



North West Leicestershire

The Need for Employment Land

November 2020

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1 INTRODUCTION

The study brief

- 1.1 This study was commissioned by North West Leicestershire District Council to assess the district's need for employment land in the period to 2039¹. It is part of the evidence base that will inform the current review of the district's Local Plan.
- 1.2 Although the current Local Plan was adopted as recently as November 2017, the Council committed to start a review almost immediately, in order to deal with two outstanding issues, of which one related to employment land. That issue was that the plan did not identify enough employment land to meet its need, as measured by the previous assessment – the Housing and Economic Development Needs Assessment (HEDNA, January 2017), which it had commissioned jointly with the other Leicester and Leicestershire planning authorities. The Inspector examining the draft plan estimated that there was a shortfall of supply against need between 23 and 32 ha, and also found that the identified supply might not offer enough choice in terms of quality and size. The solution was in two Main Modifications to the draft: firstly to allow employment development on unallocated sites subject to criteria (Policy Ec2 of the adopted Local Plan), and secondly to reconsider the adequacy of employment land supply in an early review of the plan.
- 1.3 As part of that reconsideration, the Council has decided to re-examine the extent of need as well as supply. One reason for revisiting need is that the previous assessment has not been borne out by events. For the period of the adopted plan, 2011-31, the HEDNA expected office development to take up twice as much land as industrial; but to date more land had been developed for industry than offices, suggesting that the HEDNA might have misread the market. In this study we consider whether this is the case, and draw implications for planning policy.
- 1.4 Another consideration for the Council is changes in national policy and guidance published in February 2019, whereby the HEDNA's housing numbers are superseded by the government's standard method and there is no longer a need to align employment and housing requirements. Given that new policy and guidance, the Council would be free to revise its previous view of employment land need if it found good reason to do so.
- 1.5 This study is about employment land uses, comprising offices² and industrial space (factories, workshops and warehouses). For the purpose of the study industrial space is divided into sub-categories as follows:
 - **Core industrial space:** factories and workshops

¹We understand that 2039 is the likely end date of the forthcoming Local Plan review, but this has yet to be formally determined by the Council.

² Employment uses also include Research and Development (R&D). In most areas, including North West Leicestershire, this accounts for insignificant amounts of floorspace. In our calculations, for simplicity we conflate it with office space.

- **Non-strategic warehousing:** small and mid-sized distribution / logistics units up to 9,000 sq m
 - **Strategic warehousing:** large distribution / logistics units, over 9,000 sq m.
- 1.6 **Non-strategic industrial space** comprises the first two of the above categories.
- 1.7 In line with the Council's brief, this study covers *offices* and *non-strategic industrial space* only. It excludes strategic warehousing, comprising B8 units over 9,000 sq m (approximately 100,000 sq ft). The need for those units is being assessed by a separate study, which covers the wider sub-region.

The 2020 update

- 1.8 The Council originally received a draft of this report in late 2019. It had concerns about aspects of our analysis, which it asked us to reconsider. As we were about to deliver the revised report, the Covid-19 pandemic broke out, and the Council instructed us to pause work while it considered its options. Later the Council asked us to produce an updated study taking account of the latest evidence, including economic forecasts that predict the impact of the pandemic, and any other relevant changes that occurred since the original draft. The present version provides that update.
- 1.9 One recent change is the new Use Classes Order (UCO), which took effect on 1st September 2020. The new order revokes the previous Class B1 (Business), which comprised offices, research & development and light industry, and shifts those uses to the new Class E (commercial, business and service), which also covers retail and leisure uses, among others. The new classification does not make any difference to this study, given that our categorisation of employment space (at para 1.5 above) does not neatly match either version of the UCO; rather, it uses bespoke categories that reflect local circumstances and the Council's policy agenda.
- 1.10 A different question is whether the new UCO makes any difference to how the Council should plan for employment land. To answer this, we start from national policy and guidance, which remain unchanged:
- The National Planning Policy Framework advises that planning should meet local and wider business needs, follow a clear economic vision and strategy, support innovation and productivity growth and '*allow each area to build on its strengths [and] counter any weaknesses*'³.
 - National Planning Practice Guidance discusses at length how this should be done, so land supply responds to the requirements of different economic sectors and types of business⁴.
- 1.11 To comply with all this advice, planning policies need take account of many qualitative features that are not captured by Use Classes. Under the old UCO, for example, to meet business needs for strategic logistics it might be necessary to allocate sites for that sector, as opposed to smaller-scale B8 uses. Similarly, under

³ See especially paras 80-81.

⁴ Ref ID 2a-025-20190220 - 2a-031-20190722

- the new UCO, to meet business needs for offices it might be necessary to allocate sites for office parks, as opposed to other uses in Class E, such as retail or leisure.
- 1.12 For these reasons, in our view the new Use Classes make no difference to the way that Councils should plan for employment land. This could change if relevant sections of the NPPF or PPG are amended, or possibly if the courts take a different view, though this seems unlikely.
- 1.13 A related factor is that the Government in December 2020 issued proposed changes to Permitted Development Rights, which would allow buildings in Class E to be converted to residential use. Compared to the current PDR regime, the main change would be that PDRs would apply to all light industrial buildings, regardless of size. The proposals are currently at consultation. If they are implemented, they could reduce the district's stock of industrial space – which is already in short supply, as discussed later in this report.
- 1.14 Another recent policy development is the Government White Paper, *Planning for the Future*, which was published for consultation in August 2020. The White Paper proposes major and fundamental changes to the planning system, which are neither specified in detail nor certain to be implemented. At this time, any discussion of its potential impact on planning for employment land in North West Leicestershire would be too speculative to be of practical use. Therefore we do not discuss it further in this report.
- 1.15 Below, our analysis begins in Chapter 2 with a critical review of the HEDNA. We conclude that the HEDNA's assessment of employment land needs should be re-based to match the new plan period, updated to incorporate more recent employment forecasts, and its method altered to correct technical weaknesses. Chapter 3 produces new forecasts of employment land need or demand, using this new method. Chapter 4 and 5 reality-test the forecasts, respectively looking at office densities and market evidence; such market evidence is not provided in the HEDNA, but it is now required by National Planning Practice Guidance⁵. Finally Chapter 6 draws conclusions and makes recommendations.

⁵ See para 026 (ID Ref 2a-026-20190220): '*Strategic policy making authorities will need to assess... evidence of market demand (including the locational and premises requirements of particular types of business) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums.*'

2 EMPLOYMENT LAND NEED IN THE HEDNA

Introduction

- 2.1 As mentioned earlier, North West Leicestershire's employment land needs were previously assessed in the 2017 Housing and Economic Development Needs Assessment (HEDNA). In this chapter we review the findings of the HEDNA, so far as they relate to employment land needs in North West Leicestershire, and consider how far they provide a valid evidence base for the Local Plan review.
- 2.2 Although the HEDNA was drafted in late 2016, its study period is 2011-2036, to match plan periods used by the different authorities in Leicester and Leicestershire⁶.
- 2.3 To assess the need for employment land over its study period, the HEDNA creates two different scenarios, called respectively 'labour demand' and 'past completions trend'. Below, we discuss those scenarios in turn.

The labour demand scenario

Job forecasts

- 2.4 The HEDNA's labour demand scenario only covers offices and core industrial uses, to the exclusion of warehousing. Its starting point is a local economic forecast from Oxford Economics (OE). The forecast provides a baseline or business-as-usual scenario. Over the 25-year study period it shows total growth of 12,400 net additional jobs, or 22.3%⁷.
- 2.5 The HEDNA's next step was to create a more optimistic view of the future economy, called the planned growth scenario. The rationale for this, at para 4.19 of the HEDNA, is that the baseline scenario '*does not reflect any planned investment*', either in bricks and mortar or other assets. Accordingly, the HEDNA uplifts the OE forecast to take account of a range of investment projects, which for North West Leicestershire include the Strategic Rail Freight Interchange, M&S Distribution Centre (built in 2011), the Amazon Distribution Centre at Bardon and several business parks. Here, as elsewhere in the HEDNA, details of the calculation are not given. The result is that the planned growth scenario lifts the district's net job growth over the 2011-36 period to 19,200⁸.
- 2.6 Taken literally, the rationale behind the planned growth scenario is not credible, because it is untrue that the OE baseline forecast takes no account of future investment. All economic forecasting models of course analyse and predict business and property investments, alongside jobs and many other variables. A forecast that

⁶ The HEDNA also shows figures for 2011-31, the period of the current Local Plan. We do not discuss those figures here.

⁷ Source: HEDNA, Table 19.

Note: in an apparent inconsistency, Table 17 of the HEDNA shows 10,900 additional jobs for North West Leicestershire over the same period, 2011-36. The apparent reason is that the headings to Tables 17 and 18 of the HEDNA are reversed. Table 17 is headed '2011-36', but in fact relates to 2011-31. Table 18 is headed '2011-31' but in fact shows forecasts for 2011-36, including 12,400 jobs for North West Leicestershire.

⁸ Source: HEDNA, Table 19

assumes no investment in the future would show economic growth grinding to a halt, and would have no credibility at all.

2.7 A kinder interpretation of the planned growth scenario is that certain exceptional investment projects will hopefully lift the area's growth above business-as-usual expectations – which reflect the expected macroeconomic climate together with the past performance of each local area. In any case, the 'planned growth uplift' probably makes little difference to the HEDNA's assessment of the district's employment land need, because the HEDNA says that it mostly affects jobs in storage and distribution, and a large part of that that sector is excluded from the assessment, as we shall see.

2.8 We have compared the HEDNA's baseline job forecast with two more recent scenarios. The first of these alternatives is a new forecast from OE, provided in May 2019. The second is the latest baseline forecast produced by Experian, dated March 2019. For North West Leicestershire over the HEDNA period 2011-36:

- The new OE forecast shows total job growth of 24,200, against 12,400 in the 2016 version.
- In the new Experian forecast total jobs grow by 14,100.

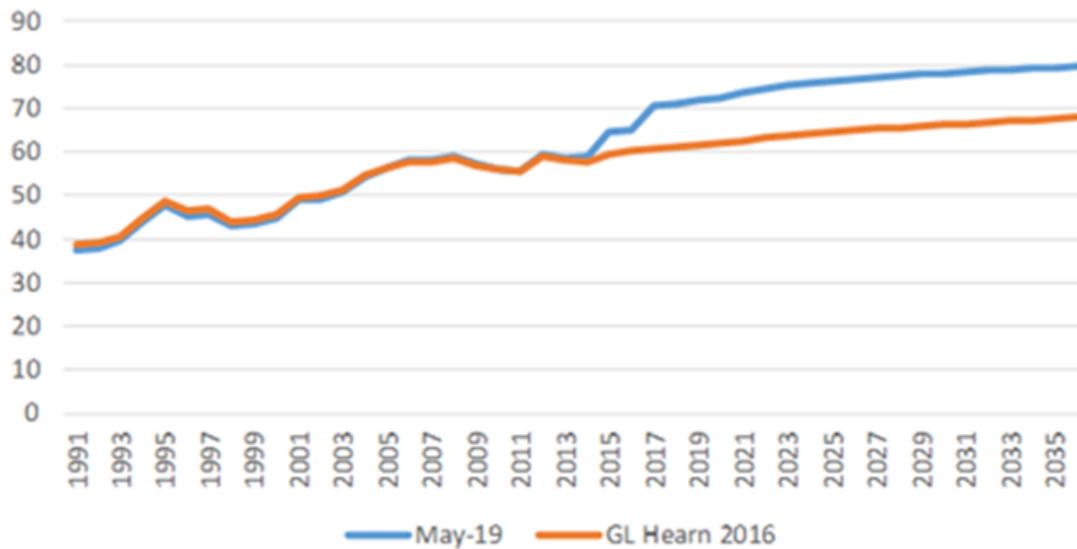
2.9 Thus, the latest OE forecast shows roughly twice as many net new jobs as the version used by the HEDNA. We have asked OE for an explanation and their reply is:

'The key reason for the change in employment over the period 2011-2036 is new and revised data. The line chart below compares the results from both releases (note: the GL Hearn work was based upon our 2016 forecast). The recent data for NW Leicestershire has been revised upwards from 2014, accompanied with strong recent data. Looking at the change from 2018 to 2036, both forecasts vintages are similar (though the latest May 2019 is slightly stronger).

With regards the above UK performance, this is also partly due to the recent data and the area's sectoral structure. The 2017 BRES data reports an increase of 10% in employment, with strong growth in admin & support services, info & comms & professional services – these sectors are expected to drive growth. We are also aware of a lot of development going on in the area - our research has shown the importance of the transport and storage sector, with East Midlands Airport second only to Heathrow in terms of cargo. And continuing significant investments coming in... such as the new Amazon distribution centre which will create 500 jobs, with plans for a further 500.'

2.10 To illustrate the first part of the above comments, OE has provided the chart below. In the 2016 version used in the HEDNA (orange line), the chart shows estimates of actual change until 2013 inclusive, and the forecast starts in 2014. In the 2019 version (blue line) the chart shows estimates of actual change for 2014-17 inclusive and the forecast starts in 2018. The chart shows how actual job growth in 2014-17 was considerably above the 2016 forecast, so the 2019 forecast started from a higher base.

Figure 2.1 NW Leicestershire, past and forecast, Oxford Economics



Source: Oxford Economics

- 2.11 In contrast, the latest Experian forecast is close to the HEDNA baseline of 12,400 jobs.
- 2.12 The HEDNA goes on to translate the planned growth job scenario into demand or need for business space. The exercise covers only offices and what we have called core industrial uses (as defined at para 1.7 above). The first three rows of data in Table 2.1 show the results:
- The first row estimates the change in full-time equivalent (FTE) jobs that will occupy business space over the study period, based on GL Hearn’s assumptions about the relationship of economic sectors and land uses⁹. It shows 9.2 thousand additional office jobs and 1.2 thousand fewer jobs in core industrial uses (the assessment does not cover distribution, as mentioned earlier).
 - The second row translates this job change into demand for employment land, based on assumed employment densities (floorspace per FTE job) and plot ratios (sq m of built floorspace per hectare of land area). The result is 39.1 ha of additional land for offices and a reduction of 11.8 ha for core industrial uses.
 - The third row of data adds a safety margin of additional floorspace, to allow for choice, competition and delay in sites coming forward. The HEDNA sets this margin at five years take-up, calculated from historical take-up. The HEDNA does not say whether this past take-up is net or gross, or what period it relates to¹⁰. For offices, it calculates a margin of 11.2 ha over the study period. For core industrial the margin is an insignificant 0.8 ha, based on historical data that show annual average development of just 0.16 ha per year.

⁹ The table excludes jobs that occupy other kinds of space, such as retail and leisure premises.

¹⁰ Footnote 37 of the HEDNA says that the period varies between districts, depending on data availability.

Table 2.1 Net employment land need in the HEDNA, 2011-36

Change 2011-36	B1a/b	B1c/B2	B8 small	B8 large	B8 total	B class total
Labour demand scenario						
Planned growth employment forecast, 000 FTE jobs	9.2	-1.2			2.9	10.9
Net employment land take-up, ha	39.1	-11.8				
Margin, ha	11.2	0.8				
Net employment land need (take-up + margin)	50.3	-11.0				
Past completions scenario						
Employment land need, ha	55.9	4.1	21.0			

Source: HEDNA Tables 75, 77, 78, 79. Figures may not exactly match the HEDNA, due to rounding.

2.13 Overall, for offices the HEDNA's labour demand scenario shows a net demand for 50.3 ha of new office land over the study period. For core industrial uses, the scenario shows negative demand, amounting to a loss of 11.0 ha over the period – the reason being that jobs in the sector are predicted to decline in the future, as they have done in the past.

The safety margin

2.14 In our view there is a flaw in the HEDNA's approach to the safety margin. The choice of five years seems reasonable, although it is a matter of judgment, because there is no empirical evidence¹¹. But the calculation is distorted by confusion between net and gross take-up of employment land:

- Net take-up, or net demand, is the difference between gross gains (gross demand, gross take-up), which means land developed for employment uses, and gross losses, which means existing employment sites lost to other uses.
- Gross take-up, or gross demand, is the total amount of land developed for employment uses. It equals net take-up (or net demand) plus replacement of gross losses. If economic activity is not to be constrained by lack of land, the Local Plan should identify enough land to accommodate development in line with gross demand.

2.15 The HEDNA's confusion probably does not affect the office sector, because in that sector losses of existing space are likely to be small or non-existent, so gross and net need are probably the same. But for industrial uses the confusion could make a significant difference.

2.16 Thus, for the core industrial sector (B1c/B2), as noted earlier the labour demand scenario shows negative demand of minus 11.8 ha – denoting a reduction in the stock of employment land over the plan period. As also mentioned earlier, that negative demand is net change – the difference between gross gains (gross take-up), which means land developed for employment uses, and gross losses, which means

¹¹ The choice of five years may be by analogy with the five-year supply test that applies to housing. However the test is less stringent for employment than for housing, where in line with the NPPF only immediately available sites are counted as part of the supply.

existing employment sites lost to other uses. There are many different ways this change could come about, and they have different implications for the safety margin:

- At one extreme, it may be that there is no demand for new industrial development (gross gains) over the HEDNA period; all that happens is that 11 ha of existing employment land is lost. In that case, there will be no requirement for a safety margin, because as noted earlier the purpose of the margin is to facilitate new development – by allowing time for sites to come forward, giving developers and occupiers a choice, and making land prices more competitive. This is the outcome shown in the HEDNA labour demand scenario, which shows gross take-up and hence the margin as virtually zero.
- At the other extreme, there may be significant demand for industrial development - taking up say 30 ha, while 19 ha of existing employment sites are lost to other uses. In that case, over the 25-year HEDNA period a margin equal to five years' take-up will be $30 / 25 \times 5 = 6$ ha.

2.17 In short, the size of the safety margin depends on gross demand (or gross take-up) – the total land to be developed for industrial uses, including replacement of existing sites that are lost to industry over the plan period. But the labour demand scenario does not consider likely future losses or gross take-up over the plan period:

- Its assessment of demand (take-up) relates purely to net change, since it is derived from net change in jobs
- Its assessment of the margin is based on past take-up; we do not know what period that past take-up relates to, or whether the figure is gross or net.

2.18 For these reasons, the HEDNA's assessment of the safety margin is not based on adequate evidence; and if there are significant losses of existing industrial land it will be an underestimate. Under the previous planning system this would be a problem. But now that national planning policy requires plans to be reviewed every five years the safety margin may no longer be helpful. We will discuss this in our conclusions and recommendations later.

The past completions scenario

2.19 As an alternative approach to assessing future demand, the HEDNA¹² rolls forward into the future past annual rates of take-up:

- For offices, the resulting need is 55.9 ha (2.2 ha p.a.), close to the labour demand scenario.
- For core industrial it is 4.1 ha (0.16 ha p.a.) – a positive though vanishingly small requirement, contrasting with the negative demand in the labour demand scenario.
- For small warehousing, which was not covered by the labour demand scenario, the past completions scenario shows a need of 21 ha.

¹² Source: HEDNA tables 80 and 82.

2.20 As mentioned earlier, the document does not say what period these historical figures relate to. Nor does it say whether the figures are gross or net – that is, whether they show land developed for employment, or land developed for employment minus existing space lost. For the office, sector, as we also noted earlier, the difference between net and gross probably does not matter. For the industrial sector it may matter a great deal, depending on the extent of industrial land lost to other uses. This is because, as noted earlier, the development land provided in the Local Plan should meet gross demand, not net:

- If 0.16 ha p.a. is net take-up, the Local Plan should provide 4.1 ha plus land to replace any existing core industrial sites that are expected to be lost in the plan period.
- If 0.16 ha p.a. is gross take-up, this insignificant amount of land is all the plan should provide for core industrial uses.

2.21 In relation to core industrial uses the HEDNA prefers the past trends scenario to the labour demand version, on the grounds that:

*'For industrial floorspace (B1c/B2), there tends to be a poor correlation between past employment and floorspace trends, whereby job numbers have fallen but floorspace numbers have not necessarily (influenced by capital investment and productivity improvements). The Planned Growth Scenario envisages that manufacturing GVA grows strongly (1.7% pa GVA growth 2015-36) and on this basis it is appropriate to plan for additional manufacturing floorspace. The HEDNA concludes that greater weight should therefore be given to the completions trend for B1c/B2 floorspace.'*¹³

2.22 This conclusion makes sense if 0.16 ha p.a. is net change. But if the figure shows gross change, there is a more likely reason why past floorspace did not correlate with past job numbers. The reason is that, while 0.16 ha per year was developed for core industrial uses, a land area larger than 0.16 ha per year was lost from the existing stock.

The HEDNA's conclusion

2.23 The HEDNA (paras 11.35 onwards) concludes that the district's employment land needs in 2011-36 are as follows:

- For offices, a range of 50.3-55.9 ha, based on the labour demand and past completions scenarios respectively
- For core industrial, 4.1 ha, based on the past completions scenario
- For small warehousing, 21 ha, also based on the past completions scenario.

2.24 These figures are brought together in Table 83 of the HEDNA. On the following page, a box headed 'Key Points' implies that they all relate to net change:

'The quantitative analysis, except for strategic B8¹⁴, does not take account of the potential 'replacement' demand... arising from the loss of ... existing employment

¹³ Source: HEDNA bullet 2 text box on page 185

¹⁴ The reference to strategic B8 is not relevant to the present study, because the study excludes that sector.

floorspace... The potential need for replacement provision for occupied premises which are expected to be lost through redevelopment should be considered taking account of local employment land evidence which considers the quality of existing sites and floorspace provision.'

- 2.25 The HEDNA's concluding chapter, in paras 12.66 onwards and Table 96, repeats the numbers quoted above (Table 97 gives equivalent figures for 2011-31). But this time the numbers are described as gross, in the heading to Tables 96 and 97, which read 'Gross forecasts'.
- 2.26 These table headings may be just minor errors. Certainly the adopted Local Plan ignores them, as it treats the HEDNA figures as net need. This is clear from paras 8.15-8.16 and Table 5 of the plan - where the document adds to those HEDNA figures an allowance of 10 ha for potential future losses of employment land, in line with the HEDNA advice we have quoted.
- 2.27 Even leaving aside the confusion between gross and net, we consider that the HEDNA's conclusions on core industrial and warehousing uses are not robust. This is because each of them relies on a single piece of evidence: the annual rate of take-up over an unspecified past period. In our opinion, this evidence is too flimsy. A robust assessment would look closely at that past delivery, to consider whether different historical periods would produce different averages, how and why numbers varied from year to year, and whether the drivers of change are likely to be the same for the future as the past. The HEDNA does not attempt such analysis.

Past versus future change

- 2.28 As mentioned earlier, the HEDNA's base date is as long ago as 2011. We have compared its predictions with the known changes that have already happened, between that base date and 2017 - the last date for which we have estimates of actual jobs and floorspace. For offices, the results are in the Table 2.2. For reasons of data availability, this time we look at square metres of floorspace rather than hectares of site area.
- 2.29 In the first column of the table, headed 'Past', we show estimates of B-class job and floorspace change between 2011 and 2017. Jobs numbers are based on the Experian dataset, which provides FTE jobs by economic sector. To translate those into jobs by land use we have used Stantec's own method (details are in Chapter 3 below). Floorspace change is from the Valuation Office Agency (VOA) floorspace statistics.
- 2.30 The third data column headed 'Total', shows the job growth and floorspace take-up in 2017-36, calculated in the HEDNA's labour demand scenario (see Table 2.1 above.)
- 2.31 The second data column, headed 'Future', is the difference between the 'Total' and 'Past' columns. It shows the change that would need to happen for the remainder of the HEDNA's plan period, from 2017 to 2036, to achieve the jobs and floorspace growth shown in the HEDNA.

Table 2.2 Past and future change in the HEDNA: offices

Offices B1a-b	Past 2011-17	Future 2017-36	Total 2011-36	Past as % of total
Jobs FTE, change	3,043	6,157	9,200	33.1%
Floorspace change, sq m	6,000	130,797	136,797	4.4%

Source: Experian, VOA, Stantec.

2.32 According to our estimates, in the first six years of the 25-year HEDNA period North West Leicestershire gained 3,043 net new office jobs. This is roughly a third of the total of 9,200 new jobs shown in the HEDNA’s labour demand scenario for the whole 25 years. In itself this is not surprising. It is because, economic and employment growth, both national and local, slowed down in 2017 and 2018, and is expected to slow down further in 2019 and subsequent years. It follows that job growth over the HEDNA period, 2011-36, will be front-loaded, so a disproportionate amount occurs in the early years of the period.

2.33 What is surprising, however, is that in the six years to 2017 the district gained an insignificant 6,000 sq m of net new office space – just 4.3% of the HEDNA’s total for the plan period. In other words, those six years have seen virtually spaceless growth in office employment – where significant job growth was accommodated in an almost unchanged floorspace stock.

2.34 This spaceless office growth is not uncommon. In earlier studies we have found that it applies to many places. We will discuss in Chapter 4 why it occurred and whether it will continue in the future. Regardless of this, the spaceless growth that has occurred so far has dramatic practical implications. It means that, if the HEDNA’s job figures are correct, the HEDNA’s floorspace need is greatly overstated. Assuming that the HEDNA’s job forecast is correct, and after 2017 all new jobs require new floorspace at the employment density assumed in the HEDNA, total demand for net new space over the plan period will be:

Already provided 2011-2017: 6,000 sq m
 Needed 2017-36: 6,157 jobs x 14.9 sq m per job = 91,739 sq m
 Total 2011-36: 6,000 + 91,739 = 97,739 sq m

2.35 This recalculated need is just 71% of that assessed in the HEDNA.

2.36 From the above calculation, we can see a fundamental flaw in the HEDNA’s assessment of employment land need. The issue is that the base date of the calculation is a long time before the date of the study, and the assessment takes no account of the known changes in employment space that took place between those two dates. A robust assessment would rebase the calculation, so it is underpinned by the most recent data available.

2.37 In Table 2.3 we show the same calculation as the previous table, this time for core industrial space rather than offices. The method is as described earlier. It uses unpublished data, kindly provided by VOA, which separate core industrial space from distribution (warehousing).

Table 2.3 Past and future change in HEDNA: core industrial space

Core industrial B1c-B2	Past 2011-17	Future 2017-36	Total 2011-36
Jobs FTE, change	1,187	-2,387	-1,200
Floorspace change, sq m	-9,200	-40,559	-49,759

Source: Source: Experian, VOA, NWL Council, Stantec.

- 2.38 In this case, our estimates suggest that in the first six years of the HEDNA period core industrial jobs increased slightly, against the slight decrease predicted by the HEDNA, although both changes are insignificant. At the same time, in those first six years core industrial space was lost at 1,553 sq m p.a. – slightly more slowly than the 1,990 sq m p.a. predicted by the HEDNA for its whole 25-year period. Thus, for core industrial space, unlike offices, our analysis finds no major inconstancy

Conclusion

- 2.39 We have identified three main weaknesses in the HEDNA’s analysis of employment land need. The first two relate to the industrial sector specifically: the HEDNA throughout confuses net and gross change, and its assessment of future need is based on a single piece of evidence: annual average completions over a past period which is not stated.
- 2.40 The third problem with the HEDNA affects offices specifically. It is that the analysis takes no account of known change in floorspace over the long period between its base date of 2011 and the time of the study. Correcting this error alone reduces the office need in the HEDNA’s ‘labour demand scenario’ by 30%.
- 2.41 To forecast floorspace demand in the present study, it would be possible to re-run the HEDNA’s employment land calculation, while correcting the above errors and others we have identified. This would require access to all the base data and details of the method, including for example the OE forecasts used at the time and the mapping of economic sectors to types of land use. It would also need robust monitoring data on take-up (development delivered) showing losses as well as gains of employment space from 2011 onwards. A new assessment, based on the most recent evidence and current government guidance, would produce more robust results at less effort. Moreover, as mentioned earlier, under the latest government policy and guidance the Council is free to depart from the figures in the HEDNA.
- 2.42 For all these reasons, we have advised the Council that it should replace the HEDNA with a new assessment of employment land need, with a base date at, or close to, the base date of its new Local Plan. The Council has accepted this advice. Accordingly we have produced a new assessment, which is in Chapter 3 below.

3 NEW DEMAND FORECASTS

Economic forecasts

- 3.1 As mentioned earlier, as possible starting points for the new assessment we have considered two baseline (business-as-usual) forecasts, produced in June 2020 by OE and Experian respectively. The table below compares the two forecasts for 2017-39, with total jobs broken down into 12 broad sectors (industries and services).

Table 3.1 Alternative job forecasts, North West Leicestershire, 2017-39

000s workplace jobs	Experian			OE			Difference Experian less OE
	2017	2039	Change	2017	2039	Change	
Accommodation, Food Services & Recreation	5.5	6.2	0.7	6.5	5.9	-0.6	1.3
Agriculture, Forestry & Fishing	0.6	0.5	-0.1	0.6	0.4	-0.2	0.1
Construction	5.5	6.9	1.4	5.5	7.2	1.7	-0.3
Extraction & Mining	1.5	1.5	0.0	1.8	0.9	-1.0	1.0
Finance & Insurance	0.7	0.4	-0.3	0.8	0.7	-0.1	-0.2
Information & communication	1.9	3.5	1.6	2.6	2.5	-0.1	1.7
Manufacturing	8.6	7.9	-0.7	8.2	5.6	-2.6	1.9
Professional & Other Private Services	16.2	20.4	4.2	18.6	24.5	5.9	-1.7
Public Services	7.1	8.2	1.1	6.7	8.2	1.6	-0.5
Transport & storage	10.1	11.3	1.2	9.1	11.5	2.4	-1.2
Utilities	0.9	0.9	0.0	0.8	0.7	-0.1	0.1
Wholesale & Retail	9.7	10.1	0.4	9.3	10.6	1.3	-0.9
Total	68.3	77.8	9.5	70.5	78.7	8.2	1.3

Source: Oxford Economics (Aug 2020), Experian (July 2020), Stantec. OE and Experian use different classifications of economic sectors, with OE's much finer-grained than Experian's. In this table we have merged OE sectors to approximate to the Experian version as far as possible. Experian predicts 9.5 thousand net new jobs in the district over the period, while OE is marginally more pessimistic expecting 8.2 thousand new jobs.

- 3.2 In regard to total employment growth the Experian and OE forecasts are very close, showing 9,500 and 8,200 net additional jobs respectively. The sectoral composition of that growth does vary between the two forecasts. However, as we will show in Chapter 4 later, when translated into land uses they show very similar numbers of both industrial and office jobs.
- 3.3 Table 3.2 shows forecasts of output (GVA) from Experian and OE, paralleling the job forecasts in the previous table. Output is relevant because it may be a better indicator of the demand of space than jobs, as discussed in the next section. Again, in terms of total GVA growth the two forecasts are very similar, though at the level of individual sectors there are differences between them.

Table 3.2 Alternative output forecasts, NW Leicestershire, 2017-39

Output (GVA) £ms @2016 prices	Experian			OE		
	2017	2039	Change	2017	2039	Change
Accommodation, Food Services & Recreation	115.7	142.4	26.7	106.1	158.7	52.5
Agriculture, Forestry & Fishing	28.2	32.2	4.0	16.8	19.1	2.3
Construction	412.9	536.2	123.3	377.7	582.9	205.2
Extraction & Mining	127.8	94.0	(33.8)	133.6	86.5	(47.2)
Finance & Insurance	17.4	15.1	(2.3)	11.0	20.0	9.0
Information & communication	68.1	160.1	92.0	73.2	132.3	59.1
Manufacturing	521.1	583.6	62.5	511.6	542.9	31.3
Professional & Other Private Services	781.6	1,268.6	487.0	749.6	1,349.5	600.0
Public Services	240.6	298.6	58.0	242.2	315.6	73.3
Transport & storage	594.8	912.9	318.1	593.6	867.2	273.6
Utilities	62.4	76.9	14.5	66.0	75.9	9.9
Wholesale & Retail	447.1	624.7	177.6	437.5	639.8	202.3
Total	3,417.7	4,745.3	1,327.6	3,319.1	4,790.3	1,471.2

Source: Experian (July 2020), Oxford Economics (Aug 2020), Stantec

Past jobs, output and floorspace

- 3.4 Table 3.3 compares past change in industrial floorspace first with jobs change and then with output change.

Table 3.3 Industrial floorspace, jobs and output, North West Leicestershire, 2001-17

		2001	2017	Change 2001- 2017
Industrial jobs	<i>jobs</i>	20,136	25,746	28%
Industrial output	<i>£m(CVM) 2016 prices</i>	1,070	1,533	43%
Industrial floorspace	<i>sq m</i>	1,113,000	1,632,000	47%
Sq m/£m of output	<i>£m(CVM) 2016 prices</i>	1,040	1,064	2%
Sq m / job	<i>Sq m</i>	55	63	15%

Source: Experian (July 2020), Valuation Office Agency, Stantec

- 3.5 In this table, the industrial floorspace stock is taken from the Valuation Office Agency (VOA) non-domestic floorspace statistics¹⁵, which start in 2001. Industrial output and jobs are estimated by Stantec from Experian's historical economic data; to translate Experian's economic sectors into types of space we used the method described in

¹⁵ VOA Non-domestic rating: business floorspace statistics, published July 2019

the next section. The table shows both square metres of industrial floorspace per job (the inverse of employment density) and square metres of industrial floorspace per £m of output, for North West Leicestershire in the 16 years to 2017:

- Industrial jobs in the district increased by 28%
- Industrial output increased faster, by 43%
- Industrial floorspace increased even faster, by 47%.

- 3.6 The data strongly suggests that industrial floorspace relates more closely to output than to employment. This is not surprising, because industrial space is mainly used for the holding and processing of objects – contrary to offices, which are mainly used to hold people. In the case of industry, therefore, if the quantum of goods increases one would expect more floorspace to be used, even if numbers of people grow more slowly or not at all – perhaps because technical progress replaces people with machinery (i.e. more objects).
- 3.7 This analysis suggests that to forecast industrial demand it is advisable to start from industrial output, rather than employment. This is the method we have used in the present study. A further reason for choosing this method is that a demand forecast that starts from job numbers produces virtually insignificant demand for additional floorspace, at 1.3-1.7 ha over the 22-year forecast period. In our opinion this is not a credible prediction, given the evidence of previous delivery and market conditions that we discuss later in this report.

Translating economic sectors to types of space

- 3.8 The next step in our calculation is to translate jobs (respectively output) by economic sector into jobs (respectively output) by type of employment space. The method we use for this is described at Appendix A below. Briefly, our starting point is a set of assumptions about the type of space occupied by each fine-grained (five-digit) sector in the official Standard Industrial Classification (SIC 2007). Those assumptions were supported in a large survey by the present consultant team for the Yorkshire and Humber regional partners in 2010. Nevertheless they are subject to uncertainty, because individual business units may be untypical of the wider sector of which they are part, as discussed in more detail in the final paragraphs of Appendix A.
- 3.9 When translating job forecasts into space we cannot use the assumptions at Appendix A directly, because the forecasts split the economy into around 30 economic sectors, a much coarser classification than the five-digit SIC one. For example, our mapping scheme counts as B-space activity only part of the Construction industry (SIC 43.2, 43.3 and 43.9), whereas the forecasts show only Construction as a whole (SIC 43). To estimate future employment in sub-sectors such as SIC 43.2 (electrical, plumbing and other construction installation activities), we assume that the share of each sub-sector's employment in its 'parent' sector stays constant in future. For example, if at the base date of the forecast SIC 43.2 in the subject district accounted for 10% of all Construction jobs, we assume that the same ratio will apply over the forecast period.
- 3.10 The outcome of the mapping exercise is to divide job growth into three categories:

- Jobs that are based in industrial space (industrial jobs)
 - Jobs that are based in office space (office jobs)
 - Jobs that are based in other kinds of space, such as retail shops and stores, leisure and cultural venues, schools, hospitals etc (non-B jobs).
- 3.11 The forecast job growth in the first two categories is taken forward into the employment land calculation, as described below. The growth in non-B jobs is set aside, as it does not bear on employment land needs.

Translating jobs to demand for space

Densities

- 3.12 The next step in the employment land calculation is to translate jobs into floorspace for each type of employment (B-class) space. For this we use the latest available estimates of floorspace per job (respectively floorspace per £m of GVA) in North West Leicestershire, based on economic data and VOA floorspace statistics for our base year, 2017:
- Offices 10.7 sq m per job
 - Industrial, Experian scenario 1,064 sq m per £m of GVA
 - Industrial, OE scenario 1,177 sq m per £m of GVA.
- 3.13 In relation to offices, we have compared our density ratio with the 2015 HCA Employment Densities Guide¹⁶, which is the standard reference source on the matter (although the basis of its findings is not clear). The Guide does not provide a single ratio, but a range of figures for different types of offices, from 10 to 13 sq m per job. Our estimate for the office density ratio is towards the lower end of the HCA range.
- 3.14 Both for offices and industry, our method assumes that the floorspace per job ratios we estimated for the base year continue unchanged over the forecast period. We will reconsider this assumption in Chapter 4 below.

Non-strategic industrial demand

The industrial total

- 3.15 In order to forecast the demand for non-strategic industrial space, we start with a total for the whole industrial sector, and then consider the share of non-strategic space within that total. The share of non-strategic space shows the first step in that calculation.
- 3.16 In the table, the first row shows the output growth forecast by Experian, for the sum of sectors that occupy industrial space (para 3.8 and Appendix A show how we defined those sectors). In the second and third rows we multiply that output growth by the density factor, as discussed earlier, to produce the occupier demand for space. In the forecast, this is the net additional floorspace that occupiers will take up, and developers will provide for them, provided that planning releases the necessary land.

¹⁶ Homes and Communities Agency, Employment Density Guide 3rd edition, Nov 2015

**Table 3.4 Industrial demand – first-draft scenario
Net floorspace change, North West Leicestershire, 2017-39**

	Experian		OE	
	Total	p.a.	Total	p.a.
All industrial floorspace, sq m				
a Change in output (£m)	540	25	515	23
b Density factor (sq m per £m output)	1,064	0	1,177	0
c Occupier demand (floorspace change, sq m GIA) [a*b]	574,766	26,126	606,462	27,566

Source: Experian, OE, Stantec

3.17 The two forecasts show very similar demand - 26,126 sq m p.a. in the Experian forecast and 27,566 sq m p.a. in the OE version.

The share of non-strategic space

3.18 To determine what proportion of this total is likely to be non-strategic floorspace, we look to historical evidence on the mix of industrial development in North West Leicestershire. The first source of such evidence is the Council's monitoring data, which have been maintained on a consistent basis since 2012/13. Those data, detailed at Appendix B, show that from 2012/13 to 2019/20, which is the longest time series available):

- Total industrial development produced net additional floorspace of 609,834 sq m, of which 96% was strategic warehousing and just 4% was non-strategic space.
- This average conceals one highly untypical warehouse development, or outlier: the Amazon distribution centre, providing 169,800 sq m. This distorts the total in our view.
- Excluding Amazon from the analysis, the share of non-strategic development in the industrial total rises to 5.3%.

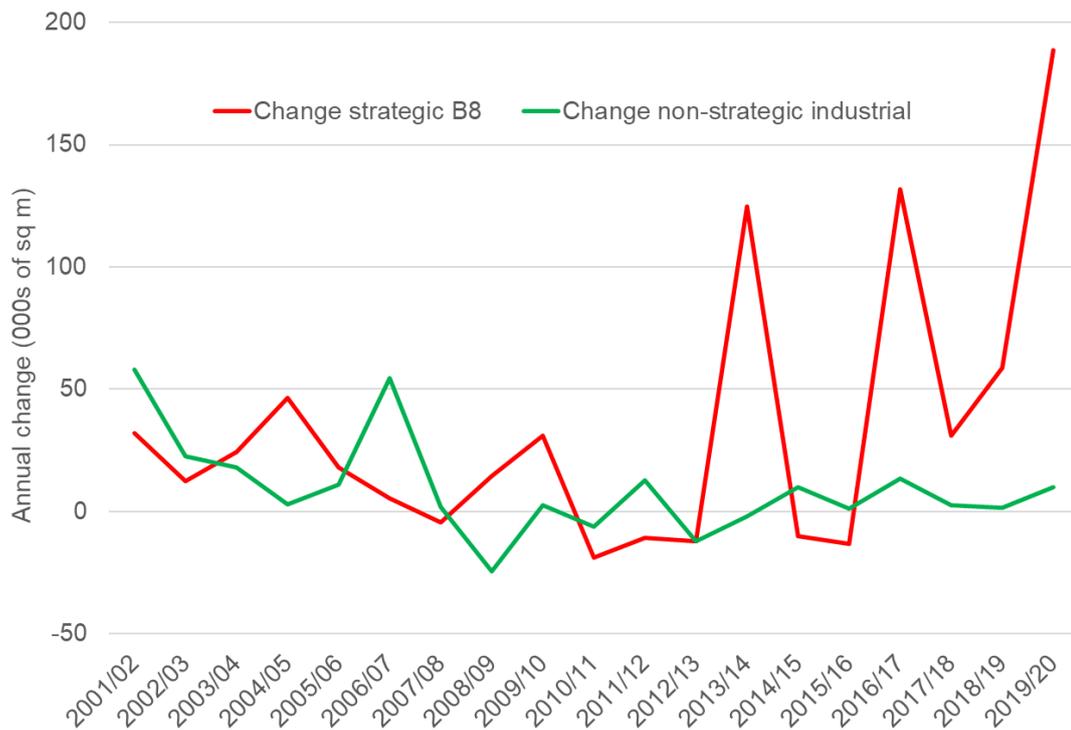
3.19 The Council's data may not be conclusive, because they only cover the last seven years; and for most of those years non-strategic industrial floorspace was seriously undersupplied against demand, as we know from the market analysis later in this report.

3.20 To gauge past delivery over a longer period, we have obtained experimental statistics from the VOA that distinguish the 'Storage and Distribution Sub-Sector' from other industrial floorspace, and also separate units over 9,000 sq m. [Figure 3.1](#) shows net floorspace change since 2001/02.

3.21 There are differences in specification between the VOA dataset and the Council's monitoring. Thus, the VOA often splits into several units what the monitoring data treat as a single entity. For example, a large distribution unit may be divided into a main warehouse space and several ancillary offices, workshops etc – which individually fall under the 9,000 sq m threshold. The VOA statistics may under-

estimate non-strategic floorspace as a result. It also records completion at different dates (when units reach the rates register), and in some cases it shows very different floorspace for the same building to the Council's monitoring figures - possibly because of changes in internal layout, such as mezzanines, that were not counted.

Figure 3.1 Net change in industrial floorspace, 2001/02-2019/20, VOA experimental data, thousand sq m



Source: VOA

3.22 Because of these differences, the VOA data are not directly comparable to the Council's version. However, comparing VOA data for different periods provides a good indication of change over time:

- Over the whole period, from 2001/02 to 2019/20:
 - Strategic warehousing accounted for 78% of net industrial development, and non-strategic for 22%.
 - In the non-strategic category, development averaged around 9,000 sq m per year – roughly 2.5 times the first-draft demand forecast at Table 3.4 above.
- But behind this average, there are two very different phases of development:
 - For the period from 2001/02 to 2012/13, the strategic and non-strategic components were evenly balanced, at 49% and 51% of the total respectively.
 - In contrast, for the period since 2013/14, 93% of the total was in the strategic category, and only 7% non-strategic.

3.23 From the chart, we can see that the upswing in strategic warehousing development started in 2013/14, the second year of the Council's monitoring period. Of the seven years since then, four have seen a higher quantum of such development than any of previous years since 2001/02. In this same period, all years have seen net non-strategic development at zero, or only marginally positive.

- 3.24 In short, from 2013/14 onwards the mix of net industrial development in North West Leicestershire has been very different from earlier years. Strategic warehousing development saw a major upswing, while non-strategic industrial development fell to nothing. The explanation for the lack of industrial development cannot be lack of occupier demand, because in the same period vacancy in non-strategic space also fell to almost nothing. The property market analysis in Chapter 5 below offers other explanations. The first explanation applies throughout the UK: it is the reduced supply of development finance, which makes it difficult to build small and mid-size units speculatively, except in super-prime areas. The second explanation is specific to North West Leicestershire. It says that the supply of land for non-strategic industrial development became constrained by competition from strategic warehousing, which is high demand in the area and generates higher land values.
- 3.25 The above analysis suggests that in the last seven years the mix of industrial development in North West Leicestershire has changed dramatically against the previous long-term trend. To test this finding, we asked Council officers if they had any evidence on industrial development before 2012/13 (the start year of the monitoring dataset discussed earlier), which we could use as a reality check on the VoA figures.
- 3.26 In response, the Council provided site-by-site monitoring data for 1996-2011, which are subject to various caveats and limitations. They are not directly comparable with the monitoring results from 2013 onwards, because they count construction starts rather than space completed, and on the loss of existing sites they provide only partial information. Also, the older dataset only provides areas, not floorspace; the year 2012 is not covered by either dataset; and the older data do not distinguish between strategic and non-strategic schemes., so the totals we have calculated are based on broad judgments about each site listed, depending on land area and location.
- 3.27 Subject to these caveats, the table below shows estimates of strategic and non-strategic annual industrial development since 1996, based on Council data.

Table 3.5 Industrial development: long-term history from Council data

Industrial land, ha	1995/96-2010/11	2012/13-2019/20	1995/6-2019/20
Change p.a.	Starts	Completions	Starts plus completions
Strategic	7.6	20.9	11.8
Non-strategic	3.9	0.8	2.9
Total industrial	11.5	21.8	14.8
Non-strategic as % of total	34%	4%	20%

Source: NW Leicestershire Council

- 3.28 The Council’s two historical datasets, considered together, suggest that:
 - The share of strategic warehousing in the industrial total increased dramatically from around 2013, as is also shown by the VoA figures discussed earlier

- In the long term, from 1995/96 to 2019/2020, the share of non-strategic development in the industrial total was 20% - very close to the share of 22% shown in the VoA figures for 2001/02-2019/20
- 3.29 To summarise the historical evidence, in the last seven years the share of non-strategic development in the district's industrial total has been very low, at 7% or 4% depending on the source used. This recent period is quite untypical of the long-term position, as over the last 20-25 years the non-strategic share has been around 20-22%.
- 3.30 The explanation for these figures is in the property market analysis in Chapter 5 below - which shows that in the recent period non-strategic development has been severely supply-constrained, as available development sites were taken up for strategic warehousing. This change in market conditions is evident from vacancy data, also discussed in Chapter 5. This shows that, until and including 2012, the vacancy rate was virtually always above the 'normal' rate of 7-8%; but since 2013 it has always been lower, and by 2019 it had fallen to less than 1%.

Non-strategic industrial demand

- 3.31 Table 3.6 shows two alternative forecasts of the demand for non-strategic space. The low scenario assumes that in future the non-strategic share in total industrial development remains at 5.5% - the average of the last 10 years. The main scenario assumes that the share is 21.6%, equal to the average of the last 19 years.
- 3.32 In Table 3.6, the first three rows reproduce the previous table, which provide a view of the total industrial demand for net additional floorspace. In row 4 we multiply this by the share of non-strategic space discussed earlier, to provide a figure for non-strategic demand. In annual terms, this shows around 1,400 sq m p.a. in the low scenario, and 5,600-6,000 sq m in the main scenario¹⁷, depending whether we use the Experian or OE forecasts (the two are very similar).
- 3.33 To these figures we apply vacancy adjustments. The reason for the adjustments is that, in a healthy property market, there should always be some vacant floorspace, to allow for units that are empty between tenancies (perhaps while they are being refurbished) and generally for choice and competition. As a rule of thumb, property agents generally agree that this 'normal' or 'natural' vacancy should be between 5% and 10% of the floorspace stock. We have set our vacancy allowance at the average of these figures, 7.5%. In our calculation, if the actual vacancy rate is below this level developers will want to build more space than occupiers will take up, until the rate reaches its natural level. Conversely, if the vacancy rate is above its natural level developers will seek to build less space.

¹⁷ Number quoted in the text are rounded.

Table 3.6 Non-strategic industrial demand, net floorspace change, North West Leicestershire, 2017-39

	Low scenario				Main scenario			
	Experian		OE		Experian		OE	
	Total	p.a.	Total	p.a.	Total	p.a.	Total	p.a.
All industrial floorspace, sq m								
a Change in output (£m)	540	25	515	23	540	25	515	23
b Density factor (sq m per £m output)	1,064	48	1,177	54	1,064	48	1,177	54
c Occupier demand (floorspace change, sq m GIA) [a*b]	574,766	26,126	606,462	27,566	574,766	26,126	606,462	27,566
Non-strategic industrial - floorspace change, sq m								
d Non-strategic as share of industrial	5.3%		5.3%		21.6%		21.6%	
e Occupier demand	30,463	1,385	32,142	1,461	124,150	5,643	130,996	5,954
f Stock vacancy adjustment	45,364	2,062	45,364	2,062	45,364	2,062	45,364	2,062
g Vacancy factor [8.1% of e]	2,467	112	2,604	118	10,056	457	10,611	482
h Demand for development [e+f+g]	78,294	3,559	80,110	3,641	179,570	8,162	186,970	8,499
Non-strategic industrial - land area change, ha	19.6	0.9	20.0	0.9	44.9	2.0	46.7	2.1

Source: Stantec

- 3.34 In short, there is a difference between occupier demand – the floorspace that businesses want to occupy – and development demand – the floorspace that developers want to provide. In our calculation, the difference is made through two adjustments.
- The ‘stock vacancy adjustment’ (at row f) brings vacancy to its natural level at the base date of the forecast, 2017. As we show in Chapter 5 below, non-strategic industrial vacancy in North West Leicestershire at that date was extremely small, far below the normal level. To bring it back to that normal level would require an additional supply of 45,364 sq m over the plan period, which translates to 2,062 sq m p.a. In effect, the stock vacancy adjustment attempts to eliminate the supply deficit, or undersupply, that existed in the district in the base year. It is a very large adjustment, because vacancy in the base year was so low.
 - The ‘vacancy factor’ at row g is easier to explain. The reason for it is that, if the vacancy rate is 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.
- 3.35 Overall, for non-strategic industrial space:
- The low scenario shows development demand of around 3,600 sq m p.a., which at the standard plot ratio of 40% would require 0.9 ha of land per year.
 - The main scenario shows development demand of 8,200-8,500 sq m p.a., which would require 2.0-2.1 ha per year.

Comparisons

- 3.36 We have compared our forecasts with the past delivery of net additional floorspace, since 2012/13, as shown in the Council’s main monitoring dataset. The Council data are in the table below¹⁸. The floorspace completed varied greatly from year to year, with an average of 2,941 sq m p.a. The demand in our main forecast is more than twice this annual average. This is not surprising, since our analysis suggests that in the period covered by the Council data supply has failed to meet demand.

¹⁸ Details are at Appendix B

Table 3.7 Past net completions, non-strategic industrial space, North West Leicestershire, 2012/13–2019/20

	Sq m	Gross gains	Gross losses	Net change
2012/13		0	3,082	-3,082
2013/14		2,178	0	2,178
2014/15		1,667	9,205	-7,538
2015/16		1,639	0	1,639
2016/17		14,145	880	13,265
2017/18		4,273	0	4,273
2018/19		7,718	0	7,718
2019/20		5,076	0	5,076
Total		36,696	13,167	23,529
Average p.a.		4,587	1,646	2,941

Source: NW Leicestershire Council

- 3.37 We have also compared our forecast with the VoA data, which as shown earlier go back to 2001/02, so they include a period in which non-strategic development was not subject to the same constraints as it has been since 2013. Up to and including 2019/20, net additional floorspace averaged 9,393 sq m per year. This figure is close to, though slightly higher than, the future annual demand of up to 8,500 sq m shown in our main scenario.

Conclusion: net demand

- 3.38 In our judgement the low scenario is not a suitable basis for planning, because it rolls forward a supply-constrained past. In that past, which covers the last seven years or so, non-strategic industrial need was not met in full, due to restricted land supply - as the bulk of available industrial land was taken up for strategic warehousing. Looking to the future, in line with national planning policy this evidence base study must assess unconstrained need or demand – that is, the amount that would be taken up if land supply were unconstrained.
- 3.39 The main scenario in our view gives a better indication of that unconstrained demand, because it includes a more distant past in which the non-strategic market was more balanced. Therefore the main scenario is our preferred scenario.
- 3.40 In an even more ambitious scenario, the future share of non-strategic development in the industrial total could be set at its pre-2013 level, which was about half. This would roughly double the need shown in our main scenario, to some 17,000 sq m and 4.0 ha per year. In our view it is unlikely to be a realistic view of future demand for land, because it carries forward a period when finance for non-strategic industrial development was much more freely available, and the demand for strategic warehousing was more subdued.

Gross demand

3.41 Our forecast relates to net demand, which as discussed earlier is the difference between floorspace gained in new development and existing floorspace lost when employment sites are transferred to other uses. For the purpose of plan-making we need to predict gross demand – the total amount of land that will be developed for employment, if the planning authority provides it. To arrive at gross demand we would normally add to the net figure land to replace such future losses. But in this study we do not do this, because the Council’s monitoring does not identify any planning permissions or allocations that imply loss of existing industrial land, and the recent site assessment commissioned by the Council¹⁹ found that all employment sites were fit for purpose, with just one minor exception²⁰.

Office demand²¹

3.42 To forecast the demand for office development we use the same method as for industrial space (leaving out of course the translation from total industrial to non-strategic industrial). The results are in the table below.

Table 3.8 Office demand, net floorspace change, North West Leicestershire, 2017-39

	Experian		OE	
	Total	p.a.	Total	p.a.
Jobs change	4,629	210	3,568	162
Density factor (sq m NIA /job)	10.7		10.7	
Occupier demand (floorspace change, sq m NIA)	49,374	2,244	38,054	1,730
Stock vacancy adjustment (sq m)	3,496	159	3,496	159
Vacancy factor (sq m)	3,999	182	3,082	140
Demand for development (sq m)	56,869	2,585	44,633	2,029

Source: Source: Experian, OE, Stantec

3.43 Overall, for offices our forecast shows annual development demand of 2,585 sq m p.a. in the Experian scenario and 2,029 sq m in the OE scenario. It is difficult to translate these floorspace figures into land areas, because plot ratios (development densities) for offices vary massively, depending on the nature of the development. At

¹⁹ Review of Employment sites, BE Group for NW Leicestershire County Council, Jan 2019

²⁰ The exception is a small part of the TNT (Pipeyard Works) site, where 0.38 ha has recently been granted permission for change of use from employment. This permission is too recent to be counted in the Council monitoring data, which relates to 31 March 2019.

²¹ In line with established practice and statistical convention, ancillary offices are not counted as offices, but rather as part of the main use of the relevant unit. For example, the office content of a warehousing unit is counted as warehousing.

the standard plot ratio of 60% (6,000 sq m per hectare), which is a reasonable assumption for out-of-town business parks, to meet the forecast demand would need approximately 0.4 ha p.a. But this land requirement is not reliable, because plot ratios for offices vary widely.

- 3.44 As we did for industrial space, we have compared our demand forecasts with past completions in 2012/13–2019/20 – the longest period for which consistent data are available²². Over this period net completions averaged 2,207 sq m p.a. This past annual average is very close to our forecast, which suggests that the forecasts are broadly credible.

Table 3.9 Past completions, offices, North West Leicestershire, 2012/1-2018/19

	Sq m	Gross gains	Gross losses	Net change
2012/13		0	0	0
2013/14		1,669	0	1,669
2014/15		0	0	0
2015/16		1,361	0	1,361
2016/17		4,639	0	4,639
2017/18		5,494	0	5,494
2018/19		3,527	0	3,527
2019/20		1,186	220	966
Total		17,876	220	17,656
Average p.a.		2,234	28	2,207

Source: NW Leicestershire Council, Stantec

- 3.45 As with the industrial sector, discussed earlier, our forecasts relate to net demand. To arrive at gross demand, we would normally add an allowance for future losses of existing employment sites. But in the case of North Leicestershire this is not appropriate, because, for offices as for industrial space, there are no outstanding permissions and allocations that imply such losses, and the recent site assessment commissioned by the Council found that all existing sites were fit for purpose.

Conclusion

- 3.46 In summary, based on economic forecasts we estimate annual average demand for net additional employment space in 2017-39, is as follows:

²² Individual developments are shown at Appendix B

- For non-strategic industrial space, c 8,500 sq m p.a. of net additional floorspace, which would require 2.1 ha of land;
- For offices, a maximum of some 2,600 sq m of net additional office space p.a., which at typical out-of-town plot ratios would require around 0.4 ha of land p.a.

3.47 Over the 22-year study period, the above figures translate to the following:

- For non-strategic industrial space, c 187,000 sq m of net additional floorspace, which would require c 47 ha of land;
- For offices, a maximum of c 57,000 sq m of land, which at typical out-of-town plot ratios would require around 9 ha of land.

3.48 Forecasts of course are highly imperfect and surrounded by uncertainty. Before we draw policy implications from the above figures, we need to reality-test their credibility against other evidence. We do this in the next two chapters, in two ways. Chapter 4 looks at how office space is used, considering if the past trend of increasing office densities will continue in the future; if so, our forecast, which assumes unchanged densities, would over-estimate the demand for office space. Chapter 5 assesses the demand for additional space from a different angle, using property market analysis.

4 OFFICE DENSITIES AND THE NEED FOR SPACE

The issue

- 4.1 In our forecasting above, one important assumption is that floorspace per job ratios (employment density)²³ stay fixed over the forecast period, at the levels we estimated for the base year. For offices specifically this assumption is open to discussion, because as shown earlier floorspace per job in North West Leicestershire fell significantly in previous years, as between 2011 and 2017 the office sector saw ‘spaceless’ growth – with more than 9,000 additional jobs, but no increase in floorspace. Furthermore, such ‘spaceless’ office growth has been reported in many other places, and it is often argued that at national level, floorspace per head in offices is falling and will continue to fall.
- 4.2 Some evidence of this is provided in the table below, which compares the findings of various studies of office densities over time.

Table 4.1 National studies of office densities over time

Source	Study date	Definition	Ratio
British Council for Offices	2018	Sq m/worker	10
British Council for Offices	2013	Sq m/desk	11
National Audit Office	2012	Sq m/FTE job	13
Homes and Communities Agency	2010	Sq m/FTE job	12
Yorkshire and the Humber Translating Jobs into Land - RTP	2010	Sq m/worker	16
British Council for Offices	2009	Sq m/desk	12
RTP & Ramidus for GLA	2006	Sq m/worker	16
DTZ	2004	Sq m/worker	18
English Partnerships	2001	Sq m/desk	16
RTP for South East Regional Planning Conference	1997	Sq m/worker	18

Source: Stantec. All floorspace figures (sq m) relate to Net Internal Area (NIA).

- 4.3 The table does show a general trend towards lower floorspace per job, from 16-18 sq m in the late 1990s and early 2000s to 10 sq m in the latest study from the British Council for Offices (BCO). However, the trend is not as clear as appears at first sight.
- 4.4 One caveat is that the early figures at the bottom of the table were based on large surveys using random samples, which produced statistically representative results; while more recent studies tend to use small, hand-picked samples, which may not be representative of all offices. Thus, the BCO surveys are partly based on recent office

²³ The floorspace per job ratio is the inverse of employment density, which is the number of jobs per sq m. In practice the two terms are often used interchangeably. However, they are inversely related, so high floorspace per head equates to low density.

development put forward by developers, designers and owners, and hence are probably biased towards new high-quality property. If this bias applies, the ratios calculated in BCO studies will underestimate floorspace ratios for the office stock as a whole. But the studies would still be useful, because they tell us that new office properties are designed to be more intensively used than previous generations of stock; and this more intensive use is applicable to the new build offices which the Local Plan will be providing for.

- 4.5 One piece of evidence not in the table is Central Government's objective to reduce space ratios to 8 sq m per full-time equivalent job across its estate – down from 9.4 sq m in 2018. But this is a measured per full-time equivalent job rather than per job. On a like-for-like basis this target of 8 sq m is close to BCO figure of 10 sq m.
- 4.6 For the purpose of the present study, we need to consider whether the trend to higher densities will continue in future, in which case our demand forecast should incorporate this change. To answer this question, we first identify the factors that have led to rising densities in the past, and specifically in 2011-17, the early years of the HEDNA period. There are four such factors in our view, which we discuss in turn below.

The economic cycle

- 4.7 One likely reason why office employment in North West Leicestershire grew faster than office floorspace is that at the HEDNA's base date there was a surplus of vacant or under occupied office stock, which could absorb job growth without additional floorspace being built.
- 4.8 The best way of identifying that oversupply would be to estimate the vacancy rate at the base date of the needs study. Unfortunately, the HEDNA failed to provide this information for 2011. But reasonable common sense would suggest that vacancy rates in 2011 would have been abnormally high due to the recent recession. It is also likely that many offices were under occupied, as employment fell but firms could not relocate to smaller premises immediately. So it is likely that there was some 'slack' in the office market at the start of the HEDNA – which was not taken into account before advising that new jobs needed new floorspace. The HEDNA may have made the problem worse, by advising that even more space should be added to what would appear to be an already oversupplied market.
- 4.9 While the HEDNA provides no data on vacancy or under-occupation at its base date (2011), we do know that at national level central government introduced national changes to Permitted Development Rights, because it believed that office vacancy rates were too high across England in 2013 - i.e. around the base date of the HEDNA.
- 4.10 The under-occupation of offices in the recession does not explain the long-term increase in office densities that is apparent from Table 4.1. But it does explain, at least in part, the increased densities and 'spaceless' growth observed in North West Leicestershire and elsewhere in the years since the recession.

The rise of agile working

- 4.11 The principle of 'flexible working' has been around for a number of years. It commonly refers to an arrangement between employee and employer whereby working hours more closely suit the needs of the employee. For example having flexible start and finish times to suit school hours. Flexible working has an impact on the demand for office space but in general one worker still needs one desk – flexible working patterns often overlap, creating a demand for space at peak periods.
- 4.12 In more recent years we have seen a move towards agile working. This is a step further than flexible working, which allows the employee to choose where they work in addition the hours they work. Agile working has been enabled by improvements in technology – most obviously near universal broadband to residential properties. While there is still more to do regarding broadband most homes have the benefit of a workable connection, which will facilitate working away from the office at least some of the time.
- 4.13 This shift has compounded the impact of the earlier flexible working, and is allowing firms to reduce the number of desks per worker – as they can be reasonably confident that on any given day a proportion of workers will not be in the office at all.
- 4.14 One ingredient of agile working is home working, whereby a proportion of the workforce work **mainly** from home, so they may not use office accommodation at all, or only for a small proportion of the time. Recent government statistics have confirmed that working mainly from home has become more common in the last 10 years. Nationally the number of home workers has increased from 884,000 (2008) to 1,542,000 (2018). But in the East Midlands the growth has been much more modest – from 60,000 to 88,000²⁴.
- 4.15 No data are available to explain why the East Midlands does not appear to have seen the push towards home working as other regions. It could be that the East Midlands, being a collection of smaller medium sized cities, lacks one principle city that attracts commuters over very long distances who may find agile working more advantageous – because it cuts out a long commute one or more days a week. Or that commuting to work, and the availability of workplace parking at work, is easier in the East Midlands, and hence the benefits of home working less than elsewhere.
- 4.16 Regardless of the data on home working, it is still likely that agile working has impacted on the demand for offices in the East Midlands and North West Leicestershire. Some firms will have been able to increase their employment counts without adding additional floorspace, as they encourage workers into an agile working environment, and others may have moved to smaller premises without reducing numbers of workers.

²⁴ Source: Office for National Statistics (ONS), Homeworkers by UK Region, 2008 Compared to 2018, May 2019

Technology and space planning

- 4.17 The third factor is that offices have been re-designed to make much more efficient use of floorspace.
- 4.18 Like agile working, this redesign has been facilitated by technology. Almost every piece of office equipment has become smaller in recent years.
- 4.19 Most obvious is the switch from CRT monitors to flat screens. This in turn has allowed firms to move away from L- shaped desks, where the CRT monitor was in the corner of the desk, to much more efficient 'bench style' desk arrangement. Bulky desktops have been replaced by laptops and the move towards paperless offices has reduced filing and storage needs. Also, modern working has often removed private (cellular) offices. Increasingly workers sit in open-plan offices, using space more intensively.

Covid-19

- 4.20 Finally we must consider the impact of the Covid-19 pandemic. In the present, it is obvious that the pandemic has reduced the demand for offices, as large numbers of people have been working from home, and floorspace take-up has fallen. A more difficult question is how these changes may impact on office demand in the future, once the pandemic is over.
- 4.21 Much of the evidence on this issue comes from opinion surveys, which usually suggest that working practices will never return to what they were before the lockdown. One recent example a survey of 2,000 office workers, commissioned by the British Council for Offices (BCO) in September 2020 – where some 60% planned that in future they would alternate between home and office working, against 30% who were considering returning to the office for five days a week; 15% planned to work exclusively from home²⁵. Similarly on the employers' side, in a survey of 1,000 members of the Institute of Directors (IoD), three quarters expected to see more homeworking after the pandemic, and more than half planned to use less office space than previously.
- 4.22 These and similar surveys do not signal the death of the office. On the contrary, they confirm that employees and employers value office space and will continue to use it. Thus, in the BCO survey around 70% of workers said the office was valuable for learning, developing networks and socialising, and following the IoD survey the organisation's director of policy commented that for many *companies 'bringing teams together in person proves more productive and enjoyable'*. Many other surveys record similar findings.
- 4.23 Overall, the implication of these surveys – which are typical of many others - is that businesses will continue to use offices, but the ratio of office space to office jobs will fall, probably faster than it did in the past. In this way, the pandemic may accelerate the densification of offices that has been happening anyway. Even if occupier

²⁵ See <https://www.theguardian.com/technology/2020/mar/13/covid-19-could-cause-permanent-shift-towards-home-working> and <http://www.bco.org.uk/News/News46982.aspx>

demand does not fall, the current uncertainty might damage developer and investor confidence, so that less new office space is built, at least in the short to medium term. The scale of these changes is impossible to quantify at the present stage, as people's opinions today provide only broad indications of what will happen in the future.

- 4.24 Property agents and media reports also mention two ways in which the pandemic may add to office demand, especially outside city centres. Firstly, it is suggested that high-density open-plan offices and hotdesking are becoming less acceptable, due to risk of infection. Secondly, as workers avoid public transport there may be more demand for offices in relatively peripheral locations, closer to people's homes, including office hubs offering informal shared space. Again, there is no evidence that would allow us to quantify these impacts, nor can we be confident that they will persist once the pandemic is over.
- 4.25 In summary, there is little evidence at this stage regarding the long-term impact of Covid-19 on office demand. On balance it seems likely that any impact will be negative, perhaps accelerating or bringing back earlier densification trends. As regards the duration and scale of any impact, it is too early to make any predictions. The Council should bear in mind this uncertainty when considering future employment needs.

Will the increase in densities continue?

- 4.26 To summarise the discussion above, part of the explanation for rising office densities in the early years of the HEDNA period is the economic cycle. In the recession much office space was probably vacant or under-occupied, so in the long slow economic recovery much there was much surplus space available to accommodate new jobs. This cyclical factor by definition cannot continue to operate indefinitely: once the spare capacity created in the recession has been taken up, the resulting increase in density is bound to stop.
- 4.27 In regard to agile working and new technology, we note the conclusions of the 2013 BCO report²⁶, which suggested that firms would struggle to continue to intensify their use of space, and there would come a natural limit on how intensively used office spaces can be. This is partly for technical reasons including building control regulations concerning 'means of escape'. But there are also less tangible factors, such as making offices attractive to current and potential employees. In a tight labour market some firms cannot afford to 'squeeze' their office workers into ever smaller spaces, and need to offer higher quality offices to secure talent.
- 4.28 A related feature of the BCO reports is that they show virtually unchanged densities over the last five years, at around 10 sq m per worker in both 2013 and 2018. For North West Leicestershire, as discussed at para 3.12 earlier, the 2017 office density we have estimated is 10.7 sq m per job, but this unlike the BCO's figures includes vacant floorspace. Recalculated without vacant space the figure is close to the BCO's

²⁶ British Council for Offices, Occupier Density Study, Sep 2013

10 sq m, suggesting that office in North West Leicestershire may already be as densely occupied as is it reasonably practicable to be.

- 4.29 A final factor to weigh in the balance is the Covid-19 pandemic. If the pandemic does have an impact on office demand in the long term, that impact is likely to be negative, perhaps accelerating or bringing back earlier densification trends. But as regards the duration and scale of any impact it is too early to make any predictions.
- 4.30 Given the above evidence, we believe that it would not be prudent for the Local Plan to assume further increases in office employment densities over the plan period. Such increased densities may come about, but we cannot be certain that they will; and counting on them to balance demand and supply would risk underproviding land against demand, which planning should not do. But the situation should be kept under review, because the impact of the pandemic is an unknown quantity at this stage.

5 THE COMMERCIAL PROPERTY MARKET

Overview

- 5.1 This chapter reviews the property market for employment space in North West Leicestershire district, first for non-strategic industrial space and then for offices. For the industrial sector, we define unit sizes as follows:
- Small units: up to 50,000 sq ft (c 4,500 sq m)
 - Mid-size units: 50,000 sq ft, up to 100,000 sq ft (c 9,000 sq m)
 - Large units: above 100,000 sq ft.
- 5.2 Our analysis relates to the first two categories, plus large units other than warehouses (logistics, distribution). Large warehouses are beyond the scope of our brief, as mentioned earlier²⁷. We only mention them when this provides helpful context.
- 5.3 The market-facing analysis in this chapter complements the quantitative forecasting in Chapter 3, addressing the same questions through different kinds of evidence. Chapter 3 was about the market for development land, in which demand is generated by developers and supply is provided by landowners and the planning authority. This chapter is about the demand for floorspace, in which demand is generated by occupier businesses and supply is provided by developers. The two markets are related, because developers' demand for land is driven by occupiers' demand for floorspace; but they are separate markets, and we analyse them in different ways.
- 5.4 One strength of market analysis is that it is based on real-life property transactions, which provide direct evidence of demand and supply. Another strength is that it takes account of values (rents and prices), and so casts light on effective, or viable, demand - which means that potential occupiers will pay enough, and (where relevant) provide sufficient covenant strength²⁸, to support financially viable development. Against these strengths, a weakness of market analysis is that the evidence it provides is only about the short term. To explore future demand over 15 or 20 years, forecasts (as used earlier in this report) the only tool we have.
- 5.5 Below, we will consider first the non-strategic industrial market and then the office market. For each market, we will discuss in turn:
- The *national context*, to note wider factors that impact on North West Leicestershire;
 - A profile, or snapshot, of the area's *floorspace stock and its occupiers*, to help understand the analysis of recent change that follows;
 - Recent *occupier demand* (floorspace take-up) over the last five years, to understand what space businesses want;

²⁷ Strictly speaking our brief only excludes *distribution* units above 100,000 sq ft. But in practice we have found that virtually all units in this category are distribution units.

²⁸ 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.

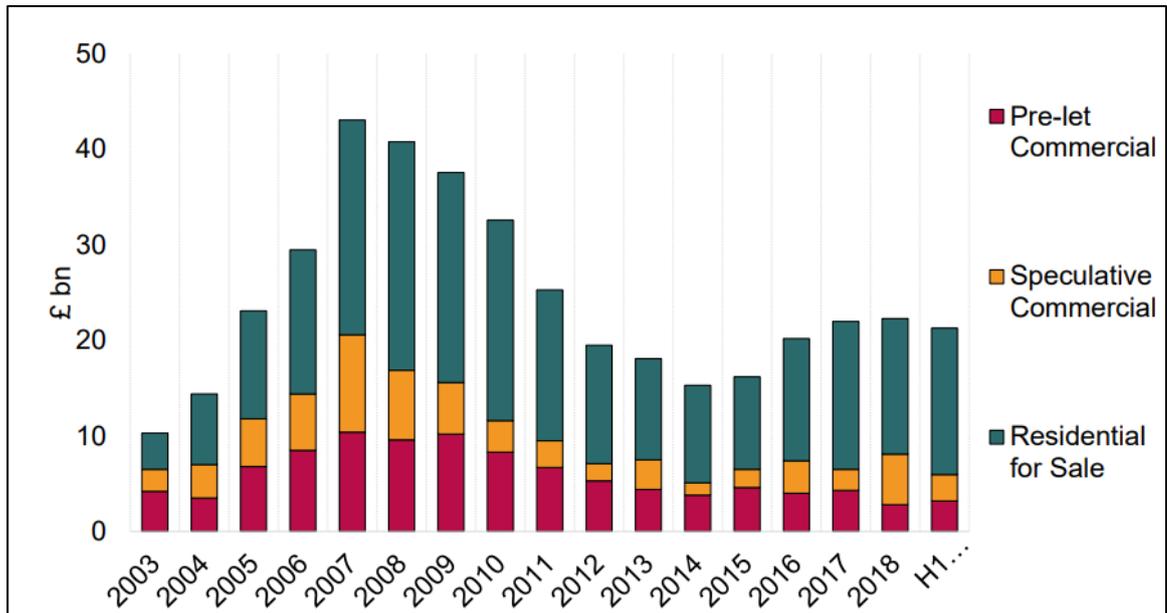
- *Supply and market balance*, to see how far the existing floorspace stock is meeting that demand.
- 5.6 From these analyses, we will draw conclusions on the likely demand for space additional to the existing stock. This will drive demand for development sites, as developers seek to build the space that occupiers want.
- 5.7 The main sources used in our analysis are the Valuation Office Agency (VOA) non-domestic floorspace statistics, the commercial database CoStar, published property market research, Council officers and consultations with local developers, landowners and property agents, including a stakeholder workshop held in June 2019 (a list of participants is at Appendix C). The reason why so much time has elapsed since the workshop is that this study was originally expected to complete in 2019, but the Council decided to wait for an updated 2020 version, as explained earlier.
- 5.8 Since the 2019 draft was completed we have seen the emergence of the Covid-19 pandemic. During the last few months evidence has been emerging on the impacts of the pandemic on the UK economy and commercial property markets. That evidence is reflected in our analysis. Its implications are not always clear, as it is difficult at this stage to distinguish short-term shocks from long-term structural changes.

The non-strategic industrial market

National context

- 5.9 The UK industrial market is currently tight, with growing demand pushing against restricted supply, and has been so for some years.
- 5.10 In the years before the recession caused by the global financial crisis, the industrial market saw a wave of speculative development, fuelled by easy access to finance. Much of the new space that resulted remained on the market as occupier demand weakened in the recession, so speculative development came to a halt. In recent years supply has tightened against demand, due to the economic recovery, the increase in online shopping (which needs warehouse space) and some industrial units being lost to higher-value housing use.
- 5.11 Typically, when supply tightens this is a market signal to commence development. But since the global financial crisis developers are finding it much more difficult to finance development, as banks have sought to limit their exposure to commercial lending. This is illustrated in Figure 5.1, which shows the shift in lending patterns leading up to the global financial crisis and the subsequent years. Combined pre-let and speculative commercial lending has never returned to pre-crisis levels.

Figure 5.1 Development cycle of loan books, June 2019, £bn



Source: Cass Business School, Commercial Real Estate Lending Survey, Mid-year 2019
Note: The final column (H1) relates to the first half of 2019.

- 5.12 Due to the tighter nature of the funding markets, speculative development is generally only occurring in ‘super-prime’ areas such as parts of the M1 corridor, Heathrow, etc. Those areas have very strong occupier demand from blue-chip covenants, who are prepared to commit to longer-term leases (typically more than 10 years), therefore the perceived risk is low. Elsewhere, speculative development is generally occurring only for larger units that can be occupied by these large national /international firms.
- 5.13 The economics for small and mid-sized units is different from large-scale distribution units, both in terms of cost and values. Smaller and mid-sized units do not benefit from economies of scale for build costs as large units do. Covenant strength²⁸ of occupiers of smaller units is generally weaker and result in less secure income, which is guaranteed for shorter periods due to shorter lease terms, and hence lower capital values. Consequently, small and medium-sized development typically occurs only on existing employment sites - where infrastructure is currently in place; or as part of larger strategic schemes, whereby the large-scale distribution units can pay for the infrastructure to service the smaller and mid-sized units.
- 5.14 Concerning small and mid-size units, the lack of speculative development has led to an imbalance in the market, with some occupiers having to wait for the build to suit opportunities, or taking second-hand space to satisfy immediate requirements although they would prefer new space. With a lack of suitable medium-sized space, occupiers across the country are struggling to find suitable space for business expansion. This is having a knock-on effect, with smaller units not experiencing ‘natural’ levels of market churn, therefore not freeing up space for SMEs and start-ups.
- 5.15 Since the coronavirus lockdown, the demand for industrial space has held up well. Demand for online retail has risen significantly, and manufactures have sought to re-purpose space to respond to the government’s need for protective equipment.

Industrial space and occupiers in North West Leicestershire

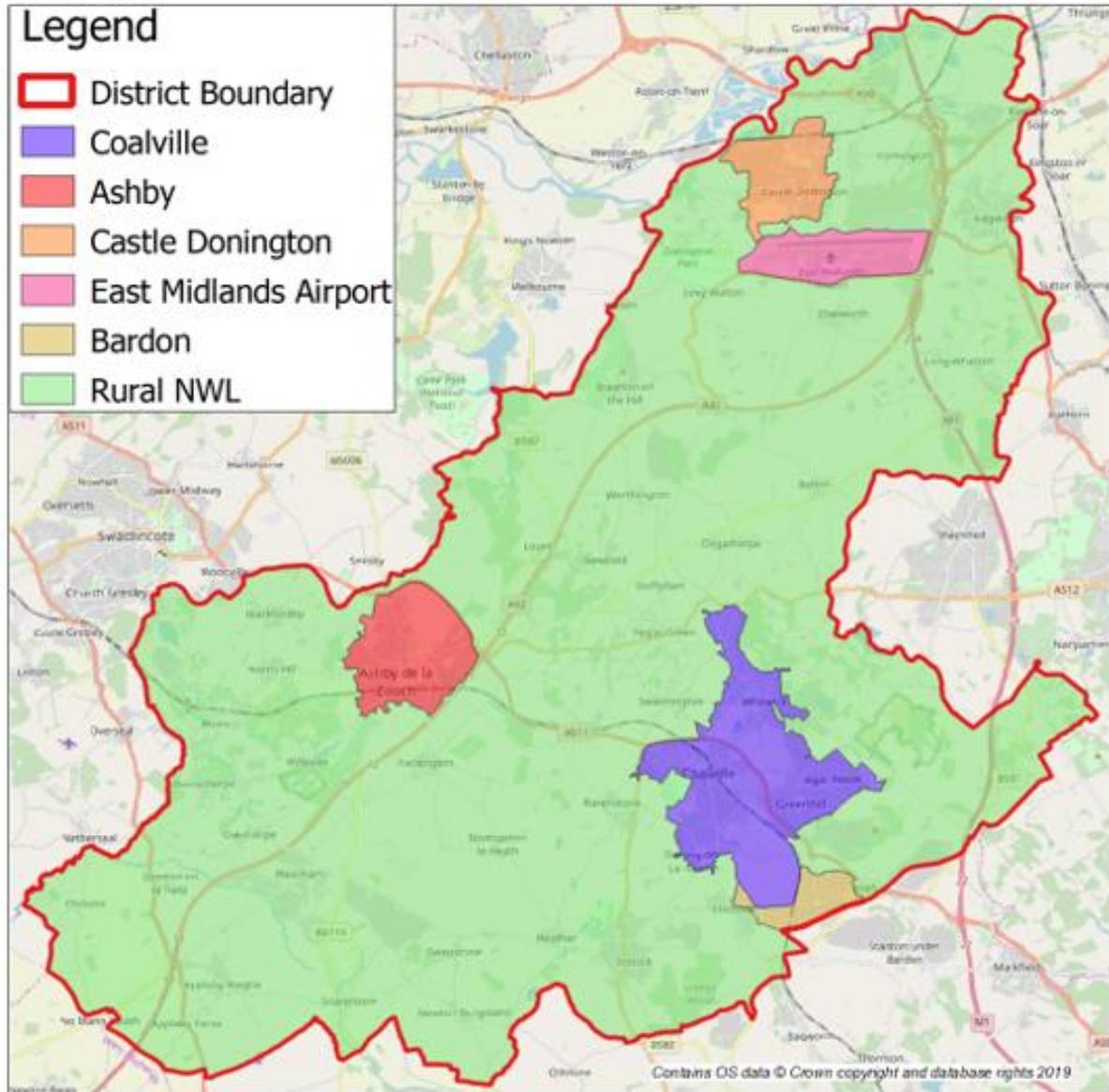
Definitions

- 5.16 In this section, we provide a brief profile of the stock of non-strategic industrial floorspace in North West Leicestershire and the businesses that occupy that stock. This snapshot of the present situation will provide context for the analysis of recent demand, supply and market balance that follows. Throughout all those analyses, the quantitative data we use, and the descriptions of units and occupiers we provide, relate solely to non-strategic industrial space. As stated at para 1.5, earlier, this comprises all core industrial space (B1c/B2), plus warehouse units up to 9,000 sq m or 100,000 sq ft. We only mention larger-scale (strategic) warehousing by way of context.

Overview

- 5.17 North West Leicestershire is highly attractive for strategic logistics, due to its location in the 'golden triangle' centred on the M1, M6 and M69, which is recognised as the most efficient location for national distribution across the UK. It also contains East Midlands Airport, which is the second largest freight handling airport in the UK after Heathrow and has attracted a thriving transport industry and international logistics operators. Outside the distribution sector, the district is attractive to a wide range of manufacturing activity, largely due to its strategic road connections via the M1 and the M42 / A42, which links directly to Birmingham.
- 5.18 The district's industrial floorspace is concentrated at Bardon, around East Midlands Airport and in estates in the towns of Coalville, Ashby-de-la-Zouch and Castle Donington. There is also industrial floorspace in the rest of the district, which we have called 'rural North West Leicestershire'. Those sub-areas within the district are mapped in Figure 5.2. Below, we profile the district's stock of industrial floorspace and occupiers, considering each area in turn.

Figure 5.2 Sub-areas



Source: OS, North West Leicestershire District Council, AspinallVerdi. Definitions of Coalville, Ashby-de-la-Zouch and Castle Donington are taken from Local Plan Inset Maps. The East Midlands Airport and Bardon areas are as defined in the adopted Local Plan, at Policies EC4 and EC1b/EC3 respectively. Rural NW Leicestershire is the remainder of the district, outside the above areas.

Coalville

- 5.19 Hermitage Industrial Estate is located to the north of the High Street. It is the largest industrial estate in the town and one of the largest in the district. It includes mostly medium and small-sized warehouses and workshops as well as a few large units. Long-established large occupiers on the estate include Terex Pegson. (manufacturing) and Roca (manufacturing). Other occupiers on the estate include Tufnell's (logistics), who occupy a 22,000 sq ft unit, and Bespoke Kitchen Foods (manufacturing), who occupy a 13,300 sq ft unit.
- 5.20 Whitwick Business Park lies to the east of Hermitage Industrial Estate and benefits from good access to the A511. The non-strategic industrial buildings there vary in condition and specification, with units at Garden Court, built in the early 2000s, being

the most modern. Most occupiers are companies serving the local and regional markets. They include Applied Thermal Control (manufacturing) and Winbro Group Technologies (high-tech manufacturing of parts for aircraft and turbines).

- 5.21 Stephenson Industrial Estate lies to the west of the town centre. The estate comprises mostly dated small units up to 5,000 sq ft, and also as a smaller number of medium and large distribution units. Occupiers are mainly companies serving the local and regional markets. They include ACC Systems (design and manufacture of automated control systems), 1,300 sq ft), Vintage Ford (distribution, 1,300 sq ft) BPH Attachments (distribution and servicing of machinery, 4,800 sq ft).
- 5.22 From an occupier perspective, Whitwick Business Park and the Hermitage and Stephenson Industrial Estates form one broad employment area. The area is attractive to occupiers due to its good access to Junction 22 of the M1, via the A511.

Figure 5.3 Examples of industrial units, Coalville



- 5.23 Coalville also has a number of smaller industrial estates or areas. These include Oaks Industrial Estate, Coalville Business Park and Scotlands Industrial Estate. These areas are mostly small industrial units (up to 5,000 sq ft, as defined earlier), with a few medium-sized units and vary in age and specification. Most units are dated, as they were built before 1995. Occupiers in these areas include Wabbo (manufacturing), who occupy 27,300 sq ft of space at Coalville Business Park, and PRC Fabrications (manufacturing), who occupy 2,100 sq ft at Oaks Industrial Estate.

Ashby-de-la-Zouch

- 5.24 The industrial market in Ashby-de-la-Zouch is focused on Ivanhoe and Ashby Business Parks.
- 5.25 Ivanhoe Business Park is the location for most of Ashby's industrial units. to the north of the town, with good access to Junction 13 of the M42. It is the largest non-distribution based industrial area in the town and comprises a mix of small and mid-sized warehouses, including some modern buildings and dated terraced units as pictured below – which are offered to the market on a refurbished basis. Occupiers on the estate include Abbey Extrusions, (manufacturing, 4,900 sq ft) and GTM Plastics (manufacturing, 1,200 sq ft).

5.26 Ashby Business Park is located to the east of Ashby, directly adjacent to Junction 13 of the M42. It is the second largest industrial estate in the town and comprises small to medium-sized modern purpose-built industrial units as well as large modern distribution units. It offers more modern accommodation than Ivanhoe, having been built since 2002. Current occupiers on the estate include HK Wentworth (manufacturing), Abel & Cole (distribution) and Electrolube (manufacturing)

Figure 5.4 Examples of industrial units, Ashby-de-la-Zouch



Source: CoStar (2019)

Castle Donington and East Midlands Airport

5.27 The industrial market in Castle Donington is focused on the Willow Farm/Trent Lane industrial area. The area is located towards the north of Castle Donington and benefits from access to Junctions 24 and 24a of the M1. It is the largest industrial area in Castle Donington and one of the largest in the district. As pictured below, the estate mostly comprises small to medium sized terraced units, most of which are dated. Occupiers on the estate range from companies serving the local markets to regional and national occupiers. They include New Look (distribution) who occupy a 6,000 sq ft unit, and FC Cartons (manufacturing), who occupy a 20,200 sq ft unit.

Figure 5.5 Examples of industrial units, Castle Donington and East Midlands Airport



Source: CoStar (2019)

5.28 To the west of Castle Donington is the East Midlands Distribution Centre, which is mainly known for its very large strategic warehouses, including a Marks & Spencer

national distribution centre of 1,000,000 sq ft. The estate also includes six modern purpose-built mid-size warehouses, built between 2011 and 2017. Occupiers include Birlea Furniture (manufacturing, 121,600 sq m over two units) and Interlevin Refrigeration (Distribution, 101,000 sq m over two units).

- 5.29 The industrial area around East Midlands Airport is mostly occupied by large logistics operators, which include the international parcel companies DHL and TNT. But it is also home to small and medium-sized units, most of which are at Air Cargo Centre, an industrial estate located south of the airport. Occupiers at the estate include Norsk Global (logistics, 10,600 sq m), Medstrom (logistics and support services) and HGV Direct (logistics, 26,600 sq ft). The units are slightly dated but there is a high demand for them given their strategic location.

Bardon

- 5.30 Bardon is a large industrial area to the south of Coalville. It is the largest industrial area in the district and is especially attractive to logistics occupiers, due to its good access to junction 22 of the M1. Occupiers range from local SMEs serving local markets to large multinational companies. As illustrated below, industrial units' range in quality and size from older, dated terraces to larger, modern units. Occupiers include Schluter Systems (manufacturing, 23,000 sq ft), Hamilton Adhesive (manufacturing, 14,500 sq ft) and MTS Logistics (77,600 sq ft).

Figure 5.6 Examples of industrial units, Bardon



Source: CoStar (2019)

Rural North West Leicestershire

- 5.31 Industrial units in rural North West Leicestershire are varied in age and quality, as illustrated by the images below. The two largest concentrations of industrial space are the Westminster Industrial Estate in Measham and Marquis Drive in Moira.
- 5.32 Westminster Industrial Estate is some two miles to the north of Junction 11 of the A42. It comprises mostly dated light industrial and warehouse units, built in the 1980s and 1990s. Occupiers include both companies serving the local and regional customers and international companies involved in wider markets – which are attracted by good access to the M42 and M1. The estate is home to one very large manufacturing unit – Omnium Plastics, which occupies 134,970 sq ft and makes

automotive components. Small and mid-sized occupiers include Aqualectrics (water hygiene works and services 1,300 sq ft), Target Tech (manufacturing, 3,240 sq ft).

- 5.33 Marquis Drive is an industrial area which comprises units of varying age and specification. Despite its relatively remote location, it has attracted a mix of occupiers, including international companies. Current occupiers include EBRO Valves (manufacturing) and K-Tech Suspensions (manufacturing).
- 5.34 Smaller industrial estates/areas elsewhere in the district include Shardlow Industrial Estate and Elms, Jubilee and Measham Lodge Business Parks. Those estates comprise mainly sub 10,000 sq ft units occupied by companies serving local markets or with historical links to the area. Examples of occupiers include ATO-Line MOT (vehicle repair) at Shardlow Industrial Estate, Phoenix Foil (manufacturing) at Elms Business Park and Parcel Promise (logistics) and Just Doors UK (manufacturing) at Measham Lodge Business Park.

Figure 5.7 Examples of industrial units, rural North West Leicestershire



Source: CoStar (2019)

Quality of the stock

- 5.35 From the above descriptions, it is clear that the district has little modern industrial property in the non-strategic category. What stock there is available in the district is scattered across the industrial estates, so there is no single scheme to provide a critical mass of modern high-quality development in a high-quality setting. The same fact is apparent from the table in Appendix B, which lists the development completed over the last seven years:
- Of the 15 schemes listed, most are very small. Only three developments, one at East Midlands Distribution Centre and two at Ivanhoe Business Park, provide more than 3,000 sq m (c 32,000 sq ft).
 - All are infill development, on scattered plots in existing employment areas. There is no sizeable estate that provides a 'new' environment at scale.
- 5.36 At the consultation workshop held as part of this study, a number of participants pointed to this lack of large -scale, high-quality modern developments. Their view was that this qualitative gap in supply restricted the area's potential to attract and grow knowledge-intensive, high-value industrial activities.

Summary

- 5.37 North West Leicestershire is well known as a strategic logistics location, distributing consumer goods across the UK from large-scale warehouses. In the present study, we are not concerned with those large units. Rather, our focus is with occupiers of small to mid-size industrial units, up to 100,000 sq ft. We have looked at that section of the market and found that the district is home to an extremely wide range of other industrial activities, including manufacturing both of the advanced and other kinds, and also smaller-scale distribution, including both consumer goods and business-to-business supplies. Some occupiers are local businesses tied to local or regional customers, while many others are national or multinational companies serving wider markets.
- 5.38 The floorspace that accommodates those businesses is also varied, from secondary space in dated units built in the 1990s or earlier, to modern high-quality stock. The district has three major industrial areas, at Coalville / Bardon, Ashby and Castle Donington / East Midlands Airport. The greatest choice of units and the best-quality modern stock is concentrated in these areas, which are well connected to the M1 and A42/M42. The rest of the district's industrial areas are secondary by comparison.
- 5.39 Overall, the district lacks large, high-profile developments that would provide a critical mass of high-quality non-strategic industrial space. Industry representatives consider that this gap in supply seriously restricts the area's economic potential.

Take-up (demand)

- 5.40 In this section we analyse the take-up of non-strategic industrial floorspace in the district over the last five years, drawing mainly on the CoStar database.
- 5.41 This **occupier take-up, or floorspace take-up**, should not be confused with the **land take-up** discussed in Chapter 3 (though the two are of course related). Land take-up means development of new floorspace, while floorspace take-up means business taking occupation of floorspace, which may be new or second-hand (previously occupied)²⁹. It is also important to note that floorspace take-up is a gross measure: it shows the space that is newly occupied by business units, whether newly opened or moving in from elsewhere, without subtracting the space vacated by business units that close or move to other buildings.
- 5.42 In the five years to 2019, the annual take-up of non-strategic industrial space in the district averaged 381,711 sq ft p.a., in 33 units.

²⁹ In our analysis we count refurbished floorspace as second-hand.

Table 5.1 Non-strategic industrial floorspace take-up, 2015-19, North West Leicestershire

Year	No. of transactions	Total take-up sq ft
2015	38	535,326
2016	28	214,404
2017	42	475,473
2018	39	485,936
2019	17	197,418
Total	164	1,908,557
Annual average	33	381,711

Source: CoStar 2020

5.43 In terms of floorspace, annual take-up in 2015 was around 535,000 sq m. In 2016 it fell to 214,000 sq ft. This year of low take-up in 2016 looks like an anomaly; we do not know of any particular reason for it. In 2017 and 2018 total take-up recovered but only partially, to around 480,000 sq ft, below its previous level. In 2019 the figure fell steeply again, to c 197,000 sq ft. This low figure, and the general downward trend in recent years, is due to constrained supply, as no good-quality stock was delivered or available in the district over a period of years.

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

- Coalville
 - Bespoke Kitchen Foods (manufacturing) – 13,300 sq ft at Hermitage Industrial Estate
 - AMG Electronics (manufacturing) 5,000 sq ft at Hermitage Industrial Estate
 - CMS Cepercor (manufacturing) - 70,862 sq ft at Hermitage Industrial Estate
- Ashby
 - Teleperformance (outsourced services and distribution) – 71,000 sq ft at Ivanhoe Business Park
 - Toolstation (trade counter) – 5,000 sq ft at Ivanhoe Business Park
- Castle Donington
 - Amazon (logistics) – 50,600 sq ft at Willow Farm
 - Paul Fabrications (aerospace manufacturing) – 30,000 sq ft at Sills Road
 - Muscle Foods (online retail) – 18,555 sq ft at Trent Lane, Castle Donington
 - New Look (distribution for fashion retailer) – 6,000 sq ft at Sycamore Road
- Bardon
 - MTS Logistics (logistics) – 77,700 sq ft at Interlink Way
 - Former DHL distribution unit let to undisclosed tenant – 70,000 sq ft

- Unit let to undisclosed tenant - 22,000 sq m
 - Rural North West Leicestershire
 - Plastic Omnium Automotive (manufacturing) – 5,000 sq ft at Westminster Industrial Estate.
 - Target Tech (manufacturing) – 3,200 sq ft at Westminster Industrial Estate
- 5.45 Confirming the earlier analysis of all occupiers, these examples of recent take-up suggest that North West Leicestershire continues to be attractive to a diverse variety of businesses, much wider than the logistics / distribution sector for which the area is best known. Admittedly most of the largest units on the above list are distribution units. But there are also many units, including relatively large ones, used for manufacturing, including in high-technology sectors such as electronics and aerospace. The area’s strategic accessibility, via the M1 and A42, makes it attractive to the wider national and regional markets, not just local firms with local customers. However, the quality of some of the property stock does not match the quality of its occupiers, as much of the district’s industrial space is aged and of relatively low specification.
- 5.46 In our stakeholder workshop and one-to-one consultations, we asked property agents and developers how easy or difficult it was for occupiers to find the space they need. All our consultees felt that it was difficult, because currently there is very little property on the market, and any units that do become available let immediately. They reported that there was substantial unmet demand in the market, so companies who could find the space they need moved to other places, or perhaps stayed in premises that no longer met their needs, compromising growth or efficiency. These views are strongly confirmed by our analysis of market signals in the next section.

Supply and market balance

- 5.47 In this market analysis, we consider **floorspace supply**, which should not be confused with the planned **land supply** discussed earlier in Chapter 3. While planned land supply is the land identified for development (which may be measured either in terms of site area or floorspace capacity), floorspace supply is the built space available for occupiers to move into.
- 5.48 Our figures on available space are taken from the property database CoStar³⁰. To derive vacancy rates, we use total floorspace in non-strategic industrial units from the Valuation Office Agency (VOA); the calculation is approximate, because definitions of industrial space do not match perfectly³¹.

³⁰ For simplicity we assume that available space and vacant space are the same thing, although in practice there will be some discrepancies, as some space may be advertised as available while it is still occupied, and some vacant space may not be on the market.

³¹The stock of non-strategic units is as at 2019, because the 2020 VOA statistics do not provide the necessary detail on unit sizes.

The VOA dataset uses 117 description codes, of which we have used the following in our analysis: Offices and premises; Office workshop and premises; Office studio and premises; Factory and premises; Vehicle repair workshop; Vehicle repair workshop and premises; Vehicle repair workshop, office & prems; Vehicle repair workshop, petrol station and premises; Warehouse; Warehouse & premises; Warehouse, office and premises;; Workshop; Workshop and premises; Workshop offices and premises; Workshop showroom and premises; Workshop storage land and premises; Workshop land and premises; Storage depot and premises. Whereas agents list property on CoStar across three

5.49 There are currently 34 non-strategic industrial units available in the district, providing a total floorspace of 136,461 sq ft, as shown in the table below. Against the total stock of 844 units and 7.598 million sq ft, this shows vacancy rates of 1.8% of floorspace and 4% of units. In terms of floorspace, against the average annual take-up of 381,711 sq ft (see Table 5.1 **Error! Reference source not found.**), the district's years supply ratio is 0.35 years, or just over four months³². In terms of units, there is one year's supply. Since Q3 2019, the amount of availability in the district has reduced by 11% in terms of floorspace but has increased by 61% in terms of number of units. As we go on to discuss below the increase in the number of units is due to new units being delivered since Q3 2019.

Table 5.2 Floorspace availability, non-strategic industrial, North West Leicestershire, 2020

	Floorspace sq ft	No. of units
Total stock	7,597,589 ³³	844
Availability	136,461	34
	1.8%	4.0%

Source: CoStar, VOA, AspinallVerdi (2020)

5.50 Despite new units coming onto the market in the last 12 months, market indicators point to an exceptionally tight floorspace market, where demand is much in excess of supply. A normal vacancy rate, as discussed earlier in this report, is generally considered to be between 5% and 10%. A healthy market probably needs years supply ratios upward of one year, both in terms of floorspace and number of units. It is unusual in our experience to find as little space on the market as is available in North West Leicestershire at present. However, we have found similarly low availability in several local studies in Northamptonshire, where property markets area also tight, typically for similar reasons to North West Leicestershire.

5.51 We have also looked at floorspace availability in more detail, considering the past change since 2009 and local sub-areas within the district. For this finer-grained analysis, due to data limitations, we have had to use availability rates as estimated by CoStar, without reference to the VOA stock data³⁴. The results are in the charts below. As an absolute measure, CoStar vacancy rates are a cruder approximation than the 2020 district-wide total above. But they are useful for comparing different points in time and different sub-areas. We have combined data for Castle Donington with East Midlands Airport, because for the airport area on its own the figures are too small for meaningful analysis.

broad categories of industrial, light industrial or office purposes – some of which may fall outside the VOA 25 categories we have used. Due to the volume of data, it has not been possible to iron out these discrepancies.

³² The years supply ratio measures how long it would take to fill the currently available floorspace, assuming that take-up continues at the same annual rate as in the past.

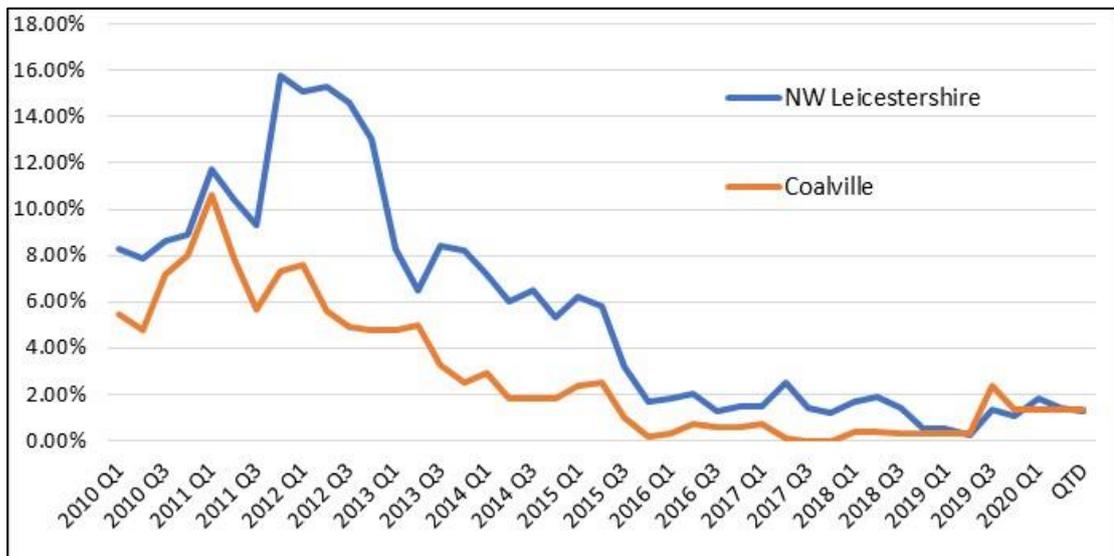
³³ The VOA figure shown is accurate as of September 2019. It does not include 2020 figures as this data is not publicly available on the website.

³⁴ The VOA data are not available for every year, nor are they provided for areas smaller than local authorities.

5.52 For the district as a whole, the CoStar vacancy rate has been on a steep downward trend since 2012 – when it was far above the normal range of 5-10%. It fell below 5% in 2015 and has continued to fall ever since. Since Q1 2020, vacancy at East Midlands Airport has increased significantly, with 6 units currently available at Air Cargo Centre, this is compared to August 2019 when it was reported that all units at the centre had been let³⁵. This shows that, although the industrial market has been resilient to the effects of the Covid-19 pandemic, there have still been casualties in the particularly hard-hit sectors, such as the airline industry and its associated supply chain.

5.53 Figure 5.8 shows that vacancy in Coalville increased sharply in 2019. This was due to Apollo Court at Hermitage Industrial Estate being completed, which delivered 14 units to the market.

Figure 5.8 Coalville non-strategic industrial vacancy rate, % of floorspace stock

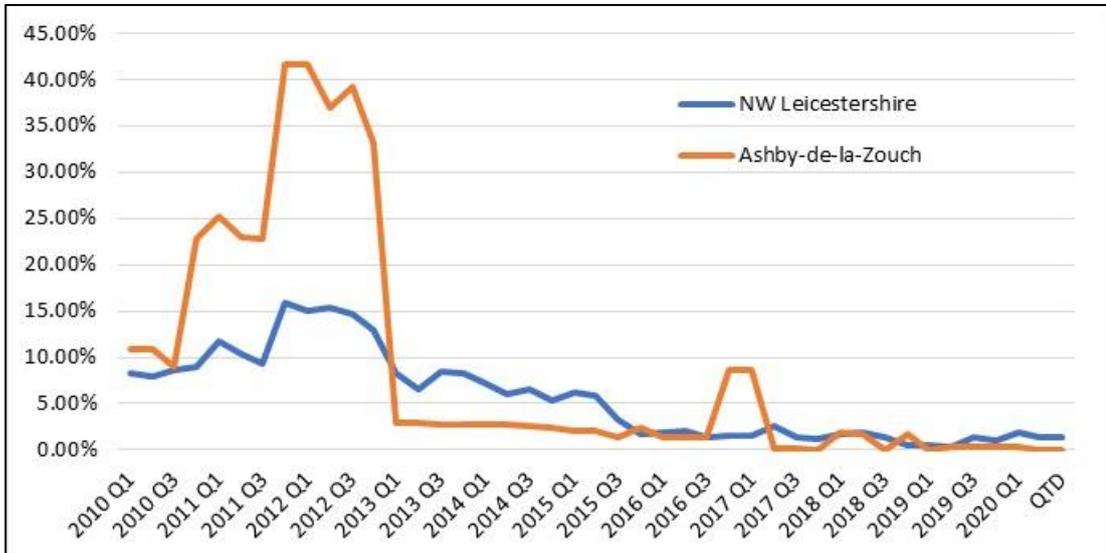


Source: CoStar (2020)

Note: On the right-hand side, QTD (quarter to date) refers to the second quarter of 2020.

³⁵ BusinessLive, 2020, *East Midlands Airport business park full after flurry of new lettings*

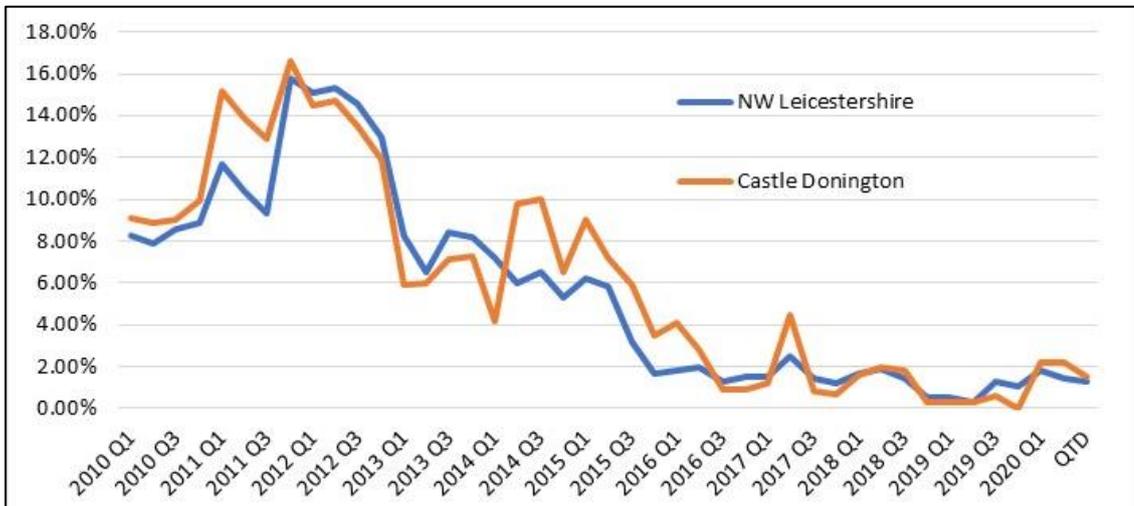
Figure 5.9 Ashby non-strategic industrial vacancy rate, % of floorspace stock



Source: CoStar (2020)

Note: On the right-hand side, QTD (quarter to date) refers to the second quarter of 2020.

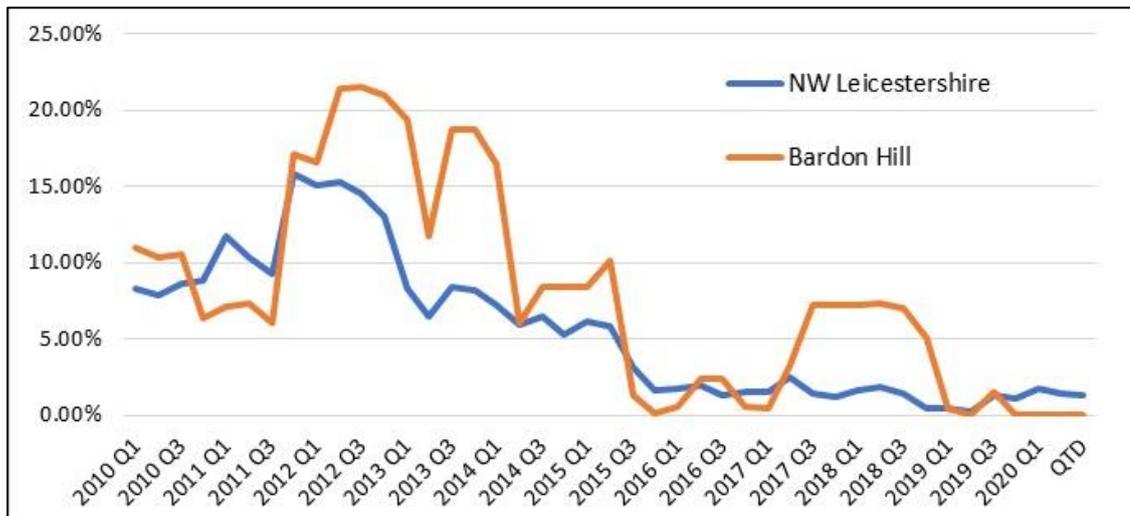
Figure 5.10 Castle Donington and East Midlands Airport non-strategic industrial vacancy rate % of floorspace stock



Source: CoStar (2020)

Note: On the right-hand side, QTD (quarter to date) refers to the second quarter of 2020.

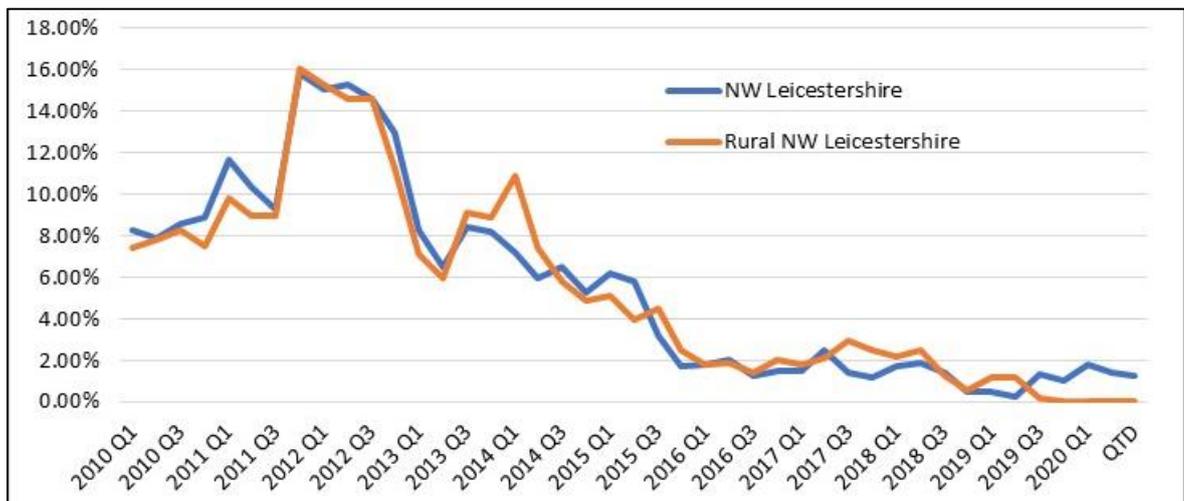
Figure 5.11 Bardon non-strategic industrial vacancy rate, % of floorspace stock



Source: CoStar (2020)

Note: On the right-hand side, QTD (quarter to date) refers to the second quarter of 2020.

Figure 5.12 Rural North West Leicestershire non-strategic industrial availability rate, % of floorspace stock



Source: CoStar (2020)

5.54 For sub-areas within the district the shape of the curve is similar, though in some cases much ‘lumpier’, due to the impact of individual large transactions – especially for Bardon and Ashby (where the large fall in 2013 Q1, for example, is due to Manfrotto taking 51,000 sq m at Ashby Business Park in December 2012). For all sub-areas, the charts show a step downward trend from around 2012 onwards, and vacancy falling to virtually zero by 2019.

5.55 In terms of specific units, current availability in the sub-areas (at 2020 Q 3), as recorded by CoStar, is as follows:

- Coalville: all available units are small, between 1,000 and 5,000 sq ft. Most of the vacant space is at Apollo Court, a newly completed light industrial scheme at Hermitage Industrial Estate, which provides 40,000 sq ft in 17 units
- Ashby: no availability

- Castle Donington and East Midlands Airport: nine units available, most of which are located at East Midlands Airport
 - Bardon: two units available at Forest Business Park ranging between 1,300 and 7,900 sq ft.
 - Rural NW Leicestershire: Nine units available, ranging between 2,000 and 18,000 sq ft.
- 5.56 In summary, all the evidence shows that non-strategic industrial floorspace in North West Leicestershire is in extremely short supply; and, while availability has increased since Q3 2019, there is still high demand pushing against little availability.
- 5.57 The explanation for this lack of supply lies in the economics of development, as discussed in the next section.

Rents and the economics of development

- 5.58 Industrial rents across the district have been stable since Q3 2019, with rents still typically ranging between £4.00 and £7.00 psf. There is evidence of higher rents, such as at Air Cargo Centre, where rents are around £7.00 psf due to its proximity to East Midlands Airport which is attractive to occupiers willing to pay higher rents. However, this is not the market norm. Quoting rents for the development at Apollo Court range between £5.00 and £8.00 psf, depending on unit sizes.
- 5.59 In terms of viability, these rents are sufficient to maintain the existing stock, and at the higher end of the range they are sufficient to support new build development of non-strategic industrial space. Nevertheless, as we have seen, very little land is coming forward for such development. The reason lies in the demand for large units, and specifically for strategic warehousing.
- 5.60 As discussed earlier, such large units across the country produce higher land values than small and mid-size ones, due to economies of scale in construction, stronger occupier covenants and longer leases. Where there is the demand for such large units, therefore, landowners and developers will provide them in preference to smaller ones. North West Leicestershire is particularly attractive for strategic distribution, partly due to footloose regional demand that other parts of the Midlands do not have the capacity to accommodate. Therefore, any site that is large enough and otherwise suitable for strategic distribution will likely find takers in that sector. Typically a large new distribution unit in the district will be pre-let to a blue-chip occupier, which de-risks the development. Smaller-scale, multi-occupied scheme cannot compete.
- 5.61 The result is that non-strategic industrial development is only being brought forward on sites that are not suitable for strategic distribution. But there are relatively few such sites, not enough to accommodate the demand for non-strategic space. This is why, as discussed earlier, in recent years over 90% of the new industrial floorspace completed in North West Leicestershire has been in strategic distribution units. It is the root cause of the imbalance in the non-strategic industrial market.

Conclusion

- 5.62 Non-strategic industrial space across North West Leicestershire is seriously undersupplied, as buoyant demand is frustrated by almost non-existent availability.

This confirms the conclusion we reached in Chapter 3, based on different evidence, that there is demand for new floorspace in the district not only to cater for future growth, but also to fill the supply gap that already exists.

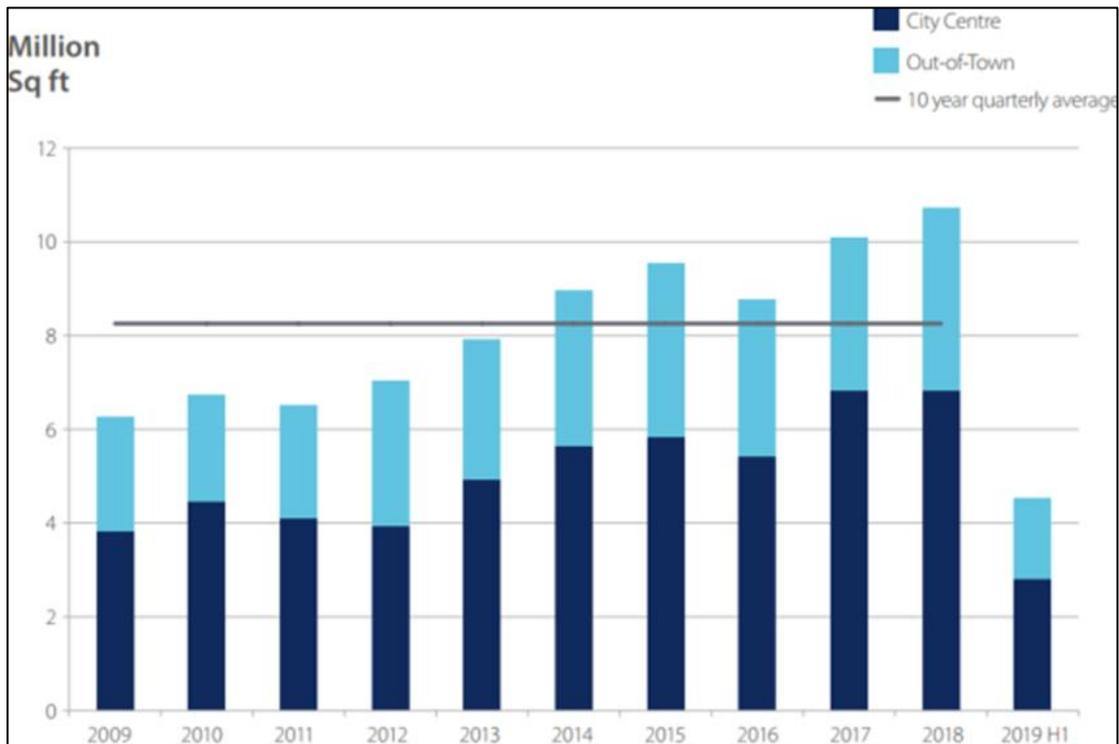
- 5.63 Regardless of the quantum of supply, there is also a qualitative gap, as there is not enough modern, high-specification space to match the profile of existing and potential occupiers in the area. High-value industrial businesses typically look for high-quality, flexible modern units, future-proofed for changing technology and set in attractive landscaped environments. The pandemic has emphasised further the need for industrial space to be flexible to rapidly respond to market demand. North West Leicestershire in recent years has not been delivering new floorspace to meet these requirements.
- 5.64 One important factor that has caused the current shortage, and may also constrain future development, is that little new land is coming forward for non-strategic development. This in turn is because strategic warehousing development produces higher land values and is also very much in demand. In the concluding chapter, we will discuss how planning policy might respond to this situation.

The office market

National and regional context

- 5.65 Prior to the pandemic, as with industrial space, developers were finding it more difficult to fund office development, due to restricted availability of loans. Speculative office development was only occurring in strong and established office markets. Speculative office building has been occurring in London, Thames Valley (e.g. around Reading) and key regional centres such as the Birmingham and Manchester. In other markets, new development required a pre-let in place to a blue-chip covenant.
- 5.66 In recent years, the main drivers of demand for new office space have been finance, professional services, technology, media & telecommunications (TMTs) and flexible workspace providers. These occupiers have preferred to locate in city centres rather than out-of-town business parks. Out-of-town business parks were previously popular due to ease of access for car travel and generous amounts of free on-site parking. The lack of on-site amenities and public transport has meant that occupiers now prefer more central locations. Access to public transport is important for occupiers in all locations, partially fuelled by the fact that younger people are not learning to drive to the same extent as previous generations.

Figure 5.13 City centre and out-of-town floorspace take-up since 2010



Source: Avison Young, 2019

5.67 The full impact of Covid-19 on the office market is unknown. With the government encouraging working from home, many offices have been left unoccupied or at greatly reduced occupancy. Companies have been forced to embrace video conferencing and other measures to ensure business continuity.

5.68 What has emerged to date is that:

- Leasing decisions are being deferred – due to the uncertain world economic outlook companies have deferred the decision making in taking new space, this is more apparent with micro-businesses and SMEs, whose current focus is dealing with the immediate fallout and business continuity.
- Tenants are seeking to defer rent payments – the 'Coronavirus Act 2020' which received royal assent on 25 March 2020 introduced new legislation *'that no right of re-entry or forfeiture may be enforced due to non-payment of rent until the end of the 'relevant period' (30 June 2020 (unless extended))*.³⁶ The Coronavirus Act 2020 has provided the flexibility to allow tenants not to make their quarter day payment in March.
- Tenant incentives offered to occupiers are increasing. Knight Frank indicates that *'Lease incentives ... have drifted: 21-24 months on some 10-year leases, instead of 18-21 months in the West End and nearer 24 months in the City, which were previously at 21-24 months*.³⁷

³⁶ <https://www.rpc.co.uk/perspectives/rpc-big-deal/covid-19-and-commercial-tenants-rights-regarding-rent/>

³⁷ Knight Frank, June 2020, COVID-19 What we know, what we expect, what we question

- 5.69 In the East Midlands region, the core office markets are the cities of Nottingham, Leicester and Derby. The cities attract demand from some national professional services, that require a regional presence, and regional and local based companies. Lambert Smith Hampton³⁸ quote prime rents as £20.00 psf for Nottingham, £18.00 psf for Leicester and £17.50 psf for Derby.
- 5.70 Nottingham is currently seeing both speculative and pre-let development; with the development of Bildurn's No. 11 Station Street and HMRC pre-let at Unity Square. Agents report that the new space in Nottingham could help move rents onto £24.00 psf.

Office space and occupiers in North West Leicestershire

- 5.71 The district's office market is much smaller than its industrial market. It is a fragmented market, in which no individual centre has a critical mass of occupiers comparable to that in Leicester, Nottingham or Derby.
- 5.72 For our detailed analysis of the office market, we use the same sub-areas as previously used for industrial space (Figure 5.2). We have combined data for Bardon with Coalville, because for Bardon on its own the figures are too small for meaningful analysis.

Coalville and Bardon

- 5.73 Offices in Coalville are primarily found in the main industrial areas, where they are interspersed with industrial units, and in the town centre. Major office parks in the industrial areas include Whitwick Business Park, illustrated below, and Phoenix Park, which provide purpose-built units. Occupiers at these parks include local professional services, with some regional occupiers across a range of sectors. Examples are emh homes (Registered Provider) who occupy 2,000 sq ft of space at Whitwick Business Park and Virtus Traffic Management (traffic consultancy) who occupy 1,500 sq ft of space at Phoenix Park. The town centre stock is older and not always purpose-built, as illustrated by the image of London Road below.

³⁸ LSH, 2019, Midlands Office Market Report

Figure 5.14 Examples of office units, Coalville



Source: CoStar (2019)

- 5.74 A smaller quantum of office space is found at Bardon. Although Bardon is mainly a distribution location, it contains Forest Business Park, which is an office park built between 2003 and 2008. The park is occupied by a range of local and national companies and is attractive due to its proximity to the M1. Occupiers include Barratts Developments (Housebuilding) who have their head office in 13,800 sq ft of space and Euro Projects (Recruitment).

Ashby-de-la-Zouch

- 5.75 Offices in Ashby are found around the town centre and in out of town developments. The out of town stock is mostly on dedicated office parks either within or close to industrial estates. These buildings vary in age, specification and quality with the buildings at Ashby Business Park being more dated than those at Ivanhoe Office Park. The town centre stock comprises mainly small c1,000 sq ft units located in and around Market Street.
- 5.76 As illustrated below, office space in Ashby varies in terms of quality, specification and age. The stock in the town centre is smaller and more dated, due to no new build occurring for a number of years, while the out of town stock is newer, larger units with some buildings at Ivanhoe being constructed as recently as 2018.

Figure 5.15 Examples of office units, Ashby



Source: CoStar (2019)

- 5.77 Occupiers in the town centre include Optimised Buildings (communications) who have a 1,200 sq ft unit, and Ashby Pharmacy (pharmacy) who have a 1,000 sq ft unit.
- 5.78 Occupiers in the out of town office parks are from a range of sectors but they are generally regional and national occupiers. Occupiers include 21st Century Technology (Transport) who occupy 5,200 sq ft of office space, ThinCats (fintech) who occupy 6,000 sq ft of space, Allplan (building information modelling) who occupy 1,600 sq ft, and SVA (Food Testing), who occupy 6,500 sq ft.

Castle Donington

- 5.79 The office market in Castle Donington mainly comprises out of town office parks, although there are some offices in the town centre. The out of town offices are mainly in the Willow Farm/Trent Lane Area, which is a mixed industrial and office location.

Figure 5.16 Examples of office units, Castle Donington



Source: CoStar (2019)

- 5.80 As illustrated in Figure 5.16, the offices at Castle Donington are a mix of size and specification, ranging from converted buildings to purpose-built units. Occupiers in Castle Donington are a mix of both local and national firms. They include Cameron

Homes (property developer) who occupy a 2,500 sq ft unit, and XN Protel Systems (Software) who occupy a 2,200 sq ft unit, both at Willow Farm Business Park.

East Midlands Airport

5.81 At East Midlands Airport there are a number of large office parks, including Air Cargo Centre and Pegasus Business Park. These parks comprise traditional office buildings that house a range of local, regional and national/multinational occupiers. The offices at EMA are attractive to larger occupiers because of the excellent transport links and comparatively low rents. The area also contains several large aviation- related companies, who seek to be close to the airport. Occupier at the airport s include PwC (accountants), who occupy 20,000 sq ft, HSBC (banking), who occupy 6,300 sq ft, PKF Cooper Parry (accountants), who occupy 25,000 sq ft, and BCT Aviation (aviation maintenance) who occupy 1,700 sq ft.

Figure 5.17 Examples of office units, East Midlands Airport



Source: CoStar (2019)

Rural North West Leicestershire

5.82 In rural NW Leicestershire, which covers the rest of the district, most office units are small, located in mostly free-standing buildings across various villages and towns, such as Measham, Appleby Magna, Diseworth and Ibstock. Most offices are conversions rather than purpose-built units. Occupiers vary but are predominantly local professional services, including accountants and solicitors. Examples of occupiers in other sectors include GHA (consultants on R&D funding) who occupy 3,200 sq ft of space in Moira, Trinity Fire & Security (safety consultancy) who occupy space at Diseworth and Sincol UK (door manufacturer) who occupy 500 sq ft in Ibstock.

Figure 5.18 Examples of office units, rural North West Leicestershire



Source: CoStar (2019)

Demand

- 5.83 In this section we analyse the take-up of office floorspace in the district over the last five years, drawing mainly on the CoStar database. As with the earlier industrial analysis, this is the space newly occupied by businesses and takes no account of space vacated as occupiers move out or close down.
- 5.84 In the five years to 2019, the annual average take-up of office space in the district was 45,589 sq m in 18 units.

Table 5.3 Office floorspace take-up, North West Leicestershire, 2015-19

Year	No. of transactions	Total take-up sq ft
2015	16	23,232
2016	20	46,252
2017	25	79,753
2018	21	65,924
2019	6	12,784
Total	88	227,945
Annual average 2015 - 2019	18	45,589

Source: CoStar (2020)

- 5.85 Measured by the number of transactions, most of the take-up has been for small units up to 5,000 sq ft, as shown in the table below.

Table 5.4 Office floorspace take-up by unit size, North West Leicestershire, 2015-19

Size range sq ft	No. of units	% of units by size
up to 1,000	36	41%
1,001 - 2,000	20	23%
2,001 - 5,000	14	16%
5,001 - 10,000	13	15%
10,001 - 20,000	4	5%
20,001-30,000	1	1%
Total	88	100%

Source: CoStar (2020)

Coalville

- 5.86 Take-up has focused on the dedicated office parks. Occupiers are attracted to the parks due to their co-location of other office occupiers, quality of units, and good access to the A511. Occupiers recently taking space in Coalville include GalxC Cooling Services (design, installation and servicing of cooling systems) taking 300 sq ft of space on a 3-year lease, and Grade Products (manufacturing) taking 6,000 sq ft of space on a 3-year lease.

Ashby

- 5.87 Demand for offices in Ashby town centre has been predominantly for smaller units. Larger requirements have been focused on Ivanhoe and Ashby Business Parks. Those occupiers who take space in the town centre are attracted by access to amenities and public transport. Occupiers attracted to the out of town stock are those who require larger/purpose-built premises, with on-site car parking, good internet connection and good access to the motorway.
- 5.88 Occupiers in Ashby recently taking space include Bright Sky Events (event planning) taking 1,300 sq ft of space at the town centre on a 3- year lease, Allplan UK (building information modelling) taking 1,600 sq ft of space at Ashby Business Park on a 5- year lease and Dunwoody Airline Services (freight forwarding) taking 3,200 sq ft of space at Ashby Business Park on a 3-year lease.

Castle Donington

- 5.89 Examples of occupiers taking space include Cameron Homes (housebuilding) taking 2,500 sq ft of space on a 6-year lease, Seaton Partners (software) taking 3,000 sq ft of space on a 5-year lease and Xn Protel Systems (software) taking 2,300 sq ft of space on a 5-year lease.

East Midlands Airport

- 5.90 Demand in recent years has come mainly from national companies seeking large requirements. Those occupiers pay some of the highest rents in the district and have the longest lease terms. Examples of this include 6,300 sq ft taken by HSBC (banking) at Pegasus Business Parks on a 10-year lease, Wates (Construction) taking 6,000 sq ft at Pegasus Business Park on a 10-year lease and World Freight Company, who took 7,400 sq ft at Pegasus Business Park on a 10-year lease.

Rural North West Leicestershire

- 5.91 Office demand in North West Leicestershire has been mainly from small local professional firms taking space in villages and small towns. Those occupiers do not usually require modern purpose-built space, but will sometimes pay a premium for higher quality space. Occupiers recently taking space include G & H Associates (consultants on grant funding) taking 3,200 sq ft at Moira and Commercial Wealth Management taking 700 sq ft at Gelscoe Lane on a 5-year lease.

Supply and market balance

- 5.92 There are 58 office units currently available in the district, providing a total of 131,756 sq ft of floorspace which is a 90% increase from Q3 2019. This is against a total stock of 778 units / 1.70 million sq ft registered on VOA. This equates to a current vacancy rate of 7.7% of floorspace and 7.4% in number of units. If we cross-reference the availability in Table 5.5 **Error! Reference source not found.** below with annual average take-up in Table 5.3 above of 45,589 sq ft / 18 units, the availability across the district equates to around 3 years and 2 months supply in relation to number of units and 2 years, and 11 months supply in relation to floorspace. Vacancy in terms of floorspace and number of units is high.

Table 5.5 Office floorspace availability, North West Leicestershire, 2020

	Floorspace sq ft	No. of units
Total stock	1,706,231 ³⁹	778
Availability	131,756	58
	7.7%	7.4%

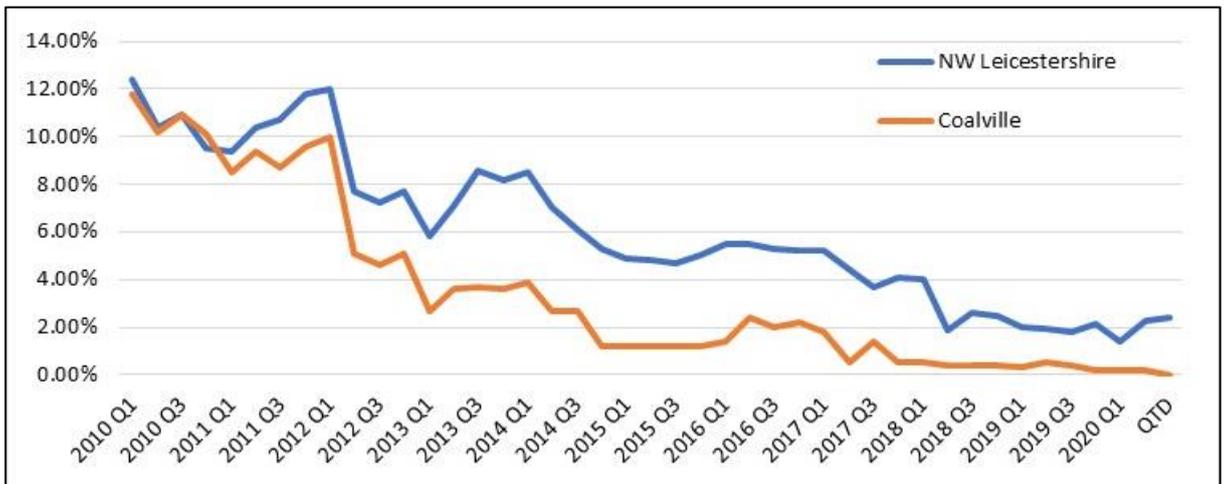
Source: CoStar, Aspinall Verdi (2020)

- 5.93 We have also looked at floorspace availability in more detail, considering past change since 2010 and local sub-areas within the district. As with the earlier industrial analysis, at this finer-grained level we have had to use the vacancy rates estimated by CoStar - which are a crude approximation of absolute rates but are useful for charting change over time and comparing sub-areas with each other.
- 5.94 For North West Leicestershire as a whole, the CoStar data show the office vacancy rate on a steady downward trend since 2009. They also show all sub-areas showing a similar trend, as pictured in the charts below. However, since Q1 2020 vacancy has

³⁹ The VOA figure shown is accurate as of September 2019. It does not include 2020 figures as this data is not publicly available on the website.

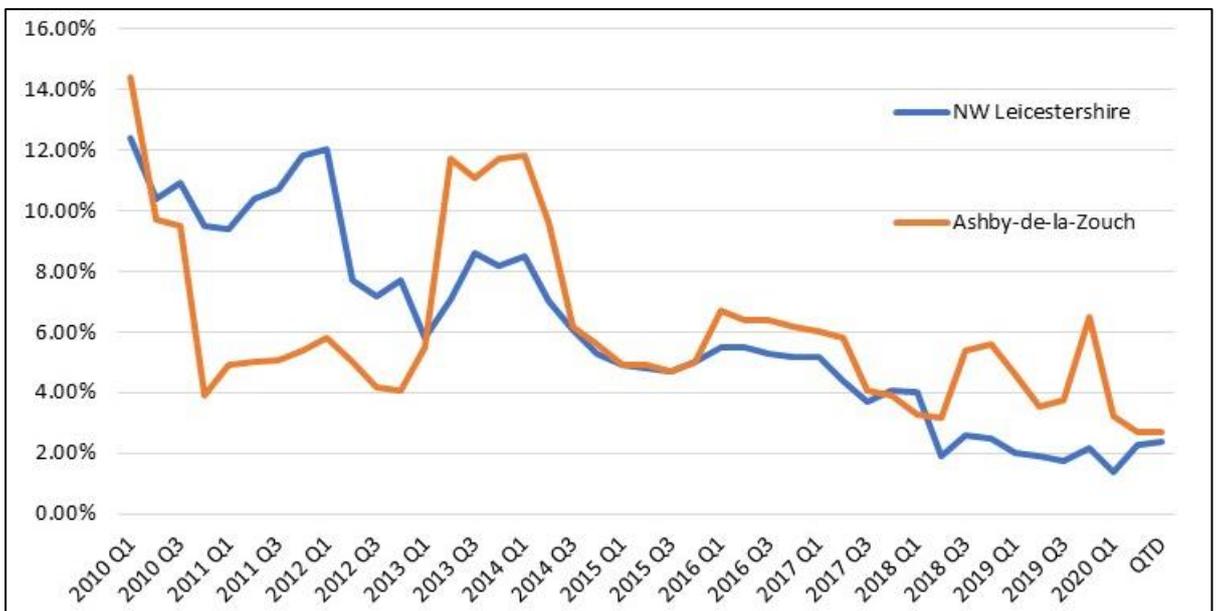
increased in several sub-areas, most noticeably in East Midlands Airport, where vacancy has increased to 6% in Q2 2020 from a previous level of 1.9% in Q1 2020. This trend is likely to continue, at least in the short term, due to the effects of Covid-19.

Figure 5.19 Coalville and Bardon office vacancy rate, % of floorspace stock



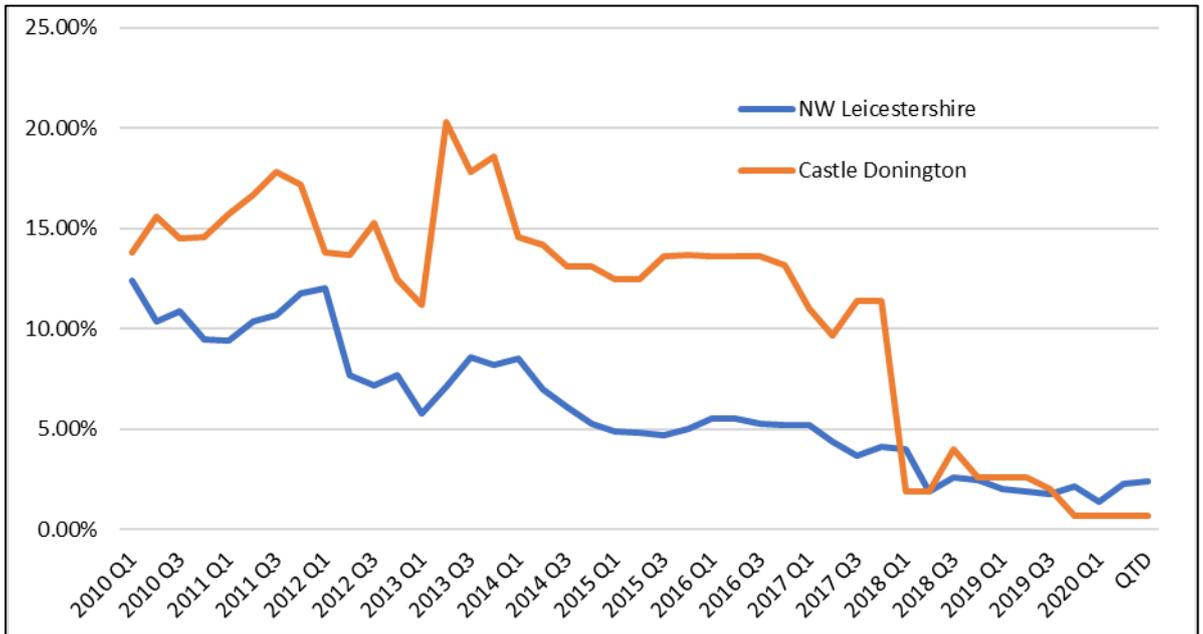
Source: CoStar (2020)

Figure 5.20 Ashby office vacancy rate, % of floorspace stock



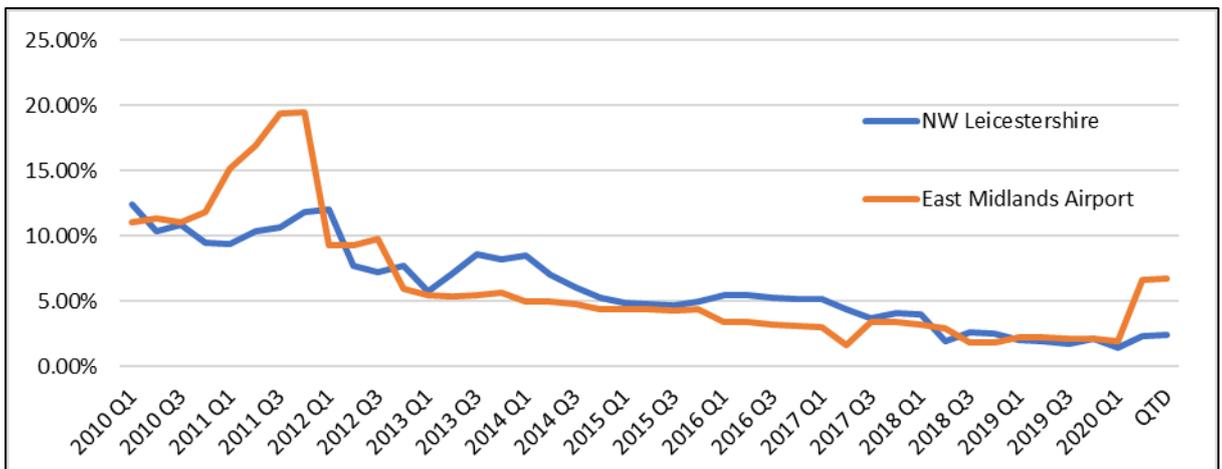
Source: CoStar (2020)

Figure 5.21 Castle Donington office vacancy rate, % of floorspace stock



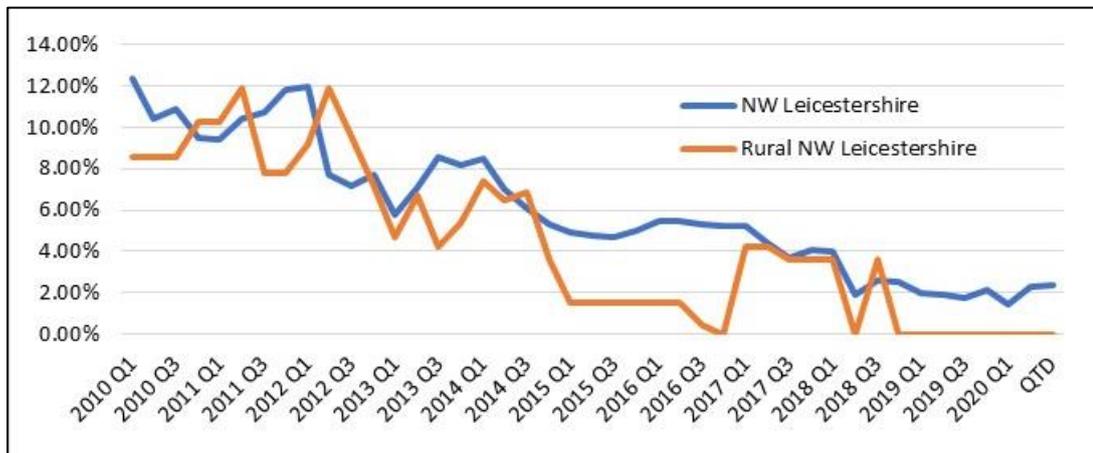
Source: CoStar (2020)

Figure 5.22 East Midlands Airport office vacancy rate, % of floorspace stock



Source: CoStar (2020)

Figure 5.23 Rural North West Leicestershire office vacancy rate, % of floorspace stock



Source: CoStar (2020)

5.95 In terms of specific units, current availability in the sub-areas (at 2020 Q 3), as recorded by CoStar, is as follows:

- Coalville and Bardon: 17 units, all in the out-of-town office parks, ranging between 300 and 1,300 sq ft
- Ashby: 17 units, of which 13 are in the town centre and 4 are at Ashby Business Park, ranging between 200 and 5,000 sq ft and comprising second-hand space. Ashby is the only location in the district where speculative office development has occurred on a significant scale, at Ivanhoe Business Park
- Castle Donington: 13 units, ranging from 100 and 13,500 sq ft, of which eight are in the town centre and five at Willow Farm
- East Midlands Airport: eight units, of which seven are at Pegasus Business Park, ranging from 600 to 12,000 sq ft
- Rural North West Leicestershire: three units, all at Jubilee Business Park, ranging from 100 to 1,390 sq ft

Rents and the economics of development

5.96 Office rents in North West Leicestershire are more affordable than surrounding cities such as Leicester, Derby and Nottingham. There is no recent evidence of new build rents in the district with second-hand rents at out of town office parks ranging between £12-£16 psf and town centre rents typically ranging between £7.00 psf and £10.00 psf.

5.97 The affordable nature of the office market, combined with the strategic location of the district, has made it attractive to some national occupiers choosing to have either regional or head offices in the district. Examples include HSBC, PwC, Barratt Developments and National Grid. However, such head offices are considered the exception rather than the norm, because North West Leicestershire does not have a major urban centre such as Nottingham or Leicester.

5.98 The rents across the district make it viable to maintain and refurbish the existing stock. But they are not generally sufficient to stimulate speculative development. To

support new development, rents will need to be c£20 psf. Admittedly there is the example of Ivanhoe Office Park, which has seen speculative office development at lower rents, but this has benefited from site servicing in place. This might be a model for future office schemes, if there are further development sites that are already serviced.

Summary

- 5.99 The office market in North West Leicestershire is currently performing reasonably well, though it is a secondary location when compared to surrounding locations i.e. Leicester, Nottingham and Derby. Vacancy in terms of number of units and floorspace is reasonable. The bulk of take-up has been at locations such as Pegasus Business Park, Ivanhoe Office Park and Willow Farm Business Park, which have attracted a range of occupiers ranging from SMEs to international companies. Outside of these areas the office market is more niche, with a focus on bespoke stock in converted premises.
- 5.100 The market signals are not sufficient to trigger sufficient widespread new build development on a speculative basis. This is because:
- Rents are only sufficient for viable development on a pre-let basis.
 - The area lacks significant numbers of large-scale corporate occupiers, which would de-risk development.
- 5.101 With the pandemic encouraging people to work from home, there is a risk that the office market could weaken further.

Conclusion

- 5.102 In relation to non-strategic industrial space, the market analysis above confirms that there is currently significant demand for additional floorspace, over and above the existing stock. It also suggests that (assuming healthy macroeconomic conditions) this demand will continue for the foreseeable future, as it results from the presence of a wide variety of business activities, including in high-value, high-growth economic sectors, and advantages the district offers to those businesses, mainly in terms of connectivity.
- 5.103 Against this continuing demand (which appears not to have abated in the pandemic), the supply of non-strategic industrial space is constrained, largely due to the competition from strategic warehouse development. This type of development generates higher land values, with which non-strategic industrial development cannot compete. If suitable sites are made available for non-strategic industrial development, the evidence suggests that they will be developed. But they would have to be sites not available for strategic distribution, either because they are too small or otherwise unsuitable for that use, or because planning policy safeguards them for non-strategic development.
- 5.104 To rely on small sites is not an effective solution, because piecemeal development does not create the quality and scale of accommodation that occupiers require, especially in high-value activities that serve national and international markets. As our

consultees have emphasised, to seize market opportunities requires sizeable new sites, providing critical mass and an attractive environment, and where businesses can take the amount of space they need, rather than fitting in between existing buildings.

- 5.105 In relation to offices, the evidence is not as strong, but it still suggests that there is occupier demand for additional space, so if more offices are built in the right places they will be occupied. However, we cannot be certain that if more suitable land is provided it will be built on. That is because the supply of office floorspace is constrained by poor viability and restrictions on loan finance so that speculative office development outside the largest centres is not financially deliverable at present. In North West Leicestershire the financial constraint bites particularly hard, because the local market is dominated by small units let on short leases, which offer little value to investors. The issue cannot be resolved by planning policy, because it is not related to land supply.
- 5.106 Another factor that restricts the potential for growth is the shift in occupier preferences away from out-of-town business parks and towards city centres. For North West Leicestershire this means lower office demand, as the district does not have any cities, and its office stock is primarily out of town.
- 5.107 Finally, we must consider the impact of Covid-19. In the short term, the pandemic has depressed office demand as large numbers of office workers have been working from home. In the long term, it may lead to permanent structural change, such as more people working from home for more of the time, or a shift away from city centres to smaller centres. At the time of writing it is too early to assess these impacts.
- 5.108 All these factors suggest that our formal forecast of office demand may be too high. As it is based on long-term trends, the forecast may not take enough account of the post-recession financial climate and the impact Covid-19. The forecast assumes that the ratio of floorspace per worker remains the same in future, while in reality the ratio may continue to fall. For all these reasons, we think that our demand forecast of some 8,500 net additional sq m of offices per year, should be treated as a maximum.

6 CONCLUSIONS AND RECOMMENDATIONS

Employment land need

- 6.1 The qualitative evidence from our analysis of office densities in Chapter 4, and the market assessment in Chapter 5, suggests that land provision in the new Local Plan should be based on the OE forecast scenario. Over the study period 2017-39, this results in annual average demand for net additional space as follows:
- For non-strategic industrial space, c 8,500 sq m of net additional floorspace, which would require 2.1 ha of land;
 - For offices, a maximum of some 2,600 sq m of net additional office space, which at typical out-of-town plot ratios would require around 0.4 ha of land p.a.
- 6.2 Over the 22-year study period, the above figures translate to the following:
- For non-strategic industrial space, c 187,000 sq m of net additional floorspace, which would require c 47 ha of land;
 - For offices, a maximum of c 57,000 sq m of floorspace, which at typical out-of-town plot ratios would require around 9 ha of land.
- 6.3 If any existing employment floorspace is lost or expected to be lost during the plan period⁴⁰, for example through redevelopment for housing, land over and above those estimates should be provided to offset the losses. In the new Local Plan the Council may consider providing a buffer to cover such potential losses – bearing in mind that under the new Use Classes Order it is now easier to change the use of offices and light industrial buildings to other uses within Class E.
- 6.4 The industrial forecast should be treated as a minimum, because historical evidence from the VOA suggests that the true demand could be much higher. Unfortunately we cannot estimate that higher number, because land supply has been constrained for so long that we do not have solid evidence of what happened in a relatively unconstrained market – except from the VOA experimental statistics, which may not be entirely reliable, at least for planning purposes.

The safety margin and immediate availability

- 6.5 As discussed in relation to the HEDNA earlier, the Council will need to consider whether the land need we have estimated should be uplifted by adding a new safety margin. This decision must take account of the 2019 NPPF, which directs that
- '33 Policies in Local Plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years... Reviews should be completed no later than five years*

⁴⁰ This relates to usable employment space, which was either occupied or available for occupation at the base date of the study. It excludes space that was derelict or otherwise unusable at that date, because such space did not provide effective capacity for jobs. It does include space which is (or will become) poor quality, or unsuited to market requirements, because if the forecast net demand is to be met the capacity of that space still needs to be replaced.

- 6.6 The above is usually taken to mean that a new plan should be adopted within five years of the previous plan being adopted. If so, and a new plan for North West Leicestershire were adopted in 2020 for example, the employment land supply it identified would need to last just five years, until reviewed policies and allocations were adopted in 2025. But that supply would be calculated to meet demand for at least 15 or 16 years, to 2035 or 2036. In effect, it would provide a safety margin equal to at least 10 years expected take-up, twice as much as the five years typically used in other evidence base studies.
- 6.7 An alternative interpretation of the NPPF is that reviewed policies and allocations should be *submitted* within five years of the old ones being adopted. If so, and if the time from adoption to submission were three years for example, the employment land supply identified in the plan would have to last for eight years until reviewed policies are adopted. This should still provide a comfortable safety margin, given that the plan's land supply is calculated to last at least 15 years.
- 6.8 All this suggests that there is no justification for an additional safety margin, over and above the calculated need. Under the old system, the margin would come into its own in the later years of a 15-year or 20-year plan, when the development land identified would begin to run out. But under the new system those later years will never come, as the relevant policies and allocations will be reviewed after five years, and then again after 10 years.
- 6.9 In short, if the new Local Plan provides employment land to meet the assessed need for the next 15 to 20 years this should be enough or more than enough to allow for friction, variety, competition and uncertainty, without a safety margin or buffer.
- 6.10 But this long-term supply by itself will not guarantee that market requirements are met, because in real life the choice available to an occupier or developer does not depend on the total land provided in the plan. Rather, it depends on the land that is available and ready for development at the time they are looking for a site.
- 6.11 Therefore, as well as total provision of 15 or more years supply, the Council in the new plan may consider aiming for a rolling five-year supply of sites that are immediately available at the time of adoption, and at all times thereafter. This would ensure that, at any one time, the readily available supply is five times more than the gross quantum of land that is expected to be taken up for development in the next 12 months.
- 6.12 To fulfil such a commitment, the Council may find at some future time that it needs to identify industrial land over and above the allocations made in the Local Plan. One way of providing this flexibility would be to allow development on unallocated sites subject to criteria. But this is not the best approach in our view, because, as discussed earlier, piecemeal development would not provide the quality and scale of industrial space that high-value occupiers are looking for. Alternatively, the Council could consider identifying reserve sites, which would be released in certain circumstances.

Non-strategic industrial space

- 6.13 If it is to provide real opportunities for non-strategic industrial development, the new Local Plan needs to safeguard the identified sites against large-scale warehousing development. It should also provide development opportunities at substantial sites, with critical mass and visibility, rather than relying on piecemeal development on scattered plots.
- 6.14 New allocations may be extensions to existing estates that have proved successful, or they may be new sites. Either way, land should be allocated specifically for non-strategic development, including on mixed sites that also provide for strategic warehousing. These land areas would be protected against competition from strategic warehousing development, and the designation would depress land values, making non-strategic development more viable. Comments made at the consultation workshop suggest that the developers would respond positively to this approach.

Offices

- 6.15 As discussed earlier, speculative office development in secondary locations such as North West Leicestershire is not financially feasible at present, due to matters outside the control of planning. Also, office demand has been shifting away from out-of-town business parks to city centres, and it is possible that office densities will continue to increase as they have done in the past. Our demand forecast may not take enough account of these factors, because it broadly assumes that the relative performance of the district against national benchmarks will be similar in the future to what it was in the past, and also that office densities will remain unchanged. Therefore, our forecast may overstate the true demand for office space/
- 6.16 Therefore, if planning provides office development sites in line with our forecasts it may be oversupplying land against effective demand. In our view this is a risk worth taking, because if land supply is restricted economic growth may be stifled by lack of land. Under the new regime of five-year plan reviews, if there is evidence of persistent oversupply policy can be corrected at the next plan review.

Monitoring

- 6.17 To ensure that employment land policy is kept up to date in future, both for industrial and office uses, the Council should rigorously monitor market indicators. In particular, the monitoring should cover:
- Development completions, both positive (new employment space created) and negative (employment space lost)
 - Development commitments, both positive and negative, covering permissions not yet implemented and land allocations not yet permitted
 - Floorspace vacancy rates.
- 6.18 The impact of the Covid-19 pandemic is impossible to quantify at this time, and should be kept under review.

APPENDIX A

MAPPING ECONOMIC SECTOR TO LAND USE

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

PAST FLOORSPACE COMPLETIONS

COMPLETIONS 2012/13-2019/20**NON-STRATEGIC INDUSTRIAL**

Site	Settlement	sq m	Year completed
Gains			
South of Trent Lane	Castle Donington	2,178	2013/14
Smisby Road (Ivanhoe Bus. Park)	Ashby	1,667	2014/15
Swainspark	Albert Village	1,639	2015/16
R/O Enterprise House, Linden Way	Coalville	550	2016/17
19 South Leicester Industrial Estate	Ellistown	338	2016/17
Donington Park Race Circuit	Castle Donington	1,814	2016/17
R/O Enterprise House	Coalville	550	2016/17
Smisby Road (Ivanhoe Bus. Park)	Ashby	3,346	2016/17
EMDC	Castle Donington	6,799	2016/17
Donington Hall	Castle Donington	748	2016/17
Smisby Road (Ivanhoe Bus. Park)	Ashby	3,361	2017/18
Mount St Bernard Abbey, Oaks Road	Whitwick	555	2017/18
Land R/O Bloors at Rosebank Nurseries, High St	Measham	357	2017/18
Trecarn Engineering, Marquis Drive	Moira	161	2018/19
Reabrook Ltd Rawdon Road	Moira	557	2018/19
Wagstaff Storage, The Walnut Yard, Gelscoe Lane	Diseworth	7,000	2018/19
Donington Hall, Park Lane	Castle Donington	812	2019/20
Land at Vulcan Way	Coalville	3,788	2019/20
Old Thorntree Farm, Ravenstone Road	Heather	476	2019/20
Total gains		36,696	
Losses			
Lount Works Nottingham Road	Lount	3,082	2012/13
Former Soap Factory, The Callis	Ashby de la Zouch	9,205	2014/15
Former County Council Depot Kilwardby St	Ashby de la Zouch	880	2016/17
Total losses		13,167	

COMPLETIONS 2012/13-2019/20

STRATEGIC WAREHOUSING

Site	Settlement	Sq m	Year completed
GAINS			
EMDC	Donington	84,000	2012/13
Interlink, Bardon	Bardon	12,077	2015/16
DHL at East Midlands Airport	Castle Donington	83,445	2016/17
Beveridge Lane, Ellistown	Ellistown	169,800	2016/17
Beveridge Lane/South Street	Bardon	20,900	2016/17
EMDC	Castle Donington	10,707	2016/17
Beveridge Lane	Ellistown	29,218	2016/17
Ashby Business Park	Ashby	21,936	2017/18
Sawley Crossroads	Sawley	56,701	2019/20
Land At Cargo East, North Of Beverley Road, East Midlands Airport	Castle Donington	46,071	2019/20
Plot 1, EMDC	Castle Donington	51,450	2019/20
Total gains		586,305	
No losses are recorded for strategic warehousing			

COMPLETIONS 2012/13-2019/20

OFFICES

Site	Settlement	Sq m	Year completed
GAINS			
Smisby Road (Ivanhoe Bus. Park)	Ashby	893	2013/14
Smisby Road (Ivanhoe Bus. Park)	Ashby	776	2013/14
Smisby Road (Ivanhoe Bus. Park)	Ashby	1,361	2015/16
Forest Rock Public House, Leicester Rd, Whitwick	Whitwick	275	2016/17
Hugglescote Methodist Church, Station Rd	Hugglescote	383	2016/17
Walnut Yard, Gelscoe House Farm , Diseworth	Diseworth	162	2016/17
Smisby Road (Ivanhoe Bus. Park)	Ashby	3,313	2016/17
Smisby Road (Ivanhoe Bus. Park)	Ashby	506	2016/17
Breedon Quarry, Main Street, Breedon	Breedon on the Hill	1,640	2017/18
Smisby Road (Ivanhoe Bus. Park)	Ashby	788	2017/18
Smisby Road (Ivanhoe Bus. Park)	Ashby	1,231	2017/18
Smisby Road (Ivanhoe Bus. Park)	Ashby	541	2017/18
Smisby Road (Ivanhoe Bus. Park)	Ashby	541	2017/18
Smisby Road (Ivanhoe Bus. Park)	Ashby	396	2017/18
Land R/O Bloors at Rosebank Nurseries, High St	Measham	357	2017/18
Smisby Road (Ivanhoe Bus. Park)	Ashby	541	2018/19
Smisby Road (Ivanhoe Bus. Park)	Ashby	718	2018/19
Smisby Road (Ivanhoe Bus. Park)	Ashby	718	2018/19
Ashby And District Hospital Leicester Road	Ashby	620	2018/19
Ashby Business Park	Ashby	930	2018/19
Plot 1, EMDC, office hub	Castle Donington	735	2019/20
Plot 7, EMDC	Castle Donington	451	2019/20
Total gains		17,876	
Losses			
4 Charter Point Way	Ashby de la Zouch	220	2019/20
Total losses		220	

APPENDIX C
ATTENDANCE AT CONSULTATION WORKSHOP

**North West Leicestershire District Council
Local Plan Employment Land Workshop
26 June 2019**

Organisations represented:

East Midlands Airport

Gerald Eve

Grace Machin Planning & Property

Hallam Land Management

Hinckley and Bosworth Borough Council

ID Planning

JLL

North West Leicestershire District Council

Oxalis Planning

Pegasus Group

Planning and Design Group

Salloway

South Derbyshire District Council

St Modwens

Wilson Bowden