford Lane	permission		10,721
Daneshill East	Lutyens Close, Lychpit	permission		2,550
	Andwel Trout Farm, Hook	permission		548
	May & Schofield Ltd, Stroudley Rd	permission		533
	Lane End Farm, East Woodhay	permission		720
<b>Industrial permissions</b>				<b>15,072</b>
<b>ALLOCATIONS</b>				
Viabes	Jays Close	allocation	1.2	4,800
Viabes	Jays Close / Hatchwarren Lane	allocation	0.62	2,480
Viabes	Land at Jays Close	allocation	0.65	2,600
Ardglen, Whitchurch	Land north of Ardglen Rd	emerging allocation		4,000
<b>Industrial allocations</b>				<b>13,880</b>
<b>TOTAL INDUSTRIAL</b>				<b>28,952</b>

Source: BDBC and HCC, and PBA survey/analysis

Where the location column is blank this means the permission is not in a designated location.

- 5.97 The opportunities for net additional industrial floorspace sum to in the region of 29,000 sq m, less than half the area available for office development.
- 5.98 Additionally, there are opportunities within the existing industrial estates for redevelopment/ intensification of the existing stock. There are areas of poor quality industrial buildings, and some sites could be re-developed in order to provide new space, albeit with little scope for net additional new space. Agents state that this type of re-development is already happening on sites where conditions are right i.e. freehold sites in recognised industrial areas/or poor office locations with good infrastructure. However, agents report that the lack of available freehold (or virtual freehold) sites is limiting construction because sites with shorter leases mean that developers cannot get funding - also because end-users often want to own their own premises.
- 5.99 The main areas with scope for intensification through redevelopment are at Brighton Hill, in particular in the Wella Rd, Bessemer Rd and Lister Rd/Lennox Rd areas, and at Daneshill West - on Rutherford, Faraday and Rankine Roads.
- 5.100 Additionally, the Motorola site on the Viabes Business Park (circa 3.5 ha) was noted as potentially being suited to slightly smaller units of up to 5,000 sq m. The site will become vacant in 2018, but although the site is likely to need redeveloping, it is unlikely to result in substantial, if any net additional floorspace. The site could

potentially be of interest to storage and distribution operators as well as industrial uses.

## Surplus to Requirements

- 5.101 We have not identified any industrial units that are surplus to market requirements. There is continuing market demand for units and limited supply. Although there may be some spaces which are no longer fit for purpose, these sites are likely to be refurbished or redeveloped – especially if issues around the Council’s freehold ownerships can be addressed.
- 5.102 If land were to be identified for either industrial and/or storage and distribution uses this could trigger a rationalisation of the existing stock through redevelopment or refurbishment that could include changes between B2 and B8 with no overall reduction in the quantum of B2 space.

## Storage and Distribution

### Overview

- 5.103 Increasing demand for storage and distribution across the UK has been driven by the growth in online retail. Occupiers are often retailers themselves, or third party logistics companies (3PLs) who distribute goods on their behalf.
- 5.104 These companies tend to offer good covenants and are prepared to commit to institutional lease terms – therefore creating good capital values. These good capital values not only provide an incentive for developers to bring forward units – it also enables them to bid competitively for sites.
- 5.105 In recent years, new-build development has typically involved large units of up to 1 million sq ft. Demand has been strong, and the balance between capital value / land value / build costs / developer return is maximised. Fewer small and mid-sized units (150,000 sq ft or less / 14,000 sq m) have been delivered, but agents are now reporting that the market is shifting.
- 5.106 Current demand is now mainly for more compact distribution units due to the fact they are suited to local and regional distribution. Demand is from the same blue-chip covenants who previously sought larger units, but they are switching focus as their top tier networks are now largely complete. It is also the case that consumer’s expectations of ever faster delivery, means that some firms are supplementing their larger warehouses with more local networks – either for more efficient ‘final mile’ delivery or to hold stock close to where people live. With few units of this type delivered in recent years, supply has tightened and rents are also now increasing. This means that small to mid-sized units have increasingly become attractive for developers who are now willing to bring forward units of this type, even though build costs are generally higher.
- 5.107 Although the Estates Gazette report that the market for commercial property has cooled in the wake of the Brexit vote, they acknowledge that the market for storage and distribution has been the least affected. As things move forward, this sector is

also not expected to experience the same slowing of rental growth, or the same decline in deals volumes, as is anticipated of other commercial markets. This is partly because of the switch from high street retailing towards e-commerce, and the associated warehouse chain, appears to be a structural shift in retailing. Demand

- 5.108 Occupiers are attracted to Basingstoke because of its strong strategic position on the M3 motorway, allowing occupiers: access to the national motorway and access into Basingstoke and Andover for local and regional distribution.
- 5.109 Storage and distribution demand in Basingstoke follows national trends; occupiers are retailers, or 3PLs. Both want space from which to store and distribute goods. Agents tell us that they still see future growth in this sector, and do not believe it is at saturation point yet. Notwithstanding this, the market has cooled slightly for the largest distribution units. With the most common requirements for units of between 50,000 sq ft (4,700 sq m) and 150,000 sq ft (14,000 sq m), with the occasional requirement for larger units such as Sainsbury's 615,000 sq ft (57,200 sq m) unit at Houndmills Industrial Estate.
- 5.110 Although the majority of current demand is for units sub-150,000 sq ft (14,000 sq m), the Council's Economic Development team have four live requirements for larger units:
- 530,000 – 750,000 sq ft (49,300 – 70,000 sq m)
  - 350,000 sq ft (32,500 sq m)
  - 300,000 – 350,000 sq ft (28,000 – 32,500 sq m)
  - 100,000 sq ft (9,300 sq m)
- 5.111 We do not have any further details of these requirements, but the Council note that three are from the same developer:

#### *Occupier requirements*

- 5.112 Storage and distribution occupiers typically prefer speculative space that they can occupy immediately, without waiting for the space to be built out. However, demand for space is such that agents report some occupiers may be willing to take space on a pre-let basis. These types of businesses are also typically footloose (i.e. if their requirements cannot be satisfied locally they will look elsewhere for space before taking poorer-quality stock or an unsuitable unit size).
- 5.113 Agents also report that occupiers (e.g. Sainsbury's and Fyffes) and developers often want sites on a freehold basis because it is easier to fund development.
- 5.114 Occupiers are looking for modern, high-quality industrial warehousing. More specifically, they typically require:
- Modern warehouse buildings
  - High eave heights (10-15 m)
  - Loading doors
  - Access to major roads, and in particular the motorway network
  - Room for parking and turning HGV.

- Secure yards.

5.115 As referred to above the most sought after floorspace range is 4,700 – 14,000 sq m, but there is interest in much larger units.

## Supply and Market Balance

5.116 Table 5.7 shows the storage and distribution floorspace currently advertised as available in Basingstoke.

**Table 5.7 – Available storage and distribution space**

Grade of Space	No. Units	Available Floorspace (sqft)	Available Floorspace (sq m)	Proportion
New-Build	3	108,177	10,060	100%
Refurb	0	0	0	0%
Secondary	0	0	0	0%

Source: EGi, nb excludes the recent 7,800 sq m permission for two units at Larchwood

5.117 Table 5.7 indicates that there is very limited availability of storage and distribution space in the area. This space is all located at Logistics City, Houndmills Industrial Estate, but has not yet been built and is advertised on a pre-let basis. The agent dealing with the site states that that Kier (the developers) will bring forward the site on a speculative basis if a pre-let cannot be secured. Given the character of the occupier market and the size of units proposed, occupiers are more likely to take space when it is delivered speculatively. As is noted above, they typically want space which is immediately available. It is anticipated that the scheme could achieve rents of between £9 and £9.50 psf. The 108,078 sq ft (10,000 sq m) of proposed floorspace at Logistics City will be provided across three units as follows:

- 36,059 sq ft (3,400 sq m)
- 49,514 sq ft (4,600 sq m)
- 22,604 sq ft (2,100 sq m)

5.118 The units to be provided at Logistics City are small for storage and distribution use. This will only satisfy some demand at the smaller end of the market, particularly for local, last-mile distribution. Agents report that these are likely to be occupied quickly if brought forward on a speculative basis.

5.119 In recent years, when storage and distribution space has come forward in Basingstoke, it has been delivered on existing industrial sites. In these cases, poorer stock on existing sites have been cleared and re-developed. This was the case for the Sainsbury's unit, and Logistics City. This approach means that there has not been a significant net gain in terms of the floorspace provided, as other industrial stock has been lost to make way for the new space.

5.120 Although agents, and the data, appear to show an exceptionally strong market in Basingstoke, and so possible justification to look for more land, some consultees noted that there was a supply of development land in nearby districts which has not

been taken up. This, some may suggest, points to a weaker market than the Basingstoke data would suggest.

- 5.121 This is most clearly the case with Andover and Hart where large allocations have not yet been taken up. Issues at these sites have included:
- Andover Business Park – A Coop Distribution centre has been brought forward at this business park. Another 340,000 sq ft (31,600 sq m) speculative unit has been built, but has yet to secure an occupier. Agents report that the site has faced limited interest due to the poor road network. Storage and distribution occupiers prefer motorway-side locations. There are also HGV restrictions on the all north-south roads around the park, with £500 fines for those using anything but the east-west A303 to access the site. This has led to substantial fines for Co-op, and is often due to 3rd party delivery drivers disobeying the restrictions. In 2013, fines related to the use of these roads amounted to £371,000.
  - Hartland Park – Agents report that there was interest in this former Ministry of Defence site, but it had ‘bad neighbour’ issues, and required restrictive highway conditions that has prevented it from coming forward. The site is now being promoted for residential use, and a planning application has been submitted for a 1,500 home residential-led mixed use development.
- 5.122 The presence of undeveloped land in these locations tell us little about the strength of demand in Basingstoke. This is partly because both are sub-optimal locations whose sites are constrained. Basingstoke is much better located and, should unconstrained land be available, Basingstoke would be preferred by many occupiers.
- Agents report that: Andover is a sub-optimal location (compared to Basingstoke) and while it provides reasonable east-west connections via the A303, it lacks good north-south road access. Andover has been able to attract occupiers such as Ocado but this is because there is no better alternative. Agents state that if the space was available in Basingstoke, Ocado would have chosen here instead of Andover.

## Rents

- 5.123 Rents, such as those advertised at Logistics City, make new space in Basingstoke viable. Were sites available, agents report that new development would be likely to come forward. It is also anticipated that developers would build speculatively given the demand for space and current lack of availability.

## Development Opportunities

- 5.124 The identified development opportunities are summarised in Table 5.8 below. The table is in two parts – firstly the commitments - planning permissions and site allocations and secondly sites we have identified as having potential to deliver net additional floorspace. In respect of allocations and potential sites we have used the site area measurement to estimate a potential floorspace figure based on a plot ratio of 40%.

**Table 5.8 Potential opportunities for additional storage and distribution floorspace**

Location	Address	Permission or allocation	Available site area (ha)	Net floor-space gain (sq m)
<b>PERMISSIONS</b>				
Brighton Hill	Marbaix House, Wella Rd	permission		2,744
Houndmills	Macmillan & Co Ltd, Brunel Rd [Logistics City]	permission		10,050
	Cranes Rd, Sherborne St John	permission		420
<b>Storage &amp; distribution permissions</b>				<b>13,214</b>
<b>ALLOCATIONS</b>				
	-	allocation	0	0
<b>Storage &amp; distribution allocations</b>				<b>0</b>
<b>TOTAL STORAGE &amp; DISTRIBUTION</b>				<b>13,214</b>
<b>POTENTIAL</b>				
Land North of Daneshill East	The south-west quadrant containing uses such as the waste site, depot and low density industrial.		4.5	18,000
Houndmills	Area north of the Ring Road North (Hart House, Royal Mail Depot and HSE)		5	20,000
<b>Storage &amp; distribution potential</b>				<b>38,000</b>

Source: BDBC and HCC, and PBA survey/analysis

- 5.125 Where the location column is blank this means the permission is not in a designated location. The committed opportunities for net additional storage and distribution floorspace sum to 13,200 sq m, which largely comprises the Logistics City development that is currently under-construction. The Logistics City scheme replaced 13,042 sq m B1-8 industrial units, and thus it generates a net loss in overall employment floorspace terms. This loss of industrial floorspace is accounted for in the floorspace balance in the quantitative analysis section in the next chapter.
- 5.126 Looking beyond the sites already in the planning pipeline we identify two sites with potential for redevelopment for B8 (and/or B2) uses. Both are currently occupied by a range of B and non-B uses, but of fairly low intensity and in generally dated stock. Although occupiers and developers of storage and distribution facilities will favour sites immediately adjacent to motorway junctions, and neither site is that close, both have excellent road connectivity and have potential to provide storage and distribution space, albeit with the loss of some industrial space. There has already

been such redevelopment for storage and distribution at Houndmills, and these sites represent further potential.

- 5.127 Beyond the sites identified in the table, agents' note further potential at Daneshill. Units here are considered to be nearing obsolescence, and could be renewed. We consider there is scope to assemble large sites for new storage and distribution at Daneshill East by replacing dated mostly industrial stock on Bell Road, Witney Rd and Armstrong Rd. Intensification to provide storage and distribution in these locations would generally be at the expense of light and general industrial uses, albeit that the existing stock is dated and not fit for purpose. The loss of Motorola from Viabes Business Park could generate an opportunity for a gain for storage and distribution through redevelopment, albeit again this would be at the expense of industrial floorspace.
- 5.128 Whilst some storage and distribution space can be provided on existing sites, this is unlikely to provide enough land to satisfy demand, especially to capture footloose requirements, and the search area for strategic storage and distribution needs to be widened to include sites close to the M3 motorway junctions (6 and 7).

## Surplus to Requirements

- 5.129 Our evidence has not identified any storage and distribution sites that are suitable for release for other uses. There is already a limited supply of suitable space in Basingstoke and Deane, and demand for distribution space is strong.

## Conclusion: Industrial

- 5.130 There is a strong industrial market in Basingstoke with current demand outstripping supply. Supply is currently constrained due to the lack of suitable available sites. Development is occurring in a piecemeal fashion, but these are on existing redundant employment sites that are available on a freehold basis. Where redundant sites are on a long leasehold basis this is potentially hindering their redevelopment. Agents have suggested that the Council could consider buying back those vacant/redundant units on short-term leases, and bring them back onto the market, but on virtual freeholds (i.e. 999-year lease on a peppercorn) which would stimulate development. An example of where this has been successfully undertaken elsewhere is Guildford where a 17,500 sq ft (1,600 sq m) site at Midleton Industrial Estate had ground leases of 60 years remaining. These leases were surrendered to the Council, allowing for the re-development of the site. Although development has yet to occur, the Council is now marketing the site on a long leasehold basis meaning the site will be more attractive to developers. This also means that developers will be able to secure funding. Agents report a good level of interest in the site.
- 5.131 Redevelopment of existing lower quality, but well located industrial sites is more suited for smaller storage and distribution units of circa 50,000 sq ft to 70,000 sq ft (4,700 – 6,500 sq m) that principally serve the Basingstoke market; or for the smaller general industrial B1(c) and B2. The redevelopment of the Macmillan & Co Ltd premises on Brunel Rd, to be replaced by Logistics City, is the principle current example. However, it is also significant that Sainsbury's redeveloped their distribution

centre on their existing Houndmills site because they were unable to find a suitable alternative site.

- 5.132 An inherent difficulty with land use planning is that we cannot directly control how occupiers use their space; especially given that many industrial units are very similar to smaller warehouse units. So we cannot easily prevent occupiers using the existing stock for logistics, should they wish to. Should the Council not address logistics demand the risk is that if the supply of storage and distribution space continues to tighten and rents will be driven higher. It may then become more attractive to develop storage and distribution space on the better quality existing industrial sites rather than just the poorer stock, such as the Macmillan & Co site. Over the longer term this would result in smaller and medium sized industrial units being lost which would affect businesses predominantly servicing the Borough.
- 5.133 Given the level of demand it is unlikely that re-development of existing sites will be sufficient to meet all of the demand for industrial space and new sites are required. Releasing new sites will benefit the market in following ways:
- Preserve existing estates – prevent the loss of general industrial from redevelopment for storage and distribution uses.
  - Capture inward investment opportunities.
  - Retain existing business by providing suitable accommodation. This is both by providing higher-quality premises, and by delivering larger units to support their growth. Relocations to new property will free up other existing stock for refurbishment/redevelopment for other occupiers.
- 5.134 Agents indicated that junctions 6 and 7 of the M3 would be the strongest strategic locations for storage and distribution use. New sites would also need to be of sufficient size to fit larger units with adequate yard space. During consultation with agents, there were varying reports on exactly how much land would be required to meet the demands of the industrial market. The quoted figures were wide ranging – from 25 to 100 acres (10-40 ha).

## 6 DEMAND FOR EMPLOYMENT FLOORSPACE

### Introduction

- 6.1 This chapter reviews:
- historic trends in employment floorspace based on historic development data sourced from Hampshire County Council (HCC), and the Valuation Office Agency (VOA), and also trends in job numbers sourced from economic forecasters Experian and Cambridge Econometrics<sup>26</sup>;
  - projects employment land use requirements based on these past trends; and then
  - projects employment demand forecasts for the office, industrial & storage and distribution use classes based on the forecasts from the two economists referred to above.
- 6.2 Throughout the chapter we assess projections and forecasts against Local Plan targets, both overall and to date.
- 6.3 The analysis in this chapter does show that the Experian and Cambridge forecasts do differ at the local Borough level, which is because the two forecasting houses have different views about the national and regional economy, and results from differing views on the demand for jobs in the economy, and how both unemployment and economic activity rates differ. At the national level Experian are more bullish, forecasting more new jobs than Cambridge over the remainder of the Plan period 2017-29 – 2.6 million jobs compared to 1.5 million, a significant 77% difference between the forecasting houses national view. This difference at the national level permeates down to the Borough level with Experian forecasting higher jobs growth compared to Cambridge.

### Past trends

- 6.4 As guided by Planning Guidance we look firstly at historic development rates for commercial floorspace as this can help inform views of future land needs.
- 6.5 The assessment uses data on jobs sourced from Experian and Cambridge, and floorspace sourced from the VOA and HCC. The VOA data is overall change in floorspace since 2000/01 and the HCC data is annual development completions (gains and losses in the B class uses) since 2003/4.
- 6.6 The jobs data is provided from the forecasters in employment categories (38 categories in the case of Experian and 45 in the case of Cambridge), both of which cover all employment activities, all use classes, and collectively equate to forecasts of total jobs. We start with analysis of total jobs, and then we convert this data into land

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<sup>26</sup> There are three nationally recognised economic forecasting houses – Experian and Cambridge Econometrics and Oxford Economics.

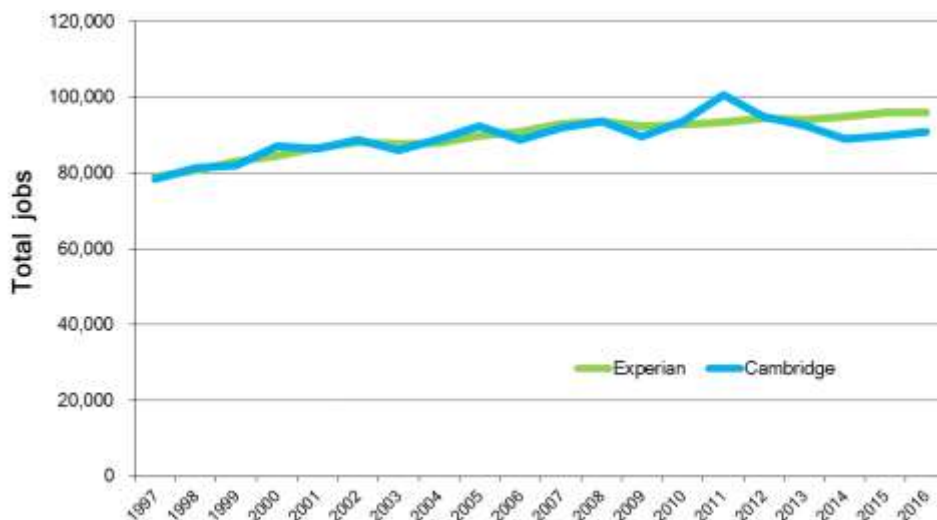
use categories using the latest BRES data<sup>27</sup> and our bespoke category to land use mapping (see Appendix A) so that we can drill down into at the B class activities.

- 6.7 Below, we consider how job numbers have changed over time firstly for total jobs, and then for the B class - office, light & general industrial and storage & distribution. We assess how employment numbers have changed over the first five years (2011-16) of the Local Plan period. Then we review floorspace trends.

### Past trends - total jobs

- 6.8 The table below tracks total jobs. It shows that the past 20 years has seen gradual but consistent growth in jobs from around 80,000 to 90,000. The forecasting houses data generally align, with differences in the most recent years that will be adjusted in the future as more data on past employment becomes available and forecasts are replaced by actual data. It is relevant to note that as discussed above, Experian’s forecast is more optimistic

**Figure 6.1 Basingstoke and Deane - total jobs – 1997-2016**



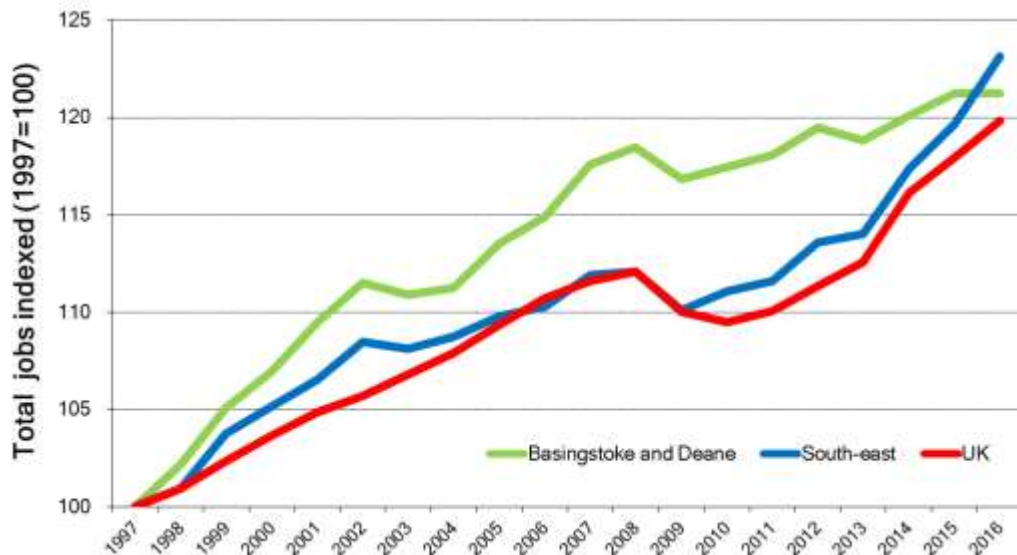
Source: Experian March 2017, Cambridge Econometrics C162 - November 2016, forecast version 13189

- 6.9 For total job growth to be on track with the Local Plan target - 450-700 jobs pa – in the first five years of the Plan period (2011-16) calculates to 2,200-3,500 jobs. As indicated on Figure 6.1 above Experian’s estimate indicates job change is on track with a positive +2,500, whereas Cambridge estimate that there was a 9,700 reduction in jobs over the period. As can be seen from the chart the Cambridge figure for 2011 was a high point over the 20-year period, but excepting 2011 the general pattern of job change in the early years of the Plan has been flat or a little negative according to Cambridge’s forecasting model.
- 6.10 Below, we compare the past trend for total jobs for the Borough against job change regionally and nationally. Because the two forecasters data is aligned for past trends, to keep the analysis a little clearer, we use data from just one of the forecasters - Experian. The chart shows that generally the Borough outperformed the region and

<sup>27</sup> Latest release 28<sup>th</sup> Sept 2016

the country with higher jobs growth. However, since the financial crisis jobs growth in Basingstoke and Deane has slowed whilst growth in jobs in the region/nation has accelerated to the point where the region has actually overtaken the Borough.

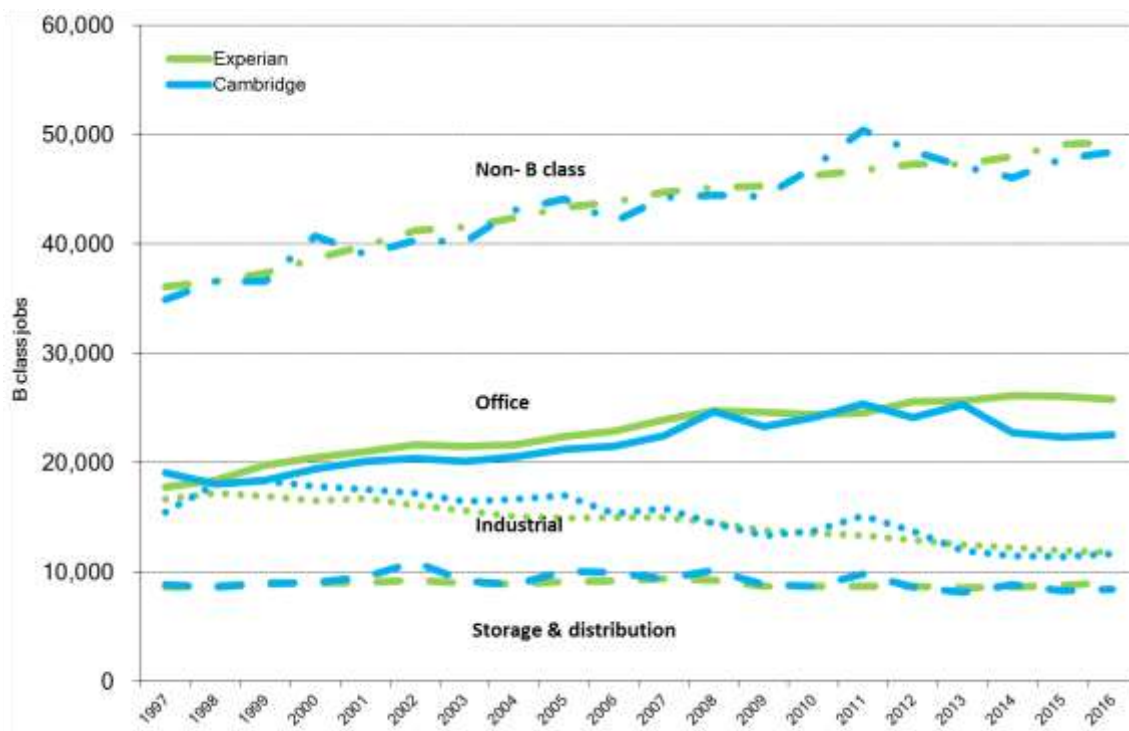
**Figure 6.2 Jobs change (indexed) B'stoke and Deane, the region and UK**



Source: Experian March 2017

6.11 Figure 6.3 below shows trends in job numbers in the B class in the Borough over the past 20 years (and all other jobs, the 'non-B jobs'). The graph shows the overall changes has been largely driven by the non-B classes activity such as health and education. Office jobs did show steady growth up until the recession, but since growth has been at a much lower rate. Industrial jobs have recovered in the last three years seeing a steadying of numbers. Storage and distribution jobs have remained just about at the same level, around 10,000 over the entire 20-year period.

**Figure 6.3 Basingstoke and Deane - B (and non-B) class jobs – 1997-2016**



Source: Experian March 2017, Cambridge Econometrics C162 - November 2016, forecast version 13189

- 6.12 Over the first five years of the Local Plan period (2011-2016) Figure 6.3 indicates that the surge in jobs in 2011 in the Cambridge dataset was universal across B class and non-B class employment, but the downward shift in jobs from 2011 is largely in office jobs.
- 6.13 For change in office job numbers to be in line with Local Plan targets (between 5,000 and 7,900 over the Plan period) requires between 1,400 – 2,200 jobs. Experian estimate that 1,200 additional office jobs were created over that period, so just below target, whereas Cambridge estimate a reduction of 2,800. Clearly the surge in 2011 that the Cambridge data observes is having a significantly negative influence on delivery in the first years of the Plan period, but even discounting 2011 the overall pattern in the Cambridge model is declining employment at a time when the regional and national picture recorded increasing employment. In contrast Experian’s data for that period more closely aligns the Borough with regional and national trends, identifying positive job change.

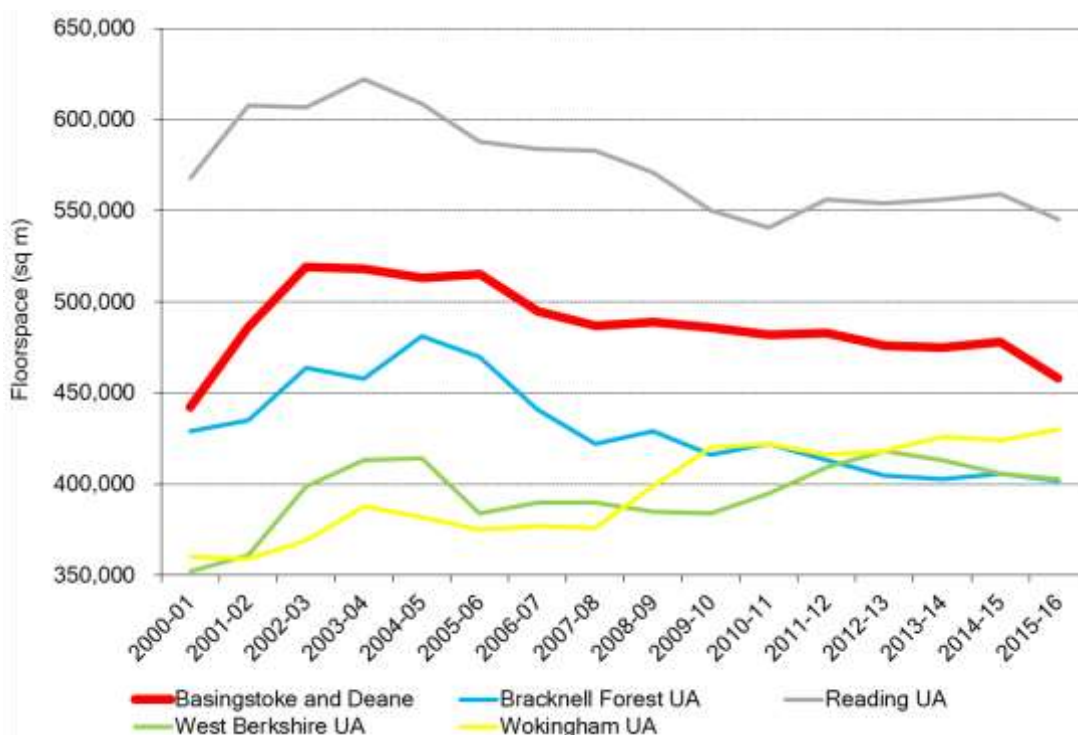
### Past trends – VOA office floorspace data

- 6.14 Now we turn to floorspace and VOAs data. The benefit of the VOA data is that it can be used to compare the Borough with other areas. It also has the advantage over other data sets that it will include changes to stock that are not captured by planning, for example where buildings are demolished without the need for planning permission. VOA data is also taxation based, and it is therefore in every owner’s interests to ensure that where there is a floorspace loss or reduction this is reflected in the VOA data. The currency of the data is also reasonably up-to-date because

reevaluation takes place every five years. Thus, the VOA data is likely to be more accurate in terms of the overall change in floorspace in an area.

- 6.15 Unfortunately, the VOA does not disaggregate the industrial and storage and distribution activities, so the data covers office and the broad industrial grouping (B1b-B8).
- 6.16 Figure 6.4 compares Basingstoke & Deane with the other major Thames Valley office locations using the VOA data. Reading, Bracknell and Basingstoke all increased office floorspace in the early 2000s, but since mid-2000s the amount of floorspace in all three authorities had declined. This is likely to be down to a combination of factors such as advances in office technology (eg laptops compared to workstations, electronic compared to paper filing) that reduce the need for space, lots of town centre floorspace becoming obsolete. In Reading’s case the reduction in space in the town has been counter-balanced by an increase in office parks on the edge of the town in the neighbouring districts of West Berks and Wokingham which operate in functional terms as part of ‘Greater Reading’.

**Figure 6.4 Basingstoke and Deane – office floorspace**



Source: VOA

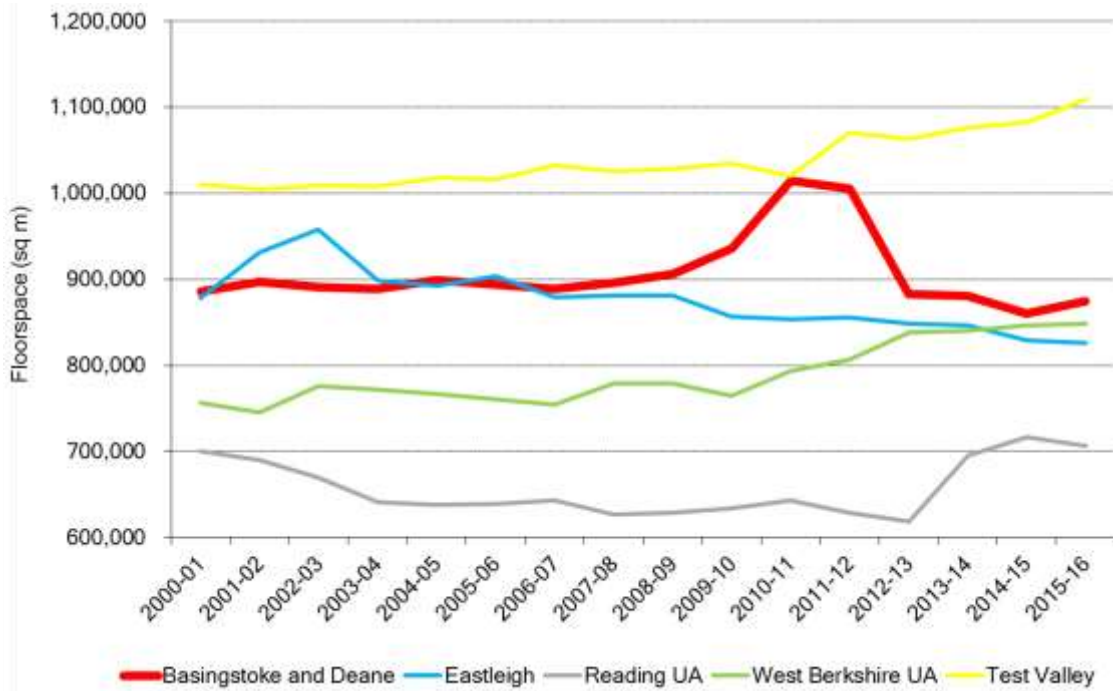
- 6.17 The Borough has seen office floorspace decline from a high of 520,000 sq m to around 460,000 sq m in just 13 years.

### Past trends - VOA industrial floorspace data

- 6.18 Figure 6.5 compares the Borough with some of the stronger performing areas for industrial activity, and indicates Basingstoke and Deane has generally been very resilient to industrial floorspace loss with the figure remaining at just below 900,000 sq m, albeit there is a curious and unexplained blip between 2010 and 2013.

6.19 Two rival areas have shown strong industrial floorspace growth over this period – Test Valley and West Berks. These areas and Basingstoke to an extent buck the regional trend (not shown on chart), which has been for fairly rapid decline in industrial floorspace over the past 20 years.

**Figure 6.5 Basingstoke and Deane – industrial floorspace**

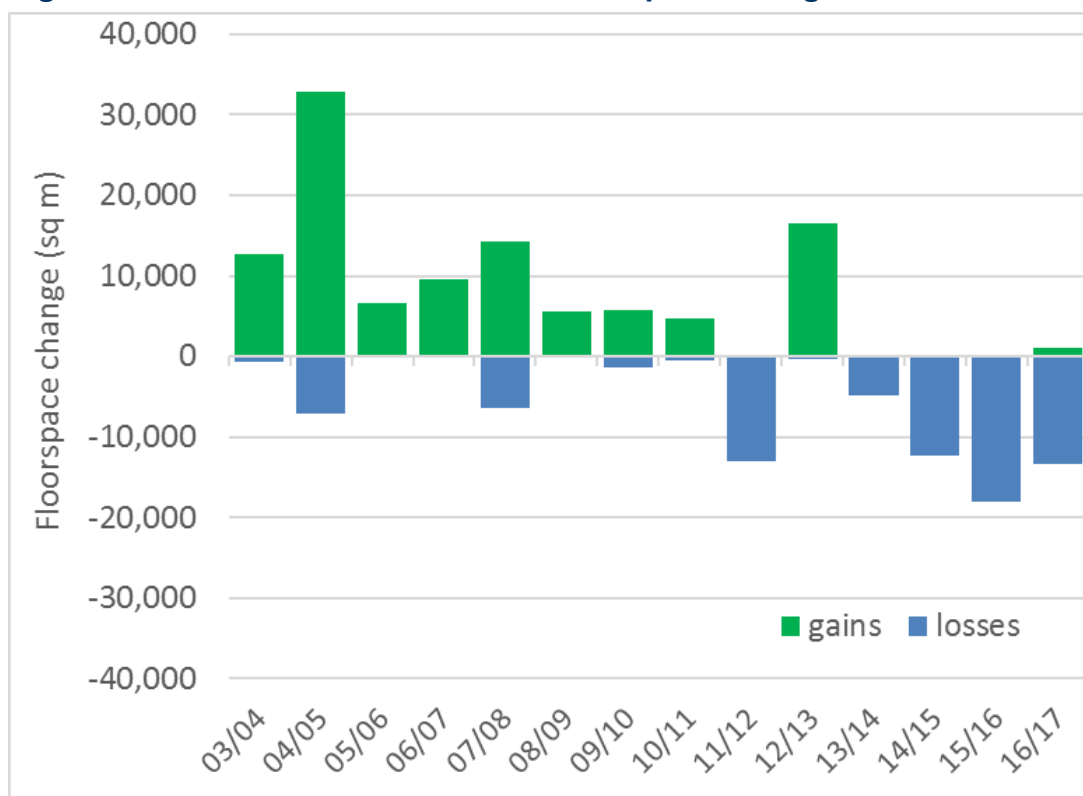


Source: VOA

### Past trends – office completions data

6.20 The completions data indicates that up until the financial crash of 2008 the Borough was experiencing through the planning system a net gain in office floorspace. However, during the past five years this has reversed, fuelled in large part by the changes to the PD regulations. Over the whole 14-year dataset period there was a net gain of approximately 40,000 sq m, but over the past five years almost 50,000 sq m has been lost, and there remains 29,000 sq m in the permitted PD pipeline. The gains in 12/13 were the Elderwood and Redwood developments in Chineham Park.

**Figure 6.6 B’stoke & Deane – Office floorspace change 2003/4 to 16/17**



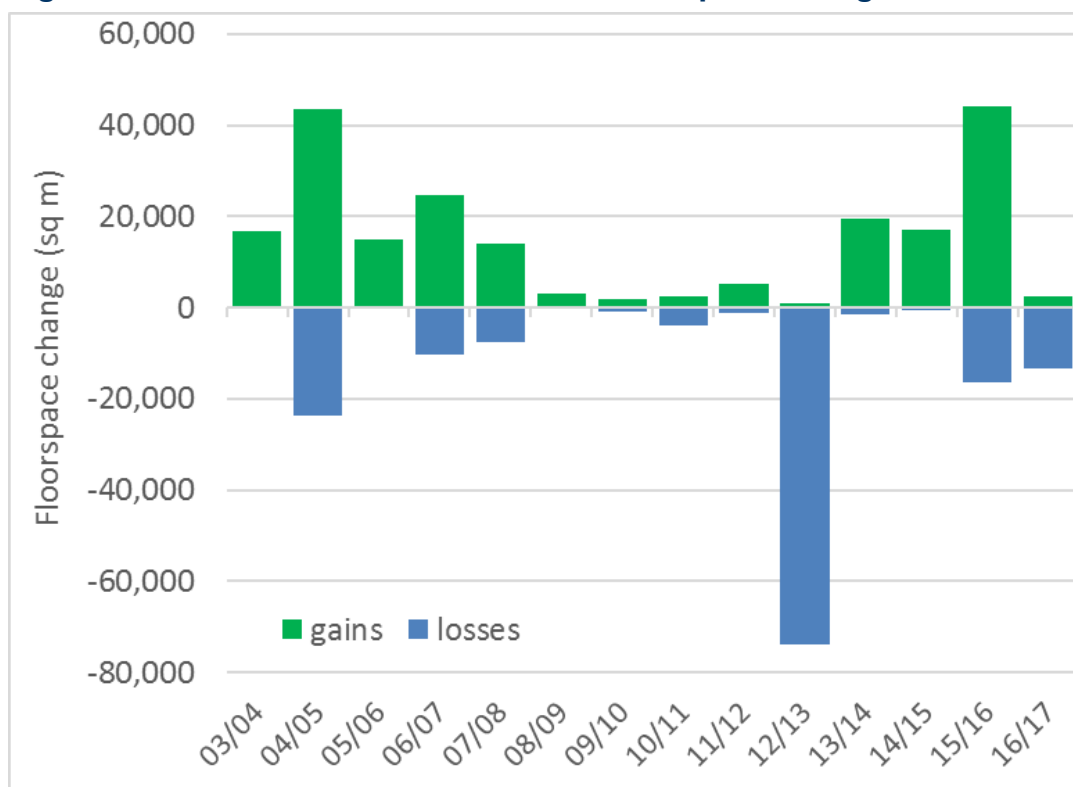
Source: Hampshire County Council

6.21 The overall net gain in office floorspace identified in the HCC data runs counter to the VOA data that identifies a decline in office floorspace in the mid-late 2000s, although the two datasets both identify decline in the 2010s. The conflicting view stems from one data set – the VOA capturing all changes in floorspace through the comprehensive and self-regulating nature of the taxation system, and the other only recording changes captured in the planning system. Added to which changes in the planning system can in themselves be difficult to monitor and categorise as permissions are often for flexible B class space. Thus, it is not surprising that the county data identifies a positive net gain, but the VOA will identify a more accurate overall view of floorspace change.

### Past trends – industrial completions data

6.22 The pattern of completions for industrial floorspace like that for office shows a ‘flattening’ of activity during and immediately after the crash, but in recent years the net change has overall been neutral, with relatively little activity in the sector and the only notable development being the redevelopment of the J Sainsbury warehouse unit that is accounted for over the 2012/13 to 2015/16 period, and the losses in 2016/17 are the former Macmillan publishers buildings that are making way for the Logistics City warehousing.

**Figure 6.7 B'stoke & Deane – Industrial floorspace change 03/4 to 16/17**



Source: Hampshire County Council

6.23 The two datasets broadly agree that over the past decade change has been just about neutral, with losses balancing out the gains, with a slight downturn in stock during the past three or four years. There may be some under-representation of losses in the County data, where again industrial buildings may have been demolished without the need for planning permission, but there is no data on this, and the two datasets broadly align.

### Past trends - conclusions

- Until the financial crisis the Borough outperformed the region and the country with higher jobs growth, but since 2009/10 jobs growth in Basingstoke and Deane has slowed, whilst growth in jobs in the region/nation has accelerated.
- The growth in office jobs in the Borough has slowed, but industrial job numbers have steadied while the number of storage and distribution jobs has remained flat.
- Over the past decade the quantity of employment floorspace has gone down whilst the number of jobs has gone up, but this is consistent with the ongoing trend of an increasing ratio of employees to floorspace, with HCA data<sup>28</sup> showing a change from 18 sq m /per employee to 11 sq m over the last decade.
- Industrial floorspace has generally been resilient to loss compared to other boroughs where losses have been comparatively high. There is generally much less scope to improve industrial floorspace densities, and thus whilst job numbers

<sup>28</sup> HCA Employment Density Guide, 2015

have declined over the past twenty years, this has been a comparatively shallow decline, which mirrors the modest decline in floorspace.

- The planning permissions dataset provides good information on floorspace change. However, it only tells part of the story as a significant amount of change takes place outside the planning process. Planning permission is not always required for demolition, and so whilst gains are generally captured, planning may not tell the whole story in respect of the loss of employment floorspace. The VOA data on the other hand is based on taxation returns, where property owners have a vested interest to ensure that the floorspace returns are accurate and up-to-date. For this reason, the VOA data presents a more reliable view on floorspace change compared to data based solely on planning permissions.

## The future

- 6.24 Now we look to the future – how will job numbers grow in the Borough over the next Plan period, and in what sectors and land use areas, and what will this mean in floorspace terms for the B class uses.
- 6.25 Firstly, we use the past trends in floorspace completions to project forward a trend based future projection scenario. Then we review the economic forecasting houses' views on future jobs growth, starting with their forecasts for total jobs and then jobs by land use sector. Then we move on to convert job change into net floorspace demand by B class use, before finally undertaking demand supply balancing using the supply data referred to earlier in the report to identify whether the Borough has sufficient land to plan for change in office, industrial and storage and distribution activity.

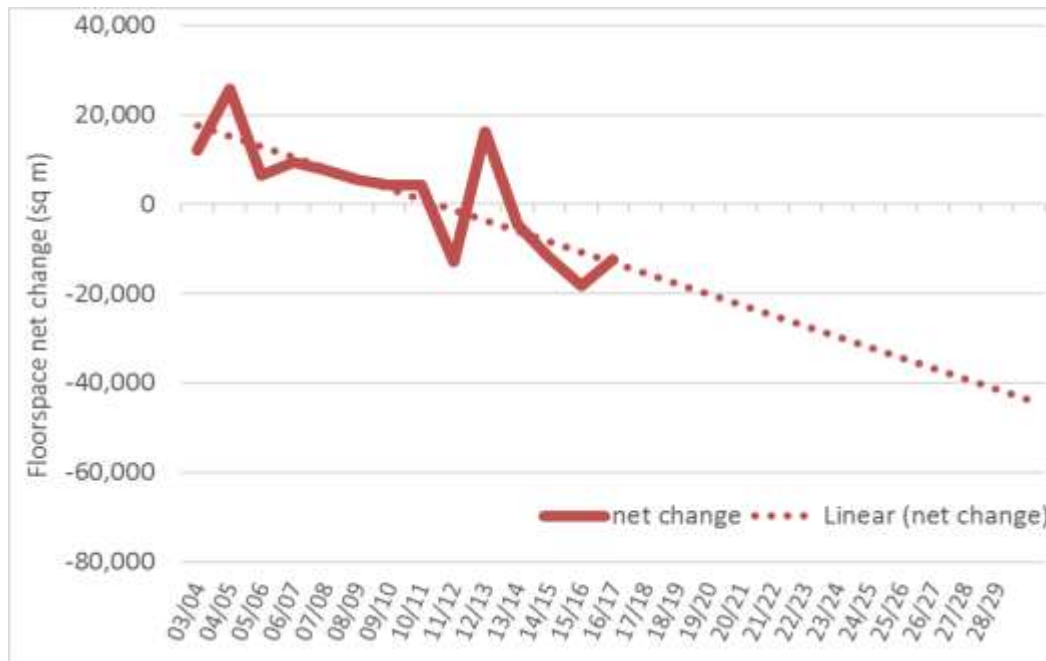
## Trend base projections

- 6.26 Using the HCC completions data, the projections for future office and industrial floorspace change are set out in the charts below.

### *Offices*

- 6.27 The linear trend is decidedly downwards for office floorspace. Office floorspace losses due to PD changes since 2013 are a significant proportion of the annual totals, and this looks set to continue with a particularly significant conversion currently underway at Churchill Plaza, one of the largest office buildings (12,500 sq m) in Basingstoke town centre. Now that PD rights have been made permanent, it seems likely that at least into the mid-term the past trends trajectory of net loss of floorspace is set to continue downwards. We review the floorspace data later in this chapter.

**Figure 6.8 B’stoke & Deane – Office floorspace change projection**

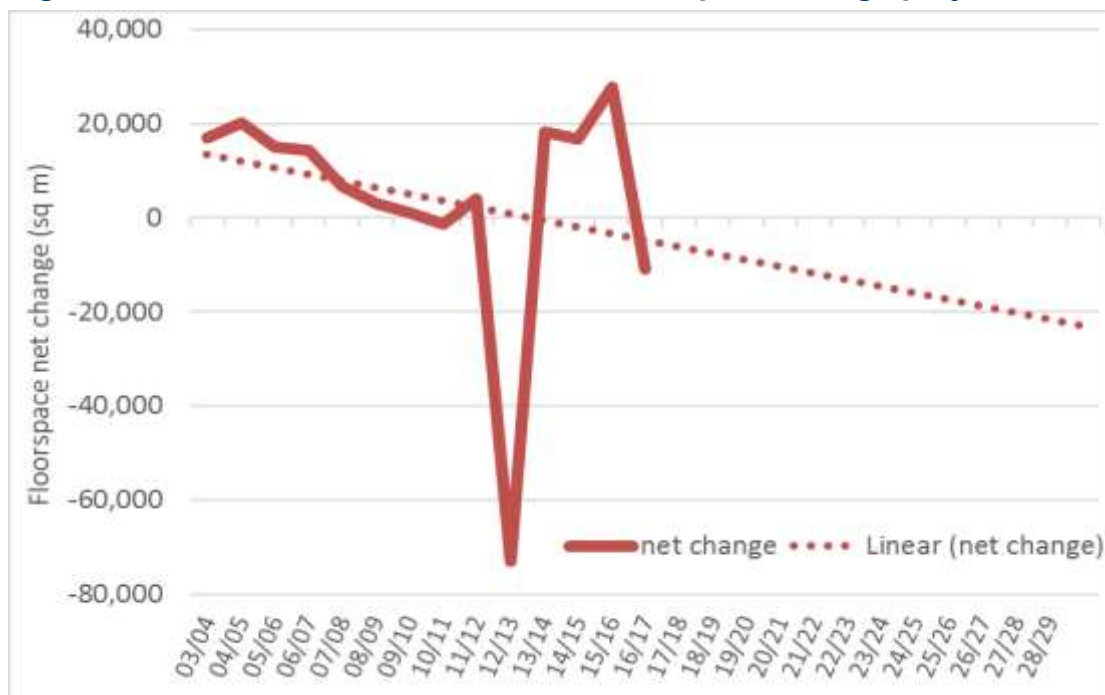


Source: Hampshire County Council

*Industrial*

6.28 The projection for industrial floorspace based on past trends is also downwards, albeit the trajectory is less steep compared to that for office floorspace, and has included some significant increases. The other indicators strongly suggest that the lack of industrial supply, particularly in the storage and distribution class has been the key factor in the more marginal net reduction in floorspace.

**Figure 6.9 B’stoke & Deane – Industrial floorspace change projection**



Source: Hampshire County Council

## Economic forecasts

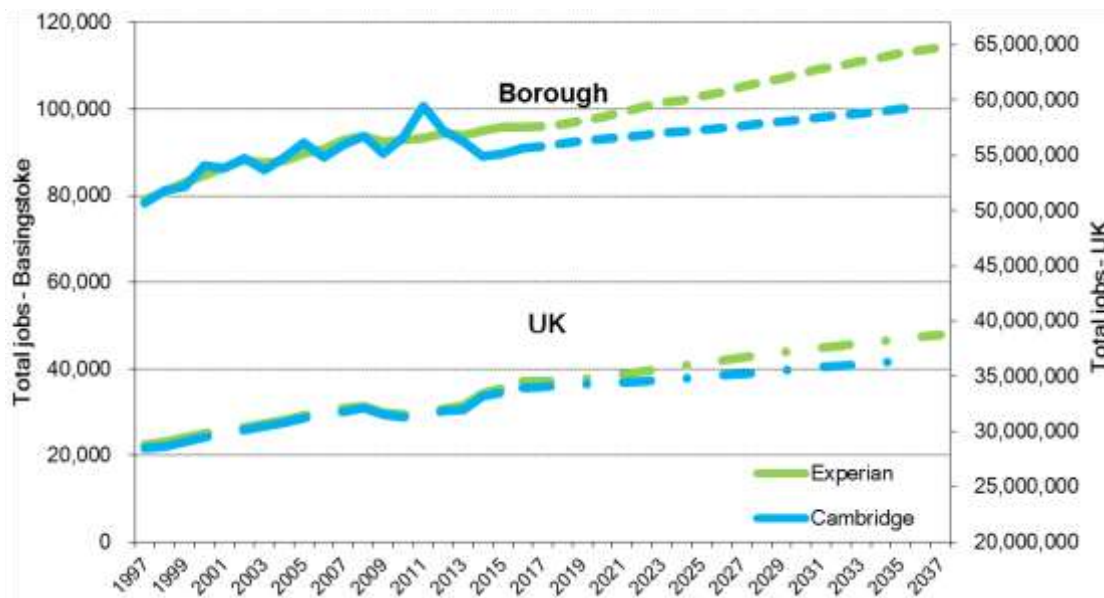
### *Method*

- 6.29 To quantify the demand for offices, industrial space and storage and distribution to 2029 we start with the raw data, which is provided by the economic forecasters in activity sectors (38 and 45 sectors respectively for Experian and Cambridge). We then translate these sectors into the three land use categories using our sector-to-space mapping technique (an explanation of this is provided at Appendix A).
- 6.30 The base year used for the forecasts is 2011, because the Local Plan period begins in 2011/12.
- 6.31 Once the job numbers are identified for the B class activities we then apply specific employment densities sourced from the 2015 HCA report Employment Density Guide, prepared by GVA Grimley to turn the job forecasts into net floorspace demand figures. The final step is to turn net demand for floorspace into gross demand by accounting for changes in supply that are in the planning pipeline – planning permission commitments and site allocations.
- 6.32 We then sense test the outcomes by comparing the jobs / floorspace forecasts from the two forecasting houses for each land use, and consider these data in respect of other information about the markets, such as the information from the property agents and also in respect of storage and distribution we examine future forecasts of freight movement.
- 6.33 This analysis is undertaken at the Borough-wide level because economic forecasting below that level is not available. Also within a FEMA, demand should be reasonably footloose. Later on in this chapter consideration is given to where future demand for employment floorspace should be met; acknowledging the primacy of Basingstoke town, but also identifying where there is scope for economic growth in the rural economy largely evidenced in the numerous neighbourhood plans in the Borough.

### Total jobs

- 6.34 We look first at the two forecaster's national view, this is because one forecasting house, at the local level, may simply be more positive in their macro view. So any difference in opinion may say little or nothing about the local position.
- 6.35 At the UK level Experian's annual jobs growth 2017-29 averages 0.64% pa compared to 0.36% for Cambridge. The divergence comes from a difference in macro-economic outlook with Experian generally being more optimistic about the national economy and forecasting higher economic activity rates that fuel higher job creation.
- 6.36 Experian's more optimistic national view filters down to the Borough. Experian's forecast for job growth is 0.95% pa compared to 0.53% pa for Cambridge. Both forecasters predict higher job growth in Basingstoke than the national outlook.
- 6.37 Figure 6.5 below compares Experian and Cambridge's past and future forecasts for the Borough and the UK. Experian is more optimistic on both accounts, and more so for Basingstoke than for the UK as a whole.

**Figure 6.10 Total jobs – (past and) future – B’stoke and UK**



Source: Experian March 2017, Cambridge Econometrics C162 - November 2016, forecast version 13189

6.38 Comparing total jobs change over the Local Plan period – the Plan sets an overall total jobs target of between 8,100 and 12,600 jobs. Experian forecast total jobs growth between 2011-29 of 13,600, which is marginally higher than the upper end of the Local Plan range. Experian are much more closely aligned with the Local Plan compared to Cambridge who forecast negative job change between 2011 and 2029 of -3,500. This negative Cambridge figure is partly down to the particular base year; according to the Cambridge model 2011 was a bumper year for jobs with numbers soaring by 7,000 before falling back the following year. If we ‘smooth out’ 2011 from the Cambridge data by calculating change from the years either side, total jobs growth over the Plan period only reaches around 3-4,000, at most half the minimum Local Plan target.

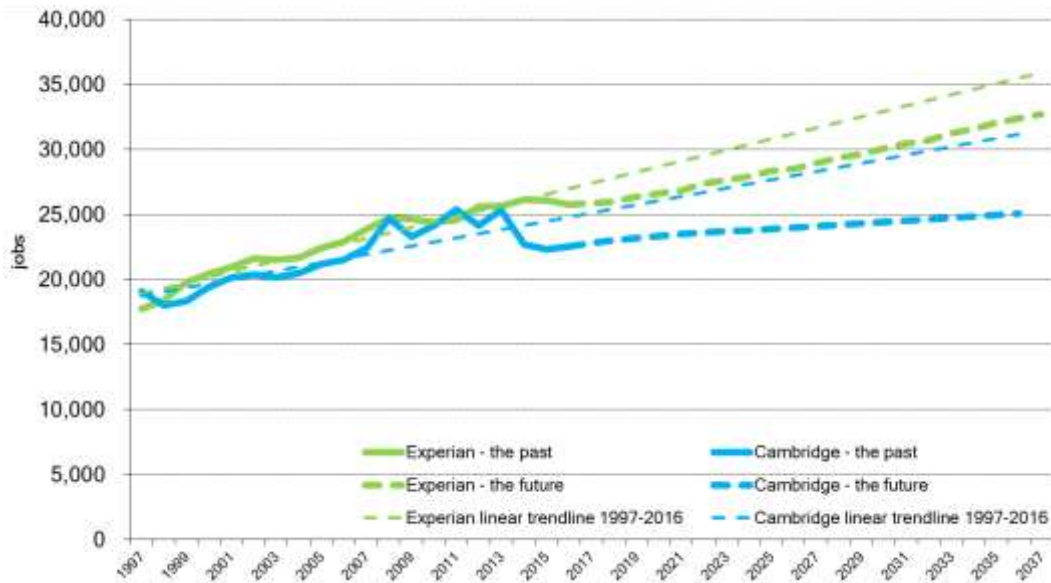
6.39 Now we turn to assess the job forecasts for the B use classes.

### Office

6.40 The chart below looks at a forty-year period, 20 years past and 20 years forward, and compares the two forecasting house’s views, and includes a trend for each based on the past (fine dotted lines), Experian’s forecast +5,100 jobs compared to Cambridge’s model, due to the spike in jobs in 2011 produces a negative figure to 2029 of -1,100 jobs.

6.41 In summary, Experian forecast growth in office based employment that is slower than in the past whereas Cambridge forecast less office jobs at the end of the Local Plan period compared to 2011. However, because much of the job reduction happened in the recent past, there will be a steady net increase in demand for jobs, but only around 2,000 under the Cambridge scenario.

**Figure 6.11 Office jobs**

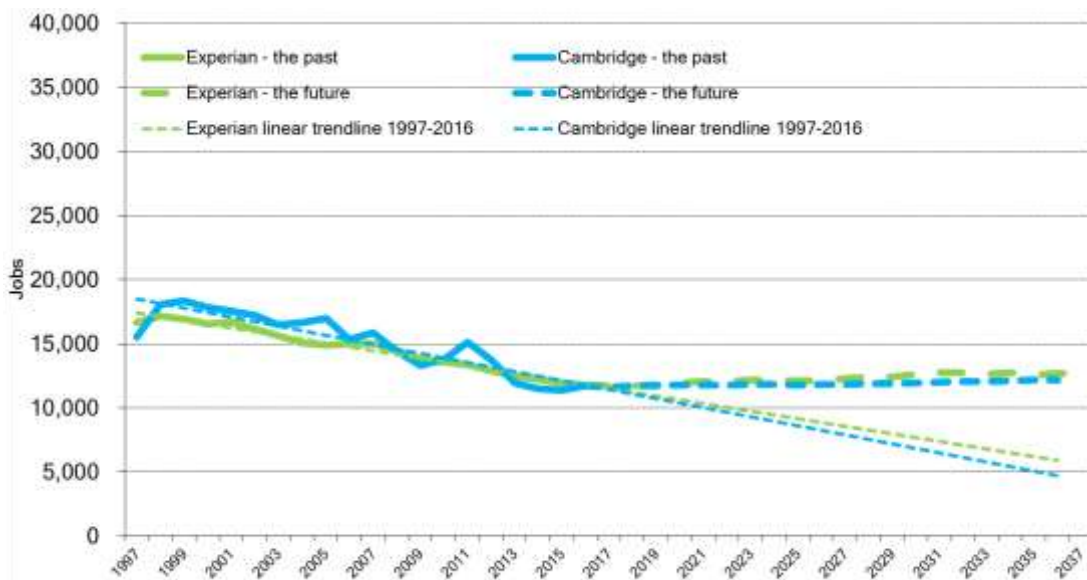


Source: Experian March 2017, Cambridge Econometrics C162 - November 2016, forecast version 13189

## Industrial

6.42 Both forecasters are in agreement on the outlook for industrial jobs, namely that from 2017 the forecasts estimate a very gradual increase in job numbers. The improvement in the forecast for industrial jobs reflects the regional picture where the loss of industrial jobs had accelerated too fast, and there is now a need for a general correction.

**Figure 6.12 Industrial jobs**



Source: Experian March 2017, Cambridge Econometrics C162 - November 2016, forecast version 13189

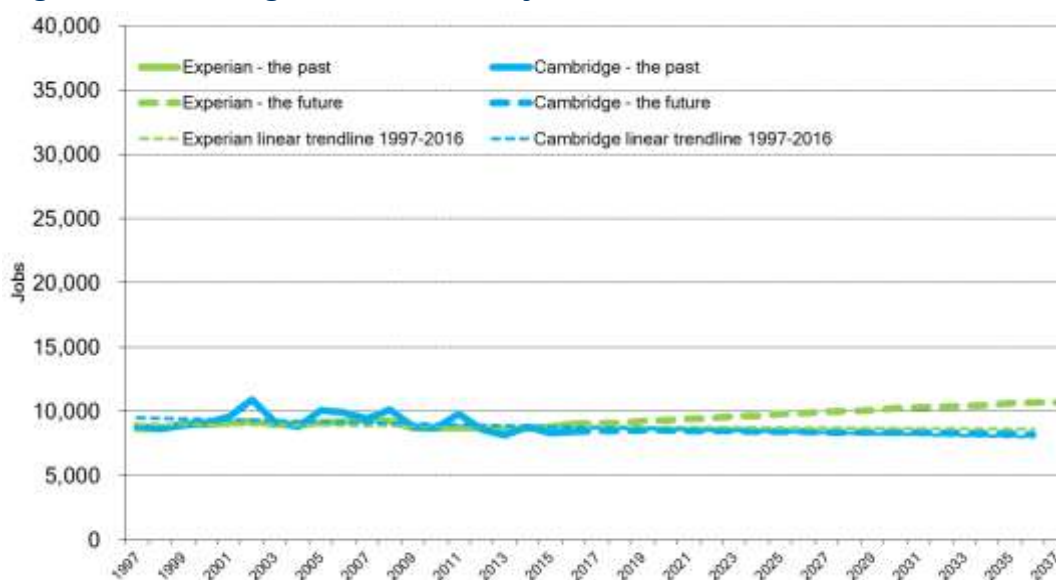
## Storage & distribution

6.43 As shown in Figure 6.13 below, Cambridge forecast a continuation of the 20-year trend, which is a shallow decline in jobs. Between 2011 and 2029 there is a 1,400, job

reduction, which is a comparatively large figure, again reflecting the 2011 spike in jobs. In contrast Experian forecast a steady rise in storage and distribution employment with a 1,400 gain over the Plan period to a total of just over 10,000 by 2029.

- 6.44 This is the only area of significant disagreement between the forecasters. The numbers are not huge in absolute or comparative terms. The difference is a ‘swing’ of 2,800 jobs in what is a relatively small area of employment. However, the difference between a forecast of continued job losses and one forecasting growth, albeit both are shallow in the direction of change, will be magnified when it comes to translating jobs into floorspace requirements. This is because of the low job density for B8 local ‘final mile’ activity<sup>29</sup> (70 sq m / job compared to 12 sq m / job for office and 41 sq m / job for industrial<sup>30</sup>), as we shall see below.
- 6.45 The spike in jobs in 2011 and a subsequent return to lower levels is evident in Cambridge’s storage & distribution data, but less pronounced than in other sectors.

**Figure 6.13 Storage & distribution jobs**



Source: Experian March 2017, Cambridge Econometrics C162 - November 2016, forecast version 13189

- 6.46 As with industrial jobs the Local Plan does not set a target, instead identifying a need for 122,000 sq m net additional space, which equates to approximately 1,800 jobs.
- 6.47 We now look to see which forecast for storage and distribution is the more plausible.
- 6.48 Firstly, it is relevant to understand that storage and distribution takes broadly two forms – businesses that serve the local resident population and business community, and as referred to in the previous chapter this is generally done from units between 5,000 – 15,000 sq m, and larger strategic provision that serves regional or sub-

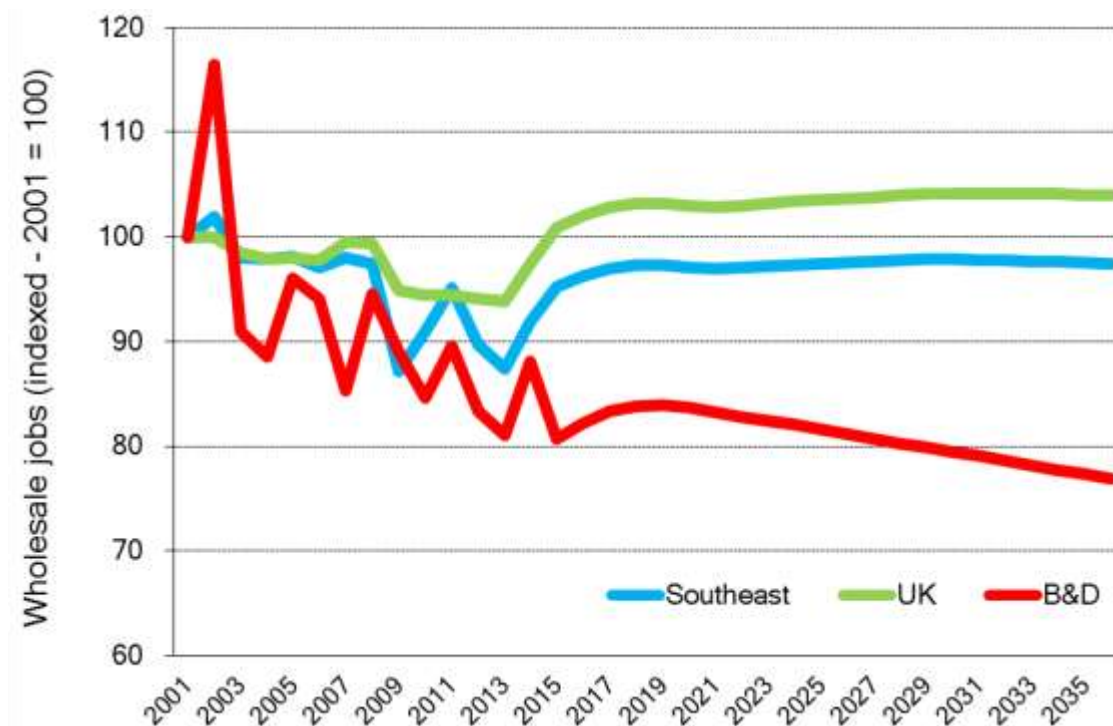
<sup>29</sup> The HCA Employment Density Guide, 2015, provides three alternative B8 sub-sectors, final mile, which most closely matches the local need identified for the Borough, and regional and national distribution centres for which the densities are 95 and 77 sq m /worker GEA.

<sup>30</sup> Table on page 29 of HCA Employment Density Guide, 2015

regional markets. The business models of national retailers and goods delivery firms tend to have a regional centralised goods storage/distribution hub that can be up to 100,000 sq m, and then smaller sub-regional ‘spokes’. The latter are reflected to some degree in the forecaster’s estimates, but the larger regional facilities will ‘pool’ growth from a region/sub-region. The relatively recent shift to ‘last mile’ and ‘just in time’ deliveries to homes and businesses is a comparatively new phenomenon that is driving demand, but is not captured in past trend data, so is difficult to forecast in the conventional way. Added to which the larger sub-regional facilities are much more footloose in the choice of location, with sites with good access to the strategic road network being prized, rather than being pegged to any one location.

- 6.49 Secondly, we compare Cambridge forecast data for the sector that holds the majority of storage and distribution jobs – the wholesale sector – for the Borough with that for the south east and UK. The latter two data sets are held within the East of England Forecasting Model (EEFM), and the comparison indexes the change in jobs from 2001. The EEFM is wide reaching, extending well beyond the Eastern Region, and doesn’t include Hampshire, but does provide regional (for the counties on the eastern half of England) and national forecasts that are from Cambridge Econometrics and can therefore be compared with the data for the Borough.
- 6.50 The chart below shows that Cambridge are much more optimistic about jobs in the wholesale sector at the national and regional level (marginally upward), compared to at the Borough level, where the trajectory is clearly downwards. The losses in wholesale may be counter-balanced by gains in other activities that create jobs in storage and distribution such as transport, but the other activities are smaller areas providing far less jobs than wholesale. The downward trajectory for wholesale is likely to be because Cambridge have looked at past trends, and seen the lack of growth in this sector in the Borough, and will have apportioned the jobs growth elsewhere. The impact on jobs of past short-term constrained supply in the Borough should not be projected forward in future forecasts, and should not offset a more general positive outlook for the sector as shown in Figure 6.14 below. This inconsistency in the data undermines the Cambridge view on future forecasts for the storage and distribution sector in the Borough.

**Figure 6.14 Jobs in the wholesale sector – comparison Borough, region and national**



Source: Cambridge Econometrics, East of England Forecasting Model (EEFM) 2016, 11-08-2016

- 6.51 We have already seen in the previous chapter that the property agency profession considers there to be considerable unmet demand for storage and distribution facilities in the Borough to serve the sub-regional and in particular the local growing needs of online deliveries.
- 6.52 A further set of published statistics that can help us understand the sector better are freight forecasts published by the Department for Transport (DfT).

**Table 6.1 DfT forecast range of mileage change**

Vehicle type	2015		2020		2025		2030	
	low	high	low	high	low	high	low	high
<b>Light Goods Vehicle</b>	8%	8%	10%	39%	19%	59%	26%	79%
<b>Rigid lorries</b>	-1%	-1%	-6%	9%	-6%	13%	-6%	20%
<b>Articulated lorries</b>	7%	7%	6%	33%	13%	50%	19%	67%

Source: Transport Analysis and Strategic Modelling (TASM) Division of the Department for Transport using the National Transport Model (NTM), March 2015

- 6.53 The data shows that with the exception of rigid lorries, even at the bottom of the forecast range mileage by the freight delivery vehicle modes will by 2030 be up by between a fifth and a quarter. At the high end of the forecast range mileage could be up by two-thirds to over three quarters, and up by a fifth for rigid lorries. Almost three-quarters of the total mileage undertaken in 2010 was undertaken by light goods

vehicles, and their share of the mileage will increase in the future because light goods vehicles use is forecast to grow fastest, largely because of internet related home delivery services. With forecast vehicle mileage increasing at substantial rates this will generate more jobs in the storage and distribution sector, and will fuel a demand for more floorspace.

- 6.54 Thus, a reduction in jobs in this sector as forecast by Cambridge does not seem plausible, and the relatively modest increase in jobs forecast by Experian (1 in 10 of all new jobs would be in the storage and distribution sector) aligns with the growth in freight mileage forecast by the DfT and occupier demand as articulated by the property market agency profession. The Experian forecast therefore appears a credible amount of floorspace to provide for and meet the needs for the Borough. But, as a policy choice, and dependent on the supply of sites, the Council could always plan for higher growth. Larger unit storage and distribution demand, that is designed to meet sub regional needs, is largely footloose with an area of search which extends beyond a single district. So, should market attractive sites be available then the Council could attract more storage and distribution demand, jobs and floorspace. But as noted, providing land to compete for a share of the footloose sub-regional market is a policy choice in addition to meeting the needs of the Borough for more localised storage and distribution provision, as shown in the forecasts.

## Future floorspace demand

- 6.55 In this section we convert the jobs growth into future demand for floorspace. The floorspace demand from jobs growth is referred to as 'net floorspace demand'. In the next and final section, the net demand will be converted to gross demand for floorspace and land by accounting for floorspace supply changes in the planning pipeline.
- 6.56 Net demand is calculated by apply specific floorspace densities for the B class uses to the job totals. We do this for the job forecasts from both economic forecasters.
- 6.57 In calculating future floorspace demand we do not do this retrospectively, we assume the job changes in the first six years of the Plan period have been accounted for by a combination of new, refurbished space and reductions in vacancy rates; we start from the position that demand and supply are in equilibrium. Any difference in what *should have been* built in the past verses what was delivered falls within the large degree of uncertainty in the assumptions we need to make in this type of study.
- 6.58 The jobs and floorspace forecasts are presented in the tables below in tranches, and in aggregate for the remainder of the Plan period.

## Offices

- 6.59 The uncertainties of the immediate post Brexit Britain are reflected in the lower Experian figure in the first period (this is a shorter time period) , before strong growth returns in the 2020s, with a floorspace requirement for the remainder of the Plan period of 58,000 sq m. Cambridge commence with a similar position in the first

period, but growth declines over the following two periods, producing a Plan period demand for 27,000 sq m, a little less than half the growth anticipated by Experian.

**Table 6.2 Office jobs and net floorspace demand**

	2017-19		2020-24		2025-29		2017-29	
	Jobs No.	F'space sq m	Jobs No.	F'space sq m	Jobs No.	F'space sq m	Jobs No.	F'space sq m
<b>Experian</b>	584	7,575	1,581	20,488	1,703	22,075	<b>3,869</b>	<b>57,658</b>
<b>Cambridge</b>	669	8,669	606	7,849	506	6,560	<b>1,781</b>	<b>26,540</b>

Floorspace = jobs x 12 sq m + 8% addition for vacancy churn

Source: for office density - B1a mid-point, HCA Employment Density Guide, 2015

## Industrial

- 6.60 Experian forecast continued job reductions in the first period, but then two periods of relatively strong job increases, generating a floorspace demand of 29,000 sq m. Cambridge also forecast positive growth, but a smaller overall requirement of 10,000 sq m.

**Table 6.3 Industrial jobs and net floorspace demand**

	2017-19		2020-24		2025-29		2017-29	
	Jobs No.	F'space sq m	Jobs No.	F'space sq m	Jobs No.	F'space sq m	Jobs No.	F'space sq m
<b>Experian</b>	-59	-2,610	365	16,172	296	13,117	<b>603</b>	<b>29,298</b>
<b>Cambridge</b>	73	3,242	41	1,804	105	4,662	<b>219</b>	<b>10,661</b>

<sup>1</sup>Floorspace = jobs x 41 sq m + 8% addition for vacancy churn

Source: for industrial density - B1b, B1c, B2 & mixed B mid-point, HCA Employment Density Guide 2015

## Storage and distribution

- 6.61 Experian forecast steady growth throughout the Plan period, and an overall requirement between 2017-29 of 86,000 sq m, which pro-rata is consistent with the 122,000 sq m Local Plan figure, that was based on 2013 Experian data.
- 6.62 In contrast Cambridge forecast a short term modest increase, but this is more than counter-balanced by losses throughout the 2020s, that broadly continue the flat or marginally downward 20-year trend, but the floorspace reduction is very marginal. Cambridge's forecast for Basingstoke

**Table 6.4 Storage and distribution jobs and net floorspace demand**

	2017-19		2020-24		2025-29		2017-29	
	Jobs No.	F'space sq m	Jobs No.	F'space sq m	Jobs No.	F'space sq m	Jobs No.	F'space sq m
<b>Experian</b>	233	17,611	390	29,506	463	35,003	<b>1,086</b>	<b>86,226</b>
<b>Cambridge</b>	108	8,169	-76	-5,725	-72	-5,476	<b>-40</b>	<b>-3,184</b>

<sup>1</sup>Floorspace = jobs x 70 sq m + 8% addition for vacancy churn

Source: for storage and distribution density - B8 'final mile' density, HCA Employment Density Guide, 2015

## Summary of job/floorspace change comparison

- 6.63 We have considered the demand for jobs from two of the pre-eminent economic forecasting houses. Experian's forecasts are higher than those of Cambridge, at both the national and local levels.
- 6.64 Experian's forecast of all jobs to 2029 of 13,600 jobs is marginally above the Local Plan upper range, and likely to generate approximately 5,500 B class jobs.
- 6.65 Experian forecast growth of 5,100 office jobs. Whereas, Cambridge forecast negative growth. Experian therefore are a much better fit with the Council's planning and economic development objectives, and we therefore recommend land use planning is best aligned with Experian forecasts.
- 6.66 Both forecasters identify a stabilisation of industrial jobs, but the generation of only very minor floorspace requirements.
- 6.67 Storage and distribution is difficult for the forecasting houses to capture and understand because it is fast adapting, and the larger scale operations are not so restricted geographically. Experian forecast job growth of 1,400 for the full Plan period, compared to Cambridge who forecast a loss of 1,400 jobs. All our market intelligence points to the new and growing forms of business and suggests that the storage and distribution market in Basingstoke is strong; the freight movement data for the southeast forecasts substantial increases in business over the Local Plan time horizon. On this basis Experian is considered the more likely of the two scenarios, and should be used as the basis for Plan making.

## Jobs to a floorspace requirement

- 6.68 The calculations discussed above produce a net floorspace demand resulting from employment growth generated by changes in the local and wider economy, and that responds to population change. The other half of the equation is the change in floorspace resulting from development, planning permissions, allocations and an allowance for vacancy. Losses of existing floorspace increase the overall demand, and gains from new development or planning permissions increase the supply. The assessments below factor in the latest completions and planning commitments based on planning permission data provided by the Borough and the County. Given that

there is very little scope for windfall development that will result in substantial net additional floorspace, we consider that the permissions and allocations include the vast majority of sites that will or could come forward in the Plan period.

## Offices

### *Factoring in the planning pipeline*

- 6.69 As shown in Table 6.5 below, the planning pipeline for offices in the Borough. It shows that the Borough may lose 48,043 sq m via permitted development and planning permissions. The conversion of Churchill Plaza to residential alone accounts for nearly 40% of the 2016/17 PD losses. We factor in the reversion of all the completed and committed PDR losses because both economic forecasting houses forecast positive net demand (as shown in Table 6.2 above), and we apply a 'best' case position that is that this positive demand means all this lost office floorspace, some of which will have been occupied, could in quantitative terms have been taken up over the lifetime of the plan.
- 6.70 But this negative pipeline (from the lost office floorspace) is more than offset by a strong positive pipeline of 89,038 sq m. Assuming the full pipeline is implemented then the Borough has capacity of around 41,000 sq m of space which can be used to accommodate the growing demand.
- 6.71 The supply of future office floorspace is broadly equally split between allocated sites, excess vacancy and commitments.

**Table 6.5 Office demand and supply**

DEMAND	Sq m GIA
Completed PD losses 2016/17	33,114
+ Completed losses from planning permissions 2016/17 (sites started and with extant planning permissions for other uses)	0
+ Committed PD losses	12,099
+ Committed losses from planning permissions	2,830
<b>= Add to net demand</b>	<b>48,043</b>
SUPPLY	
Completed gains - 2016/17	1,098
+ Existing vacant stock (in excess of 8%) vacancy currently 14%	26,693
+ Outstanding permissions	34,607
+ Outstanding allocations	26,640
<b>= Gross supply (to be netted off the gross demand)</b>	<b>89,038</b>

Source: HCC and BDBC data, PBA analysis

### *Demand/Supply balance*

- 6.72 Table 6.6 compares the forecast overall balance when the net demand assessments from the two economic modelling houses are factored back in with the pipeline losses and gains. Cambridge identifies an oversupply of office floorspace in the Borough, while Experian forecast a relatively modest under-supply, but as indicated at paragraph 6.59 above, the under-supply only takes effect towards the end of the Plan period when stronger demand is forecast.
- 6.73 The table shows that even if all the PD sites are implemented then the Borough still has (broadly) sufficient office pipeline for that lost space to be re-provided and still meet demand up to 2029. This balance will need to be regularly reviewed because not all PD losses will be implemented (increasing the supply) and additional losses may also emerge (reducing the supply).
- 6.74 So the balance may shift over time, but this risk could be managed via the plan review process which may have repeated several cycles by 2029.

**Table 6.6 Office demand/supply balance**

FORECAST BALANCE - 2017-2029	Experian	Cambridge
	sq m GIA	sq m GIA
Demand (net change)	57,658	26,540
+ Pipeline demand	48,043	48,043
<b>= Gross demand</b>	<b>105,701</b>	<b>74,583</b>
- Gross supply	89,038	89,038
<b>= Balance (+ve = oversupply, -ve = undersupply)</b>	<b>-16,662</b>	<b>+14,456</b>

Source: PBA

## Industrial

### *Factoring in the planning pipeline*

- 6.75 The losses and gains of industrial land is more closely balanced compared to the position with offices. The completed losses are largely made up from the demolition of the Macmillan publishers buildings (B2 uses) to facilitate the new Logistics City scheme (which is factored in to the storage and distribution floorspace calculations below as a B8 gain). The bulk of the outstanding permissions is the 10,700 sq m for the flexible B1c-8 permissions at Larchwood, Chineham Park. We include the permission in the industrial calculations rather than the storage and distribution because it is likely a range of uses will come forward. However, where it is included is not critical because such permissions reflect the interchangeability of B1c, B2 and B8 floorspace, and this as we shall see later in this report reflects the nature of our recommendations.

**Table 6.7 Industrial demand and supply**

DEMAND	Sq m GIA
+ Completed losses 2016/17	13,314
+ Committed losses (sites started and with extant planning permissions for other uses)	2,493
<b>= Demand to balance losses</b>	<b>15,807</b>
SUPPLY	
Completed gains - 2016/17	1,324
+ Existing vacant stock (in excess of 8%) <i>vacancy currently 6%</i>	0
+ Outstanding permissions	19,072
+ Outstanding allocations	9,880
<b>= Gross supply (to be netted off the gross demand)</b>	<b>30,276</b>

Source: HCC and BDBC data, PBA analysis

### *Demand/Supply balance*

- 6.76 Factoring in the net demand assessments leads to an undersupply of industrial floorspace using the Experian model, compared with a minor over-supply using the Cambridge model. A requirement for a relatively modest increase in industrial floorspace is consistent with the property market assessment, that in particular highlighted the low current vacancy rate and the difficulties faced by industrial occupiers with relatively few years left on the property lease. We therefore recommend planning on the basis of the Experian modelled floorspace forecasts.

**Table 6.8 Industrial demand/supply balance**

FORECAST BALANCE - 2017-2029	Experian sq m GIA	Cambridge sq m GIA
Demand (net change)	29,298	10,661
+ Pipeline demand (gross demand)	15,807	15,807
<b>= Gross demand</b>	<b>45,105</b>	<b>26,468</b>
- Gross supply	30,276	30,276
<b>= Balance (+ve = oversupply, -ve = undersupply)</b>	<b>-14,829</b>	<b>+3,808</b>

Source: PBA

- 6.77 The Experian forecast based requirement could be accommodated through a combination of an allocation (and we return to this in a later section), and the

opportunities to intensify industrial uses on the existing estates as referred to elsewhere in the report. The demand assessment based on the Experian jobs forecast generates a floorspace requirement of approximately 15,000 sq m. Based on a typical industrial plot ratio of 40% this floorspace requirement converts to a land requirement of 4 ha.

## Storage and distribution

### *Factoring in the planning pipeline*

- 6.78 There are no losses to factor in to the demand total, which reflects the strength of the storage and distribution market, and the gains include a handful of barn conversions and some minor changes of use to B8. The completed gain is the Luxonic Lighting unit on Houndmills. The vast majority of the outstanding permission is the Logistics City scheme that is under construction adjacent to the J Sainsbury distribution unit at Houndmills.

**Table 6.9 Storage and distribution demand and supply**

DEMAND	Sq m GIA
Completed losses 2016/17	0
+ Committed losses (sites started and with extant permissions for other uses)	0
<b>= Demand to balance losses</b>	<b>0</b>
SUPPLY	
Completed gains - 2016/17	1,050
+ Existing vacant stock (in excess of 8%) <i>vacancy currently 0%</i>	0
+ Outstanding permissions	13,214
+ Outstanding allocations	0
<b>= Gross supply (to be netted off the gross demand)</b>	<b>14,264</b>

Source: HCC and BDBC data, PBA analysis

### *Demand/Supply balance*

- 6.79 As we have pointed out earlier the two forecasting houses take opposing views on the net demand for storage and distribution, and the overall forecast balance reflects this – Experian moderate demand for new floorspace and Cambridge a comparatively modest over-supply.
- 6.80 We note that the scale of the growth identified using the Experian model for the 2017/29 period is less than the 122,000 sq m Experian forecast for the whole Plan period when the previous ELR was prepared in 2013, but on a pro rata basis to

account for the different time periods there is little difference between the two Experian based forecasts.

**Table 6.10 Storage and distribution demand/supply balance**

FORECAST BALANCE - 2017-2029	Experian	Cambridge
	sq m GIA	sq m GIA
Demand (net change)	86,226	-3,184
+ Pipeline demand (gross demand)	0	0
<b>= Gross demand</b>	<b>86,226</b>	<b>-3,184</b>
- Gross supply	14,264	14,264
<b>= Balance (+ve = oversupply, -ve = undersupply)</b>	<b>-71,962</b>	<b>+17,448</b>

Source: PBA

- 6.81 For the reasons previously stated our view is that the Experian model, backed up by DfT freight forecasts, the projections of continued growth in home delivery and the clear expression of unmet occupier demand from the property market professionals and the EM3 LEP mean we strongly recommend the Council plans for growth on the basis of the Experian modelled floorspace forecast.
- 6.82 The demand assessment based on the Experian jobs forecast generates a floorspace requirement of approximately 72,000 sq m. Based on a typical plot ratio of 40% this floorspace requirement converts to a land requirement of 18 ha.

## The rural economy

- 6.83 The Local Plan supports the continued expansion of traditional rural enterprises such as rural crafts, the tourism / day visitors and rural leisure pursuits, but the rural economy also provides B class employment space and job opportunities.
- 6.84 Whilst it is true that the vast majority of the existing employment floorspace stock and recent employment related developments have taken place in Basingstoke town, business space is also available in the rest of the predominantly rural parts of the Borough providing opportunities for local jobs. Schemes for modest expansion of established industrial and business estates in centres such as Bramley, Whitchurch and Kingsclere do come forward from time to time, and new business space does also come forward, particularly through barn conversions providing a range of storage and industrial activity such as car repair and a limited amount of office space. Recent schemes completed include a new storage building on the Brick Kiln Industrial Estate, Tadley, change of use from barn to office in Litchfield and a barn converted to flexible B use in Whitchurch. All were very modest in scale (<500 sq m).
- 6.85 This type of incremental small scale growth will continue into the future and because of its size does not require to be evidenced through a demand assessment nor land specifically allocated, it can be managed through the development management process. Allowing the flexibility for such uses to emerge through development

management process in rural areas is especially important because few small firms are able to engage with the district plan making process. They are not in the position to plan their space needs 10-15 years ahead and request, via the development plan allocations, new sites. Instead, this small scale demand could be fostered at the neighbourhood scale.

- 6.86 Work to prepare Neighbourhood Plans in a number of the larger parishes across the Borough has indicated that there is limited potential and limited need over the Plan period to allocate sites for employment use. Below, we consider the plans identifying where there are proposals for new B class employment floorspace and areas where there is no need to allocate sites, but where growth will be managed through development management.

### *Plans for employment growth*

- 6.87 Whitchurch contains the largest number of businesses in the Borough after Basingstoke, with the main concentration at the 9,500 sq m Ardglen Industrial Estate. The Estate is very popular with some businesses occupying multiple sites because of a desire to be located in the estate, but a lack of larger units able to accommodate their needs. The rural setting and poor connections to the strategic road network mean Whitchurch is not a good location for storage and distribution activity. Business surveys and other consultations undertaken in preparation for the Neighbourhood Plan identified a need for more industrial floorspace on the Estate.
- 6.88 The Neighbourhood Plan (which was supported in a local referendum held on 14 September 2017 and hence now forms part of the development plan) has identified a need for 4,000 sq m that will be included within a mixed use allocation on the Northwest Whitchurch site. This site also has recently received a resolution to grant permission for a mixed use scheme that includes 4,000 sq m of employment space. Given that this is a significant space allocation that benefits from a resolution to grant permission the 4,000 sq m industrial proposal is included in the Borough forecast calculations set out above. This allocation will add approximately 40% extra industrial floorspace to Ardglen, and should other suitable sites come forward the Neighbourhood Plan's development management policies would be used to manage future provision within the context of a Borough-wide evidence base that indicates there is a positive demand for more industrial space within the Borough,
- 6.89 Overton parish includes a significant concentration of employment activity focused on De La Rue, but also some light industrial units on Hilltop Road close to the station and in a small number of business units at Quidhampton. The draft Neighbourhood Plan included a site close to the existing business units at Quidhampton, but the Inspector deleted this proposal due to the lack of evidence of need and because the site was in open countryside. Rather than a site allocation the Neighbourhood Plan contains a development management policy to assess future proposals for employment. This study has identified that there will be future demand for more industrial floorspace in the Borough, and an appropriately located proposal in Overton could potentially accommodate some of that demand.

- 6.90 B class employment in Tadley is focused on the Brick Kiln Estate, located in the centre of the town, close to the town's main shops and facilities. The B class businesses in the estate generally serve local residents and businesses. Immediately to the north is AWE, which draws in labour from the surrounding area, particularly from Tadley. It is likely that businesses in Tadley will find it hard to recruit because of the large labour requirement of AWE.
- 6.91 Other areas such as Bramley, Kingsclere, Oakley and Deane and Sherfield on Loddon do not identify significant demand for additional floorspace, and therefore do not identify sites for expansion. Future provision in these areas will be managed through a policy approach that encourages small scale development for employment activity in the centres provided it does not harm local character or residential amenity. In some parishes such as St Mary Bourne the Neighbourhood Plan also supports homeworking, and the provision of live work units on housing development sites.

## Conclusions

- 6.92 The demand assessment has identified the following for the remainder of the Plan period:
- Office
    - Past trends based on past completions would result in a negative requirement for new office floorspace. The impact of PD in this respect has been considerable, and the potential for further losses via this mechanism in the future remains substantial.
    - The Experian economic forecast estimates an additional 5,100 office jobs over the entire Plan period, with just under 4,000 jobs to be delivered in the remainder of the Plan period.
    - The Cambridge forecast indicates only approximately half as many office jobs are Experian
    - The net demand for floorspace 2017/29 is 58,000 sq m (based on Experian's forecast to accommodate 4,000 jobs)
    - However, once the existing supply of floorspace/land is factored in (vacancy, permissions and allocations totalling circa 89,000 sq m), the Borough is forecast to have a modest under-supply towards the end of the Local Plan period. However, given office vacancy levels remain relatively high, and there is scope for greater efficiency of the large amount of existing office floorspace through refurbishment, which the evidence shows to be a viable option, the Local Plan correctly identifies there is no need over the course of the Plan to allocate further sites for office use.
  - Industrial
    - Past trends completions data for industrial floorspace has generally shown the sector has been comparatively resilient, and is in a far healthier position compared to most other locations.

- The two economic forecasters closely align in their forecasts for change in industrial jobs, with both predicting between 200-600 additional jobs.
- the net demand/ for floorspace 2017/29 is between 10-29,000 sq m. We favour the higher figure, the Experian forecast, for the reasons explained above.
- After factoring in the pipeline losses and existing supply of floorspace/land the two forecasts show in the case of Experian a small under-supply (15,000 sq m), and Cambridge show a small over-supply (4,000 sq m). The study therefore identifies a need over the course of the Plan for approximately 4 ha of land for industrial use. This may be delivered either through an allocation, or through intensification of existing industrial sites.
- Storage & distribution
  - Past trends based on past completions would result in a negative requirement for new storage & distribution floorspace.
  - Experian Economics forecast an additional 1,400 jobs over the entire Plan period, with 1,100 jobs to be delivered in the remainder of the Plan period. The Local Plan does not provide a jobs target for growth in storage & distribution, but these figures on a pro-rata basis to account for the differences in the periods considered, are broadly in line with the 122,000 sq m floorspace figure given in the Plan.
  - Our view is that the Cambridge forecast that indicates negative jobs growth for Basingstoke and Deane is not plausible. This is especially so given Cambridge's positive outlook for the sector on a regional and national basis, the high growth forecasts for future freight transport within the southeast region, and the views of the property professionals that there is high demand for storage and distribution facilities in Basingstoke town.
  - The net demand/ for floorspace 2017/29 is 86,000 sq m (Experian forecast to accommodate 1,100 jobs).
  - Accounting for the outstanding permissions produces an undersupply and a gross demand figure of approximately 72,000 sq m. This is a significant amount of floorspace that needs to be planned for.
  - The Council could supplement with provision for sub-regional need should it chose to do so. Our sites assessment work shows that there is currently no capacity to provide sub-regional scale facilities of 14,000 sq m plus, and the search for sites will dictate whether demand for sub-regional facilities can be met.
  - Some of this undersupply, possibly around half could be met through redevelopment for storage and distribution on two sites - the south-west quadrant of land to the north of Daneshill East and land to the north of the Ring Road North, Houndmills. However, these sites are currently in employment and other uses, and whilst we calculate that these sites could accommodate approximately 38,000 sq m of B8 floorspace, the predominant B2 activity in the areas would need relocating elsewhere in Basingstoke. In

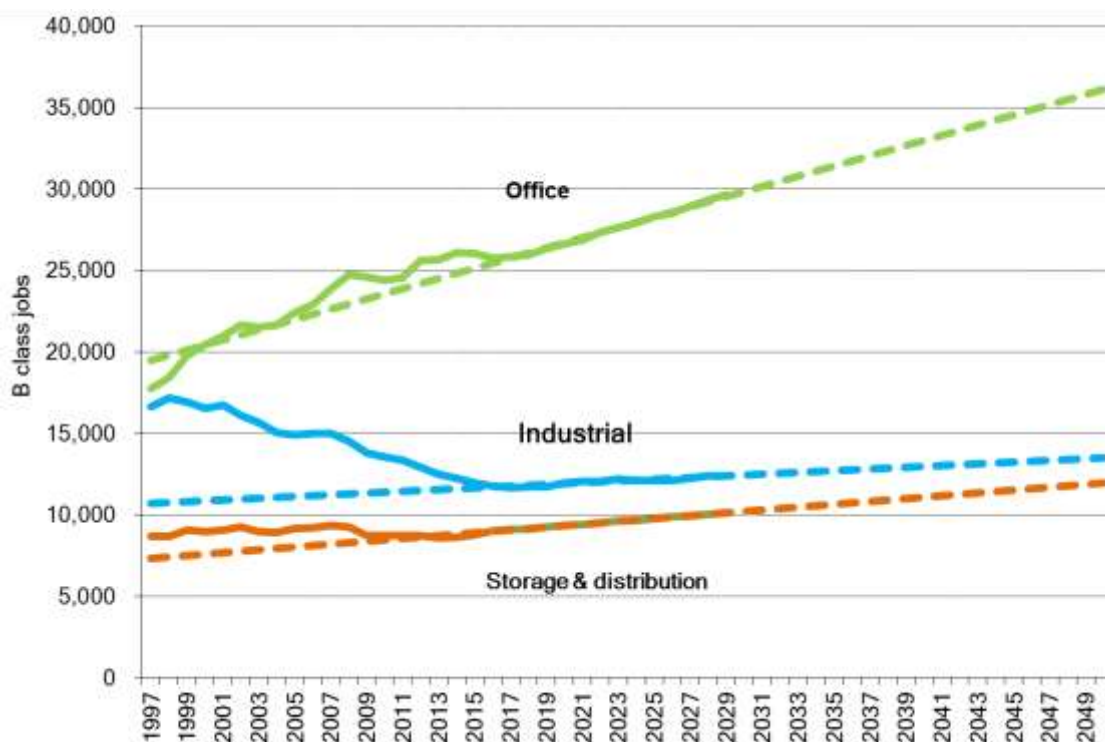
this study we cannot assume that this will happen because there are, at the moment, no active proposals from the site owners. But the Council could consider whether these sites could be brought forward to meet this need.

- By applying 40% plot ratios to the floorspace need forecasts for industrial and storage and distribution we calculate the total land take for the two land uses as 4 ha and 18 ha respectively, and 22 ha in total.
- Rural economy
  - Whilst it is not possible to quantify demand for B class employment space through economic forecasting for growth in the rural economy, some of the Borough's parishes support noteworthy, mostly industrial activity. However, only Whitchurch has a quantifiable need of significant scale that needs to be identified within the Borough-wide assessment of demand and supply. All other future requirements across all parishes are likely to be modest in scale, and will be proactively accommodated through development management policies, which is entirely appropriate.

## 7 HORIZON 2050

7.1 The forecasting houses do not provide forecasts as far ahead as 2050. But we can project through a linear trend to 2050, and have done so for the Experian job forecasts for the 2017/29 period for each of the three land use. This projection is purely an extrapolation of the forecast for change between 2017-29, and does not consider any future macro-economic factors or anything else that will influence change in job numbers at the local level. The projection shows that in terms of job numbers office employment would continue to accelerate away from the other B class sectors. Office employment would be approximately 35,000 jobs by 2050, 10,000 more than currently. The number of industrial jobs would rise from 12,000 to around 13,000, just ahead of storage and distribution that would rise by 2,000 to 12,000.

**Figure 7.1 Linear projection of jobs to 2050**



Source: Experian with linear projection of 2017-29 period

- 7.2 Technological advances will mean that floorspace densities will continue to reduce, but it is not easy to see how ratios across the B classes can reduce much further, although we do hear of 1 FTE:6 sq m for office space in London’s Docklands (generally new space is currently provided at around 1:11 sq m).
- 7.3 Office jobs would increase by 6,000 between 2029 and 2050, and at present densities this would generate a net requirement for in the order of 70,000 sq m of office floorspace. Given that it is likely that by 2029 the impact of PD and growing demand for office will have accounted for the current surplus of space, this level of job growth would not be accommodated by improvements in floorspace densities alone, and sites would need to be allocated for office development.

- 7.4 Industrial jobs would also increase by 1,000, which at current average ratios of 1:41 sq m would generate a net demand for industrial floorspace over the 2029-50 period of 40,000 sq m. An increase of 2,000 jobs in storage and distribution over the same period would generate a net demand for additional floorspace of around 150,000 sq m at present ratios of 1:75 sq m.
- 7.5 As we have indicated elsewhere in this report, the past is unlikely to be repeated in the future because there are so many variables at play. Current labour supply is much tighter than it was at the beginning of the 2000s, and is the key reason why the forecasters predict future change will be less fast in the future. Gazing into the more distant future, and to 2050, there is likely to be new industrial sectors that will drive growth in the same way growth in the professional services sector has driven demand for floorspace in the past. The technology, media, and telecoms (TMT) sector is a generally expanding area, which has had an impact on Basingstoke with companies such as Motorola and Sony, but the future is now far less certain following Motorola's decision to leave. Our view is that whilst TMT and other emerging sectors will potentially be important, the bulk of the growth will be in conventional established areas. As the population rises so does the need for space for office based activities such as legal services, insurance and accountancy. These professional services and other private services are forecast to account for a quarter of all jobs growth (and around half of all B sector growth) between 2017-29.
- 7.6 Our projection forwards of the latest forecasts of change over the Plan period are a starting point for shaping 2050, and set the level of growth that is likely to be achieved if the status quo is maintained.

## Conclusion

- 7.7 The baseline for Horizon 2050 is provided by a projection forward of the economic forecasts for the 2017-29 period. These indicate that the main need for additional floorspace to accommodate demand for jobs will be for offices. The current strength of professional and other private services means these are likely to continue to be the main generator of office jobs, and whilst TMT and other emerging sectors will be important, this will be much less so than the more traditional forms of office use and therefore type of provision.
- 7.8 The 2050 projection also suggests a need for continued growth in storage and distribution floorspace to accommodate demand for jobs. However, given industrial jobs are also forecast to increase, albeit more slowly, and given the flexibility and adaptability required of their accommodation by modern businesses which is an increasing trend, the long term requirement should be available for either industrial or storage and distribution use.

## 8 CONCLUSIONS & RECOMMENDATIONS

- 8.1 This study has identified the scale of need for new office, industrial and storage and distribution floorspace in the Borough over the adopted Local Plan period. Whilst separate demand calculations are made for industrial and storage and distribution uses, in practice there is a high degree of interchangeability between B1c, B2 and B8 uses in terms of suitable sites and premises.
- 8.2 The study also supports the development of the Council's developing 'Horizon 2050' project by considering the very long term future economic needs (up to 2050).

### Basingstoke is a pragmatic 'stand-alone' FEMA

- 8.3 This study has reviewed the FEMA for the Borough. Basingstoke town is clearly the Borough's main economic driver and the Borough has a wide, predominantly rural hinterland that stretches almost as far as Reading. The strongest links with areas beyond the Borough are with West Berkshire, which is home to major employers such as the AWE and the business parks south of Reading that are functionally part of 'greater' Reading. Reading is clearly a competing market to Basingstoke, and therefore 'greater' Reading and Basingstoke cannot be considered to be part of the same functional economic market.
- 8.4 The assessment of the FEMA geography shows that given there are no other links that are stronger than the Borough's level of self-containment, it is appropriate for the Borough to identify itself as a stand-alone FEMA. This has the advantage that the FEMA geography aligns with the Housing Market Area geography.
- 8.5 But no FEMA is perfect and the economic links between Basingstoke and Deane and the neighbouring districts<sup>31</sup> need to be discussed through the duty co-operate process, with the main purpose being to ensure that future economic development plans consider where labour supply will be sourced, something which has added relevance in the post BREXIT world.

### The resident economy is strong with good wages and low unemployment

- 8.6 The review provides an update on the Borough's socio-economic performance since the last ELR was undertaken in 2013. Comparing the present with 2013:
- The number of employee jobs has remained largely static.
  - Reading and its satellite district, West Berkshire have experienced very strong employment growth.
  - Manufacturing jobs have been lost but this comprises only a comparatively moderate reduction, and the sector has been remarkably resilient.
  - The number of business start-ups continues to exceed closures.

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<sup>31</sup>Refer to list of authorities identified in the footnote to paragraph 3.37

- The Borough's economic activity rate is high and unemployment is low.
- Resident earnings continue to be higher than the regional average, but the gap between resident and workplace earnings has narrowed considerably

### The office market remains weak, partly due to strong competition nearby

- 8.7 The property market assessment identified that given current levels of demand and availability of existing office stock no new land is required for office development. In the short-term development opportunities will be limited to the refurbishment of existing stock.
- 8.8 However, the strength of the local office market, as a more value driven market, is also a weakness. Firms remain in the Borough partly because space is affordable but leave if faced with paying higher (market viable for new build) rents. This makes it difficult to secure new build stock; which in turn may dissuade some occupiers from even considering the Borough.
- 8.9 The Council needs to work to break out of this cycle, but the strategy set out in the EM3 Commercial Property Market Study 2016 of simply inducing a supply shortage, in an effort to increase rents, does not appear to be the most appropriate planning strategy. That is because this puts at risk the large stock of firms and jobs already in the Borough; many of whom remain in the Borough precisely because it offers a cost advantage over competing locations. In the short to medium term a preferable strategy is to support the existing stock of office firms by ensuring that through refurbishment there is a supply of cost efficient space. This refurbished supply is needed to ensure that the Borough can continue to offer a cost advantage over competing locations.
- 8.10 In the longer term demand-side interventions will help to overcome the unfavourable comparisons with nearby competitors, increasing values and making the delivery of new and higher quality space more viable (without public intervention). At the moment the main barrier to securing high quality office occupiers is one of demand deficiency and so cannot simply be attributed to a lack of high quality supply.
- 8.11 To address the demand deficiency, where occupiers simply don't want to pay the rents required to make new space viable here, improvements to Basingstoke's infrastructure and reputation will be necessary to change attitudes, and allow for the town to compete to both retain existing businesses and attract new occupiers. As an alternative policy choice mirroring the approach in the early New Town period, the Council could choose to increase the size of the local labour supply which could help make the town more attractive to a new generation of office occupiers.

### The industrial market is strong, but agents say it could be better should more freehold property be available.

- 8.12 There is a strong industrial market in Basingstoke with current demand outstripping supply. The market is constrained due to the lack of suitable available sites. Redevelopment does occur, but only on existing employment sites that are available

on a freehold basis. Short leaseholds are not conducive to stimulating redevelopment. If the Council were in a position to buy back those vacant/redundant units on short-term leases, and bring them back onto the market, but on virtual freeholds (i.e. 999-year lease on a peppercorn), this could create the necessary conditions for redevelopment. There are examples of where this is being pursued elsewhere.

### The greatest pressure is from distribution uses

- 8.13 Storage and distribution functions on two levels, and the property market assessment makes it very clear that there is high demand from operators, and that supply is constrained for both the local storage and distribution activity and particularly constrained for the storage and distribution that operates on a sub-regional level.
- 8.14 So there is demand for new land in locations attractive to logistics firms to serve the local, and sub regional, markets.
- 8.15 Our assessment shows that it is necessary to consider whether additional allocations can be made because, otherwise logistics firms may displace industrial firms from the existing estates. Whilst the only example of industrial activity being replaced by storage and distribution remains the Logistics City scheme, the continued lack of sites for the expanding logistics sector will inevitably lead to more industrial land being sought to satisfy demand. As noted above the Borough has a very healthy industrial market that could be harmed should it be displaced.
- 8.16 There is an acknowledged risk in releasing new land for logistics purposes. As without suitable control over the type of space provided, any new land could be taken entirely by footloose sub-regional logistics firms. In which case this may not dissipate the pressure on the industrial stock caused by local demand for logistics space.
- 8.17 To help mitigate this any new sites sought ought to be suitable for both logistics and industrial firms with developers encouraged to promote a range of units.
- 8.18 As part of any new employment allocations some larger units would be needed for logistics firms (14,000 sq m+), together with adequate yard space. But this could be mixed with small units for local industrial and warehousing demand.
- 8.19 The strongest strategic locations for new storage and distribution activity are at junctions 6 and 7 of the M3, but most occupiers will compromise given the shortage of 'ideal' sites. But they will still need good access to the motorway to be attractive.
- 8.20 Releasing new sites will reduce the potential for loss of general industrial on existing estates from redevelopment for storage and distribution uses, capture inward investment opportunities and retain existing business by providing suitable accommodation capable of supporting their growth. Where relocation of existing businesses occurs, this will free up existing stock for refurbishment/ redevelopment for other occupiers.

## The conclusions from the quantitative demand assessment are as follows:

- 8.21 Following on from the qualitative conclusions of the market assessment work discussed above, we now summarise the quantitative conclusions, checking if the quantitative assessment aligns with the qualitative assessment, and drawing out the recommendations in terms of land requirements.

### *Office*

- A past trends approach for offices would result in a negative requirement for new floorspace. The impact of PD in this respect has been considerable, with 33,000 sq m lost in 2016/17 alone. However, the future potential pipeline is relatively modest at just 12,000 sq m, and it is quite possible that PD may be far less significant in the future.
- The Experian economic forecast estimates an additional 5,100 office jobs over the entire Plan period, with just under 4,000 jobs to be delivered in the remainder of the Plan period. The Cambridge forecast for the remainder of the Plan period indicates only approximately half as many office jobs as Experian.
- The Borough is forecast to have a modest under-supply towards the end of the Local Plan period. However, given office vacancy levels remain relatively high, and there is scope for greater efficiency of the large amount of existing office floorspace through refurbishment there continues to be no need over the course of the Plan to allocate further sites for office use.

### *Industrial*

- Past trends completions data for industrial floorspace has generally shown that the sector has been comparatively resilient to loss, which again presents a far healthier position compared to most other locations.
- The economic forecasters predict between 200-600 additional jobs in this sector up to 2029.
- After factoring in existing and pipeline supply the two economic forecasts show a fairly narrow range between a modest under-supply (15,000 sq m), and a small over-supply (4,000 sq m). For the reasons set out in this report we favour the estimate of under-supply that is based on Experian's economic model, which generates a land requirement of 4 ha. The under-supply can in part be met from intensification on the existing industrial estates, but as referred to above an allocation of land for industrial / storage and distribution use would both offer opportunity to expand industrial floorspace and reduce the potential for further industrial premises losses to storage and distribution.

### *Storage and distribution*

- Past trends based on past completions would result in a negative requirement for new storage & distribution floorspace, but this reflects past supply constraints due to the lack of allocated sites.

- There is a substantial difference between the two economic forecasters in respect of the future demand for storage and distribution floorspace, and for the reasons given in the main body of the report the evidence leads us to conclude that the Cambridge forecast that indicates negative jobs growth is not plausible.
  - Experian forecast an additional 1,400 jobs over the entire Plan period, with 1,100 jobs to be delivered in the remainder of the Plan period, which is broadly in line with the 122,000 sq m floorspace figure in the Local Plan, and once the existing pipeline is accounted for generates a demand/ for floorspace over the remainder of the Plan period of approximately 72,000 sq m.
  - This level of need requires sites of approximately 18 ha, and could, if sites were identified, be supplemented with provision for sub-regional need (facilities of 14,000 sq m plus). We recommend the Council's call for sites as part of preparing a future DPD makes it clear that the availability of sites will dictate whether demand for sub-regional facilities can be met.
- 8.22 Thus, in conclusion we recommend that land in the order of 18 ha is sought to accommodate storage and distribution facilities to serve the Borough's needs over the remainder of the Plan period. Given that it may be that some of this provision could come forward on existing employment sites such as the two sites identified in this study, we recommend that the requirement is flexibly applied between the industrial uses (B1b, B1c ab B2) and storage and distribution (B8) – ie an overall 22 ha requirement. In this way the search for sites can consider existing employment sites as well as new sites should these come forward. The 22 ha could come forward on a single site or on more than one site, the provision of medium sized storage and distribution facilities serving essentially a local market does not necessitate one central hub.
- 8.23 This 22ha should not be viewed as a ceiling of what could be provided. This is because demand for logistics is footloose, and additional demand for sub-regional facilities could be attracted to Basingstoke should land be allocated in acceptable locations (i.e. very close to the M3 junctions). However, the decision on whether to provide additional land is a policy choice for the Council to make.
- 8.24 Land allocated for industrial and storage and distribution uses should be subject to policy requirements concerning the provision of a range of different unit sizes in order to ensure that there is sufficient flexibility in order to respond to the variety of different business requirements within those sectors, and specifically local and strategic storage and distribution activity. This will be especially important in relation to any sites proposed next to motorway junctions, as such sites would be likely to generate strong demand from sub-regional operators.

### *Rural Economy*

- 8.25 In the rural areas quantifiable demand for employment growth is only identified in Whitchurch. Across the Borough's rural areas economic uses will be proactively supported through development management policies.

### *Horizon 2050*

- 8.26 The study provides the baseline for Horizon 2050 through a projection of the economic forecasts for the remainder of the Plan period through to 2050. Whilst Technology Media and Telecoms and other emerging sectors will be important, they will be much less so compared with the more traditional professional services uses that will still drive growth in the office sector.
- 8.27 The 2050 projection also suggests a continued need to accommodate jobs growth in storage and distribution and industrial uses, and as for the remainder of this Plan period the long term provision should be provided flexibly.

# **APPENDIX A ASSESSMENT OF EXISTING STRATEGIC EMPLOYMENT SITES**

<b>SITE ASSESSMENTS</b>			
<b>Existing employment sites</b>			
1	Site no.	1	2
2	Site name	Basing View	Daneshill East
<b>Basic Information</b>			
3	Site description	Town centre large floorplate office location originating in the 1970s and 1980s, but whilst some buildings remain from that era, many have been refurbished/redeveloped. Site bounded by the railway to the north, Churchill Way to south, Ring road East and the Eastrop roundabout to the west. The road network does generate a feeling of severance for pedestrians.	Industrial estate bounded by the railway line to the south, Ringway East (A339) to the west and north and Swing Swang Lane north and east. Most of the stock is origin 1970s, and the layout, landscaping and buildings generally have a very dated look.
4	Site area (ha)	27.3	24.7
5	Main type of employment	Office (B1a)	Storage and Distribution (B8)
6	Site's sequential location	Within 400m of a town centre	Within the built up area
<b>Planning</b>			
7	Planning History	The first building (Gateway House) was completed in 1976. The latest, the Florence building received permission in 2016 and is currently under construction.	No relevant recent permissions.
8	Detail any planning policy relevant to site (inc. Green belt, conservation, heritage, i.e. potential constraint on expansion)	Policy SS8 - Basing View, EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises, EP3 - Town, District and Local Centres, EM11 - Historic Environment (Mountbatten House - G2 listed bldg).	EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises
9	Bad neighbour impact	3. None	3. None
10	Detail any constraint(s) referred to above	The site is not constrained by neighbouring residential uses or any other sensitive receptors.	Whilst there is residential to the north east of Swing Swang Lane, there is a substantial and mature landscape buffer between it and the industrial estate.
11	Conclusion: Is the site policy/impact constrained?	3. None	3. None
<b>Attractiveness to occupiers</b>			
<b>External environment</b>			
12	Prominence of site	Matrix House is a landmark building at the Eastrop roundabout entrance, and along with a number of the other buildings is highly visible from Churchill Way.	The estate is surrounded by a strong landscape buffer, and therefore is largely hidden from view. However, the nature of the occupiers means a prominent visible location is not of critical importance.
13	Score	3. Good	1. Poor
14	Compatibility with surrounding uses	Fully compatible with neighbouring retail use, and no other sensitive uses in close proximity.	No incompatibility issues.
15	Score	3. Good	3. Good
16	Access to amenities (nearest centre) and distance (kms)	Local parade and Waitrose store on site. Basingstoke town centre (1.9 km). But the road network is a barrier to pedestrian movement between the site and town centre.	Basingstoke (2.4 kms)
17	Score	2. Reasonable	1. Poor
<b>Internal environment</b>			
18	Layout, parking, servicing, landscaping etc.	The tall office block buildings on either side of Basing View create a canyon effect, even though the buildings have good separation for parking and landscaping. The austere feeling is accentuated by the monolith construction of some of the remaining older buildings, and the buildings generally because of their size dominate the landscape. All the buildings have plentiful parking and servicing arrangements.	The estate layout has a very dated appearance with large areas of grass verge, and mostly single storey low rise low density buildings. Servicing and parking provision is plentiful.
19	Score	1. Poor	1. Poor
<b>Strategic accessibility (road)</b>			
20	Proximity to Mway Junction	2.9	2.1
21	Score	3. Good	3. Good
<b>Local access by road</b>			
22	Access to site/strategic road network	Churchill Way (A3010) is accessed directly from the Eastrop roundabout.	Direct dedicated slip road access to the A339.
23	Score	3. Good	3. Good

1	Site no.	1	2
2	Site name	Basing View	Daneshill East
<b>Public transport access</b>			
24	Distance to Railway Station (km)	1.2 km from Basingstoke Station	2.9 km from Basingstoke Station
25	Bus Stops within 400m	57	22
26	Score	3. Good	1. Poor
<b>Market signals</b>			
27	Main type of occupier and activities	A number of large company occupiers undertaking back office activities.	Storage and distribution is the main use, but there is a mix of light industrial, motor servicing and car hire and a mix of old and more recent (Loddon Centre) office. The estate accommodates a wide range of units from 10,000 sq m distribution units to small light industrial workshops.
28	Vacancy (source CoStar Feb 2017)	11,000 sq m in eight buildings.	2,100 sq m in 5 units.
29	Vacancy Score	1. Poor	3. Good
30	Other market intelligence e.g. market history, competing supply nearby, occupiers known to be moving in/out.	Thales recently announced plans to leave Basing View for Reading. Florence House the first new build since Matrix House in the mid-1980s, will when complete, raise the quality of the stock on offer.	
<b>Overall review</b>			
31	If the site retains its current use, will it be occupied?	Yes	Yes
32	Are there opportunities for redevelopment / intensification / extension?	One cleared site to the rear of the small local shop/services parade that could accommodate a large floorplate building. Several opportunities to redevelopment existing office buildings, but this would be likely to result in at best no net floorspace gain. The council as landowner is proactively supporting the regeneration of the site and has a development partner to help facilitate that process.	Yes. There is a lot of dated low density stock across the estate including some large office buildings. There are opportunities to assemble large sites on Bell Road, Witney Rd and on the main spine, Armstrong Rd. The estate's location and excellent link to J6 M3 mean this location above all other existing employment sites in Basingstoke is suited to redevelopment for storage and distribution. Some opportunities to upgrade/expand distribution space, others would result in loss of industrial.
33	Are there any constraints on redevelopment / intensification / extension?	A lack of market demand is the key constraint, leading to rents too low to generate redevelopment.	Possibly site assembly.
34	When are these constraint(s) likely to be resolved?	1. Not in the Plan period	2. Available in the Plan period

<b>SITE ASSESSMENTS</b>			
<b>Existing employment sites</b>			
1	Site no.	3	4
2	Site name	Land North of Daneshill East	Daneshill West
<b>Basic Information</b>			
3	Site description	Industrial estate bounded to the south by Daneshill roundabout, to the west by the railway line, north by the A33 and by residential and a landscape buffer to the east. The area divides into quarters - large modern flexible units in the Kingsland BP in the north east, large warehouse and general industrial in the north-west, mid-smaller units of very mixed uses including Loddon Centre in the south-east corner, and a mix of low density uses, dated buildings and office centres in the south-west.	Long established mixed employment area bounded by the railway line, A33 and A339, and consequently with good access to the strategic road network. The units north of the Boots distribution centre are in retail use, and the boundary should be redrawn to reflect their land use status.
4	Site area (ha)	51.3	21.7
5	Main type of employment	Mixed B uses	Mixed B uses
6	Site's sequential location	Within the built up area	Within the built up area
<b>Planning</b>			
7	Planning History	Permission was granted in June 1999 for the erection of Kingsland Business Park in use class B1(c), B2 & B8.	Faraday Business Park: 2001 permission for four office buildings.
8	Detail any planning policy relevant to site (inc. Green belt, conservation, heritage, i.e. potential constraint on expansion)	EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises	EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises
9	Bad neighbour impact	3. None	3. None
10	Detail any constraint(s) referred to above	None	None
11	Conclusion: Is the site policy/impact constrained?	3. None	3. None
<b>Attractiveness to occupiers</b>			
<b>External environment</b>			
12	Prominence of site	Low visibility and prominence due to location between railway and residential area. But the lack of visual prominence is not of critical importance to the general type of industrial / distribution activities on the estate.	Well screened from surrounding strategic road network. The lack of visual prominence is not of critical importance to the general type of industrial / distribution activities on the estate.
13	Score	1. Poor	1. Poor
14	Compatibility with surrounding uses	No incompatibility issues.	No incompatibility issues.
15	Score	3. Good	3. Good
16	Access to amenities (nearest centre) and distance (kms)	Basingstoke - Chineham Centre (1.4 kms)	Basingstoke - Chineham Centre (2.1 kms)
17	Score	2. Reasonable	1. Poor
<b>Internal environment</b>			
18	Layout, parking, servicing, landscaping etc.	The layout and landscaping in the Kingsland Estate is high quality. Generally the landscaping and layout in the other areas is more utilitarian, albeit the planting is more mature compared to some of the other estates where low maintenance grass verges dominate.	Dated layout with comparatively little internal landscaping, albeit the boundary buffer is dense. Plenty of servicing and parking space.
19	Score	2. Reasonable	1. Poor
<b>Strategic accessibility (road)</b>			
20	Proximity to Mway Junction	2.6	2.1
21	Score	3. Good	3. Good
<b>Local access by road</b>			
22	Access to site/strategic road network	Easy access, within 1 km north (A33) and south (A339).	Direct connection to the A33/A339.
23	Score	3. Good	3. Good

1	Site no.	3	4
2	Site name	Land North of Daneshill East	Daneshill West
<b>Public transport access</b>			
24	Distance to Railway Station (km)	3.4 km from Basingstoke Station	3.1 km from Basingstoke Station
25	Bus Stops within 400m	44	30
26	Score	1. Poor	1. Poor
<b>Market signals</b>			
27	Main type of occupier and activities	A mix of storage & distribution, general and light industrial, trade counters and offices, as well as Council waste and depot sites. Wide range of unit sizes, and lots of modern flexible space particularly in Kingsland.	A mix of storage & distribution, general and light industrial, offices and utility and bus depot. Storage and distribution is the main activity, but there is a high proportion of smaller units occupied by light industrial uses with the Faraday offices located in the middle of the estate.
28	Vacancy (source CoStar Feb 2017)	9,000 sq m in 10 units.	4,000 sq m in 4 units.
29	Vacancy Score	2. Reasonable	2. Reasonable
30	Other market intelligence e.g. market history, competing supply nearby, occupiers known to be moving in/out.		
<b>Overall review</b>			
31	If the site retains its current use, will it be occupied?	Yes	Yes
32	Are there opportunities for redevelopment / intensification / extension?	The south-west quadrant containing uses such as the waste site, depot and low density estates, provides the main redevelopment potential (an area of approx. 4.5 Ha). This location has the best access to the A339 and J6 of the M3 beyond via the Daneshill roundabout. The remainder of the stock across the estate has either been upgraded in recent times or generally remains fit for purpose.	Yes. There are two small undeveloped sites on Rutherford Rd that together are capable of accommodating circa 2,500 sq m of industrial space. The dated stock on Faraday and Rankine Roads provides opportunity for redevelopment and intensification, but will require site assembly.
33	Are there any constraints on redevelopment / intensification / extension?	Possibly site assembly.	Possibly site assembly.
34	When are these constraint(s) likely to be resolved?	2. Available in the Plan period	2. Available in the Plan period

<b>SITE ASSESSMENTS</b>			
<b>Existing employment sites</b>			
1	Site no.	5	6
2	Site name	Land South of Chineham Business Park	Chineham Business Park
<b>Basic Information</b>			
3	Site description	Long established linear strip of mixed employment land immediately to the north of Chineham Pk. Bounded to the east by the railway line and west by Crockford Lane and the A33 to the south.	Occupying a site bounded by the railway line to the east, older industrial stock to the south, woods and recreation grounds to the west and Hampshire BP to the north. The buildings are laid out in a campus style office environment, with the earliest buildings dating from late 1990s.
4	Site area (ha)	5.5	28.2
5	Main type of employment	Light Industrial (B1c)	Office (B1a)
6	Site's sequential location	Adjacent to the built up area	Adjacent to the built up area
<b>Planning</b>			
7	Planning History	Chineham Gate: 2015 permission for extension to office building. Chineham Point permission for change of use from B1 to B1/B8 use.	Chineham Business Park: 1987 permission for 17 business units. Rosewood: 1998 permission for 3 storey office development. Maplewood: 1999 permission for B1. Larchwood 2016/17 permissions for 10,721 sq m B1b, B2 and B8.
8	Detail any planning policy relevant to site (inc. Green belt, conservation, heritage, i.e. potential constraint on expansion)	EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises	EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises
9	Bad neighbour impact	3. None	3. None
10	Detail any constraint(s) referred to above	The site is bounded by the railway line, other employment uses and woodland/recreation land beyond Crockford Lane, and thus there are no sensitive receptors in the locality.	The site is bounded by railway line, woodland and other employment uses. No sensitive receptors within immediate vicinity, but residential on the eastern side of the railway.
11	Conclusion: Is the site policy/impact constrained?	3. None	3. None
<b>Attractiveness to occupiers</b>			
<b>External environment</b>			
12	Prominence of site	The site is not prominently located, and only the Audi dealership is visible from the A33 dual carriageway. However, the lack of visual prominence is not of critical importance for the light industrial storage activities on the estate.	The site is not prominently located off the A33 dual carriageway. Thus, it does not offer business occupiers the cachet of a highly prominent location.
13	Score	1. Poor	1. Poor
14	Compatibility with surrounding uses	No incompatibility issues.	Fully compatible.
15	Score	3. Good	3. Good
16	Access to amenities (nearest centre) and distance (kms)	There are some very limited on-site facilities. The nearest local centre is the Chineham Centre (1.4 kms).	There are some on-site facilities. The nearest local centre is the Chineham Centre (2.2 kms).
17	Score	2. Reasonable	1. Poor
<b>Internal environment</b>			
18	Layout, parking, servicing, landscaping etc.	Linear arrangement of circa 10 small to medium sized units fronting Crockford Lane. The older units in the middle are poor quality, those at either end have suitable servicing and parking arrangements.	Excellent campus style setting makes the office pavilions feel very spaciouly laid out with plentiful servicing space and parking.
19	Score	2. Reasonable	3. Good
<b>Strategic accessibility (road)</b>			
20	Proximity to Mway Junction	3.4	4.1
21	Score	2. Reasonable	2. Reasonable
<b>Local access by road</b>			
22	Access to site/strategic road network	Access 0.3km south to the A33 dual carriageway. A33 links to the Ring road east that connects to the M3 J6.	Access 1km south to the A33 dual carriageway. A33 links to the Ring road east that connects to the M3 J6. Single point of access through another industrial area is a minor constraint.
23	Score	3. Good	2. Reasonable

1	Site no.	5	6
2	Site name	Land South of Chineham Business Park	Chineham Business Park
<b>Public transport access</b>			
24	Distance to Railway Station (km)	5.2 km from Basingstoke Station	5.0 km from Basingstoke Station
25	Bus Stops within 400m	14	17
26	Score	1. Poor	1. Poor
<b>Market signals</b>			
27	Main type of occupier and activities	Very mixed with light industrial, storage, car dealership, office (including redeveloped large floorplate office) and scrap yard.	Offices and data centres. A mix of large head quarter buildings, and smaller office suites.
28	Vacancy (source CoStar Feb 2017)	500 sq m in one industrial unit.	14,500 sq m in 14 units. Some of this stock has only very recently been completed.
29	Vacancy Score	3. Good	2. Reasonable
30	Other market intelligence e.g. market history, competing supply nearby, occupiers known to be moving in/out.	The recently completed office redevelopment and the redevelopment underway on another site for industrial space, is an indication of a healthy demand for accommodation in this area.	The lack of prominence for these office uses is counter-balanced by the benefits of the agglomeration of lots of large office based businesses that gives the business park critical mass.
<b>Overall review</b>			
31	If the site retains its current use, will it be occupied?	Yes	Yes
32	Are there opportunities for redevelopment / intensification / extension?	Yes, the scrap yard and the older stock have potential for redevelopment, but the site area is modest at 0.3 Ha, and would only deliver circa 1,500 sq m of industrial space.	The Larchwood site is the only site within the current boundary that is available for development, and has permission for 10,721 sq m B1b, B2 B8 activity. Just one other plot of 0.5 Ha remaining. This site could potentially accommodate circa 4,000 sq m of office space over three floors.
33	Are there any constraints on redevelopment / intensification / extension?	Possibly site assembly.	No
34	When are these constraint(s) likely to be resolved?	2. Available in the Plan period	3. Immediately Available

<b>SITE ASSESSMENTS</b>			
<b>Existing employment sites</b>			
1	Site no.	7	8
2	Site name	Hampshire International Business Park	Campbell Court, Bramley
<b>Basic Information</b>			
3	Site description	North of Chineham, with open woodland and agricultural land to the north and west, and the railway line with residential beyond to the east. The Park is a continuation of Chineham, albeit more parkland with more mature planting than Chineham's campus style.	An office park in a large village to the north of Basingstoke. The small office units are in a planned layout dating from the 1980s.
4	Site area (ha)	24.5	1.4
5	Main type of employment	Office (B1a)	Office (B1a)
6	Site's sequential location	Adjacent to the built up area	Within the built up area
<b>Planning</b>			
7	Planning History	Earliest permissions for office building date from late 1980s.	1987 permission for the erection of 16 B1 business units.
8	Detail any planning policy relevant to site (inc. Green belt, conservation, heritage, i.e. potential constraint on expansion)	EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises	Policy EM7 - Upstream of Critical Drainage Areas, EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises, Bramley Neighbourhood Plan
9	Bad neighbour impact	2. Minor	2. Minor
10	Detail any constraint(s) referred to above	The site is bounded by railway line, woodland and other employment uses, with currently no sensitive receptors within the immediate vicinity. A new housing estate (Vyne Park) has commenced construction immediately to the north of the Park, which introduces sensitive receptors close to the Park.	The site is bounded by residential on three sides and a minor road with farmland beyond to the north. The surrounding residential does not constitute a major constraint for office uses.
11	Conclusion: Is the site policy/impact constrained?	2. Minor	2. Minor
<b>Attractiveness to occupiers</b>			
<b>External environment</b>			
12	Prominence of site	The site is not prominently located, and has no visibility from strategic roads or busy locations. Access is via Crockford Lane, passing through Chineham and the grouping of employment activities to the south of Chineham. Whilst the park has the critical mass provided by the agglomeration of office occupiers, it's lack of prominence fails to offer the cachet many businesses seek.	Low prominence site with mature landscaping that buffers the uses from neighbouring residential, but also screens the site from the public highway.
13	Score	1. Poor	1. Poor
14	Compatibility with surrounding uses	Fully compatible.	Office and residential uses are generally compatible.
15	Score	3. Good	2. Reasonable
16	Access to amenities (nearest centre) and distance (kms)	There are some on-site facilities. The nearest local centre is the Chineham Centre (2.8 kms).	Bramley village centre (1.3 kms).
17	Score	1. Poor	1. Poor
<b>Internal environment</b>			
18	Layout, parking, servicing, landscaping etc.	Excellent parkland setting masks the size of the office pavilions, and means the landscaping appears the dominant feature.	Functional layout, with sufficient servicing arrangements and parking. The perimeter landscaping creates a good buffer to the residential properties beyond.
19	Score	3. Good	2. Reasonable
<b>Strategic accessibility (road)</b>			
20	Proximity to Mway Junction	4.8	10.1 (J6)
21	Score	2. Reasonable	1. Poor
<b>Local access by road</b>			
22	Access to site/strategic road network	Access 1.7km south to the A33 dual carriageway. A33 links to the Ring road east that connects to the M3 J6. Single point of access through Chineham is a minor constraint.	2 km on minor roads to the A33.
23	Score	2. Reasonable	1. Poor

1	Site no.	7	8
2	Site name	Hampshire International Business Park	Campbell Court, Bramley
<b>Public transport access</b>			
24	Distance to Railway Station (km)	5.4 km from Basingstoke Station	1.7 km from Bramley Station
25	Bus Stops within 400m	10	4
26	Score	1. Poor	2. Reasonable
<b>Market signals</b>			
27	Main type of occupier and activities	Office and R&D activities.	Office activities providing small scale local services.
28	Vacancy (source CoStar Feb 2017)	1,300 sq m in two units.	None.
29	Vacancy Score	3. Good	3. Good
30	Other market intelligence e.g. market history, competing supply nearby, occupiers known to be moving in/out.		
<b>Overall review</b>			
31	If the site retains its current use, will it be occupied?	Yes	Yes
32	Are there opportunities for redevelopment / intensification / extension?	No	No. The site is surrounded by residential on three sides and open farmland to the north.
33	Are there any constraints on redevelopment / intensification / extension?	No	n/a
34	When are these constraint(s) likely to be resolved?	n/a	n/a

<b>SITE ASSESSMENTS</b>			
<b>Existing employment sites</b>			
1	Site no.	9	10
2	Site name	Houndmills	West Ham Industrial Estate
<b>Basic Information</b>			
3	Site description	The largest industrial estate in Basingstoke. Bounded by the railway line to the south and Kingsclere Rd to the north and east, and on the other sides by Ring road West and North. An outpost area of 10 Ha lies to the north of the Ring road North. The former Eli Lilly industrial site is being redeveloped for housing, which removes a chunk of the estate on its eastern side, and leaves a small pocket of industrial isolated along Chapel Mill.	An established light industrial / warehousing estate with car show rooms, and an open scrub area to the north, and the Basingstoke Leisure Park further to the north, residential to the south, Morrisons to the east and Lidl to the west.
4	Site area (ha)	88.9	13.2
5	Main type of employment	Storage and Distribution (B8)	Light Industrial (B1c)
6	Site's sequential location	Within the built up area	Within the built up area
<b>Planning</b>			
7	Planning History	Sainsbury's storage and distribution warehouse permitted in 2013. Dextra Court: 2014 prior approval for office to residential. 2015 permission to redevelop the Macmillan & Co site from B2 to storage and distribution (B8).	Unit 39: 2014 permission for change of use from B2 to B8.
8	Detail any planning policy relevant to site (inc. Green belt, conservation, heritage, i.e. potential constraint on expansion)	Policy EM6 - Groundwater Protection Zone 2, EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises	Policy EM6 - Groundwater Protection Zone 1, Policy EM7 - Flood Zone 2 EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises
9	Bad neighbour impact	2. Minor	3. None
10	Detail any constraint(s) referred to above	The area is largely shielded from residential uses by road and railway, and this is a major operational advantage. The scale of the estate means there is scope to position the more heavy industrial activity away from neighbouring sensitive receptors, and to locate quieter cleaner industrial activity in between to buffer between industrial uses and residential beyond. The residential development on the former Eli Lilly site will bring sensitive receptors closer to the industrial uses.	The residential to the south is screened by a thick landscaped buffer, and the business units within the estate are set back from the boundary.
11	Conclusion: Is the site policy/impact constrained?	2. Minor	3. None
<b>Attractiveness to occupiers</b>			
<b>External environment</b>			
12	Prominence of site	Highly prominent location, largely bounded by the ring road.	Highly visible from the Ringway West, but the immediate road network are relatively minor roads.
13	Score	3. Good	2. Reasonable
14	Compatibility with surrounding uses	With the exception of the new residential to the east, and a very small area of residential to the north of Kingsclere Rd the estate is surrounded by transport infrastructure.	Good compatibility with car showrooms and foodstores. Well screened from residential to the south.
15	Score	3. Good	3. Good
16	Access to amenities (nearest centre) and distance (kms)	Basingstoke (2.4 kms)	Basingstoke - Brighton Hill Retail PK (1.7 kms)
17	Score	1. Poor	1. Poor
<b>Internal environment</b>			
18	Layout, parking, servicing, landscaping etc.	Landscaping is of dated utilitarian appearance, largely restricted to grass verges, but servicing and parking arrangements are good with no circulation issues of note.	Generally good circulation, servicing and parking space. Parking is tight for trade counter units - on Grafton Way and units near Morrison's.
19	Score	2. Reasonable	2. Reasonable
<b>Strategic accessibility (road)</b>			
20	Proximity to Mway Junction	4.7	4.9
21	Score	2. Reasonable	2. Reasonable
<b>Local access by road</b>			
22	Access to site/strategic road network	Direct dualled access from all parts of the estate to the Ring road North (A339) via the Houndmills roundabout that is the hub of road connections in the estate.	Good access via Worting Rd and Churchill Way.
23	Score	3. Good	3. Good

1	Site no.	9	10
2	Site name	Houndmills	West Ham Industrial Estate
<b>Public transport access</b>			
24	Distance to Railway Station (km)	2.2 km from Basingstoke Station	3.7 km from Basingstoke Station
25	Bus Stops within 400m	59	30
26	Score	2. Reasonable	1. Poor
<b>Market signals</b>			
27	Main type of occupier and activities	The largest concentration of storage & distribution in the Borough, anchored by J Sainsbury. But light industrial, sui generis motor dealerships and motor repair, trade counters and office (Tempus).	Anchored at the western end by Parcelforce, includes large clothing distributors, but also providing areas of smaller units occupied by trade counters.
28	Vacancy (source CoStar Feb 2017)	14,500 sq m in ten units.	Circa 3,400 sq m in 4 units.
29	Vacancy Score	2. Reasonable	2. Reasonable
30	Other market intelligence e.g. market history, competing supply nearby, occupiers known to be moving in/out.	Logistics City is the first speculative logistics and distribution scheme in recent times.	
<b>Overall review</b>			
31	If the site retains its current use, will it be occupied?	Yes	Yes
32	Are there opportunities for redevelopment / intensification / extension?	This is a well located good quality industrial estate that is attractive to storage & distribution occupiers because of the excellent access to M3 J6 via the Ring road. However the core area has undergone lots of incremental redevelopment and refurb and there are no obvious areas for large scale future redevelopment. However, the area north of Ring road North and to the west of Eli Lilly's office (a 5 Ha site) houses dated accommodation (Hart House, Royal Mail Depot and HSE) that could provide opportunity for storage & distribution, benefiting from good access to the Ring road.	There has been incremental redevelopment/ refurbishment of some units, and there is scope for more, particularly with the older stock occupied by trade counters.
33	Are there any constraints on redevelopment / intensification / extension?	Existing occupiers and residential located on part of the access route.	None apparent.
34	When are these constraint(s) likely to be resolved?	2. Available in the Plan period	n/a

<b>SITE ASSESSMENTS</b>			
<b>Existing employment sites</b>			
1	Site no.	11	12
2	Site name	Moniton Trading Estate	Brighton Hill Industrial Estate
<b>Basic Information</b>			
3	Site description	Wedged between the railway line and West Ham Lane. Unplanned appearance, with small light industrial, car / motor cycle repair/sales and trade counters operating from small units of varying ages and generally poor quality stock. Most units are looking dated, but no vacancy except for a unit undergoing refurbishment.	Mixed employment area at the junction of Winchester Rd/Ringway South, with retail park immediately to the west and residential on all other sides.
4	Site area (ha)	2.2	15.1
5	Main type of employment	Light Industrial (B1c)	Mixed B uses
6	Site's sequential location	Within the built up area	Within the built up area
<b>Planning</b>			
7	Planning History	Unit 10: 2007 permission for two factory units (B2) replacing industrial buildings.	Cranbourne House: 2015 permission to replace office with residential. This permission has been implemented. Wella House has also undergone cou from office to residential.
8	Detail any planning policy relevant to site (inc. Green belt, conservation, heritage, i.e. potential constraint on expansion)	EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises	Policy EM6 - Groundwater Protection Zone 2, EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises
9	Bad neighbour impact	2. Minor	2. Minor
10	Detail any constraint(s) referred to above	Some residential on the southern side of West Ham Lane.	Residential on three sides, but with good separation from road network with the exception of relatively small area of residential north of Harrow Way. The recent conversion of the Wella and Cranbourne buildings from office to residential introduces sensitive neighbours to the surrounding industrial uses in an area with scope for redevelopment.
11	Conclusion: Is the site policy/impact constrained?	2. Minor	2. Minor
<b>Attractiveness to occupiers</b>			
<b>External environment</b>			
12	Prominence of site	Site is adjacent to minor roads and mostly hidden from view by buildings fronting West Ham Lane.	Good visibility from A30 Winchester Rd, but otherwise low prominence due to being surrounded by residential.
13	Score	1. Poor	2. Reasonable
14	Compatibility with surrounding uses	West Ham Lane / Worting Rd is a mixed use area with service uses compatible to the trading estate. Whilst the range is limited, it is next to the estate.	The estate is largely surrounded by residential.
15	Score	2. Reasonable	1. Poor
16	Access to amenities (nearest centre) and distance (kms)	Limited local provision, plus Brighton Hill Retail Pk (3.4 kms)	Basingstoke - Brighton Hill Retail Park (1 km)
17	Score	1. Poor	2. Reasonable
<b>Internal environment</b>			
18	Layout, parking, servicing, landscaping etc.	The layout is cramped and disjointed with no routes for circulation. Significant parking problems even though there is a central parking compound bounded by unattractive palisade fencing. Insufficient room for comfortable service vehicle access. Very poor appearance and lack of soft landscaping.	The layout is planned, and whilst a lot of the stock is dated servicing and parking arrangements are reasonable throughout the estate.
19	Score	1. Poor	2. Reasonable
<b>Strategic accessibility (road)</b>			
20	Proximity to Mway Junction	6.3	4.2
21	Score	1. Poor	2. Reasonable
<b>Local access by road</b>			
22	Access to site/strategic road network	Access to the A340 to the east is via Worting Road, which is a minor largely residential road.	Direct access onto the A30, albeit only to one carriageway (south).
23	Score	2. Reasonable	2. Reasonable

1	Site no.	11	12
2	Site name	Moniton Trading Estate	Brighton Hill Industrial Estate
<b>Public transport access</b>			
24	Distance to Railway Station (km)	4.1 km from Basingstoke Station	5.6km from Basingstoke Station
25	Bus Stops within 400m	16	31
26	Score	1. Poor	1. Poor
<b>Market signals</b>			
27	Main type of occupier and activities	A mix of light industrial uses, snooker hall and carpet sales, but approximately half the businesses are motor testing, repair or sales.	The main uses remain manufacturing/ industrial activity, but there is a range of distribution, trade counters and office activity and recently residential has been introduced through PD.
28	Vacancy (source CoStar Feb 2017)	One unit (300 sq m) undergoing refurbishment.	660 sq m space in 4 units. But this represents a very small percentage of the overall floorspace.
29	Vacancy Score	3. Good	3. Good
30	Other market intelligence e.g. market history, competing supply nearby, occupiers known to be moving in/out.		
<b>Overall review</b>			
31	If the site retains its current use, will it be occupied?	Yes. The lack of vacancy indicates there is comparatively strong market demand for these poor quality, poorly located units that provide local service activities.	Yes
32	Are there opportunities for redevelopment / intensification / extension?	The site is constrained, and has undergone incremental redevelopment over many years. Little scope for net additional floorspace.	The 3 Ha former Smiths Industries site immediately to the west is a suitable site to extend the estate, but has an extant permission for bulky goods retailing, and is currently the subject of a planning application for a retail park. The Wella Rd, Bessemer Rd and Lister Rd/Lennox Rd areas comprise dated stock that offer scope for redevelopment, and possibly intensification of use.
33	Are there any constraints on redevelopment / intensification / extension?	Site boundaries are fixed. No scope for a much more intensive form of employment.	The former Smiths Industries site may come forward for a retail park. The proximity of residential may limit opportunities in the Bessemer Rd area. The conversion of the Wella building to residential constrains potential intensity of use for any redevelopment in the Wella St area.
34	When are these constraint(s) likely to be resolved?	n/a	2. Available in the Plan period

<b>SITE ASSESSMENTS</b>			
<b>Existing employment sites</b>			
1	Site no.	13	14
2	Site name	Viabes Business Park	Hatch Industrial Park, Old Basing
<b>Basic Information</b>			
3	Site description	Abutting the M3 and bounded by Hatch Warren Way and Harrow Way to the north and west, the park contains circa 14 large pavilion buildings that are home to a number of international businesses.	Constructed in 2006 to provide 11 small (circa 1,000 q m) industrial / warehouse units, the site abuts the M3.
4	Site area (ha)	39.9	2.9
5	Main type of employment	Research and Development (B1b)	Storage and Distribution (B8)
6	Site's sequential location	Within the built up area	Adjacent to the built up area
<b>Planning</b>			
7	Planning History	The estate received pp in 1982. Motorola received permission in 1988 for 6,000 sq m office and production facility.	Planning permission in 2006.
8	Detail any planning policy relevant to site (inc. Green belt, conservation, heritage, i.e. potential constraint on expansion)	Policy EM6 - Groundwater Protection Zone 1, EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises	EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises
9	Bad neighbour impact	2. Minor	2. Minor
10	Detail any constraint(s) referred to above	Residential on three sides, with a pocket of residential on Viabes Lane. However, a thick landscape boundary and set backs buffer any potential conflict.	Close to new residential and a caravan park.
11	Conclusion: Is the site policy/impact constrained?	2. Minor	2. Minor
<b>Attractiveness to occupiers</b>			
<b>External environment</b>			
12	Prominence of site	The Sony building is visible from the M3, which gives the park high visibility. However, the site's screening and the surrounding residential give it little prominence from the north and west.	Visible from the M3, but not prominent from the A30. The neighbouring sensitive uses mean the site is well screened from most viewpoints.
13	Score	2. Reasonable	1. Poor
14	Compatibility with surrounding uses	Although surrounded on three sides by residential, the park buildings are set within a mature landscaped setting, and are well screened.	Potential conflicts with neighbouring residential and caravan park, but a field provides a buffer from the caravan park and landscape screening from the residential.
15	Score	3. Good	2. Reasonable
16	Access to amenities (nearest centre) and distance (kms)	Basingstoke - Brighton Hill Retail Park (1.6 kms)	Chineham Centre (4.3 kms)
17	Score	2. Reasonable	1. Poor
<b>Internal environment</b>			
18	Layout, parking, servicing, landscaping etc.	Buildings set in a high quality mature landscaped environment. Plentiful servicing and parking space.	Spacious layout for servicing vehicles and cars
19	Score	3. Good	3. Good
<b>Strategic accessibility (road)</b>			
20	Proximity to Mway Junction	3.9	3.3
21	Score	2. Reasonable	2. Reasonable
<b>Local access by road</b>			
22	Access to site/strategic road network	The site has immediate access to the A30 (Harrow Way).	Within 0.5 km of A30. Access route does not involve passing sensitive uses.
23	Score	3. Good	3. Good

1	Site no.	13	14
2	Site name	Viabes Business Park	Hatch Industrial Park, Old Basing
<b>Public transport access</b>			
24	Distance to Railway Station (km)	5.3 km from Basingstoke Station	5.2 km from Basingstoke Station
25	Bus Stops within 400m	29	6
26	Score	1. Poor	1. Poor
<b>Market signals</b>			
27	Main type of occupier and activities	Electronics and communication companies, office and R&D facilities.	Occupiers are mostly involved in distribution.
28	Vacancy (source CoStar Feb 2017)	9,300 sq m in 3 buildings.	Just one of the 11 units - circa 1,000 sq m = circa 10% vacancy.
29	Vacancy Score	2. Reasonable	3. Good
30	Other market intelligence e.g. market history, competing supply nearby, occupiers known to be moving in/out.	The park appeals to good quality industrial and office occupiers. Motorola who have been located at Viabes since the late 1980s have recently announced plans (Feb 2017) to transfer all activities to Central London.	
<b>Overall review</b>			
31	If the site retains its current use, will it be occupied?	Yes	Yes
32	Are there opportunities for redevelopment / intensification / extension?	The Motorola building / plot (circa 3.5 Ha) will become vacant in 2018. The building is understood to have been of bespoke design and therefore is likely to be difficult to let, and is quite likely to be redeveloped. There is just one large site remaining available (next to the sports equipment manufacturer Taylor Made) that could accommodate an office unit of 10,000 sq m (3*3,500 sq m)	Currently providing good quality modern small warehouse units. No opportunity to expand beyond site boundary.
33	Are there any constraints on redevelopment / intensification / extension?	No	n/a
34	When are these constraint(s) likely to be resolved?	n/a	n/a

<b>SITE ASSESSMENTS</b>			
<b>Existing employment sites</b>			
1	Site no.	15	16
2	Site name	Kingsclere Business Park	Ardglan Road Industrial Estate, Whitchurch
<b>Basic Information</b>			
3	Site description	A mix of purpose built light industrial space and offices in barn conversions.	A long established industrial park comprising circa 20 units.
4	Site area (ha)	2.4	3.9
5	Main type of employment	Light Industrial (B1c)	Light Industrial (B1c)
6	Site's sequential location	Outside the built up area	Within the built up area
<b>Planning</b>			
7	Planning History	1987 permission for light industrial units.	2017 resolution to grant for 4,000 sq m industrial floorspace as part of a mixed use scheme.
8	Detail any planning policy relevant to site (inc. Green belt, conservation, heritage, i.e. potential constraint on expansion)	EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises, emerging Kingsclere Neighbourhood Plan	EP1 - Economic Growth and Investment, EP2 - Employment Land and Premises, Adjacent to Mineral Safeguarding Area, Adjacent to AONB, Emerging Whitchurch Neighbourhood Plan
9	Bad neighbour impact	1. Major	2. Minor
10	Detail any constraint(s) referred to above	Impact on open farmland to the north.	Neighbouring residential on three sides.
11	Conclusion: Is the site policy/impact constrained?	1. Major	1. Major
<b>Attractiveness to occupiers</b>			
<b>External environment</b>			
12	Prominence of site	Site has some visibility from the roundabout junction on the A339.	Site is not on or close to a major strategic road, so has little prominence.
13	Score	2. Reasonable	1. Poor
14	Compatibility with surrounding uses	No residential uses to cause concern, but open farmland to the north.	Potential for conflict given residential on three sides, and landscape screening is relatively weak.
15	Score	1. Poor	1. Poor
16	Access to amenities (nearest centre) and distance (kms)	Kingsclere (0.9 km)	Whitchurch town centre (0.9 kms).
17	Score	1. Poor	2. Reasonable
<b>Internal environment</b>			
18	Layout, parking, servicing, landscaping etc.	Very spacious layout for servicing and parking.	Tight layout for servicing and insufficient parking for workers / visitors. Little screening or internal landscaping.
19	Score	3. Good	1. Poor
<b>Strategic accessibility (road)</b>			
20	Proximity to Mway Junction	17 kms from both M3 and M4.	18 kms (J8 M3)
21	Score	1. Poor	1. Poor
<b>Local access by road</b>			
22	Access to site/strategic road network	Immediate access to the A339.	Access to the A34 2.4 kms (Tufton) via minor roads through Whitchurch town centre.
23	Score	3. Good	1. Poor

1	Site no.	15	16
2	Site name	Kingsclere Business Park	Ardglen Road Industrial Estate, Whitchurch
<b>Public transport access</b>			
24	Distance to Railway Station (km)	9.7 km from Overton Station	0.61 km from Whitchurch Station
25	Bus Stops within 400m	4	19
26	Score	1. Poor	3. Good
<b>Market signals</b>			
27	Main type of occupier and activities	Mostly light industrial, but also some office occupiers.	Occupiers are mostly light industrial. A manufacturing company, the largest occupier in the estate operates from at least three buildings.
28	Vacancy (source CoStar Feb 2017)	Some, mainly office vacancy.	no vacancies.
29	Vacancy Score	1. Poor	3. Good
30	Other market intelligence e.g. market history, competing supply nearby, occupiers known to be moving in/out.		
<b>Overall review</b>			
31	If the site retains its current use, will it be occupied?	Yes	Yes
32	Are there opportunities for redevelopment / intensification / extension?	The high vacancy rate, and the remoteness of the park suggest there is little demand for an expansion of this park.	A site, referred to as North West Whitchurch (immediately to the NW of Ardglen IP) was allocated in the previous Local Plan, and although not taken forward in the 2016 Local Plan, it is included in the 2017 draft Whitchurch Neighbourhood Development Plan, and is considered to have potential for 1.2 ha of mixed uses. The site also has a resolution to grant for 4,000 sq m of industrial as part of a mixed use scheme.
33	Are there any constraints on redevelopment / intensification / extension?	Yes, insufficient demand.	No, the potential site for expansion is to the north, away from existing residential.
34	When are these constraint(s) likely to be resolved?	n/a	n/a

# APPENDIX B JOB CATEGORY TO LAND USE MAPPING

## SECTOR TO LAND USE

1. Economic statistics and forecasts tell us nothing directly about employment space, because they do not classify jobs according to the type of space they occupy. Rather, the statistics split jobs into economic sectors (industries and services), according to the Standard Industrial Classification (SIC). To estimate how many jobs will be based in offices and industrial space, and how many in 'non-B' spaces such as retail premises, schools and hospitals, we need to translate sectors into land uses.
2. As the starting point for this translation we recommend a method developed by Roger Tym & Partners (now PBA) over a series of employment land reviews and tested in a large-scale study of the Yorkshire and Humber region in 2010<sup>1</sup>. To our knowledge there is no other published empirical research on the relationship between activity sectors and land uses.
3. The tables below show the sectors that are classified to industrial space and offices respectively. The names and numbers that identify each activity sector are from the UK Standard Classification of Economic Activities 2007 (SIC 2007)<sup>2</sup>.

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<sup>1</sup> Roger Tym & Partners with King Sturge for Yorkshire Forward, Planning for Employment Land: Translating Jobs into Land, March 2010

<sup>2</sup> <http://www.businessballs.com/freespecialresources/SIC-2007-explanation.pdf>

## Table A1 Industrial sectors

<b>Manufacturing</b>		
Manufacturing and repairs	10-33	All manufacturing
	95.00	Repair of computers and personal and household goods
<b>Other industrial</b>		
Construction	43.2	Electrical, plumbing and other construction installation activities
	43.3	Building completion and finishing
	43.9	Other specialised construction activities not elsewhere specified (nec)
Motor vehicle activities	45.2	Maintenance and repair of motor vehicles
	45.4	Sale, maintenance and repair of motor cycles and related parts and accessories
Sewage and refuse disposal	37	Sewage
	38	Waste collection, treatment and disposal activities
Employment activities (part)	78	
<b>Warehousing</b>		
Wholesale trade except of motor vehicles and motorcycles	46	
Freight transport by road	49.41	
Removal services	49.42	
Storage and warehousing	52.10	
Other supporting land transport activities	52.21	
Cargo handling	52.24	
Post and courier activities	53.00	
Packaging activities	82.92	
Employment activities (part)	78	

### Note

SIC 78, Employment Activities, covers workers employed through agencies in all activity sectors. They should be redistributed across the whole economy, both to B-class sectors and other sectors, in proportion to each sector's share of total employment.

**Table A2 Office sectors**

<b>Office sectors</b>		
Publishing	58	Motion picture production activities
Motion picture, video and TV programme activities	59.11	Motion picture, video and TV programme production activities
	59.12	Motion picture, video and TV programme post-production activities
	59.13	Motion picture, video and TV programme distribution activities
	59.20	Sound recording and music publishing activities
Programming and broadcasting activities	60	
Computer programming, consultancy and related activities	62	
Information service activities	63	
Financial service activities except insurance and pension funding	64	
Insurance, reinsurance and pension funding except compulsory social security	65	
Activities auxiliary to financial services and insurance activities	66	
Real estate activities	68	
Legal and accounting activities	69	
Activities of head offices, management consultancy activities	70.	
Architectural and engineering activities, technical testing and analysis	71	
Scientific research and development	72	
Advertising and market research	73	
Other professional, scientific and technical activities	74	
Renting and leasing activities	77.40	Leasing of intellectual property and similar products
Employment activities (part)	78	
Security and investigation activities	80	
Office admin, office support and other business support activities	82	
Public administration and defence; compulsory social security	84.1	Administration of the State and the economic and social policy of the community
	84.3	Compulsory social security activities

**Note**

SIC 78, Employment Activities, covers workers employed through agencies in all activity sectors. They should be redistributed across the whole economy, both to B-class sectors and other sectors, in proportion to each sector's share of total employment

4. On a technical note, most economic forecasts show around 20-30 broad activity sectors, a much coarser-grained classification than the SIC sectors in the table above. For example, the table counts as a B-space activity only part of the Construction industry (SIC 43.2, 43.3 and 43.9), whereas forecasts typically show only Construction as a whole (SIC 43). To estimate future employment in sub-sectors such as SIC 43.2, we assume that the share of each sub-sector's employment in its 'parent' sector stays constant.
5. There are two further technical difficulties with the relationship of sectors to land uses. The first is that the line between production space (factories and workshops) and warehousing is blurred. This is not surprising, because manufacturing and warehousing largely occupy the same kinds of buildings, many units combine both functions in proportions that vary over time, and smaller buildings are allowed to shift between the two without planning permission.
6. In setting total land provision targets, therefore, factories, workshops and warehouses, should be merged into a single 'industrial' category. This should not cause any problems, because these uses operate in similar buildings and at similar employment densities, except for very large units including strategic warehousing. In areas where they form a significant part of the stock, these large units should be allowed for separately.
7. The other problem with the tables is that some of the jobs which the table allocates to industrial space are in fact in offices. These jobs are probably in administration, sales and marketing functions of industrial and related businesses. A construction or plumbing business, for example, will often have an office that deals with orders, appointments, record-keeping and the like. In some cases this will be ancillary to an industrial unit and therefore not count as office space, but in other cases it will be free-standing. If the business is small, the office may be its only premises.
8. In total, the Yorkshire and Humber survey found that around one tenth of the jobs which our method allocates to industrial space (factories, workshops and warehouses) are in fact in offices. For a large area such as the region, this is too small a proportion to distort land provision targets. But in some local authority areas, especially the more highly urbanised, it is likely that the distortion is significant. Employment land reviews should aim to correct these distortions, using local knowledge to adjust the relationships shown in the tables above.
9. There are many other, place-specific factors why the sector-to-land-use relationships in the tables above may be invalid. For example, in some places large business units are assigned to the wrong sector or the wrong side of the local authority boundary. In other places, particular sectors are untypical and do not occupy the kinds of space that one would normally expect. In one local authority area in England, for example, there are many jobs classified to Other Supporting Land Transport Activities, SIC 52.21, which normally would occupy warehousing in the local authority area. But in

this case most of the SIC 52.21 jobs relate to railway maintenance and the people concerned work all over the country, mostly outdoors.

10. Where such anomalies arise, close inspection of the numbers, combined with local knowledge, should help correct the statistics and customise the sector-to-land-use assumptions.
11. However, it is inevitable that sector-to-land-use relationships are less reliable for small than larger areas. As the Yorkshire and Humber survey illustrated, the relationships shown in our tables work very well for whole regions. But they are not reliable for individual buildings or employment areas, and may not be reliable at local authority level. This is one of the reasons why demand forecasts are more robust for regions than individual local authority areas.
12. The Yorkshire and Humber report provides further information and advice on sector-to-land-use relationships.

**Annex – Sector to land use** *[see over]*

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Manufacturing	Food, Drink & Tobacco	10110 : Processing and preserving of meat
Manufacturing	Food, Drink & Tobacco	10120 : Processing and preserving of poultry meat
Manufacturing	Food, Drink & Tobacco	10130 : Production of meat and poultry meat products
Manufacturing	Food, Drink & Tobacco	10200 : Processing and preserving of fish, crustaceans and molluscs
Manufacturing	Food, Drink & Tobacco	10310 : Processing and preserving of potatoes
Manufacturing	Food, Drink & Tobacco	10320 : Manufacture of fruit and vegetable juice
Manufacturing	Food, Drink & Tobacco	10390 : Other processing and preserving of fruit and vegetables
Manufacturing	Food, Drink & Tobacco	10410 : Manufacture of oils and fats
Manufacturing	Food, Drink & Tobacco	10420 : Manufacture of margarine and similar edible fats
Manufacturing	Food, Drink & Tobacco	10511 : Liquid milk and cream production
Manufacturing	Food, Drink & Tobacco	10512 : Butter and cheese production
Manufacturing	Food, Drink & Tobacco	10519 : Manufacture of milk products (other than liquid milk and cream, butter, cheese) nec
Manufacturing	Food, Drink & Tobacco	10520 : Manufacture of ice cream
Manufacturing	Food, Drink & Tobacco	10611 : Grain milling
Manufacturing	Food, Drink & Tobacco	10612 : Manufacture of breakfast cereals and cereals-based foods
Manufacturing	Food, Drink & Tobacco	10620 : Manufacture of starches and starch products
Manufacturing	Food, Drink & Tobacco	10710 : Manufacture of bread; manufacture of fresh pastry goods and cakes
Manufacturing	Food, Drink & Tobacco	10720 : Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes
Manufacturing	Food, Drink & Tobacco	10730 : Manufacture of macaroni, noodles, couscous and similar farinaceous products
Manufacturing	Food, Drink & Tobacco	10810 : Manufacture of sugar
Manufacturing	Food, Drink & Tobacco	10821 : Manufacture of cocoa, and chocolate confectionery
Manufacturing	Food, Drink & Tobacco	10822 : Manufacture of sugar confectionery
Manufacturing	Food, Drink & Tobacco	10831 : Tea processing
Manufacturing	Food, Drink & Tobacco	10832 : Production of coffee and coffee substitutes
Manufacturing	Food, Drink & Tobacco	10840 : Manufacture of condiments and seasonings
Manufacturing	Food, Drink & Tobacco	10850 : Manufacture of prepared meals and dishes
Manufacturing	Food, Drink & Tobacco	10860 : Manufacture of homogenised food preparations and dietetic food
Manufacturing	Food, Drink & Tobacco	10890 : Manufacture of other food products nec
Manufacturing	Food, Drink & Tobacco	10910 : Manufacture of prepared feeds for farm animals
Manufacturing	Food, Drink & Tobacco	10920 : Manufacture of prepared pet foods
Manufacturing	Food, Drink & Tobacco	11010 : Distilling, rectifying and blending of spirits
Manufacturing	Food, Drink & Tobacco	11020 : Manufacture of wine from grape
Manufacturing	Food, Drink & Tobacco	11030 : Manufacture of cider and other fruit wines
Manufacturing	Food, Drink & Tobacco	11040 : Manufacture of other non-distilled fermented beverages
Manufacturing	Food, Drink & Tobacco	11050 : Manufacture of beer
Manufacturing	Food, Drink & Tobacco	11060 : Manufacture of malt
Manufacturing	Food, Drink & Tobacco	11070 : Manufacture of soft drinks; production of mineral waters and other bottled waters
Manufacturing	Food, Drink & Tobacco	12000 : Manufacture of tobacco products
Manufacturing	Textiles & Clothing	13100 : Preparation and spinning of textile fibres
Manufacturing	Textiles & Clothing	13200 : Weaving of textiles
Manufacturing	Textiles & Clothing	13300 : Finishing of textiles
Manufacturing	Textiles & Clothing	13910 : Manufacture of knitted and crocheted fabrics
Manufacturing	Textiles & Clothing	13921 : Manufacture of soft furnishings
Manufacturing	Textiles & Clothing	13922 : Manufacture of canvas goods, sacks etc
Manufacturing	Textiles & Clothing	13923 : Manufacture of household textiles (other than soft furnishings of 13921)
Manufacturing	Textiles & Clothing	13931 : Manufacture of woven or tufted carpets and rugs
Manufacturing	Textiles & Clothing	13939 : Manufacture of carpets and rugs (other than woven or tufted) nec
Manufacturing	Textiles & Clothing	13940 : Manufacture of cordage, rope, twine and netting
Manufacturing	Textiles & Clothing	13950 : Manufacture of non-wovens and articles made from non-wovens, except apparel
Manufacturing	Textiles & Clothing	13960 : Manufacture of other technical and industrial textiles
Manufacturing	Textiles & Clothing	13990 : Manufacture of other textiles nec
Manufacturing	Textiles & Clothing	14110 : Manufacture of leather clothes
Manufacturing	Textiles & Clothing	14120 : Manufacture of workwear
Manufacturing	Textiles & Clothing	14131 : Manufacture of men's outerwear, other than leather clothes and workwear
Manufacturing	Textiles & Clothing	14132 : Manufacture of women's outerwear, other than leather clothes and workwear
Manufacturing	Textiles & Clothing	14141 : Manufacture of men's underwear
Manufacturing	Textiles & Clothing	14142 : Manufacture of women's underwear
Manufacturing	Textiles & Clothing	14190 : Manufacture of other wearing apparel and accessories
Manufacturing	Textiles & Clothing	14200 : Manufacture of articles of fur
Manufacturing	Textiles & Clothing	14310 : Manufacture of knitted and crocheted hosiery
Manufacturing	Textiles & Clothing	14390 : Manufacture of other knitted and crocheted apparel
Manufacturing	Textiles & Clothing	15110 : Tanning and dressing of leather; dressing and dyeing of fur
Manufacturing	Textiles & Clothing	15120 : Manufacture of luggage, handbags and the like, saddlery and harness
Manufacturing	Textiles & Clothing	15200 : Manufacture of footwear
Manufacturing	Wood & Paper	16100 : Sawmilling and planing of wood
Manufacturing	Wood & Paper	16210 : Manufacture of veneer sheets and wood-based panels
Manufacturing	Wood & Paper	16220 : Manufacture of assembled parquet floors
Manufacturing	Wood & Paper	16230 : Manufacture of other builders' carpentry and joinery
Manufacturing	Wood & Paper	16240 : Manufacture of wooden containers
Manufacturing	Wood & Paper	16290 : Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials
Manufacturing	Wood & Paper	17110 : Manufacture of pulp
Manufacturing	Wood & Paper	17120 : Manufacture of paper and paperboard
Manufacturing	Wood & Paper	17211 : Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper
Manufacturing	Wood & Paper	17219 : Manufacture of paper and paperboard containers other than sacks and bags
Manufacturing	Wood & Paper	17220 : Manufacture of household and sanitary goods and of toilet requisites
Manufacturing	Wood & Paper	17230 : Manufacture of paper stationery
Manufacturing	Wood & Paper	17240 : Manufacture of wallpaper
Manufacturing	Wood & Paper	17290 : Manufacture of other articles of paper and paperboard
Manufacturing	Printing and Reproduction of Recorded Media	18110 : Printing of newspapers
Manufacturing	Printing and Reproduction of Recorded Media	18121 : Manufacture of printed labels
Manufacturing	Printing and Reproduction of Recorded Media	18129 : Printing (other than printing of newspaper s and printing on labels and tags) nec
Manufacturing	Printing and Reproduction of Recorded Media	18130 : Pre-press and pre-media services
Manufacturing	Printing and Reproduction of Recorded Media	18140 : Binding and related services
Manufacturing	Printing and Reproduction of Recorded Media	18201 : Reproduction of sound recording
Manufacturing	Printing and Reproduction of Recorded Media	18202 : Reproduction of video recording
Manufacturing	Printing and Reproduction of Recorded Media	18203 : Reproduction of computer media
Manufacturing	Fuel Refining	19100 : Manufacture of coke oven products
Manufacturing	Fuel Refining	19201 : Mineral oil refining
Manufacturing	Fuel Refining	19209 : Other treatment of petroleum products (excluding mineral oil refining petrochemicals manufacture)
Manufacturing	Chemicals	20110 : Manufacture of industrial gases
Manufacturing	Chemicals	20120 : Manufacture of dyes and pigments
Manufacturing	Chemicals	20130 : Manufacture of other inorganic basic chemicals
Manufacturing	Chemicals	20140 : Manufacture of other organic basic chemicals
Manufacturing	Chemicals	20150 : Manufacture of fertilisers and nitrogen compounds
Manufacturing	Chemicals	20160 : Manufacture of plastics in primary forms
Manufacturing	Chemicals	20170 : Manufacture of synthetic rubber in primary forms
Manufacturing	Chemicals	20200 : Manufacture of pesticides and other agrochemical products
Manufacturing	Chemicals	20301 : Manufacture of paints, varnishes and similar coatings, mastics and sealants
Manufacturing	Chemicals	20302 : Manufacture of printing ink
Manufacturing	Chemicals	20411 : Manufacture of soap and detergents
Manufacturing	Chemicals	20412 : Manufacture of cleaning and polishing preparations
Manufacturing	Chemicals	20420 : Manufacture of perfumes and toilet preparations
Manufacturing	Chemicals	20510 : Manufacture of explosives
Manufacturing	Chemicals	20520 : Manufacture of glues
Manufacturing	Chemicals	20530 : Manufacture of essential oils
Manufacturing	Chemicals	20590 : Manufacture of other chemical products nec
Manufacturing	Chemicals	20600 : Manufacture of man-made fibres
Manufacturing	Pharmaceuticals	21100 : Manufacture of basic pharmaceutical products

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Manufacturing	Pharmaceuticals	21200 : Manufacture of pharmaceutical preparations
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22110 : Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22190 : Manufacture of other rubber products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22210 : Manufacture of plastic plates, sheets, tubes and profiles
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22220 : Manufacture of plastic packing goods
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22230 : Manufacture of builders' ware of plastic
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22290 : Manufacture of other plastic products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23110 : Manufacture of flat glass
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23120 : Shaping and processing of flat glass
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23130 : Manufacture of hollow glass
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23140 : Manufacture of glass fibres
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23190 : Manufacture and processing of other glass, including technical glassware
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23200 : Manufacture of refractory products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23310 : Manufacture of ceramic tiles and flags
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23320 : Manufacture of bricks, tiles and construction products, in baked clay
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23410 : Manufacture of ceramic household and ornamental articles
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23420 : Manufacture of ceramic sanitary fixtures
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23430 : Manufacture of ceramic insulating fittings
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23440 : Manufacture of other technical ceramic products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23490 : Manufacture of other ceramic products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23510 : Manufacture of cement
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23520 : Manufacture of lime and plaster
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23610 : Manufacture of concrete products for construction purposes
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23620 : Manufacture of plaster products for construction purposes
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23630 : Manufacture of ready-mixed concrete
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23640 : Manufacture of mortars
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23650 : Manufacture of fibre cement
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23690 : Manufacture of other articles of concrete plaster and cement
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23700 : Cutting, shaping and finishing of stone
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23910 : Production of abrasive products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23990 : Manufacture of other non-metallic mineral products
Manufacturing	Metal products	24100 : Manufacture of basic iron and steel and of ferro-alloys
Manufacturing	Metal products	24200 : Manufacture of tubes, pipes, hollow profiles and related fittings, of steel
Manufacturing	Metal products	24310 : Cold drawing of bars
Manufacturing	Metal products	24320 : Cold rolling of narrow strip
Manufacturing	Metal products	24330 : Cold forming or folding
Manufacturing	Metal products	24340 : Cold drawing of wire
Manufacturing	Metal products	24410 : Precious metals production
Manufacturing	Metal products	24420 : Aluminium production
Manufacturing	Metal products	24430 : Lead, zinc and tin production
Manufacturing	Metal products	24440 : Copper production
Manufacturing	Metal products	24450 : Other non-ferrous metal production
Manufacturing	Metal products	24460 : Processing of nuclear fuel
Manufacturing	Metal products	24510 : Casting of iron
Manufacturing	Metal products	24520 : Casting of steel
Manufacturing	Metal products	24530 : Casting of light metals
Manufacturing	Metal products	24540 : Casting of other non-ferrous metals
Manufacturing	Metal products	25110 : Manufacture of metal structures and parts of structures
Manufacturing	Metal products	25120 : Manufacture of doors and windows of metals
Manufacturing	Metal products	25210 : Manufacture of central heating radiators and boilers
Manufacturing	Metal products	25290 : Manufacture of other tanks, reservoirs and containers of metal
Manufacturing	Metal products	25300 : Manufacture of steam generators, except central heating hot water boilers
Manufacturing	Metal products	25400 : Manufacture of weapons and ammunition
Manufacturing	Metal products	25500 : Forging, pressing, stamping and roll-forming of metal; powder metallurgy
Manufacturing	Metal products	25610 : Treatment and coating of metals
Manufacturing	Metal products	25620 : Machining
Manufacturing	Metal products	25710 : Manufacture of cutlery
Manufacturing	Metal products	25720 : Manufacture of locks and hinges
Manufacturing	Metal products	25730 : Manufacture of tools
Manufacturing	Metal products	25910 : Manufacture of steel drums and similar containers
Manufacturing	Metal products	25920 : Manufacture of light metal packaging
Manufacturing	Metal products	25930 : Manufacture of wire products, chain and springs
Manufacturing	Metal products	25940 : Manufacture of fasteners and screw machine products
Manufacturing	Metal products	25990 : Manufacture of other fabricated metal products nec
Manufacturing	Computer & Electronic Products	26110 : Manufacture of electronic components
Manufacturing	Computer & Electronic Products	26120 : Manufacture of loaded electronic boards
Manufacturing	Computer & Electronic Products	26200 : Manufacture of computers and peripheral equipment
Manufacturing	Computer & Electronic Products	26301 : Manufacture of telegraph and telephone apparatus and equipment
Manufacturing	Computer & Electronic Products	26309 : Manufacture of communication equipment (other than telegraph and telephone apparatus and equipment)
Manufacturing	Computer & Electronic	26400 : Manufacture of consumer electronics
Manufacturing	Computer & Electronic	26511 : Manufacture of electronic instruments and appliances for measuring, testing, and navigation, except industrial process control equipment navigation, except industrial process control equipment
Manufacturing	Computer & Electronic	26512 : Manufacture of electronic industrial process control equipment
Manufacturing	Computer & Electronic	26513 : Manufacture of non-electronic instruments and appliances for measuring, testing and navigation, except industrial process control equipment
Manufacturing	Computer & Electronic Products	26514 : Manufacture of non-electronic industrial process control equipment
Manufacturing	Computer & Electronic Products	26520 : Manufacture of watches and clocks
Manufacturing	Computer & Electronic Products	26600 : Manufacture of irradiation, electromedical and electrotherapeutic equipment
Manufacturing	Computer & Electronic Products	26701 : Manufacture of optical precision instruments
Manufacturing	Computer & Electronic Products	26702 : Manufacture of photographic and cinematographic equipment
Manufacturing	Computer & Electronic Products	26800 : Manufacture of magnetic and optical media
Manufacturing	Computer & Electronic Products	27110 : Manufacture of electric motors, generators and transformers
Manufacturing	Computer & Electronic Products	27120 : Manufacture of electricity distribution and control apparatus
Manufacturing	Computer & Electronic Products	27200 : Manufacture of batteries and accumulators
Manufacturing	Computer & Electronic Products	27310 : Manufacture of fibre optic cables
Manufacturing	Computer & Electronic Products	27320 : Manufacture of other electronic and electric wires and cables
Manufacturing	Computer & Electronic Products	27330 : Manufacture of wiring devices
Manufacturing	Computer & Electronic Products	27400 : Manufacture of electric lighting equipment
Manufacturing	Computer & Electronic Products	27510 : Manufacture of electric domestic appliances
Manufacturing	Computer & Electronic Products	27520 : Manufacture of non-electric domestic appliances
Manufacturing	Computer & Electronic Products	27900 : Manufacture of other electrical equipment
Manufacturing	Machinery & Equipment	28110 : Manufacture of engines and turbines, except aircraft, vehicle and cycle engines
Manufacturing	Machinery & Equipment	28120 : Manufacture of fluid power equipment
Manufacturing	Machinery & Equipment	28131 : Manufacture of pumps
Manufacturing	Machinery & Equipment	28132 : Manufacture of compressors
Manufacturing	Machinery & Equipment	28140 : Manufacture of other taps and valves
Manufacturing	Machinery & Equipment	28150 : Manufacture of bearings, gears, gearing and driving elements
Manufacturing	Machinery & Equipment	28210 : Manufacture of ovens, furnaces and furnace burners
Manufacturing	Machinery & Equipment	28220 : Manufacture of lifting and handling equipment
Manufacturing	Machinery & Equipment	28230 : Manufacture of office machinery and equipment (except computers and peripheral equipment)
Manufacturing	Machinery & Equipment	28240 : Manufacture of power-driven hand tools
Manufacturing	Machinery & Equipment	28250 : Manufacture of non-domestic cooling and ventilation equipment
Manufacturing	Machinery & Equipment	28290 : Manufacture of other general-purpose machinery nec
Manufacturing	Machinery & Equipment	28301 : Manufacture of agricultural tractors
Manufacturing	Machinery & Equipment	28302 : Manufacture of agricultural and forestry machinery (other than agricultural tractors)
Manufacturing	Machinery & Equipment	28410 : Manufacture of metal forming machinery
Manufacturing	Machinery & Equipment	28490 : Manufacture of other machine tools

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Manufacturing	Machinery & Equipment	28910 : Manufacture of machinery for metallurgy
Manufacturing	Machinery & Equipment	28921 : Manufacture of machinery for mining
Manufacturing	Machinery & Equipment	28922 : Manufacture of earthmoving equipment
Manufacturing	Machinery & Equipment	28923 : Manufacture of equipment for concrete crushing and screening roadworks
Manufacturing	Machinery & Equipment	28930 : Manufacture of machinery for food, beverage and tobacco processing
Manufacturing	Machinery & Equipment	28940 : Manufacture of machinery for textile, apparel and leather production
Manufacturing	Machinery & Equipment	28950 : Manufacture of machinery for paper and paperboard production
Manufacturing	Machinery & Equipment	28960 : Manufacture of plastics and rubber machinery
Manufacturing	Machinery & Equipment	28990 : Manufacture of other special-purpose machinery nec
Manufacturing	Machinery & Equipment	29100 : Manufacture of motor vehicles
Manufacturing	Machinery & Equipment	29201 : Manufacture of bodies (coachwork) for motor vehicles (except caravans)
Manufacturing	Machinery & Equipment	29202 : Manufacture of trailers and semi-trailers
Manufacturing	Machinery & Equipment	29203 : Manufacture of caravans
Manufacturing	Machinery & Equipment	29310 : Manufacture of electrical and electronic equipment for motor vehicles
Manufacturing	Machinery & Equipment	29320 : Manufacture of other parts and accessories for motor vehicles
Manufacturing	Machinery & Equipment	30110 : Building of ships and floating structures
Manufacturing	Machinery & Equipment	30120 : Building of pleasure and sporting boats
Manufacturing	Machinery & Equipment	30200 : Manufacture of railway locomotives and rolling stock
Manufacturing	Machinery & Equipment	30300 : Manufacture of air and spacecraft and related machinery
Manufacturing	Machinery & Equipment	30400 : Manufacture of military fighting vehicles
Manufacturing	Machinery & Equipment	30910 : Manufacture of motorcycles
Manufacturing	Machinery & Equipment	30920 : Manufacture of bicycles and invalid carriages
Manufacturing	Machinery & Equipment	30990 : Manufacture of other transport equipment nec
Manufacturing	Other Manufacturing	31010 : Manufacture of office and shop furniture
Manufacturing	Other Manufacturing	31020 : Manufacture of kitchen furniture
Manufacturing	Other Manufacturing	31030 : Manufacture of mattresses
Manufacturing	Other Manufacturing	31090 : Manufacture of other furniture
Manufacturing	Other Manufacturing	32110 : Striking of coins
Manufacturing	Other Manufacturing	32120 : Manufacture of jewellery and related articles
Manufacturing	Other Manufacturing	32130 : Manufacture of imitation jewellery and related articles
Manufacturing	Other Manufacturing	32200 : Manufacture of musical instruments
Manufacturing	Other Manufacturing	32300 : Manufacture of sports goods
Manufacturing	Other Manufacturing	32401 : Manufacture of professional and arcade games and toys
Manufacturing	Other Manufacturing	32409 : Manufacture of games and toys (other than professional and arcade games and toys)
Manufacturing	Other Manufacturing	32500 : Manufacture of medical and dental instruments and supplies
Manufacturing	Other Manufacturing	32910 : Manufacture of brooms and brushes
Manufacturing	Other Manufacturing	32990 : Other manufacturing nec
Manufacturing	Other Manufacturing	33110 : Repair of fabricated metal products
Manufacturing	Other Manufacturing	33120 : Repair of machinery
Manufacturing	Other Manufacturing	33130 : Repair of electronic and optical equipment
Manufacturing	Other Manufacturing	33140 : Repair of electrical equipment
Manufacturing	Other Manufacturing	33150 : Repair and maintenance of ships and boats
Manufacturing	Other Manufacturing	33160 : Repair and maintenance of aircraft and spacecraft
Manufacturing	Other Manufacturing	33170 : Repair and maintenance of other transport equipment
Manufacturing	Other Manufacturing	33190 : Repair of other equipment
Manufacturing	Other Manufacturing	33200 : Installation of industrial machinery and equipment
Other industrial	Utilities	37000 : Sewerage
Other industrial	Utilities	38110 : Collection of non-hazardous waste
Other industrial	Utilities	38120 : Collection of hazardous waste
Other industrial	Utilities	38210 : Treatment and disposal of non-hazardous waste
Other industrial	Utilities	38220 : Treatment and disposal of hazardous waste
Other industrial	Utilities	38310 : Dismantling of wrecks
Other industrial	Utilities	38320 : Recovery of sorted materials
Other industrial	Specialised Construction Activities	43210 : Electrical installation
Other industrial	Specialised Construction Activities	43220 : Plumbing, heat and air-conditioning installation
Other industrial	Specialised Construction Activities	43290 : Other construction installation
Other industrial	Specialised Construction Activities	43310 : Plastering
Other industrial	Specialised Construction Activities	43320 : Joinery installation
Other industrial	Specialised Construction Activities	43330 : Floor and wall covering
Other industrial	Specialised Construction Activities	43341 : Painting
Other industrial	Specialised Construction Activities	43342 : Glazing
Other industrial	Specialised Construction Activities	43390 : Other building completion and finishing
Other industrial	Specialised Construction Activities	43910 : Roofing activities
Other industrial	Specialised Construction Activities	43991 : Scaffold erection
Other industrial	Specialised Construction Activities	43999 : Specialised construction activities (other than scaffold erection)
Other industrial	Wholesale	45200 : Maintenance and repair of motor vehicles
Other industrial	Wholesale	45400 : Sale, maintenance and repair of motorcycles and related parts and accessories
Warehousing	Wholesale	46110 : Agents involved in the sale of agricultural raw materials, live animals, text and semi-finished goods
Warehousing	Wholesale	46120 : Agentsinvolved in the sale of fuels, ores, metals and industrial chemicals
Warehousing	Wholesale	46130 : Agentsinvolved in the sale of timber and building materials
Warehousing	Wholesale	46140 : Agentsinvolved in the sale of machinery, industrial equipment, ships and aircraft
Warehousing	Wholesale	46150 : Agentsinvolved in the sale of furniture, household goods, hardware and ironmongery
Warehousing	Wholesale	46160 : Agents involved in the sale of textiles, clothing, fur, footwear and leather goods
Warehousing	Wholesale	46170 : Agents involved in the sale of food, beverages and tobacco
Warehousing	Wholesale	46180 : Agents specialised in the sale of other particular products
Warehousing	Wholesale	46190 : Agents involved in the sale of a variety of goods
Warehousing	Wholesale	46210 : Wholesale of grain, unmanufactured tobacco, seeds and animal feeds
Warehousing	Wholesale	46220 : Wholesale of flowers and plants
Warehousing	Wholesale	46230 : Wholesale of live animals
Warehousing	Wholesale	46240 : Wholesale of hides, skins and leather
Warehousing	Wholesale	46310 : Wholesale of fruit and vegetables
Warehousing	Wholesale	46320 : Wholesale of meat and meat products
Warehousing	Wholesale	46330 : Wholesale of dairy products, eggs and edible oils and fats
Warehousing	Wholesale	46341 : Wholesale of fruit and vegetable juices, mineral waters and soft drinks
Warehousing	Wholesale	46342 : Wholesale of wine, beer, spirits and other alcoholic beverages
Warehousing	Wholesale	46350 : Wholesale of tobacco products
Warehousing	Wholesale	46360 : Wholesale of sugar and chocolate and sugar confectionery
Warehousing	Wholesale	46370 : Wholesale of coffee, tea, cocoa and spices
Warehousing	Wholesale	46380 : Wholesale of other food, including fish, crustaceans and molluscs
Warehousing	Wholesale	46390 : Non-specialised wholesale of food, beverages and tobacco
Warehousing	Wholesale	46410 : Wholesale of textiles
Warehousing	Wholesale	46420 : Wholesale of clothing and footwear
Warehousing	Wholesale	46431 : Wholesale of gramophone records, audio tapes, compact discs and video tapes and of the equipment on which these are played)
Warehousing	Wholesale	46439 : Wholesale of radio and television goods and of electrical household appliances (other than of gramophone records, audio tapes,compact discs and video tapes and the equipment on which these are played)
Warehousing	Wholesale	46440 : Wholesale of china and glassware and cleaning materials
Warehousing	Wholesale	46450 : Wholesale of perfume and cosmetics
Warehousing	Wholesale	46460 : Wholesale of pharmaceutical goods
Warehousing	Wholesale	46470 : Wholesale of furniture, carpets and lighting equipment
Warehousing	Wholesale	46480 : Wholesale of watches and jewellery
Warehousing	Wholesale	46491 : Wholesale of musical instruments
Warehousing	Wholesale	46499 : Wholesale of household goods (other than musical instruments) nec
Warehousing	Wholesale	46510 : Wholesale of computers, computer peripheral equipment and software
Warehousing	Wholesale	46520 : Wholesale of electronic and telecommunications equipment and parts
Warehousing	Wholesale	46610 : Wholesale of agricultural machinery, equipment and supplies
Warehousing	Wholesale	46620 : Wholesale of machine tools
Warehousing	Wholesale	46630 : Wholesale of mining, construction and civil engineering machinery
Warehousing	Wholesale	46640 : Wholesale of machinery for the textile industry and of sewing and knitting machines

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Warehousing	Wholesale	46650 : Wholesale of office furniture
Warehousing	Wholesale	46660 : Wholesale of other office machinery and equipment
Warehousing	Wholesale	46690 : Wholesale of other machinery and equipment
Warehousing	Wholesale	46711 : Wholesale of petroleum and petroleum products
Warehousing	Wholesale	46719 : Wholesale of fuels and related products (other than petroleum and petroleum products)
Warehousing	Wholesale	46720 : Wholesale of metals and metal ores
Warehousing	Wholesale	46730 : Wholesale of wood, construction materials and sanitary equipment
Warehousing	Wholesale	46740 : Wholesale of hardware, plumbing and heating equipment and supplies
Warehousing	Wholesale	46750 : Wholesale of chemical products
Warehousing	Wholesale	46760 : Wholesale of other intermediate products
Warehousing	Wholesale	46770 : Wholesale of waste and scrap
Warehousing	Wholesale	46900 : Non-specialised wholesale trade
Warehousing	Land Transport, Storage & Post	49410 : Freight transport by road
Warehousing	Land Transport, Storage & Post	49420 : Removal services
Warehousing	Land Transport, Storage & Post	52101 : Operation of warehousing and storage facilities for water transport activities of division 50
Warehousing	Land Transport, Storage & Post	52102 : Operation of warehousing and storage facilities for air transport activities of division 51
Warehousing	Land Transport, Storage & Post	52103 : Operation of warehousing and storage facilities for land transport activities of division 49
Warehousing	Land Transport, Storage & Post	52211 : Operation of rail freight terminals
Warehousing	Land Transport, Storage & Post	52212 : Operation of rail passenger facilities at railway stations
Warehousing	Land Transport, Storage & Post	52213 : Operation of bus and coach passenger facilities at bus and coach stations
Warehousing	Land Transport, Storage & Post	52219 : Other service activities incidental to land transportation, nec (not including operation of rail freight terminals, passenger facilities at railway stations or passenger facilities at bus and coach stations)
Warehousing	Land Transport, Storage & Post	52241 : Cargo handling for water transport activities of division 50
Warehousing	Land Transport, Storage & Post	52242 : Cargo handling for air transport activities of division 51
Warehousing	Land Transport, Storage & Post	52243 : Cargo handling for land transport activities of division 49
Warehousing	Land Transport, Storage & Post	53100 : Postal activities under universal service obligation
Warehousing	Land Transport, Storage & Post	53201 : Licensed Carriers
Warehousing	Land Transport, Storage & Post	53202 : Unlicensed Carriers
Office	Media Activities	58110 : Book publishing
Office	Media Activities	58120 : Publishing of directories and mailing lists
Office	Media Activities	58130 : Publishing of newspapers
Office	Media Activities	58141 : Publishing of learned journals
Office	Media Activities	58142 : Publishing of consumer, business and professional journals and periodicals
Office	Media Activities	58190 : Other publishing activities
Office	Media Activities	59111 : Motion picture production activities
Office	Media Activities	59112 : Video production activities
Office	Media Activities	59113 : Television programme production activities
Office	Media Activities	59120 : Motion picture, video and television programme post-production activities
Office	Media Activities	59131 : Motion picture distribution activities
Office	Media Activities	59132 : Video distribution activities
Office	Media Activities	59133 : Television programme distribution activities
Office	Media Activities	59200 : Sound recording and music publishing activities
Office	Media Activities	60100 : Radio broadcasting
Office	Media Activities	60200 : Television programming and broadcasting activities
Office	Computing & Information Services	62011 : Ready-made interactive leisure and entertainment software development
Office	Computing & Information Services	62012 : Business and domestic software development
Office	Computing & Information Services	62020 : Computer consultancy activities
Office	Computing & Information Services	62030 : Computer facilities management activities
Office	Computing & Information Services	62090 : Other information technology and computer service activities
Office	Computing & Information Services	63110 : Data processing, hosting and related activities
Office	Computing & Information Services	63120 : Web portals
Office	Computing & Information Services	63910 : News agency activities
Office	Computing & Information Services	63990 : Other information service activities nec
Office	Finance	64110 : Central banking
Office	Finance	64191 : Banks
Office	Finance	64192 : Building societies
Office	Finance	64201 : Activities of agricultural holding companies
Office	Finance	64202 : Activities of production holding companies
Office	Finance	64203 : Activities of construction holding companies
Office	Finance	64204 : Activities of distribution holding companies
Office	Finance	64205 : Activities of financial services holding companies
Office	Finance	64209 : Activities of other holding companies (not including agricultural, production, construction, distribution and financial services holding companies) n.e.c
Office	Finance	64301 : Activities of investment trusts
Office	Finance	64302 : Activities of unit trusts
Office	Finance	64303 : Activities of venture and development capital companies
Office	Finance	64304 : Activities of open-ended investment companies
Office	Finance	64305 : Activities of property unit trusts
Office	Finance	64306 : Activities of real estate investment trusts
Office	Finance	64910 : Financial leasing
Office	Finance	64921 : Credit granting by non-deposit taking finance houses and other specialist consumer credit grantors
Office	Finance	64922 : Activities of mortgage finance companies
Office	Finance	64929 : Other credit granting (not including credit granting by non-deposit taking finance houses and other specialist consumer credit grantors and activities of mortgage finance companies) n.e.c.
Office	Finance	64991 : Security dealing on own account
Office	Finance	64992 : Factoring
Office	Finance	64999 : Other financial service activities, except insurance and pension funding, (not including security dealing on own account and factoring) n.e.c.
Office	Insurance & Pensions	65110 : Life insurance
Office	Insurance & Pensions	65120 : Non-life insurance
Office	Insurance & Pensions	65201 : Life reinsurance
Office	Insurance & Pensions	65202 : Non-life reinsurance
Office	Insurance & Pensions	65300 : Pension funding
Office	Finance	66110 : Administration of financial markets
Office	Finance	66120 : Security and commodity contracts brokerage
Office	Finance	66190 : Other activities auxiliary to financial services, except insurance and pension funding
Office	Finance	66210 : Risk and damage evaluation
Office	Finance	66220 : Activities of insurance agents and brokers
Office	Finance	66290 : Other activities auxiliary to insurance and pension funding
Office	Finance	66300 : Fund management activities
Office	Real Estate	68100 : Buying and selling of own real estate
Office	Real Estate	68201 : Renting and operating of Housing Association real estate
Office	Real Estate	68202 : Letting and operating of conference and exhibition centres
Office	Real Estate	68209 : Letting and operating of own or leased real estate (other than Housing Association real estate and conference and exhibition services) n.e.c.
Office	Real Estate	68310 : Real estate agencies
Office	Real Estate	68320 : Management of real estate on a fee or contract basis
Office	Professional services	69101 : Barristers at law
Office	Professional services	69102 : Solicitors
Office	Professional services	69109 : Activities of patent and copyright agents; other legal activities (other than those of barristers and solicitors) nec
Office	Professional services	69201 : Accounting, and auditing activities
Office	Professional services	69202 : Bookkeeping activities
Office	Professional services	69203 : Tax consultancy
Office	Professional services	70100 : Activities of head offices
Office	Professional services	70210 : Public relations and communication activities
Office	Professional services	70221 : Financial management

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Office	Professional services	70229 : Management consultancy activities (other than financial management)
Office	Professional services	71111 : Architectural activities
Office	Professional services	71112 : Urban planning and landscape architectural activities
Office	Professional services	71121 : Engineering design activities for industrial process and production
Office	Professional services	71122 : Engineering related scientific and technical consulting activities
Office	Professional services	71129 : Other engineering activities (not including engineering design for industrial process and production or engineering related scientific and technical consulting activities)
Office	Professional services	71200 : Technical testing and analysis
Office	Professional services	72110 : Research and experimental development on biotechnology
Office	Professional services	72190 : Other research and experimental development on natural sciences and engineering
Office	Professional services	72200 : Research and experimental development on social sciences and humanities
Office	Professional services	73110 : Advertising agencies
Office	Professional services	73120 : Media representation
Office	Professional services	73200 : Market research and public opinion polling
Office	Professional services	74300 : Translation and interpretation activities
Office	Professional services	74901 : Environmental consulting activities
Office	Professional services	74902 : Quantity surveying activities
Office	Professional services	74909 : Other professional, scientific and technical activities (not including environmental consultancy or quantity surveying)
Office	Administrative & Supportive Service Activities	77400 : Leasing of intellectual property and similar products, except copyrighted works
Office	Administrative & Supportive Service Activities	78110 : Motion picture, television and other theatrical casting
Office	Administrative & Supportive Service Activities	78109 : Activities of employment placement agencies (other than motion picture, television and other theatrical casting) nec
Office	Administrative & Supportive Service Activities	78200 : Temporary employment agency activities
Office	Administrative & Supportive Service Activities	78300 : Other human resources provision
Office	Administrative & Supportive Service Activities	80100 : Private security activities
Office	Administrative & Supportive Service Activities	80200 : Security systems service activities
Office	Administrative & Supportive Service Activities	80300 : Investigation activities
Office	Administrative & Supportive Service Activities	82110 : Combined office administrative service activities
Office	Administrative & Supportive Service Activities	82190 : Photocopying, document preparation and other specialised office support activities
Office	Administrative & Supportive Service Activities	82200 : Activities of call centres
Office	Administrative & Supportive Service Activities	82301 : Activities of exhibition and fair organizers
Office	Administrative & Supportive Service Activities	82302 : Activities of conference organizers
Office	Administrative & Supportive Service Activities	82911 : Activities of collection agencies
Office	Administrative & Supportive Service Activities	82912 : Activities of credit bureaus
Warehousing	Administrative & Supportive Service Activities	82920 : Packaging activities
Office	Administrative & Supportive Service Activities	82990 : Other business support service activities nec
Office	Public Administration & Defence	84110 : General public administration activities
Office	Public Administration & Defence	84120 : Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security
Office	Public Administration & Defence	84130 : Regulation of and contribution to more efficient operation of businesses
Office	Public Administration & Defence	84210 : Foreign affairs
Office	Public Administration & Defence	84300 : Compulsory social security activities
Office	Other Private Services	94110 : Activities of business and employers membership organisations
Office	Other Private Services	94120 : Activities of professional membership organisations
Office	Other Private Services	94200 : Activities of trade unions
Office	Other Private Services	94910 : Activities of religious organisations
Office	Other Private Services	94920 : Activities of political organisations
Office	Other Private Services	94990 : Activities of other membership organisations nec
Other industrial	Other Private Services	95110 : Repair of computers and peripheral equipment
Other industrial	Other Private Services	95120 : Repair of communication equipment
Other industrial	Other Private Services	95210 : Repair of consumer electronics
Other industrial	Other Private Services	95220 : Repair of household appliances and home and garden equipment
Other industrial	Other Private Services	95230 : Repair of footwear and leather goods
Other industrial	Other Private Services	95240 : Repair of furniture and home furnishings
Other industrial	Other Private Services	95250 : Repair of watches, clocks and jewellery
Other industrial	Other Private Services	95290 : Repair of other personal and household goods