

# Employment Land Review

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# Employment Land Review

Purpose of this paper	To provide a qualitative and quantitative assessment of land/floorspace for employment development and the sufficiency and suitability of the existing and future supply of land to meet identified economic development needs.
Why?	In order to provide objective evidence to support the Havant Borough Local Plan (HBLP) which will set strategic policies to deliver employment and economic growth needed in the Borough.
Objectives	<ul style="list-style-type: none"><li>• A contextual analysis of the local economy in the context of the wider Solent sub-region, including an assessment of the current employment base by sector and analysis of previous employment trends.</li><li>• An assessment of future economic and employment requirements having regard to the population/household growth scenarios predicted by GL Hearn. This is supplemented by market analysis undertaken by Lambert Smith Hampton in relation to previous take up of employment floorspace and likely additional demand.</li><li>• An assessment of existing employment allocations and other sites in employment use, together with the potential sites identified through the preparation of the HBLP.</li></ul>

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# Executive Summary

## Background

1. The Employment Land Review (ELR) provides an assessment of the Borough's employment development requirements to inform the preparation of the Havant Borough Local Plan (HBLP). It provides an overview of the Borough's key economic sectors and the role of the local economy in the wider sub-region context. As well as providing an assessment of current occupier and needs, it also considers the Borough's future economic and employment requirements based on a realistic assessment of market demand.
2. On this basis, the ELR recommends a number of allocations for new employment floorspace as well as the development opportunities to redevelop and intensify established employment areas for inclusion in the HBLP.

## Headline Findings

3. Despite improving market conditions, the availability of existing employment floorspace and in particular, the supply of industrial premises continues to be suppressed. This is largely due to a lack of speculative development in the Borough and the wider sub-region. In the Borough, this can largely be attributed to the disparity between rental values for secondary and for newly built stock. The Borough's older industrial areas are largely well-occupied and operate effectively in offering affordable accommodation for small and micro business.
4. It will however, be important to ensure there is flexibility in employment land supply to ensure there is a sufficient churn in the market to enable existing local businesses the ability to relocate to premises which are more suitable and aligned to the needs and requirements. At the same however, it will also ensure existing employment allocations are reviewed, particularly where there is no realistic prospect of the site coming forward for redevelopment.
5. Whilst global economic uncertainty is set to continue, a number of multi-national companies in the Borough are restructuring and reorganising their organisations. Despite this, the Borough's economy has proved relatively resilient, which can largely be attributed to the variety and diversity of the manufacturing sector which comprises a mixture of knowledge-based, high technology and engineering companies. This specialised knowledge base is supported by the large number of small and micro enterprises (SMEs) which operate within the Borough. It will therefore be important to ensure that land and premises within the Borough's existing employment areas is safeguarded from higher land value uses in the interests of ensuring a good supply of affordable accommodation for these businesses, as well as supporting market churn.
6. The Borough continues to be a secondary office location by virtue of the lack of credible demand for high quality office accommodation, and the resulting residual land values which do not currently support speculative development. Whilst demand continues to be difficult to predict, it will be important to plan for adequate opportunities to secure high quality office development as part of new employment development. This will be particularly pertinent as market conditions continue to improve to ensure there is a sufficient choice and availability of employment sites to attract and encourage companies from outside of the Borough to invest.

7. Based on analysis past take up of employment land and floorspace over the last decade, and insight into the current market, the analysis undertaken by LSH provides a robust basis to inform the Borough's employment floorspace requirements between 2016-2036.
8. This work indicates a need to flexibly deliver 55,000 sq. m of mixed B2/B8 floorspace reflecting the fact that many industrial uses combine manufacturing and warehouse operations. A floorspace requirement of 27,780 sq. m is identified for Class B1a uses, reflecting that the fact the Borough has a relatively weak office market but acknowledging improving market conditions and the need to provide an availability of suitable sites to serve this sector.
9. Around 75% of the Borough's floorspace requirements can be delivered on employment allocations, the vast majority of which can be delivered at Dunsbury Park. The site therefore continues to be identified as key strategic employment site in the wider sub-region. The site has the potential to deliver a further 42,700 square metres of high quality employment floorspace across phases 1 and 2, with land extending to the north to the A3 identified as a further area of opportunity.
10. There is a surplus of 60,000 square metres of the potential employment land available over and above the Borough's floorspace requirements during the plan period. This is considered reasonable having regard to the need to provide a sufficient degree of flexibility for market churn within the Borough's established employment areas, whilst providing a sufficient choice in the quality and location of employment sites to provide market confidence and support speculative development activity.
11. Given the Borough's employment land supply is more than sufficient to meet the identified employment floorspace requirements, it is recognised there will be increasing pressure for these older industrial areas to be redeveloped for uses which support higher land values. This must be weighed by the fact that these areas serve an important role in the local economy in terms of providing affordable start up accommodation.
12. Proposals within these areas should therefore strongly be resisted unless there are strong market signals which indicate that the site should be used for alternative purposes. In exceptional circumstances, however, it may be appropriate to support mixed use schemes provided they support employment of a similar quality and quantity. A more flexible approach may be required where there are significant infrastructure costs in order to deliver a financially viable development scheme.

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# 1. Introduction

- 1.1 Havant Borough Council has produced this study to provide an updated Employment Land Review (ELR) of the Borough's employment development requirements inform the Havant Borough Local Plan (HBLP). It has been prepared in accordance with the requirements of the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG) to provide:
- A contextual analysis of the local economy in the context of the wider Solent sub-region, including an assessment of the current employment base by sector and analysis of previous employment trends.
  - An assessment of future economic and employment requirements having regard to the population/household growth scenarios predicted by GL Hearn. This is supplemented by market analysis undertaken by Lambert Smith Hampton in relation to previous take up of employment floorspace and likely additional demand over the plan period.
  - An assessment of existing employment allocations and other sites in employment use, together with the potential sites identified through the Council's Call for Sites.
- 1.2 The Economic and Employment Land Evidence Base Paper<sup>1</sup> (March 2016) undertaken by GL Hearn on behalf of the Partnership for Urban South Hampshire (PUSH) provides a high-level assessment of where growth could be accommodated. Though it should be acknowledged the actual level and locations of growth in employment floorspace are to be determined through local plans at individual authority level.
- 1.3 This study has drawn on in-house knowledge within Havant Borough Council Economic Development Team. It has been informed by property and market analysis based on information from property databases including Co-Star and MINT, as well as national statistics collected by NOMIS and the VOA.
- 1.4 Regional and local market insight has been provided by Lambert Smith Hampton (LSH), an independent commercial property consultancy and local marketing agent to derive a locally led employment floorspace requirement. It is acknowledged the specific rental values, sales yields and transactions provided are a snapshot of the market at a particular point in time and should be monitored throughout the preparation of the HBLP accordingly.

## Scope of Study

- 1.5 The focus of this report is the employment floorspace needs of the following B-class sectors outlined below:

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<sup>1</sup> [GL Hearn Economic and Employment Land Evidence Base Paper \(May 2016\)](#)

- B1 Business (offices, research & development, light industry); and
- B2 General Industrial and B8 Storage or Distribution (wholesale warehouses, distribution centres).

- 1.6 Although floorspace is generally categorised between the B-Classes in the Use Classes Order to differentiate between B1a and B2/B8 uses, many businesses combine office and manufacturing/warehousing operations in practice. As such, this study typically deals with the floorspace requirements in two categories: office (B1a) and mixed manufacturing/warehouse (B2/B8) uses.
- 1.7 Though the overall aims and objectives of the Core Strategy policies CS2 and DM3 protect existing employment sites which are fit for purpose, policy criteria CS2.5 and DM3 safeguard only B use classes namely offices, manufacturing and warehousing. The Council does recognise that there are other employment generating use classes which support economic development. This is reflected in emerging Policy C1 of the Submission HBLP.

## Structure of Report

- Section 2 provides an overview of national, sub-regional and local context and how it influences planning for the economic development needs of the Borough.
- Section 3 describes the current economic trends and conditions in the Borough and how it relates to the wider sub-regional and national context.
- Section 4 sets out an analysis of the commercial property market in Havant Borough including an assessment of the age and suitability of premises, availability and vacancy of premises, and rental values.
- Section 5 describes the current commercial property market in Havant including office and industrial property requirements.
- Section 6 identifies the Borough's existing and future employment land, including an assessment of the operation of existing employment sites and sites which have employment development potential as an allocation in the Local Plan.
- Section 7 provides an overview of GL Hearn's assessment of employment land requirements at a sub-regional level including the interaction between labour demand and supply. This is supplemented by a localised assessment of the Borough's employment development needs undertaken by LSH, which takes into account the Borough's supply and availability of employment land.
- Section 8 sets out a number of conclusions for the Borough, including policy recommendations for existing employment sites and the identification of new employment allocations through the HBLP.

## 2. Policy Context

- 2.1 This section presents an overview of the policy context and how this relates to the assessment of future economic development needs for Havant Borough.

### National Policy Context

#### National Planning Policy Framework

- 2.2 The revised National Planning Policy Framework (NPPF) was published in February 2019 and replaces the first National Planning Policy Framework published in March 2012. Paragraph 8 confirms that an economic objective remains central to achieving sustainable development:
- “To help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity....”*
- 2.3 In plan-making, paragraph 23 of the revised NPPF states that strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate, to address objectively assessed needs over the plan period, in line with the presumption of sustainable development. This should include planning for and allocating sufficient sites to deliver the strategic priorities of the area (unless they can be met through non-strategic policies).
- 2.4 Paragraph 31 of the revised NPPF indicates that the preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals.
- 2.5 Paragraph 80 of the NPPF states that planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future.
- 2.6 Paragraph 81 of the NPPF indicates that planning policies should:
- a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;*
  - b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
  - c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and*
  - d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.*



- 2.7 Planning policies and decisions should recognise and address the specific locational requirements of different sectors (paragraph 82 of the NPPF). This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.

## **National Planning Practice Guidance**

- 2.8 National Planning Practice Guidance (NPPG) provides guidance on preparing a robust evidence base to understand existing business needs, which will need to be kept under review to reflect local circumstances and market conditions. Needs should be considered on a cross boundary basis with neighbouring authorities within their functional economic market area (Paragraph: 05 Reference ID: 2a-025-20190220).
- 2.9 In gathering evidence to plan for business uses, strategic policy making authorities will need to liaise closely with the business community, taking account of the Local Industrial Strategy to understand current and potential future requirements. They will need to assess:
- the best fit functional economic market area
  - the existing stock of land for employment uses within the area
  - the recent pattern of employment supply and loss
  - evidence of market demand (including the locational and premises requirements of particular types of business)
  - wider market signals relating to economic growth, diversification and innovation
  - any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively (Paragraph 026 Reference ID: 2a-026-20190220).
- 2.10 In planning for future needs, strategic policy makers will need to consider a range of current and robust data including:
- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)
  - demographically derived assessments of current and future local labour supply (labour supply techniques)
  - analysis based on the past take-up of employment land and property and/or future property market requirements
  - consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.
- 2.11 Authorities will need to take account of longer term economic cycles in assessing this data, and consider and plan for the implications of alternative economic scenarios (Paragraph: 07 Reference ID: 2a-027-20190220).

## Industrial Strategy: building a Britain fit for the future (November 2017)

- 2.12 The White Paper sets out the Government's vision for the future economy and our strategy to boost the productivity, earning power and quality of life of the British people. The aim is that by 2030 there will be transformed productivity and earning power across the UK to become the world's most innovative economy and the best place to start and grow a business, with upgraded infrastructure and prosperous communities across the country. This is to be achieved through:

**1. Strengthening the foundations of productivity** – the fundamentals that support a skilled, innovative, geographically-balanced economy. The five foundations are:

- Ideas: encouraging the UK to be the world's most innovative economy
- People: ensuring good jobs and greater earning power for all
- Infrastructure: driving a major upgrade to the UK's infrastructure
- Business environment: guaranteeing the best place to start and grow a business
- Places: creating prosperous communities across the UK

**2. Building long-term strategic partnerships with businesses through Sector Deals between government and industry.** These present significant opportunities to tackle barriers to growth, boost productivity in specific sectors, further collaboration, and ensure high-quality jobs.

**3. Taking on Grand Challenges** – the society-changing opportunities and industries of the future, where the UK can build on our emerging and established strengths to become a world leader. The first four Grand Challenges are focused on global trends to transform the country's future:

- AI and data: putting the UK at the forefront of the AI and data revolution,
- Ageing society: harnessing the power of innovation to meet the needs of an ageing society,
- Clean growth: maximising the advantages for UK industry from the global shift to clean growth,
- Future of mobility: becoming a world leader in shaping the future of mobility.

## Sub-Regional Context

### The Solent economic strategy

- 2.13 The Solent economy strategy – *Solent 2050* – sets out the LEP's vision for the Solent economy to be:

*"The global leader in maritime and climate change adaptation, with towns and cities that are fantastic places to live, trade and with opportunities for all our communities to flourish."*

- 2.14 Expanding on this, this vision has five emerging priorities:

1. A world-leading marine and maritime economy
2. Pioneering approaches to climate change and decarbonisation
3. The UK's capital for coastal renaissance
4. A thriving visitor and cultural economy

5. Developing a world-class talent base.

- 2.15 In addition, there will be a sixth priority focusing on business environment and taking into account the economic impact of Covid-19. This will be captured in our economic recovery plan.

## **PUSH Spatial Position Statement**

- 2.16 The Spatial Position Statement (June 2016) identifies the distribution of employment and housing development needed to promote economic growth, jobs and homes for all through to 2034. It forms a significant part of the statutory 'duty-to-cooperate' that Councils have with each other, and whilst work to review this statement has commenced, it will unlikely to be complete before the Plan is adopted.
- 2.17 The Position Statement identifies the advanced manufacturing, marine, logistics, construction, transport and communication, tourism and higher value private services including finance, engineering and research and development. Through proactive planning, the statement recognises the area needs to provide a portfolio of high quality employment locations in order to remain competitive and attractive for investment, and identifies what the major locations can accommodate future business investment accordingly.
- 2.18 Based on GL Hearn's objective assessment of the need for new employment floorspace (in 'B class' uses') over the period to 2036, the demand evidence points to a net need for around 1 million sq. m of additional B-class employment floorspace over the period from 2011 to 2034 across the sub-region to support the needs of a growing economy. It is acknowledged that this is on the basis of the sub-region's strength in advanced manufacturing and the need for modern high quality industrial floorspace to support business growth and investment accordingly, but the evidence on need can be tested further.
- 2.19 On this basis, Position Statement E1: Distribution of Additional Employment Floorspace identifies the net increases which local authorities should plan for, subject to further assessment, based on positive planning for economic growth over the 2011-2034 period. An extract of table E1 is reproduced for ease of reference as follows.

**Table 2.1 Additional Employment Floorspace Need in Havant and PUSH 2011-2034**

<b>Floorspace sq.m</b>	<b>Office Floorspace</b>	<b>Mixed B-Class Floorspace</b>	<b>Total B-Class Floorspace</b>
<b>PUSH Total Need:</b>	550,530	425,900	976,430
Havant	55,000	55,000	110,000
<b>PUSH Total Provision</b>	<b>509,000</b>	<b>462,000</b>	<b>971,000</b>

## 3. Local Economic Context

- 3.1 This section examines economic context for the study by reviewing economic conditions and trends within Havant Borough relative to the wider sub region and the national economy. This is important in identifying the existing strengths and weaknesses of the local economy, and the factors likely to influence the nature and level of demand for employment floorspace in the future.

### Overview

- 3.2 Havant Borough covers an area of 5,537 hectares made up of five distinct areas: Havant & Bedhampton, Waterlooville, Emsworth, Hayling Island and Leigh Park. In 2018, the total resident population in the Borough was approximately 125,800 (NOMIS)<sup>2</sup>.
- 3.3 Havant town is at the heart of the Borough with its historic streets, fresh water springs, civic and cultural functions and new retail provision. Leigh Park was built after the war to the north of the town for Portsmouth's expanding population and Portsmouth City Council remains a major landowner in the Borough. Waterlooville lies in the west of the Borough and is a modern thriving area of housing, shops and employment and has seen significant growth over the last decade through the development of the West of Waterlooville Major Development Area (albeit only a small part of the development is within the Borough's administrative area).
- 3.4 Emsworth is located on the eastern side of the Borough and has a strong maritime history with Chichester Harbour Area of Outstanding Natural Beauty to the south. Hayling Island is in the south of the Borough and is separated from the mainland by Chichester and Langstone Harbours. Tourism and the visitor economy are important to both of these areas.
- 3.5 The Borough has good road and rail transport connections to Portsmouth and beyond to London, Brighton and Southampton via the A3 (M), A27 and M27 corridors. The Borough's highly accessible location means that it is well placed to attract new businesses.
- 3.6 The local economy has been traditionally manufacturing-based with a high concentration of advanced manufacturing and marine businesses. The contraction of the manufacturing sector has therefore had a disproportionate impact on the Borough when compared to its neighbouring authorities. This has meant the Borough has seen increased unemployment and out-commuting, and higher skilled people commuting in.
- 3.7 The unemployment rate in the Borough has historically been higher than the South East. Unemployment rates reached a peak of 7.7% between April 2011 and March 2012 but have steadily declined. Between April 2018-March 2019, the unemployment rate reduced to 3.8% but this remains higher than the South East Region of 3.3% but less than the national figure of 4.1% (Nomis).
- 3.8 Given the Borough's traditionally manufacturing-based, the majority of the Borough's employment floorspace is dated built stock on older industrial estates developed during the 1960s and 1970s. Employment floorspace in the Borough is largely focused in and around Havant and Waterlooville,

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<sup>2</sup> [Nomis Labour Market Profile – Havant](#)

although there are enclaves of industrial activity distributed throughout Emsworth, Hayling and Leigh Park respectively.

- 3.9 Whilst much of the built stock is of a lower grade, it serves an important role and function in terms of providing affordable accommodation for small and medium enterprise (SME). This is particularly pertinent given the disparity between rental values for second hand stock and pre-rental levels. Many local businesses lack the incentive and inclination to invest and relocate to newly built stock accordingly. As a result, the Borough has seen only relatively limited speculative development in recent years.
- 3.10 Moving forward with the HBLP, there is a continuing need to ensure choice and range of sites in the Borough's employment land supply and secure a continuing healthy market churn. This will mean ensuring the local plan identifies a sufficient supply of business and industrial sites to incentivise speculative development as market conditions improve. At the same time, it will also be important to safeguard and nurture inward investment within the Borough's existing industrial estates where there are opportunities to redevelop and intensify employment floorspace. These sites in particular perform an important function in terms of supporting and incubating SMEs. The loss of employment land to non-employment generating uses should be resisted accordingly.

### **Dunsbury Park**

- 3.11 Dunsbury Park is a key strategic employment site which will provide a high quality business and technology park for the Borough and the wider sub-region, with flexibility to accommodate Class B1, B2 or B8 use classes.
- 3.12 The initial plots have now been implemented with the delivery of the Fat Face global distribution centre, a facility for the VW Breeze Motor Group and a speculative build warehouse which has been taken up by DPD. The remaining phases of the site are currently being actively marketed by Portsmouth City Council. Following the grant of outline consent, it is estimated that the 61,779sqm of employment floorspace, including 5,574sqm for a hotel with conference facilities can all be delivered to the west of Park Lane (phase 1). It is estimated that phase 2 (east of Park Lane) has the capacity to provide an additional 15,000 sq. m of employment floorspace.
- 3.13 A further 6.55 hectares of adjacent land to the north (extending to the A3) has been identified as a further area of opportunity for future employment growth beyond the end of the plan period.

### **Local Enterprise Partnership (LEP)**

- 3.14 The Borough is one of 12 local authorities forming the Solent Local Enterprise Partnership (LEP) which has overall responsibility for co-ordinating economic objectives for South Hampshire and the Isle of Wight. It is an internationally-recognised economic hub anchored around the two cities of Portsmouth and Southampton, the M27 and the Solent waterway and the Isle of Wight.
- 3.15 The Solent is recognised as a leading location and growth hub for manufacturing and engineering incorporating the marine and maritime economy. The latter accounts for 20.5% of GVA within the Solent area, supports more than 3,000 businesses and provides 40,000 jobs within the sub-region. These sectors are expected to grow by 5% over the period to 2025.
- 3.16 The advanced manufacturing sector in the Solent encompasses the defence industry, of which Portsmouth Naval Base supports nearly 7% of all jobs in the Solent LEP Area. Of these, around 84% work for BAE Systems with business in Maritime Services and Naval Shipbuilding – both of which have experienced growth since 2007.

- 3.17 There is widespread concern about the consequences of the Strategic Defence Review for naval activities in Portsmouth and the knock-on effects on the wider Solent economy. As shipbuilding activity has ceased at the Portsmouth Naval Base, the defence sector and wider supply chain will need to prepare a transition from shipbuilding to ship repair and maritime support. The support of the new aircraft carriers will be a major factor in the future of the area. In this respect, the Strategic Economic Plan notes that employment remains heavily dependent on military spending. Overall the Solent's manufacturing base is expected to contract by 20.6% with a projected shedding of 9,900 jobs. The Solent Strategic Economic Plan states:

*"Whilst in recent times, the Solent has bucked national trends in the growth of the manufacturing sector, manufacturing is set to continue to decline... There is certainly still a role for manufacturing in the Solent LEP, but it will need to compete on quality of output rather than cost and it will require highly skilled individuals. By 2030 manufacturing will account for only 5.9% of total employment in the Solent LEP, less than half the contribution it constituted in 2000 (12.8%)."*

- 3.18 To ensure that complementary areas of private sector growth are supported, it will be important to ensure the modernisation and development of manufacturing continues in order to secure growth in knowledge intensive markets. This will likely involve a need to upskill and reskill those who have held jobs in skilled trades with traditional dockyard/marine sector experience. The Strategic Economic Plan also recognises a need to raise educational attainment, with Havant underperforming from early years through to GCSE – which in turn has implications for the skills of the future workforce and the prevalence of unemployment.
- 3.19 The Solent is a mixed economy with much strength in knowledge-based sectors; creative industries; advanced technologies; financial and business services; and a visitor economy founded on significant heritage and natural assets. Environmental technology is identified as a growing sector with significant opportunity to support GVA growth by virtue of existing expertise and businesses in aerospace, marine and advanced manufacturing within the sub-region.

## **PUSH Economic and Employment Land Evidence Base Paper**

- 3.20 The Economic and Employment Land Evidence Base Paper<sup>3</sup> (March 2016) was prepared by GL Hearn and provides an objective assessment of new employment floorspace needs between 2014 and 2036. This has been based upon extending Oxford Economics' (OE) forecasts to 2036, taking account of the sectoral composition of employment growth. The paper provides a 'policy-off' assessment of employment forecasting need and does not take into account a broader range of 'policy-on' factors such as committed supply and land availability.
- 3.21 The report also provides an analysis of South Hampshire's economy, and estimates that total employment in the Solent area will grow by 10% over the period 2014-30, with GVA expected to grow by an average of 2.7% pa to 2030. Whilst productivity is expected to grow less strongly than in the 2013 forecasts, at a rate of 2% per annum (2014-30) compared to 2.4%, this is broadly comparable with the South East (2.4%).
- 3.22 Whilst the largest numbers of jobs in the sub-region were in the health, education and retail sectors in 2013, Havant also had a relatively significant proportion of manufacturing jobs (11.8%), along with Gosport (12.8%). The study notes that a contracting manufacturing sector will thus affect local

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<sup>3</sup> [PUSH Economic and Employment Land Evidence Base Paper \(GL Hearn, March 2016\)](#)

employment in these areas than other local authorities within the sub-region. Analysis of the local economy is considered in further detail below.

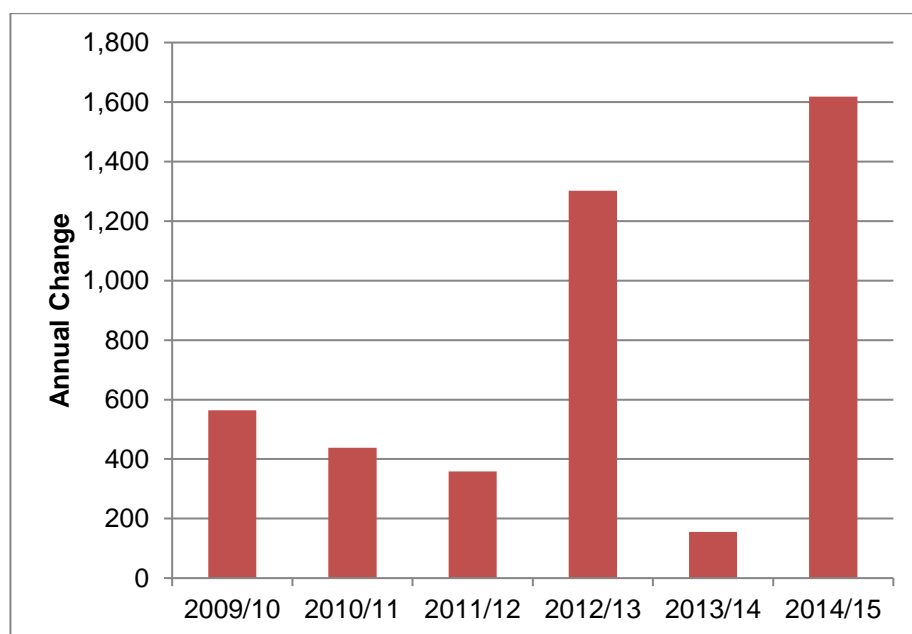
## Employment Conditions and Trends

- 3.23 Current and economic conditions and trends in Havant Borough are summarised below, with comparisons made to the wider sub-regional, regional and national level where appropriate.

### Employment

- 3.24 The overall population of Havant Borough, currently 122,900<sup>4</sup> grew only by some 4.6% between 2005 and 2015, somewhat behind the regional (9%) average.
- 3.25 There were 43,400 employee jobs in 2015<sup>5</sup>, representing an increase of 11.4% (4,400 jobs) from its 2009 level. The latter years of the recession 2009/10; 2010/11 continued to see an increase in jobs, with relatively significant increases in 2012/13 (1,302 jobs) and 2014/15 (1,618 jobs) respectively. The smallest year of growth was 2013/14 with just 155 jobs.

**Figure 3.1: Historic Change in Employees 2009/10 - 2014/15**



Source: BRES

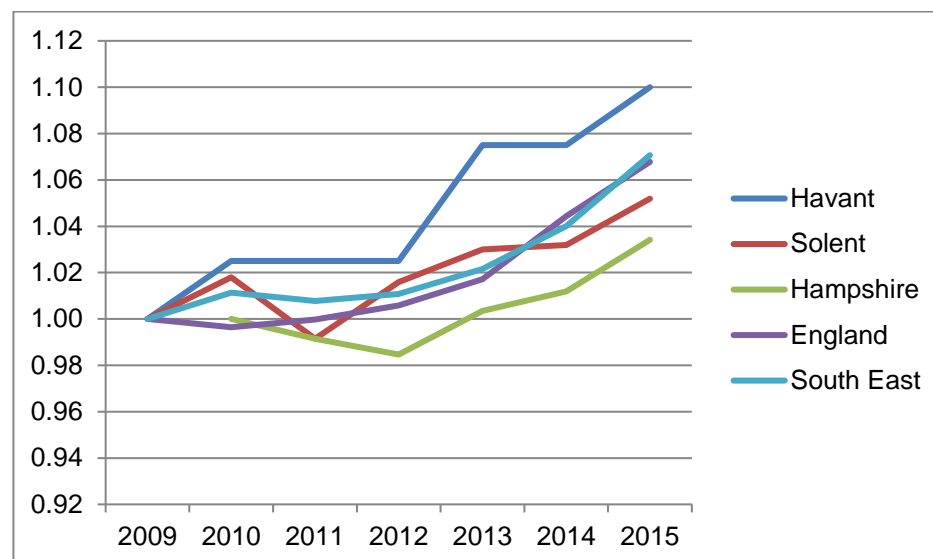
- 3.26 Figure 3.2 compares this change to the national and regional rate – as well as the Solent LEP and Hampshire as a wider county by indexing change to 2009. This suggests that the Borough's economy has recovered relatively quickly following the recession.

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<sup>4</sup> NOMIS Population Estimates, 2015

<sup>5</sup> Business Register Employment Survey (BRES)

**Figure 3.2: Indexed Change in Employees 2009 – 2015**



Source: Business Register Employment Survey (BRES)

- 3.27 The following breakdown by sector allows a greater understanding of which sectors are growing and declining by number of employees in Havant Borough. This is summarised in the following table, based on the 2007 Standard Industrial Classification (SIC).

**Table 3.1: Historic Change in Employees by Sector 2009-2015**

Sectors (SIC 2007)	Total Change 2009-2015	% Change 2009-2015	Average Change 2009-2015
Administrative and support service	1,500	50%	250
Education	500	33%	250
Information and communication	500	33%	83
Accommodation and food service activities	500	20%	83
Manufacturing	500	11%	83
Real estate activities	400	100%	67
Transportation and storage	300	50%	50
Public administration and defence	250	25%	42
Professional, scientific and technical activities	250	11%	42
Other service activities	200	33%	33
Arts, entertainment and recreation	-100	-11%	-17
Financial and insurance activities	-100	-14%	-17
Water supply	-100	-17%	-17
Construction	-500	-17%	-83
Electricity and gas <sup>6</sup>	-1,350	-90%	-225
<b>Havant Borough</b>	<b>4,000</b>	<b>10%</b>	<b>667</b>

Source: Business Register Employment Survey (BRES)

<sup>6</sup> Including steam and air conditioning supply

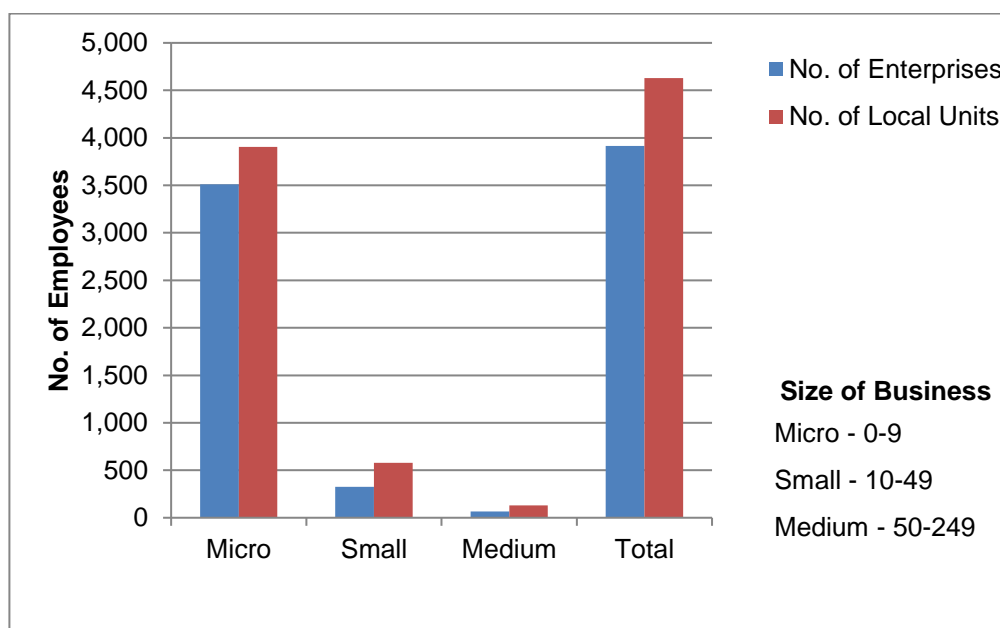


- 3.28 As shown in the table above, the greatest growth over this period was seen in the administrative and support service activities sector– resulting in an increase in 1,500 jobs equivalent to a 50% increase in this sector. There were also relatively significant increases of 500 jobs (33%) in the education, and information and communications sectors respectively.

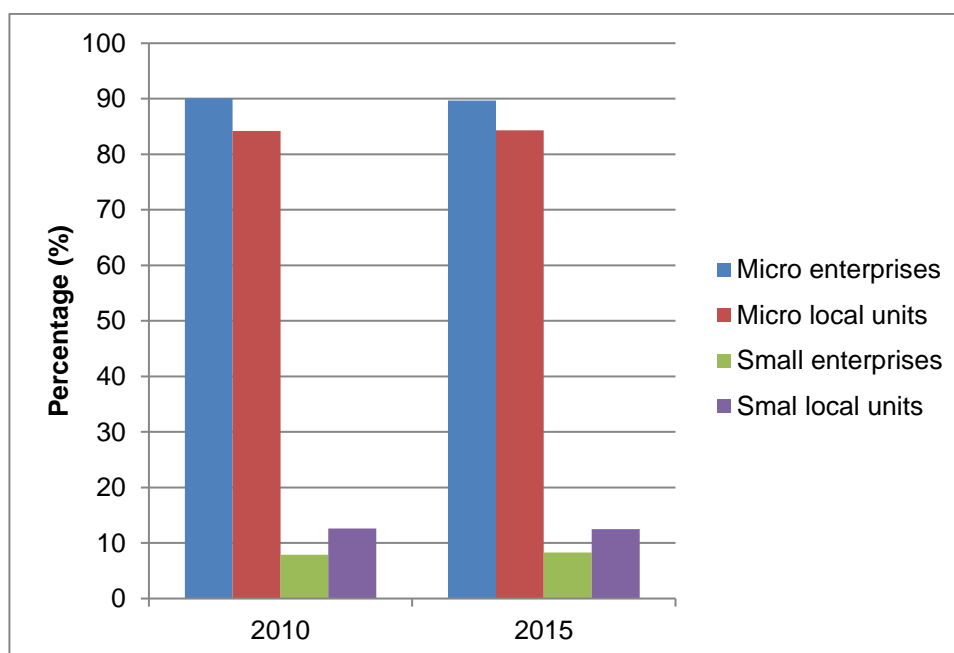
## Business Base

- 3.29 Figure 3.3 illustrates Havant Borough has a relatively large proportion of SMEs relative to local units which indicates there is evidence of businesses (enterprises) operating across more than one site (local unit). This is indicative of the Borough's older industrial stock which offers affordable rental levels and the relative expense for SMEs to relocate to new premises.

**Figure 3.3: Size of Enterprise relative to Number of Local Units**



**Figure 3.4: Percentage (%) of Businesses by Size in 2010 and 2015**



Source: Inter Departmental Business Register, 2015

- 3.30 The majority of businesses in Havant are micro businesses which comprise 89% of enterprises (entire businesses) and 84% of local units (comprising of individual sites or workplaces). The number of micro, small and medium businesses has remained virtually unchanged within the five year period with only a slight reduction (0.4%) in the number of micro enterprises. The proportion of micro, small and medium businesses which is also broadly comparable with the South East and Great Britain.

## **Functional Economic Area**

- 3.31 The NPPG suggests that Functional Economic Market Areas (FEMA) should be defined in terms of the market requirements in terms of location of premises and the spatial factors used in analysing demand and supply. A range of factors should be considered including the extent of the Local Enterprise Partnership, Travel to Work Areas (TTWA); housing market area (HMA); administrative areas and catchment areas.
- 3.32 The PUSH Strategic Housing Market Assessment<sup>7</sup> (January 2014) also defines Havant as part of the Portsmouth HMA alongside Portsmouth, Gosport, Fareham and East Hampshire. Whilst Havant Borough shares its boundary with four other districts, including West Sussex, there is a close functional economic relationship with the City of Portsmouth in particular, with many residents commuting across the border to work (15.38%).
- 3.33 The Office for National Statistics defines TTWAs based on areas in which 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.” Section 3 of the SHMA confirms that over 90% of the resident workforce in Havant is contained within PUSH authorities. There are however, very limited commuting flows from Arun and South Hampshire with only 0.8% and 0.6% commuting from Fareham and Portsmouth respectively. In terms of travel to work patterns, access to the major South Coast trunk route via the M27/A27 and the A3(M) routes to Guildford via the Hindhead tunnel are also key spatial factors in Havant Borough as part of the Greater Portsmouth area.
- 3.34 On this basis, it can be concluded that Havant and its associated labour market functions as part of the South Hampshire Functional Economic Area. The identification of the Solent Local Economic Partnership is reflective of the sub-region’s functional economic area accordingly.

## **Summary**

- 3.35 The Borough has a traditionally manufacturing based economy which has meant the Borough has had a tendency for higher levels of unemployment and out-commuting. There is however an opportunity to improve self-containment within the Borough, with a growing base of technology based and specialised manufacturing businesses which is evident by the increases in the number of jobs year on year.
- 3.36 The Borough has a relatively large proportion of micro and small individual businesses relative to the number of premises locally, which provides resilience but presents practicalities for the local economy with many SMEs operating across multiple sites.

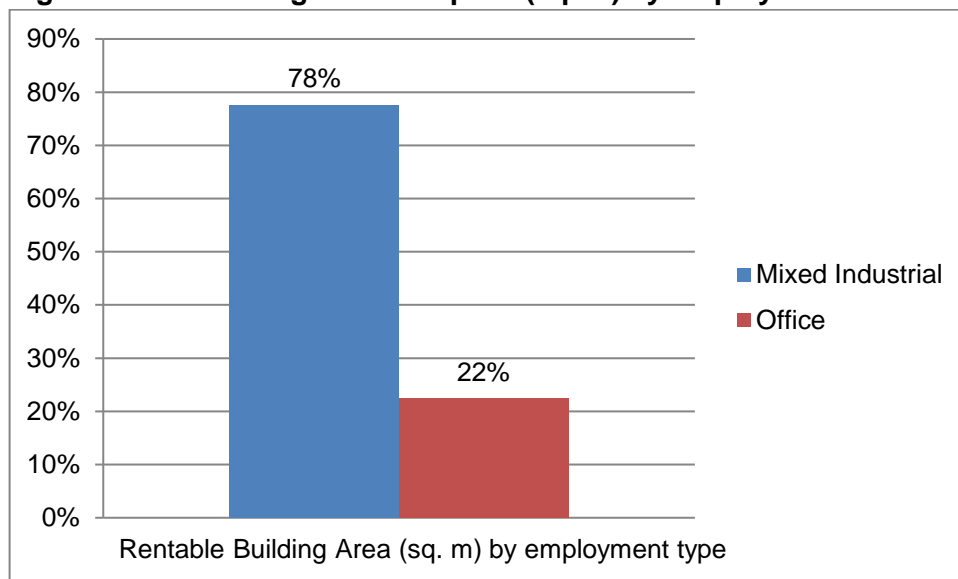
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<sup>7</sup> [South Hampshire Strategic Housing Market Assessment \(GL Hearn, 2014\)](#)

## 4. Property Market Overview

- 4.1 This section provides an overview of the current stock of employment space in Havant Borough and adjoining districts, as well as recent trends and changes to the supply of floor space.
- 4.2 In January 2017, the Borough contained some 828,500 square metres of B class use floorspace. Recognising that in practice many businesses comprise different components, the Borough's employment floorspace can be broadly summarised as follows:

**Figure 4.1: Percentage of floorspace (sq. m) by employment use**

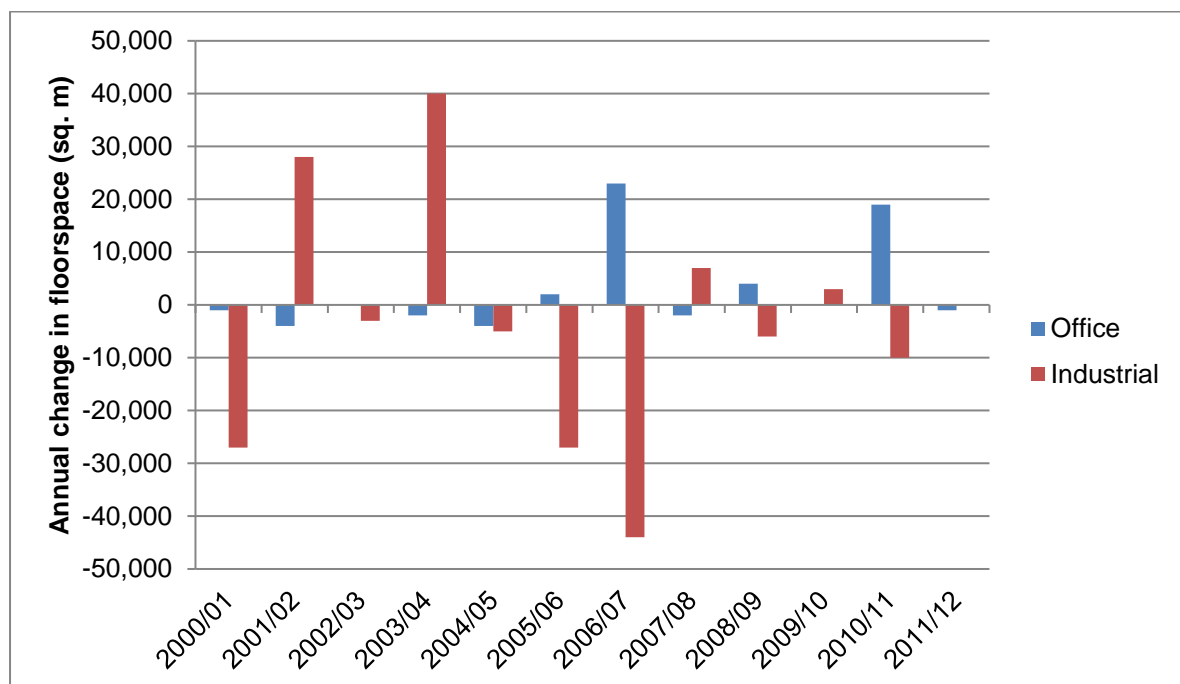


Source: Co-Star, 2017

### Local market context

- 4.3 Figure 4.1 indicates three quarters of the Borough's employment floorspace comprises a mixture of industrial uses. Only a fifth of employment floorspace is in office use, reflecting the fact that the Borough has a relatively weak office market.
- 4.4 Figure 4.2 demonstrates that the Borough has seen relatively sporadic changes in floorspace, but significant increases in floorspace between 2000/01 and 2011/12. It is noteworthy that the Borough has seen isolated instances of speculative development in both office and industrial uses. Though Havant is a secondary office accommodation, it has seen relatively limited losses of office floorspace, with more significant losses of industrial stock.

**Figure 4.2: Annual change in office and industrial floorspace, 2000/01-2011/12**

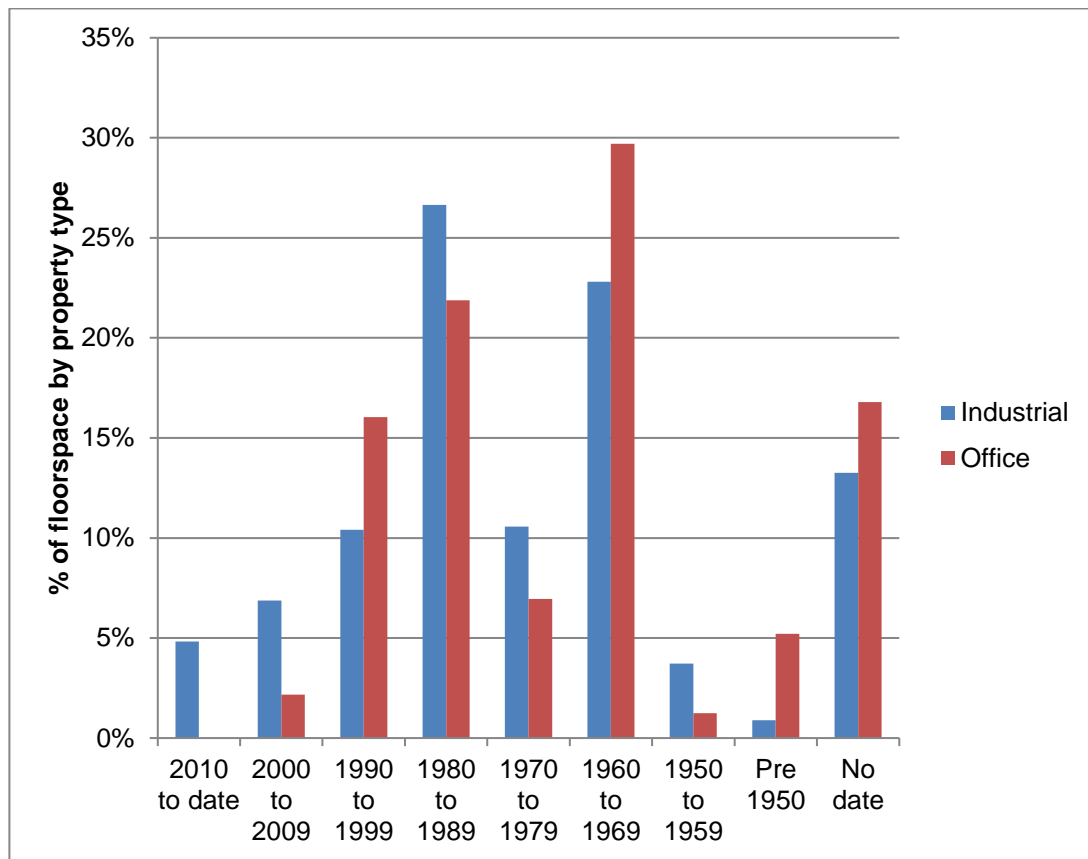


Source: VOA 2016

### Age of Premises

- 4.5 Data provided by CoStar in Figure 4.1 demonstrates the age of commercial premises by type in Havant Borough. Light industrial (Class B1c) properties have been included in the analysis of industrial properties more generally.
- 4.6 The evidence suggests the vast majority of office stock in the Borough pre-dates 1990, with around a third of floorspace (29.7%) constructed between 1960 to 1969 (29.7%), and the second greatest proportion of stock (21.9%) constructed between 1980 to 1989. No significant office floorspace has been built since 2004 with only 2.2% of stock being constructed since 2000.
- 4.7 The greatest proportion of industrial floorspace (26.6%) was constructed during 1980 to 1989, with a comparable proportion of floorspace (22.8%) constructed during 1960 to 1969. Around 12% of industrial stock has been constructed since 2000.
- 4.8 It should be noted that around 15% of all floorspace in the Borough has no information available on the property built date.

**Figure 4.3: Proportion of stock by age in Havant Borough**

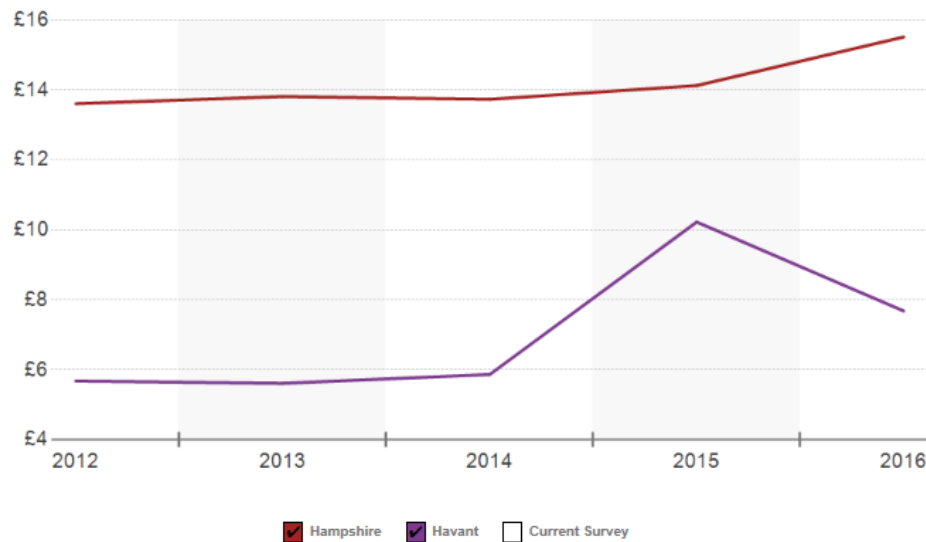


Source: Co-Star, 2017

### Commercial Property Values

- 4.9 Whilst office rents have increased by around a third from 2012 to 2016 rent levels, they remain significantly lower than in Hampshire as a whole.
- 4.10 Figure 5.4 indicates that office properties achieve just under £8 per sq. ft. relative to 2012 rental levels at under £6 per sq. ft. Historically office rental values have always been significantly less than values at County level though there has been a recovery in recent years.

**Figure 4.4: Change in Office Rental Rates (per sq. ft)**

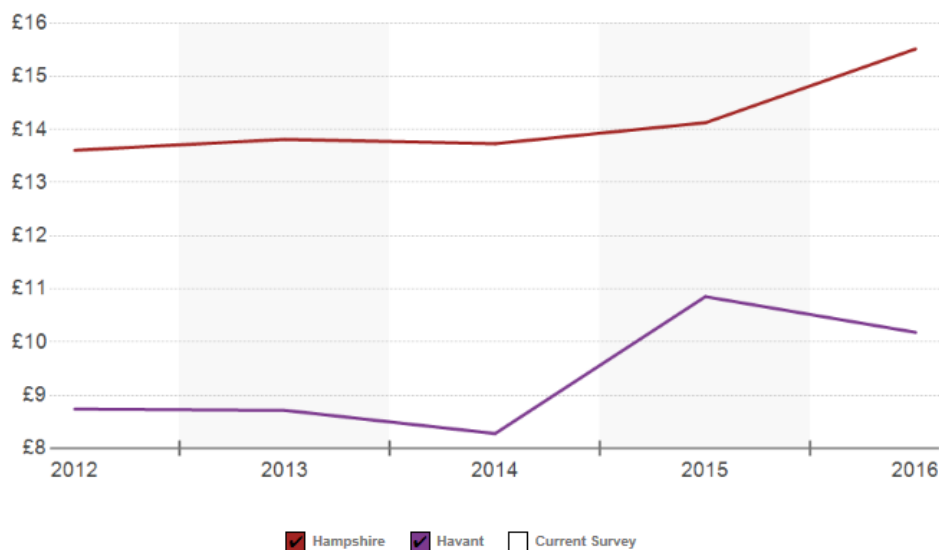


Source: Co-Star, 2017

### Industrial Property Values

- 4.11 Whilst industrial rental values are generally lower than the rest of Hampshire, rental values for industrial properties have remained relatively stable in the Borough with a marginal increase from 2012 to 2016.
- 4.12 Currently industrial properties in the Borough currently achieve around a third of the current rental values than at a county level which is perhaps reflective of the large number of SMEs in the Borough.

**Figure 4.5: Change in Industrial Rental Rates (per sq. ft)**



Source: Co-Star, 2017

- 4.13 The reduction in supply of higher quality industrial units has enabled landlords to promote and achieve inflated rents (when compared to the rest of the sub-region), particularly on good quality second hand units. LSH estimate that capital values are around a third greater than existing tertiary built stock (59%) accordingly.
- 4.14 The LSH assessment of typical office rents suggested a similar disparity between secondary built stock and new/prime floorspace. In May 2016, office pre-let headline rents of £25 per sq. ft. were required to justify development and make new builds viable. This compares headline rents of £11-15 per sq. ft. in the Borough's secondary office stock. There has however, been little or no recent evidence of speculative office development in the Borough which has the potential to artificially inflate pre-rental rates.
- 4.15 Prime headline rents for offices in Havant are therefore too low to support speculative development at present, which can be attributed to limited high quality stock in good locations. Low headline rents in the secondary and tertiary sectors have generally prompted occupiers to renew their leases within their current buildings. This has the potential to restrict market churn in the short term.
- 4.16 According to LSH, prime office rents have increased by around 5-10% during 2015/16, where supply is generally constrained despite built stock being well located, of a high-quality specification, with generous parking ratios and access to amenities.

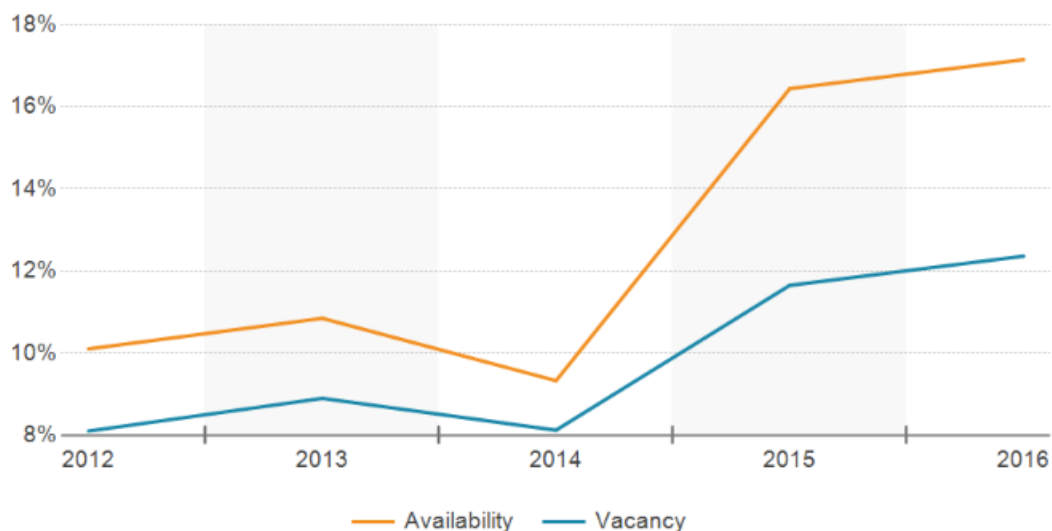
## Availability and Vacancy

- 4.17 The following section provides analysis of the current availability and vacancy rates across the Borough's employment floorspace using the Co-star property database. Co-Star Analytics<sup>8</sup> provide definitions as follows:
- **Availability** is defined as the total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sub-lease, or available at a future date, although it excludes space available in proposed buildings.
  - **Vacancy** is defined as space that is not currently occupied by a tenant, regardless of any lease obligation that may be space. For example, vacant space could be space that is either available or not available.

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<sup>8</sup> <http://www.costar.co.uk/Costar/KnowledgeCentre/PDF/CoStarUKSuite-Analytics-Definitions.pdf>

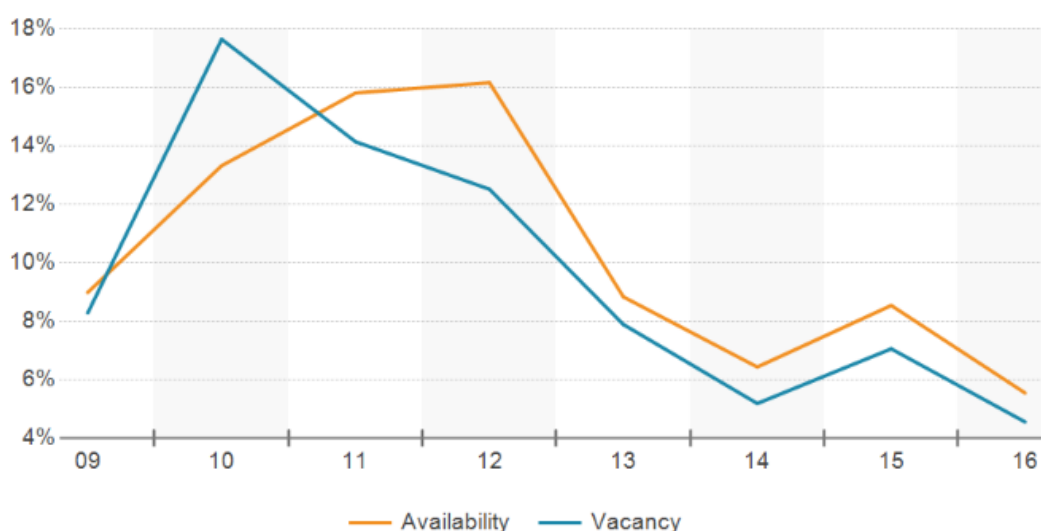
**Figure 4.6 Office Availability and Vacancy**



Source: Co-Star, 2017

- 4.18 The availability of office stock in the Borough has remained broadly in line with vacancy rates. Though there has been a steady increase in the availability of office space from 10-17% between 2012 and 2014, vacancy rates have only increased by around 2% suggesting the demand for office stock has been absorbed into the market.
- 4.19 Nevertheless, there remains a relatively significant vacancy rate of over 12% suggesting that the Borough's office stock does not align with the needs of the market.
- 4.20 In contrast, there has been a steady decline in the availability and vacancy of industrial stock with less than 1% difference between vacancy and availability rates in 2016.

**Figure 4.7 Industrial Availability and Vacancy**



Source: Co-Star, 2017



- 4.21 This suggests the Borough's industrial market may be constrained in the short term due to the limited availability of stock.
- 4.22 Data from Co-Star shows a fall in availability and vacancies<sup>9</sup> for both office and industrial uses in the Borough in the last five years whilst asking rent per sq. ft. for both types of uses has increased.

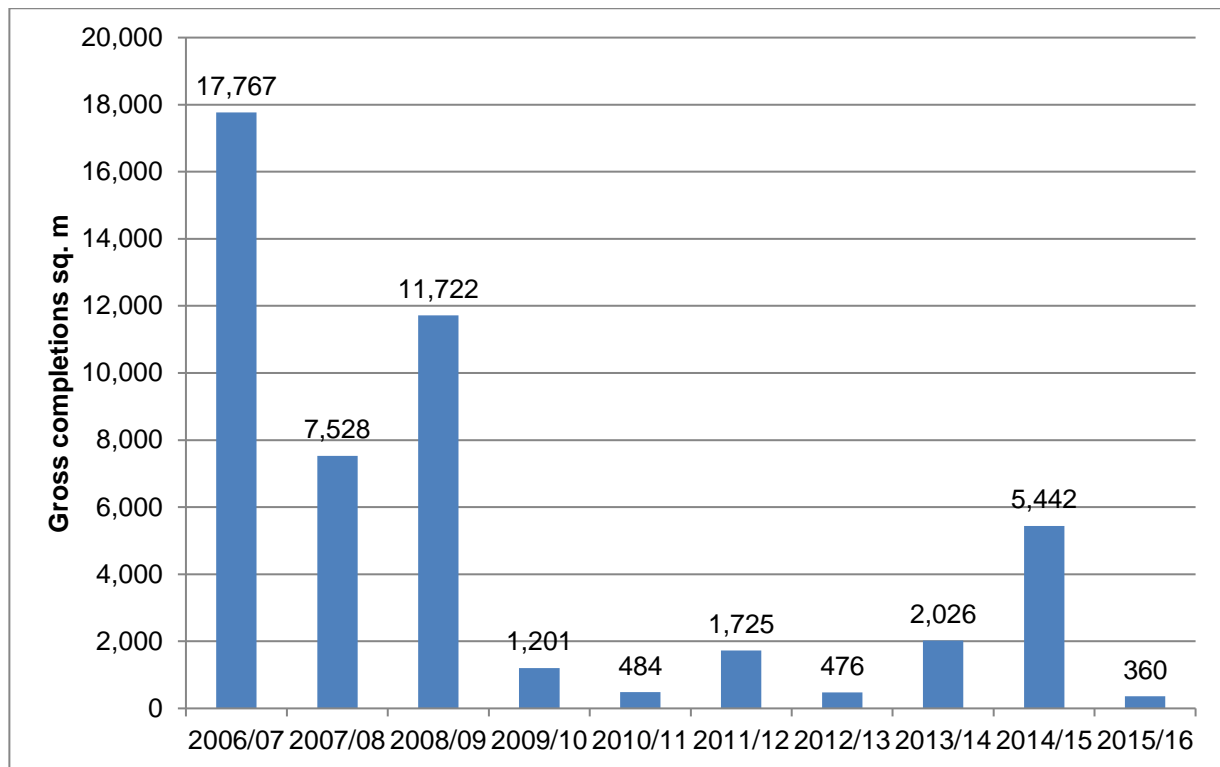
## **Development Rates**

- 4.23 Past development rates provide a useful indication of the amount of employment floorspace that has been completed in the Borough over recent years. The data presented in figures 5.6 and 5.7 is based on annual monitoring data collected by Hampshire County Council.
- 4.24 Figure 4.6 shows there has been a significant variation in gross floorspace completions over a 10 year monitoring period. The data illustrates the greatest amount of employment floorspace (17,767 sq. m) was completed during 2006/07, but the economic downturn had a relatively significant impact on floorspace completions during 2007/08. There was a slight increase again in 2008/09 (11,722 sq. m) during which a number of marine units were completed at Mill Rythe on Hayling Island but employment completions tailed off again in 2009/10.
- 4.25 Since 2009/10, there has been some fluctuation in the quantum of employment floorspace completed, but has averaged around 2,006 sq. m over the last five years (2011/12-2015/16). The peak of 5,442 sq. m during 2014/15 reflects the completion of Phase 2 at Solent Retail Park, Havant.

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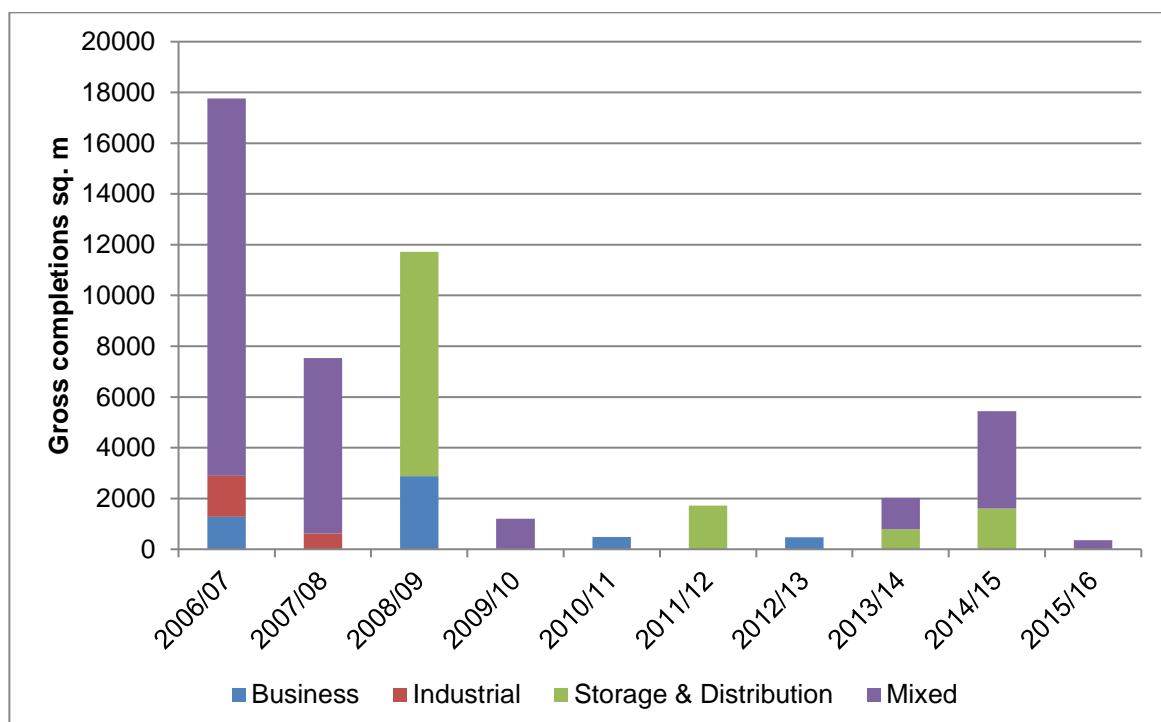
<sup>9</sup> Available floorspace indicates floorspace that is on the market, and not necessarily currently vacant

**Figure 4.8 Gross completed employment floorspace April 2006 – March 2016**



4.26 Figure 4.7 provides a breakdown of the employment floorspace completed by type between 2006 and 2016. Prior to the economic downturn and in more recent years, mixed employment floorspace (Classes B1-B8) has been the prevailing type of employment floorspace completed. This is reflective of the way in which many of the Borough's businesses operate. There have also been relatively significant completions in storage and distribution (Class B8).

**Figure 4.9 Gross completed employment floorspace between April 2006 – March 2016**



- 4.27 In percentage terms and average annual completions, the employment floorspace completions information translates into the following percentages and averages over the ten year period:

**Table 4.10 Proportion (%) and gross annual average employment floorspace completions between 2006/07 and 2015/16**

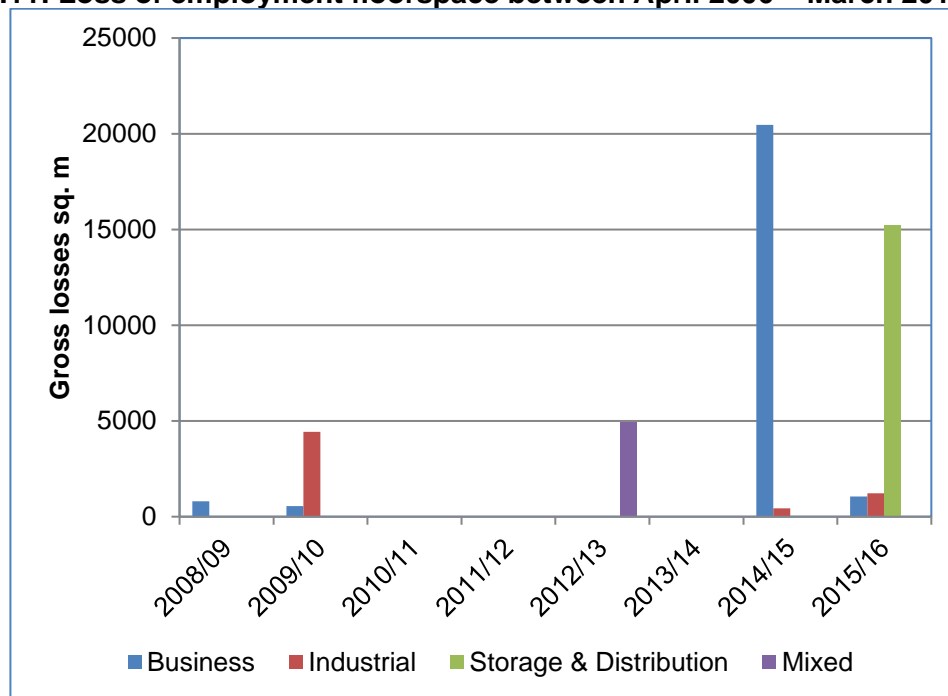
Floorspace type	Proportion of completed floorspace between (%)	Gross Annual Average Annual completion rate (sq. m)
Business (Class B1a)	9%	512.2
Industrial (Classes B1c & B2)	3.9%	223.2
Storage & Distribution (Class B8)	22.7%	1,296
Flexible (B1-B8)	60.5%	2,841.7

- 4.28 The data demonstrates have been limited gross completions of office floorspace in the Borough over the monitoring period, reflecting the moderate take up of office stock in the Borough. Over two thirds of the employment floorspace completed (60.5%) was mixed use (Classes B1-B8) which generally replaced older industrial stock.

## **Losses of Employment Floorspace**

- 4.29 Since 2006/07, losses of employment floorspace have varied considerably. Losses have been recorded in 5 out of 10 monitoring years.
- 4.30 Although relatively significant losses of business floorspace (20,471 sq. m) were recorded during 2014/15, this was largely attributable to the demolition of the vacant floorspace at BAE Systems Technology Park which was previously used for B1(c) research and development use. Similarly, the loss of storage and distribution floorspace (15,215 sq. m) recorded during 2015/16 was due to the demolition of an existing warehouse which is to be replaced by a building for industrial and warehouse purposes (Phase 3 Solent Retail).

**Figure 4.11: Loss of employment floorspace between April 2006 – March 2016**



- 4.31 The Borough recorded an annual average loss of 1,300.9 sq. m for the period 2006/07-2015/16. B1a office uses accounted for 46% of losses, 31% from B8 storage and distribution uses, 12.4% from B2 industrial uses, and 10.1% from mixed employment uses.
- 4.32 The loss of recent employment floorspace reflects the demolition of some dated industrial premises and those sites which have planning permission for the redevelopment for commercial and employment purposes. It is therefore anticipated that the losses will be balanced out over coming monitoring years as development commences.

# 5. Commercial Property Market

- 5.1 This section describes the current property market conditions in Havant Borough, its relationship with neighbouring authorities and the wider Solent LEP area, including recent trends in the demand and take up of commercial property in the Borough. These findings are based on published data, desk based research and market analysis undertaken by LSH commercial property agents.

## Overview

- 5.2 Despite global financial uncertainty, analysis undertaken by LSH shows that since 2015 there has been decreasing unemployment and increasing strong business confidence across the South Coast. The South Coast is continuing to experience impressive and steady occupier activity, but demand is generally being hampered by lack of supply across all building sizes in the office and industrial sectors (and this is considered in further detail below).
- 5.3 Market confidence has however, seen increases in commercial rental values, and progress towards a number of speculative development schemes across the sub-region. As demand largely outstrips supply of both prime and modern secondary units, the ability for new start-ups and businesses are likely to be restricted in the short term. Speculative development activity and take-up of pre-let opportunities by larger companies is expected to release existing stock. As a supply of new stock comes on stream, it is expected to will support a greater degree of market churn and satisfy greater occupier demand.
- 5.4 Over the plan period, there is likely to be a continuing demand for good quality, affordable industrial units and there is a need to ensure sufficient flexibility to foster economic development and local inward investment accordingly.
- 5.5 There are however, conflicting views to what extent this will include growth in the logistics sector in the Borough. In the wider sub-region, demand has largely been focused within locations adjacent to, and well located in relation the strategic road network.
- 5.6 As a secondary office location, the Borough is expected to see continued weak demand for new B1a development in the short to medium term. This is due to absence of credible office demand from local businesses and the resulting residual land values which struggle to support new build schemes.

## Office Market

- 5.7 The office market in the Borough broadly follows the distribution of industrial stock across the Borough, with the most modern accommodation concentrated within the enclaves of established employment areas at Langstone Technology Park and Waterlooville. By virtue of the good quality accommodation in these locations, premises generally remain well-occupied, although other older office stock in secondary locations continues to remain available for relatively long periods.
- 5.8 This is largely attributable to the type of accommodation which does not align with the local occupier needs and requirements, but also increasing competition along the M27/A27 corridor including Daedalus Enterprise Zone and Lakeside Business Park outside of the Borough. The constrained supply of floorspace has pushed up rents in prime locations accordingly. As a result the office

market has remained relatively static, particularly given the lack of speculative office development in the last five years.

- 5.9 Analysis of the availability and vacancy of the Borough's office stock suggests there is only a moderate take-up of office floorspace. Within some established employment areas such as Langstone Technology Park, there is opportunity for future development through the refurbishment and redevelopment of the existing buildings. However, this is hampered by a lack of credible occupier demand means that residual land values are not currently sufficient to support new build schemes.

## **Industrial Market**

- 5.10 The industrial market in the Borough is largely focused around Havant and Waterlooville, though there are well-established industrial areas in Leigh Park, Emsworth, and Hayling Island respectively.
- 5.11 Older industrial stock in the Borough, notably the Tanneries and Aston Road serves an important role and function in providing accommodation for start-ups, and small and micro businesses (SME). These older industrial sites are well let and are widely recognised as providing affordable accommodation. It is anticipated that these locations will be under increasing pressure to be redeveloped for alternative uses which support higher land values.
- 5.12 These sites perform an important economic role in terms of supporting newly established businesses. It will be important to ensure that the role of these sites in the local economy is balanced with market signals and the relative need for different land uses. The specialisms within these areas support a supply of skilled labour and may be vulnerable to displacement if such uses are lost. There is also significant potential to improve the quality of this stock through refurbishment and redevelopment of existing sites and premises.
- 5.13 Market analysis undertaken by LSH indicates there is generally decreasing availability of built industrial and warehouse stock. This is reflective of what is happening across South Hampshire where there has been an overall rise in occupier demand and diminishing supply of employment floorspace.

# 6. Assessing Local Employment Need

## Background

- 6.1 In accordance with national guidance, this section provides an overview of the B Class employment space requirements that are likely to be required in order to meet local objectively assessed needs using the following methods:
- **Labour Demand** including sectoral and employment forecasts and projections;
  - **Labour Supply** based on demographically derived assessments of future employment needs; and
  - **Past Take-Up** based on the recent local trends of occupation of employment land and property and future property market requirements.
- 6.2 As set out in section 2 above, the PUSH Economic and Employment Land Evidence Base Paper<sup>10</sup> provides an overview of forecast employment floorspace needs based on labour demand and past take-up approaches. The PUSH Objectively Assessed Need Update (April 2016)<sup>11</sup> also considers the relationship between labour demand and labour supply. The latter of which provides a high level assessment based on econometric 'Oxford Economics' (OE) forecasts (commissioned by the Solent LEP dated Summer 2015). These approaches are discussed in further detail below.
- 6.3 Notwithstanding the merits of the respective forecasting approaches, the GL Hearn report recommends that it would be prudent to plan for higher levels of growth in employment floorspace/land still recognising:
- *A need to recognise varying business requirements and ensuring flexibility in land supply.*
  - *There are a number of potential drivers which could support stronger demand for employment land than shown in the modelling.*
  - *There is a need to support churn within a functioning local market.*
  - *Some non B-class uses which typically locate on employment sites and a contingency should be added to ensure that employment land is not unduly restricted.*
- 6.4 On this basis, GL Hearn recommend an overall net need for employment floorspace<sup>12</sup> for Havant Borough as follows:

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<sup>10</sup> [PUSH Economic and Employment Land Evidence Base Paper \(GL Hearn, March 2016\)](#)

<sup>11</sup> [PUSH Objectively-Assessed Housing Need Update \(GL Hearn, April 2016\)](#)

<sup>12</sup> Including a five year margin based on past long-term take-up trends.

**Table 6.1: Overall Net Need for Employment Floorspace (sq. m), 2011-2036**

Office (B1a)	Mixed B-class	Total B-class
65,126	337	65,463

Source: *Economic and Employment Land Evidence Base Paper (March 2016), GL Hearn.*

- 6.5 Nevertheless, these employment floorspace figures provide a ‘policy off’ assessment of employment forecasting need. It is therefore appropriate to examine the respective approaches in forecasting employment floorspace needs to determine whether a locally-led approach is justified, having regard to employment land supply and availability of land supply. The forecasting approaches are discussed in turn below.

### **Labour Demand**

- 6.6 Paragraph 5.8 of the GL Hearn report states the starting point for considering employment land requirements under the labour demand scenario are the Oxford Economic (OE) forecasts which are based on employment outputs across 84 industrial sectors. As the OE forecasts were expected to inform the LEP Strategy, GL has extended these to 2036 and assumed annual growth rates by sector for the latter years of the forecast period (2030-2036).
- 6.7 Taking the forecast growth in employment sectors, GL Hearn’s analysis then translates the proportion of employment likely to take place in office (Use Classes B1a and B1b), light industrial floorspace (Use Classes B1c), general industrial floorspace (Use Class B2) and warehouse / distribution floorspace) as follows:

**Table 6.2: Net Forecasts for FTE Employment Growth and Future Employment Floorspace in Havant Borough, 2011-2036**

	B1a/b: Office	B1c: Light Industrial	B2: Industrial	B8: Warehouse	Total B Class
Forecast Employment Growth (FTE)	3,608	-459	-838	498	2,808
Future Employment Floorspace (sq. m)	51,958	-22,670	-31,688	34,809	32,409

Source: *Economic and Employment Land Evidence Base Paper (March 2016, GL Hearn).*

- 6.8 Paragraph 5.26 of the GL Hearn report indicates the above net changes do not take account of replacement demand, such as existing companies requiring upgraded floorspace. In this respect, it does not take into account redevelopment or intensification of industrial floorspace on existing employment sites.
- 6.9 Significantly, the GL Hearn report makes broad assumptions about the forecast growth within individual sectors across the Solent area; seeks to transpose them into employment floorspace requirements; and apportion them at a local authority level. Where demand for office space is expected to be supported by growth in professional services, media, IT and business services, this has been translated into forecast employment growth by authority using the Standard Industrial



Classification. For example, apparent growth shown in the sectors may be influenced by individual categories e.g. energy and water in the professional services sector.

## Labour Supply

- 6.10 The PUSH Objectively-Assessed Housing Need Update<sup>13</sup> prepared by GL Hearn also considers the interaction between labour supply and demand. It examines how the economic and demographic-led forecasts align over the 2011-2030 period in relation to the OE forecasts.
- 6.11 The assessment indicates there will be a 2.7% per annum economic growth within the Borough, which is comparable with the level of economic growth across the sub-region (2.7%). This translates into a 1.1% compound annual growth rate in employment, which is slightly higher than is forecast across PUSH and nationally (both 0.8%).
- 6.12 The OE model translates these levels of employment growth into forecasts for expected population growth and housing need (based on occupied dwellings). The extract from figure 17 of the OAN update shows that trend-based demographic projections (SCEN2) will generally support the levels of employment growth forecast.

**Table 6.3: Housing Need from Economic and Demographic-Led Scenarios for Havant Borough, 2011-2030**

	SCEN1	SCEN2	OE
Dwellings per annum	365	428	408

*Source: Objectively Assessed Housing Need Update (GL Hearn, April 2016).*

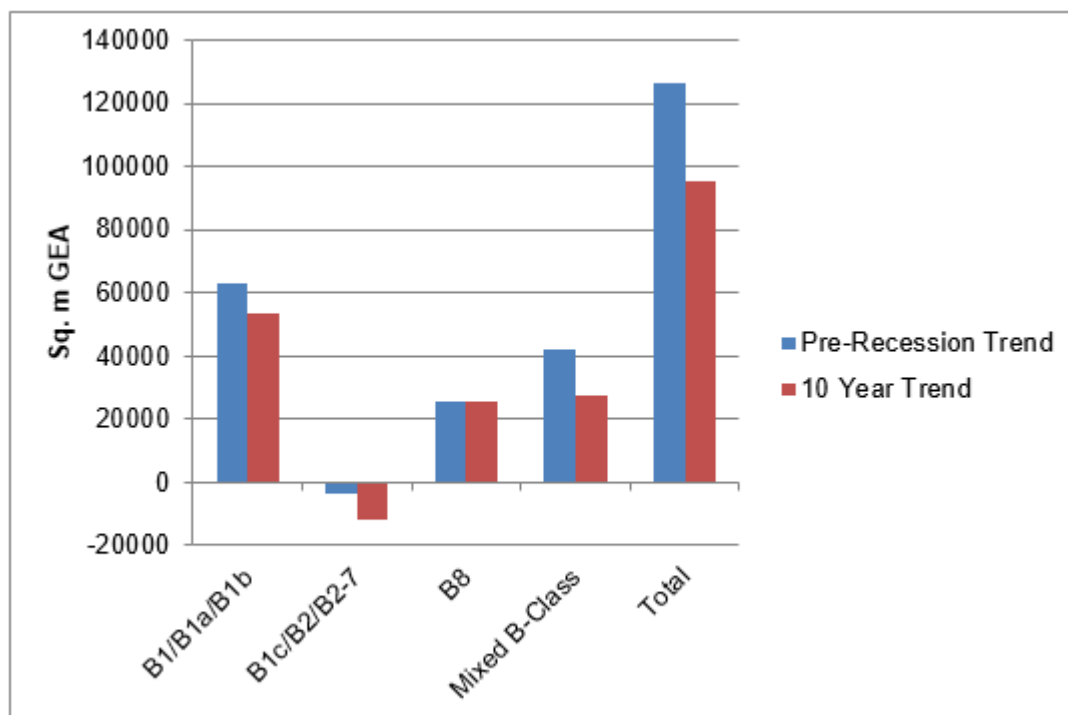
## Past Take Up

- 6.13 The second key forecasting approach examined by the GL Hearn Economic and Employment Land Evidence Base Paper is using past trends to forecast future employment needs.
- 6.14 Using completions data collected by Hampshire County Council, figure 8.1 illustrates net completions in the Borough over a ten-year period (2004-14) and the pre-recession decade (1998-2008). Paragraph 5.31 indicates that GL Hearn consider the pre-recession decade to be more reflective of the longer-term trend.
- 6.15 Importantly however, the completions data do not take into account the take-up or occupation of existing businesses going into existing or second-hand built accommodation which is likely to represent a proportion of the market. Given the relatively limited speculative development in the Borough in recent years, this is likely to be marked amount in Havant.

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<sup>13</sup> [PUSH Objectively-Assessed Housing Need Update \(GL Hearn, April 2016\)](#)

**Figure 6.4: B-Class Floorspace Completions Pre-Recession (1998-2008) and 10 Year Trend (2004-2014)**



Source: *Economic and Employment Land Evidence Base Paper* (March 2016, GL Hearn).

### Initial Findings from the GL Hearn work

- 6.16 These take up trends enabled GL Hearn to derive the overall net need for employment floorspace in each of the PUSH mainland authorities (see figure 6.1 for Havant). However, GL Hearn conclude the economic forecasts (labour demand scenario) to be a more appropriate basis for future planning (than past take up)<sup>14</sup>. This is on the basis the majority of economic forecasts are showing a slower rate of growth than what has been achieved historically.
- 6.17 Notwithstanding the merits of the respective forecasting approaches highlighted above, paragraph 5.10 of the paper also states:
- “Econometric forecasts are volatile, particularly at a local authority level. The forecasts assume that ‘historical relationships hold true’ between past relative performance of industries at a local level and wider geographies. They do not take account of land supply of policy intervention in so far as the impact of this may differ from that in the past. The forecasts should thus be interpreted as ‘trend-based’ with greater weight placed on outputs at a sub-regional level, than for individual local authorities.”*
- 6.18 As the sub-regional assessment undertaken by GL Hearn was based on labour demand, it does not take into account the operation or characteristics of local employment markets. It also only provides a ‘policy off’ assessment of employment need. It is therefore of relevance to examine employment

<sup>14</sup> Paragraph 5.34

land supply and land availability to determine an employment floorspace requirement which is specific to the unique circumstances and market conditions which exist in the Borough.

### Potential Land Supply and Land Availability in Havant Borough

- 6.19 In May 2016, the Council commissioned LSH to undertake a quantitative assessment<sup>15</sup> of the floorspace take up in the B1a and B2/B8 sectors in the context of qualitative assessment of the Borough's employment sites in terms of their market demand and appeal.
- 6.20 In determining the overall net need for B Class floorspace from 2016-2036, LSH took the following factors into account:
- Historic take up in the Borough;
  - The land supply pipeline and the affordability/viability assessment by both occupiers and developers to deliver new floorspace;
  - The regional competition which will impact upon the ability to reach targets;
  - The economic cycle(s) over the 20 year period; and
  - The evolving nature of employment sectors and the type of floorspace likely to be required.
- 6.21 Based on historic patterns of floorspace take up in both B1a and B2/B8 sectors, LSH have modelled a realistic forecast for the net future employment space needed in the Borough. This takes into account the Borough's future job prospects, local market conditions and the suitability and availability of employment land supply in the Borough.
- 6.22 It also categorises floorspace categories into B1a and mixed use B2/B8 uses, recognising that in practice many businesses in the Borough combine office and manufacturing/warehouse operations.

**Table 6.5: Floorspace Net Supply and Need Forecasts (2016-2036)**

Measure	Use B1a	Mixed Use B2/B8
Annual Average Take Up (sq m) 2005-2015	3,825	14,167
Employment Land Supply (sq m) Deliverable (rounded)	35,000	63,000
Viability and Marketability	Weak/May Improve	Strong
Residual Land Values	Negative	Positive
Projected Additional Annual Demand (sq m) 2016-2036	1,393	2,750
Overall Net Need (sq m) 2016-2036	27,870	55,000

- 6.23 Though the analysis undertaken by GL Hearn considered the take up of new employment floorspace, it did not take into consideration existing firms relocating into existing built stock. Given

<sup>15</sup> [Business Needs, Site Assessments and Employment Land Study \(LSH, May 2016\)](#)

the relatively limited speculative development in the Borough in recent years, it is therefore considered relevant to take account of historic patterns of market churn. As part of their long-term research, LSH have calculated the annual average take up over a ten year period (2005-2015). This represents a more realistic assessment of employment floorspace take up having regard to the economic cycle over this period.

- 6.24 Taking into account historic patterns of employment floorspace take-up, LSH have made an assessment of the likely project additional demand to derive an overall figure for employment floorspace requirements.

## **Summary**

- 6.25 The GL Hearn work undertaken to inform the PUSH Spatial Strategy provides a high-level assessment of employment land requirements using the labour demand and past take up trends. However, the assumptions informing this work are biased towards future trend based requirements meaning that they are potentially vulnerable to market volatility. Furthermore, they do not take account of local market conditions and/or policy interventions.
- 6.26 Taking into account that a proportion of past take up of employment floorspace which relates to existing businesses seeking alternative and/or improved built stock to meet their requirements, it is considered the LSH analysis represents a more accurate assessment of past take-up trends.
- 6.27 In order to provide a minimum 15-year time horizon from adoption, it will be necessary for the HBLP to provide for employment floorspace requirements up to 31 March 2037. On this basis, it is considered appropriate to plan for an objectively assessed need of 86,919 square metres over the plan period, taking into account the additional plan year:

$$82,780 / 20 \text{ years} = 4,139 \times 21 \text{ years} = 86,919 \text{ sq m}$$

- 6.28 Importantly the LSH assessment has been informed by an assessment of the likelihood of employment land coming forward as part of speculative development, and likely take-up having regard to market values and viability. This analysis which has been informed by market knowledge and the likely availability and supply of employment land provides a clear indication that there is justification to pursue a locally led approach in meeting employment floorspace needs.

# 7. Review of Employment Sites Portfolio

- 7.1 This section summarises the characteristics and quality of existing and allocated employment sites in the Borough and their suitability to meet future employment development needs.
- 7.2 The assessment includes existing B-use employment sites which may not be specifically identified as an allocation in the Adopted Local Plan (Allocations Plan). They may however, support B-class employment uses which should be safeguarded from non-employment uses in accordance with Policy CS2 of the Adopted Local Plan (Core Strategy). Maps showing the location of the Borough's main employment sites can be found Appendix 3.
- 7.3 Since the publication of the 2012 ELR, a number of employment sites have also been allocated for housing. For the purposes of clarity, a summary of these sites is provided in Appendix 1.
- 7.4 A total of 50 employment sites were assessed amounting to approximately 368.4 ha. These sites comprise the Borough's main established employment areas. Not all employment sites within the Borough are included.
- 7.5 The sites assessed, their main B use and the site area are summarised below. Each of the sites was visited by officers to assess its suitability for employment use<sup>16</sup> against the following assessment criteria:
- Strategic location/accessibility;
  - Estate layout/prominence;
  - Character of area/neighbouring uses;
  - Local amenities/public transport;
  - Planning status;
  - Age and suitability of built stock; and
  - Redevelopment prospects (taking into account market demand and constraints).
- 7.6 It is important to note the site assessment against the criteria potentially provides a subjective assessment of a site's role within the local economy and does not necessarily provide an accurate reflection of its suitability to meet local business needs. For example, a site's importance to meeting the needs of a particular business sector, e.g. marine would be an important reason for retaining the site even though it does not perform strongly against the site assessment criteria. Similarly, some sites such as the Tanneries do not offer quality built accommodation, but serve an important role in terms of the local economy by virtue of the affordable accommodation offered.

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<sup>16</sup> This supersedes the desktop site scoring matrix prepared by Lambert Smith Hampton in May 2016.

**Table 7.1: Site Assessment**

Reference	Site Name / Address	Area (ha)	Main Use	Scoring
BD63	Dunsbury Hill Business Gateway	16.6	Mixed	Above Average
BD16	Solent Road South	2.5	Industrial	Above Average
BD1	Langstone Technology Park, Langstone Road	15.3	Office	Above Average
BD15	Langstone Gate, Solent Road East	1	Office	Above Average
BD51/ BD52/ BD53	Brambles Industrial Estate, Waterberry Drive	9.5	Mixed	Above Average
BD4	Endeavour Business Park, Penner Road	1.3	Industrial	Above Average
BD50	Elettra Avenue	3	Industrial	Above Average
BD9	Site 4 (former HBC depot) , Harts Farm Way, Havant	4.2	Industrial	Above Average
BD3	Penner Road	10.9	Mixed	Above Average
BD5	Broadmarsh Business and Innovation Centre (Basepoint), Harts Farm Way	1.2	Mixed	Above Average
BD21	Dakota Business Park, Downley Road	1.8	Industrial	Above Average
BD24	New Lane South - Haywood Business Centre and Kenwood Business Park	24.9	Mixed	Above Average
BD47	Parkwood Centre, Aston Road	0.9	Mixed	Above Average
BD10	Land North of Regional Business Centre	0.9	Industrial	Above Average
BD46	Arnside Road	4.6	Industrial	Average
BD66	Colt International, New Lane	4.5	Mixed	Average
BD7	Havant Business Centre (Basepoint), Harts Farm Way	6.1	Mixed	Average
BD11	Brockhampton West, Havant	9.4	Mixed	Average
BD69	Northney Marina	18.1	Marine	Average
BD67	Nest Business Centre, Martin Road	2	Mixed	Average
BD23	New Lane North	8.2	Industrial	Average
BD19	Kingscroft Farm, Havant	1.7	Industrial	Average
BD74	Hayling Billy Business Centre (Old Station)	0.8	Industrial	Average
BD2	Southmoor Lane Industrial Estate, Southmoor Lane	6.9	Industrial	Average
BD65	Land south of Fulflood Road, Dunsbury Way, Havant (former Proctor & Gamble site)	3.4	Mixed	Average
BD14	Land North of Solent Road, Havant	1.6	Industrial	Average
BD41	Queen Street, Emsworth	1	Mixed	Average
BD39	Interbridges East	0.8	Mixed	Average
BD73/BD75	Station Road, East of Furniss Way, Hayling Island	2.2	Industrial	Average
BD76	5-7 Station Road and Station Road East	0.3	Industrial	Below Average
BD40	North Street Industrial Estate	3.1	Industrial	Below Average
BD45	Aston Road	5.5	Industrial	Below Average
BD12	The Tanneries, Brockhampton Lane	0.7	Industrial	Below Average
BD42	The Wren Centre, Westbourne Road	1.1	Mixed	Below Average

## Findings

- 7.7 Overall, the assessment of the existing sites indicates the Borough provides a range and type of employment sites, totalling around 370 hectares of employment land. However, there are only two main office sites in the Borough which total over 16 hectares of land (4.3%), whilst 13.3% of the Borough's employment land is in industrial use.
- 7.8 The overwhelming majority of land comprises a mixture of uses including warehouse and office accommodation (77%). This demonstrates the significant need for flexibility within the Borough's main employment areas and illustrates that many of the businesses operating from these sites will have premises which operate with a variety of functions and components.

## Summary of the Main Employment Areas

- 7.9 Figure 6.1 demonstrates that there are 35 established employment areas in the Borough which cover an area of 369.8 hectares. A short summary of these sites is provided below.

### Dunsbury Park Strategic Site

- 7.10 The site comprises over 20 hectares of land to the north west of Leigh Park and is identified as a key employment site by the Solent LEP. The strategic employment site has outline planning permission for the comprehensive development of the site. Dunsbury Hill is in an extremely prominent location in relation to Junction 3 of the A3 (M).
- 7.11 The site is now known as Dunsbury Park and will comprise at least 61,779 sq. m of employment uses and hotel with conference facilities. Havant Borough Council approved the comprehensive outline planning consent (ref. APP/12/00338) on 19<sup>th</sup> February 2014. At the same time full planning permission was granted for a new access link gate to Woolston Road from Hulbert Road which has subsequently been completed.
- 7.12 The first phase of the Fat Face warehouse comprising approximately 14,361 sq. m of the total floorspace permitted (18,037 sq. m) on plot 2 of Phase 1 of the outline application<sup>17</sup> has been completed and occupied. More recently, further plots have been built out with the completion of the VW Breeze Van Centre and the DPD warehouse on Plots 3a and 3b on the site (1,190 sq. m and 3,528 sq. m respectively), the latter of which was a speculative build.
- 7.13 LSH have indicated in order to most effectively attract an occupier or a developer partner/investor, the approach to delivery to the remainder of the site needs to be as flexible and respond to market signals<sup>18</sup> in order to appeal to companies outside the area.
- 7.14 It is acknowledged the appeal for larger 'big box' logistics companies is likely to be moderated by Dunsbury Park's location along the south coast. Whilst LSH identify a need for Class B2 floorspace between 50,000 and 100,000 sq. ft. the timing is unpredictable, and a flexible approach needs to be taken with employment uses. In May 2016, it was estimated that B8 occupier enquiries are on average 30% higher when compared to Class B1c and B2. Over the last three years there has also been a 50% increase in actual take up specifically in logistics use.

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<sup>17</sup> Reserved Matters approval (ref. APP/15/01156)

<sup>18</sup> Condition B6 of the original outline consent ref. APP/12/00338 restricted the Class B8 component to no more than 20% (12,356 sq.m) floorspace of the total 61,779 sq. m comprising Classes B1, B2, B8. This was subsequently varied to 30% (18,534 sq. m) under planning permission ref. APP/15/00732.

- 7.15 Discussions with Portsmouth City Council confirm that 61,779 sq. m of floorspace permitted by the outline planning consent can be delivered on the plots south of Park Lane (phase 1), which traverses the site and links to northern Waterlooville via a bridge over the A3M. Phase 2 which forms part of the outline consent has the potential to deliver 15,000 sq. m. Portsmouth City Council has also identified phase 3 (to the north) as a further area of opportunity through the Council's Call for Sites.

## Emsworth

- 7.16 A number of purpose-built industrial units and an office building at **Station Approach (BD37)** lie adjacent to the railway line at Emsworth. These vary in quality and condition, with the units 2-4 occupied by a number of retail uses including Seatech Yacht Chandlery, Emsworth Fireplaces and Marble Classics. A former office block (unit 1) lies also vacant adjacent to the site access following the vacation of the One Mobility Shop. There is likely to be some potential for redevelopment of the site in the short term.
- 7.17 **North Street Industrial Estate (BD40)** including Palmers Road is a well-established industrial area, comprising a densely populated cluster of units in a variety of industrial and business uses including a MOT/servicing use. The northern extent of the site comprises the former gas holder with further industrial workshops, including some heavy industrial uses in relatively close proximity to a number of residential uses.
- 7.18 **The Old Flour Mill, Queen Street (BD41)** comprises a complex of industrial and business units closely related to the centre of Emsworth. It is well occupied with a number of professional and financial services operating from the site.
- 7.19 To the north west of Emsworth **the Wren Centre (BD42)** accommodates an array of local business and industrial units across a series of barns which have been converted and developed for a variety of purposes.

## Havant

- 7.20 Broadmarsh industrial estate incorporates the A27 Prosperity Corridor and is located immediately west and to the south west of the town centre. It is predominantly industrial but incorporates **Langstone Technology Park** which is recognised as a desirable office location. **New Lane** is also located to the north of the town which was developed to provide employment for Leigh Park residents during the 1960s.
- 7.21 The main industrial employment area to the south of the A27 comprises **Southmoor Lane (BD2)**, **Penner Road (BD3)** and **Endeavour Business Park (BD4)**, which has seen the vast majority of industrial development over the last 10 to 15 years. **Langstone Technology Park (BD1)** and to a lesser extent **Langstone Gate (BD15)** relate to this established industrial area and provide good quality office accommodation in a prominent location close to the town centre. Whilst IBM no longer occupy Langstone Technology Park, the park has continued to evolve and now offers flexible space for offices, innovative manufacturing and research and development.
- 7.22 The Broadmarsh Industrial Area lies to the west of Southmoor Road with convenient access off the A27. **Basepoint (BD5)**<sup>19</sup> lies on the north side of Harts Farm Way and comprises a range of flexible and affordable business units and light industrial workshops up to 910 sq. ft. (85 sq. m). To the east

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<sup>19</sup> Formerly known as Broadmarsh Business and Innovation Centre, Harts Farm Way



**Harts Farm Way (BD9)** otherwise known as 'Site Four' has planning permission for around 16,000 square metres of B2-B8 industrial uses and has seen recent industrial activity with the completion of the new P&I Generators, Keyline Properties and Gap Group Hire Solutions buildings.

- 7.23 **Havant Business Centre (BD7)** comprises a group of older industrial units, with some open storage in the south east extent of the site, with Harts Farm Way Transfer Station and an aggregates depot to the south west beyond.
- 7.24 Solent Retail Park to the north of **Solent Road (BD13)** has seen the replacement of the vast majority of the older industrial stock in the town centre. **The Tanneries (BD12)** industrial area to the north of Brockhampton Lane and Solent Retail Park remains and continues to provide affordable industrial accommodation for start up and small local businesses. These units remain in good demand and provide much needed affordable accommodation for start-ups and small local businesses.
- 7.25 **Solent Trade Park (BD16)** to the south of Solent Road has become well-established and is well occupied with a mix of uses including trade counters, manufacturers and distribution companies. The industrial units are generally well occupied with a mix of occupiers, including trade counters, manufacturers and distribution companies in close proximity of Havant town centre. At the time of the site visits, Phase 3 of the retail park<sup>20</sup> opposite M&S and Next had been completed.
- 7.26 **New Lane South (BD24)** accommodates a number of high profile manufacturers including Kenwood and Sumika Plastics which have seen investment through refurbishment and redevelopment over the last 5 to 10 years in response to occupiers changing needs and requirements. It also comprises the Haywards Business Centre which is well-occupied and provides a complex of flexible business and industrial units.
- 7.27 By comparison, **New Lane North (BD23)** generally comprises of older industrial stock and therefore offers opportunities for both redevelopment and intensification through expansion of existing premises. This has been demonstrated through recent speculative planning application for employment floorspace at the Velocity site<sup>21</sup> following the demolition of an old warehouse.
- 7.28 The recent reorganisation of **Colt International (BD66)** means this site is also likely to become available for development in the short term. The prevalence of asbestos across the older warehouse stock is however likely to moderate site values significantly. It may therefore be appropriate to support a mixed-use scheme with higher residual land values in order offset any abnormal costs.
- 7.29 The **Dakota Business Park (BD21)** and **Nest Business Centre (BD67)** also relate closely to New Lane North and offer relatively modern, good quality business and industrial accommodation. Though lacking prominence they are well occupied and provide modern flexible accommodation for small and medium enterprises (SMEs).

## Hayling Island

- 7.30 Within the southern part of Hayling Island, **Hayling Billy Business Centre (BD71)** comprises a group of industrial units to the west of the mixed use redevelopment under Local Plan allocation ref.

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<sup>20</sup> Granted under planning permission APP/12/00504

<sup>21</sup> Outline approval ref. APP/15/00284 and reserved matters approval(s) (ref. 16/00812 and 16/00813) for up to 11,363 sq. m industrial floorspace.

HY2 off Station Road. The vast majority of units appear to be in storage use with few vacancies. A Jewsons builder's yard and a garage front onto **Station Road (BD73)** to the east.

7.31 There are a number of marine businesses operating from **Northney Marina (BD69)** and **Sparkes Marina (BD70)** which accommodate workshops and light industrial units close to the waterfront. These sites are operating successfully offering marine employment with low vacancies, and are recognised as a key sector in the Solent SEP. Local family-run businesses such as **Wilsons Boatyard (BD71)** also provide local employment on the island.

7.32 **Finchwood Farm**<sup>22</sup> is a well-established area of industrial units located towards the lower end of Copse Lane. It is occupied by a variety of business and industrial units including car repairs and workshops. Whilst offering a lower grade of accommodation, the units are well used by local businesses.

## Leigh Park

7.33 **Fulflood Road (BD65)** largely consists of land remaining from the redevelopment of the Procter and Gamble site. The north western extent of the site is currently occupied and operated by Mipa Paints, and a number of smaller modern industrial units. The north western extent of the site falls within the 'Land South of Fulflood Road' mixed use allocation<sup>23</sup> as currently defined by Policy BD65 in the Local Plan (Allocations) and has extant planning permission (ref. APP/15/012533) for the "erection of approx. 1,920 sq. m of warehouse, 890 sq. m of office space and a 220 sq. m training school facility". This consent has yet to be started.

7.34 The south eastern extent of the site fronts onto Fulflood Road and comprises the former Dairy Crest depot, with a number of modest industrial units of a secondary quality to the rear of the site. There may therefore be the opportunity to deliver further new employment floorspace through the comprehensive redevelopment of the site subject to market appeal.

## Waterlooville

7.35 The **Brambles Industrial Estate (BD51, BD52 and 53)** is a well-established business and industrial area located to the west of Waterlooville town centre. It also lies immediately east and north east of the West of Waterlooville MDA. The industrial accommodation located around the periphery of the employment area is of varying age and quality. The office complexes within the centre of the site namely the Briars, the Hussars and Wellington Court are of a generally good quality, and are well-occupied accordingly. **Basepoint (BD52)** in the north west of the area also offers good quality business accommodation comprising a complex of 52 office and workshop units.

7.36 The industrial area off **Elettra Avenue (BD50 and BD55)** typically comprises of older industrial units in comparison to the main areas of employment to the north. However, they are generally well occupied by a mixture of industrial and manufacturing uses, with few vacancies. There is likely to be some scope for redevelopment within these areas over the next 5 to 10 years. As the West of Waterlooville MDA continues to be built out, there will be a need to ensure a sufficient separation with the adjoining residential uses in order to avoid potential conflicts with the adjoining employment area.

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<sup>22</sup> Not previously identified (no BD reference)

<sup>23</sup> As defined by Policy BD65 in the Local Plan (Allocations) 2014.

- 7.37 Waterloo Industrial Estate lies to the north of the town centre and is accessed off the B2150. The employment area generally comprises older industrial stock, some of which on **Aston Road (BD45)** dates from the 1930s. The industrial units across **Aston Road (BD45)** and **Arnside Road (BD46)** respectively provide typically low grade industrial accommodation for small businesses and start ups, and are very well-occupied accordingly.
- 7.38 The **Parkwood Centre (BD47)** offers a group of modern industrial and office units close to the junction with Hambledon Road, and is similarly well occupied. Despite its prominence, and potential for access to be compromised by traffic associated with the retail park at peak times, the employment area serves an important part of the local market.
- 7.39 An isolated pocket of industrial units also exist to the **rear of Rockville Drive and London Road (BD56)** which are occupied by a number of different businesses including motor trades and MOT/servicing. To the south, **London Road (BD59 and BD62)** accommodates a number of office premises including a security alarm company to the south west of the town centre, and a solicitors and accountants firm beyond the telephone exchange to the south west.
- 7.40 **BD28 Larchwood Business Park** is located off Purbrook Way, adjacent to the McDonalds drive through and restaurant and Asda superstore. It comprises a complex of good quality industrial accommodation. Part of the site is occupied by Eaton and an aerial mobile mast. The site currently has uphill access via Larchwood Avenue.

# 8. Employment Completions & Outstanding Permissions

## Employment Completions

- 8.1 The amount of new employment floorspace completed between 1 April 2016 and 31 March 2020 is shown in Table 8.1 below. This shows that there was a total of 17,233 square metres of employment floorspace was completed between 2016-17 and 2018-19.

**Table 8.1: Completions during monitoring years 16/17 – 18/19**

Monitoring years/ B Use Class	B1a	B1c	B2	B8	B1-B8	Total
<b>2016-17</b>	0	1,000	0	0	18,912	19,912
<b>2017-18</b>	0	266	0	4,688	8,075	3,664
<b>2018-19</b>	666	0	-22,560	9,803	4,718	-7,373
<b>2019-20</b>	0	0	294	0	736	1,030
<b>TOTAL</b>	666	1,266	-22,266	14,491	32,441	<b>17,233</b>

- 8.2 Whilst a total of 19,912 square metres of employment floorspace was completed during 2016/17 this has been offset through the demolition of the buildings which resulted in significant floorspace losses (22,560 square metres) on the former Colt site in the 2018/19 monitoring year. This was despite a relatively significant completion of 9,803 square metres of three warehouse units at the Velocity site on Stanbridge Road, Havant.
- 8.3 The 2019/20 monitoring year saw significant completions at Hermitage Park (Harts Farm Way) with the completion of 6,136 sq. m of floorspace. However, this was offset by the loss of floorspace at 38 New Lane (5,400 sq. m)

## Supply of Employment Land at March 2020

- 8.4 Hampshire County Council monitoring data records the amount of employment space with outstanding planning permissions as at March 2020 (i.e. permissions that have not yet been started). For the purposes of this assessment, it has been assumed the Borough is starting from a clean sheet with no allocations from the Adopted Local Plan contributing to supply.

- 8.5 The assessment of supply has been informed by analysis provided in the Appendices in this report, which includes current and/or more recent applications pursuant to an extant consent. This is because it provides a more up-to-date and realistic indication of the preferred development form.
- 8.6 On this basis, Table 8.2 indicates there is realistic deliverable supply of 5,977 sq. m of employment floorspace as at March 2020.

**Table 8.2: Unimplemented Planning Permissions as at March 2020**

<b>B Use Class</b>	<b>Unimplemented Planning Permissions (Sq. m)</b>
<b>B1A</b>	934
<b>B1-B8</b>	5,043
<b>TOTAL</b>	<b>5,977</b>

- 8.7 The unimplemented planning permissions as at March 2020 are distributed across 8 sites in the Borough based on an officer level assessment of deliverable floorspace based on the site assessment information set out in Appendix 1.

## **Potential Employment Allocations**

- 8.8 The Council undertook a 'Call for Sites' exercise between January and February 2016 which sought submissions from landowners and agents for sites with development potential to meet the Borough's future housing and employment needs. The Council has also identified sites during the site visits within existing employment areas during February 2017.
- 8.9 The tables below provide a summary of the potential sites which can address the employment floorspace target for the Borough and could warrant allocation in the HBLP. Allowing for the intensification and redevelopment of established employment areas, there is likely to be a net loss of floorspace. This reflects the extensive areas of redundant floorspace within the borough's existing employment areas. For example, the monitoring year 18/19 saw a significant loss of employment floorspace from the former Colt site.
- 8.10 In order to foster market confidence in order to facilitate speculative development for existing local companies to relocate and encourage inward investment, Dunsbury Park will continue to be identified as a key strategic employment site and is capable of delivering the majority of the employment floorspace requirements. Detailed commentary on these employment sites is provided in Appendices 1 and 2.

**Table 8.3: Supply from allocations**

Settlement	Site Name	Use(s)	Net Floorspace (sq. m)
Emsworth	Interbridges West	Roadside services / B8	-
Havant and Bedhampton	Brockhampton West	B2 / B8	20,000
Leigh Park	Dunsbury Park Phase 1	B1, B2, B8	42,700 <sup>24</sup>
	Dunsbury Park Phase 2	B1, B2, B8	15,000
Leigh Park	Land at Hulbert Road	B2 / B8	6,250
Waterlooville	Former BAE Systems Technology Park	B1-B8	29,820
<b>TOTAL</b>			113,770

**Table 8.4: Supply from opportunities within established employment areas**

Settlement	Site Name	Use(s)	Net Floorspace (sq. m)
Havant and Bedhampton	Langstone Technology Park	B1-B8	12,575
Havant and Bedhampton	Leigh Park Gas Holder	B2 / B8	1,250
Hayling Island	Northney Marina	B1	-865
<b>TOTAL</b>			12,960

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<sup>24</sup> Remaining potential employment floorspace discounting completions.

# 9. Overall Conclusions and Policy Recommendations

- 9.1 This section draws together overall conclusions and considers appropriate approaches in relation to employment space in order to inform the emerging HBLP.

## Conclusions

- 9.2 Despite the bias towards the industrial sector, the local economy has proved to be relatively resilient through the recent recessions and subsequent period of slow economic growth. This is largely due to the strength of the Borough's traditional manufacturing-based economy, which is largely supported by locally-based SMEs. This is reinforced by the clustering and diversity of these knowledge-based, high tech manufacturing and engineering industries.
- 9.3 In contrast, the office market in the Borough has remained relatively static, with moderate take up of office floorspace. There however, remains strong occupier demand for office accommodation in high profile locations such as Langstone Gate and Langstone Technology Park in Havant and the Brambles Business Park in Waterloooville.
- 9.4 Notwithstanding the variation in the respective age and quality of the Borough's employment areas, estates and individual buildings are well utilised with limited evidence of vacancies. Whilst the built stock tends to be of a lower grade and older age, these employment areas play an important role in the local economy in terms of offering low levels of rent for start-up businesses and serving a wide range of small and micro enterprises accordingly. It is important to secure a continuing healthy market churn in the existing built stock accordingly.
- 9.5 Current industrial pre-rental levels mean the market has been able to support only a limited amount of speculative development such as Velocity. Take up of new stock and pre-let opportunities by larger companies is expected from larger companies as market conditions improve. However, this is likely to be moderated by increasing labour and build costs in the short term.
- 9.6 Office accommodation in the Borough has relatively longer void periods (when compared to industrial accommodation) which is perhaps reflective of the fact that the stock does not support modern working environments in terms of being able to offer single floor occupation, good breakout space and amenity areas. This is compounded by the lack of credible demand for high quality office accommodation due to the absence of high-profile occupiers. This has meant that the borough has seen virtually no speculative office development in recent years.
- 9.7 Analysis of employment floorspace in the borough reveals there has been limited loss of employment land in recent years. Where there have been losses of floorspace, these can largely be attributed to the intensification and redevelopment of the existing employment sites such as Solent Road South.
- 9.8 It will continue to be important to safeguard the Borough's existing industrial areas both in terms of ensuring that secondary and tertiary stock is retained so that local start-ups and SMEs are able to access affordable accommodation. It will also be important to secure the delivery of new employment floorspace on existing employment sites, as well as new employment allocations.

- 9.9 In particular, Dunsbury Park represents a significant opportunity to deliver high quality new industrial and business accommodation which enjoys a prominent location and easy access off the A3 (M). Dunsbury Park is also ideally located in terms of providing high value jobs in close proximity to Leigh Park. The identification of a further area of land to the north of Park Lane (Phase 3) offers a future area for employment growth.
- 9.10 It will, however, be important to ensure that the remainder of Phases 1 and 2 are appropriately phased and delivered in a comprehensive manner with the associated infrastructure needed to support it.

## Policy Approach

### Employment Floorspace Needs

- 9.11 Section 6 concludes the LSH assessment<sup>25</sup> represents a more appropriate approach to deriving local employment floorspace needs. This builds on the future economic needs analysis undertaken by GL Hearn and provides a more realistic assessment of employment needs having regard to the specific operation and function of the Borough's industrial and office markets and a detailed assessment of past take up.
- 9.12 The characteristics of the local market and changing practices more generally mean however, that in practice there is a general shift towards a need for more flexible employment floorspace. For example, warehouse operations may only form one element of the business, with supporting office and storage components. On this basis, the following floorspace targets have been identified:

**Table 9.1: Employment Floorspace Requirements**

Use	Floorspace Requirement (sq. m)
<i>Total objectively assessed need 2016-2036</i>	
Mixed Use Class B2/B8	55,000
Class B1a	27,780
<b>Sub-total</b>	<b>82,780</b>
<i>Employment need requirement 2016-2037</i>	<i>82,780 / 20 years = 4,139 sq. m per annum</i> <i>82,780 + 4,139 = 86,919</i>
<b>TOTAL</b>	<b>86,919</b>

- 9.13 In order to the HBLP to plan for a 15-year time horizon, an additional year of employment floorspace need should be planned for. On that basis, it is considered appropriate to plan for an objectively assessed need of **86,919 square metres** (rolling forward an additional years' worth of need).
- 9.14 Within the industrial sector (Classes B2/B8), the Borough's supply of 8,981 sq. m employment floorspace translates into 97% of the Borough's employment floorspace. This reflects the

<sup>25</sup> [Business Needs, Site Assessments and Employment Land Study \(LSH, May 2016\)](#)



specialised manufacturing and technological based nature of the economy. In contrast, the Borough has relatively limited supply of Class B1a employment floorspace (as at April 2019) of 250 sq. m.

- 9.15 To provide market confidence and the right conditions for speculative development, a future office supply pipeline will be important to allow for healthy market churn and sufficient flexibility in employment land supply, particularly given the lack of speculative development in recent years. In this respect, there are opportunities to provide new office development at Dunsbury Park.

## **Employment Allocations**

- 9.16 As set out above, despite improving market conditions, there has generally been fairly limited speculative development in the Borough. This has largely been confined to pockets within well-established employment areas, although the Borough has also seen some speculative pre-let development on some of the existing employment allocations.
- 9.17 There remains a relatively significant disparity between rental values for second hand stock and pre-rental levels. This means that many businesses, particularly the smaller local companies in the Borough lack the incentive and inclination to take the risk and invest in newly built stock.
- 9.18 Appendix 1 contains a comprehensive assessment of the Dunsbury Park strategic site and the Borough's employment allocations in the Adopted Local Plan (Allocations). Whilst site allocations such as Solent Road South and East of Station Road have now been built out and occupied, many of the other employment allocations are in their starting blocks in terms of their delivery given the Plan was only adopted in 2014. Though there is a reasonable degree of market certainty with outline consents on sites, with a number of phases now built out or starting to be built out.
- 9.19 On this basis, there is a need to ensure flexibility and choice of employment sites available to encourage inward investment and development over the plan period. On this basis, Appendix 2 provides a detailed assessment of the sites which have been promoted for employment use through the Council's Call for Sites exercises. It is therefore recommended that the following sites are allocated or identified as an opportunity for employment development in the HBLP.

**Table 9.3: Supply from allocations**

Settlement	Site Name	Use(s)	Net Floorspace (sq. m)
Emsworth	Interbridges West	Roadside services / B8	-
Havant and Bedhampton	Brockhampton West	B2 / B8	20,000
Leigh Park	Dunsbury Park Phase 1	B1, B2, B8	42,700 <sup>26</sup>
	Dunsbury Park Phase 2	B1, B2, B8	15,000
Leigh Park	Land at Hulbert Road	B2 / B8	6,250
Waterlooville	Former BAE Systems Technology Park	B1-B8	29,820
<b>TOTAL</b>			113,770

**Table 9.4: Supply from opportunities within established employment areas**

Settlement	Site Name	Use(s)	Net Floorspace (sq. m)
Havant and Bedhampton	Langstone Technology Park	B1-B8	12,575
Havant and Bedhampton	Leigh Park Gas Holder	B2 / B8	1,250
Hayling Island	Northney Marina	B1	-865
<b>TOTAL</b>			12,960

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<sup>26</sup> Remaining potential employment floorspace discounting completions.

**Table 9.5 Employment Land Supply**

	Need Requirement (sq. m)	Supply (sq. m)
<b>Total objectively assessed employment need</b> From 2016-2037 based on employment land availability and past take up trends	86,919	
<b>Completed floorspace</b> The amount of employment floorspace completed in the Borough during monitoring years 16/17 – 18/19		17,233
<b>Outstanding planning permissions</b> Total new employment floorspace with planning permission on 1/4/2020		5,977
<b>Opportunities within established employment areas</b> Total net employment floorspace through intensification and redevelopment (Table 8.3)		12,960
<b>Proposed allocations</b> Total employment floorspace on sites proposed for allocation		113,770
<b>Total Employment Land</b>		<b>149,940</b>

- 9.20 Table 8.3 illustrates there is a buffer of c. 60,000 sq. m employment floorspace available and that the borough will exceed the Borough's floorspace requirements during the plan period. However, as market conditions continue to improve this will be essential as there will be intensification and redevelopment within the Borough's established employment areas which will result in the net loss of some employment space due to the older stock which tends to have a higher level of site coverage.
- 9.21 At the same time, there is a continuing need to identify sufficient sites in order to provide flexibility in the supply of employment land. Around 75% of employment floorspace will be delivered through new employment floorspace on allocations with the balance achieved within established employment areas. Of this, around 41% of floorspace is to be delivered across phases 1 and 2 at the Dunsbury Park strategic site.

### **Dunsbury Park**

- 9.22 Dunsbury Park is recognised as a key site both locally and sub-regionally, which has the potential to deliver 42,700 square metres of high-quality business and employment floorspace (15,000 sq. m of which would be over and above that included in the outline consent)<sup>27</sup>. A further 6.55 hectares of land to the north extending to the A3 has been identified as an area of search. It will however be important to ensure the site continues to be phased and delivered in a comprehensive manner with the associated infrastructure which is needed to support this important strategic site.
- 9.23 In order to most effectively attract occupiers or a developer partner/investor, the approach to delivery of the remainder of the site should be flexible in order to respond to market signals<sup>28</sup>. This

<sup>27</sup> After discounting completed floorspace with planning permission.

<sup>28</sup> Condition B6 of the original outline consent ref. APP/12/00338 restricted the Class B8 component to no more than 20% (12,356 sq. m) floorspace of the total 61,779 sq. m comprising Classes B1, B2, and B8. This was subsequently varied to 30% (18,534 sq. m) under planning permission ref. APP/15/00732.

will be significant in ensuring the site appeals to companies outside the area and fulfil its potential as a flagship employment site which is of significance to the wider Solent sub-region.

- 9.24 Within the wider sub-region, LSH's market analysis suggests there is increasing demand from large 'big box' logistics companies. However, this is likely to be moderated by Dunsbury Park's location on the south coast. It is however, recognised that there will be further demand for further Class B8 uses on the remainder of the site. Whilst warehouse and distribution uses have tended to provide low value jobs in the past, job density is potentially higher now due to the increasing range of employment opportunities offered at a range of skill levels.

### **Identify the Borough's main established employment areas**

- 9.25 Policies C2 and DM3 of the Local Plan (Core Strategy) currently safeguard against the loss of land or premises last used for employment purposes unless it can be demonstrated that the land or premises are not fit for purpose and financially unviable for B use class purposes. However, other sui-generis use classes e.g. car servicing/MOT also provide a significant source of employment and economic development in the Borough.
- 9.26 Most of the Borough's employment areas are characterised by older built stock with very limited vacancies but which serve an important economic function in terms of providing affordable accommodation for SMEs and start-ups. These in turn form an important part of the Borough's knowledge-based economy, incubating small businesses and innovation in specialised manufacturing.
- 9.27 Over the plan period, these areas will continue to play a key role in terms of attracting inward investment. The loss of land and premises from employment use within these areas should be avoided accordingly to avoid the displacement of an established skills base. Furthermore, there is a very realistic prospect that land and buildings will be reused, reoccupied or redeveloped for employment purposes of some form, and should be safeguarded from non-employment generating uses accordingly.
- 9.28 Importantly however, there is significant potential for redevelopment and intensification to support the Borough's economic growth. For example, the development on Velocity site on Stanbridge Road will assist the release of second hand stock and provide an opportunity to deliver much needed newly built stock within an already established employment area.

### **Review the allocations for some of the Borough's employment sites**

- 9.29 Following various planning permissions and Call for Site submissions from various landowners, it is recommended the following site allocations are reviewed and/or deleted for employment purposes:

#### **Delete but safeguard employment generating uses**

- Solent Road South – is now largely completed and occupied and operates successfully as an employment area and should be safeguarded from non-employment generating uses moving forward.
- Wessex Construction – has planning permission for residential development and is unlikely to deliver any significant gains in employment floorspace. The businesses/occupiers on the remaining part of the site should however, be safeguarded from non-employment generating uses moving forward.

## Review

- Former BAE Systems – a revised outline planning application ref. APP/18/01072 is currently pending consideration for a range of uses including Classes B1(c), B2 and B8. There is known market occupier interest in the site and it is recommended that the site is allocated for employment purposes accordingly.
- Brockhampton West – the site is currently included as an allocation for 23,400 sq. m of employment floorspace in the Adopted Local Plan (Allocations), however, it is considered appropriate to revise the quantum of development to reflect known site constraints.

### **Enabling the loss of some industrial floorspace to alternative uses**

- 9.1 Whilst the macroeconomic climate continues to be uncertain, many international and national businesses within the Borough are restructuring and reorganising their organisations. These will have implications for the way in which businesses operate. There will be a need to provide flexibility for redevelopment and intensification within the borough's established employment areas, to ensure that proposals which strengthen the function and role of these areas are supported.
- 9.2 It is however; recognised there will be some losses within existing employment areas. As set out above, it will be important to ensure these areas are appropriately safeguarded, provided there is a reasonable prospect that the site will be re-used or redeveloped for employment purposes having regard to market signals and the relative need for different land uses.
- 9.3 Around the fringes of established employment areas, there will be increasing pressure to redevelop these areas for higher land values especially where residential areas may be adjoining such sites. Whilst these proposals will be treated on their individual merits, the loss of employment land particularly within the borough's main incubator sites, should be resisted so long as there is a realistic prospect that the land and/or buildings is likely to be reused or redeveloped for employment of some form.
- 9.4 In exceptional circumstances, it may be appropriate to support mixed use development proposals containing an element of residential uses to ensure the site retains some form of employment or economic use e.g. Colt International. In such cases, higher land value elements are likely to be required to fund any significant infrastructure and/or site mitigation costs. The Council will continue to ensure that opportunities for employment are maximised on such sites.

### **Recommendations for Office Uses**

- 9.5 As set out above, the office market in the Borough has remained relatively static due to the lack of speculative development in recent years. The lack of demand for high quality office accommodation is perhaps reflective of the Borough's office market where buildings and space(s) do not align with occupier's needs and requirements.
- 9.6 There are however, a number of identified employment sites which offer the opportunity to deliver new office development, notably that of Dunsbury Park.
- 9.7 Langstone Gate and Langstone Technology Park and the Brambles Business Park in Waterlooville do however; operate relatively successfully as office locations given their relative prominent locations and access to the strategic highway network. These employment sites are generally well-occupied with few vacancies, reflecting the fact that they generally meet the demands of local occupiers and should continue to be safeguarded. There may be an opportunity to deliver further B1a office accommodation at the nearby former BAE systems site accordingly.

# Appendix 1 Employment Allocations Review as at March 2020

ELR ref	Site name	Planning Status	Site area (ha)	Use class	Potential Net Floorspace (Sq.m)	Retain/ review/ delete	Comments
BD39	Interbridges East, New Brighton Road	<p>The site has planning permission (ref. APP/16/00295) for a veterinary practice (936 sq. m), 4 no. business units, parking and open storage, including 152 sq. m of light industrial (Class B1c) floorspace and 455 sq. m office (Class B1a) floorspace which was granted in May 2017.</p> <p>The site also has extant planning permission (ref. 07/54901/007 as extended under planning permission ref. APP/10/00912) for 12 industrial units (1822.6sqm) within B1 (b &amp; c), 3 office units (395sqm), open storage and commuter car park with new access to New Brighton Road.</p>	0.81	B1a/ B2/ B8/ D1	600	Safeguard	<p>The site has extant planning permission for around 2,200 sq. m of new employment floorspace.</p> <p>More recently planning permission (ref. APP/16/00295) for a veterinary practice (936 sq. m), 4 no. business units, parking and open storage, including 152 sq. m of light industrial (Class B1c) floorspace and 455 sq. m office (Class B1a) floorspace was granted in May 2017. As such, employment uses are likely to be ancillary to the main use of the site. The veterinary practice will however support a form of economic development.</p> <p>A lawful commencement on site has already been made in accordance with reference APP/10/00915. On this basis it is considered appropriate to protect the site from non-employment generating uses as an established employment area.</p>

ELR ref	Site name	Planning Status	Site area (ha)	Use class	Potential Net Floorspace (Sq.m)	Retain/ review/ delete	Comments
BD9	Harts Farm Way (formerly known as Site Four / Former Council Depot)	The site has extant outline planning permission ref. 02/52646/016 (outline as by APP/10/00737) granted for a total of 16,272 sq. m business and industrial floorspace. Planning permission refs. APP/17/00548 and APP/17/00075 were completed during 17/18 comprising 1,560 square metres of B8 floorspace.	4.19	B2/B8	7,000	Safeguard	<p>The following planning permissions have subsequently been implemented on the site:</p> <ul style="list-style-type: none"> <li>• APP/14/01296 – P&amp;I Generators comprising 3,603 sq. m of business and industrial accommodation.</li> <li>• APP/17/00075 – Keyline Properties comprising 575 sq. m of storage and distribution floorspace.</li> <li>• APP/17/00548 – Gap Group Hire Solutions comprising 985 sq. m of storage and distribution floorspace.</li> </ul> <p>More recently, the following planning permissions have been granted for the remaining area of the site:</p> <ul style="list-style-type: none"> <li>• APP/18/00287 - 3 warehouses extending to 3,982 sq. m of industrial/storage floorspace.</li> <li>• APP/18/00071 – new factory and woodchip store comprising 2,982 sq. m of Classes B1, B2 and B8 floorspace.</li> </ul> <p>Given that this site has now been largely built out, it is considered appropriate to protect the site from non-employment generating uses as an established employment area.</p>



ELR ref	Site name	Planning Status	Site area (ha)	Use class	Potential Net Floorspace (Sq.m)	Retain/ review/ delete	Comments
BD10	Land North of Regional Business Centre, Havant	Unimplemented Local Plan allocation.	1.48	B2/B8	3,500	Delete	There is insufficient information to conclude the development of the site would be safe in flood risk terms. As such, the site is no longer proposed for inclusion the HBLP.
BD11	Brockhampton West	Unimplemented Local Plan allocation	9.41	B2/B8	20,000	Allocate	The site is promoted for industrial and warehouse uses in a gateway location to the interchange of the A3(M) and the A27. The site is currently allocated for 23,000 sq. m in the Allocations Plan (Policy HB2), but it is considered appropriate to adjust the site capacity reflecting known site constraints.
BD14	Solent Road North	Unimplemented Local Plan allocation	1.68	B1a/B2/B8	5,440	Delete	The landowner has previously promoted the site for B1/B8 uses.  However, there is insufficient information to conclude the development of the site would be safe in flood risk terms. As such, the site is no longer proposed for inclusion the HBLP.
BD19	Kingscroft Farm, Havant	Unimplemented Local Plan allocation.	2.71	B2/B8	12,000	Delete	The site has been promoted as being suitable for housing through the emerging HBLP.  Due to the presence of a ransom strip along the eastern edge of the site, employment development is unlikely to come forward on the site. There is insufficient information to conclude the development of the site would be safe in flood risk

ELR ref	Site name	Planning Status	Site area (ha)	Use class	Potential Net Floorspace (Sq.m)	Retain/ review/ delete	Comments
							terms. As such, the site has not been included in the emerging HBLP.
BD27	Wessex & Network Rail	Unimplemented Local Plan allocation (mixed use).		0.9	Housing & Employment	Delete	The principle of residential development on the western part of the site was established (ref. APP/15/01245) and under Local Plan allocation ref. H07. A large part of the remaining site area is occupied by a derelict warehouse building, with a number of scattered businesses along the Eastern Road frontage. The eastern area is peripheral relative to the established employment area, and should development come forward on this part of the site, it will need to be demonstrated that there is suitable and available premises which enable these businesses to relocate.
BD63	Dunsbury Park (Phases 1 and 2)	The site has extant planning permission ref. APP/12/00338 for 61,779 sq. m of which 43,752 sq. m is employment floorspace comprising Classes B1, B2 and B8. Plot 2 has been partially implemented with the Fat Face warehouse (14,361 sq. m). Plots 3a and 3b have also now	20.2	B1, B2, B8	57,700 sq.m 42,700 sq.m (Phase 1) 15,000 sq.m (Phase 2)	Allocate	The following planning permissions have subsequently been implemented on the site: <ul style="list-style-type: none"> <li>APP/15/01156 – Fat Face warehouse of which 14,361 sq. m of floorspace has been built, with a further remaining phase (3,675 sq. m) yet to be implemented.</li> <li>APP/18/00224 – VW Breeze Van Centre comprising 1,190 sq. m of commercial vehicle</li> </ul>

ELR ref	Site name	Planning Status	Site area (ha)	Use class	Potential Net Floorspace (Sq.m)	Retain/ review/ delete	Comments
		<p>been completed under planning permission references APP/18/00224 and APP/18/00357 extending to around 4,700 sq. m.</p>					<p>repair and maintenance facility with ancillary sales area.</p> <ul style="list-style-type: none"> <li>APP/18/00357 – Unit built speculatively by the landowner comprising 3,528 sqm B1(c)/B2/B8 commercial floorspace.</li> </ul> <p>There is the potential to deliver 24,675 sq. m remaining from the outline consent, which the landowner has indicated can now all be delivered within phase 1. The landowner has indicated the potential for an additional 15,000 (phase 2) west of Park Lane, within the red line of the outline consent.</p>
BD65	Land south of Fulflood Road, Dunsbury Way, Havant (former Procter & Gamble site)	<p>The site has extant planning permission (ref. APP/15/01233) for the construction of a 1,925-sq. m warehouse, 890 sq. m office and 220 sq. m training school facility.</p> <p>There have been subsequent Reserved Matters approvals references APP/18/00224 and APP/18/00357 for Plots 3a and 3b.</p>	0.74	B2, B8	2,815	Safeguard	<p>The site has extant planning permission for the construction of a new warehouse, office and training facility associated with Mipa Paints. More recently a number of details reserved by condition have been submitted for approval.</p> <p>On this basis, there is a very good reasonable prospect of the site being used for employment purposes and should be protected accordingly.</p>

ELR ref	Site name	Planning Status	Site area (ha)	Use class	Potential Net Floorspace (Sq.m)	Retain/ review/ delete	Comments
BD54	Former BAE Systems Technology Park, WaterlooVille	<p>The southern part of the site has extant planning permission (ref. APP/13/00893) for mixed use development employment, leisure and retail development.</p> <p>More recently, a further outline application (ref. APP/18/01072) for mixed use development of the site has been submitted and is pending consideration.</p>	5.3	B1a, B2, B8	29,820	Allocate	<p>There is an extent outline planning consent which clear establishes the principle of employment development on the site, as well as town centre uses. However, following the grant of this outline consent, the applicant carried out a significant marketing campaign which indicated that there was no occupier demand for the quantum of consented Class B1, B2 and B8 floorspace.</p> <p>A revised outline planning application ref. APP/18/01072 for a range of uses has been submitted, including Class B1 (c) / B2/ B8 development and Class B8 Trade Counter use, Class A1 Retail, Class C1 Hotel, Class D2 leisure and Classes A3 and A5 Drink / Food Establishments to appeal to a wide a range of potential investors as possible. There is known occupier interest and therefore a reasonable prospect of new employment floorspace being delivered on the site.</p>

# Appendix 2 Proposed Site Allocations as at March 2020

ELR ref	Site Name	Settlement	Planning Status	Site area (ha)	Use class	Net Floorspace (sq. m)	Allocate / Review / Discard	Comments
BD38	Interbridges West	Emsworth	Emerging allocation	4.5	Roadside services / B8	-	Allocate	<p>The site is promoted for commercial and highway related uses to complement the existing petrol filling station and is likely to be developable in the short term. However, at this stage there is some uncertainty as to whether this will include B8 floorspace. The site has not been attributed any capacity for employment floorspace at this stage accordingly.</p> <p>Part of the site may be required to accommodate some of the access infrastructure needed to serve the Southleigh strategic site.</p>
BD1	Langstone Technology Park	Havant	Officer / Site Surveys		B1a, B2, B8	12,575	Allocate	<p>Whilst a large number of companies retain a presence on the site including Lockheed Martin, some companies have left Langstone Technology Park in recent years.</p> <p>A current planning application (ref. APP/19/00703) for the part demolition of Building 1000 and the erection of new flexible industrial units and a new parking layout is currently pending consideration.</p>

ELR ref	Site Name	Settlement	Planning Status	Site area (ha)	Use class	Net Floorspace (sq. m)	Allocate / Review / Discard	Comments
BD68	Former SSE offices, Bartons Road	Leigh Park	Officer / Site Surveys	1.7	Builders yard	1,700	Delete	<p>The site is allocated for housing under site allocation reference L145 of Policy LP1 in the Site Allocations Plan.</p> <p>The site has been cleared following the demolition of the former SSE building (c. 5,600 sq. m) under prior approval reference APP/16/00940. The landowner submitted representations to the Draft Local Plan consultation which indicate a commercial interest in the site.</p> <p>The site has since been put on the market, and it is considered that a wholly residential allocation would be more appropriate.</p>
BD83	New Lane Gas Holder Station (formerly known as Leigh Park Gasometer)	Havant	Call for Sites	0.3	B2, B8	1,250	Safeguard	<p>The landowner has promoted the site for mixed retail/residential uses due to the abnormal costs associated with remediation and dismantling of the existing gas holder.</p> <p>The site falls within a well-established industrial area with frontage onto New Lane. With improving market conditions, there is a reasonable prospect the site will be redeveloped. Given its location within an established employment area, it should be protected for non-employment generating uses accordingly.</p>

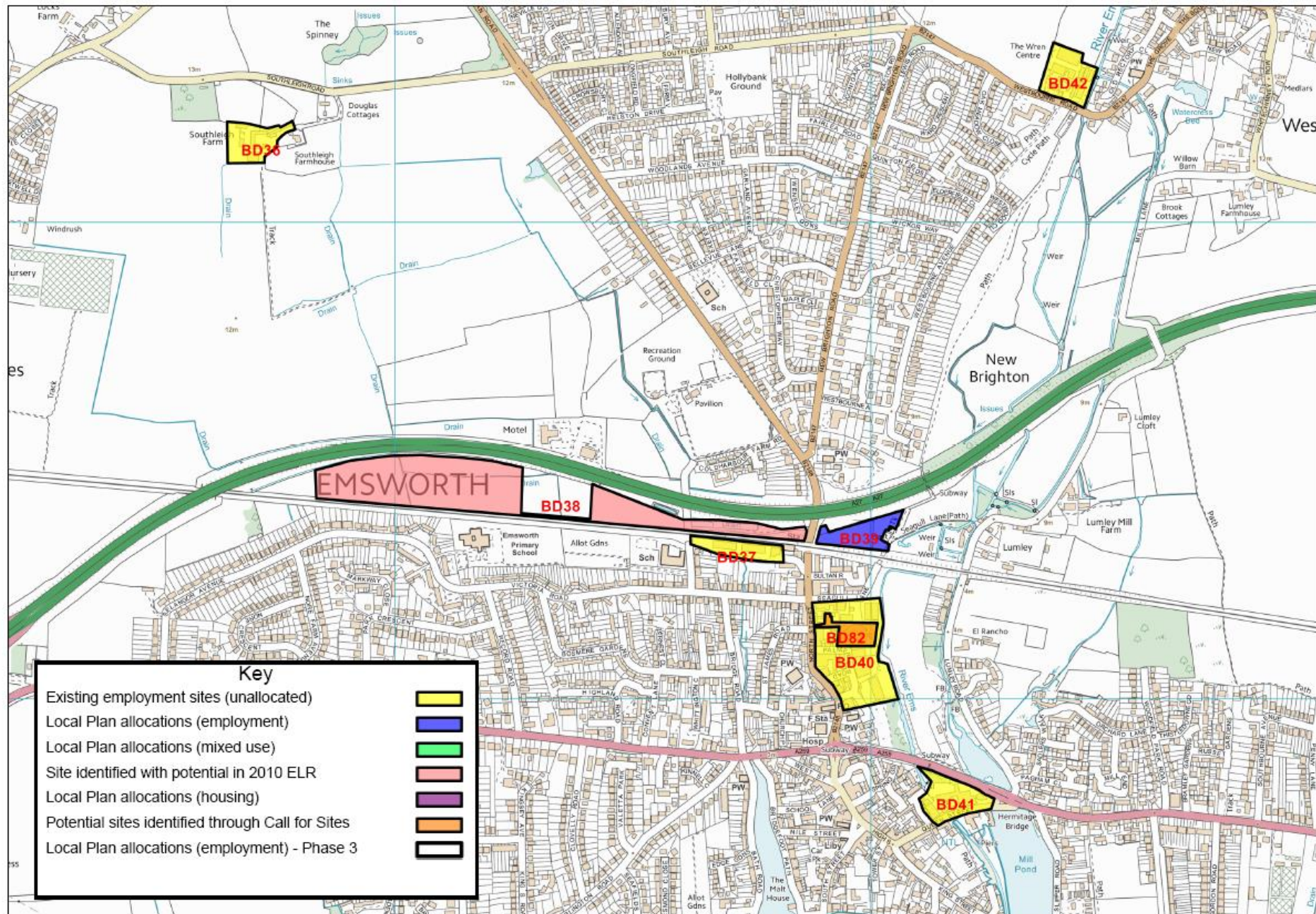
ELR ref	Site Name	Settlement	Planning Status	Site area (ha)	Use class	Net Floorspace (sq. m)	Allocate / Review / Discard	Comments
BD84	Velocity (former warehouse), Stanbridge Road	Havant	Officer / Site Surveys	1.97	B2, B8	-	Delete	<p>The site falls within a well-established employment area and has extant outline consent ref. APP/15/00284.</p> <p>A reserved matter approval for the 3-unit scheme (ref. APP/16/00812) comprising some 9,803 sq. m which was built out during the 18/19 monitoring year. Whilst this is now complete, it is considered appropriate to safeguard the site as part of wider established employment area.</p>
BD85	New Lane / Bartons Road (former Colt International Ltd site)	Havant	Officer / Site Surveys	3.2	B1a, B8	2,860	Allocate	<p>The site is located on a prominent corner at the entrance to the New Lane industrial area. The buildings on the site formerly occupied by Colt have been demolished.</p> <p>The site has outline planning permission ref. APP/18/00244 for mixed use development comprising up to 100 new homes and 2,860 sq. of employment floorspace has been submitted. It is understood that higher value uses are needed to support the abnormal costs associated with the remediation and asbestos content which is present on site.</p> <p>Around 22,560 sq. m of employment floorspace was lost during the 18/19 monitoring year following the demolition of the existing buildings. This has been accounted for in net completions.</p>



ELR ref	Site Name	Settlement	Planning Status	Site area (ha)	Use class	Net Floorspace (sq. m)	Allocate / Review / Discard	Comments
BD79	Land at Hulbert Road (East of A3 (M))	Leigh Park	Call for Sites	4.5	B2, B8 / sui generis	6,250	Allocate	The site is the southernmost of three parcels of land in the same ownership, which has been promoted for employment and commercial use. A B&Q superstore lies on the eastern boundary of the site, and would be served by the existing access road which runs through the site. The southernmost part of the site also comprises made ground which may reduce the developable area available.
BD77	Northney Marina	Hayling Island	Call for Sites	4	B1/A1/C3	-865	Allocate	The site has been promoted for mixed use development including marina related employment, improved marina facilities including limited retail provision, residential development and public open space. It is understood the higher value elements of the scheme will be used to fund improve marina facilities and infrastructure.

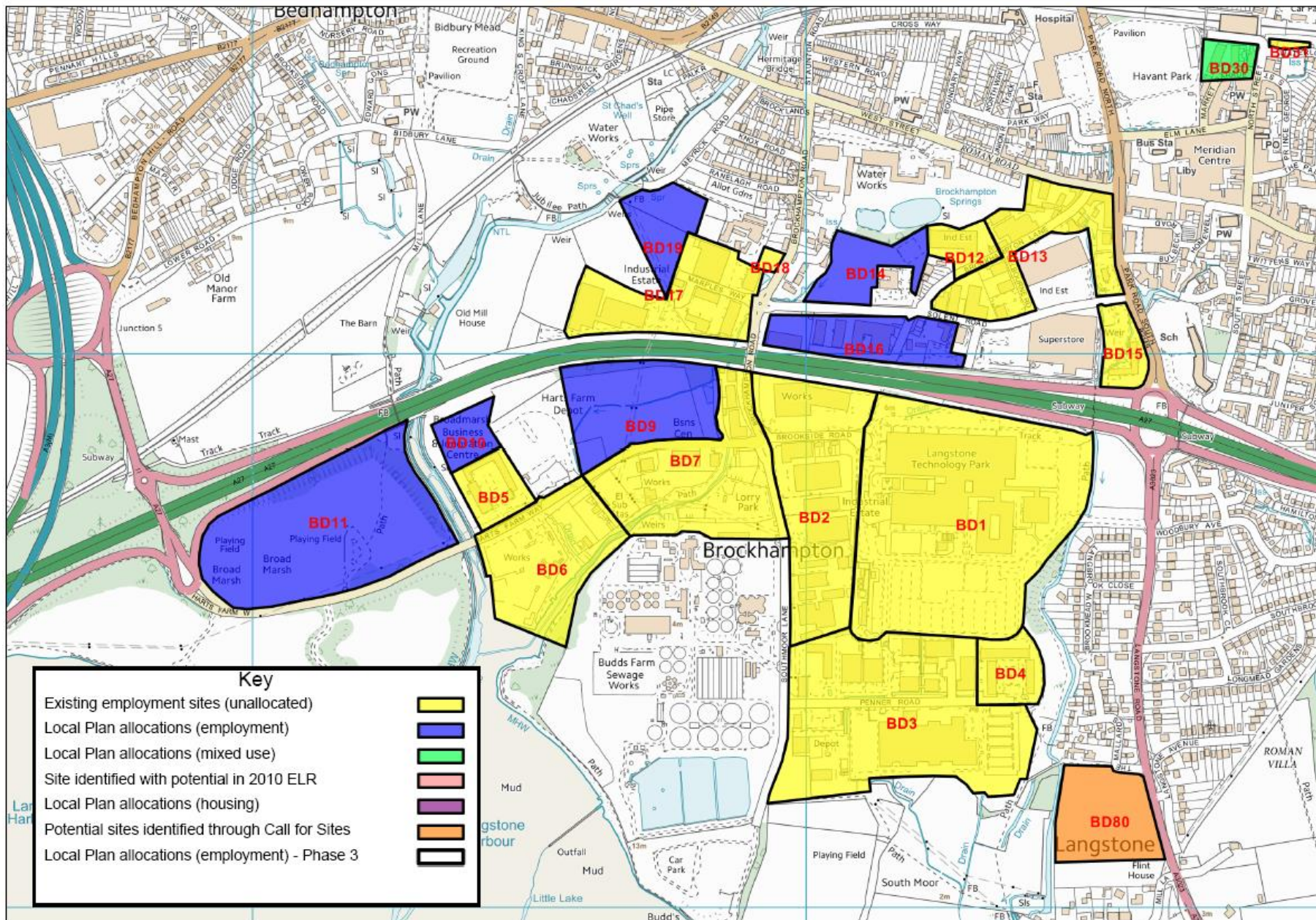
# Appendix 3 Employment Sites

# Emsworth ELR Sites



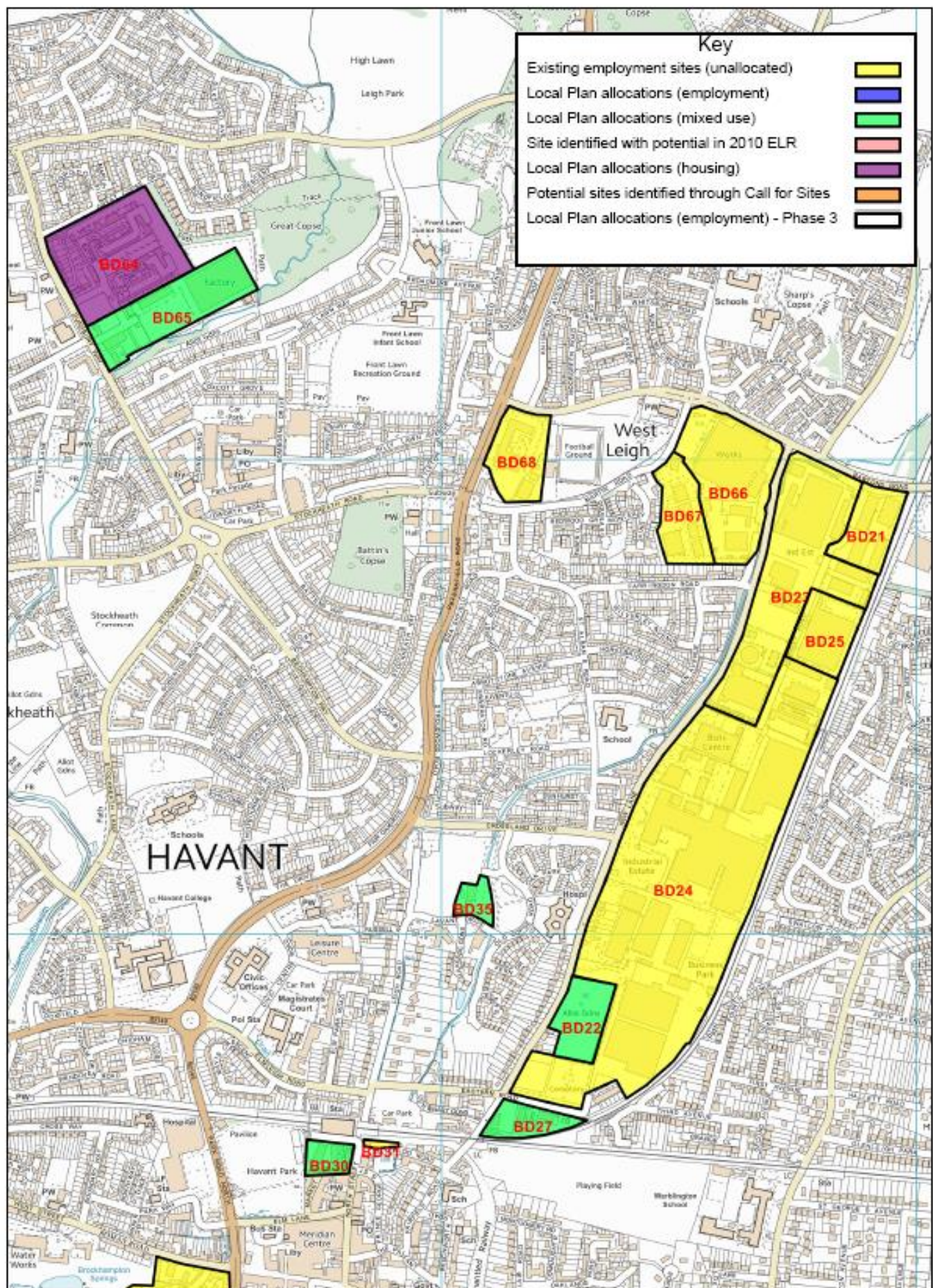


# Havant ELR Sites



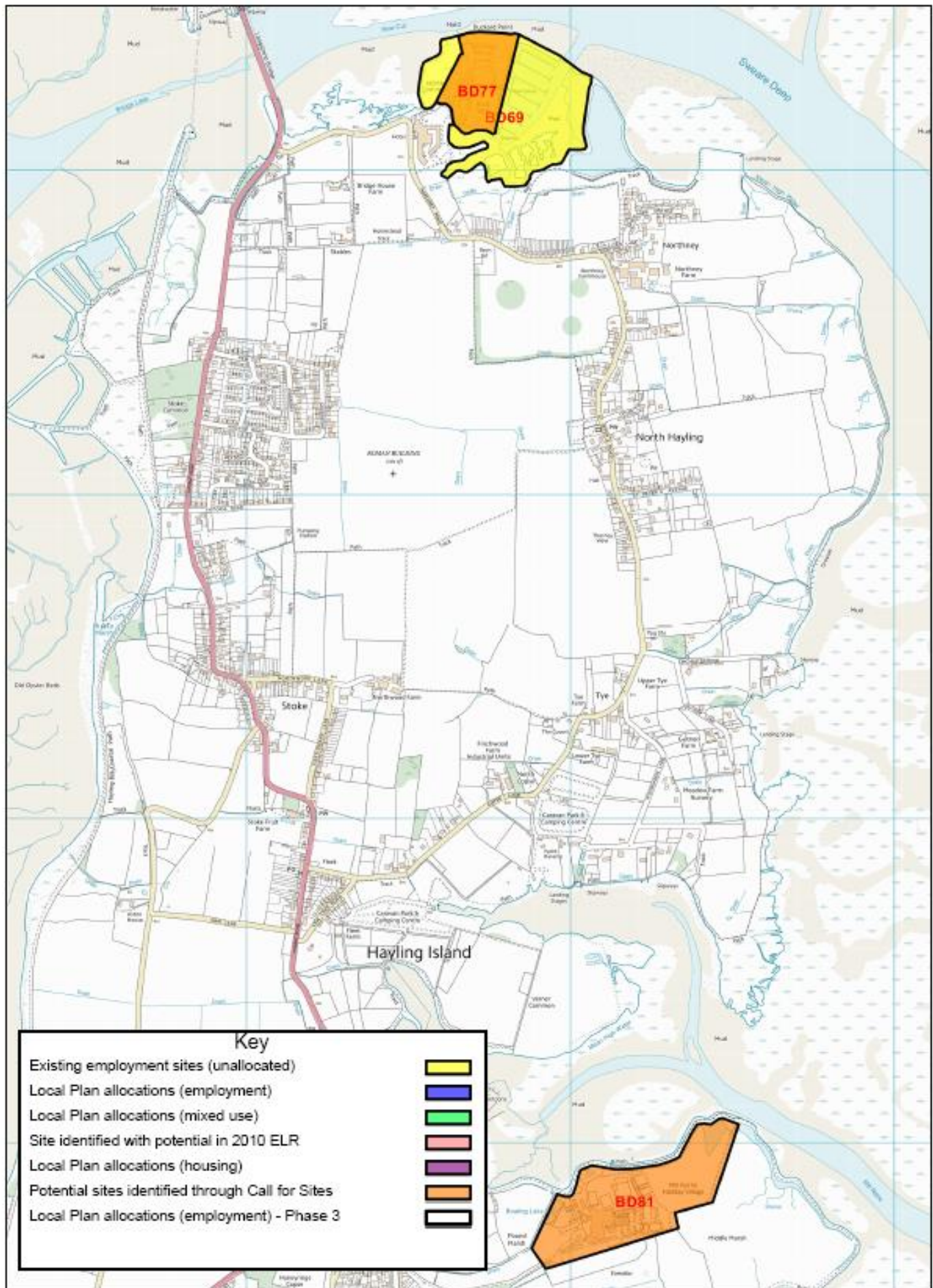


# Havant Leigh Park ELR Sites



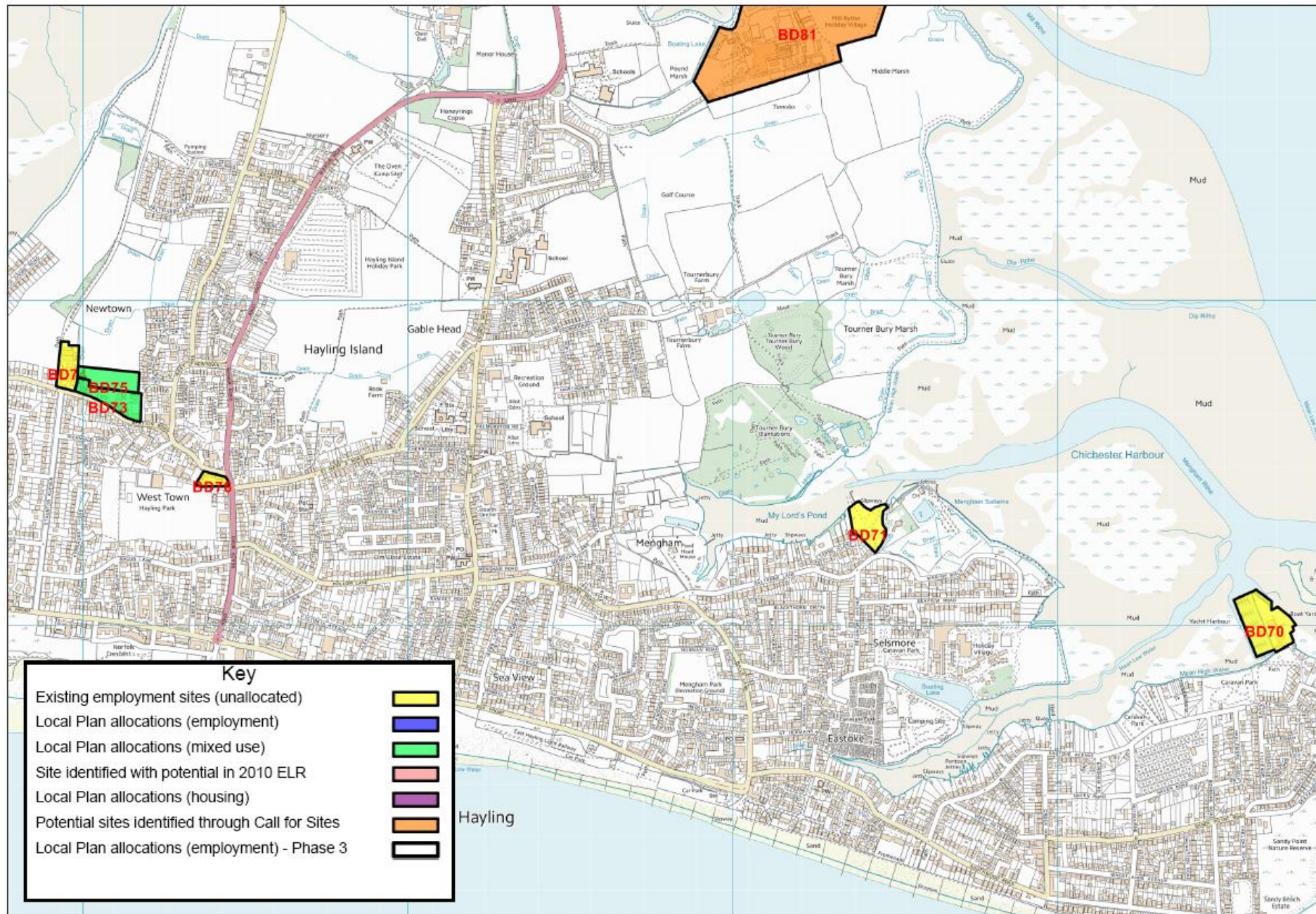


# Hayling Island (North) ELR Sites



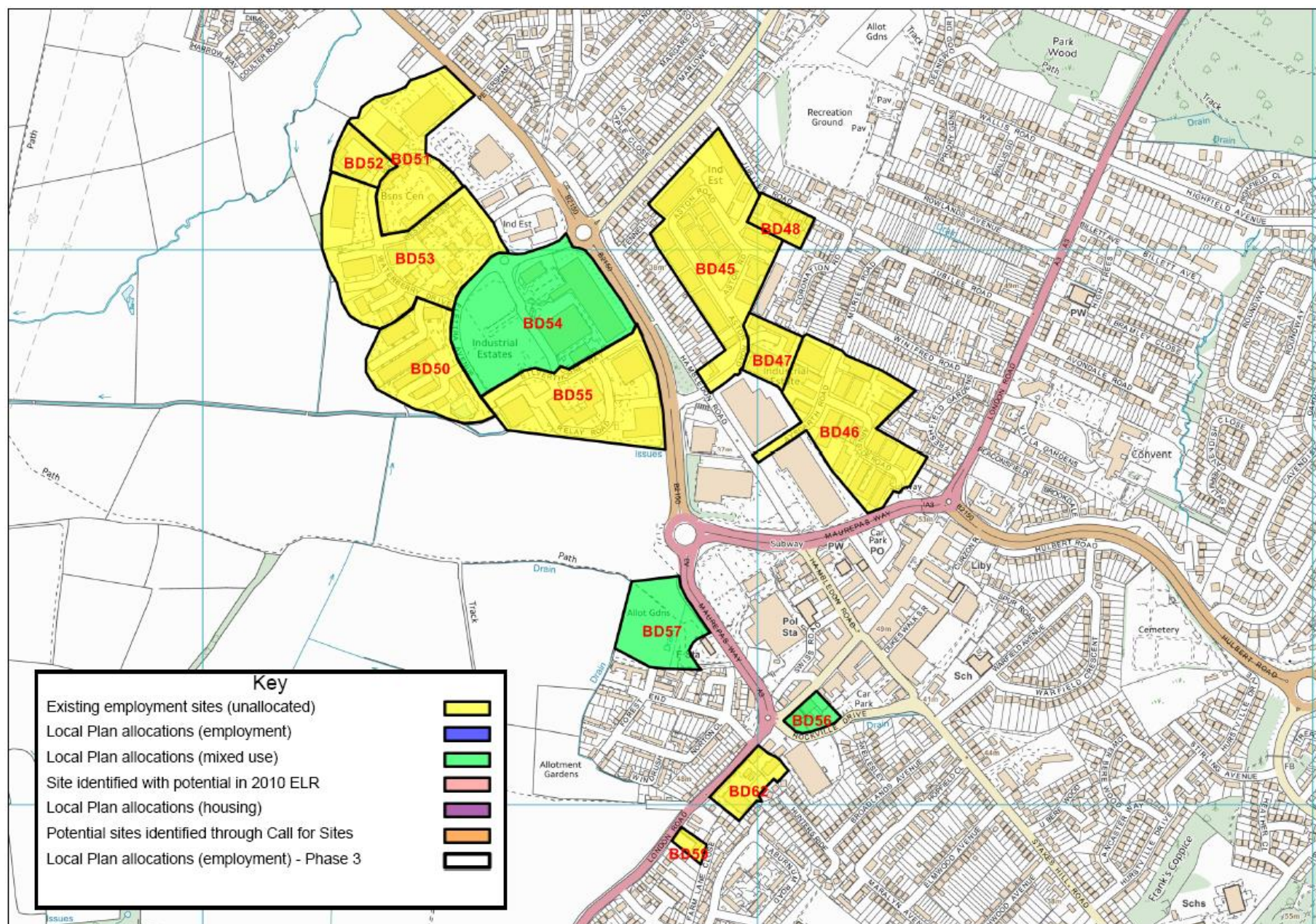


# Hayling Island (South) ELR Sites





# Waterlooville ELR Sites





## Purbrook ELR Sites

