



Havant Borough **Employment Land Review**

For **Havant Borough Council**



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Executive Summary

- i. This Employment Land Review (ELR) will inform preparation of economic development and employment land policies in Havant Borough Council's emerging local plan, the *Building a Better Future Plan* that covers the 20-year 2023-43 period.
- ii. The ELR study undertakes an assessment of the Borough's economic need drawing on the recent Partnership for South Hampshire evidence, and more recent economic forecast and assessment of past trends. It also engages with a wide range of property professionals to understand the market now and where it is heading in the future. Market testing is particularly important for some employment uses such as logistics/distribution that need to be informed by a more qualitative and market facing assessment compared to office and industrial uses that are more easily quantified.
- iii. National Planning Policy Guidance directs Councils to plan positively and proactively to encourage sustainable economic growth. This means identifying sites and/or pursuing policy that will meet anticipated needs and be flexible and adaptable to respond quickly and appropriately to changing economic circumstances.
- iv. Sub-regional plans and strategies demonstrate that there is an element of interchangeability to need and supply capacity across South Hampshire. Most obviously logistics/distribution, which is recognised as a key growth sector, but there is also interchangeability in the provision of office based employment.
- v. At the local level the overarching context has been, and should continue to be, one of a drive to improve the quality of the employment offer. This aligns with the objectives of the Freeport Tax Site, which seeks to target advanced manufacturing sectors.
- vi. The Borough's economy is successful with a low unemployment rate, and is strongly interconnected with its neighbours, although there are strong outward commuting flows. However, the local workforce does underperform in terms of qualifications and employment skills, and this is reflected in employment occupations and wages, and can act as a limitation on attracting firms able to offer higher waged jobs. Havant's office-based business activity is comparatively weak reflecting the presence of other nearby much stronger office locations. More generally the majority of the class E(g) and B2, B8 jobs in the Borough are accommodated in the secondary portfolio, paying rents below those needed to deliver new space.
- vii. An important objective for the Local Plan should be to create opportunities for a higher waged, higher skilled economy, but that this should be in addition to protecting and supporting the existing portfolio that hosts the large majority of the Borough's employment opportunities.
- viii. The study identifies that the Borough's better quality industrial stock is within the Havant sub-area where redevelopment on the existing estates can attract national occupiers such as Amazon. Stock in the rest of the Borough is more dated and has seen less new build development. Economies are dynamic and ever changing, as evidenced by the designation of Dunsbury Park as a Freeport, a status that effectively means the available land will not come forward for general market employment uses, but provides the opportunity to attract the type of R&D advanced manufacturing activity the Council seeks. Elsewhere the Borough's prime office location, Langstone Park is evolving

towards providing flexible industrial/logistics space.

- ix. Whilst the Borough's industrial stock (totalling 394,000 sq m in 2023) is generally secondary space, the market is strong with low levels of availability and the Council should protect the existing estates from encroachment of alternative uses so that opportunities are provided for future redevelopment.
- x. The assessment identifies a need over the 2023-43 plan period for c140,000 sq m of industrial floorspace (on a five-year past trends basis) which should be treated as a minimum, particularly because of the sub-regional need to provide for strategic logistics. Albeit there are no known sites of the scale and suitability in the Borough to meet that need, a finding that reinforces the need to retain all of the Borough's existing employment sites. This also means that addressing the sub-regional logistics/distribution need is a matter for discussion with neighbouring authorities through the Duty to Cooperate.
- xi. The Borough has committed capacity for c118,000 sq m of industrial floorspace, equivalent to 14 year supply, or 85% of the overall need. Recent delivery has been a mix of brownfield redevelopment and green field development, and the future supply is a similar mix, with a good geographical distribution and therefore should satisfy the market.
- xii. The office market has contracted over the past decade from a total stock around 115,000 sq m in the mid-2010s to a current figure of 95,000 sq m. The majority of the Borough's office stock is found in Waterlooville's out of town office parks. Overall, this and the town centre stock is dated and lower quality, but generally meets local needs and has consistently held low vacancy rates (currently circa 8%). The Borough's office market is small (in terms of stock and take-up), and lacks the scale and quality of space to meet corporate occupier requirements, with those demands generally satisfied in nearby Southampton and Portsmouth.
- xiii. The economic forecast identifies office job growth over the plan period, and it is therefore prudent to have some site availability to offer should inward investment opportunities arise. The need is for 36,000 sq m of new space, equal to an addition of one-third of the existing built stock, a relatively modest figure in the context of past delivery that was c40,000 sq m between 2001 – 2011. But any office growth, in the current market climate is hard to see, and for the Council hard to plan for office provision given sites are not being promoted. While longer term viability for new office may return, in the short-medium term we suggest offices form part of the wider mix of uses in any regeneration or large redevelopment proposals especially in the town centres. This may even include speculating about the future of some retail space if the relevant evidence suggests that redevelopment is possible within the plan period. We also recommend flexibility when making new large residential allocations that could in the mid/longer-term support small, flexible, economic allocations for either offices or small scale light industrial, as this could add wider market appeal and reflect the blurring of office/industrial activity at this scale.
- xiv. In the absence of a dedicated office supply being promoted; there is merit in continuing the approach of considering office and industrial needs together and making flexible allocations that could respond to either source of demand. This combined with a town

centres first plan approach to office provision would appear pragmatic.

- xv. Additionally, the relative strength and close proximity of the Portsmouth and Southampton office markets, the Council may legitimately look to the cities to help balance the market, but only after pursuing the approaches referred to above.
- xvi. Combining the need for industrial and office floorspace over the plan period identifies demand for c175,000 sq m. Total supply (predominantly land suitable for industrial uses) stands at c120,000 sq m, equating to 14 years of supply. Unmet employment land need in Havant Borough equates to 55,000 sq m. If this cannot be met within the Borough, it will be a matter for the Duty to Cooperate and there may be scope in terms of delivering office floorspace for Havant to work with partners to ensure that the most suitable land supply is collectively promoted which could be in the cities.

CONTENTS

1	Introduction.....	1
2	Policy context	3
	National Planning Policy and Legislation.....	3
	Sub-regional context.....	10
	Local policy context	12
	Summary	14
3	Socio-economic context	15
	Resident economy	15
	Workplace economy	22
	Business demography	23
	Summary	25
4	Property market analysis methodology	26
5	The Industrial Market.....	29
	Summary	50
6	Dunsbury Park Freeport Tax Site	51
7	Industrial Demand and Supply	57
	The demand for floorspace	57
	Supply of industrial floorspace	62
	Industrial – market balance	63
	Industrial need - summary	64
8	The Office Market.....	65
	Summary	72
9	Office Demand and Supply	74
	The demand for floorspace	74
	Supply of office floorspace	78
	Office – market balance	80
	Office need - summary.....	80
10	Overall Demand and Supply Balance.....	83
11	Conclusions and recommendations	85
	Industrial (including logistics)	85
	Offices	86
	Summary	87

Figures

Figure 3-1 Havant – population, economic activity / inactivity	16
Figure 3-2 Unemployment	17
Figure 3-3 Economic activity rates, comparison	18
Figure 3-4 Wages, 2022	20
Figure 3-5 Qualifications.....	21
Figure 4-1 Havant Borough existing employment areas & development opportunities.....	28
Figure 5-1 Value of online retail sales in the United Kingdom (UK) from 2012 to 2022	29
Figure 5-2 UK quarterly take-up (million sq ft)	30
Figure 5-3 UK availability by size band (sq ft)	31
Figure 5-4 Examples of industrial units, New Lane	32
Figure 5-5 Examples of industrial units, Tanneries	32
Figure 5-6 Examples of industrial units, Marples Way / Kingscroft Court	33
Figure 5-7 Examples of industrial units, Harts Farm Way / Broadmarsh Business Innovation Centre	34
Figure 5-8 Industrial units, Langstone Park/ Southmoor Lane	35
Figure 5-9 Examples of industrial units, Larchwood.....	36
Figure 5-10 Examples of industrial units, Dunsbury Way Trading Estate	37
Figure 5-11 Example industrial units, Dunsbury Park, Freeport Tax Site	37
Figure 5-12 Examples of industrial units, Waterlooville IE Aston Road/Aysgarth Road/Arnside Road	38
Figure 5-13 Examples of industrial units, Brambles Business Park/Elletra Avenue.....	39
Figure 5-14 Examples of industrial units, Emsworth	39
Figure 5-15 Examples of industrial units, Hayling Billy Business Centre & Furniss Business Centre, Hayling Island	40
Figure 6-1 Dunsbury Park	52
Figure 7-1 Havant total industrial floorspace.....	59
Figure 8-1 Examples of offices Havant Town centre.....	66
Figure 8-2 Examples of offices at Langstone Park.....	67
Figure 8-3 Examples of offices at Waterlooville Town Centre/London Road.....	68
Figure 8-4 Examples of offices at The Briars/Hussar Court/Wellington Gate	68

Tables

Table 3.1 Commuting flows	19
Table 3.2 Jobs density, 2021	19
Table 3-3 Occupations, 2022.....	22
Table 3-4 Employee jobs by industry, 2021	23
Table 3-5 Business unit counts by size bands, 2022	24
Table 3-6 Businesses by industry sectors, 2022.....	24
Table 5-1 Industrial floorspace take-up, 2018-23, Havant.....	41
Table 5-2 Change in total stock & vacancy rate, Havant Borough	43
Table 5-3 Industrial floorspace – proposed, under construction & refurbishment	44
Table 5-4 Schedule of floorspace – following permitted redevelopment	47
Table 5-5 Potential development capacity of developable sites	50

Table 6-1 Dunsbury Park - Completed floorspace / potential floorspace on future phases ...53
Table 7-1 Havant industrial demand – 2023-4357
Table 7-2 Havant industrial floorspace – past trend change and projections60
Table 7-3 Havant industrial – committed supply62
Table 7-4 Havant industrial – balance excluding Dunsbury Park Phase 363
Table 8-1 Office floorspace take-up, 2018- July 2023, Havant.....69
Table 8-2 Change in total stock & vacancy rate, Havant Borough70
Table 9-1 Havant office demand – 2023-43.....75
Table 9-2 Havant office floorspace change – past trends basis78
Table 9-3 Havant office supply78
Table 9-4 Havant office balance80
Table 10-1 Havant total employment land balance83

Appendices

Appendix A Sector to Land Use Mapping

Appendix B Economic Forecast for Havant Borough - Experian Economics

1 Introduction

- 1.1 This Employment Land Review has been commissioned by Havant Borough Council to inform the preparation of economic development and employment land policies in its emerging local plan, the *Building a Better Future Plan*, which once adopted will replace the 2011 Core Strategy and 2014 Allocations Plan.
- 1.2 In late 2022 the Council carried out a Regulation 18 stage consultation which focused on the key issues for the new Local Plan, and consultation on a draft Regulation 18 Local Plan is due shortly. This follows the withdrawal of the previous Local Plan from Examination in 2022.
- 1.3 This study follows the Economic, Employment and Commercial Needs (including logistics) study prepared in 2021 for the Partnership for South Hampshire. Shortly after that evidence emerged, the Solent Freeport Business Case for the Dunsbury Park Tax Site was published, and its designation was confirmed by HM Treasury in December 2022. This study also follows advance of redevelopment proposals for one of the Borough's key employment sites - Langstone Park. Both sites are material to the Borough's economic needs and supply, with the Freeport looking to secure net additional growth across the wider Solent freeport area (and specifically Havant Borough due primarily to the siting of one of the six Solent Freeport Tax Sites at Dunsbury Park), and Langstone Park looking to diversify away from their former R&D/office/technology focus to appeal to a wider business base.
- 1.4 It is notable that Brockhampton West, which benefits from outline consent for up to 29,000 sq. m of flexible employment floorspace is no longer available. Having been acquired for Southern Water for a wastewater recycling plant, the site will be subject to a Development Consent Order application and can no longer therefore contribute to the Borough's supply.
- 1.5 While the pandemic may be officially over, the impact of the crisis on the commercial property market is still emerging and how society in general is adjusting to post-Covid working. It is important context for this study to outline at the outset the fundamental changes in the Post-Covid pandemic outlook.
- 1.6 Pre-Covid there were already signs that the way firms used office space was changing. Many areas, including Havant, have seen a reduction in built office space, but a continued increase in office sector jobs. Rather than seek additional space to accommodate job growth, many firms were making more efficient use of their existing space.
- 1.7 For this study, even a minor change in the ratio of workers to desks has a significant impact on the capacity of any given quantum of floor space needed. For planning, which seeks to allocate (or de-allocate) land based on the need for net additional floorspace, a minor change in how the existing stock is used can have a disproportionate impact on the amount of new land needed.
- 1.8 In this assessment, we review the office quantum and reflect on the continued weak outlook for the office sector. However, whether firms fully return to their offices or not, and the extent to which future office job growth is spaceless, (including working from

home) is unclear. At the moment there is a very pessimistic outlook for office developers, which has been informed by a very challenging recent past but, Havant Borough (hereafter referred to as 'Havant') needs to consider its whole plan period and maintain flexibility for these market signals to change.

- 1.9 For industrial uses, the market was strengthening pre-Covid which was partly a product of re-shoring manufacturing, but the logistics market was already growing in response to e-commerce. The pandemic only strengthened the logistics market as more activity moved away from the High Streets.
- 1.10 These trends are not unique to Havant. At the sub-regional scale (Partnership for South Hampshire, hereafter referred to as 'PfsH'), previous strategic evidence has promoted a growth agenda focused on offices, with 1.1m sq m of net additional need suggested in 2016 evidence. But, when updated in 2021, Stantec found that this sub-regional office-based strategy could no longer be supported.
- 1.11 The PfsH study also highlighted the risk that a buoyant logistics market, unless purposely addressed, would displace manufacturing uses and especially local industrial uses that cannot afford the premium values that the logistics market can. Given recent changes to the PPG, and a general increase in the economic profile of logistics firms, this type of demand/need cannot simply be ignored.

The Study

- 1.12 In this study we undertake an assessment of the Borough's economic need drawing on the recent PfsH evidence, and more recent economic forecast and assessment of past trends.
- 1.13 We also test the market from the perspective of a wide range of property professionals to get a rounded view of the market now and where it is heading in the future. To that end, it is useful to note that our emerging findings were sense tested at a market consultation event held in late Summer 2023, where agents confirmed the 'direction of travel' and particularly that the driver of demand is the logistics sector.

Structure

- 1.14 The report firstly provides the policy context, summarising national policy and practice, and the neighbouring boroughs' approaches to employment planning (Chapter 2). This is important as it identifies the themes that the study needs to review. Then Chapter 3 sets out the Borough's socio-economic context, looking at the indicators of resident, workforce and business performance. Chapter 4 introduces the property market analysis, and chapter 5 considers the industrial and warehouse markets. Chapter 6 considers the Dunsbury Park Tax Site and industrial need (the balance between industrial demand and supply) is assessed in Chapter 7. Chapter 8 introduces the office market and Chapter 9 considering the economic need for offices. The overall balance of demand and supply is assessed in Chapter 10. Conclusions and recommendations are identified and discussed in Chapter 11.

2 Policy context

2.1 This section reviews current policy and guidance at national and local planning authority level to draw out the requirements and matters to bear in mind when planning for economic development and the provision of employment land. It is worth noting that impending changes to national policy may lead to significant change in the policy context.

National Planning Policy and Legislation

2.2 Planning policy is often dominated by housing, with economic land uses covered in a limited number of paragraphs in the PPG. While there is more local discretion around how economic need is calculated, the critical issue of how need is addressed across a Functional Economic Market area (South Hampshire) is largely omitted – as with housing.

2.3 While we summarise existing policy below in general, salient details are:

- Economic policies need to be positive whilst realistic;
- Policies can be aspirational, but land should not be sterilised for an economic use that has no reasonable prospect of being delivered in the Plan period;
- Recent changes to the PPG have increased the prominence given to logistics as an economic land use capable of commanding considerable weight in the planning balance;
- It is reasonably clear from the direction of travel, most obviously PDR, that where there is a possible conflict between economic and housing priorities the need for homes carries significant weight; and
- Councils should, within the limits of their sustainable capacity, work with neighbours to meet economic needs in full.

2.4 Despite all the changes to the planning system coming forward, Councils are encouraged to carry on preparing Local Plans and not, as some have, to take the gap in clear national policy as a reason to delay plan-making. This was reiterated to Councils in September 2023 via a Ministerial Letter (dated 08/09/23).

National Planning Policy Framework

2.5 The National Planning Policy Framework (NPPF) was revised in 2018 with further updates in 2019, 2021, September 2023 and most recently December 2023, albeit this latest update does not make any changes to economic development policies.

2.6 The Government's overarching economic objective for the planning system is to help build a strong, responsive and competitive economy by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure (para 8a).

Local Plans

2.7 Local Plans should apply a presumption in favour of sustainable development, which means they should: positively seek opportunities to meet the development needs of

- their area and be sufficiently flexible to adapt to rapid change (para 11).
- 2.8 Key tasks for local planning authorities are therefore to plan positively and proactively in order to encourage sustainable economic growth and identify sites, and to have Plan criteria to meet anticipated needs and be flexible and adaptable. Plans should be both aspirational and deliverable, and be shaped by early, proportionate, and effective engagement with, inter alia, businesses (para 16).
- 2.9 In respect of economic development, as for all other land uses, the guiding principle is that Local Plans should create the conditions for economic growth and productivity improvements. This should take account of local business needs, and wider opportunities for development (para 85).
- 2.10 The need to identify and make provision for the specific locational requirements of different employment activities is recognised. Specifically, the opportunity for clustering of knowledge and data driven activities and the differing accessibility requirements of different scales of storage and distribution activity (para 87).
- 2.11 The recognition of the needs of storage and distribution operations was long overdue, and reflects the growing role that logistics and distribution plays in the wider economy. Also noteworthy is the Government's 2023 call for evidence to consider what planning and other reforms are needed to the PPG to support the freight industry.
- 2.12 Opportunities for development are characterised as building on strengths, countering weaknesses, and addressing the challenges of the future; this accords with the vision in the UK's Industrial Strategy¹ that looks to improve employment productivity (para 85).
- 2.13 Plans must include strategic and non-strategic policies. Strategic policies can extend beyond a single Local Plan area, and should set out an overall strategy for the pattern, scale, and quality of employment development, making sufficient provision of land to accommodate the need. Non-strategic policies can include site allocations as well as development management policies (para 26).
- 2.14 Planning policies should have four objectives (para 86):
- 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;
 - set criteria or identify strategic sites for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
 - seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and
 - 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.

¹ The 2017 Industrial Strategy is still referred to in the NPPF, even though the Government have set that aside and are now pursuing a 'Plan for growth and prosperity' that highlights the importance of five key industries: digital technology, green industries, life sciences, advanced manufacturing and creative industries.

- 2.15 Policies should be underpinned by relevant, proportionate and up-to-date evidence, taking into account relevant market signals. Policies should be reviewed to see if they need updating at least once every five years, taking into account changing local circumstances or changes to national policy (para 31/33).
- 2.16 Planning policies should promote the effective use of land in meeting the objectively assessed needs for various types of uses, and in particular the use of sites on brownfield registers and buildings and land in public ownership (para 125).

Strategic Policies

- 2.17 Strategic policies should look ahead over a minimum 15-year period from adoption, to anticipate and respond to long-term requirements and opportunities, such as those arising from improvements in infrastructure (para 22).
- 2.18 In ensuring that Plans are positively prepared, the Framework highlights the importance of maintaining effective cooperation and collaboration on cross-boundary strategic issues between Local Planning Authorities and other prescribed bodies such as the Local Economic Partnership (LEP). Two particular areas are highlighted: future infrastructure requirements, and whether development needs that cannot be fully met in one area can be accommodated in another area (para 26).
- 2.19 Issues such as logistics and distribution are key policy and land use considerations for Councils requiring cross-border cooperation. The PfsH is an established partnership generating cross-border cooperation between Havant Borough and its neighbouring authorities to plan strategically across South Hampshire. Havant Borough also works closely with neighbouring Chichester District Council and South Downs National Park Authority. As a constrained Local Authority, any uptick in economic development need may need to be considered and provided for jointly.

Non-strategic policies

- 2.20 In terms of land allocations, broad locations for development should be indicated on a key diagram, and land use designations and allocations identified on a policies map. 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 in favour of sustainable development (para 23).
- 2.21 Regarding making effective use of land, the Framework advises Local Planning Authorities to take a positive approach to applications for alternative uses on land that is currently developed, but not allocated (para 127). This is particularly relevant in areas of high housing demand. The approach does come with the proviso that in so doing this does not undermine key economic sectors or sites.
- 2.22 Regular reviews should be undertaken of land allocations and land availability to take account of the demand for land. Where it is considered that there is no reasonable prospect of an application coming forward, the land should be re-allocated, and prior to the Plan update, applications for alternative uses should be supported where this would help meet an unmet need (para 126).

Planning Practice Guidance

- 2.23 Revised guidance for planning for economic needs² was published in early 2019 followed by an update later that year in respect of planning for logistics and specialist sectors. The guidance provides little detail, and is not prescriptive as to a method for assessing economic development need.

General Economic Guidance

- 2.24 The guidance acknowledges that national economic trends will not apply universally, and business needs will vary according to local circumstances and market conditions. Functional Economic Market Areas (FEMA) may extend over more than one Local Authority area, and the assessment of need should reflect this. LEPs can play a helpful role in such assessments.
- 2.25 In drawing up evidence on economic need the guidance stresses the importance for engagement with the business community. The evidence should cover:
- Best fit FEMA;
 - The existing stock of employment land (by market segment and (possibly) sub-areas);
 - Recent patterns of gains and losses of employment land;
 - Market demand and business requirements (for the different B use class activities, including identification of gaps in provision);
 - Projected growth in specific market sectors; and
 - Oversupply and market failure (preventing the land being used effectively for employment).
- 2.26 This last point is interesting in that underlines that the employment land supply should be deliverable, but also should not be oversupplied. An oversupply of land can depress commercial values to a point where development is not viable resulting in 'market failure'. This point re-confirms a long-running thrust of national policy, to avoid the oversupply of land for economic needs that could possibly constraining the scope for sites to be used for housing. The most obvious example of this was the removal of planning control via Permitted Development Rights (PDR) for conversions of property to residential.
- 2.27 The PPG goes on to state that data to estimate future employment need ought to include:
- Sectoral and employment forecasts and projections (labour demand);
 - Demographically derived assessments of future employment needs (labour supply);
 - Analysis of past take-up of employment land and property and/or future property market requirements; and
 - Consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.

² PPG ID: 2a-025-20190220 onwards

2.28 Guidance is provided on assessing specific land needs:

- Take total jobs (under Standard Industrial Classification categories, hereafter 'SIC');
- Assess jobs against use classes (the separate E(g)i, ii and iii³, and B use classes);
- Determine floorspace requirements (by applying employment densities); and
- Determine land requirements (by applying industry proxy plot ratios⁴).

2.29 Understanding the employment needs for the E(g)/ B class sectors will help with the consideration of individual sites, ensuring sites are allocated for the most appropriate use, and meet the reasonable prospect test.

2019 Logistics Revisions

2.30 The PPG was revised in 2019⁵ to recognise the substantial expansion in logistics and distribution.

2.31 The guidance advises that strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport networks, sufficient power capacity, and access to appropriately skilled local labour. The need can be informed by:

- Engagement with logistics developers and occupiers to understand the changing nature of requirements in terms of type, size and location, including impact of new technologies;
- Analysis of market signals, including trends in take up and availability of logistics land;
- Analysis of economic forecasts to identify potential changes in demand and anticipated growth in sectors likely to occupy logistics facilities; and
- Engagement with LEP.

2.32 Authorities will need to assess the extent to which land and policy support is required for other forms of logistics requirements, including the needs of SMEs and of 'last mile' facilities serving local markets.

2.33 In summary, the needs of logistics should be considered more qualitatively – through consultations with property market specialists – informed by, but not held to, job forecasts and a projection of past take-up. Pragmatically, this means that the quantitative approaches that set out to assess economic needs should be treated

³ 2021 changes to the Use Classes Order combined a number of town centre uses into a combined E class including offices that were class B1 and are now E(g)I, Research and Development that was B1b that is now E(g)ii and light industrial that was B1c that is now E(g)iii.

⁴ A plot ratio is the ratio of the building floorspace to the total site area. The PPG advises applying 'industry proxies'. For industrial uses 40% is the national standard, reflecting the comparatively high proportion of site area dedicated to outdoor vehicle access/circulation, parking and also outdoor storage facilities. Industrial plot ratios can be higher towards 65% in more constrained areas, and/or where on more than one floor (mezzanines do not count). But office plot ratios vary much more widely, and can be very high (well above 100%) for multi-floored buildings in urban environments, compared to out of town office parks where plot ratios are generally closer to 40%.

⁵ ID: 2a-031-20190722

cautiously for logistics because economic forecasts generally fail to adequately address logistics and distribution, particularly the strategic elements. The assessment of logistics and distribution need may need to be tweaked to reflect more qualitative market evidence.

- 2.34 As set out in the PfSH study, the footloose nature of logistics makes it hard, if not impossible, to calculate any given authorities' logistics need. Demand will often simply follow the supply of land.
- 2.35 Given the challenge in quantifying need at the local level, and reflecting the positive spin put on the sector in national policy, it is important that Havant satisfies itself that it can or cannot deliver logistics land in excess of our qualified assessment below.
- 2.36 The 2021 PfSH Economic, Employment and Commercial Needs (including logistics) Study identified an overall sub-regional need for strategic warehousing, but did not apportion it to the districts. This Employment Land Review study will identify how Havant might contribute. The genuine cap on the need for additional logistics land in Havant will ultimately be a product of land availability. This was a key message from the engagement with agents, including the agents stakeholder event held in summer 2023.

General Permitted Development Order

- 2.37 The key changes affecting commercial premises have been:
- the introduction of Class O in 2013 permitting change of use from office to residential;
 - Class ZA that allows for the demolition of buildings used for any of the E(g) i, ii and iii uses (former B1 uses) and replacement by residential;
 - Class AA allows for the construction of up to two new storeys of flats in the airspace above detached buildings in commercial use (now E class uses); and
 - Class MA allowing Use Class E ('Commercial, business and service uses) including office and light industrial, to convert to residential use.
- 2.38 While some impacts on businesses are considered (for example transport and highways issues), no consideration is given to the loss of employment space. Nor is there consideration of the impact of introducing residential into an area where it has potential to disrupt opportunities for wholesale redevelopment, such as in out-of-town retail parks.
- 2.39 For the Borough's economic policies, recent changes to PDR (Permitted Development Rights) have resulted in a loss of planning control over the office portfolio. While plans positively seek to calculate and provide new space to accommodate growth, we cannot control losses or even direct losses to the most policy preferable areas or sites.
- 2.40 When originally introduced, PDRs allowing for a change of use from office to residential, were in response to Government concerns that there was an oversupply of offices and shortage of homes. If demand for offices is simply measured as take-up of new space, it is a fact that the market has struggled, nationally to deliver new space in recent years.

- 2.41 While delivering new space is challenging, especially post-Covid, the national operation of PDR fails to reflect local market signals. In Havant we would agree that the office market is some way away from delivering large quantum of new stock, but the existing stock is still well used with only 2% vacant as recently as last year. Continued PDR will reduce office space that could be viably occupied.
- 2.42 Knowing this risk, and that the national policy expectation that plans are flexible and can respond to changes in the market within the Plan period, we still need to take a positive approach to new office sites. With no control over losses, the Council needs to take a cautious approach to Plan-led losses of further stock, and to identify a forward strategy where land is available should the new build market return to viability over the Plan period.
- 2.43 Also, a further reason to be cautious is that most losses of floorspace relates to the secondary market, where most occupiers reside. Most occupiers do not need, and/or cannot pay the high values needed to secure new build or prime space. When considering to what extent properties are obsolete or life expired it is important that the LPA avoids undervaluing the role secondary stock plays in the market and especially because when lost, the same space cannot be re-provided. With limited vacant stock in the market the loss of occupied stock, or stock capable of being occupied should be carefully considered where circumstances allow Havant some control.

Use Class Order

- 2.44 Related to the above, changes have recently been made to the Use Class Order (hereafter 'UCO') to allow greater 'flexibility' to deliver homes and convert commercial property. The new E use class - combining 'commercial, business and service' merged office, R&D and light industrial (the former B1 Use Classes) with shops, commercial services, restaurants, public houses and hot food (the former A Use Classes), and non-residential institutions and assembly and leisure (the former D Use Classes). This now means buildings can change within the above-mentioned range of uses without requiring planning permission, because they are now all in the same E Use Class.
- 2.45 A positive outcome from this change is that the UCO flexibility could ease the re-use of some former retail property for new economic uses. Elsewhere, retail parks are being redeveloped for uses including employment as the retail floorspace outlook remains poor.
- 2.46 Use Classes B2 (general industrial) and B8 (storage and distribution) remain unaffected by the amendments to the Use Class Order.
- 2.47 The amendments to the Use Class are likely to have some impact on the supply of office and light industrial space given the flexibility now available to change between the wide range of uses within Use Class E. This could be positive if it encourages hybrid workspace facilities, or if it introduces complementary uses such as gyms/creches, but the ability for owners to introduce non-employment uses without the need for planning permission could be problematic for light industrial in particular because this use typically commands lower rents / values compared to other E class uses.

2.48 For Havant the change in the UCO is not significant on its own, but coupled with continued PDR rights and increased flexibility to move uses through the new E Class makes it much harder for the Borough to manage its office portfolio.

Article 4 Directions

2.49 In response to changes to PDR, many Councils looked to protect their office stock via Article 4 Directions (A4Ds), bringing the loss of office floor space back under planning control. Directions do not prevent losses, but do allow the Council to exercise some discretion and protect the most important sites.

2.50 The NPPF was updated in 2021 (para 53) to indicate that the use of A4Ds to remove PDR should, where they relate to change from non-residential use to residential use, be limited to situations where an A4D is *necessary to avoid wholly unacceptable adverse impacts*. In all cases, A4D must be based on robust evidence and apply to the smallest geographical area possible.

2.51 Government has interpreted this strictly and rejected generic attempt to protect floorspace, and has been allowing only very selective A4Ds. Councils who, prior to the 2021 updates, took a more liberal approach to protection are finding that the Secretary of State (SoS) will now support only much more limited Directions.

2.52 Havant did not look to A4Ds before the 2021 changes, and the tightening of the criteria makes this harder to implement now. In our analysis we have highlighted that the Borough's built stock of office space is well let, but this in itself would not support a Borough-wide restriction.

Sub-regional context

2.53 There is no longer any regional or sub-regional planning policy. What sub-regional policy (and evidence) is present is informal and operates through a shared understanding of collective issues as opposed to a formal policy tool.

2.54 At the sub-regional level there is new uncertainty because Government has looked to adjust the Local Enterprise Partnerships and withdraw central funding. The ultimate impact of this decision is unclear at present.

2.55 Here we review the shared economic strategy for the Solent as well as the PfSH economic evidence base.

Solent 2050, An Economic Strategy for the Solent April 2022

2.56 Havant can benefit from the economic strengths of the sub-region, and the Local Enterprise Partnership (LEP) have recently updated the Solent Economic Strategy. This sets priorities around building on the maritime economy, green and new technologies, and improving workforce skills to level up across the area.

2.57 The Strategy identifies the productivity gap between the Solent sub-region and the wider Southeast, and indeed the UK. It recognises that the Havant economy lags behind the sub-region, which is evidenced by Havant's lower waged lower skilled economy / workforce. The Strategy points to transport, digital technology, and planned new communities as means to support levelling-up, with the aim of delivering a step change in productivity and prosperity.

- 2.58 Residents of both Havant and Waterlooville town centres are identified as significantly deprived, and the Strategy seeks to strengthen the resilience and appeal of town centres, highlighting and supporting the Borough Council's transformative town centre regeneration plans.
- 2.59 The Strategy states that the levelling-up of the Solent sub-region in terms of productivity and wages will in part be delivered by significant job creation: 20,000 jobs by 2025 and 50,000 by 2030.
- 2.60 This LEP Strategy is supportive of Havant Borough's regeneration agenda but, in common with other strategies of a similar nature, it is light on actions and funded interventions. The two Havant-specific schemes in the Strategy are already committed: town centre regeneration and the Thicket Reservoir, but it is 'light' in terms of scoping a direction of travel and required policy changes to aid delivery.
- 2.61 For any planning authority, there is a struggle to translate high level economic strategies into robust planning actions where key 'headline' grabbing statistics – for example the 20,000-50,000 job creation estimates - are not evidenced, and we cannot therefore translate them into a planning strategy.
- 2.62 Another sub-regional economic work, the Economic Needs Study, looked to test the region's capacity to deliver jobs. It identified a concern that there may be insufficient labour or homes to accommodate significant 'policy on' growth. In this context, it is unclear to what extent the (up to) 50,000 jobs is achievable without an uplift in housing across the sub-region.

Economic, Employment and Commercial Needs (including logistics) Study, PFSH, 2021

- 2.63 PFSH commissioned a sub-regional study to support development of the economic and employment planning policies of the ten PFSH Councils. The study, undertaken at a time of major economic turmoil, did identify a strengthening industrial market driven by last mile / local logistics, and a weakened office market.
- 2.64 The study identified an overall need for 392,000 sq m of office floorspace to 2040 and a need for 168 ha (670,000 sq m) of industrial land. This need was apportioned across the Local Authority areas, but the point was made that the need could 'transfer' between Authorities within the sub-region.
- 2.65 To address the demand for strategic / sub-regional logistics/distribution space the study recommended finding a total of five 8-10 ha highly accessible sites to accommodate larger warehouses. It pointed out that while the locational characteristics are quite specific, these warehouse uses can be sited over a very wide area of search. For Havant, the study identified an office need of 38,500 sq m and an industrial need of 36,500 sq m to 2040, with a contribution to the sub-regional strategic warehousing need of 10 ha or 40,000 sq m.
- 2.66 The study did not look at the supply and capacity available to meet the need, that was left for the 'next steps' work. In this regard Authorities are encouraged to consider the need on a sub-regional basis and to work together to identify where best to meet that need.

Spatial Position Statement, PfSH, 2023

- 2.67 The PfSH published an updated Spatial Position Statement in 2023. Whilst not a statutory planning document, its purpose is to provide strategic co-ordination across the sub-region. This statement sets out the overall need for employment land (based on the above mentioned 2021 Economic, Employment and Commercial Needs (including logistics) Study), and the distribution of future employment development in south Hampshire (based on borough information of known supply).
- 2.68 The Statement concluded that in terms of the general office and industrial markets there is sufficient land already allocated within South Hampshire (405,666 sqm for office and 231 ha for industrial) to meet the need identified in the 2021 PfSH study up to 2040.
- 2.69 Regarding the need for strategic warehousing, the Statement identified that the 2021 PfSH study recommended searching for up to five highly accessible sites. The Statement concluded that there were no readily available sites, and this unmet need should be managed in a reactive case by case way in response to planning applications.
- 2.70 An important 'take away' point is that although the supply may exceed the demand in overall terms, it does not mean that the sites are the best qualitatively to be taken up.

Local policy context

Core Strategy

- 2.71 The Adopted Local Plan currently comprises the 2011 Core Strategy and 2014 Allocations Plan.
- 2.72 The Core Strategy objectives include:
- raising economic productivity that lags behind the regional average,
 - promoting knowledge-based growth and upskilling the local workforce to allow better access to local jobs.
- 2.73 Manufacturing was shown to be bucking the national trend of decline, and future opportunities to expand advanced manufacturing and marine-related businesses were highlighted. Also noted is the Borough's historically high unemployment and low job density. The Core Strategy objectives were to be delivered through development on new employment land, with the focus on Dunsbury Park and at other sites to be allocated in the Allocations Plan.
- 2.74 For the 20 year period between 2006 and 2026 the target was for 162,000 sq m of new net additional employment with almost half need for offices to support growth of a knowledge-based economy, with Dunsbury Park (previously Dunsbury Hill Farm) playing a critical role. The balance was split evenly between manufacturing and warehousing.
- 2.75 The Plan states that the Council sought to avoid designating employment sites, as this was considered to be too restrictive. However, existing employment sites are offered protection by a policy requiring marketing evidence to consider whether the site remains fit for employment purposes, either for the existing use or other types of

employment.

- 2.76 As part of this study, we have reviewed the current extent of the sites, and illustrated these on the maps in our site review section. It is helpful to show the extent of protected sites in local plans and separate the sites into larger / more significant protected sites (or areas) from smaller, isolated sites/properties. This is because for many sites, critical mass is an important feature along with separation from potentially conflicting uses.
- 2.77 Designating sites in plans provides more clarity and certainty for all occupiers and developers around their site/property, but also the context and setting of each employment area.

Economic Strategies

Regeneration and Economy Strategy 2022–2036

- 2.78 The Strategy sets out the key challenges for the Borough:
- Adapting to the post-Covid crisis and sustained recovery;
 - Supporting struggling retail centres;
 - Reducing inequalities and disadvantage;
 - Providing new homes; and
 - Addressing unemployment and a low value economy.
- 2.79 These are to be addressed through three themes, with the Council taking a leading role:
- Sustainable places: creating economic infrastructure to drive sustainable economic growth and develop a more resilient and inclusive economy;
 - Successful people: Developing higher-level skills; and
 - Better business: Supporting thriving businesses and active promotion of Havant as a place for investment / business.
- 2.80 This ELR will support the Strategy by identifying the level of future employment growth that can be expected, and the scale and location of land to accommodate this growth. While the Council seeks to address and improve the low value economy, it is important to recognise that opportunities to address inequalities and provide employment opportunities will be mainly from within existing businesses housed in existing premises.

Economic studies

- 2.81 The Council has undertaken a number of economic / employment evidence base studies in the recent past including the 2016 Business Needs, Site Assessments and Employment Land Study prepared by Lambert Smith Hampton, 2016), the 2020 Employment Land Review (ELR) also prepared by Lambert Smith Hampton, with the latest being a 2021 update of the ELR prepared jointly by Lambert Smith Hampton and Stantec, that considered the economic impact on the need for employment land of both Covid and the designation of Dunsbury Park as a Freeport Tax Site.
- 2.82 The 2021 ELR update concluded an overall employment land need for the 2016-37

period of c87,000 sq m, and capacity for 96,000 sq m including delivery since 2016, current permissions and land allocated (excluding land at Dunsbury Park) and/or opportunities within established employment estates. Thus, all the available supply marginally exceeded forecast demand, which meant the Council was reliant on just about all of those sites coming forward.

Summary

- 2.83 When considering economic development, the Council needs to plan positively and proactively to encourage sustainable economic growth. This means identifying sites and/or pursuing policy that will meet anticipated needs and be flexible and adaptable. Thus, in assessing need, the Council should favour the most positive approach that is deliverable and capable of satisfying a 'common sense' test.
- 2.84 The PPG sets out a technical method to arrive at a quantified need, but guidance recognises that not all needs can be quantified. Some land uses, including logistics/distribution need to be informed by a more qualitative and market facing mode.
- 2.85 Sub-regional plans and strategies, including those of the PfSH and the LEP, set a helpful direction of travel, and also demonstrate there is an element of interchangeability to need and supply capacity across the sub-region.
- 2.86 At the local level the overarching context has been and should continue to be one of a drive for a quality employment offer - a focus on quality jobs with an intensive employment density. It is also an objective of the Freeport Tax Site which targets advanced manufacturing sectors.
- 2.87 A key growth sector given prominence by Government changes to the NPPF is the need to deliver land for logistics/distribution, including land to meet some of the sub-regional demand. As noted in the PfSH work, a failure to address logistics demand will only result in higher value logistics outbidding industrial users for sites.
- 2.88 Changes in national policy as regards offices also make it much harder for the Council to control the sector mix, and to target office-based growth. Compared to when the last Havant Plan was adopted, the Council has also now (due to PDR rights) lost its planning controls.
- 2.89 In regard to offices, it is also important to note that our concern relates to the built floorspace and not job growth (very little new floorspace has come forward, but job numbers have risen). But with so little stock available, and most occupied, uncontrolled losses would be likely to displace firms out of the Borough. Where the Council can exercise some control, losses need careful consideration, and the Council needs to avoid a 'trap' whereby older stock is dismissed because of its age or condition when that is the type of premises sought by 'value' driven prospective occupiers, and that is viable to let and maintain in the secondary market. The Council also needs to consider the real possibility that the office floorspace market may return over the next plan period and the plan needs flexibility to positively respond. We return to this in our conclusions.

3 Socio-economic context

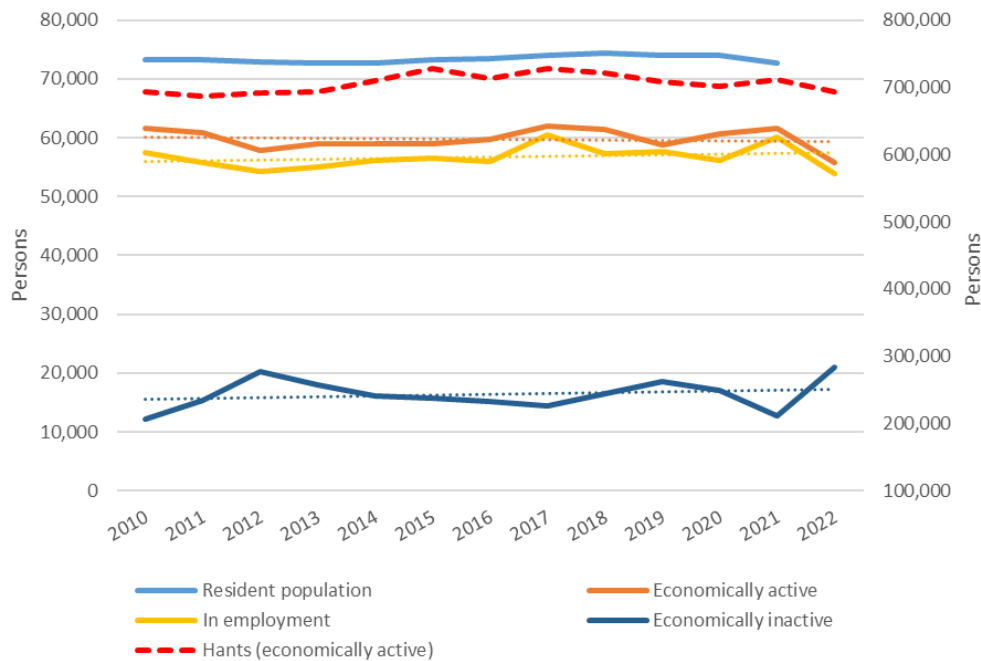
- 3.1 This section is in three parts. Firstly, we review the socio-economic characteristics of the Borough's residents (the resident economy also referred to as the labour force), then the socio-economic characteristics of the local workplace economy (ie the nature of the jobs available in the Borough), and finally the business base (detail of the businesses in the Borough).
- 3.2 The purpose of the section is to consider and benchmark Havant's socio-economic performance, and to highlight any issues in the local economy that need to be considered and addressed.

Resident economy

- 3.3 In this section we consider economic indicators such as economic activity rates and wages, comparing the data for Havant against county and country and/or other specific benchmarks.
- 3.4 Figure 3-1 identifies:
- the total population of Havant (light blue line – all Havant data reads off the left-hand axis);
 - the economically active⁶ in Havant (orange);
 - the economically active in Hampshire (dashed red – values off right hand axis);
 - the economically inactive in Havant (dark blue); and
 - the employed in Havant (yellow).
- 3.5 The 'gap' between yellow and orange indicates those who are economically active but unemployed.

⁶ Economically active are people who are either in employment or unemployed.

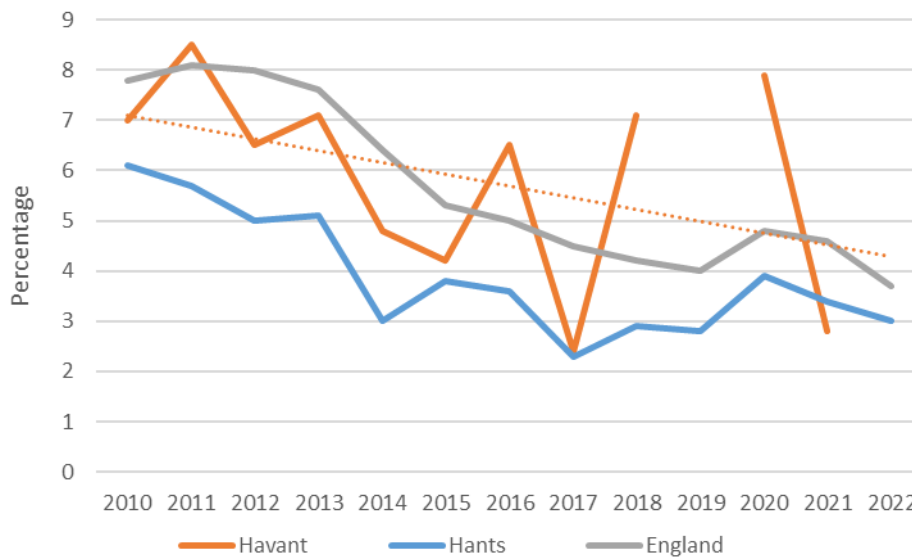
Figure 3-1 Havant – population, economic activity / inactivity



Source: ONS 16-64 population estimate, 2021 (latest data), otherwise ONS annual population survey (2022). Hampshire economically active (red dashed line) is set against the right-hand axis.

- 3.6 The chart (Figure 3-1) shows that over this period there has been virtually no change in these factors. The only movement has been Covid related, with a notable dip in the economically active and corresponding increase in the economically inactive. Other than a very marginal increase in the employed, it has been a period of no change in the labour force. This is not unusual, the county profile is similar (economically active shown above as a red dashed line), and relates to the fact that economic activity rates have been very high for a number of years, and are at levels where it is very difficult to improve upon.
- 3.7 Turning next to unemployment rates, Figure 3-2 below charts a downward trend. This is broadly in line with county and national trends, and it is a universal pattern. For reasons of small sample size, the ONS were unable to provide Havant figures for 2019 and 2022.

Figure 3-2 Unemployment



Source: ONS annual population survey nb no figures for 2019 and 2022 due to sample size issues.

- 3.8 The chart does indicate Covid had a much greater negative impact on unemployment compared to other areas, reaching 8% in 2020, double the rate for Hampshire as a whole.
- 3.9 Figure 3-3 below compares economic activity rates with all the immediate neighbouring authorities including Chichester, plus county and national rates for three years: 2016 (middle of the last growth cycle), 2019 (immediately pre-Covid) and 2022 (the most recent data year).
- 3.10 Nationally, activity rates have changed very little over this period, hovering just below 80%. County rates remain above national rates, but have deteriorated since rates in 2016. The pattern for Havant is the same as for the county: activity rates reducing since 2016, but from a lower base at around 72%. This is lower than Hampshire comparators and comfortably below the national average, with only neighbouring Chichester lower than Havant (albeit data for Chichester appears unusually volatile). The economic activity rate data does suggest that there could be some flex/capacity in the labour supply.

Figure 3-3 Economic activity rates, comparison



Source: ONS annual population survey, 2022

- 3.11 Next, we turn to commuting, and the recently released Census 2021 data. The ONS heavily caveat the 2021 data, stating that the lockdown restrictions and the furlough scheme that was in place in March 2021 had a significant impact on travel to work data, concluding that as such, the data are not reflective of current commuting patterns. Thus, we report the data here, but treat it with caution.
- 3.12 The table below compares the commuting statistics for Havant as recorded for 2011 and 2021 through the Census. It shows that while resident jobs remain largely unchanged, reflecting little change in the labour force, the jobs in the Borough had risen to c49,000, and now represent almost 90% of resident jobs, up from two-thirds in 2011. The proportion of Havant residents working in the Borough had risen from one-third to two-thirds, which fairly evidently was a lockdown/Covid effect. The dramatic reductions in in and outflows is also undoubtedly a produce to lockdown/Covid.
- 3.13 Unsurprisingly the numbers working from home had risen markedly from c10,000 to 25,000, a quantum that is heading for half of all resident workers, but again this will be heavily influenced by the lockdown / Covid.
- 3.14 Of the Havant resident out-commuters Portsmouth remains the primary destination, attracting 40% of commutes out. Overall, the balance of commuting flows is little changed with the balance roughly 60% in favour of outflow.

Table 3.1 Commuting flows

Havant	2011	2021
Resident jobs	55,875	56,370
Workplace jobs	36,420	48,833
<i>Workplace as a proportion of resident jobs</i>	<i>65%</i>	<i>87%</i>
Resident working in Havant	18,735	37,477
Residents working in Havant as a proportion of resident jobs	34%	66%
Mainly working at or from home, No fixed place	10,538	25,020
WfH / No fixed as a proportion of resident jobs	19%	44%
Inflow	17,685	11,356
Outflow	26,602	18,893
Net balance - in favour of outflow	60%	62%

Source: ONS, Census 2011 WU01UK and 2021 ODWP01EW - Location of usual residence and place of work

3.15 Next, we review job density, which measures the balance between the number of jobs (workplace jobs) and the working age population (aged 16-64) in the area. This has been an historic issue for the Borough. As we have seen, the working age population includes a proportion who are inactive, and so we should expect an average density to be less than 1.0 (indeed the national density is 0.86). A density higher than the national average indicates more job availability than local labour supply, whereas a density lower than the national average indicates more workers than jobs.

Table 3.2 Jobs density, 2021

Area	Total jobs	Jobs density
Winchester	100,000	1.28
Chichester	76,000	1.07
Test Valley	74,000	0.93
Portsmouth	125,000	0.90
England	30,664,000	0.86
Eastleigh	71,000	0.85
Fareham	58,000	0.85
Basingstoke and Deane	99,000	0.84
Hampshire	698,000	0.82
Southampton	132,000	0.78
East Hampshire	49,000	0.66
Havant	47,000	0.64
Gosport	25,000	0.49

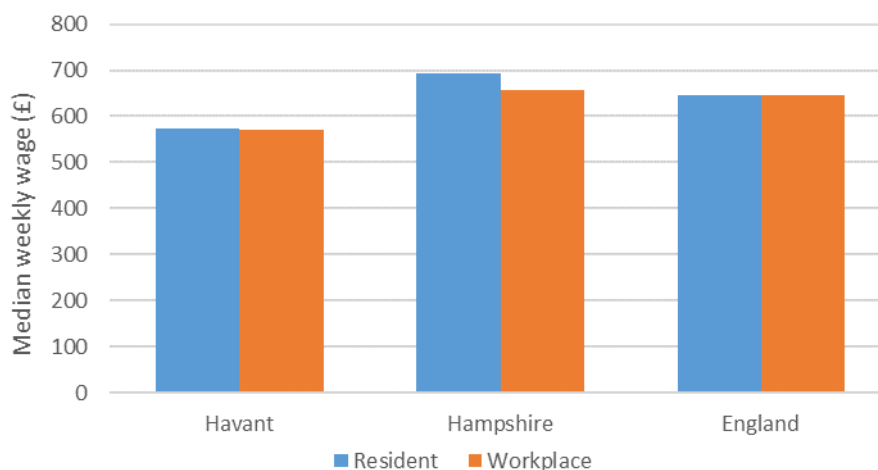
Source: ONS jobs density for 2021

3.16 The latest available employment density statistics (for 2021) are shown in Table 3.2

above and show Havant low in the 'league table', indicating comparatively few jobs relative to working age population. While the data uses a different source to the Census it suggests that there are still strong outward flows.

- 3.17 It is important to note that commuting is not necessarily a 'problem', and it often simply reflects the fact that local authorities do not always 'map' to economic geography. For example, Winchester's strong inflows (as shown on Table 3.2 above) may look like a cause for concern until it is understood that much this cross-boundary commuting from Havant is into the large employment estates in the south of Winchester district, generally disconnected from Winchester City, and a short distance from other administrative areas.
- 3.18 For this work we do not suggest a plan or strategy that seeks to adjust these flows – Havant is part of a wider market area, and while commuting is generally seen as being less sustainable than working in the 'origin' borough, the largest flows are between neighbours and most obviously with Portsmouth City. Seeking to recall commuted labour is not pragmatic without significant investment to change the market, but also detrimental to those neighbours whose own economies rely on Havant labour. What the data does suggest is that if Havant cannot meet its economic needs in full, there is scope for Portsmouth to assist given the strong economic linkages. This is most likely to be the case for office demand given the nature of the Island (Portsmouth), and limited land for net additional industrial space. We return to this when considering the demand and potential supply in the office market.
- 3.19 Turning to wages, in Figure 3-4 below we compare workplace-based (blue band) and resident-based (brown band) wages⁷ for Havant with those for Hampshire and England.

Figure 3-4 Wages, 2022



Source: ONS annual survey of hours and earnings (ASHE), 2022

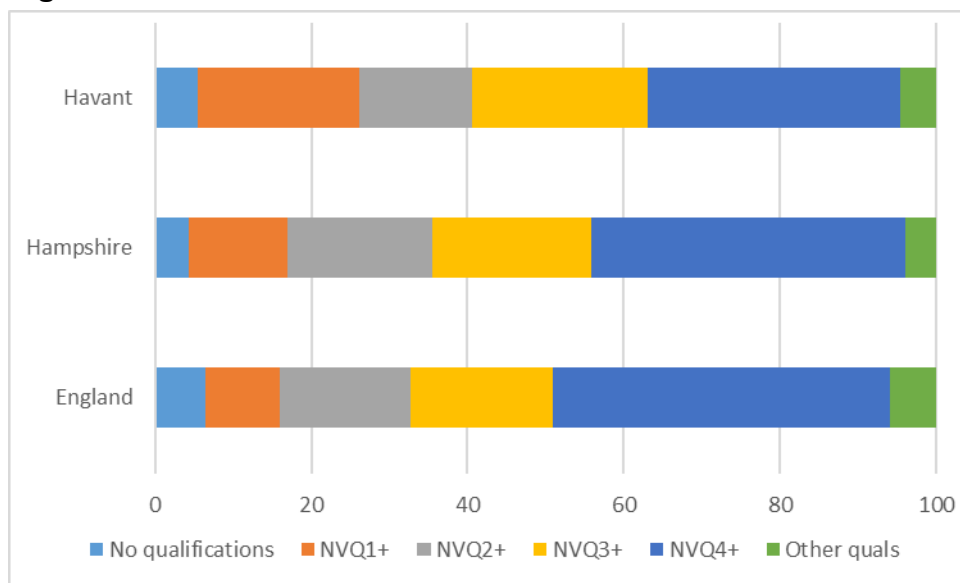
- 3.20 Wages for both residents and workplace jobs in Havant lag behind county and national pay (as much as 20% below average Hampshire resident wages). Havant

⁷ ONS Annual survey of hours and earnings, 2022

resident wages are the same as workplace, which indicates commuting into cities is not delivering the higher waged jobs that are generally expected. The data for Hampshire indicates that for the county, residents are commuting out for higher waged jobs. This is likely to reflect the limited, but high value, commuting into London, moving resident wages above workplace. Such commuting is less likely in the far south of Hampshire including Havant.

- 3.21 Even though the Borough is home to a number of global manufacturing brands such as Kenwood, Lewmar, Lockheed Martin, it remains a relatively low-waged economy (the workplace jobs are some 15% below the county average). As reported in the commuting analysis above, in 2021 just less than half the resident workers commuted out, with the largest proportion commuting to neighbouring Portsmouth, where there are many more jobs, but wages are not appreciably higher than in Havant (averaging £640/per week).
- 3.22 Turning next to the level of qualifications for Havant residents compared to county and national. The chart below identified the proportion of residents at different levels of qualification, from no qualifications to NVQ4+ which is degree and above.

Figure 3-4 Qualifications



Source: NOMIS: ONS annual population survey (Dec 2021 latest data)

- 3.23 Havant has a higher proportion of lower qualified residents, boosted by a much higher proportion qualified to NVQ1 (<5 GCSEs at grades A-C), and a much lower proportion with HND/degree level qualifications (NVQ4+). Such a pattern is reflected in the wage data. Some care is needed with drawing conclusions for the plan because while there may be aspirations for higher tier (higher skilled, higher wage) jobs, this does not reflect the skills in the existing workforce.

Occupations

- 3.24 This section reviews the number and proportion of jobs by occupation type. Overall, according to the Business Resident and Employment Survey (BRES), Havant had 53,400 jobs in 2022, and the table below separates these by occupation, showing the more senior roles (categories 1-3) first, then progressing to the lower skilled and

elementary jobs (categories 7-9).

Table 3-3 Occupations, 2022

Occupation	Havant		Hampshire	England
	Employee jobs	Per cent	Per cent	Per cent
1: managers, directors and senior officials	8,800	16.3	13.4	11.2
2: professional occupations	9,600	17.8	23.0	26.1
3: associate professional occupations	9,800	18.2	17.4	14.0
4: administrative and secretarial occupations	3,200	6.0	10.5	9.7
5: skilled trades occupations	3,200	6.0	8.7	8.8
6: caring, leisure and other service occupations	3,300	6.1	8.1	8.3
7: sales and customer service occupations	4,900	9.0	5.8	6.3
8: process, plant and machine operatives	5,600	10.3	4.7	5.9
9: elementary occupations	5,000	9.2	7.8	9.2

Source: ONS Business Register and Employment Survey

- 3.25 We highlight that Havant has an above average proportion of management roles, but this is outweighed by a lower proportion of jobs in the professions. Further down the occupations list the profiles are similar, with the only notable difference being for the second-lowest skilled group (8), where Havant has around double the number compared to the benchmarks. As noted above; care is needed in drawing conclusions because the Borough is functionally linked to its neighbours with occupations and wage profiles spread throughout this wider area. Also, even were the Council to look to adjust the profile of its resident workers it would not be a planning (land use) led strategy.

Workplace economy

- 3.26 In this section we consider the characteristics of the jobs (by industrial sector) available in the Borough – the workplace economy.
- 3.27 Economic data from Experian shows that 4,700 jobs were delivered in Havant over the period 2006-2016: broadly in line with the 3,776 forecast in the Core Strategy.
- 3.28 Table 3.4 below shows the job totals by industrial sector and percentages for Havant in order to compare with the county and England. The data does not include the self-employed, government-supported trainees and HM Forces, and this accounts for the difference from the employee only total (47,000) shown in Table 3.2 above.

Table 3-4 Employee jobs by industry, 2021

Employee jobs by industry	Havant		Hampshire	England
	Employee jobs	Per cent	Per cent	Per cent
A : Agriculture, Forestry And Fishing				0.8
B : Mining And Quarrying	10	0.0	0.1	0.1
C : Manufacturing	3,000	7.3	7.2	7.1
D : Electricity, Gas, Steam And Air Conditioning Supply	1,500	3.6	0.6	0.4
E : Water Supply; Sewerage, Waste Management And Remediation Activities	350	0.8	1.0	0.6
F : Construction	4,000	9.7	6.6	6.2
G : Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles	7,000	16.9	17.5	13.9
H : Transportation And Storage	1,250	3.0	4.7	5.5
I : Accommodation And Food Service Activities	3,500	8.5	7.4	6.4
J : Information And Communication	1,500	3.6	5.4	4.6
K : Financial And Insurance Activities	800	1.9	2.9	3.4
L : Real Estate Activities	600	1.5	1.7	1.9
M : Professional, Scientific And Technical Activities	3,500	8.5	9.6	9.5
N : Administrative And Support Service Activities	3,000	7.3	7.4	8.6
O : Public Administration And Defence; Compulsory Social Security	800	1.9	3.5	4.3
P : Education	5,000	12.1	8.2	8.5
Q : Human Health And Social Work Activities	4,000	9.7	11.4	12.8
R : Arts, Entertainment And Recreation	800	1.9	2.2	2.6
S : Other Service Activities	700	1.7	2.5	2.7
T : Activities Of Households As Employers;...				0.2
TOTAL EMPLOYEE JOBS	41,310	100.0	100.0	100.0

Source: ONS Business Register and Employment Survey

3.29 Generally, Havant's profile is similar to county and national, with the exception of jobs in power, construction and education (all highlighted in the above table) where the proportions are significantly higher; the latter balanced by a lower proportion in the other main public sector activity: health. However, we see lower than county/national proportions of jobs in all the main office sectors (I through O), and this demonstrates a relatively weak office market in the Borough. The proportion of jobs in the industrial and warehousing sectors (C,D,F,G and H) are close to the benchmarks. Of these sectors, only Transport and Storage underperforms the benchmarks. This indicates industrial activity is in line with county/national, and that office activity is weaker.

3.30 The lower share of Transport and Storage (a warehouse sector) reflects the current situation, with Havant not being a major logistics location. But this sector is now growing, and this has major implications for the need for land.

Business demography

3.31 Here we look at the businesses in terms of the sectors and employment size bands. Table 3-5 below compares the overall business unit count⁸ for Havant split by size of

⁸ A local unit is an individual site (for example a factory or shop) associated with an enterprise; it can also be referred to as a workplace. An enterprise is the overall business, made up of all the individual sites or workplaces.

business (number of employees). This is shown alongside county and national benchmarks.

Table 3-5 Business unit counts by size bands, 2022

Business Units	Havant	Hampshire	England
	(Numbers)	(%)	(%)
Micro (0 To 9)	4,325	85.5	83.8
Small (10 To 49)	595	11.8	13.3
Medium (50 To 249)	125	2.5	2.6
Large (250+)	15	0.3	0.3
Total	5,060	100.0	100.0

Source: Inter Departmental Business Register (ONS) - local units by employment size band

3.32 The table shows Havant's profile is generally consistent with county and national, with a marginally higher proportion of micro businesses and corresponding lower proportion of small and medium. The number of large firms recorded is likely to include the significant global businesses referred to earlier, but is clearly not out of the ordinary in terms of scale. Portsmouth Water, whose HQ is on West Street Havant are another business within the large category, albeit only just.

3.33 Table 3-6 below identifies businesses by industry sector.

Table 3-6 Businesses by industry sectors, 2022

Industry	Havant		Hampshire	England
	Businesses	Per cent	Per cent	Per cent
A : Agriculture, forestry and fishing	40	0.8	2.8	3.5
B : Mining and quarrying	0	0.0	0.1	0.1
C : Manufacturing	275	5.4	5.1	4.6
D : Electricity, gas, steam and air con supply	5	0.1	0.1	0.2
E : Water, sewerage, waste mngt and remed acty	20	0.4	0.4	0.4
F : Construction	1,135	22.4	14.6	12.4
G : W'sale & retail trade; repair of motor vehicles & mcycles	725	14.3	15.5	16.4
H : Transportation and storage	165	3.3	3.6	4.6
I : Accommodation and food service activities	285	5.6	5.4	6.9
J : Information and communication	270	5.3	7.2	6.6
K : Financial and insurance activities	90	1.8	2.2	2.3
L : Real estate activities	170	3.4	3.7	4.1
M : Professional, scientific and technical activities	680	13.4	15.9	14.3
N : Administrative and support service activities	390	7.7	8.6	8.7
O : Public admin & defence; compulsory social security	50	1.0	1.2	0.7
P : Education	135	2.7	2.5	2.4
Q : Human health and social work activities	300	5.9	5.1	5.2
R : Arts, entertainment and recreation	105	2.1	2.4	2.8
S : Other service activities	220	4.3	3.9	3.8
TOTAL ENTERPRISES	5,060	100	100	100

Source: Inter Departmental Business Register (ONS) - local units by industry

Key: grey highlights in the Havant per cent column indicate the sectors most above (darker grey) and below (lighter grey) the county and national averages.

3.34 As we saw above with jobs, the construction sector is the one standout, above average industrial sector, with Havant having a much higher proportion of

construction firms. Again, businesses in the office-focused sectors are less prevalent than the benchmarks, but industrial businesses are more prevalent (C and F). Warehousing sectors (G and H) have a lower prevalence, albeit marginal, reflecting other locations in Hampshire (and beyond) are better located for logistics and distribution activity compared to Havant.

Summary

- 3.35 The most obvious feature is that Havant workplace economy is much smaller than its residents' economy – many residents commute out to other nearby administrative areas. However, the data suggests this is not hugely beneficial to resident wages, and Havant workplace and resident wages are very similar.
- 3.36 The Havant workforce lags behind the county in terms of qualifications and employment skills, and this is reflected in employment occupations and wages.
- 3.37 Planning alone cannot secure higher wage jobs, but can ensure the right sites are available to attract firms that, in turn may pay higher wages.
- 3.38 In terms of economic sectors, the underlying, relatively low number of jobs and businesses in office-based activity is noteworthy, suggesting a weak office market that is likely to reflect the close proximity of other, more attractive office locations. We would expect many out-commuters to commute into offices (rather than industrial units) elsewhere, but the ONS data is not fine grained enough to confirm this.
- 3.39 Differences in other sectors are hard to crystallise because Havant's economy is comparatively small, and the natural variations between areas. However, across the industrial sectors the Borough has a large construction sector – in terms of both jobs and number of firms.
- 3.40 For the Plan evidence base our analysis would suggest that the Havant economy is successful in being one of low unemployment (so there is not a concern regarding the quantum of jobs). The data highlights that the Havant economy is strongly interconnected with its neighbours, but strong outward commuting flows do not appear to be significantly advantageous to resident wages.
- 3.41 Arguably the most concerning socio-economic feature, interlinked to the above, is that the residents are lower skilled than the County average, and this will be a limitation on attracting firms able to offer higher waged jobs. However, addressing this will require intervention in more than just land use planning.
- 3.42 For the plan this analysis suggests the Council should continue to aspire to a higher waged, higher skilled economy, but that this should be in addition to supporting the market as it currently stands.
- 3.43 Also, while Plans and strategies may stress the need for a 'quality product' in terms of land and premises for employment uses, this could overlook the fact that most of the stock of jobs are accommodated in the secondary portfolio, paying rents below those needed to deliver new space.
- 3.44 The fact that the proportion of people in employment is already high, stresses the need for Havant both to work to protect existing firms and their stock of property, and to give the existing portfolio equal prominence to new sites and growing sectors.

4 Property market analysis methodology

- 4.1 This chapter reviews the property market for employment space in the Borough, covering office and general industrial/logistics space. For both we consider, in turn, demand, supply, and the balance of the market. The main purpose of the analysis is to identify where there is potential demand for new floorspace, and hence a need for development land to be identified in the new Local Plan.
- 4.2 In relation to demand, we identify the types of businesses that are taking space in the Borough or may consider doing so, and what property they are looking for in terms of size and quality. In relation to supply and market balance, we analyse the stock which is currently available, recently developed, and in the pipeline; and the rental values that properties in the area are achieving. The purpose of our analysis is to determine:
- How far the existing floorspace stock is meeting current and foreseeable occupier requirements;
 - Hence, how far there is likely to be demand for more or different space, now or in the future; and
 - Conversely, if property and land are oversupplied (whether overall or in particular sections of the market).
- 4.3 These findings help assess the potential demand for new employment floorspace, and hence the quantity and qualitative mix of development sites that the new Local Plan should identify for employment uses.
- 4.4 A strength of the market-facing analysis is that it considers real-life property transactions, including the values (rents and yields) realised in such transactions, and whether these values are enough to support viable development. This provides evidence of effective, or viable, demand. This means that potential occupiers will pay enough, and (where relevant) provide sufficient covenant strength⁹ to support financially viable development.

Sources and definitions

- 4.5 The main market indicators considered are rental values, recent take-up and floorspace availability. In a property market context, ‘take-up’ means businesses taking occupation of business floorspace.¹⁰ Take-up covers both new-build and second-hand space (second-hand being the larger share of the market).
- 4.6 Our property market research has drawn on the following information:
- We have relied on the property market database CoStar, EGi Radius Exchange and commercial property research reports for evidence of take-up, availability and values, both for the market overall and individual properties. For the supply-side analysis in the report, we have relied on availability figures as described by CoStar as follows:

⁹ A business tenant has strong covenant if there is good evidence that they will be in good financial health, and able to pay the rent, through the period of the tenancy.

¹⁰ By contrast, in a planning context ‘take-up’ means the development of new floorspace new floorspace.

'The total amount of space that is currently being marketed as available for lease or sale in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date. CoStar includes only existing, under construction, and under renovation buildings in its statistical calculations of available space¹¹.'

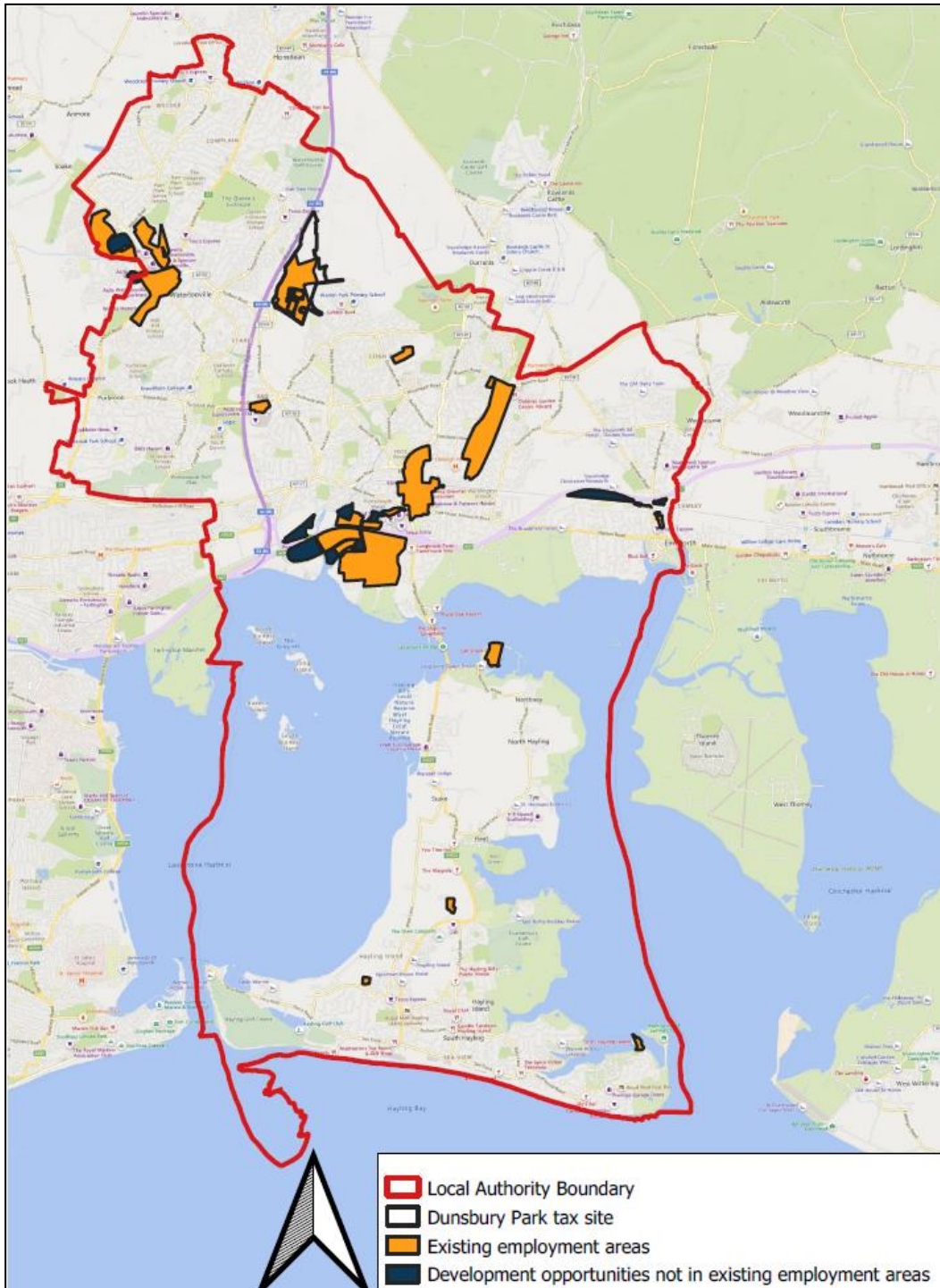
- Total stock figures across the Borough have been derived from analysis of VOA Non-Domestic Rating statistics. This data provides a round figure of the total business floorspace in square metres, and the total number of properties. We have cross-referenced this data with the CoStar availability data to provide an indication of availability rates. Cross-referencing the CoStar and VOA data does have limitations, as there is no guarantee that the two sources are consistent in regard to unit sizes and descriptions. The reason why there may be discrepancies with the unit type is that the VOA data has 117 description codes, which do not always correspond with the definition of employment premises as classified by CoStar. By contrast, properties listed on CoStar are divided into just three categories - industrial, light industrial and office – and some of them may fall outside the VOA definition of industrial or office units. Due to the figures being provided as a lump sum, it has not been possible to 'iron out' these discrepancies.
- For a greater qualitative understanding of the market, we have consulted property agents and developers, both by phone and at a virtual stakeholder event. The purpose of the telephone conversations was to help verify our understanding of the local market, the type of enquires being received for space and whether these requirements could be satisfied in the existing stock. The virtual stakeholder event was held via MS Teams on the 12 September 2023. Again, the stakeholder event provided an opportunity to develop our understanding of the market and seek additional information.

Employment areas in Havant Borough

- 4.7 Our analysis of the property market includes all the major industrial estates, business parks and the main town centres along with potential development opportunity areas that we have identified through our data sources (Egi etc), and in conjunction with Havant Borough Council. The map in Figure 4-1 shows these areas. In some cases, the development opportunity sites lie within these areas, and these sites are not shown separately. The Dunsbury Park Tax Site designation is dealt with separately in section 6.

¹¹ Note: Availability is different from vacancy, as availability indicates a property is being advertised for occupation, but may not necessarily be vacant

Figure 4-1 Havant Borough existing employment areas & development opportunities



Source: QGIS.org 2023, Urbà November 2023.

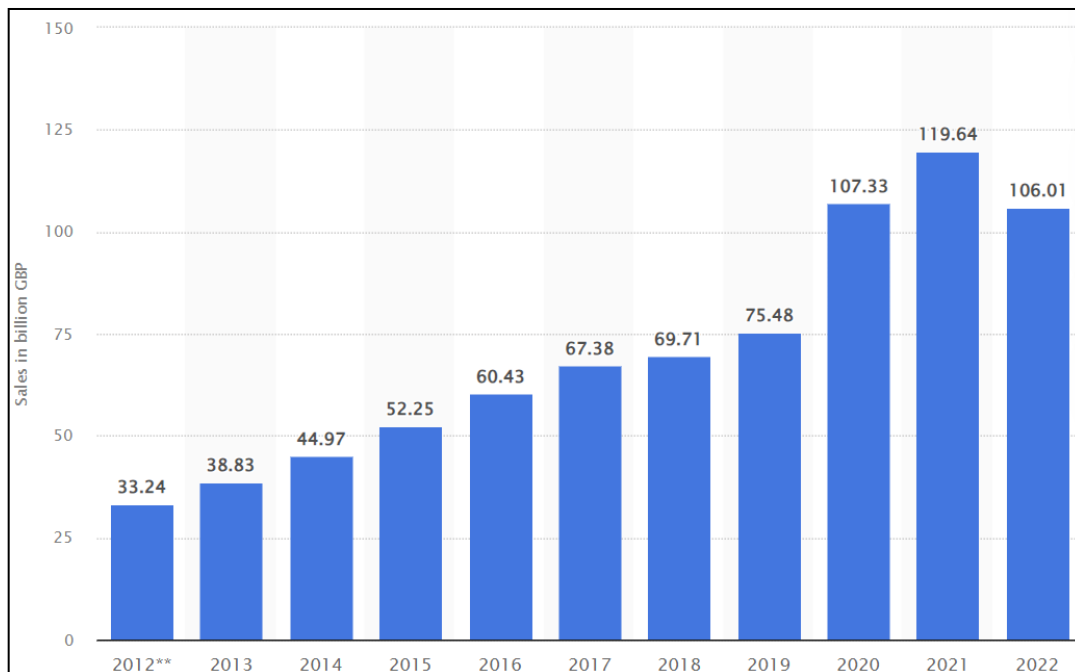
5 The Industrial Market

5.1 For our market analysis we consider industrial and logistics uses (E(g) iii; B2; and B8) as one property market sector rather than separating industrial from logistics. This is because in Havant, despite there being the demand for logistics there is not meaningful data to analyse. We therefore have had to analyse the local industrial and warehouse market as a whole and draw out the relevant data where available.

Industrial Market Overview

5.2 Prior to the global pandemic, demand for units over 930 sq m (10,000 sq ft), was strong, driven by retailers, e-tailers, and third party logistic (3PLs) companies. During the pandemic demand for space increased due to the further growth in online sales (see Figure 5-1).

Figure 5-1 Value of online retail sales in the United Kingdom (UK) from 2012 to 2022



Source: Statista (28 February 2023)

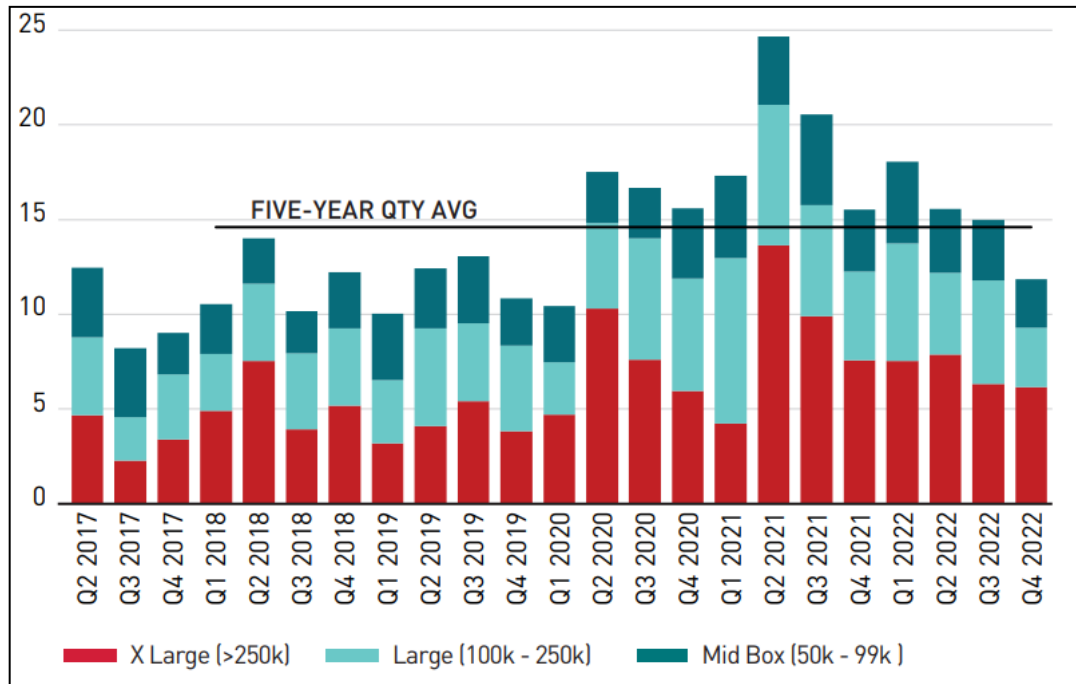
5.3 LSH reported¹² that national demand has cooled from its 2021 high, with the demand profile changing from predominantly retailers to e-tailers with an upturn in demand from the manufacturing sector, which is linked to an increased emphasis on securing production into the supply chain alongside the wider growth. Furthermore, LSH indicate that niche space uses are also contributing to demand, including data centres and tv/film producers.

5.4 Recent consultations with agents and developers have confirmed that the market has cooled from its pandemic peak, but demand remains strong. They point out that the cooling of the market is coming from a point of unprecedentedly high demand, with demand now more in line with the five-year average take-up. This is supported by the

¹² LSH, 2023, Industrial & Logistics Market

data set out in Figure 5-2.

Figure 5-2 UK quarterly take-up (million sq ft)

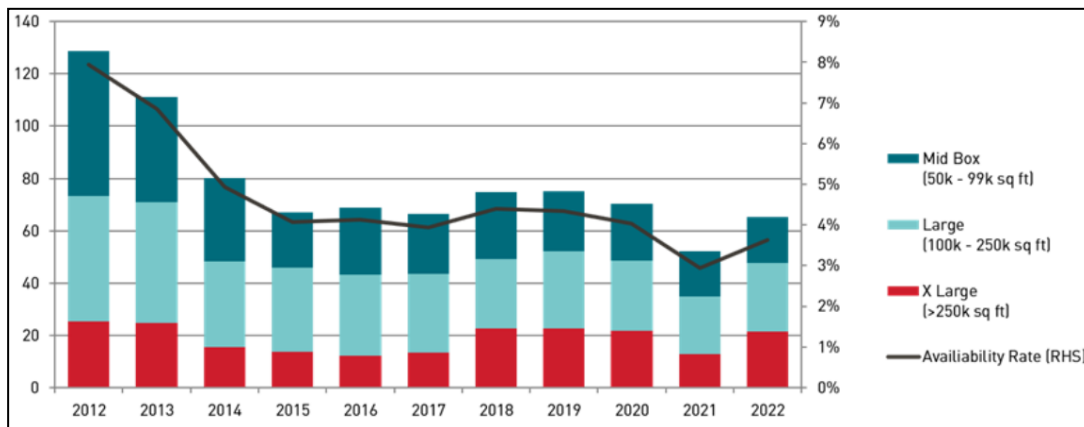


Source: LSH, Industrial & Logistics Market (2023)

- 5.5 In recent studies¹³ we have found that occupiers are increasingly seeking high quality space with 'green credentials' such as BREEAM Excellent and zero carbon, to help meet their Environmental, Social, and Governance (ESG) targets. Our consultations have confirmed that these requirements are the same in Havant.
- 5.6 The availability position at this point in the economic cycle is different from what we have seen in the past when the market has cooled. As shown in Figure 5-3, as we were coming out of the global financial crisis in 2012 there was still a glut of available stock, but at this present time, availability is low. Figure 5-3 supports our assessment of the market where we are still seeing very low levels of availability.
- 5.7 Part of the reason maybe that the Covid spike eroded what little pipeline was available and a lack of remaining land in development plans is hindering the market's ability to 'top-up' this supply.

¹³ Our recent studies include; West Berkshire ELR, Addendum, December 2022; Swale ELR Update July 2023 and Employment Land & Economic Needs Assessment, London Borough of Sutton April 2023

Figure 5-3 UK availability by size band (sq ft)



Source: LSH, Industrial & Logistics Market (2023)

Havant Borough Profile

- 5.8 The Borough has a strong industrial market primarily split between Havant and Waterlooville, with smaller markets in Leigh Park, Hayling Island and Emsworth. There are newer and larger floorplate units found in Havant whereas in Waterlooville the stock tends to be more dated and with smaller floorplates.
- 5.9 During our engagement it was explained that Havant tends to attract more national occupiers in comparison to Waterlooville which attracts localised demand with occupiers generally servicing the local market. Furthermore, the consultation indicated that there is no one sector driving demand, with demand coming from a range of sectors such as retailers, 3PLs and manufacturers, but what we do see is a greater presence of marine-related industries compared to locations further up the A3.

Havant

New Lane

- 5.10 New Lane is one of Borough's largest industrial/logistic areas located north-east of Havant town centre. Access to New Road is via Eastern Road to the south, Crossland Drive to the west, and Bartons Road to the north – all of which provide a link to the B2149 and in turn to the A27.
- 5.11 The industrial area comprises of several smaller industrial parks e.g., Dakota Business Park (modern purpose-built units), The Oakwood Centre (dated industrial units), Hayward Business Centre (modern purpose-built units), Velocity (brand new purpose-built units), Downley Point (modern industrial units) and Spring Business Park (brand new purpose-built units). In these industrial parks there is evidence of occupiers taking multiple units – such as Sartorius (biopharmaceuticals) in a total of 5,400 sq m across two units at Velocity (this was a relocation from Portsmouth in 2021), and Westleigh Motor Factors across five units at The Oakwood Centre.
- 5.12 In addition, the industrial area has several large occupiers in standalone units. These include Kenwood Business Park, occupied by Kenwood (electronics), and 32 New Lane, occupied by Amazon (online retailer) in a new modern 15,250 sq m unit at the former Pfizer site operating as a last mile delivery hub.

5.13 As shown in Figure 5-4, most of the New Lane units are new or modern and of good quality with dedicated car parking, service yards and good eaves heights – the units are suitable for modern occupier requirements. The industrial area is well occupied although recently the former Dunelm Bush unit has come to the market, a unit of circa. 10,000 sq m, following administration of the company.

Figure 5-4 Examples of industrial units, New Lane



Source: Urbà, CoStar (August 2023)

Brockhampton Lane/The Tanneries /Solent Trade Pk/South of Solent Rd

5.14 The industrial area is located to the south and west of Havant town centre, just north of the A27. The industrial area comprises of a number of smaller estates.

5.15 **The Tanneries/Brockhampton Lane** - An industrial estate of 28 units located on Brockhampton Lane. As shown in Figure 5-5, the units here are dated, with the majority laid out in a terrace with larger detached and semi-detached units located around the edges of the terraced units. The layout of the estate is not optimal for modern occupier requirements due to compromised service yards and car parking. The units also have low eaves height for modern occupier requirements. Due to the nature of the units, they attract local occupiers who require affordable market rents. Occupiers here include Lemac MOT & Service Repair (car repair) in an 855 sq m unit, Bodyguard (car repair) in a 170 sq m unit, AC Redman (metal fabrication) on a 237 sq m unit, and Well Timber Products (furniture manufacturer) in a 100 sq m unit. On the other side of Brockhampton Lane, close to the junction with West Street, there is single industrial unit used for vehicle repair.

Figure 5-5 Examples of industrial units, Tanneries



Source: Urbà, August 2023

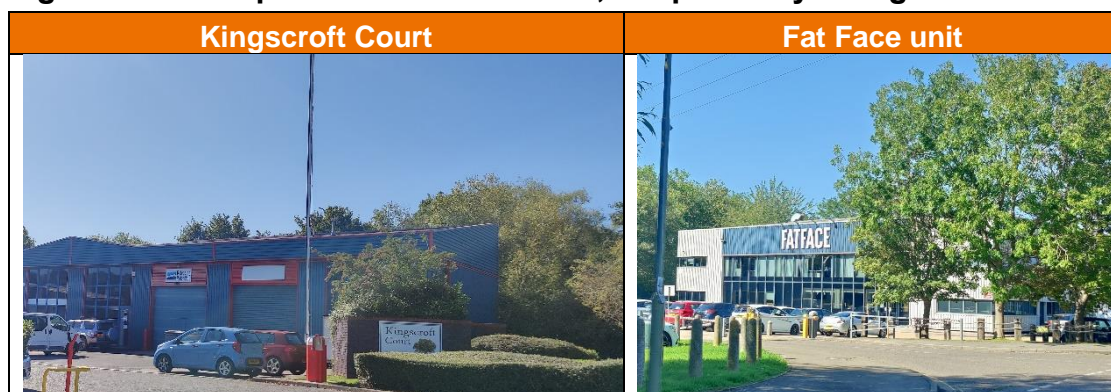
5.16 **Solent Trade Pk/South of Solent Rd** – a cluster of industrial units and a trade park. The trade park is located on the corner of Solent Road and Brockhampton Lane and provides modern (built in the last 10 years), purpose-built units in two terraces with dedicated parking and shared access road. Occupiers at the trade park include Screwfix, Easy Bathroom and Toolstation. Lying to the west of the trade park are three standalone industrial units which benefit from direct access onto Solent Road via a private entrance to each. Each unit has dedicated car parking and a secure storage yard, which is attractive to occupiers. Occupiers here include Havant Motor Factors (vehicle part distributor) in a 600 sq m unit, and EMP Tooling Service (welders) in a 740 sq m unit.

Marples Way / Kingscroft Court

5.17 To the west of Solent Trade Park is a small industrial area on Marples Way and Ridgway. These roads lead onto the small industrial estates of Kingscroft Business Park and Kingscroft Court. On Marples Way, there are the larger modern detached units occupied by Wärtsilä (manufacturer for marine and energy markets) in a 3,825 sq m unit, and Spectrum Workplace (commercial interiors) in a 1,350 sq m unit. On Ridgway, there is Solent Motor Services (car sales and repairs) in a 200 sq m unit, and Fat Face (clothing) in a 10,600 sq m unit. Immediately to the west is, Kingscroft Farm, an existing employment allocation in the 2014 Allocations Plan. We consider this site’s potential in the development opportunities section below.

5.18 Kingscroft Court comprises a small industrial estate set out in three terraces with a shared entrance. Each unit has dedicated parking and service yard. The units are dated, but still of good quality and are reasonably well maintained. The units are well occupied by local businesses such as Releasing Potential (charity) in a 580 sq m unit, Impulse Electrical Supplies (electrical wholesaler) 320 sq m unit, and Acorn Engineering (manufacturer) in a 320 sq m unit.

Figure 5-6 Examples of industrial units, Marples Way / Kingscroft Court



Source: Urbà, August 2023

Harts Farm Way / Broadmarsh Business Innovation Centre

5.19 Harts Farm Way is located to the south of the A27 and to the west of Brockhampton Road. Along Harts Farm Way are several smaller industrial estates such as:

- Hermitage Park (predominantly a brand new industrial estate, with several more dated units);

- Havant Business Centre (dated industrial units);
 - Basepoint Business Centre (around 20-years old);
 - The Council’s Household Waste Recycling Centre; and
 - Land north of the Regional Business Centre used as a depot for Cappagh contractors
- 5.20 Hermitage Park provides new quality stock with high eaves heights, dedicated secured service yards and car parking. The units attract good quality covenants such as Ahmarra (door manufacturer) in a 3,000 sq m unit, Physique (sports healthcare products) in a 940 sq m unit, Keyline (building supplies) in a 645 sq m, and P&I (generators and back-up power system supplier) in a 2,100 sq m unit.
- 5.21 The units at Havant Business Centre are small and dated in comparison to Hermitage Park (see Figure 5-7), with a shared entrance, small service yard but dedicated parking. Occupiers here are local companies that include Format Fabrications (welding) in an 84 sq m unit, and Oberon Performance (motorcycle parts and accessories) in a 290 sq m unit.
- 5.22 The Basepoint Business Centre comprises purpose-built start-up units. The units are of good quality, although slightly dated, with a small service yard to each and a mix of dedicated and shared parking.

Figure 5-7 Examples of industrial units, Harts Farm Way / Broadmarsh Business Innovation Centre



Source: Urbà, August 2023

Langstone Park /Southmoor Lane Industrial Estate - including Endeavour Business Park (office)

- 5.23 Langstone Park (formerly known as Langstone Technology Park) / Southmoor Lane is located to the south of Havant town centre and the A27. Access to Langstone Park is via Langstone Park Road, which in turn provides a direct link to the A27 and the town centre.
- 5.24 To the south of Langstone Park, along Penner Road, is the SSE (utilities) campus and Norse (contractor). The SSE campus appears under-utilised and is considered further in the development opportunities section below. To the west of Southmoor Lane is the Southern Water, Budds Farm, wastewater treatment works site.
- 5.25 To the east of Southmoor Lane the industrial units range in scale, but are dated in nature. Occupiers here include Apollo (fire detector design and manufacturer) in a

10,000 sq m unit, and Lewmar (marine equipment manufacturer) in a 9,000 sq m unit. To the north of Penner Road are more modern but comparatively smaller industrial units, which include the Endeavour Business Park and Alexandria Park. Occupiers here include AFECO (engineering in water industry/marine) in a 500 sq m unit, and Oska (manufacturer of medical care products) in a 2,100 sq m unit.

- 5.26 Langstone Park comprises the former IBM site and the units here are a mix of age and quality. Some of the older units (built in the 1960/70s) have been reconfigured with others redeveloped to provide modern purpose-built accommodation, with good eaves height, yard space and car parking. As part of the IBM legacy, there is a data centre at Langstone Park which has the capacity for up to 1,000 cabinets.¹⁴ Although our consultations have revealed that the data centre is not modern and does not meet current occupier requirements, as such the occupier is taking their lease break in 2025. Our consultations have also found that the current largest occupier is a US defence company occupying circa. 4,700 sq m using the space as a mixture of offices and laboratory – we understand that this occupier lease is until 2025.
- 5.27 There is outline planning permission (reference: APP/22/00172) for the comprehensive redevelopment of the remaining areas. We understand that the proposals promoted with a cap on office floorspace of 3,000 sq m due to highway constraints. The newly built units are as yet unoccupied. We understand terms have been issued to several potential occupiers operating in sectors such as micro-biology, fire management system and automotive carbon manufacturing.

Figure 5-8 Industrial units, Langstone Park/ Southmoor Lane



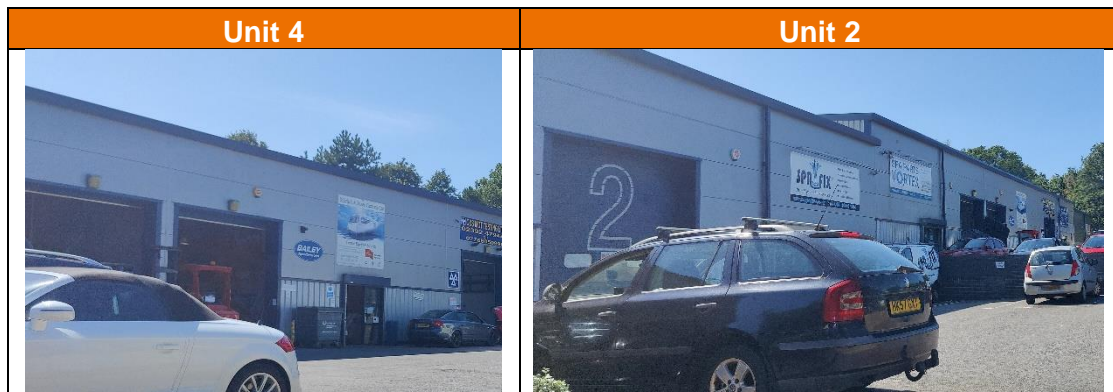
Source: Urbà, August 2023

¹⁴ <https://www.color-x.com/data-centre/cogecopeer-1-portsmouth/>

Larchwood Business Centre

- 5.28 Larchwood Business Centre is located east of junction 4 of the A3(4), and south of Purbrook Way, and co-located with an Asda superstore, McDonalds and KFC 'drive thru'. The business centre is a small terrace and has poor visibility, and the industrial units are small and dated, but well maintained (see Figure 5-9) attracting local occupiers such as Mitchell & James Caravans (caravan repair and servicing) in a 275 sq m unit, and Spatix Services (hot tub distributor) in a 275 sq m unit.

Figure 5-9 Examples of industrial units, Larchwood



Source: Urbà, August 2023

Leigh Park

Dunsbury Way Trading Estate, Leigh Park

- 5.29 Dunsbury Way Trading Estate is located to the north of Havant in Leigh Park, a predominately residential area which is not ideal for some industrial/warehouse uses who require frequent HGV access.
- 5.30 Towards the entrance of the estate, at the junction of Dunsbury Road and Fulflood Road, is the former Dairy Crest site. The site comprises disused industrial units abut has outline planning consent (reference APP/18/01109) for residential redevelopment of the site for 74 dwellings.
- 5.31 Further along Fulflood Road is the industrial estate, comprising a mix of units in terms of both size and age. Towards the entrance of the estate are several small multi-occupied modern industrial units, that have good site coverage with dedicated car parking, yard space and good eaves height. Examples of the units are set out in Figure 5-10. Opposite is a newly built 3,200 sq m headquarters building occupied by Mipa Paints (aerosols filling and manufacturer) . At the rear of the estate is a large, dated detached unit that has a high site coverage and low eaves heights and is no longer suitable for modern occupier requirements.
- 5.32 Due to the site's location, occupiers are predominantly local businesses, although some are servicing the national market. Other occupiers here include Deans Servicing & Repairs (vehicle repair) in a 160 sq m unit, and Ciret (paint manufacturer).

Figure 5-10 Examples of industrial units, Dunsbury Way Trading Estate

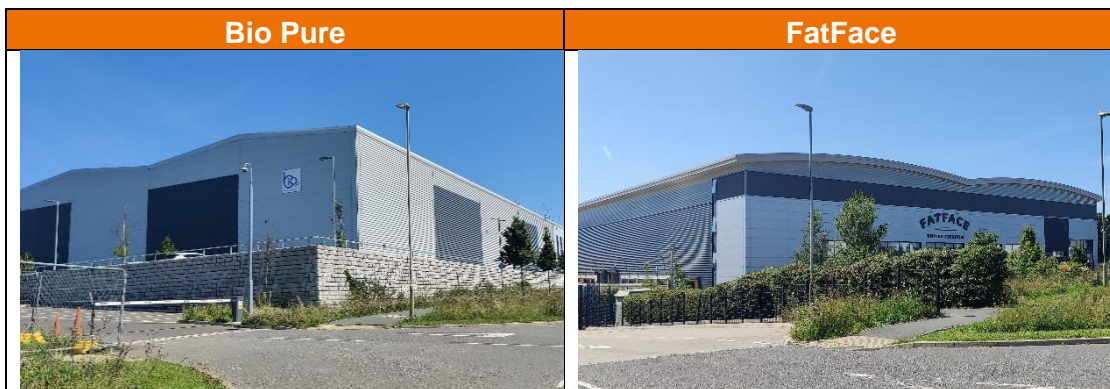


Source: Urbà, August 2023

Dunsbury Park

- 5.33 Dunsbury Park is located in the north of the Borough, east of A3(M) junction 3. It is an allocated strategic employment site, with large parts of Phases 1 built-out, but with further capacity on phases 2 and 3 to be delivered (see Section 6).
- 5.34 The new build industrial units at Dunsbury Park are new build that meet modern occupiers' requirements with good eaves heights, yard space, and car parking – see Figure 5-11 **Error! Reference source not found.** The park has good access to the principal road network, which also makes it attractive to all employment occupiers, both general market and those meeting Freeport objectives.

Figure 5-11 Example industrial units, Dunsbury Park, Freeport Tax Site



Source: Urbà, August 2023

- 5.35 Current occupiers at the park include the non-Freeport related businesses of FatFace (retailer) who have a 14,400 sq m unit, with the option for expansion of a further 3,700 sq m, VW Breeze servicing centre in a 1,200 sq m unit and DPD (3PL) in a 3,500 sq m unit. Most recently Biopure have occupied a 11,600 sq m unit. Speculative new build development has also taken place at the park on Plot 5¹⁵, where the two smaller units of approximately 1,700 and 2,300 sq m are let to Percussion Play and Inchscape and the third larger unit of 2,900 sq m under offer.
- 5.36 The implications of the Tax Site designation for floorspace demand and supply are considered in section 6.

¹⁵ Plot 5 planning permission ref: APP/21/01267

Waterlooville

Waterlooville IE Aston Road/Aysgarth Road/Arnside Road

- 5.37 Waterlooville Industrial Estate is a large and well-established industrial area. As shown in Figure 5-12, the units on the estate are dated, with low eaves height and high site coverage. Furthermore, the estate road is in a poor state of repair and there is a significant change in levels in a part of the estate. Located in the industrial area is the Parkwood Centre which comprises small units split over two storeys, with the upper floors accessed via a stairwell. Despite the shortcomings of the estate, it is well occupied with little vacancy. Through our consultation, agents have indicated that the estate primarily attracts local companies that wish to remain in the area, these local companies may be servicing the local/regional market or a wider national market. Those national companies that are located here are typically servicing the local/regional market.
- 5.38 Local companies located here include Deltair Aerospace (aviation engineers) in an 800 sq m unit, AlcoMoto (vehicle repair) in a 190 sq m unit, and Tricel Water Pumps (pump supplier) in a 330 sq m unit. National occupiers include Screwfix (building supplies) in an 885 sq m unit, and Howdens (kitchen supplier) in a 1,100 sq m unit. At the Parkwood Centre occupiers include Cartronix instrument cluster repairs (engineering) 100 sq m unit, and Flowseal (building materials supplier) in a 95 sq m unit.

Figure 5-12 Examples of industrial units, Waterlooville IE Aston Road/Aysgarth Road/Arnside Road



Source: Urbà, August 2023

Brambles Business Park/Elettra Avenue

- 5.39 Elettra Avenue leads onto Waterberry Drive and Silverthorne Way – along these roads are several industrial units and estates such as Pipers Wood Industrial Estate and Stratfield Park. Generally, the units are dated, but well maintained in a well landscape environment (see Figure 5-13). The units have dedicated yard space and car parking. This area attracts local companies servicing a mix of both local/regional and national markets. The units are well occupied with very low vacancy. Occupiers on Waterberry Drive include Paleo Ridge (dog food manufacturer) in a 585 sq m unit, Setsquare (set designers) in a 3,300 sq m unit, and Jasun Envirocare (air duct cleaning) in a 235 sq m unit.

Figure 5-13 Examples of industrial units, Brambles Business Park/Elletra Avenue



Source: Urbà, August 2023

Emsworth

- 5.40 Emsworth has three small industrial areas of Sultan Road, Seagull Lane, and Palmers Road Industrial Estate, which are located near each other.
- 5.41 Sultan Road comprises a small terrace of dated but well-maintained industrial units next to the railway station (see Figure 5-14).
- 5.42 Seagull Lane is located on the east side of North Street. Access is restricted, being a single carriageway road through a residential area, and the units are small and dated.
- 5.43 In comparison to the aforementioned industrial areas, the units at Palmers Road are larger, with some having their own dedicated yard space and car parking (see Figure 5-14). Access around Palmers Road is also restricted due to the proximity of residential and on-street parking. Despite the units' age, location and quality, they are well occupied with low vacancy. The former Gas Holder site, also on Palmers Road is now cleared and available for redevelopment.
- 5.44 Due to its location, Emsworth attracts local occupiers such as Artec Engineering (metal spinning) in a 370 sq m unit, and S. Roberts Upholsterers (furniture restoration) in a 350 sq m unit.

Figure 5-14 Examples of industrial units, Emsworth



Source: Urbà, August 2023

Hayling Island

Hayling Billy Business Centre and Furniss Business Centre, Hayling Island

- 5.45 These two small industrial estates located in the south of the island have a shared entrance road Furniss Way. The estates comprise purpose built industrial units, with the units at Furniss more modern than Billy Business Centre (see Figure 5-15). The units benefit from dedicated service yards and car parking and appear well occupied with little vacancy. The location and size of units mean that they capture local demand. Occupiers here include Northshore Metal Profiles (metal workers) in a 135 sq m unit, and Furniss Autos (vehicle repair) in a 110 sq m unit.

Figure 5-15 Examples of industrial units, Hayling Billy Business Centre & Furniss Business Centre, Hayling Island



Source: LoopNet (N.s), google (August 2023)

The Calving Yard, Manor Farm, Manor Road

- 5.46 The Calving Yard is a small industrial/warehouse estate located in the centre of the island off the A3023. The estate is a series of farm outbuildings that have been converted for general market industrial/warehouse use. The units benefit from dedicated service yards and car parking. The size and quality of the units mean they attract local demand and there appears to be low vacancy. Occupiers here include Where's My Hat (event company), and Bentley Walkers (electronics).

Northney & Sparkes Marinas

- 5.47 These marinas comprise small, dated workshops and larger industrial units linked to specialist marine related activities. The small workshop units have a mixture of pitched and lean-to roofs meaning that heights are restricted in parts, with access to the units through a mixture of a roller shutter or garage door. Overall, the configuration of these small units restricts the type of uses to local demand. The larger units are used for boat repair and are modern, with reasonable eaves height and better maintained than the smaller units.

Wilson's Boatyard

- 5.48 Wilson's Boatyard is located towards the head of Mill Rythe and offers a fully range of tidal moorings, lay-up berths, storage and brokerage for yachts. As a local family run business, it provides local employment for the marine sector.

Summary of the Borough's industrial stock

- 5.49 Overall, our analysis shows that the Borough has a broad mix of size and quality in industrial accommodation. Havant (as opposed to Waterlooville) has the better quality of accommodation with some new build occurring on the existing estates; this helps Havant attract blue chip national occupiers such as Amazon. In comparison the stock in Waterlooville is more dated and has seen less new build development, the reason for which we explain below. Waterlooville does, however, have a number of large occupiers such as Paleo Ridge and Setsquare. In the rest of the Borough the stock is also dated, with the units here typically smaller to service local demand.

Industrial Demand

- 5.50 In this section we analyse take-up of industrial floorspace in the Borough over the last five years, drawing mainly on the CoStar and EGi Radius Exchange databases. This floorspace take-up is the space that business occupiers move into. This includes lease agreements and owner-occupier acquisitions in any given year. It takes no account of floorspace vacated as businesses move out or close down. It is important not to confuse this floorspace take-up with the land take-up, which relates to the development of new floorspace into the market.
- 5.51 Table 5-1 shows that in the five years to 2022, the take-up of industrial space in the Borough averaged 14,702 sq m per annum, over an average of 15 units.

Table 5-1 Industrial floorspace take-up, 2018-23, Havant

Calendar year	No. of transactions	Total take-up sq m	Minimum take up sq m	Maximum take up sq m
2018	12	7,564	136	1,980
2019	19	21,097	102	3,946
2020	10	12,905	39	5,399
2021	18	8,258	66	1,171
2022	17	23,685	10	10,876
2023*	12	18,373	19	15,251
Total	88	91,881		
Annual Average 2018 - 2022	15	14,702		

Source: CoStar, July 2023

*2023 is a partial year, data taken between 1st January – 13 July

- 5.52 Units taken-up in the five-year period include:

New Lane

- June 2023: Amazon (online retailer) took a new unit of 15,250 sq m at the former Pfizer site at 32 New Lane as a last mile delivery hub. Amazon took the unit at a rent of £250 psm on a 15-year term. At the stakeholder event, it was confirmed that the higher than normal rent was due to the site specifics of having multi-storey parking for the delivery vans. Also, it was indicated that Amazon probably came here because the timing of the availability of the unit tied in with when they had an active requirement (indicating the more 'footloose' nature of logistics/distribution).

- April 2022: Imc Pro Logistics (3PL) took a 4,220 sq m unit at Velocity on a 10-year term at a rent of £105 psm.
- December 2021: Vandapower (battery production) took a 480 sq m unit at 4 Spring Business Park on a 5-year term at a rent of £118 psm. This was a move from Waterlooville.

Brockhampton Lane / The Tanneries /Solent Trade Pk / South of Solent Rd

- February 2019: Havant Mowers & Garden Machinery (garden machine suppliers) took a 100 sq m unit at 19 The Tanneries on a 10 year term with a break after year three at a rent of £88 psm.
- March 2023: R& T Industrial Engravers (engravers) took a 110 sq m unit at 26 The Tanneries on a 5-year term at a rent of £86 psm.

Marples Way / Kingscroft Court

- July 2019: Wärtsilä (manufacturer for marine and energy markets) had a lease renewal at their 3,825 sq m unit at 4 Marples Way, Havant on a 10-year term at a rent of £80 psm.

Harts Farm Way / Broadmarsh Business Innovation Centre

- June 2021: Global Marine Systems (TMT) took 1,170 sq m at 7 Hermitage Park, Harts Farm Way at a quoting rent of £110 psm on undisclosed terms.
- July 2021: GFD Technologies (aviation) took a 430 sq m at 8 Hermitage Park, Harts Farm Way at a quoting rent of £110 psm on undisclosed terms.

Langstone Park / Southmoor Lane IE incl Endeavour Business Pk (office)

- August 2020: Oska (manufacturer of medical care products) took a 2,100 sq m unit at Edward House, 5 Penner Road, Havant on a 10-year term at a rent of £100 psm.
- July 2021: DStar (motorbike clothing manufacturer) took a 175 sq m unit at Unit 6 Beaver Industrial Estate on a 10 year term with a break after year five, at a rent of £110 psm.

Dunsbury Park, Freeport Tax Site

- January 2022: Bio Pure Technologies (manufacturing) took a new 10,900 sq m at Unit 5, Dunsbury Park at a rent of £100 psm on undisclosed terms.

Waterlooville IE Aston Road/Aysgarth Road/Arnside Road

- May 2021: DSC Nutrition (vitamin, mineral and supplement manufacturer) took a 94 sq m unit at The Parkwood Centre on a 5-year term at a rent of £108 psm.
- July 2023: Portsmouth Diamond Drilling (specialist drilling) took a 265 sq m unit at 23 Arnside Road on a 5 year term at a rent of £75 psm.

Brambles Business Park/Elettra Avenue

- January 2019: Bigneat/Caron (biotech) had a lease renewal on a 575 sq m unit at 4-5 Pilers Wood Industrial Estate on a 10 year term at a rent of £83 psm.
- November 2019: Hi-Technology Group (plastic injection moulding) took 2,350 sq m at Tyak House on a 10 year term at a rent of £83 psm.
- April 2022: N2 UK (veterinary instruments and implants) took a 260 sq m unit at 12 Elettra Avenue on a 6 year lease at a rent of £92 psm.

Supply and market balance

- 5.53 Table 5-2 sets out the change in total stock, as recorded on the VOA, compared to the total vacant floorspace recorded on CoStar for recent financial years. The data shows that whilst stock has been lost in recent years,¹⁶ the Borough-wide vacancy rate has increased owing to a faster rate of vacancy than of loss. This difference, however, is relatively marginal. The vacancy rate on 1 March 2023 was 0.91%, around just 3,400 sq m.
- 5.54 When we look at currently available advertised properties (July 2023) on CoStar the floorspace figure has increased to 14,166 sq m (figure not shown in tables). We can see from current availability (July 2023) that the bulk of the increase is down to three new units listed at Dunsbury Park that add 7,220 sq m availability, increasing vacancy rates. If we assume that the total stock figure has remained the same at 376,000 sq m, then the vacancy rate is now around 3.8%. When we cross-reference the current availability of 14,166 sq m with the 5-year annual take up in Table 5-1 it equates to just under 1 year's supply of floorspace which indicates a tight market.

Table 5-2 Change in total stock & vacancy rate, Havant Borough

Date	2018	2019	2020	2021	2022
Total stock sq m 01 March	418,000	417,000	421,000	417,000	376,000
Change in floorspace sq m		-1,000	4,000	-4,000	-41,000
Change in floorspace %		-0.24%	0.96%	-0.95%	-9.83%
Vacancy Q.1	271	0	3,341	322	3,436
% of vacant space against total stock	0.06%	0.00%	0.79%	0.08%	0.91%

Source: CoStar, VOA, Urbà, July 2023

- 5.55 The 2023 floorspace figure of 14,166 sq m does not include other industrial premises as proposed, under-construction and space being refurbished (see Table 5-3 below), these total to circa 15,970 sq m across five units –These five units, if delivered, could add just over one-year supply, based on the five-year annual take up in Table 5-1.

¹⁶ The VOA data does not state the units which have been lost but it is likely to be the Colt and Pfizer sites, as they had loss of floorspace

Table 5-3 Industrial floorspace – proposed, under construction & refurbishment

Address	Total floorspace available sq m
Under construction	
Langstone Park	4,286
Langstone Park	7,004
Refurbished	
Alpha, Pipers Woods Industrial Park, Waterberry Drive	4,680
Total	15,970

Source: CoStar, July 2023

- 5.56 Due to unmet demand in the market, companies that cannot find the space they need move to other places (more so companies with footloose requirements than existing occupiers), or perhaps stay in premises that no longer meet their needs (compromising growth and/or efficiency). As illustrated through our consultation, Amazon came to the Borough because the right size unit was available at that point in time. In comparison, a local agent has a requirement from a company based in Waterlooville who wishes to remain in the town, but is unable to move as there is no space currently available to meet their requirements.

Rents and the economics of development

- 5.57 Agents indicate that prime industrial rents in Havant are around £120 psm, with rents in Waterlooville discounted to around £110 psm. Although as we see above, where there are special occupier requirements, rents can be higher.
- 5.58 With regards to investment yields, we have seen the following transactions:
- September 2022: 32 New Lane (the Amazon unit) was sold at a net initial yield of 3.93%.
 - January 2022: a unit on Southmoor Lane sold at a net initial yield of 5.56%.
- 5.59 In terms of viability, these rents and yields are sufficient to support new build development of industrial space. Furthermore, the rents for the second-hand space are sufficient to maintain and refurbish the space.

Industrial Development Opportunities

- 5.60 There are several potential development opportunities in the Borough for industrial/warehouse use, we summarise these as follows:

Havant

Former Colt Site, New Lane

- 5.61 This is a cleared brownfield site located to the north of New Lane at the junction with Bartons Road, currently owned by Homes England. The site has an outline planning consent (reference: APP/18/00244) for a mixed use development comprising 100 dwellings and 2,860 sq m of employment floorspace, the former of which has been developed. The agent has indicated the balance of the site (i.e. the employment

element) is likely to be brought forward to the market for industrial use. Although the site is small, there would be strong viable demand for a site in this location for industrial use. New development is occurring on New Lane, and availability is low. The site would be suitable for the development of small units or for a single occupier.

Gas Holder Downley Road, New Lane

- 5.62 The 0.9 ha site is located on New Lane in-between existing industrial units and estates, and could accommodate 3,760 sq m of employment floorspace at an industry standard 40% plot ratio. As with the Former Colt Site, we see that there would be strong viable demand for a site in this location for industrial use. Given the site size, it is likely to be attractive for a single occupier. We understand the site has been promoted for a number of years without progress. Given the site's history it is likely that there are abnormal costs that cannot be supported given the industrial values in the area. For our purposes we do not count the floorspace as being deliverable in the plan period (and so offsetting our need). But if a viable economic solution is available, such as funding to support site remediation, the site could come forward unexpectedly.

Solent Road North

- 5.63 A 1.7 ha greenfield site owned by Portsmouth Water accessed off Solent Road, and in close proximity to the town centre, retail parks, trade centre and Tesco Superstore. The site has been identified by Portsmouth Water for their new Headquarters, for which there is a current planning application (reference: APP/21/00601). However, it is understood that the vast majority of the site lies within the fluvial floodplain, and that development would not be able to avoid flood risk. In the event permission on the site is not granted in ahead of the new local plan, then development of the site is unlikely to be achievable.

Kingscroft Farm

- 5.64 A 2.7 ha greenfield site immediately to the west of the established Marples Way Industrial Estate with access to the A27/A3(M) at junction 5 via Harts Farm Way. The access is compromised due to level crossing causing traffic to back-up. There is currently a planning application for residential development of the site. The agent has indicated that access, through either of the residential roads of Ranelagh Road and Meyrick Road, means the roads are narrow with parked cars which has resulted in no demand for commercial use. However, due to the tight nature of supply across the Borough and strong demand for industrial space, the site is likely to be attractive to occupiers. We see other sites in the Borough which have access through residential areas still performing well, and in reality employment development here would be better accessed through Marples Way and to date no evidence has been provided that this is not possible. The site would be attractive to a single large national occupier or deliver a series of mid-size units to attract national and local occupiers (for which there is viable demand) totalling in the region of 11,000 sq m at an industry standard 40% plot ratio -. We would therefore consider this site suitable for employment use, but not available because there is no willing owner to bring it forward for this use.

Land North of the Regional Business Centre

- 5.65 Located to the rear of the Harts Farm Way public waste amenity facility and is currently occupied by Cappagh (contractor) with porta cabins and building materials. If its existing use is no longer required it should be considered for industrial development, for which there is viable demand. The 1.5 ha site is irregular in shape so it will be difficult to maximise floorspace, but could provide small or medium size units (summing to around 3,400 sq m), which would be attractive to local occupiers. The site has good access to the A27 and A3(M) and we have seen viable development occurring nearby. We consider this site suitable for employment use but not available because there is no willing owner to bring it forward for this use.

Brockhampton West

- 5.66 Brockhampton West is currently allocated for employment development and benefits from outline planning for the development of new employment units of up to 29,000 sq m. The site has since been acquired by Southern Water for a wastewater recycling plant which will be subject to a Development Consent Order application in 2025. Therefore, we do not include the site in our supply calculations. If the site is not brought forward in whole or part for a wastewater recycling plant it would be suitable for industrial use as the site has good access to the A27 and A3(M) and we have seen viable development occurring nearby. The site could deliver a range of sizes of units to capture local, regional and national demand, but at this stage we cannot consider the site as deliverable supply for general industrial demand.

North of A27

- 5.67 A greenfield site which was submitted through the Council's Call for Sites exercise in 2022 and originally promoted for B8 storage and distribution. However, the site promoter has subsequently confirmed that they wish to use the site for environmental mitigation purposes.
- 5.68 The site promoters have subsequently confirmed that the access solution needed to achieve suitable access to the strategic highway network would make the site unviable. Nevertheless, the site would be suitable to meet local demand, where occupiers are not so dependent on access to the A27.
- 5.69 The site levels would prove challenging to deliver units due to abnormal costs. The site cannot therefore be considered available at this time.

Bedhampton Wharf

- 5.70 Bedhampton Wharf is an aggregates wharf safeguarded as such in the Hampshire Minerals and Waste Plan. Should the site be released from its current use designated by the Hampshire Minerals and Waste Plan, then the site maybe suitable for industrial development, for which there is viable demand. The site is relatively level and has good access to the A27 and A3(M). The 2.4 ha site could deliver a range of small sized units to meet local demand, accommodating approximately 8,000 sq m of employment floorspace at an industry standard 40% plot ratio. Although at this stage we cannot consider the 8,000 sq m as deliverable supply.

Lorry Park, Harts Farm

5.71 The lorry park at Harts Farm is currently unused, but is level with hardstanding, and within the existing industrial area, close to where new development has recently occurred. Development here is likely to be viable and has been considered as deliverable supply. However, since the Borough Council's Property Team promoted the site as potential site for employment development, the site has been leased for a new lorry park and open storage. In the event this occupier vacates in the future, there would be demand for small and mid-size units, albeit the site could only accommodate approximately 4,000 sq m of employment floorspace. It is not included as deliverable supply.

Langstone Park

5.72 Langstone Park comprises the former IBM site and provides a mix of age and quality of units. At the stakeholder event, the agent confirmed that they were seeking a masterplan approach which now benefits from outline planning permission (reference: APP/22/00172) to deliver units of similar specification to the recent new build units, for which there is occupier interest. It is also relevant that the agent confirmed that the site accommodated c1,100 jobs at the time the application was made, but will not be replaced. The applicant suggested that highway limitations caps the replacement office offer.

5.73 The original floorspace, before any redevelopment, totalled 58,412 sq m; and once redeveloped the site will provide 63,290 sq m – a net gain of 4,878 sq m (see summary in Table 5-4 **Error! Reference source not found.** of proposed floorspace). However, the critical aspect is that the mix of employment uses changes from predominantly office space to the flexible mix set out in Table 5-4 **Error! Reference source not found.**.

5.74 When we compare the current floorspace of 51,755 sq m to that in the outline planning permission of 52,000 sq m Table 5-4 **Error! Reference source not found.**) it will result in only a very minor net gain of floorspace, but a change in land use from office to industrial uses. We have considered this a viable supply of 49,000 sq m of industrial floorspace.

Table 5-4 Schedule of floorspace – following permitted redevelopment

Plot	Use	Sq m Gross External Area (GEA)	Comments
Extant permission - APP/21/00405	Flexible B1c, B2 & B8	11,290	
A	Flexible Class E(g)(ii-iii)/B2/B8	9,000	
B	Flexible Class E(g)(i-iii)/B2/B8/ E(b)/E(d)/E(f)	3,000	Max Class E(b)/(d)/(f) uses: 500 sqm GEA
C	Flexible Class E(g)(ii-iii)/B2/B8	40,000	Max single unit size: 18,000 sqm GEA
Total		63,290	

Source: PRC Group, Design & Access Statement and Principles, December 2021, Urbà, Nov 2023

SSE, Penner Road

- 5.75 The SSE site on Penner Road appears under-utilised and could provide scope for redevelopment, especially given its location to other industrial estates/units, single ownership and size of around 4 ha. It was confirmed at the stakeholder event that part of the site may be released to the open market because it is being underutilised, but comprehensive redevelopment/intensification would potentially be a longer term proposition. We do not consider that this should be treated as supply today, but this could change.

Leigh Park

Dunsbury Park Freeport Tax Site

Phases 1 & 2

- 5.76 Dunsbury Park is currently allocated as a Strategic Site in the current Core Strategy. The site has an identified total floorspace capacity of 76,779 sq m, of which 61,779 sq m is Phase 1. The site previously benefited from outline consent (our consultation indicated two-thirds of which is built out) which can now be delivered entirely within phase 1 (c20,800 sq m unbuilt floorspace remaining). Further floorspace is identified for Phase 2 (11,500 sq m), but the site no longer has planning consent – although our consultation has indicated the intention remains to bring this forward.

Phase 3

- 5.77 As mentioned above, there is undeveloped land to the north, which sits beyond the current allocation, and is the potential Phase 3 land. The promoters consider circa 17,400 sq m could be delivered through Phase 3.
- 5.78 Thus, in total (across all three phases) capacity for c49,700 sq m remains to be delivered across the entirety of the freeport designation. Because of the importance of the tax site designation and how it potentially influences demand and supply, the matter is considered in detail in the following chapter.

Waterlooville

Blue Star

- 5.79 Land to the West of Maurepas Way (0.5 ha) is located opposite the Asda superstore in Waterlooville Town Centre. Access to the site would be off the inner relief road (dual carriageway) and would have prominent frontage to a busy main road. The site is allocated for a mixture of main town centre uses and residential units. With land adjacent in neighbouring Winchester, the combined site size (approximately 1 ha) would make it attractive for small industrial units to meet local demand. We would therefore consider this site suitable for offices as part of a mixed use development, but it is not available because there is no willing owner to bring it forward for this use.

Waterloo Park (Former BAE Systems)

- 5.80 The former BAE Systems site is a prominent and accessible large site to the west of Waterlooville Town Centre. The site had an outline consent (reference: APP/12/00652) for demolition of the main building and ancillary restaurant to provide business units (Class B1, B2 and B8), car showroom, drive thru restaurant, hotel and

restaurant. The outline consent has been partially implemented with a McDonalds Drive thru restaurant completed in 2016 and a Lidl foodstore completed in 2017.

- 5.81 A second outline consent (reference APP/18/01072) was granted in October 2021 for mixed A1/A3/leisure uses (approximately 1 ha) and employment B1/B2 or B8 uses (approximately 2.95 ha). At the stakeholder event it was confirmed that the S106 is currently being negotiated for the second phase (A1/A3/leisure uses) and they are still working on bringing forward the application for B2/B8 uses as the third phase. Given the lack of new stock in Waterlooville, the site would be attractive to local occupiers, for which there is viable demand. Applying a standard 40% density to the available consented land (2.95 ha) indicates around 12,000 sq m of floorspace is possible. Given its planning status and strong viable demand for industrial space, we consider this to be deliverable supply.

Emsworth

- 5.82 All the following sites are small/modest potential and are located in an area where rents are low and the covenant strength of the occupiers are weaker than compared to areas within Havant or Waterlooville. As such development viability is generally more challenging.

Interbridges East

- 5.83 The Interbridges East site of 0.8 ha has access issues due a height restriction on the nearby railway bridge. Nevertheless, there is a lawful commencement of planning permission on the site, but a revised planning application, to reflect local demand will be needed in order to deliver the site. It is anticipated that the site could deliver 2,300 sq m of floorspace, reflecting the site's constraints.

Interbridges West

- 5.84 Interbridges West is a greenfield site of 6.9 ha lying to the south of the A27 and north of the railway line, and has previously been promoted as part of the Southleigh Strategic site. Its location and size make it attractive to the market, however the site is elongated, there is no direct easterly access onto the A27 and in the middle of the site is a service station that restricts the development opportunity to in the order of 2,200 sq m of floorspace. Whilst the constraints may deter some occupiers, the site is likely to come forward for development during the plan period.

Gas Site, Palmers Road

- 5.85 This brownfield 0.5 ha site is now cleared and available for redevelopment following the dismantling of the gasholder. The site is surrounded by the industrial areas on Sultan Road, Seagull Lane to the north, and Palmers Road Industrial Estate to the south. Despite the lower quality of the accommodation in this area, the units are well occupied with general industrial units, which may be vulnerable to displacement with the introduction of new residential uses. The site has been previously identified for housing, but the promoters have subsequently indicated that an employment use would likely to be more deliverable on the site.

Unit 3, Station Approach

- 5.86 This is a brownfield site of 0.41 ha is occupied by a warehouse and area of parking

located on the south side of Station Approach. The site has previously benefited from planning permission for an extension to the existing warehouse, but this expired during 2023/24. The site now benefits from a revised planning permission for a replacement two storey warehouse, which will deliver an additional 620 sq. m of floorspace. The site is expected to come forward due to local demand.

Summary

- 5.87 The industrial market is strong across the Borough, but the market is constrained due to low levels of availability. When new stock is developed it is quickly occupied. The market analysis indicates that the existing employment areas (as considered above) should be designated in the new Local Plan to protect them from the encroachment of alternative uses and to provide future opportunities for redevelopment and intensification.
- 5.88 The potential development sites, those with planning permission and the potential site allocations, could help relieve some of the supply constraints through providing circa 100,000 sqm of floorspace (see summary of sites in Table 5-5). But given Dunsbury Park Freeport status, and the fact that those that can occupy the site is governed by business rate relief, this supply cannot be relied on to meet the general market demand. Hence highlighting the lack of options for occupiers and constraining the market further. Our consultation confirmed that Dunsbury Park would have been taken up without the Freeport stimulus. A loss of capacity at Dunsbury Park for 'normal' development requires replacing this activity elsewhere.

Table 5-5 Potential development capacity of developable sites

Site name	Capacity sq m
Langstone Park	49,000
Dunsbury Park Freeport Tax Site - Phases 1 & 2	28,648
Waterloo Park (former BAE Systems)	12,000
Interbridges West	2,200
Interbridges East	2,300
Gas site, Palmers Road	1,920
Former Colt Site, New Lane	2,860
Unit 3, Station Approach	620
Total	99,548

Source: CoStar, July 2023

- 5.89 The loss of Langstone Park as an office site means that it will, in future meet a different profile of economic need – moving to a flexible industrial/logistics market. There is clear demand for this new use although, this comes at the opportunity cost of replacement office stock.

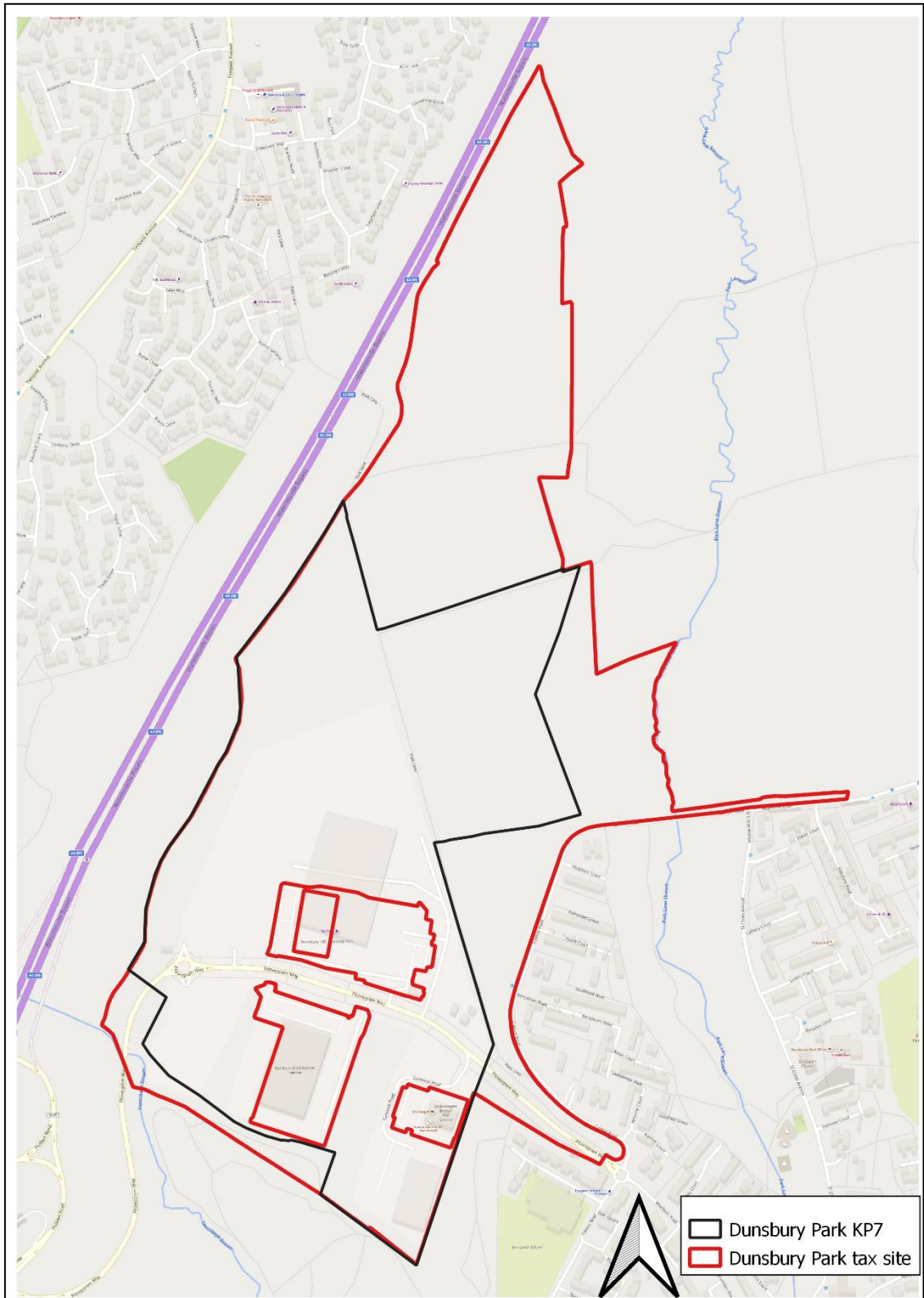
6 Dunsbury Park Freeport Tax Site

Background

- 6.1 Dunsbury Park is located in the north of the Borough, east of A3(M) junction 3. It is an allocated strategic employment site, of around 20 ha in the Council's Core Strategy (see Figure 6-1 over the page). Large parts of Phase 1 are now built out, but with further plots on Phases 1 and 2 yet to delivered.
- 6.2 Dunsbury Park was designated as a Freeport Tax Site (as part of the Solent Freeport) in December 2022 and includes an extended area of the land to the north circa 12 ha (potential for Phase 3). Whilst this part of the site does not currently benefit from any planning status, the site is designated as part of the Solent Freeport Board in perpetuity. In particular, the site is critical for delivering the aims of the Freeport Business Case in relation to advanced manufacturing development. The development of the site is focused on a range of sectors including aerospace, marine and maritime, engineering, automotive, creative and digital, clean growth technological, pharmaceutical and health care manufacturing businesses.
- 6.3 Hybrid planning permission¹⁷ for 61,779 sq m of employment floorspace, plus conference facilities comprising 5,574 sq m on Phases 1 and 2 of the site was granted in February 2014. It included a 6 ha area of land to the east of the Core Strategy, comprising Phase 2 of the site. Several reserved matters applications for various plots on Phase 1 have been approved, with several units now occupied on the site.
- 6.4 The 2014 consent expired in February 2024, with a number of plots remaining to be built. Portsmouth City Council (PCC) as the landowners for the site will now need to consider the most appropriate 'vehicle' for the delivery of the remainder of the site. Nevertheless, Havant Borough Council and the Solent Freeport Board continue to identify Dunsbury Park as a key employment site which will provide centre of excellence for specialised industry and technology companies, accommodation for start-up businesses and provide a large number of high quality jobs in close proximity to Leigh Park. The table that follows summarises the completed units on site, together with the employment floorspace on future phases. It is notable that Plot 5 post-dates the site's designation as a Freeport Tax Site. The plots shown with grey shading were complete as of 1 April 2024.

¹⁷ Dunsbury Park PP APP/12/00338

Figure 6-1 Dunsbury Park



Source: QGIS.org 2023, Havant Borough Council, Urbà November 2023

Table 6-1 Dunsbury Park - Completed floorspace / potential floorspace on future phases

Phase	Plot / Occupier	Floorspace (sq m)	Cumulative Floorspace (sq m)	Phase Total (sq m)
Prior to Tax Site designation (December 2022)				58,367
1	2, Fatface phase 1	18,037 ¹⁸	18,037	
	3a, Breeze Vans	1,190	19,227	
	3b, DPD Couriers	3,528	22,755	
	4a, Biopure	11,622	34,377	
Following Tax Site designation (December 2022)				
1	5, Inchscape, Percussion Play, marketed unit	6,877	41,254	
	100	3,251	44,505	
	400	13,862	58,367	
2	600	2,245	60,612	11,535
	601	9,290	69,902	
3	700	13,932	83,837	13,935-17,400

Source: Savills on behalf of Portsmouth City Council June 2024.

Freeport Tax Site Designation

- 6.5 As highlighted above, land to the north of the previous outline consent is included within the tax site boundary, but does not benefit from any planning status.
- 6.6 The Freeport Tax Site status means that occupiers can benefit from 100% business rate relief for five years, enhanced capital allowances, leasehold stamp duty tax relief and three years employers' national insurance relief. But to benefit from the reliefs' businesses should use their best endeavours to meet at least one of the following three objectives:
- Establish the Solent Freeport as a hub for global trade and investment.

¹⁸ PP APP/15/01156 PP was for 18,037 sq. m but includes 3,676 sq. m remains unbuilt

- Promote productivity, regeneration, and job creation.
- Create hotbeds of innovation and skills, pioneer approaches to climate change adaptation and decarbonisation and accelerate the transition to a “Net Zero” economy.¹⁹

6.7 As we can see from the three objectives, the tax status is for a wider occupier base than advanced manufacturing identified in the Freeport business case for the Park. As shown in Figure 6-1, the red line tax site boundary is not for the whole of Dunsbury Park, with existing units occupied by FatFace and Bio Pure, the VW car dealership and DPD depot excluded. These units were completed under the 2014 outline consent for Phases 1 and 2, and present on site prior to the designation of the Freeport. Notably, these occupiers do not meet any of the three listed objectives above.

Freeport Business Case

6.8 The type of occupiers the Freeport seeks to attract have the choice of eight Freeports and many Tax Sites. However, sub-regionally Dunsbury Park is one of only two Tax Sites in the Solent Freeport area. There are, however, a couple of aspects that may make it less attractive to some occupiers, for example:

- Units are only available on a leasehold basis and not freehold. Some occupiers require freehold, and the tax benefits are greater for this tenure.
- Rents at Dunsbury Park are the highest of any Freeport in the country at the time of writing - given the size of some inward investment opportunities this is a significant factor on occupancy costs.

6.9 Overall, the Freeport status is seen as a bonus to attracting occupiers, but not all potential occupiers will be eligible to benefit from the relief afforded by the tax site. Under the Solent Freeport Business Rate Relief Scheme²⁰, Havant Borough Council has to be satisfied that occupiers can satisfy at least one of the three objectives – this approach has resulted in occupiers such as retailers and third party logistics (3PLs) being not permitted to occupy space at Dunsbury Park.

6.10 Through our consultation, it is clear that the site is being marketed to occupiers that meet at least one of the Freeport objectives – but the level and rate of take-up from occupiers specialising in advanced manufacturing / R&D is dependent upon market conditions. The status of the site is designed to incentivise the market and inward investment providing more attractive conditions for these types of occupiers. Havant Borough Council remains committed to the delivery of Dunsbury Park as part of the Solent Freeport and attracting businesses which meet the objectives of the Business Case. It is considered that this will increase the number and skill of the jobs created at Dunsbury Park in line with the Business Case which in turn will maximise the benefits for the Borough.

6.11 It is the case though that the tax relief and locational advantages of Dunsbury Park are many, and from our consultation agents were clear in their opinion that the Tax

¹⁹ Havant Borough Council, N.s, Solent Freeport Business Rate Relief Scheme, Paragraph 3.1

²⁰ [HBC - Solent Freeport - Business Rate Relief Scheme \(havant.gov.uk\)](https://www.havant.gov.uk/hbc-solent-freeport-business-rate-relief-scheme)

status was not needed for the site to be delivered within the plan period; the land would have been built-out to serve general market industrial activities. As we have seen from our analysis, Dunsbury Park was attracting general market demand prior to gaining Freeport status. The Tax Site conditions are, however, conducive to continued strong interest from the type of activities the Freeport seeks.

- 6.12 While Freeport activities would displace general market activity that would otherwise be located here and require more land to be allocated for employment use elsewhere, the quality of the jobs offered by Freeport activity would help address the socio-economic under-performance issues experienced in the Borough.

Net Additional Demand

- 6.13 As set out above, we have identified the businesses and firms that operate from the existing units within Phase 1, and that most if not all of these firms arrived or were committed to Dunsbury Park prior to the Tax Site designation being confirmed. With most of the allocated land already now built-out, the only area that realistically could be available for Freeport related activity is the 12 ha land (Phase 3) immediately north of the current allocated land (Phases 1 and 2).
- 6.14 The Freeport business activity objectives are identified for entrants within the Tax Site, and that in terms of total employment the aspiration was for 1,800 jobs. However, this was likely to have been on the basis that all undeveloped land within Phases 1 and 2 as well as land within Phase 3 would be available for Tax Site related jobs. It is clear now that in terms of scope and opportunity the Freeport related jobs are now largely restricted to the potential Phase 3, subject to its suitability in respect of non-economic development / employment related issues and that scale of growth is unlikely to be achievable given the remaining land available on the site. Applying a general industrial, manufacturing and R&D space employment densities²¹ suggests 1,800 jobs would need between 65,000 and 108,000 sq m, which does correspond with that available for all three Phases.
- 6.15 For the Building a Better Future Plan, the challenge is that there are arguably two sources of demand now looking at the same site: demand induced by the site's Freeport Tax status (which, in line with the Freeport objectives should be net additional growth to the UK); and business-as-usual demand for Havant together with any unmet sub-regional demand that would be attracted to a high quality site.
- 6.16 The extent of the existing allocation will still be required to meet a PPG assessment of need. But our assessment of labour demand in the following section does not recognise the Tax Site status of Dunsbury Park, and its aspiration to secure net additional growth to the UK.
- 6.17 In that regard, it is unfortunate that this net additional demand was not robustly calculated as part of the Freeport bid. But given the unusual/uncommon nature of the national policy it may not even be possible to translate this into a quantified 'need' equivalent to that calculated following the PPG.
- 6.18 Given the Tax Site designation of this site, and its core objective to secure net

²¹ 36 sq m per job and 60 sq m per job

additional growth, any allocation of additional land at Phase 3 should be supported. As a starting point this should be separate from and net additional to, our assessment of general employment need.

- 6.19 Given the advanced manufacturing / R&D type aspiration for the Tax Site and applying a density for those types of activities at 40 sq m per job, it would not be unreasonable to assume the 6.5 ha ‘Phase 3’ site could deliver around 26,000 sq m of floorspace, so delivering up to 650 jobs. These would be net additional to our calculation of need, but this number of jobs would be unlikely to cause strategic policy issues. There are a large number of jobs in the economy already, and the inherent uncertainties in the data we are using in regard to Tax Site jobs.
- 6.20 In line with the Freeport business case, and to provide higher value job opportunities to residents, the Local Planning Authority could seek to restrict uses on the site to the manufacturing and R&D cited in the Freeport bid to Government. However, to do so would require strong evidence that confirms and quantifies the scale of non-logistics (Freeport related) demand because logistics is likely to remain a viable alternative use with a strong demand/need narrative.

Summary

- 6.21 The Freeport business case does not robustly quantify the net additional demand generated by the Freeport Tax Site. However, there is clear merit allocating further land at Dunsbury Park to expand the strategic employment allocation and to reflect the Tax Site designation which is geographically bound. It is clear from our market consultation that the Tax Site designation was not needed for the delivery of Phases 1 and 2. Only the potential floorspace on Phase 3 can be concluded to support the net additional growth associated with the Freeport and is a logical extension to the strategic employment site.
- 6.22 In this context, Havant Borough is an authority which is not likely to be able to meet its objectively assessed employment need. In these circumstances, the Council will need to establish whether its unmet need can be met by neighbouring authorities under the Duty to Cooperate. It is therefore important that there continues to be constructive and proactive dialogue with neighbouring authorities, including through PfSH to ensure that unmet need can be robustly addressed. This will need to be documented through the bi-lateral Statements of Common Ground.

Table 6-2 Potential development capacity of developable sites

Site name	Capacity sq m
Dunsbury Park Phase 3	13,935 – 17, 400

7 Industrial Demand and Supply

- 7.1 This chapter assess' the forecast need for industrial floorspace and land.
- 7.2 The 2021 PfSH Economic, Employment and Commercial Needs (including logistics) Study identified industrial need for Havant over the 21 year 2019-40 period of 36,499 sq m, plus additional space for logistics (up to 40,000 sq m). Thus, for the industrial element there is a baseline of 37,000 sq m, rising to 77,000 sq m inclusive of logistics.
- 7.3 In this study, we make two separate industrial demand assessments: first a labour demand approach based on job change using an economic forecast, and secondly a projection based on net change in past floorspace completions.

The demand for floorspace

Labour demand

- 7.4 The labour demand economic assessment for Havant Borough over the 2023-43 plan period is set out in Table 7-1 below, with explanatory text following the table.

Table 7-1 Havant industrial demand – 2023-43

	Core industrial	Warehousing	Total Industrial	p.a.
a Jobs change (2023-43)	28	404	432	22
b Density factor (sq m GIA /job)	45.0	69.8		
c Occupier demand (sq m GIA) [a*b]	1,260	28,199	29,459	
d Vacancy factor (sq m GIA) [c*8.1%]	102	2,284	2,386	
e Total occupier demand (sq m GIA) [c+d]			31,845	
f Stock vacancy adjustment (sq m GIA)			29,550	
g Net demand (sq m GIA) [e+f]			61,395	3,070
h Net demand (hectare) [g @40% plot ratio]			15.3	0.8
Industrial losses (added to sum to gross demand)				
i Planning permissions			0	
j Plan allocations			0	
k Total future losses [i+j+k]			0	
l Gross demand (sq m GIA) [h+l]			61,395	3,070

Source: Experian economics (June 2023) and Stantec analysis.

- a. Based on the economic forecast, row (a) identifies the forecast aggregate job change in activities requiring industrial floorspace over the whole 20 year period 2023-43. The detail for this, our method and the data identifying forecast change disaggregated across 38 job categories are set out at Appendix A and B.

Over the 20 years warehousing jobs are forecast to grow by 404, but core industrial activities are forecast to only grow by 28 jobs. This comparatively higher warehousing and much lower industrial job change forecasts is typical of most Local Authority areas at the present time. Much stronger job growth in the

logistics and distribution sectors reflects structural changes in retail and e-tailing and how these activities are carried out. In Havant's case the positive growth is very largely in the wholesaling sector, as shown at Appendix B.

Core industrial activities have turned mildly positive after decades of industrial job contraction. This has been fuelled by strong increases in specialised construction activity jobs that continue to mask losses in manufacturing, with construction jobs now accounting for half of all core industrial activity jobs.

- b. Separate density factors are provided (row b) for the two industrial sub-groups because core industrial²² activities have different job densities compared to logistics and distribution jobs undertaken in warehouses.
- c. Occupier demand is the product of (a) multiplied by (b).
- d. A vacancy factor is added to the occupier demand to provide a little choice and flexibility in the market.
- e. The total demand for both types of industrial occupiers (core industrial and warehousing) total c32,000 sq m. They have been combined because the stock vacancy adjustment (f) is a VOA based aggregate number that is not split between the two sub-sectors of industrial activity.
- f. The stock vacancy adjustment figure is a very similar quantum to the occupier demand, confirming what the market review found; that there is currently significant under-provision in the market, with the vacancy rate currently at just 4% (against an optimum of 7.5%), leading to a significant uplift adjustment.
- g-h. Calculates aggregate net demand in floorspace and land (based on a 40% plot ratio).
- i-k The calculations to this point have identified the net demand, and we next review any losses in industrial stock that we would then add to the net demand to sum to the gross demand. To determine if there is any committed industrial losses we use HCC's monitoring data. However, this does not identify any schemes (permissions or allocations) that will result in a loss of industrial floorspace.
- l. With no future losses to replace, this means net and gross demand are the same, which in rounded terms over the plan period equates to a gross demand for 62,000 sq m that at an industry standard 40% plot ratio will require 15 ha.

7.5 This is a higher assessment than presented in the 2021 PfSH report, but that work only assessed net change. In this work we have assessed the Borough's existing stock, and found that in 2023 the market was undersupplied, with the amount of available stock only half that needed in a market operating at an optimal level. Thus, 50% of the 62,000 sq m requirement is needed to re-balance the stock

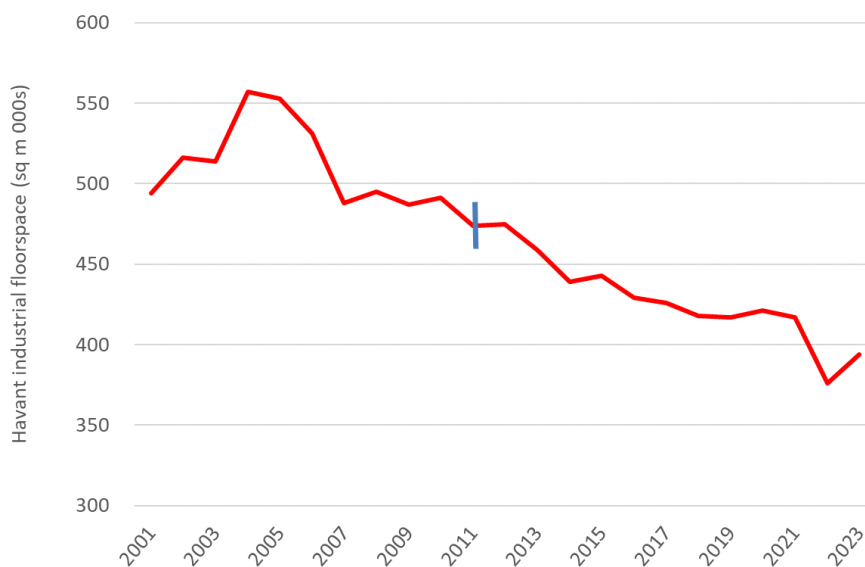
7.6 Setting the stock vacancy adjustment aside, the two estimates of need (the 2021 PfSH assessment and this current assessment) are broadly similar, and both accommodate a similar level of growth. For completeness, we have not allowed for any adjustment for net additional demand associated with the Tax Site here.

²² Core industrial activities are predominantly manufacturing and specialised construction

Past trends

- 7.7 Next, we review past trends in industrial floorspace change in the Borough, firstly by looking at change in stock over time using data published by the VOA, and then through historic development completions data supplied by HCC.
- 7.8 As shown in Figure 7-1 below, industrial stock in Havant has contracted from a high of 550,000 sq m in 2004/5 to below 400,000 sq m in 2022/23. The past 20 years has seen a steady decline in industrial floorspace, averaging losses of 8,000 sq m per annum, a quite considerable figure. This has tended to arise from the loss of large-scale, large floorplate heavy industrial premises such as the former Colt International site, but also from the loss of stock elsewhere, including at Langstone Park, and much smaller, the brownfield replacement stock being lesser in quantum, but much more efficient replacement stock.

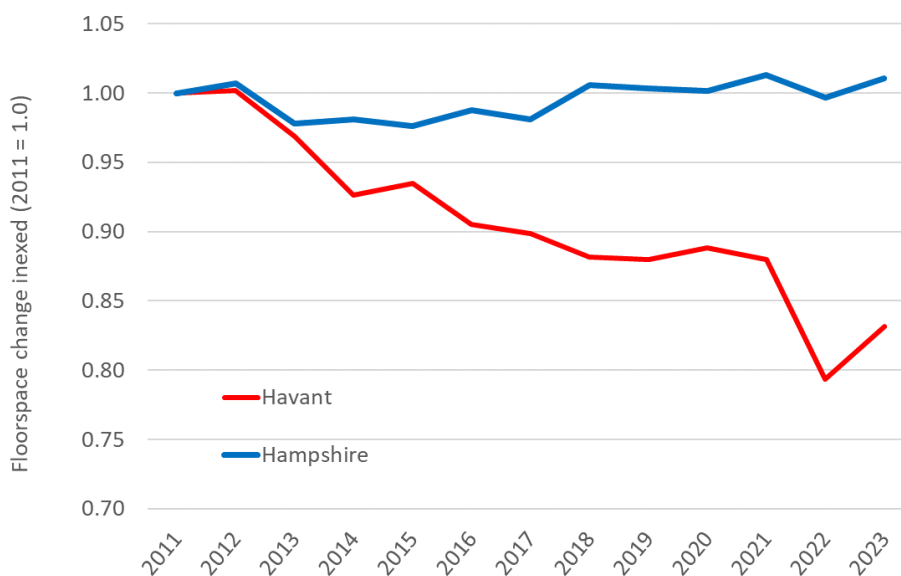
Figure 7-1 Havant total industrial floorspace



Source: VOA. Bar denotes 2011 for next chart comparison

- 7.9 The chart below indexes the rate of change since 2011 for both the Borough and the Hampshire average. The losses of industrial stock in Havant have been at a much higher rate than for Hampshire as a whole, where industrial stock has increased in recent years.

Figure 7-2 Industrial floorspace change (indexed)



Source: VOA

7.10 Turning to the floorspace completions data, we present the Council’s monitoring data in the table below. We see change has been positive over this whole period, particularly in the most recent past five years²³. Thus, there is a disconnect between the VOA data and the Council’s monitoring data, with the most likely reason being a degree of under-reporting of losses of the older stock in the HCC data for the reasons outlined above, particularly in the mid to more distant past. As we discuss below, we also exclude the loss of the Pfizer floorspace that has been replaced by Amazon warehouse/depot on New Lane, Havant.

Table 7-2 Havant industrial floorspace – past trend change and projections

Period	Industrial	Change			Projection	
		Gains sq m	Losses sq m	Net change sq m	Per ann sq m	2023-43 sq m
5 year	Change 2018/19-2022/23	64,588	29,803	34,785	6,957	139,140
10 year	Change 2013/14- 2022/23	72,729	52,950	19,779	1,978	39,558
13 year	Change 2010/11- 2022/23	74,582	62,365	12,217	940	18,795

Source: HCC monitoring and Stantec analysis

7.11 Table 7-2 shows that the gains have come principally in the past five years, with most recently the new Amazon warehouse. The other main gains have been at Dunsbury Park (principally Fatface and Biopure), Hermitage Park, the development of a dozen small units on New Lane comprising, 5,500 sq m at Spring Business Park on New Lane, and the new Mipa paint factory on Fulflood Road.

7.12 The losses in the last five years are at the former Colt International site on New Lane,

²³ The past trends data ends in 2022/23 because that is the year immediately prior to the plan period commencing.

where the manufacturing activity has relocated to the Kenwood Business Park; and a quantitative net loss of around 5,000 sq m at the Velocity, Stanbridge Road redevelopment where a 15,000 sq m old warehouse has been replaced by a qualitative gain of 10,000 sq m of new warehousing space.

- 7.13 The gain through the new Amazon warehouse was on the site formerly occupied by Pfizer in a specialist building, and we have not taken the 34,500 sq m loss into account. Given the specialist nature of the Pfizer use we think such a loss was unavoidable²⁴. The 10 year period includes demolition at the BAE Systems site (Waterloo Park), Waterlooville in addition to former Colt and the Stanbridge Road site redeveloped by Velocity.
- 7.14 It is debatable as to whether we should seek to replace the floorspace that has been lost from Pfizer, the loss of that floorspace was recent, and the site has been redeveloped as opposed to providing net additional floorspace. Qualitatively, the jobs have been relocated and the lost floorspace was not suitable for incoming occupiers.
- 7.15 Thus, the gains over the past five years have been predominantly new land with some redevelopment of existing floorspace, with the losses mostly Colt's relocation from their large, no longer fit-for-purpose manufacturing site. The five-year period averages a net industrial floorspace change of c7,000 sq m per annum that over a 20 year plan period would see an additional c140,000 sq m industrial floorspace delivered.
- 7.16 We favour planning for the future on the basis of this past five year period (2018/19 to 2022/23), where new land was available and taken up, and large traditional manufacturing was lost. Whilst redevelopment of existing industrial sites occurred, we think the redevelopment did not account for the earlier on-site losses.
- 7.17 We saw in the property market assessment that demand, as measured by premises take-up, is now more in line with the five-year average. In terms of a stable projection, we prefer this period to the longer term (ten year) which experienced much lower rates of growth, and included the clearance of large scale, no longer fit-for-purpose manufacturing sites, something which is unlikely to repeat, and therefore to accommodate future economic growth will require new land.
- 7.18 As referred to earlier industrial stock vacancy is 4%, which is around half the optimum 'rule of thumb' (7.5%) that is the generally accepted rate to signal optimal efficiency in the property market. On this basis the current industrial stock under-provision is c30,000 sq m.
- 7.19 We would ordinarily encourage the Council to return vacancy to the optimum level to allow churn in the stock and to provide firms with choice in terms of location and type of property. However, industrial markets have tended to operate successfully at or lower than 4% for some while, and whether or not to apply this adjustment depends equally on supply constraints, as there is little point inflating the minimum need where

²⁴ The alternative approach would seek the replacement of the floorspace to maintain a 'nil net loss' floorspace approach. We understand that no new occupier was identified for the specialised unit and the loss of the floorspace not detrimental and instead a new unit, addressing a new growing sector has been promoted and this new floorspace, unlike the former, can assist the Borough in addressing its identified economic need.

there is little prospect that land in the Borough will be found. What would be likely to transpire is the need would be exported.

- 7.20 Thus, the minimum need could be expressed with or without a correction for vacancy (c30,000 sq m) in the existing stock. On the basis of the five-year trend plus vacancy adjustment there is demand for between 140,000 -170,000 sq m. Taking the lower minimum end of that range 140,000 sq m this floorspace need equates to an increase on current floorspace (394,000 sq m) of around one-third over the plan period, and given the property market qualitative view this does not seem unreasonable.

Supply of industrial floorspace

- 7.21 Next, we consider the existing committed supply of industrial floorspace comprising completions during the 2023/24 monitoring year, outstanding planning permissions as of 1st April 2024 with the exception of sites with outline consent with remaining undeveloped land. These have been identified as site allocations where there remains significant supply. This includes Dunsbury Park Phases 1 and 2 as planning permission has lapsed. This is identified in the table below.

Table 7-3 Havant industrial – committed supply

	Industrial pipeline	Gains sq m
k	Completions since 1st April 2023	
	Langstone Park, Phase 2B	11,290
	Dunsbury Park, Phase 1 Plot 5	6,877
	Completions Subtotal	18,167
l	Planning permissions as of 1 April 2024	
	Former Colt Site	2,860
	Unit 3, Station Approach	620
	Planning permission Subtotal	3,480
m	Proposed site allocations	
	Langstone Technology Park	49,000
	Dunsbury Park, Phases 1 and 2	28,648
	Waterloo Park, Elettra Avenue	12,000
	Interbridges East	2,300
	Interbridges West	2,200
	Gas site, Palmers Road	1,920
	Proposed site allocations Subtotal	96,068
n	Industrial supply	117,715

Source: HCC data and Stantec analysis. Figures based on planning permissions and for the allocations on a standard 40% industrial plot ratio.

- 7.22 The pipeline comprises:

Completions since 1st April 2023

- the completion of three units at the former IBM campus at Langstone Park and Plot 5 Dunsbury Park together deliver c18,000 sq m.

Planning permissions as of 1st April 2024

- The remaining commercial phase at Colt, New Lane which offers scope for development of a minor scale.

Site allocations

- Land currently within outline planning consent for industrial activity can deliver c49,000 sq m with the redevelopment at Langstone Park.
- Dunsbury Park Phases 1 and 2 will deliver a further c.29,000 sq m to meet the Borough's local need, though the original outline consent has now lapsed. This reflects the market evidence that Phases 1 and 2 would be taken up regardless of its Tax Site status.
- The remaining phases at Waterloo Park (former BaE Systems) will provide the potential to provide around 12,000 sq m of floorspace, subject to the second phase (A1, A3/leisure uses) being brought forward for development.
- The former gas holder sites in New Lane, Havant and Palmers Road, Emsworth, together with Interbridges East also offer scope for smaller scale development. and Colt, New Road sites are the only other sites offering scope for development of anything more than of minor scale.

7.23 Thus, in total the committed supply would deliver c118,000 sq m with land provided in a mix of locations and sizes, and a mix of brownfield and greenfield, thus offering sites in a range of opportunities across the Borough. There is of course no absolute guarantee that all these schemes will come forward, but the fact that activity has been high for some years now, lapse rates low and developers have invested in obtaining planning consent suggests the likelihood is most development proposed will indeed come forward. Overall, existing supply represents c85% of the industrial demand over the 2023-43 period.

7.24 The fact that, unlike for offices, the property market is promoting considerable industrial future floorspace commitments supports and endorses the recommended positive approach of aligning the requirement with the more recent past trends period.

Industrial – market balance

7.25 Based on the market balance table below, Havant has an unmet need of around 21,500 sq m of industrial floorspace.

Table 7-4 Havant industrial – balance excluding Dunsbury Park Phase 3

		2024-43 Sq m (GIA)
k	Gross demand	139,140
n	Total supply	117,715
o	Balance - under supply	-21,425

7.26 Set against an industrial average annual demand for 7,000 sq m pa, the completions in 2023/24 (18,167 sq m as shown in Table 7-3 above) represent 2.5 years delivery, and the rest of the current planning pipeline a further 14 years supply. Nevertheless, the Council, has a shortfall of around 3 years supply. The Council will therefore need

to look to its neighbouring authorities for assistance with addressing this unmet need.

- 7.27 The floorspace need is converted to a land requirement by applying a plot ratio. The long-standing rule of thumb has been 40%, but modern logistics is increasingly seeking lower ratios: for modern industrial users, moving goods through the built floorspace efficiently is the most important factor. Some users prioritise yardage over built space. Applying the standard industrial 40% plot ratio to the c21,500 sq m of unmet need generates a land requirement of around 5 ha.

Industrial need - summary

- 7.28 We have assessed the Borough's industrial need, and on a past trends basis (most recent five-year period) over the 20 year 2023-43 period this identifies a need for c140,000 sq m, and for reasons set out above this should be treated as a minimum.
- 7.29 The 2021 PfSH study recommended that the Councils look collectively to provide additional space for logistics – reflecting a strengthening market. On this basis, the study recommended that sites of c10 ha, would be an appropriate scale of contribution to meet some of the sub-regional logistics demand. However, there are no known sites in the Borough of that scale and meeting the suitability requirements, and therefore no purpose in committing the Borough to extra demand that it clearly cannot meet. This reinforces the point that the Borough should aim to retain all its employment sites, as it will be increasingly difficult to expand the Borough's economic base and re-provide employment uses elsewhere.
- 7.30 Based on the most conservative scenario, the Borough has a supply of c118,000 sq m equivalent to 14 year supply. Recent delivery has been a mix of brownfield redevelopment and green field development, and the future supply is a similar mix, with a good geographical distribution and therefore should satisfy the market.
- 7.31 The need does not include a contribution to the sub-regional logistics/distribution deficit because such need cannot be quantified by the methods available through the PPG. In addition to the unmet industrial need for the local need, there remains the matters of the sub-regional logistics/distribution need to discuss with neighbouring authorities through the Duty to Cooperate.

8 The Office Market

8.1 The office market in the Borough is small in comparison to its industrial market. For our analysis, we consider the town centres of Havant and Waterlooville, and the office parks at Hussar Court and Briars Office Park, along with the offices found at Langstone Park in Havant and within the industrial estates across the Borough. Before we provide analysis of Havant Borough office market we provide a market overview.

Office market overview

8.2 Before the pandemic, developers were finding it difficult to fund office development, due to the restricted availability of loans. Speculative office development was only occurring in strong and established office markets such as in London, Thames Valley (e.g. around Reading) and key regional centres such as Birmingham and Manchester. In other markets, new development required a pre-let in place to a blue-chip covenant. At this time, we were seeing a shift in office requirements from out-of-town locations to town and city centres. This was driven by staff wanting to be closer to public transport links and amenities. What also had been emerging, in terms of corporate occupier requirements, was a greater focus on ESG. Both occupiers and investors were seeking those buildings which had greater levels of sustainability.

8.3 During the pandemic, the government encouraged working from home measures, and many offices were left unoccupied or at greatly reduced occupancy. Companies were forced to embrace video conferencing and other measures to ensure business continuity. At the time, it was unclear what impact the change in working practices would have on the long-term office occupier requirements. What we did see was vacancy rates increase as occupiers delayed making decisions on taking space or reduced their footprint.

8.4 Since 2021 there has been greater clarity as to how changes in working patterns have affected the office market, with some form of working from home now common practice. As a result, we are now seeing that occupiers are seeking smaller units, but of better quality, hence creating surplus space through downsizing. The focus on quality is around sustainability and energy efficiency, as occupiers try to meet increasingly ambitious ESG aspirations and also to help attract and retain staff.

8.5 The main drivers of demand for new office space are finance, professional services, Technology, Media and Telecommunications (TMTs) and flexible workspace providers.

Havant Borough Profile

8.6 In this section, we provide a brief profile of the office floorspace in the Havant Borough, and the businesses that occupy that stock. This snapshot of the present situation provides context for the analysis of the recent take-up that follows.

Havant

Havant Town Centre/Civic Centre

8.7 Offices in Havant town centre are centred around the Civic Centre which provides

shared services for Havant Borough Council and Hampshire County Council, but this space is not part of the general office market; it is space for public administration. There is a small presence of general market offices in the town centre such as around Market Parade and North Street. Generally, the office stock is dated (see Figure 8-1) although serves an important function in meeting specific local demands. Should the Civic Centre become vacant in whole or part this could lead to a significant quantum of floorspace for the local market to absorb and the space would need to be reconfigured to accommodate general market demand.

Figure 8-1 Examples of offices Havant Town centre



Source: Urbà, August 2023, Googlemaps, April 2022

Langstone Park

- 8.8 At Langstone Park, offices are provided in the former IBM building – see Figure 8-2. During the stakeholder event, it was indicated that the space will be further configured through a masterplan approach to provide amenities and a change of floorspace to industrial uses. The current building layout is not optimal for the local market: the accommodation does not provide its own front as the space is multi let floorplates and the parking is located some distance from the building. Current office occupiers include Morson Human Resources (recruitment) who have a 200 sq m unit. In addition, around 1,750 sq m is currently being advertised for co-working space.
- 8.9 The redevelopment application (reference: APP/22/00172) limits replacement office space in favour of new logistics space. The Economic Benefits Statement submitted with the application calculated that the site was still able to accommodate c1,100 jobs that are not being provided with replacement space on site.
- 8.10 While the existing properties may be suitable for redevelopment, the switch in uses from office to logistics, and office space that the application material confirms was occupied, results in an economic loss to the Borough. Were there ample vacant space in Havant for re-location, this would not be an issue of concern, but this is not the case.
- 8.11 Pragmatically we understand that this loss has been accepted by the Council and we would not question the fact that the industrial/logistics market is significantly stronger and more viable. Attempting to retain the use could sterilise the site while the Council waits for office viability to return – and this, at best, is only likely in the middle of the plan period. If viewed as a short term opportunity there is no rationale to restrict industrial development on the basis that an alternative use is available today.

However, if viewed as a longer-term opportunity we cannot exclude offices as being part of a plan period mix of uses. In drafting future local plan policies for the area there is no economic reason to limit the range of economic uses that can be accommodated on the site.

Figure 8-2 Examples of offices at Langstone Park



Source: Urbà, August 2023

Waterlooville

Waterlooville Town Centre & London Road

- 8.12 Offices in Waterlooville town centre are a mixture of older stock and newer units delivered as part of mixed-use development. Older units are small in nature such as the serviced offices found at 113A London Road, which are accessed via a walkway which joins Wellington Way Car Park with the shopping parade. The newer units, as seen in Figure 8-3 have been delivered on the ground floor as part of a residential development. On London Road to the south of the town centre, there are standalone dated units (see Figure 8-3 for examples). Due to the size and type of office stock available in the town centre and along London Road, it appeals to local occupiers such as Vision Law (professional services) and Platinum Care at Home (home care services) in a 100 sq m unit.

Figure 8-3 Examples of offices at Waterlooville Town Centre/London Road



Source: Urbà, Google, August 2023,

The Briars/Hussar Court/Wellington Gate

8.13 The Briars, Hussar Court and Wellington Gate represent good quality office stock in the Borough, and as such perform well. The offices are pavilion style (see Figure 8-4) with on-site car parking, which is attractive to occupiers. Also in this area is the Brambles Business Centre which provides serviced accommodation. The units attract local occupiers such as 2J Antenna (TMT) who have a 250 sq m unit and Chillisolutions (TMT) who have a 230 sq m unit. The offices here appear to be performing well with low vacancy, but the type of stock is not of sufficient quality or size to attract a large corporate occupier.

Figure 8-4 Examples of offices at The Briars/Hussar Court/Wellington Gate



Source: Egi Radius Exchange (N.s)

Offices in industrial estates

8.14 Throughout the Borough, office accommodation is also found in the industrial estates, either as purpose-built office units or surplus space in industrial units.

8.15 Examples of the purpose-built stock include the Basepoint Centres found at Waterberry Drive, Waterlooville and Harts Farm, Havant. These were originally funded over 20 years ago by the Regional Development Agency to provide start-up space. Although the units are dated, they are relatively well maintained. Offices are also found at The Calving Yard, Manor Farm, Hayling Island. These provide space for

local occupiers such as McCabe Civil Engineering and Groundwork who have a 60 sq m unit.

Summary of the Borough's office stock

- 8.16 The Borough's office stock is small compared to its industrial stock. The majority of the stock is found in Waterlooville in pavilion style out of town offices, with the balance of the stock found in the town centres of Havant and Waterlooville and in and around the industrial estates. However, this stock is relatively poor in comparison to the pavilion style offices. The nature of the stock means it is only suitable to meet local need.
- 8.17 As with our analysis of the industrial market, next we analyse demand for space and whether there is sufficient supply to meet this demand.

Office Demand

- 8.18 In this section we analyse the take-up of office floorspace in the Borough over the last five years, drawing mainly on the CoStar database. This floorspace take-up is the space that business occupiers move into, this includes lease agreements and owner-occupier acquisitions in any given year. It covers both new and second-hand space and takes no account of floorspace vacated as businesses move out or close down.
- 8.19 As shown in Table 8-1, in the five years to 2022 take-up of office space in the Borough averaged 5,898 sq m per annum across an average of six units – this points to a small and generally inactive market. Due to the small levels of take-up, one transaction can distort the data – this has happened in 2018 which had a letting to SSE on Penner Road. Without this large letting the 5-year average is 1,661 sq m.

Table 8-1 Office floorspace take-up, 2018- July 2023, Havant

Calendar year	No. of transactions	Total take-up sq m	Minimum take up sq m	Maximum take up sq m
2018	8	23,179	18	21,183
2019	7	1,754	95	531
2020	6	2,609	21	1,733
2021	5	1,183	89	340
2022	5	763	61	264
2023*	5	857	9	295
Total	36	65,959		
Annual Average 2018 - 2022	6	5,898		

Source: CoStar, July 2023

*2023 is a partial year, data taken between 1st January – 13 July

- 8.20 Units taken-up in the five-year period include:
- April 2023: Plannr Technologies (TMT) took a 115 sq m unit at Unit 6b Waterberry Drive, Waterlooville at a rent of £150 psm on a 3 year lease.
 - October 2022: Southern Health NHS Foundation Trust (public sector) took 170 sq m at Wellington Gate Silverthorne Way, Waterlooville at a rent of £140 psm on a 10 year lease.

- August 2022: Morson Human Resources (recruitment) took 200 sq m at Building 1000, Langstone Park at a rent of £178 psm on a 5-year lease.
- February 2019: 2J Antenna (TMT) took 254 sq m at Unit 7 The Briars Business Park, Waterlooville at a rent of £118 psm on a 10-year lease.

8.21 As discussed at the stakeholder event, the Borough does not have the quality and size of floorplates offered in Southampton and Portsmouth to attract the larger corporate occupiers. Furthermore, these neighbouring areas have a surplus of supply to meet demand, therefore ‘footloose’ demand is not something the Borough is likely to capture.

Supply and market balance

8.22 Table 8-2 sets out the change in total stock as recorded on the VOA, and compared to the vacancy floorspace recorded on CoStar. In recent years stock has marginally increased, and vacancy has broadly stayed around 2%. The vacancy rate on 1 March 2023 was 1.93%, around 1,900 sq m (the 2022/23 figure).

Table 8-2 Change in total stock & vacancy rate, Havant Borough

Date	2018	2019	2020	2021	2022
Total stock sq m 01 March	96,000	97,000	98,000	98,000	98,000
Change in floorspace sq m		1,000	1,000	0	0
Change in floorspace %		1.04%	1.03%	0.00%	0.00%
Vacancy Q.1	1,524	2,438	2,447	2,345	1,888
% of vacant space against total stock	1.59%	2.51%	2.50%	2.39%	1.93%

Source: CoStar, VOA, Urbà, June 2023

- 8.23 When we look beyond the data in Table 8-2 at current available advertised properties (July 2023) on CoStar the available floorspace figure has increased to 8,253 sq m. If we assume that the total stock figure has remained the same at 98,000 sq m, then the vacancy rate is now around 8.42%.
- 8.24 When we cross-reference the current availability of 8,253 sq m with the 5-year annual take-up (Table 8-1) it equates to just under 1 year and 5 months’ supply of floorspace, which indicates a balanced market for its size. But the current data shows that most of the vacancy is found across the following units: 3,330 sq m available at Broadmarsh Business Park across three units, 1,876 sq m at Langstone Park across two units and 1,168 sq m at Brambles Farm Business Park. Our consultations confirm there is more vacant office space at Langstone Park than advertised, with one office block of circa 11,150 sq m which has only circa. 280 sq m currently occupied.
- 8.25 Therefore, we can see that in a small market one to two office moves can distort the availability rate. In the context of a long period of low rates and a lack of viability the Council still needs to be cautious about proactively agreeing to release stock because there may not be other stock for those firms to move into.

- 8.26 It will be important for the Council to monitor the Borough's office vacancy – if this rises above a reasonable 'rule of thumb' 7.5% vacancy rate for a prolonged period of time (over 2-3 years) this would support a more relaxed view to losses.

Rents and the economics of development

- 8.27 Office rents in the Borough are low compared to prime rents in the nearby much bigger city markets of Southampton (£275 psm) and Portsmouth (around £230 psm). In contrast, rents at Langstone Park are around £180 psm and at The Briars are around £150 psm. There is a lack of office investment sales, with the most recent recorded on Egi Radius being the sale of Picton House, Hassar Court in November 2021 at a net initial yield of 9% for a 430 sq m unit.
- 8.28 At the current rents and yields office development is not viable in the Borough, but the rents are sufficient to maintain the current stock. Rents would need to be around double than what are being achieved at circa. £300 psm to enable viable development. Therefore, highlighting the challenges of re-providing office space at Langstone Park, even without taking consideration of the weak nature of the office market in the Borough.
- 8.29 The fact that rents support the retention of stock re-enforces the need for a cautious approach to losses and each loss would need to be considered on its merits. We have noted above that maintaining the secondary stock is important and many occupiers cannot or will not pay the premium for newbuild space, but will pay what is the viable secondary premises rents. This cautious approach needs a policy test to provide the basis for considering each site on its merits. The policy test will be discussed in the conclusions and recommendations section at the end of the report, focusing on a marketing test.

Office Development Opportunities

- 8.30 We are not aware of any new office opportunities being promoted via application or that were actively promoted through the Council's call for sites. This is currently common and reflects the poor health of the office development market and competition from other, more viable, land uses. The borough is a relatively small location for offices, and has a relatively limited amount of office stock even in its town centres when compared to nearby areas. A 'reasonable actor' is unlikely to promote sites for uses which are not currently viable at the expense of other uses.
- 8.31 In the past the competition was from residential but has now widened to industrial uses. For the plan the lack of office (development) supply is not a significant short-term issue but results in a plan without positive flexibility to respond to a change in market conditions mid plan period. If demand does increase, and/or losses of occupied stock continue the plan has no positive flexibility. We return to this in the study's final conclusions.
- 8.32 The Council's adopted Regeneration and Economic Development Strategy²⁵ does identifies four spatial priority areas including Havant Town Centre and Waterlooville Town Centre. Regeneration within these areas therefore provides an opportunity to

²⁵ [Havant Borough Regeneration and Economy Strategy 2022-2036](#)

provide offices development as part of a wider mix of uses.

Havant Town Centre

- 8.33 As set out above, Havant Town Centre continues to be identified as being a priority area for regeneration representing a sustainable location for growth.
- 8.34 Market Parade within Havant Town Centre forms an existing mixed use allocation in the Council's Adopted Local Plan, but the site has not been actively promoted since an outline planning permission²⁶ for the redevelopment of the site was granted in 2016, which has subsequently lapsed. There is a need to be realistic about the deliverability of office provision on this site, given the lack of any recent development activity. Nevertheless, Market Parade closely related to Havant railway station and forms an important gateway and would be a likely attractive location for occupiers, subject to market demand.
- 8.35 Furthermore, there remain opportunities to deliver office units on other town centre sites as part of the overall development mix. As such, it is estimated that Havant Town Centre as a Broad Location for regeneration could provide around 2,300 sq m of office provision over the plan period.

Waterlooville Town Centre

- 8.36 A masterplan for the regeneration of Waterlooville Town Centre is also in production. A replacement community building on the former Curzon Rooms site could provide a range of uses, such as a health centre, gym, function rooms and a serviced office space. However, given there is no active proposal to relocate the community centre to re-locate, there is not currently any deliverable office floorspace which can be included in supply.

Summary

- 8.37 Our analysis has shown that the office market in the Borough is small, both in terms of stock and take-up. The stock found in the Borough is dated, but is sufficient to meet local demand. The Borough does not have the size and quality of space to meet corporate occupier requirements, with this demand able to be satisfied in nearby Southampton and Portsmouth. The market is in balance, with sufficient supply to meet demand but has a history of very low vacancy rates and so caution is still needed. There is no evidence that large scale losses of office stock would be supported but this could change, and we suggest that if losses are promoted the Council should satisfy itself that there is sufficient alternative stock to mitigate any loss.
- 8.38 The market signals indicate that The Briars/Hussar Court/Wellington Gate area should be designated in the new Local Plan to protect their employment use - if this space is lost for redevelopment, then it is unlikely to be replaced because development is not viable.

²⁶ APP/14/O1225 | Outline application with all matters reserved for demolition of existing buildings and redevelopment of site to erect 130No. apartments and 1126sqm of ground floor commercial/retail space (Use Classes A1-A5 and B1(a)) and associated service, access and 58 private residential basement parking spaces (indicative height of building between five and thirteen stories).

- 8.39 The loss of office space at Langstone is understandable in the current market but does result in the loss of office space that is not proposed for replacement.
- 8.40 Speculative office development in the Borough is not viable, but if there was a single occupier requiring a large unit and prepared to take a pre-let/sale there should be flexibility in any new employment site/allocation to accommodate office use. So even through the short-term signals are pessimistic the Council needs flexibility over its plan period and so should not, at this stage, agree to limit or constrain future office development via plan polices today.
- 8.41 As a priority area for regeneration, Havant Town Centre represents the best opportunity to deliver office as part of a wider development mix. The Market Parade has been identified as a particular site with the potential to deliver new office provision, and could offer an attractive location for occupiers. However, the delivery of this site would likely hinge on the market demand at the time of the application being prepared.
- 8.42 Regeneration policies should therefore be positive and proactive in identifying offices as part of the development mix when considering regeneration opportunities. This may even include speculating about the future of some retail space if the relevant evidence suggests that redevelopment is possible within the plan period. Without guiding principles being established in the plan it is possible that, even if demand emerges in the plan period, this is not addressed or considered at the right time.
- 8.43 We would also encourage the Council to seek plan period flexibility when making new large residential allocations that could in the mid/longer-term support small, flexible, economic allocations (E(g) i-iii) that could be developed for either offices or indeed small scale light industrial. However, this will ultimately be determined by viability and market demand at the time the application is submitted.

Table 8-3 Potential development capacity of developable sites

Site name	Capacity sq m
Town Centre Broad Locations / Areas of Search	2,300

9 Office Demand and Supply

- 9.1 This chapter assess the future need for more (or less) office floorspace. First, we assess future demand based on labour demand (an assessment based on job change using an economic forecast prepared by an independent forecaster) and past trends in floorspace delivery approaches, and then we consider the existing committed supply. The balance between future demand and committed supply identifies the requirement or the need for additional (or less) floorspace.
- 9.2 While ultimately this study will identify a combined employment floorspace need – ie office plus industrial, because of differences in some of the key assumptions (floorspace density in particular). the forecasting and projecting of employment need has been undertaken separately, industrial earlier in chapter 7 and then for office here, before combining.
- 9.3 To set this assessment in context we note that the Core Strategy office floorspace requirement over the 20 year period is 75,000 sq m. The 2021 PfSH Economic, Employment and Commercial Needs (including logistics) Study identified for Havant on a pro-rata Plan period basis an office need of 32,000 sq m. The more recent PfSH study identifying a much lower figure reflecting factors such as the emerging impact of Covid and also BREXIT.

The demand for floorspace

Labour demand

- 9.4 The table below sets out the assessment based on the standard approach to labour demand, and also two scenarios that apply different density factors, but also do not make adjustments to build in an allowance for some extra availability/vacancy in the demand figure.
- 9.5 The density factors are the Net Internal Area (NIA) for each job, with 12 sq m / job being the pre-Covid widely held average²⁷, but this has improved to now stand on average around 10 sq m / job, and we take this as the central scenario. We have calculated the 2023 office stock density factor average for the Borough using the Experian job figures for that year and the latest available Business Register of Employment Survey (BRES) data that is for 2022, and this generates a density of 9.7 sq m per job. We also include an 8 sq m/job scenario as this is not an uncommon density factor.
- 9.6 The text that follows explains the data and calculation at each stage – rows a to k.

²⁷ As sourced from the Homes and Communities Agency 2015 Employment Density Guide - general office space 12 sq m NIA/ job.

Table 9-1 Havant office demand – 2023-43

Office demand 2023-43		Standard	Scenario 1	Scenario 2
a	Jobs change 2023-43	3,065	3,065	3,065
b	Density factor (sq m NIA /job)	12	10	8
c	Occupier demand (floorspace change, sq m NIA) [a*b]	36,780	30,650	24,520
d	Vacancy factor (sq m) [c*8.1%]	2,979	0	0
e	Existing stock vacancy adjustment (sq m)	4,522	0	0
	Demand for development (sq m NIA) [c+d+e]	44,282	30,650	24,520
g	Net demand (sq m GIA) [g/0.85]	52,096	36,059	28,847
Office losses (added to get to gross demand)				
h	Planning permissions	0	0	0
i	Plan allocations	0	0	0
j	Total future losses [i+j+k]	0	0	0
k	Gross demand (sq m GIA) [h+i]	52,096	36,059	28,847

Source: Experian economics (June 2023) and Stantec analysis

- a. All three approaches (standard and Scenarios 1 and 2) commence with the office job change figure for the 20 year 2023-43 period. This being 3,065, or 153 per annum, which is almost identical to the job change identified in the PfSH study. The detail for this, identifying forecast change over the whole period across all 38 individual job categories identified in our preferred economic forecaster, Experian’s forecast, is set out in Appendix B.
- b. Job density factor. This is where the approaches differ from one another. 12 sq m NIA is the factor identified in the 2015 HCA Employment Density Guide, and is now likely to be out of date. The two scenarios reflect post-Covid hot desking that generates higher densities 10 sq m and 8 sq m, and jobs continue to be absorbed in the existing stock and working from home. As referred to earlier Havant Borough’s current density is around 10 sq m/job, and this is why we favour 10 sq m/job.
- c. Occupier demand is the sum of a * b.
- d. To allow for choice and flexibility in this new floorspace we allow for some additional space over and above that generated by the new jobs, this is referred to as the vacancy factor. The vacancy factor is calculated by adding 8.1% to the occupier demand, that being the proportion required to deliver 7.5% unoccupied floorspace. 7.5% is the industry-wide accepted vacancy rate for a market operating at optimal efficiency. For the vacancy rate to stay at 7.5% over the plan period, for every 92.5 sq m of additional space that will be taken up by occupiers, developers should provide a further 7.5 sq m that will remain vacant. Therefore, developer demand will be $7.5 / 92.5 = 8.1\%$ above occupier demand. This is presented within our standard approach, but for both scenarios - given the lack of market demand we do not consider it necessary to inflate the occupier demand in this way, and hence this row records zeros.

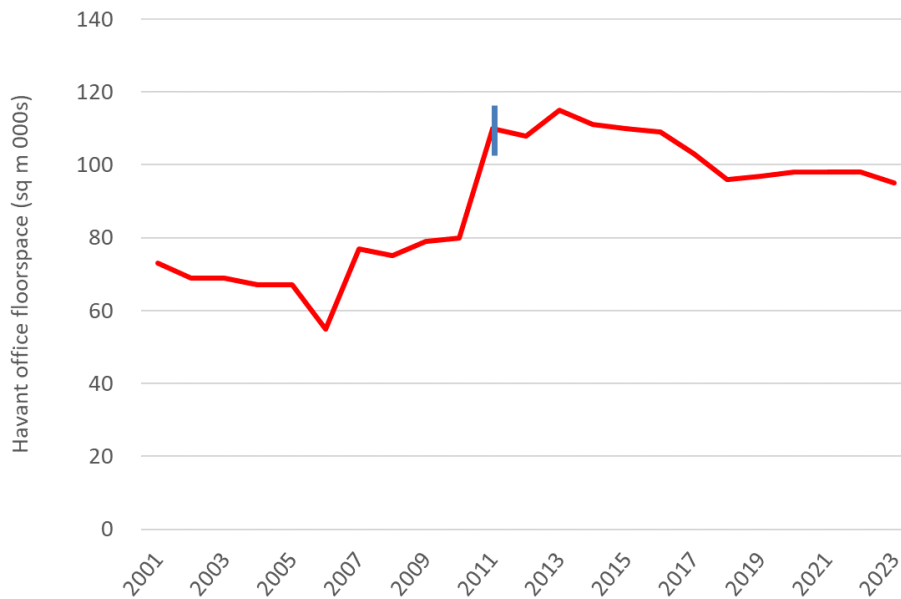
- e. The existing stock vacancy adjustment is the floorspace factor needed to return the vacancy factor for the whole existing stock to 7.5%, thereby allowing choice and flexibility in the existing market. It is effectively correcting for current undersupply. Office floorspace vacancy in Havant is currently running at just 2.7%, and thus with total stock of 95,000 sq m, an allowance of 4,522 sq m is needed to deliver the optimal vacancy/availability figure. This is included in the standard approach. But again, given the lack of market demand we do not consider it necessary to factor this in for the scenarios.
 - f. Demand for development sums the occupier demand and the two vacancy adjustments. However, this is only relevant for the 'Standard' pre-Covid approach and not for the scenarios.
 - g. Because commercial floorspace areas in Local Plans and development management are generally given in terms of Gross Internal Area (GIA), we convert the NIA to GIA by dividing by 0.85.
- 9.7 Overall, the standard pre-Covid approach identifies a net demand figure of c52,000 sq m, which is equivalent to a little over 50% addition to the Borough's current office floorspace. The scenarios are more modest in their additionality – somewhere between a third and a quarter increase.
- h-k. Here we make an allowance to re-provide for any future office floorspace losses, but there is nothing currently in the pipeline of schemes in Havant (permissions or allocations), thus k. gross demand is the same as g. net demand.
- 9.8 As previously referred to, we now favour a density factor of 10 sq m, and we do not favour making adjustments to include extra space to allow for choice and flexibility in existing and future stock. Assessment on this basis generates a **need for 36,000 sq m.**

Past trends

- 9.9 Next, we review the past trends in office floorspace change in the Borough. Firstly, by looking at change in office stock over time using Valuation Office Agency (VOA) published data, and then through historic development completions data supplied by Hampshire County Council.

The two charts below use the VOA data to plot Havant's total office stock since 2001 (when this series began), and then to compare change in Havant's stock since the point where the VOA records the last significant increase in stock (2011 – stock at Langstone) with that for the County. The longer time series for Havant office floorspace in the first chart illustrates how office floorspace rose markedly in the second half of the 2000s before steadily declining in the period since 2011. The second chart makes comparison from 2011 to show how stock in the Borough since 2011 have declined faster than for Hampshire as a whole, but the rates of decline now align.

Figure 9-1 Havant total office floorspace

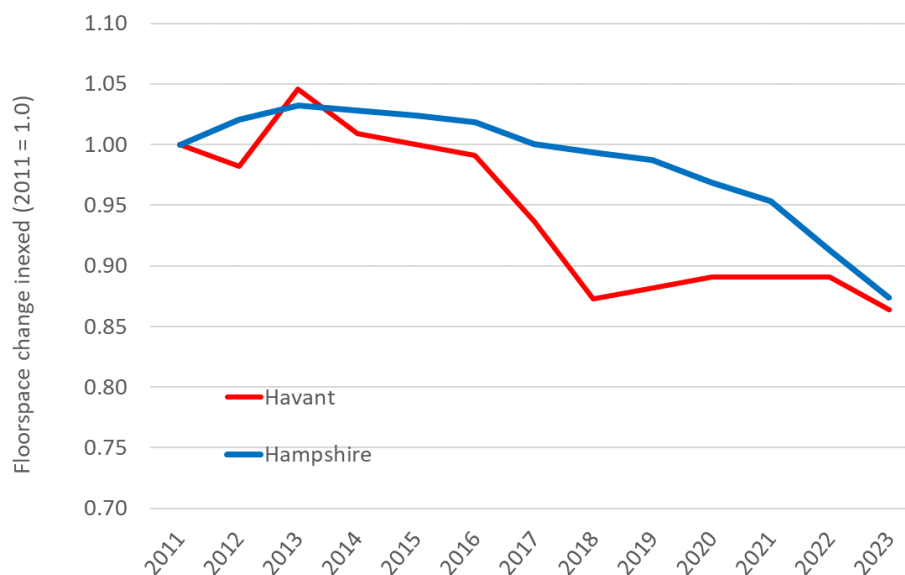


Source: VOA. Bar denotes 2011 for next chart comparison

9.10 The above chart shows that over the first decade of the millennium, overall office floorspace was broadly stable at just below 80,000 sq m, then a proportionally large rise in stock to 115,000 sq m in the early part of the 2010s, which is principally down to new floorspace at Langstone Park. The past decade has seen a shrinkage in total stock to the current 95,000 sq m. The stock may have stabilised at 2019 level, since the market assessment suggests there is little or no appetite to develop new office stock, and Havant is firmly within the Portsmouth office market area.

9.11 The chart below compares total Borough office floorspace change with the Hampshire average over the period since 2011 indexed to that year.

Figure 9-2 Office floorspace change (indexed)



Source: VOA

- 9.12 Over the period since 2011, the Borough’s office profile has been similar to the County – a high point around 2013 and a decline over the past decade reaching the same rate of change in 2023. However, Havant’s losses were mainly in the first half of the 2010s, with the County experiencing accelerated losses in more recent years.
- 9.13 Next, we review the office completions data that covers the years 2010/11 – 2022/23. The data is supplied by HCC and includes losses of office floorspace as well as gains. The analysis identifies three past trends periods - five-, ten- and 13-year periods). While it is possible to take all sorts of other periods into account, and over shorter periods the data can ‘swing’ quite widely, five, ten and as long as possible (in this case 13 years) seems reasonable and appropriate periods.
- 9.14 The table sums the office floorspace gains, losses and net change, and uses these per annum averages to project this forward over the 2023-43 plan period

Table 9-2 Havant office floorspace change – past trends basis

Period	Office	Change			Projection	
		Gains	Losses	Net change	Per ann	2023-43
		sq m	sq m	sq m	sq m	sq m
5 year	Change 2018/19-2022/23	915	2,559	-1,644	-329	-6,576
10 year	Change 2013/14- 2022/23	915	5,365	-4,450	-445	-8,900
13 year	Change 2010/11- 2022/23	1,875	8,621	-6,746	-519	-10,378

Source: HCC monitoring and Stantec analysis

- 9.15 Two matters stand out from the data:
- All the data is negative, with losses far outweighing gains; and
 - The level of activity overall is very low.
- 9.16 Thus, in terms of projections, past trends presents as a negative continuation of floorspace losses.
- 9.17 In conclusion this means the mildly positive labour demand approach is favoured for this need assessment over the past trends approach.

Supply of office floorspace

- 9.18 The Borough’s supply does not currently include any net additional office floorspace, but does includes the opportunity for office development as part of regeneration in Havant Town Centre. This includes the existing allocation at Market Parade in the 2014 Allocations Plan which is identified for mixed use development including 1,500 sq. m of office floorspace.

Table 9-3 Havant office supply

	Office pipeline	Gains sq m
m	Site allocations	
	Havant Town Centre Broad Location	2,300
n	Office pipeline	2,300

Source: HCC data and Stantec analysis.

- 9.19 In line with the market view, Havant does not have any office floorspace in the pipeline of permissions, with the exception of the relatively minor re-provision at Langstone Park (which is not included in supply here reflecting the flexible provision of floorspace under the outline consent).

Langstone Park

- 9.20 When discussing the office market earlier we noted that the Economics Benefits statement supporting the application to redevelop the remaining Langstone Park site, mostly for industrial, had calculated that some of the office stock was still occupied. The Statement estimated c1,100 mostly office jobs were accommodated on site.
- 9.21 We understand that since the Statement there have been further losses and the number of firms on site has reduced. But decanting sites prior to redevelopment is common and cannot on its own be taken to indicate a lack of demand.
- 9.22 As discussed above, the redevelopment of the site in accordance with the parameters of the outline consent will result in the loss of offices on this site. If viewed as a short-term development opportunity there is obvious demand for industrial property and weak demand for offices – the plan for this site responds to these market signals.
- 9.23 But viewed as an allocation in the local plan, with the site to be managed via plan policies over the longer-term plan period, we cannot see any justification for restricting the mix of employment uses.
- 9.24 A plan policy would encourage the re-provision of office space, and seek to retain office occupiers while recognising viability issues may direct the ultimate mix delivered. There is positive need for both office and industrial formats over the plan period, and the Council needs flexibility in the plan to respond. Hence, as we state earlier, the Local Plan should present an overall employment need, and allocated sites should, as a general rule, retain the flexibility to deliver either form of employment use.
- 9.25 Recognizing these issues, we assume the most likely scenario today – that the site is redeveloped in line with the current permission, and the capacity to accommodate c1,100 jobs in office type space is lost and not replaced. The current replacement office offer is limited to 3,000 sq m – only enough space to re-accommodate c300 office jobs. Redevelopment of the site therefore results in net additional industrial capacity (discussed in the next section), but a loss of office capacity which was accommodating around 800 office jobs (ie the 1,100 jobs minus the 300 that will be re-provided in the 3,000 sq m).
- 9.26 Generally, pipeline losses of stock would be added back into the economic assessment, and especially where the space was recently occupied. Doing this here would further increase the Borough's need by around 8,000 sq m – assuming each displaced office worker still requires 10 sq m somewhere else in the Borough.
- 9.27 Pragmatically this would further increase the plan period need when there is little or no corresponding supply, but these losses are likely to be short-term and occur before any reasonable likelihood of the market being viable to deliver replacement space. In the short-term, office space will only be delivered if there is an active

occupier willing to build their own space.

- 9.28 As discussed in the office demand calculations above, we do not seek to make allowances to add to office availability or replace office space that has been lost, as the occupier demand already represents an increase of between a quarter and a third in 20 years, and while in relative terms 30,000 sq m is a modest amount and can be treated as a plan minimum, increasing office minimum need any further at this time risks over-allocating land. Any remaining office activity on site at Langstone Park is likely to be lost before it is viable to be replaced, and it is not sensible for the Council to seek retention of the existing stock until such a time as replacement is viable. In the short-term we would expect firms to re-locate elsewhere in the market area, and therefore replacement space is not needed in the plan period.

Office – market balance

- 9.29 Table 9-4 **Error! Reference source not found.** below carries forward the gross demand (row k) and gross supply of floorspace (n) from previous tables to calculate the need (row o).

Table 9-4 Havant office balance

		2024-43 Sq m (GIA)
Office balance		
k	Gross demand	36,059
n	Total supply	2,300
o	Balance - under supply	-33,759

Source: HCC data and Stantec analysis.

- 9.30 The demand for office floorspace when set against known committed office supply identifies a need in rounded terms for 34,000 sq m.
- 9.31 This need requirement excludes any replacement space to offset Langstone Park losses (beyond the 3,000 sq m proposed).

Office need - summary

- 9.32 The office market has contracted over the past decade from around 115,000 sq m in the mid-2010s to a current figure of 95,000 sq m. Past assessments have forecast scope to increase office floorspace, ranging between 75-32,000 sq m over 20 years.
- 9.33 In this study:
- The past trends assessment presents a negative projection, which largely reflects current market sentiment. However, while market demand is currently very flat, there is little current availability, with vacancy rates at c8% the market can be said to be balanced.
 - The economic forecast does continue to show job growth in the office sectors, and therefore we think it prudent to have some availability to offer should inward investment opportunities arise. It is also the case that the assessment has quantified need following the PPG and, in line with the NPPF, the Council should

seek to address this with flexibility and in the context of a 15+ year development plan.

- 9.34 To accommodate the number of jobs shown in the economic forecast would require 36,000 sq m of new space, which represents almost an addition of one-third to existing built stock. This is a relatively modest figure and, in the context of the Borough's existing office floorspace and delivery over the past 20 years – our past trend analysis illustrates the rapid increase in stock between 2001 – 2011 (an increase of c40,000 sq m), seems not unreasonable and to be realistic for the plan period.
- 9.35 But any growth, in the current market climate, is hard to see and, for the Council hard to plan for office provision given sites are not being promoted. Havant Borough are not alone in this situation; it is very common for Councils not to have developers promoting office sites and for committed office supply to be very low.
- 9.36 Our advice would be as follows:
- Assuming that 'need' remains around 36,000 sq m it is very unlikely that sites will be promoted to meet this, given the current lack of viability for offices, but strong viability for other possible uses. While the Council should proactively seek opportunities, the lack of viability hinders the quantification of any capacity. There is no single obvious supply-side solution. So, the Council needs to address a potential shortfall through a variety of measures.
 - Given a plan period need, we would suggest offices form part of the wider mix of uses in any regeneration or large redevelopment proposals, such as in Havant and Waterlooville town centres with the quantum determined according to the evidence at the time the ultimate development mix is confirmed. A positive, but flexible, approach to securing new office supply in town centres should be retained in policy for the plan period even if it is unlikely to deliver in the short-term.
 - Where new large employment allocations are made, they are likely to be promoted by those seeking industrial uses. But policy should be flexible and not limit offices (on economic grounds) where offices can sustainably be accommodated.
- 9.37 Some inroads could be made through small allocations (as part of larger residential allocations), but such allocations are rarely larger than one ha because they meet a very local market. This would also be subject to a willing landowner to make part of a wider site available for this purpose. At this scale small, flexible, light industrial uses could form part of the mix to add wider market appeal and reflecting the blurring of office/industrial activity at this scale. If such sites are allocated it is important that this flexibility is maintained and, for example, employment plots avoid access from purely residential roads – even light industrial uses need some goods access.
- 9.38 In the absence of a dedicated office supply being promoted; there is merit in considering office and industrial needs together and making flexible allocations that could respond to either source of demand. This was the approach recommended by LSH in previous evidence because, in their opinion, office and industrial demand sought similar sites. Moving forward, the only caveat we would add is that the plan

should still promote a sequential approach and first direct office development into the town centres subject to capacity and viability.

- 9.39 By taking a flexible approach there is a risk, given the imbalance in the industrial market that land is not taken-up for offices, but industrial (and logistics) instead. This is because there is a sub-regional shortage of industrial (logistics), and land in Havant will be attractive to the sub-regional logistics/distribution market. We discuss this in more detail below when we discuss the industrial balance and conclusions.
- 9.40 Finally, if there is any concern regarding a plan period shortfall, given the relative strength and close proximity of the Portsmouth and Southampton office markets, the Council may legitimately look to the cities to help balance the market, but only after pursuing the approaches referred to above. Notably, Lakeside North Harbour within the north of Portsmouth City has a strong office market appeal, and is accessible from Havant.
- 9.41 Obviously, the Council needs to keep its office market under review. We have not promoted a 'Covid' scenario in this work for the simple reason that post-Covid office working patterns influence how the stock of space is used – the stock of space is far greater than any consideration of net additional need in the short-term. It is not impossible that a sustained pattern of working from home one additional day a week – so improving how the existing stock is used by one extra day – releases a large amount of capacity/supply that could be used to absorb additional job growth. Our advice is the that the Council needs to monitor its commercial vacancy rates and adjust its approach to development management according using a 5%²⁸ 'reasonable' rate as a guide.

²⁸ This is lower than 7.5% that is widely considered healthy. But would appear reasonable in a tight market with high demand for land for other uses.

10 Overall Demand and Supply Balance

- 10.1 Having calculated the need for floorspace for industrial and office activities separately this chapter aims to look at them together. We do this because in a constrained Borough with very few land options for economic (and other forms of) growth, we recognise that many of the sites could be used for either form of employment use.
- 10.2 We acknowledge that there are many more sites and permissions for industrial uses, reflecting the much stronger market, and that most of these may not be suitable for office use. However, many industrial uses in Havant Borough operate flexibly and do comprise an element of office provision as part of their operation.
- 10.3 In considering sites for office use we must apply the sequential test and start with the most sustainable sites in town centres to meet the identified demand. It is also relevant to point out that in terms of meeting the office need, this is likely to be longer term and aligned with town centre regeneration schemes or major development sites where some employment provision would be appropriate.
- 10.4 In line with previous advice, to reflect the nature of the Havant Borough market the table below presents the overall balance for industrial and office floorspace need.

Table 10-1 Havant total employment land balance

		2024-43
		Sq m
		(GIA)
Balance		
	Industrial	139,140
	Office	36,059
k	Gross demand	175,199
	Industrial	117,715
	Office	2,300
n	Total supply	120,015
o	Balance - under supply	-55,185

Source: HCC data and Stantec analysis.

- 10.5 The demand for employment floorspace is shown in rows k in the tables above. We present our favoured gross demand figure (row k) that does not include a correction for insufficient availability in the current industrial market. If the Council were minded to include this allowance, it would raise the gross demand to c200,000 sq m. Thus, it is the case that this minimum (a combined 175,000 sq m) does not include a formal contingency allowance, but the industrial element is based on a five year past trend period that we consider represents strong market conditions that may weaken a little over the full plan period and therefore can be considered to contain some in-built contingency.
- 10.6 The unmet need over the full 20 year plan period sums to c55,000 sq m. The Local Planning Authority will therefore need to engage with neighbouring authorities in respect of this unmet need arising from the general market.
- 10.7 The unmet office demand is however a longer term need that can be met through mixed use regeneration schemes and/or could be met in neighbouring City economies.

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- 10.8 These matters will need to be addressed by having proactive and constructive dialogue with neighbouring authorities under the Duty to Cooperate and documented through bi-lateral Statements of Common Ground.
- 10.9 Regarding contingency, losses are within the control of the LPA and, with a tight market, proactive losses of industrial stock should be avoided. We have taken a positive approach to identifying future need by identifying the highest of the past trend and labour demand assessments. This combined office and industrial demand figure averages to c8,800 sq m per annum. While 18,000 sq m was delivered in 2023/24 alone with what the market assessment describes as a cooling industrial market, our considered view is that there is no need to increase the minimum need through an additional contingency allowance.
- 10.10 If take-up of land is faster than that assumed, then the ‘topping up’ the supply can be considered via a review of the local plan. In Havant’s case, the vast majority of the land is committed and so available early. Also, pragmatically the Borough has limited supply, and so any large contingency allowance is likely to be unmet. Asking neighbours to address Havant’s contingency supply (supply that may never be taken up) when there is already an existing unmet need would not appear to be a reasonable approach.
- 10.11 Given the sub-regional need for logistics, the Council should still look favourably on allocating land that stands in addition to the Borough’s quantified need, but it is not able to do so in the context of its land availability.

11 Conclusions and recommendations

- 11.1 Havant is part of a wider South Hampshire market. Economic activity - the spread of wages, skills, and occupations - are not distributed equally or evenly throughout the market area.
- 11.2 Havant's labour force has comparatively high rates of employment, but relies on commuting. However, commuting is largely short distance and a normal feature of similar areas. Within Havant, there is labour capacity to accommodate more jobs, but attempts to recall a significant number of commuters, to have them work more locally, would withdraw that labour from other areas and, across the market area would be unproductive.
- 11.3 We note that wages and skills are slightly lower in Havant Borough than elsewhere in South Hampshire, but the two are linked. The Building a Better Future Plan cannot address skills concerns directly, but it can use this intelligence to ensure that the future land supply can both address needs today, and be capable of more aspirational growth. Here, the major development sites, Dunsbury Park and Langstone Park, can both address a wide range of end users. Allocating and facilitating development at those sites provides an opportunity for an aspirational shift in demand. While logistics demand will be strong, the Council does have a portfolio of land (14 years of supply) that can capture a range of opportunities if/when they emerge.
- 11.4 The main risk looking forward is that the good quality, but very limited, supply of new land in the Borough, and more generally sub-regionally, means that any land allocated may be taken-up more quickly than the plan period need assessment suggests. But pragmatically Havant Borough has a very finite supply of land to meet any higher estimate of economic need either locally derived or sub-regionally.

Industrial (including logistics)

- 11.5 Industrial activity is clearly the driver of demand in Havant – as can be seen from the history of Dunsbury Park and Langstone Park.
- 11.6 We have calculated 'need' following the PPG, and concluded that Havant does not have sufficient supply to meet its economic needs. There is an unmet need of 55,000 sq m which equates to around 30% of overall need. The office need assessment identifies a shortfall of 30,000 sq m, but it is anticipated that the 'industrial' sites will be delivered with flexibility. .
- 11.7 This would be in line with our previous assessment which concluded that while the majority of demand would be from industrial sectors, land in the Borough would also be attractive to office type users should there be viable demand.
- 11.8 The unmet 5 ha industrial need reflecting what the general market seeks to deliver, but does not include either an allowance for sub-regional logistics/distribution need nor an estimate for how the Tax Site status at Dunsbury Park could stimulate higher net additional demand. We do not make any adjustment in terms of the latter because all of the built-out and consented floorspace has delivered general market uses.

- 11.9 Ideally the Freeport business case would have quantified its impact in such a way that it could be addressed in the planning evidence base. However, the Freeports were made outside the plan-making process, and are aspirational proposals that were in open competition to be designated.
- 11.10 With such strong industrial demand across the sub-region existing employment sites should not be proactively released without careful consideration. Industrial vacancy rates are a helpful guide for decision-making. With viable demand today, the Council would be justified in seeking marketing evidence before concluding sites should be released.
- 11.11 Suggestions that a supply of new prime space is substitutable for secondary stock are mistaken given the dynamics of the market. Suggestions that space is obsolete should trigger a requirement to evidence this through rigorous marketing.
- 11.12 Our evidence is that industrial users are happy to occupy older, established, basic accommodation secondary stock with the proviso that rents are low. This may change given both improved building standards and the fact that refurbishment is increasing in cost, but this is a national issue, and the market needs to adjust to reflect an increase in building standards.

Offices

- 11.13 In terms of the property market, demand is dominated by logistics and industrial sectors with land promoted to match. The economic forecasts do suggest there will be future demand for office land and floorspace, but now there are no sites being explicitly promoted and therefore no readily identifiable supply of office land.
- 11.14 The local plan and its policies will need to take a positive view to marking where future capacity may emerge and facilitate a growth in town centre offices in line with national policy expectations. It is unlikely this supply can be quantified, but if policies do not stipulate that redevelopment opportunities consider the future office market, then the opportunities that do come forward within the plan period would be likely to be lost along with the future supply of sequentially suitable office sites.
- 11.15 Havant will not be alone in struggling to evidence a supply of dedicated office land/floorspace, but taking a flexible approach to the end users on allocated sites provides the market with flexibility to respond to both office-based enquires, and a possible pick-up in viable demand at some point in the future.
- 11.16 In our assessment, we have reduced future employment densities from pre-Covid expectations, but there is huge uncertainty around future net additional office space demand, and whether Covid and homeworking will erode the need for net additional office space.
- 11.17 Even a small shift in office employment densities when applied across the Borough's whole stock, could dramatically erode the need for any net additional space.
- 11.18 It is important to note that these concerns relate to new-build stock, and not viable-to-retain existing stock. The two are very different markets and the lack of viability to deliver new stock does not evidence why older stock should be released.
- 11.19 If planning permission is required, the Council needs to satisfy itself that the existing

stock has no ongoing economic function. Key to managing short-term decisions will be the vacancy rate: if there is a significant surplus (measured above 7.5%), this suggests that there may be room for windfall losses.

- 11.20 Despite a weak developer market, the Council should still seek evidence that office sites are not viable to retain before considering losses, and evidence of marketing should still be required when assessing applications, unless there is clear evidence of surplus vacant space. Because of spikes in vacancy rates in a small market this needs to be measured over more than a year, and also consider the quality of the stock in question. To suggest, for example, that vacant prime space at Dunsbury Park is equivalent to a secondary office site in Havant is not sensible. A future pipeline of unbuilt space is not suitable if there is limited space available for occupiers today.

Summary

- 11.21 In this assessment we have concluded that there is a degree of unmet need in Havant – combining office and industrial need this sums to 55,000 sq m. Overall there is currently 14 years of supply. and while this is almost wholly industrial floorspace, it could be available to meet office need should the market turn favourable and were site(s) able to satisfy the sequential test.
- 11.22 In reality the unmet need comprises 21,500 sq m for industrial (a 5 ha land requirement), and an unmet need for office based uses of 34,000 sq m. Havant Borough must therefore engage proactively and positively in respect of the unmet need through the Duty to Cooperate.
- 11.23 The office-based need should be directed first and foremost towards town centre regeneration schemes and large housing schemes where they can contribute to delivering sustainable communities. There may be scope, given the strong economic links in the area, for Havant to work with partners to ensure that the most suitable land supply is collectively promoted. It may be more suitable, and match market demand, to allow the cities to accommodate quantified office demand and for the Havant Local Plan to support industrial uses given the nature of the land demand here. One sub-regional concern is that, by planning individually, any viable office demand is dispersed to the detriment of the sub-regionally preferable locations in core city centres. Given commuting flows, and the fact many Havant residents already work in the cities, the future economic prosperity of Havant's residents are strongly tied to the success of these city economies in addition to the local Havant market.

Appendix A Sector to Land Use Mapping

SECTOR TO LAND USE MAPPING

1. Economic statistics and forecasts tell us nothing directly about employment space, because they do not classify jobs according to the type of space they occupy. Rather, the statistics split jobs into economic sectors (industries and services), according to the Standard Industrial Classification (SIC). To estimate how many jobs will be based in offices and industrial space, and how many in 'non-B' spaces such as retail premises, schools and hospitals, we need to translate sectors into land uses.
2. For this, we have used a method developed by the PBA team (formerly Roger Tym & Partners) over a series of employment land reviews, and tested in a large-scale study of the Yorkshire and Humber region in 2010¹. To our knowledge there is no other published empirical research on the relationship between activity sectors and land uses.
3. The tables below show the sectors that are classified to industrial (subdivided into manufacturing and warehousing) and offices respectively. The names and numbers that identify each activity sector are from the UK Standard Classification of Economic Activities 2007 (SIC 2007)². These tables aggregate the data from the finest grain 5 digit SIC level which is the base for the mapping. The reason we use the 5-digit level is that within each sector there may be activities that are industrial based and others that are office or manufacturing. Further on in this note we cite construction activity as an example of a sector containing different land use activities.
4. The Annex that follows drills down to the lowest level SIC (5-digit categories) that is used to build up to the sectors. For each of the 700 SIC 5-digit job class/sub-classes we identify the appropriate employment land use. Many of the SIC classes are non-B uses, and the Annex includes only the SICs in B use classes. The Annex also identifies the corresponding job category in the Experian Economic forecast data.

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

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

Table A1 Industrial sectors

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

Note

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

Table A2 Office sectors

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

Note

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

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

12. However, it is inevitable that sector-to-land-use relationships are less reliable for small than larger areas. As the Yorkshire and Humber survey illustrated, the relationships shown in our tables work very well for whole regions. But they are not reliable for individual buildings or employment areas, and may not be reliable at local authority level. This is one of the reasons why demand forecasts are more robust for regions than individual local authority areas.
13. The Yorkshire and Humber report provides further information and advice on sector-to-land-use relationships.
14. The schedule that follows identifies the land use class for the SIC 5-digit (the finest grain SIC data) job categories.

Annex – Land use class at SIC 5-digit sector level *[see over]*

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

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Manufacturing	Chemicals	20590 : Manufacture of other chemical products nec
Manufacturing	Chemicals	20600 : Manufacture of man-made fibres
Manufacturing	Pharmaceuticals	21100 : Manufacture of basic pharmaceutical products
Manufacturing	Pharmaceuticals	21200 : Manufacture of pharmaceutical preparations
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22110 : Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22190 : Manufacture of other rubber products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22210 : Manufacture of plastic plates, sheets, tubes and profiles
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22220 : Manufacture of plastic packing goods
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22230 : Manufacture of builders ware of plastic
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22290 : Manufacture of other plastic products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23110 : Manufacture of flat glass
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23120 : Shaping and processing of flat glass
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23130 : Manufacture of hollow glass
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23140 : Manufacture of glass fibres
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23190 : Manufacture and processing of other glass, including technical glassware
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23200 : Manufacture of refractory products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23310 : Manufacture of ceramic tiles and flags
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23320 : Manufacture of bricks, tiles and construction products, in baked clay
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23410 : Manufacture of ceramic household and ornamental articles
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23420 : Manufacture of ceramic sanitary fixtures
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23430 : Manufacture of ceramic insulating fittings
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23440 : Manufacture of other technical ceramic products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23490 : Manufacture of other ceramic products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23510 : Manufacture of cement
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23520 : Manufacture of lime and plaster
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23610 : Manufacture of concrete products for construction purposes
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23620 : Manufacture of plaster products for construction purposes
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23630 : Manufacture of ready-mixed concrete
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23640 : Manufacture of mortars
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23650 : Manufacture of fibre cement
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23690 : Manufacture of other articles of concrete plaster and cement
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23700 : Cutting, shaping and finishing of stone
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23910 : Production of abrasive products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23990 : Manufacture of other non-metallic mineral products
Manufacturing	Metal products	24100 : Manufacture of basic iron and steel and of ferro-alloys
Manufacturing	Metal products	24200 : Manufacture of tubes, pipes, hollow profiles and related fittings, of steel
Manufacturing	Metal products	24310 : Cold drawing of bars
Manufacturing	Metal products	24320 : Cold rolling of narrow strip
Manufacturing	Metal products	24330 : Cold forming or folding
Manufacturing	Metal products	24340 : Cold drawing of wire
Manufacturing	Metal products	24410 : Precious metals production
Manufacturing	Metal products	24420 : Aluminium production
Manufacturing	Metal products	24430 : Lead, zinc and tin production
Manufacturing	Metal products	24440 : Copper production
Manufacturing	Metal products	24450 : Other non-ferrous metal production
Manufacturing	Metal products	24460 : Processing of nuclear fuel
Manufacturing	Metal products	24510 : Casting of iron
Manufacturing	Metal products	24520 : Casting of steel
Manufacturing	Metal products	24530 : Casting of light metals
Manufacturing	Metal products	24540 : Casting of other non-ferrous metals
Manufacturing	Metal products	25110 : Manufacture of metal structures and parts of structures
Manufacturing	Metal products	25120 : Manufacture of doors and windows of metals
Manufacturing	Metal products	25210 : Manufacture of central heating radiators and boilers
Manufacturing	Metal products	25290 : Manufacture of other tanks, reservoirs and containers of metal
Manufacturing	Metal products	25300 : Manufacture of steam generators, except central heating hot water boilers
Manufacturing	Metal products	25400 : Manufacture of weapons and ammunition
Manufacturing	Metal products	25500 : Forging, pressing, stamping and roll-forming of metal; powder metallurgy
Manufacturing	Metal products	25610 : Treatment and coating of metals
Manufacturing	Metal products	25620 : Machining
Manufacturing	Metal products	25710 : Manufacture of cutlery
Manufacturing	Metal products	25720 : Manufacture of locks and hinges
Manufacturing	Metal products	25730 : Manufacture of tools
Manufacturing	Metal products	25910 : Manufacture of steel drums and similar containers
Manufacturing	Metal products	25920 : Manufacture of light metal packaging
Manufacturing	Metal products	25930 : Manufacture of wire products, chain and springs
Manufacturing	Metal products	25940 : Manufacture of fasteners and screw machine products
Manufacturing	Metal products	25990 : Manufacture of other fabricated metal products nec
Manufacturing	Computer & Electronic Products	26110 : Manufacture of electronic components
Manufacturing	Computer & Electronic Products	26120 : Manufacture of loaded electronic boards
Manufacturing	Computer & Electronic Products	26200 : Manufacture of computers and peripheral equipment
Manufacturing	Computer & Electronic Products	26301 : Manufacture of telegraph and telephone apparatus and equipment
Manufacturing	Computer & Electronic Products	26309 : Manufacture of communication equipment (other than telegraph and telephone apparatus and equipment)
Manufacturing	Computer & Electronic	26400 : Manufacture of consumer electronics
Manufacturing	Computer & Electronic	26511 : Manufacture of electronic instruments and appliances for measuring, testing, and navigation, except industrial process control equipment navigation, except industrial process control equipment
Manufacturing	Computer & Electronic	26512 : Manufacture of electronic industrial process control equipment
Manufacturing	Computer & Electronic	26513 : Manufacture of non-electronic instruments and appliances for measuring, testing and navigation, except industrial process control equipment
Manufacturing	Computer & Electronic Products	26514 : Manufacture of non-electronic industrial process control equipment
Manufacturing	Computer & Electronic Products	26520 : Manufacture of watches and clocks
Manufacturing	Computer & Electronic Products	26600 : Manufacture of irradiation, electromedical and electrotherapeutic equipment
Manufacturing	Computer & Electronic Products	26701 : Manufacture of optical precision instruments
Manufacturing	Computer & Electronic Products	26702 : Manufacture of photographic and cinematographic equipment
Manufacturing	Computer & Electronic Products	26800 : Manufacture of magnetic and optical media
Manufacturing	Computer & Electronic Products	27110 : Manufacture of electric motors, generators and transformers
Manufacturing	Computer & Electronic Products	27120 : Manufacture of electricity distribution and control apparatus
Manufacturing	Computer & Electronic Products	27200 : Manufacture of batteries and accumulators
Manufacturing	Computer & Electronic Products	27310 : Manufacture of fibre optic cables
Manufacturing	Computer & Electronic Products	27320 : Manufacture of other electronic and electric wires and cables
Manufacturing	Computer & Electronic Products	27330 : Manufacture of wiring devices
Manufacturing	Computer & Electronic Products	27400 : Manufacture of electric lighting equipment
Manufacturing	Computer & Electronic Products	27510 : Manufacture of electric domestic appliances
Manufacturing	Computer & Electronic Products	27520 : Manufacture of non-electric domestic appliances
Manufacturing	Computer & Electronic Products	27900 : Manufacture of other electrical equipment
Manufacturing	Machinery & Equipment	28110 : Manufacture of engines and turbines, except aircraft, vehicle and cycle engines
Manufacturing	Machinery & Equipment	28120 : Manufacture of fluid power equipment
Manufacturing	Machinery & Equipment	28131 : Manufacture of pumps
Manufacturing	Machinery & Equipment	28132 : Manufacture of compressors
Manufacturing	Machinery & Equipment	28140 : Manufacture of other taps and valves
Manufacturing	Machinery & Equipment	28150 : Manufacture of bearings, gears, gearing and driving elements
Manufacturing	Machinery & Equipment	28210 : Manufacture of ovens, furnaces and furnace burners
Manufacturing	Machinery & Equipment	28220 : Manufacture of lifting and handling equipment
Manufacturing	Machinery & Equipment	28230 : Manufacture of office machinery and equipment (except computers and peripheral equipment)
Manufacturing	Machinery & Equipment	28240 : Manufacture of power-driven hand tools
Manufacturing	Machinery & Equipment	28250 : Manufacture of non-domestic cooling and ventilation equipment

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Manufacturing	Machinery & Equipment	28290 : Manufacture of other general-purpose machinery nec
Manufacturing	Machinery & Equipment	28301 : Manufacture of agricultural tractors
Manufacturing	Machinery & Equipment	28302 : Manufacture of agricultural and forestry machinery (other than agricultural tractors)
Manufacturing	Machinery & Equipment	28410 : Manufacture of metal forming machinery
Manufacturing	Machinery & Equipment	28490 : Manufacture of other machine tools
Manufacturing	Machinery & Equipment	28910 : Manufacture of machinery for metallurgy
Manufacturing	Machinery & Equipment	28921 : Manufacture of machinery for mining
Manufacturing	Machinery & Equipment	28922 : Manufacture of earthmoving equipment
Manufacturing	Machinery & Equipment	28923 : Manufacture of equipment for concrete crushing and screening roadworks
Manufacturing	Machinery & Equipment	28930 : Manufacture of machinery for food, beverage and tobacco processing
Manufacturing	Machinery & Equipment	28940 : Manufacture of machinery for textile, apparel and leather production
Manufacturing	Machinery & Equipment	28950 : Manufacture of machinery for paper and paperboard production
Manufacturing	Machinery & Equipment	28960 : Manufacture of plastics and rubber machinery
Manufacturing	Machinery & Equipment	28990 : Manufacture of other special-purpose machinery nec
Manufacturing	Machinery & Equipment	29100 : Manufacture of motor vehicles
Manufacturing	Machinery & Equipment	29201 : Manufacture of bodies (coachwork) for motor vehicles (except caravans)
Manufacturing	Machinery & Equipment	29202 : Manufacture of trailers and semi-trailers
Manufacturing	Machinery & Equipment	29203 : Manufacture of caravans
Manufacturing	Machinery & Equipment	29310 : Manufacture of electrical and electronic equipment for motor vehicles
Manufacturing	Machinery & Equipment	29320 : Manufacture of other parts and accessories for motor vehicles
Manufacturing	Machinery & Equipment	30110 : Building of ships and floating structures
Manufacturing	Machinery & Equipment	30120 : Building of pleasure and sporting boats
Manufacturing	Machinery & Equipment	30200 : Manufacture of railway locomotives and rolling stock
Manufacturing	Machinery & Equipment	30300 : Manufacture of air and spacecraft and related machinery
Manufacturing	Machinery & Equipment	30400 : Manufacture of military fighting vehicles
Manufacturing	Machinery & Equipment	30910 : Manufacture of motorcycles
Manufacturing	Machinery & Equipment	30920 : Manufacture of bicycles and invalid carriages
Manufacturing	Machinery & Equipment	30990 : Manufacture of other transport equipment nec
Manufacturing	Other Manufacturing	31010 : Manufacture of office and shop furniture
Manufacturing	Other Manufacturing	31020 : Manufacture of kitchen furniture
Manufacturing	Other Manufacturing	31030 : Manufacture of mattresses
Manufacturing	Other Manufacturing	31090 : Manufacture of other furniture
Manufacturing	Other Manufacturing	32110 : Striking of coins
Manufacturing	Other Manufacturing	32120 : Manufacture of jewellery and related articles
Manufacturing	Other Manufacturing	32130 : Manufacture of imitation jewellery and related articles
Manufacturing	Other Manufacturing	32200 : Manufacture of musical instruments
Manufacturing	Other Manufacturing	32300 : Manufacture of sports goods
Manufacturing	Other Manufacturing	32401 : Manufacture of professional and arcade games and toys
Manufacturing	Other Manufacturing	32409 : Manufacture of games and toys (other than professional and arcade games and toys)
Manufacturing	Other Manufacturing	32500 : Manufacture of medical and dental instruments and supplies
Manufacturing	Other Manufacturing	32910 : Manufacture of brooms and brushes
Manufacturing	Other Manufacturing	32990 : Other manufacturing nec
Manufacturing	Other Manufacturing	33110 : Repair of fabricated metal products
Manufacturing	Other Manufacturing	33120 : Repair of machinery
Manufacturing	Other Manufacturing	33130 : Repair of electronic and optical equipment
Manufacturing	Other Manufacturing	33140 : Repair of electrical equipment
Manufacturing	Other Manufacturing	33150 : Repair and maintenance of ships and boats
Manufacturing	Other Manufacturing	33160 : Repair and maintenance of aircraft and spacecraft
Manufacturing	Other Manufacturing	33170 : Repair and maintenance of other transport equipment
Manufacturing	Other Manufacturing	33190 : Repair of other equipment
Manufacturing	Other Manufacturing	33200 : Installation of industrial machinery and equipment
Other industrial	Utilities	37000 : Sewerage
Other industrial	Utilities	38110 : Collection of non-hazardous waste
Other industrial	Utilities	38120 : Collection of hazardous waste
Other industrial	Utilities	38210 : Treatment and disposal of non-hazardous waste
Other industrial	Utilities	38220 : Treatment and disposal of hazardous waste
Other industrial	Utilities	38310 : Dismantling of wrecks
Other industrial	Utilities	38320 : Recovery of sorted materials
Other industrial	Specialised Construction Activities	43210 : Electrical installation
Other industrial	Specialised Construction Activities	43220 : Plumbing, heat and air-conditioning installation
Other industrial	Specialised Construction Activities	43290 : Other construction installation
Other industrial	Specialised Construction Activities	43310 : Plastering
Other industrial	Specialised Construction Activities	43320 : Joinery installation
Other industrial	Specialised Construction Activities	43330 : Floor and wall covering
Other industrial	Specialised Construction Activities	43341 : Painting
Other industrial	Specialised Construction Activities	43342 : Glazing
Other industrial	Specialised Construction Activities	43390 : Other building completion and finishing
Other industrial	Specialised Construction Activities	43910 : Roofing activities
Other industrial	Specialised Construction Activities	43991 : Scaffold erection
Other industrial	Specialised Construction Activities	43999 : Specialised construction activities (other than scaffold erection)
Other industrial	Wholesale	45200 : Maintenance and repair of motor vehicles
Other industrial	Wholesale	45400 : Sale, maintenance and repair of motorcycles and related parts and accessories
Warehousing	Wholesale	46110 : Agents involved in the sale of agricultural raw materials, live animals, texti and semi-finished goods
Warehousing	Wholesale	46120 : Agents involved in the sale of fuels, ores, metals and industrial chemicals
Warehousing	Wholesale	46130 : Agents involved in the sale of timber and building materials
Warehousing	Wholesale	46140 : Agents involved in the sale of machinery, industrial equipment, ships and aircraft
Warehousing	Wholesale	46150 : Agents involved in the sale of furniture, household goods, hardware and ironmongery
Warehousing	Wholesale	46160 : Agents involved in the sale of textiles, clothing, fur, footwear and leather goods
Warehousing	Wholesale	46170 : Agents involved in the sale of food, beverages and tobacco
Warehousing	Wholesale	46180 : Agents specialised in the sale of other particular products
Warehousing	Wholesale	46190 : Agents involved in the sale of a variety of goods
Warehousing	Wholesale	46210 : Wholesale of grain, unmanufactured tobacco, seeds and animal feeds
Warehousing	Wholesale	46220 : Wholesale of flowers and plants
Warehousing	Wholesale	46230 : Wholesale of live animals
Warehousing	Wholesale	46240 : Wholesale of hides, skins and leather
Warehousing	Wholesale	46310 : Wholesale of fruit and vegetables
Warehousing	Wholesale	46320 : Wholesale of meat and meat products
Warehousing	Wholesale	46330 : Wholesale of dairy products, eggs and edible oils and fats
Warehousing	Wholesale	46341 : Wholesale of fruit and vegetable juices, mineral waters and soft drinks
Warehousing	Wholesale	46342 : Wholesale of wine, beer, spirits and other alcoholic beverages
Warehousing	Wholesale	46350 : Wholesale of tobacco products
Warehousing	Wholesale	46360 : Wholesale of sugar and chocolate and sugar confectionery
Warehousing	Wholesale	46370 : Wholesale of coffee, tea, cocoa and spices
Warehousing	Wholesale	46380 : Wholesale of other food, including fish, crustaceans and molluscs
Warehousing	Wholesale	46390 : Non-specialised wholesale of food, beverages and tobacco
Warehousing	Wholesale	46410 : Wholesale of textiles
Warehousing	Wholesale	46420 : Wholesale of clothing and footwear
Warehousing	Wholesale	46431 : Wholesale of gramophone records, audio tapes, compact discs and video tapes and of the equipment on which these are played)
Warehousing	Wholesale	46439 : Wholesale of radio and television goods and of electrical household appliances (other than of gramophone records, audio tapes, compact discs and video tapes and the equipment on which these are played)
Warehousing	Wholesale	46440 : Wholesale of china and glassware and cleaning materials
Warehousing	Wholesale	46450 : Wholesale of perfume and cosmetics
Warehousing	Wholesale	46460 : Wholesale of pharmaceutical goods
Warehousing	Wholesale	46470 : Wholesale of furniture, carpets and lighting equipment
Warehousing	Wholesale	46480 : Wholesale of watches and jewellery
Warehousing	Wholesale	46491 : Wholesale of musical instruments

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Warehousing	Wholesale	46499 : Wholesale of household goods (other than musical instruments) nec
Warehousing	Wholesale	46510 : Wholesale of computers, computer peripheral equipment and software
Warehousing	Wholesale	46520 : Wholesale of electronic and telecommunications equipment and parts
Warehousing	Wholesale	46610 : Wholesale of agricultural machinery, equipment and supplies
Warehousing	Wholesale	46620 : Wholesale of machine tools
Warehousing	Wholesale	46630 : Wholesale of mining, construction and civil engineering machinery
Warehousing	Wholesale	46640 : Wholesale of machinery for the textile industry and of sewing and knitting machines
Warehousing	Wholesale	46650 : Wholesale of office furniture
Warehousing	Wholesale	46660 : Wholesale of other office machinery and equipment
Warehousing	Wholesale	46690 : Wholesale of other machinery and equipment
Warehousing	Wholesale	46711 : Wholesale of petroleum and petroleum products
Warehousing	Wholesale	46719 : Wholesale of fuels and related products (other than petroleum and petroleum products)
Warehousing	Wholesale	46720 : Wholesale of metals and metal ores
Warehousing	Wholesale	46730 : Wholesale of wood, construction materials and sanitary equipment
Warehousing	Wholesale	46740 : Wholesale of hardware, plumbing and heating equipment and supplies
Warehousing	Wholesale	46750 : Wholesale of chemical products
Warehousing	Wholesale	46760 : Wholesale of other intermediate products
Warehousing	Wholesale	46770 : Wholesale of waste and scrap
Warehousing	Wholesale	46900 : Non-specialised wholesale trade
Warehousing	Land Transport, Storage & Post	49410 : Freight transport by road
Warehousing	Land Transport, Storage & Post	49420 : Removal services
Warehousing	Land Transport, Storage & Post	52101 : Operation of warehousing and storage facilities for water transport activities of division 50
Warehousing	Land Transport, Storage & Post	52102 : Operation of warehousing and storage facilities for air transport activities of division 51
Warehousing	Land Transport, Storage & Post	52103 : Operation of warehousing and storage facilities for land transport activities of division 49
Warehousing	Land Transport, Storage & Post	52211 : Operation of rail freight terminals
Warehousing	Land Transport, Storage & Post	52212 : Operation of rail passenger facilities at railway stations
Warehousing	Land Transport, Storage & Post	52213 : Operation of bus and coach passenger facilities at bus and coach stations
Warehousing	Land Transport, Storage & Post	52219 : Other service activities incidental to land transportation, nec (not including operation of rail freight terminals, passenger facilities at railway stations or passenger facilities at bus and coach stations or passenger facilities at railway stations or passenger facilities at bus and coach stations)
Warehousing	Land Transport, Storage & Post	52241 : Cargo handling for water transport activities of division 50
Warehousing	Land Transport, Storage & Post	52242 : Cargo handling for air transport activities of division 51
Warehousing	Land Transport, Storage & Post	52243 : Cargo handling for land transport activities of division 49
Warehousing	Land Transport, Storage & Post	53100 : Postal activities under universal service obligation
Warehousing	Land Transport, Storage & Post	53201 : Licensed Carriers
Warehousing	Land Transport, Storage & Post	53202 : Unlicensed Carriers
Office	Media Activities	58110 : Book publishing
Office	Media Activities	58120 : Publishing of directories and mailing lists
Office	Media Activities	58130 : Publishing of newspapers
Office	Media Activities	58141 : Publishing of learned journals
Office	Media Activities	58142 : Publishing of consumer, business and professional journals and periodicals
Office	Media Activities	58190 : Other publishing activities
Office	Media Activities	59111 : Motion picture production activities
Office	Media Activities	59112 : Video production activities
Office	Media Activities	59113 : Television programme production activities
Office	Media Activities	59120 : Motion picture, video and television programme post-production activities
Office	Media Activities	59131 : Motion picture distribution activities
Office	Media Activities	59132 : Video distribution activities
Office	Media Activities	59133 : Television programme distribution activities
Office	Media Activities	59200 : Sound recording and music publishing activities
Office	Media Activities	60100 : Radio broadcasting
Office	Media Activities	60200 : Television programming and broadcasting activities
Office	Computing & Information Services	62011 : Ready-made interactive leisure and entertainment software development
Office	Computing & Information Services	62012 : Business and domestic software development
Office	Computing & Information Services	62020 : Computer consultancy activities
Office	Computing & Information Services	62030 : Computer facilities management activities
Office	Computing & Information Services	62090 : Other information technology and computer service activities
Office	Computing & Information Services	63110 : Data processing, hosting and related activities
Office	Computing & Information Services	63120 : Web portals
Office	Computing & Information Services	63910 : News agency activities
Office	Computing & Information Services	63990 : Other information service activities nec
Office	Finance	64110 : Central banking
Office	Finance	64191 : Banks
Office	Finance	64192 : Building societies
Office	Finance	64201 : Activities of agricultural holding companies
Office	Finance	64202 : Activities of production holding companies
Office	Finance	64203 : Activities of construction holding companies
Office	Finance	64204 : Activities of distribution holding companies
Office	Finance	64205 : Activities of financial services holding companies
Office	Finance	64209 : Activities of other holding companies (not including agricultural, production, construction, distribution and financial services holding companies) n.e.c
Office	Finance	64301 : Activities of investment trusts
Office	Finance	64302 : Activities of unit trusts
Office	Finance	64303 : Activities of venture and development capital companies
Office	Finance	64304 : Activities of open-ended investment companies
Office	Finance	64305 : Activities of property unit trusts
Office	Finance	64306 : Activities of real estate investment trusts
Office	Finance	64910 : Financial leasing
Office	Finance	64921 : Credit granting by non-deposit taking finance houses and other specialist consumer credit grantors
Office	Finance	64922 : Activities of mortgage finance companies
Office	Finance	64929 : Other credit granting (not including credit granting by non-deposit taking finance houses and other specialist consumer credit grantors and activities of mortgage finance companies) n.e.c.
Office	Finance	64991 : Security dealing on own account
Office	Finance	64992 : Factoring
Office	Finance	64999 : Other financial service activities, except insurance and pension funding, (not including security dealing on own account and factoring) n.e.c.
Office	Insurance & Pensions	65110 : Life insurance
Office	Insurance & Pensions	65120 : Non-life insurance
Office	Insurance & Pensions	65201 : Life reinsurance
Office	Insurance & Pensions	65202 : Non-life reinsurance
Office	Insurance & Pensions	65300 : Pension funding
Office	Finance	66110 : Administration of financial markets
Office	Finance	66120 : Security and commodity contracts brokerage
Office	Finance	66190 : Other activities auxiliary to financial services, except insurance and pension funding
Office	Finance	66210 : Risk and damage evaluation
Office	Finance	66220 : Activities of insurance agents and brokers
Office	Finance	66290 : Other activities auxiliary to insurance and pension funding
Office	Finance	66300 : Fund management activities
Office	Real Estate	68100 : Buying and selling of own real estate
Office	Real Estate	68201 : Renting and operating of Housing Association real estate
Office	Real Estate	68202 : Letting and operating of conference and exhibition centres
Office	Real Estate	68209 : Letting and operating of own or leased real estate (other than Housing Association real estate and conference and exhibition services) n.e.c.
Office	Real Estate	68310 : Real estate agencies

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Office	Real Estate	68320 : Management of real estate on a fee or contract basis
Office	Professional services	69101 : Barristers at law
Office	Professional services	69102 : Solicitors
Office	Professional services	69109 : Activities of patent and copyright agents; other legal activities (other than those of barristers and solicitors) nec
Office	Professional services	69201 : Accounting, and auditing activities
Office	Professional services	69202 : Bookkeeping activities
Office	Professional services	69203 : Tax consultancy
Office	Professional services	70100 : Activities of head offices
Office	Professional services	70210 : Public relations and communication activities
Office	Professional services	70221 : Financial management
Office	Professional services	70229 : Management consultancy activities (other than financial management)
Office	Professional services	71111 : Architectural activities
Office	Professional services	71112 : Urban planning and landscape architectural activities
Office	Professional services	71121 : Engineering design activities for industrial process and production
Office	Professional services	71122 : Engineering related scientific and technical consulting activities
Office	Professional services	71129 : Other engineering activities (not including engineering design for industrial process and production or engineering related scientific and technical consulting activities)
Office	Professional services	71200 : Technical testing and analysis
Office	Professional services	72110 : Research and experimental development on biotechnology
Office	Professional services	72190 : Other research and experimental development on natural sciences and engineering
Office	Professional services	72200 : Research and experimental development on social sciences and humanities
Office	Professional services	73110 : Advertising agencies
Office	Professional services	73120 : Media representation
Office	Professional services	73200 : Market research and public opinion polling
Office	Professional services	74300 : Translation and interpretation activities
Office	Professional services	74901 : Environmental consulting activities
Office	Professional services	74902 : Quantity surveying activities
Office	Professional services	74909 : Other professional, scientific and technical activities (not including environmental consultancy or quantity surveying)
Office	Administrative & Supportive Service Activities	77400 : Leasing of intellectual property and similar products, except copyrighted works
Office	Administrative & Supportive Service Activities	78101 : Motion picture, television and other theatrical casting
Office	Administrative & Supportive Service Activities	78109 : Activities of employment placement agencies (other than motion picture, television and other theatrical casting) nec
Office	Administrative & Supportive Service Activities	78200 : Temporary employment agency activities
Office	Administrative & Supportive Service Activities	78300 : Other human resources provision
Office	Administrative & Supportive Service Activities	80100 : Private security activities
Office	Administrative & Supportive Service Activities	80200 : Security systems service activities
Office	Administrative & Supportive Service Activities	80300 : Investigation activities
Office	Administrative & Supportive Service Activities	82110 : Combined office administrative service activities
Office	Administrative & Supportive Service Activities	82190 : Photocopying, document preparation and other specialised office support activities
Office	Administrative & Supportive Service Activities	82200 : Activities of call centres
Office	Administrative & Supportive Service Activities	82301 : Activities of exhibition and fair organizers
Office	Administrative & Supportive Service Activities	82302 : Activities of conference organizers
Office	Administrative & Supportive Service Activities	82911 : Activities of collection agencies
Office	Administrative & Supportive Service Activities	82912 : Activities of credit bureaus
Warehousing	Administrative & Supportive Service Activities	82920 : Packaging activities
Office	Administrative & Supportive Service Activities	82990 : Other business support service activities nec
Office	Public Administration & Defence	84110 : General public administration activities
Office	Public Administration & Defence	84120 : Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security
Office	Public Administration & Defence	84130 : Regulation of and contribution to more efficient operation of businesses
Office	Public Administration & Defence	84210 : Foreign affairs
Office	Public Administration & Defence	84300 : Compulsory social security activities
Office	Other Private Services	94110 : Activities of business and employers membership organisations
Office	Other Private Services	94120 : Activities of professional membership organisations
Office	Other Private Services	94200 : Activities of trade unions
Office	Other Private Services	94910 : Activities of religious organisations
Office	Other Private Services	94920 : Activities of political organisations
Office	Other Private Services	94990 : Activities of other membership organisations nec
Other industrial	Other Private Services	95110 : Repair of computers and peripheral equipment
Other industrial	Other Private Services	95120 : Repair of communication equipment
Other industrial	Other Private Services	95210 : Repair of consumer electronics
Other industrial	Other Private Services	95220 : Repair of household appliances and home and garden equipment
Other industrial	Other Private Services	95230 : Repair of footwear and leather goods
Other industrial	Other Private Services	95240 : Repair of furniture and home furnishings
Other industrial	Other Private Services	95250 : Repair of watches, clocks and jewellery
Other industrial	Other Private Services	95290 : Repair of other personal and household goods

Appendix B Economic Forecast for Havant Borough - Experian Economics

SIC	Change in job numbers 2023-43				Change in jobs by employment activity			
	2023	2043	Change	%	Office	Industrial	Whsing	Other
A Agriculture, Forestry & Fishing	0	0	0	-	0	0	0	0
B Extraction & Mining	0	0	0	-	0	0	0	0
C Food, Drink & Tobacco (manufacture of)	0	0	0	-	0	0	0	0
C Textiles & Clothing (manufacture of)	200	200	0	0	0	0	0	0
C Wood & Paper (manufacture of)	0	0	0	-	0	0	0	0
C Printing and Recorded Media (manufacture of)	0	0	0	-	0	0	0	0
C Fuel Refining	0	0	0	-	0	0	0	0
C Chemicals (manufacture of)	100	100	0	0	0	0	0	0
C Pharmaceuticals (manufacture of)	0	0	0	-	0	0	0	0
C Non-Metallic Products (manufacture of)	400	200	-200	-50	0	-200	0	0
C Metal Products (manufacture of)	400	300	-100	-25	0	-100	0	0
C Computer & Electronic Products (manufacture of)	700	400	-300	-43	0	-300	0	0
C Machinery & Equipment (manufacture of)	800	500	-300	-38	0	-300	0	0
C Transport Equipment (manufacture of)	0	0	0	-	0	0	0	0
C Other Manufacturing	700	500	-200	-29	0	-200	0	0
D/E Utilities	1,600	1,300	-300	-19	0	-85	0	-215
F Construction of Buildings	1,200	1,500	300	25	0	0	0	300
F Civil Engineering	500	700	200	40	0	0	0	200
F Specialised Construction Activities	3,300	4,400	1,100	33	0	1,082	0	18
G Wholesale	2,000	2,600	600	30	0	142	368	90
G Retail	5,400	5,100	-300	-6	0	0	0	-300
H Land Transport, Storage & Post	1,200	1,200	0	0	0	0	0	0
H Air & Water Transport	0	0	0	-	0	0	0	0
I Accommodation & Food Services	3,500	4,900	1,400	40	0	0	0	1,400
R Media Activities	0	0	0	-	0	0	0	0
J Telecoms	300	300	0	0	0	0	0	0
J Computing & Information Services	1,300	1,600	300	23	300	0	0	0
J Finance	800	800	0	0	0	0	0	0
K Insurance & Pensions	0	0	0	-	0	0	0	0
K Real Estate	600	1,000	400	67	400	0	0	0
L Professional services	4,200	6,200	2,000	48	1,866	0	0	134
M Administrative & Supportive Services	4,300	4,900	600	14	369	6	36	190
N Public Administration & Defence	1,300	1,500	200	15	148	0	0	52
S Education	5,900	6,400	500	8	0	0	0	500
O Health	1,900	2,100	200	11	0	0	0	200
P Residential Care & Social Work	2,600	2,700	100	4	0	0	0	100
Q Recreation	900	900	0	0	0	0	0	0
Q Other Private Services	1,100	1,000	-100	-9	-17	-16	0	-66
	47,200	53,300	6,100	13	3,065	28	404	2,603