

**East Herts Employment Land and
Policy Review**

East Herts Council

October 2008

Halcrow Group Limited

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Executive summary

The East Herts Employment Land and Policy Review has been undertaken with the primary objective of assessing the supply and demand for employment land and premises in East Herts over the period to 2021 and assist in the preparation of the East Herts Local Development Framework and main Development Plan Documents.

The Review consists of three main stages: assessing the existing supply and demand for employment land, assessing future requirements and making policy recommendations for a future portfolio of sites.

To assess the existing supply of employment land a comprehensive visual site survey of sites was undertaken over the first half of 2008. Overall, the survey identified some 122 ha of employment land with 40 ha in B1 use, 31 ha in B2 use and 26 ha in B8 use. Some 8 ha were recorded as being used for sui-generis purposes, 3 ha were used for other purposes, 4 ha were recorded as unknown and approximately 10 ha as vacant. However, much of the vacant land is accounted by the former GSK site in Bury Green, with very low levels of vacancy recorded in the major towns of Bishop's Stortford, Hertford and Ware which account for more than 85% of the District's employment land.

In terms of future land requirements, the Review examines a range of potential employment growth scenarios, all of which forecast significant growth in B1 employment, decline in B2 and growth in B8. The overall additional need for employment land between 2008 and 2021 is projected to be between 2 and 5 ha. However the above estimate does not include the additional requirements that would be generated by any loss of existing employment sites to other uses such as residential and retail and therefore represent the bare minimum of new employment land that should be allocated.

In order to come up with a portfolio of sites that would be fit for purpose over the period to 2021 a "traffic light" multi-criteria assessment of existing employment estates was undertaken, where "Green" sites should be safeguarded for employment use, "Amber" sites should be considered for improvements or redevelopment for employment use and "Red" sites should be



considered for release for other uses provided that better new employment sites are allocated to replace them.

Overall, 61% of East Herts' employment land (74 ha) was assessed as "Green", 35% (42 ha) as "Amber" and 4% (5 ha) as "Red". If the 5 ha of employment land assessed as "Red" were to be released for other uses the overall requirement for new allocations would rise to 7 – 10 ha.

In terms of new allocations, the stakeholder consultation has confirmed the scarcity of potential new employment locations, especially in and around the key economic centre of Bishop's Stortford. In order to safeguard East Herts' economic growth and competitiveness the Review recommends that careful consideration is given to sites currently in the Green Belt as well as the Areas of Special Restraint around Bishop's Stortford.

1 Introduction

1.1 **Background**

The purpose of the study is to provide an important part of the evidence base for the East Herts Local Development Framework (LDF) and inform and support the main Development Plan Documents, i.e. the Core Strategy, the Allocations and generic Development Control Policies DPD's and the Bishop's Stortford Area Action Plan.

The study has been commissioned by East Herts Council and has been undertaken by a multi-disciplinary team from Halcrow Group Ltd and Savills Commercial Research. The primary objective of the study is to assess the supply and demand for employment land and premises in East Herts over the period 2008-2021 and ensure the District's employment land portfolio is fit for purpose to meet current and future demand.

Planning authorities are required to demonstrate that industrial land portfolios are relevant and remain viable in the face of pressure for other higher land value uses as required by Planning Policy Statement 3 (PPS3). The recommended process for this is contained within the ODPM Employment Land Reviews Guidance Note which forms the base for this study. The ultimate aim of the study is to justify the retention (or release) of industrial employment land in the face of pressure for alternative uses.

East Herts is part of the London Stansted Cambridge Peterborough Growth Area, one of the four designated key growth areas in the Government's Sustainable Communities Plan. To tackle the housing pressures in London and the South East the Government has established housing targets for these selected growth areas to be achieved by 2021. However, achieving sustainable growth requires job creation which in turn requires sufficient employment infrastructure (such as employment land and premises, transport links etc).

The District of East Herts is located between London and Cambridge, to the north of the M25, west of the M11 and east of the A1. It covers an area of 477 square kilometres, has a

population of around 133,000 and comprises approximately one third of the area of Hertfordshire. It is predominantly a rural district with many small villages and five historic market towns; Bishop's Stortford, Hertford, Ware, Sawbridgeworth and Buntingford.

1.2

Purpose of the Study

Employment Land¹ is one of the core infrastructure components necessary to aid sustainable growth. The purpose of the Employment Land and Policy Review is to ensure the District's employment land portfolio is fit for purpose to meet current and future demand. The study will inform the District's main Development Plan Documents and form an important part of the evidence base for the East Herts Local Development Framework.

Within this context, the East Herts Employment Land and Policy Review has the following objectives:

- Undertake a policy review for the District to establish the study context.
- Undertake a strategic review of B use class property markets within the District to offer a commercial insight to the study outputs.
- Analyse the existing supply of employment land and premises to provide a robust assessment of the District's current employment land stock.
- Analyse the present and future demand for employment land and identify any gap or overprovision in the District's supply of employment land
- Provide a clear hierarchy of employment sites that should be safeguarded, considered for redevelopment or released for other uses and recommend new sites for development if a need for new allocations is identified.

1.3

Methodology

The Employment Land and Policy Review has been undertaken in accordance with the ODPM *Guidance Note on Employment Land Reviews* (December 2004) and *East of England Employment Land Review Guidance* (March 2008) prepared for East of England

¹ Employment Land Reviews cover B classes and other similar uses. Other land uses that provide employment are planned for in other ways. (Source: Employment Land Reviews Guidance March 2008; East of England Development Agency, East of England Regional Assembly and Government Office for the East of England)

Development Agency, East of England Regional Assembly and Government Office for the East of England. The methodology has three main stages:

- **Stage 1 - Taking Stock of the Existing Situation:** this stage has two aspects. First, there is the need to establish the political, socio-economic and market forces influencing the supply and demand for employment land in East Herts. Second, this stage will include an audit of the District's employment land stock. Such quantitative and qualitative intelligence will provide the necessary evidence base for future decision making and planning.
- **Stage 2 – Creating a Picture of Future Needs:** this stage focuses on forecasting employment land requirements for the District. This is a twofold process, which includes establishing employment change scenarios for East Herts and translating these into future demand for employment floorspace and land. The findings of the strategic and local context appraisal undertaken during Stage 1, along with stakeholder consultations, have a strong influence on shaping the economic development aspirations of the District.
- **Stage 3 – Establishing a Portfolio to Meet Future Needs:** this involves bringing together the findings of Stages 1 and 2, i.e. comparing current and planned supply with future requirements. This aggregate analysis along with a qualitative site level appraisal will establish the future employment land portfolio for the District including the level of land required, the sites to be retained and the scale and options for any new land allocations required.

1.4

Structure of the Report

The report is structured as follows:

- **Chapter Two** provides an overview of the economic, strategic and local policy context within which the study was carried out. The findings of this chapter identify the key current issues or those which are likely to come into play in the future;
- **Chapter Three** provides a review of the District's commercial market for office, industrial and distribution

space in the context of comparable employment markets outside the District;

- **Chapter Four** details the existing supply of employment land across the District, covering both quality and quantity and drawing on the visual site survey carried out in the first half of 2008;
- **Chapter Five** considers current and future demand for employment land in the District under different employment change scenarios determined as a result of the context appraisal and stakeholder consultations;
- **Chapter Six** presents the qualitative assessment of the existing land supply to establish the sites that are 'fit for purpose' to meet future demand requirements;
- **Chapter Seven** considers the District's market balance and considers potential new allocation locations; and
- **Chapter Eight** summarises the conclusions and provides key recommendations to inform the LDF process and key documentation.

2 Context

2.1 **Introduction**

This section sets out the baseline situation for the District in terms of strategic policy, local aspirations and profiles of the economy and commercial property market. This analysis, supplemented by stakeholder consultations, directly influences the future employment scenarios developed to investigate employment land requirements during the planning period and beyond.

2.2 **Strategic Policy**

2.2.1 *National Policy*

The Government's *Sustainable Communities Plan* sets out its ambition and mechanisms to tackle the housing pressures in London and South East regions of England. This involves planning to bring about a step change in housing supply of designated growth areas. The London – Stansted – Cambridge – Peterborough corridor which includes the District of East Herts, is one of the four growth areas identified in the Sustainable Communities Plan.

The Plan places an emphasis on the creation of new jobs in the growth areas. This is envisaged to ensure that sufficient and attractive economic opportunities are available locally for people relocating from areas suffering from housing pressures. Such an approach to balanced economic and demographic growth forms the ethos of the Sustainable Communities Plan and other national and regional policy guidance.

The additional job creation in the designated growth areas will have implications for their employment land, not least in terms of future demand.

The new planning system created by the *Planning and Compulsory Purchase Act 2004* replaces Planning Policy Guidance (PPG) with Planning Policy Statements (PPS). However, some PPGs have yet to be replaced with PPSs and therefore remain as national policy. The national planning policy guidance (PPGs and PPSs) relevant to this employment land review are set out in the following key documents:

- *PPS 1: Delivering Sustainable Development, 2005*
- *PPS 3: Housing, 2006*
- *PPG 4: Industrial, Commercial Development and Small Firms, 1992*

PPG1 (1997) has now been replaced by *PPS 1: Delivering Sustainable Development, (2005)*. It sets out the overarching planning policies on the delivery of sustainable development through the planning system. The policy is intended to complement rather than replace or override other national planning policies. To deliver sustainable development, regional planning bodies are advised to prepare and manage the delivery of spatial strategies relating to homes, jobs and infrastructure that will reduce the need to travel, especially by car.

PPS3: Housing (2006) has been developed in response to recommendations in the Barker Review of Housing Supply (March 2004). Its principal aim is to underpin the necessary step change in housing delivery, improving the supply and affordability of housing in all communities including rural areas. To encourage the appropriate use of previously developed land, Local Planning Authorities should seek to address obstacles to the development of vacant and derelict sites and buildings and consider whether sites that are currently allocated for industrial or commercial use could be more appropriately re-allocated for housing development.

PPG4 (1992) although dated is still extant. The more recent consultation draft *PPS4 (2007)* outlines the Government's aim to encourage continued economic development in a manner that is compatible with its stated environmental objectives. The consultation draft *PPS4* requires an approach to spatial developments which can deliver economic, environmental and social benefits. This is to be achieved by ensuring suitable locations for employment uses are available for the economy to prosper. Reducing emissions and the need for travel are priorities achieved by an integrated approach to employment, housing and other development, which envisages the promotion of sustainable modes of transport such as walking, cycling and public transport.

It also means the provision of sufficient and good quality homes at appropriate sites, and infrastructure and services provision to support economic development and housing growth.

National level policy also promotes recycling and reusing land and buildings where feasible. In particular, local authorities are advised to audit the stock of employment land for quantity, quality, type and location against local need for jobs and business or market demand. In light of the significant housing need, any surplus or unsuitable employment land should be considered for housing developments.

A robust evidence base is needed in order to identify any opportunities for redevelopment of employment land for housing or other needs. Recent research includes the *Employment Land Reviews: Guidance Note (2004)* produced by the Office of the Deputy Prime Minister (ODPM, now DCLG), which identifies the processes and methodologies which could offer best practice on how to undertake such assessments.

The Employment Land Reviews: Guidance Note advises local planning authorities on how to assess the demand and supply for employment land. Sites allocated for employment use need to reflect the changing requirements of businesses and local economies. It is vital that authorities assess the suitability of sites for employment use, safeguard the best sites and identify those which are no longer suitable for employment development and which could be made available for other uses.

2.2.2

Regional and Sub-regional Policy

The Revision to the Regional Spatial Strategy (RSS) for the East of England was published in May 2008. Known as the East of England Plan, it sets out the overarching spatial development, environmental and transport planning policies for the region and its sub-regions. The RSS advocates a job led strategy for the achievement of sustainable growth across the region, the detail of this strategy evolving through the consultation and Examination in Public processes associated with the RSS. Some of the key policies of the Plan include:

- **Policy E1: Job Growth** presents indicative targets for net growth in jobs for the period 2001-2021 which are adopted as reference values for monitoring purposes and guidance for regional and local authorities, EEDA and other delivery agencies in their policy and decision making on employment. The East of England indicative job target for

2001 - 2021 is 452,000. The document proposes an indicative target of 68,000 new jobs for Hertfordshire although no specific target is set for East Herts.

- **Policy E2:** *Provision of Land for Employment* highlights the requirement for up to date employment land reviews to form part of the evidence base of Local Development Documents. The policy suggests that such reviews should provide justification for any addition or reduction to the current supply and allocations of land for B1-B8 employment purposes. Policy E2 requires LDDs to ensure an adequate range of sites/premises, including allocated and safeguarded land, to meet specific sectoral requirements within the indicative job targets of Policy E1.
- **Policy E3:** *Strategic Employment Sites* states that LDDs should identify readily-serviceable strategic employment sites of the quality and quantity required to meet the needs of business identified through the employment land reviews referred to in Policy E2.
- **Policy E4:** *Clusters* states that LDDs should support the sustainable and dynamic growth of inter-regional and intraregional sectors and business clusters as well as support locally important clusters.

The *Regional Economic Strategy for the East of England: A Shared Vision (RES)* prepared by the East of England Development Agency in 2004 sets out an economic development framework for the Region up to 2021. The framework highlights the barriers which the region needs to overcome and the opportunities which its partners need to realise in order for the East of England to become a top 20 European region. These priorities include a better skilled workforce, a more productive labour market and business base, innovation and investment in science technology and research, maximising the potential of international gateways and strategic transport corridors, improved social and economic inclusion and efficient use of resources.

In September 2007, EEDA published a new *consultation draft of the Regional Economic Strategy for the East of England*. The consultation draft sets out the revised vision for the region's economic development over the period 2008 – 2031: '*An ideas driven region that is internationally competitive, harnesses the talent of all and is at the forefront of the low carbon economy*'.

The vision is underpinned by key headline ambitions of raising productivity, improving employment rates and delivering an overall reduction in CO₂ emissions. The document highlights the need for bold and visionary economic development strategies for the growth areas, identifying and supporting a limited number of sectors and clusters of international and national significance, as well as outlining improvements in the general environment for businesses that serve local and regional markets. The document also suggests that partners in these areas should promote integrated development programmes that identify phasing and financing of major infrastructure necessary to deliver sustainable economic growth.

Within the Stansted/Harlow sub-region (which includes part of East Herts) the RES aims to maximise the sub-region's potential to become an important regional centre for growth by maximising economic development opportunities afforded by its proximity to London, Stansted Airport and Cambridge. Realising these opportunities requires major new transport investment to improve access to employment sites, the M11 and Stansted Airport and regional east to west links.

The **Hertfordshire County Council Economic Development Strategy 2006 – 2011** is based on the Regional Economic Strategy and shares the same strategic objectives as listed above.

2.3

Local Policy

The theme of the **East Herts Local Plan Second Review (2007)** is to make provision for modest growth in housing and employment in the District's towns and some villages, whilst retaining their quality and market town character. It aims to encourage a sense of community, economic development and prosperity while at the same time protecting the District's countryside and rich heritage of built environment.

The previous **East Herts Employment Land Study (2004)** identified a long term requirement for office floorspace and recommended that the Council safeguards existing employment areas in order to meet future demand for B class uses.

The **East Herts Housing Capacity Assessment (2007)** indicates the likely level of housing capacity in East Herts over the next 15

years and beyond. Based on current and future constraints the report outlines the District's housing capacity expressing it in three different scenarios.

- Scenario 1: The Minimum Capacity maximum potential: 8,203 new dwellings over the course of the 5 year period.
- Scenario 2: Medium Capacity, medium potential: 12,193 dwellings in the 6 – 10 year time frame
- Scenario 3: Maximum Capacity minimum potential: 14,879 dwellings over the next 15 years is estimated at over the period.

The scenarios reflect how relative constraints could affect the certainty of development on sites and identify the areas where further considerations about the development potential could be considered.

The **East Herts Economic Development Strategy 2006-2011** identifies six strategic themes which will form the core development strategy for the District. One of the key strategic themes is *inward investment, care and retention*, which deals with the availability of land for development in the light of competition from within and outside the District. As part of this strategy, the District aims to review employment land to identify stocks that should be released and those that should be retained. Under strategic theme *development of high value jobs locally*, it is recognised that the development of high value jobs will be dependent on the critical relationship between use of land for employment and use of land for housing development. In terms of the *rural economy*, the Strategy identifies the retention of local rural employment and services as a priority in order to ensure the economic and social inclusion of the local communities.

2.4

Socio-economic Baseline

The following section reviews the socio-economic baseline of East Herts in order to establish growth potential and the implications of future employment land demand on the District's land supply base. The analysis here draws on key published data sources to highlight the relevant economic trends and conditions in the District that will affect employment land demand.

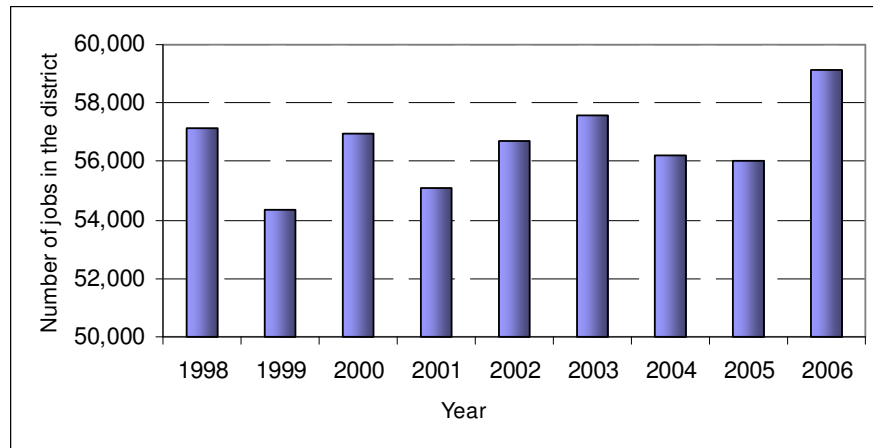
2.4.1

Employment

Employment in the district is examined to identify past employment trends that could affect employment land demand in the future.

Figure 2-1 below illustrates the change in workplace employment (number of jobs in the District) between 1998 and 2006. Over the nine year period East Herts experienced 3.5% growth in the number of jobs. The District’s 3.5% growth in employment compared favourably to the decline of -1.7% in employment experienced at the county level but was lower than the 9.3% growth at the regional level. In absolute terms there were 1,986 more jobs in the District in 2006 compared to 1998.

Figure 2-1: East Herts employment 1998 - 2006



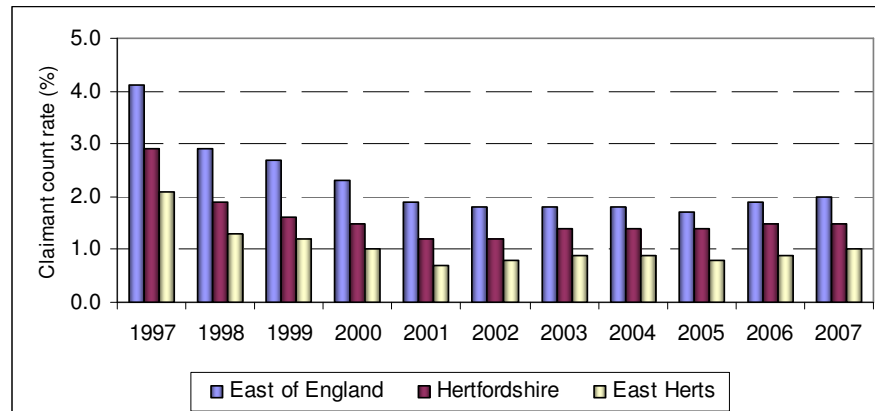
Source: Annual Business Inquiry, Nomis

2.4.2

Unemployment

The claimant count rate measured as a proportion of the resident working age population can be used as a proxy for unemployment. It is used in association with employment data to gain further inference of employment trends in the district. In 2007, the claimant count rate in East Herts was 1.0%, lower than the County average of 1.5% and the Regional average of 2%. In absolute terms the number of people claiming unemployment related benefits fell from 1,697 people in 1998 to approximately 833 in 2007. The gradual reduction in the claimant count over the study period indicates employment growth in the local economy signalling future increase in demand for employment land in the district.

Figure 2-2: Claimant count rate 1997 - 2007



Source: Nomis

2.4.3

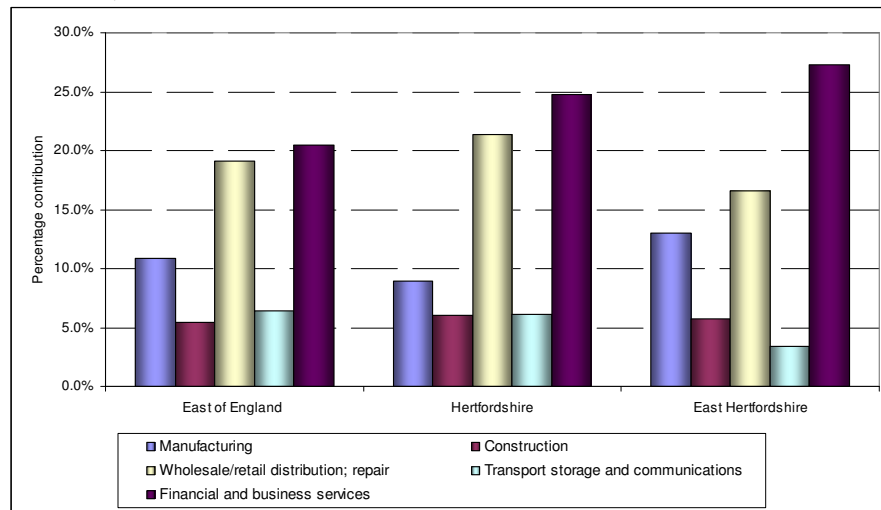
Sectoral Strengths and Trends

Figure 2-3 below illustrates the percentage of jobs in relevant employment sectors in East Herts, Hertfordshire and the East of England in 2006.² Overall, financial and business services accounted for 27% of jobs in the District a proportion higher than the Regional and County averages (21% and 25% respectively). Approximately 17% of jobs were in the wholesale/retail distribution and repair sector while manufacturing accounted for a further 13% of employment in the District.

Overall, East Herts has a higher proportion of people employed in the financial and business services sector and the manufacturing sector compared to Hertfordshire and the East of England as a whole.

² The figure only records the key employment sectors pertinent to this study and not employment across all sectors

Figure 2-3: Proportion of jobs in relevant employment sectors, 2006

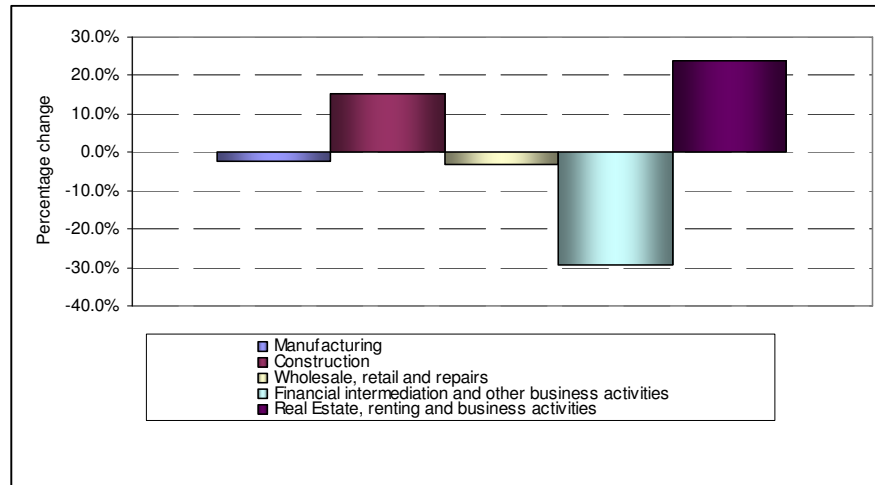


Source: Annual business inquiry, workplace analysis

Figure 2- 4 below shows the change in employment in some key employment sectors between 1998 and 2006. The change in employment over the period reveals which sectors are expanding and which are contracting providing some inference as to the type of employment land that should be released for development.

The number of jobs in the manufacturing sector declined by 2% between 1998 and 2006. There were also declines experienced in the number of jobs in the distribution, hotels and restaurants sector and other services sector. However, in contrast to the trends experienced in the aforementioned sectors, employment in the banking, finance and insurance sector grew by 19% between 1998 and 2006 and by 16% in the construction sector over the same period. The data hints at future employment growth predominantly occurring in the B1 sector with contractions in the manufacturing (B2) and distribution and warehousing (B8) sectors.

Figure 2-4: Change in East Herts jobs for selected employment sectors, 1998 to 2006



Source: Annual Business Inquiry, Nomis

2.4.4

Business Base

The vast majority of businesses in East Herts are small, with approximately 88% employing 10 people or fewer. Only 2.6% of businesses in the District employ 50 or more people. The business base in East Herts is thus more skewed towards the smaller size bands when compared to the county and regional bases. This is likely to have an impact on the size of premises demanded in the District.

Table 2-5: Employment Units by Size (Number of Employees)

	1-10 employees	11-49 employees	50-199 employees	200+ employees
East of England	85.3%	11.4%	2.7%	0.6%
Hertfordshire	86.9%	9.4%	2.6%	0.6%
East Herts	87.9%	9.9%	2.2%	0.4%

Source: Annual Business Inquiry, Nomis

2.4.5

VAT Registrations

Business birth rates partly measured through VAT registrations are a good indicator to assess the dynamism of an area's economy and economic prosperity. It is also well established that new firms are responsible for a large number of new jobs and that generally areas with high business birth rates experience more rapid employment growth.³ **Table 2-6** below shows the number of

³ It should be noted that VAT registrations do not include sole traders.

VAT registrations, de-registrations and stocks at the end of the year in East Herts between 1998 and 2006.

Table 2-6: VAT registrations, de-registrations and stocks at the end of the year in East Herts

Date	Registrations	De-registrations	Stocks at the end of the year	Net change
1998	545	410	5,270	135
1999	535	430	5,375	105
2000	520	460	5,435	60
2001	480	435	5,475	45
2002	585	430	5,630	155
2003	575	435	5,770	140
2004	550	475	5,845	75
2005	535	400	5,985	135
2006	555	435	6,105	120
% Change	1.8%	6.1%	15.8%	

Source: VAT Registrations and Stocks, Nomis

Overall, the number of new VAT registrations has consistently been higher than the number of VAT de-registrations between 1998 and 2006. As a result, the net change in VAT stocks has been healthy with stocks growing by 16% between 1998 and 2006. The type of employment land demanded will be affected by the type of new business registrations.

2.4.6

Skills Base

An area's skill base will have an influence on the type of companies that are attracted to the area. **Table 2-7** indicates that approximately 39% of the working age economically active population in East Herts in 2006 was qualified to NVQ 4+ level compared to a County average of 36% and a Regional average of 28%.

Table 2-7: Skills Base of the Local Workforce in East Herts, 2006

Area	% of economically active with NVQ 4+ -working age	% of economically active with no qualifications –working age
East of England	27.6	10.9
Hertfordshire	36.2	7.5
East Herts	39.4	9.7

Source: Annual Population Survey, Nomis

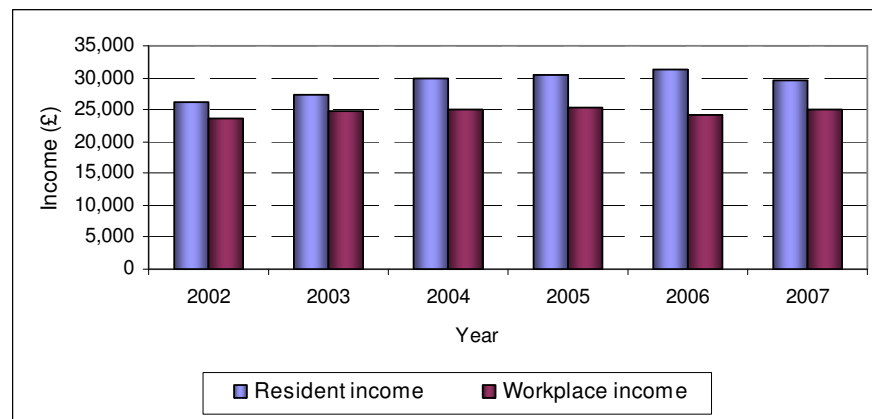
Approximately 10% of the economically active working age population in East Herts had no qualifications which was lower than the Regional average but higher than the County average.

2.4.7

Income

Figure 2-8 below depicts the median annual income of residents living in East Herts and the incomes of people working in the District. The median resident income was higher than the median income of people working in the District which appears to indicate that East Herts residents commuting to work outside the District earn more than people working in the District.

Figure 2-8: East Herts: Resident and Workplace based income levels 2002 – 2007



Source: Annual Survey of Hours and Earnings, Nomis

2.4.8

Deprivation

The index of Multiple Deprivation (IMD) is used to measure deprivation in an area relative to other areas in the country. It is compiled using seven differently weighted domain indices selected to cover a range of economic, social and housing issues. Using the IMD average score rank, East Herts is ranked among the 10% least deprived districts in the country. For income and employment

in particular, East Herts ranks among the 25% least deprived local authorities in the country.

2.4.9

Socio-economic conclusions

The recent employment trends suggest that a significant proportion of employment growth has been achieved in sectors with greater demand for skilled / qualified workforce. Overall the District has a highly qualified and skilled workforce but higher paid jobs outside the District (mainly in London) mean that people working in East Herts earn on average less than people commuting outside the District. Of particular interest is also the fact that the District is dominated by small sized businesses (1-10 employees). Overall, the socio-economic indicators confirm the affluent nature of the District and its successful and growing economy.

3 Market Review

3.1 *Introduction*

This section provides a review of the market for office, industrial and distribution space in East Herts. It examines important characteristics of the District's commercial property market such as take up, availability and rents in the context of comparable competing locations outside the District.

3.2 *Office Property Market Overview*

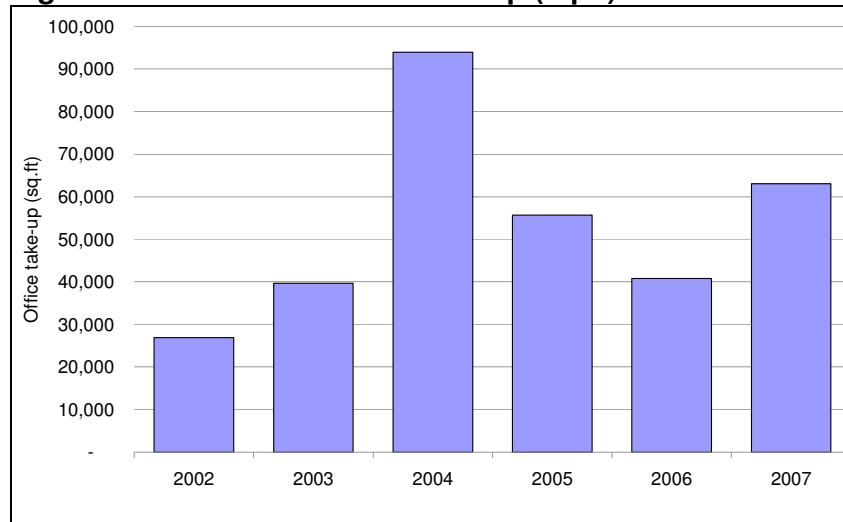
The data used from this section has been sourced from Focus, the on-line property database company. The data will be as comprehensive as possible, although there will always be 'gaps' in the data. However, despite this, it is highly likely that the trends presented in the charts are a fair reflection of the changing market characteristics during the past few years.

3.2.1 *Take-up*

East Herts has approximately 1.9 million sq.ft of office floorspace (DCLG/Valuation Office floorspace statistics 2007) with supply focused in its main centres of Hertford, Bishop's Stortford and Ware. Overall, East Herts and in particular its main centres, are not considered prime commercial property locations and fulfil a local need rather than regional property requirements.

Since 2002, office take-up in East Herts has totalled approximately 321,000 sq.ft with a five year average of just over 58,500 sq.ft. There was a peak in 2004, 60% higher than the five-year average, due to larger deals being signed in Hertford. 2005 and 2006 saw a marginal downward trend in level of take-up (**Figure 3-1**), although 2007 bucked this trend with a 54% uplift on the previous year.

Figure 3-1: East Herts office take-up (sq ft)

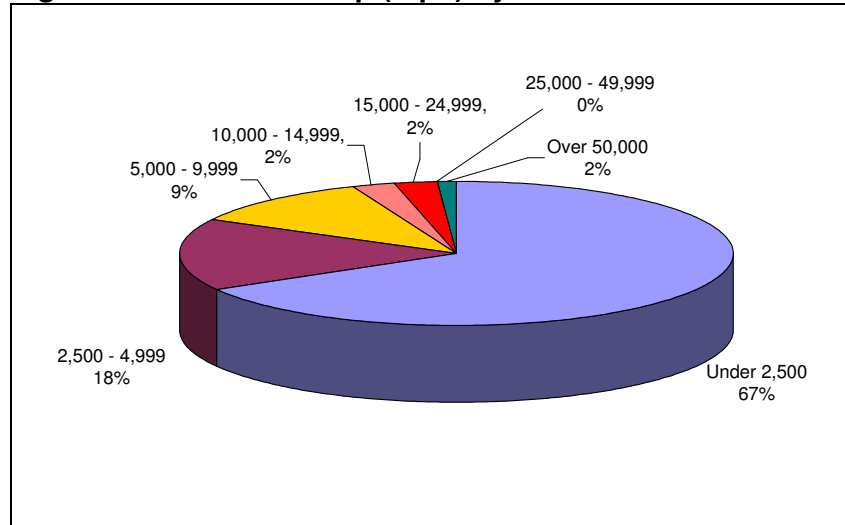


Source: Focus

Take-up in East Herts is dominated by small deals under 2,500 sq.ft. Over the last five years, based upon the number of deals, 83% of deals has been for space for under 5,000 sq.ft, the bulk of which (81%) is for space of under 2,500 sq.ft. This reflects the nature of the office market in East Herts which, on the whole, does not tend to attract any significant numbers of large ‘in-coming’ occupiers compared to the competing locations of Stevenage and Luton. This is reinforced by the quality of the stock on offer. For example, according to the Valuation Office, the majority of office floorspace in the local authority is pre 1940, which is inappropriate for modern occupiers.

According to local commercial property agents, it is East Herts’ relatively poor road links that has restricted demand from large occupiers. The north east of the local authority, namely Bishop’s Stortford, has tended to see stronger levels of demand from large ‘in-coming’ occupiers than seen elsewhere in East Herts due to its proximity to the M11. This is reflected in the annual increase in take-up in Bishop’s Stortford averaging approximately 88% per annum between 2005 and 2007. In contrast, Hertford and other centres to the south west which do not have the same road links are considered secondary locations.

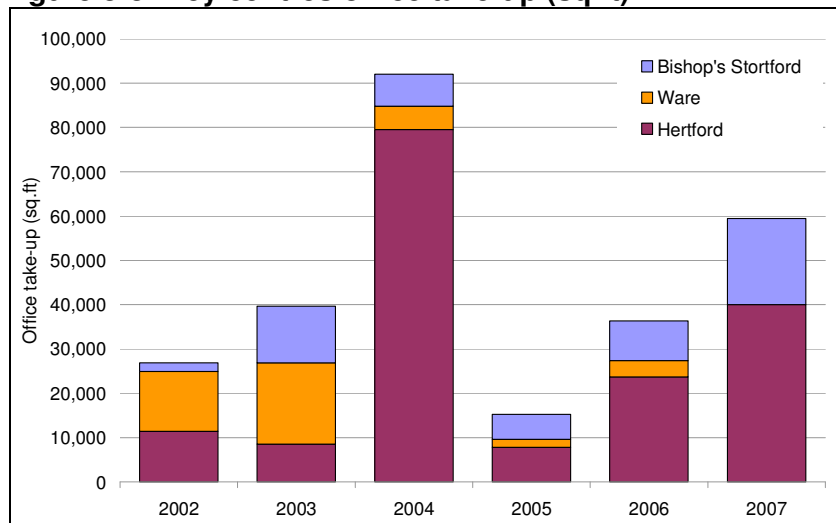
Figure 3-2: Office take-up (sq ft) by size band



Source: Focus

Although Bishop's Stortford is now seeing stronger levels of demand this has not always been the case. Hertford has dominated take-up historically reflecting the fact that it is the principle centre in East Herts. Bishop's Stortford follows accounting for 22% of average take-up levels over the last five years, and has seen an increase in annual take-up of approximately 88% since 2005.

Figure 3-3: Key centres office take-up (sq ft)



Source: Focus

3.2.2

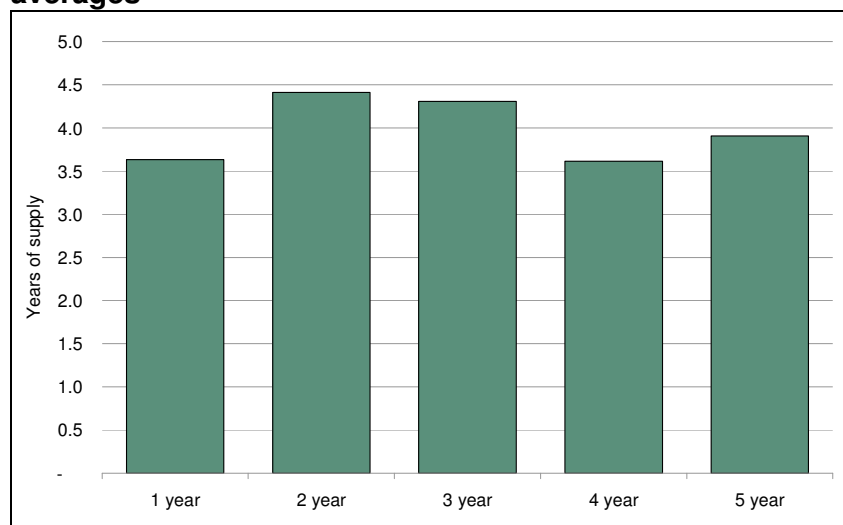
Availability

Current available supply in East Herts totals 229,000 sq.ft. Taking into account average take-up in the last five years there is currently 3.9 years of supply in the market place.

Changes in historical take-up mean that the years of supply figure can fluctuate. The level of fluctuation in the years of supply figure will identify whether current supply is constrained or oversupplied. To run this sensitivity the years of supply based on annual average take-up for the last 1, 2, 3, 4 and 5-year periods are presented in **Figure 3-4** below. What is shown is that there is very little difference in the level of supply reflecting the fact that there has been relatively little movement in the level of annual take-up. Depending upon which annual average is used there is anything between 3.6 and 4.4 years in the market at present. It is generally assumed that any market with more than two years would be considered to be oversupplied.

Whilst it could be concluded that what the 'years of supply' results show is that supply of property will 'run out' in four years, this is not the case as there will always be released property coming on to the market as companies vacate their space as well as the provision of new property.

Figure 3-4: 'Years of supply' of offices using varying annual averages



Source: Focus

Reflecting the nature of the office market in East Herts, which is focused on local small occupiers, just over half (56%) of available units are under 2,500 sq.ft. Only 5% of available units are over 10,000 sq.ft. As previously mentioned this reflects the fact that office supply in East Herts is dominated by small units, as the areas generally poor road links compared to neighbouring centres has restricted any form of large scale development of units with large floorplates. This will impact on the ability for the area to attract larger companies.

Unsurprisingly, considering the number of 'years of supply' currently seen in the market, there is very little future office development in the pipeline. At the time of writing there are only three schemes at planning stage, one of which is a small mixed use development seeking detailed approval at Ware and is unlikely to deliver any significant amount of new space to the market. The remaining two schemes are both located in Bishop's Stortford⁴, one at tender stage the other seeking detailed approval. Again these would not account for any significant amount of new space coming to the market.

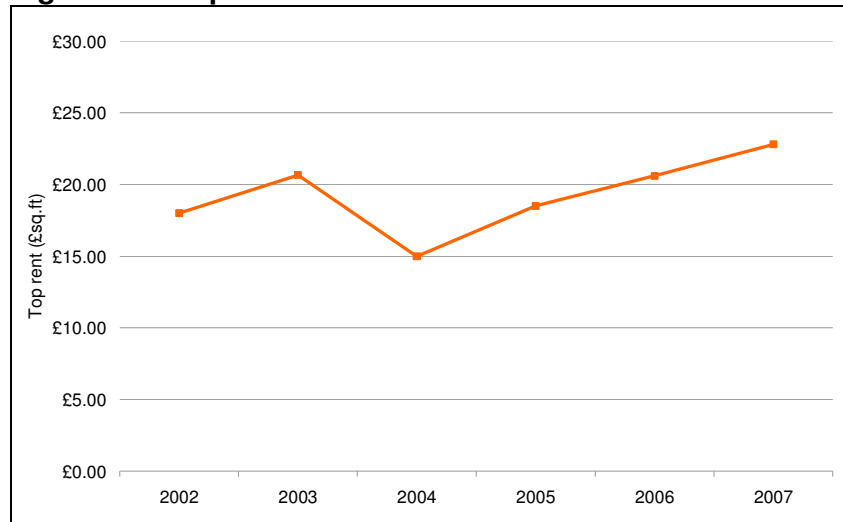
3.2.3

Rents

With regards to the performance, using the data retrieved from the take-up data for offices, Savills has presented the top rental levels achieved for offices for East Herts in **Figure 3-5**. Overall, rents have seen a steady year on year increase between 2004 and 2007.

⁴ Marriott Court and London Road

Figure 3-5: Top rents achieved for offices



Source: Focus

3.2.4

Comparable office locations

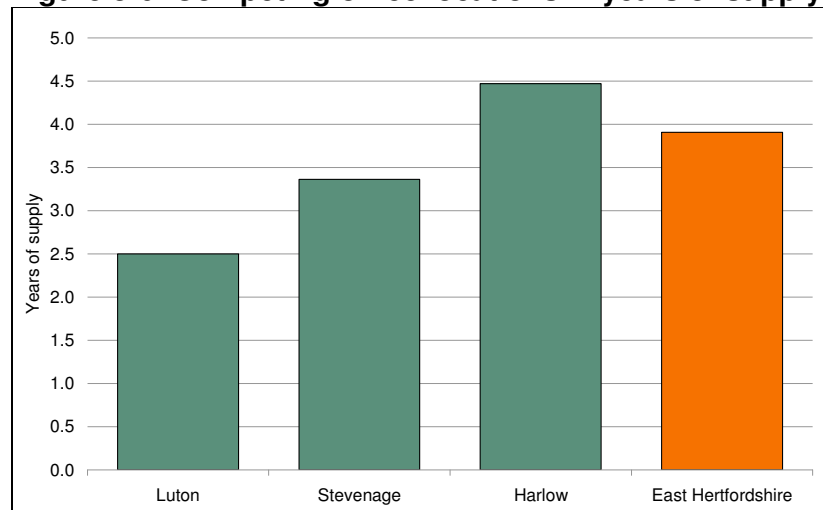
As already mentioned both Stevenage and Luton are key competing centres to those in East Herts, as is Harlow. All three are significant centres with the advantage of having better accessibility to London (e.g. better train services). Future inward investment, at present, is more likely to be attracted and retained in these key locations, in particular Stevenage and Luton, rather than the wider market area in which East Herts is located.

The strong level of demand seen in these competing locations is demonstrated in their take-up levels. Average take-up over the last 5 years for Stevenage and Luton has been 86% higher than that recorded for East Herts. This reflects the fact that total supply is greater in these centres, as well as level of demand.

'Years of supply' analysis as presented in **Figure 3-4** above has been repeated for the key competing centres in the wider market area. As shown in **Figure 3-6** below, Luton has the lowest number of years supply of 2.5 years, followed by Stevenage with 3.4. These results are based upon annual average take-up over the last 5 years. Harlow has the greatest supply with 4.5 years. This analysis highlights the fact that East Herts is not a prime office location compared to Luton and Stevenage as it has a greater number of years worth of supply at 3.9 years. Compared to

Harlow, East Herts would appear to enjoy greater levels of demand.

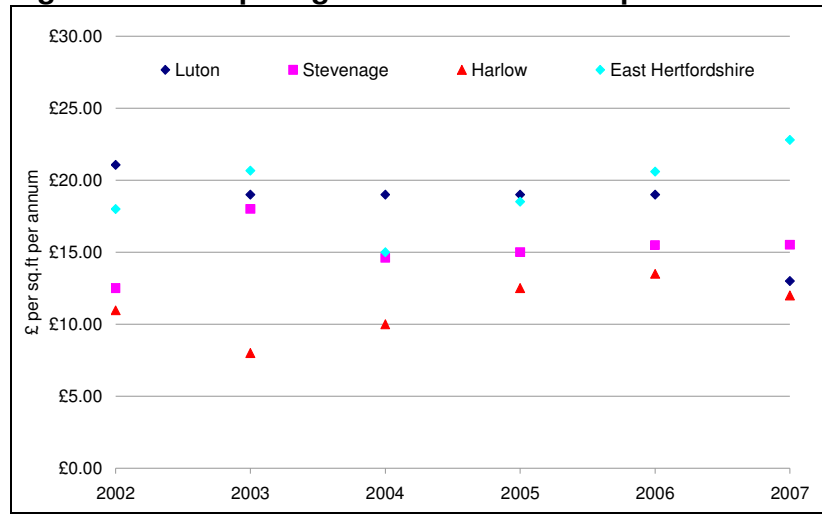
Figure 3-6: Competing office locations – ‘years of supply’



Source: Focus / Savills

East Herts' higher rental values, compared to its competing centres, reflects the fact that its supply is dominated by small units which tend to achieve higher rents per sq.ft than seen for larger units. However, it is also worth noting that the data may include serviced office space, which will have a premium to the base rent. Setting East Herts aside, Luton and Stevenage achieved top rents in 2007 of £13 and £15.50 per sq.ft respectively. Harlow achieves the lowest rental values, which is in line with the fact that it does not experience the same levels of demand expressed by its higher number of years supply (**Figure 3.6** above).

Figure 3-7: Competing office locations – top rents achieved



Source: Focus

The investment market is exceptionally 'thin' in this market. The best source of data is from Property Data. According to this, only £41.8 million worth of investment transactions has occurred in the Hertford, Bishop's Stortford and Ware office markets since the beginning of 2000. This compares to £2.9 billion in the wider East of England region. Therefore, the market area represents 14% of the total.

3.3

Industrial Property Market Overview

Industrial stock in East Herts totals approximately 1.6 million sq.ft according to the 2007 Valuation Office rateable floorspace statistics. As with its office stock, East Herts, is not a prime industrial location, losing out to the competing centres of Luton and Stevenage as a result of its inferior road links. As with its office market, East Herts' industrial stock tends to serve indigenous demand rather than attracting any significant numbers of large 'in-coming' occupiers. This has been the general view following discussions with the local commercial property agents in the area. The data used from this section has been sourced from Focus, the on-line property database company. The data will be as comprehensive as possible, although there will always be 'gaps' in the data. However, despite this, it is highly likely that the trends presented in the charts are a fair reflection of the changing market characteristics during the past few years.

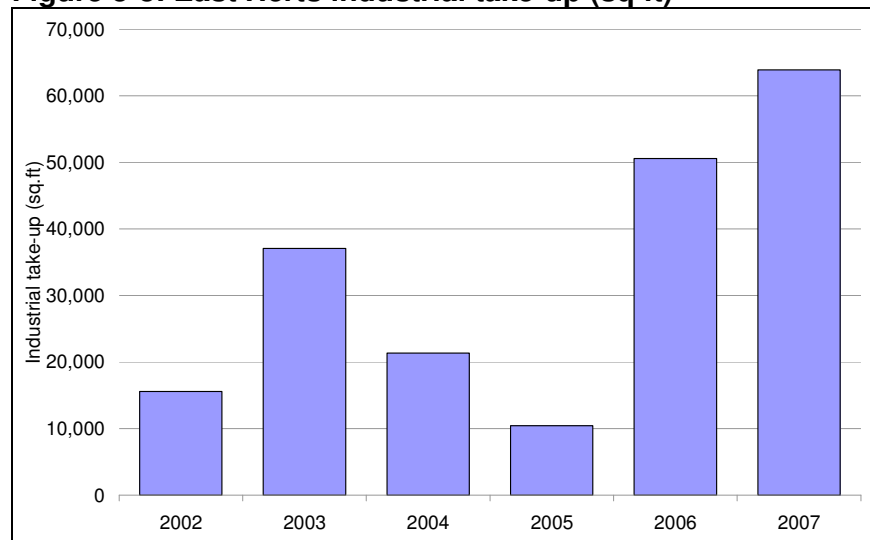
The industrial market covered in this section included all types of industrial-related property. This ranges from light industrial (B1c) to warehouse (B8) property. On the whole, the market area is characterised by the former.

3.3.1

Take-up

Since 2002, take-up of industrial space has totalled close to 212,000 sq.ft. Take-up over the last five years has averaged approximately 36,600 sq.ft, with 2007 seeing a peak of close to 64,000 sq.ft, 74% higher than the five average. There would appear to be no clear pattern in annual levels of take-up.

Figure 3-8: East Herts industrial take-up (sq ft)



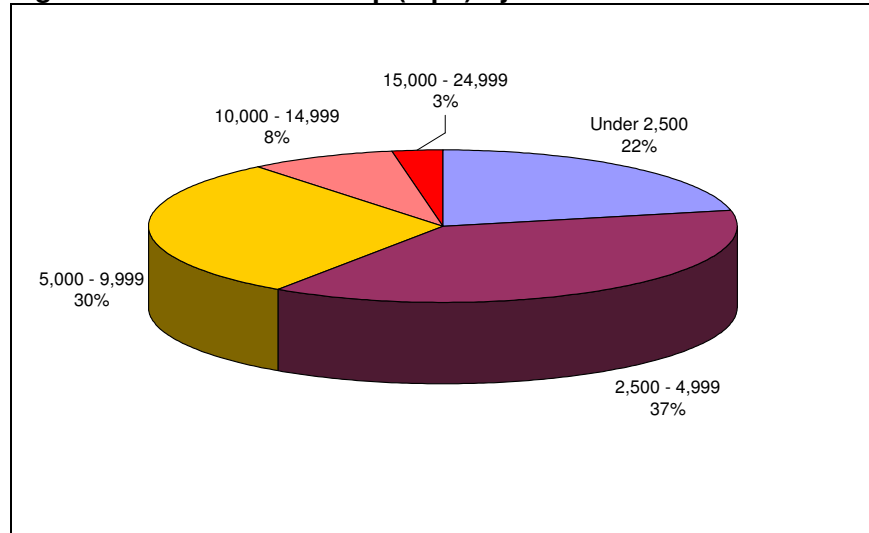
Source: Focus

As with the office market in East Herts, take-up is dominated by small deals. Over the last 5 years 37% of deals was for space between 2,500 to 4,999 sq.ft, with no deals for space in excess of 25,000 sq.ft.

The same factors restricting demand from large occupiers in the office market apply to industrial demand. Good road links are a top priority for industrial and warehouse occupiers, and it is only Bishop's Stortford that meets these requirements. This is reflected in the level of take-up seen in Bishop's Stortford. As a result of the low levels of demand seen for industrial space in East Herts quality of stock is generally poor, which acts as a further barrier to attracting large occupiers.

Indigenous companies are likely to continue to drive the market but net additional demand will probably remain negligible.

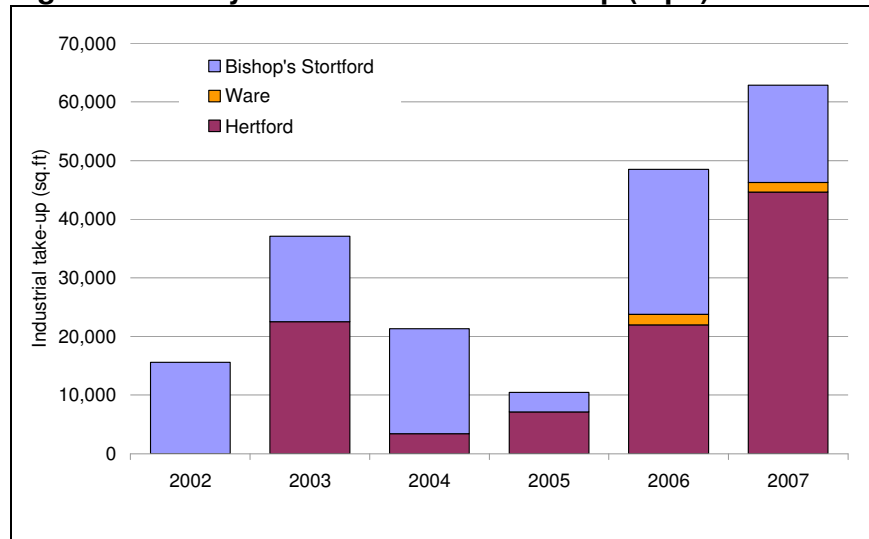
Figure 3-9: Industrial take-up (sq ft) by size band



Source: Focus

Hertford and Bishop’s Stortford dominated industrial take-up historically reflecting the fact they are both key centres in East Herts and in the case of Bishop’s Stortford its close proximity to the M11. Their five year annual average has been 19,900 sq.ft and 15,400 sq.ft respectively. The higher annual average in Hertford has been driven by a let for a number of new units currently under construction at the Dicker Mill/Mead Lane cluster.

Figure 3-10: Key centres industrial take-up (sq ft)



Source: Focus

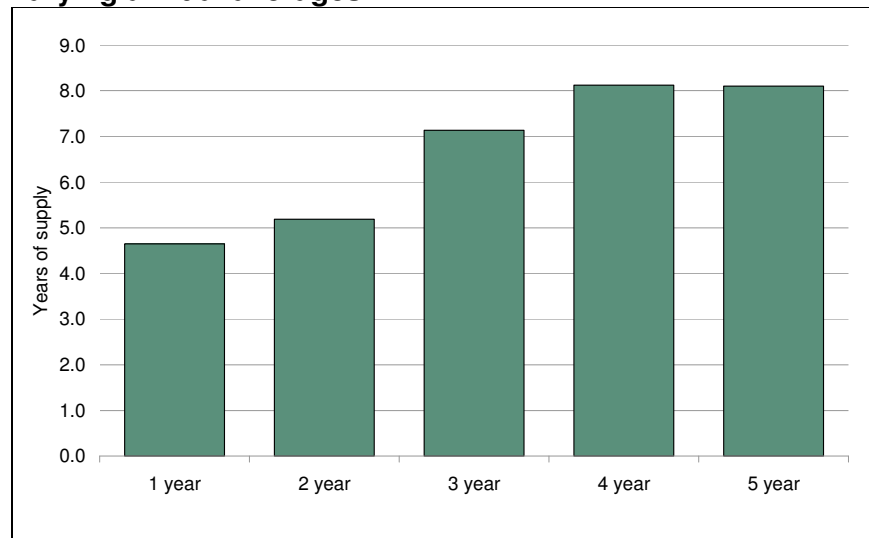
3.3.2

Availability

Current industrial availability in East Herts stands at just under 300,000 sq.ft. This equates to 8.1 years worth of supply based on average take-up over the last five years.

To run sensitivity on the years of supply measure, the annual average take-up for the last 1, 2, 3, 4 and 5-year periods are presented in **Figure 3-11** below. The purpose is to show how the current supply is relatively constrained or over-supplied. Due to the relatively large increase in take up seen in 2006 and 2007, years supply based on the one year and two years averages is relatively low at 4.7 and 5.2 years but higher than that seen for offices over the same period, suggesting that demand for industrial space is lower than seen for offices. Based on the long term five year average the market would appear to be oversupplied, greater than that for offices which has just under four years worth of supply based on average take-up over the last the five years.

Figure 3-11: ‘Years of supply’ of industrial space using varying annual averages



Source: Focus

Available stock in East Herts falls into the 5,000 to 10,000 sq.ft size banding accounting for almost 50% of available units, with little under 2,500 sq.ft available. This is in line with the pattern of demand, which has tended to come from small indigenous companies. The proportion of units over 15,000 sq.ft is limited accounting for only 2% of available units. This does not necessarily reflect a strong level of demand for larger units rather that stock in this size bracket is limited in the district.

The majority of available industrial supply is located in Hertford, with approximately 163,000 sq.ft. In contrast Bishop’s Stortford has under half this with approximately 55,500 sq.ft available. This is a reflection of greater demand for industrial premises in Bishop’s Stortford as a result of its better road links, which is of greater importance for those taking industrial and warehousing/distribution space.

In terms of new developments, permission was given for further development at Mead Lane industrial estate in Hertford and works have already started on site. There was an application for further development at Watermill Industrial Estate in Buntingford but this was withdrawn in early 2008. A second two applications on this site were approved by the Development Control committee in June 08. Overall, the absence of major future developments in the

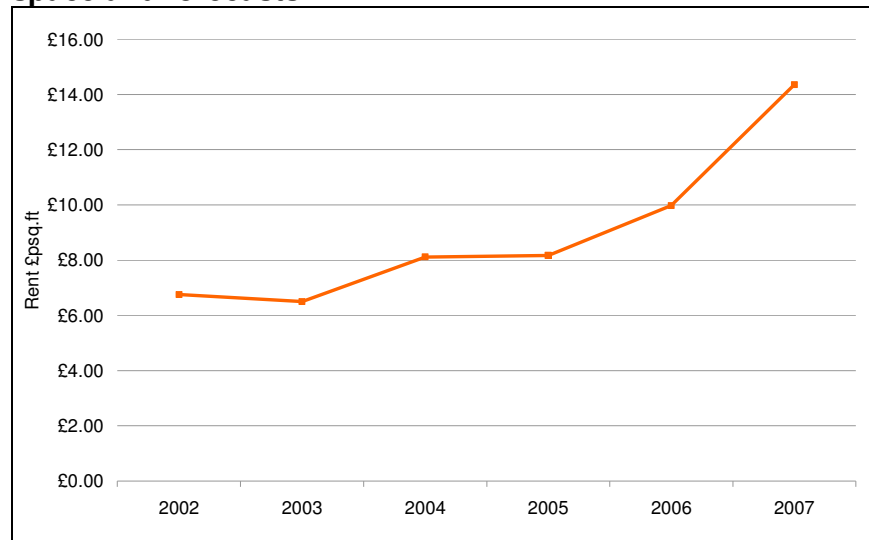
immediate planning pipeline is a reflection of low levels of demand, particularly from larger 'in-coming' occupiers.

3.3.3

Rents

With regards to rental performance, using the data retrieved from the take-up data for industrial/ warehouse space, Savills has presented the top achieved rental levels achieved in East Herts in **Figure 3-12**. Top rental levels have been steadily increasing since 2002, with the top rent achieved in 2007 being £14.35 per sq.ft.

Figure 3-12: Top rents achieved for industrial/warehouse space and forecasts



Source: Focus / Savills

3.3.4

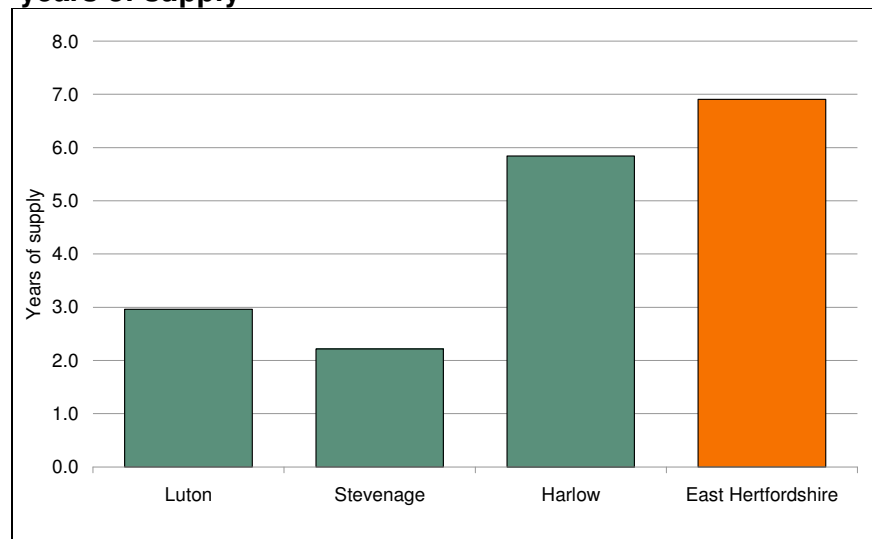
Comparable industrial/warehouse locations

As with the office market the key competing industrial locations to East Herts are Stevenage, Luton and Harlow. Their better access to the motorway network and/or closer proximity to London, which is more of a priority for those businesses taking industrial/warehouse space, has meant they tend to enjoy higher levels of demand, particularly that from larger occupiers. This means that any future inward investment, at present, is more likely to be attracted and retained in these locations rather than to East Herts as a whole. Bishop's Stortford's position on the M11 means that it does present opportunities for further expansion particularly if the proposed Stansted Airport expansion was to take place.

The strong levels of demand seen in these competing locations is demonstrated in their take-up levels. All the competing centres have seen average take-up per annum over the last five years in excess of that seen in East Herts as a whole. For example, Luton has seen a five-year average of 169,000 sq.ft, 269% higher than East Herts's 46,000 sq.ft. This is a reflection of both greater levels of supply as well as demand.

'Years of supply' analysis has been repeated for the key competing locations to East Herts. As shown in **Figure 3-13** below, Stevenage has the lowest number of years' supply of 2.2 years reflecting its relatively low levels of available supply. Luton has 3 years worth of supply followed by Harlow with 5.8 years. East Herts's years worth of supply stands at 6.9, over double that seen for Luton and Stevenage, highlighting its secondary position in terms of demand to these neighbouring locations.

Figure 3-13: Competing industrial/warehouse locations – 'years of supply'



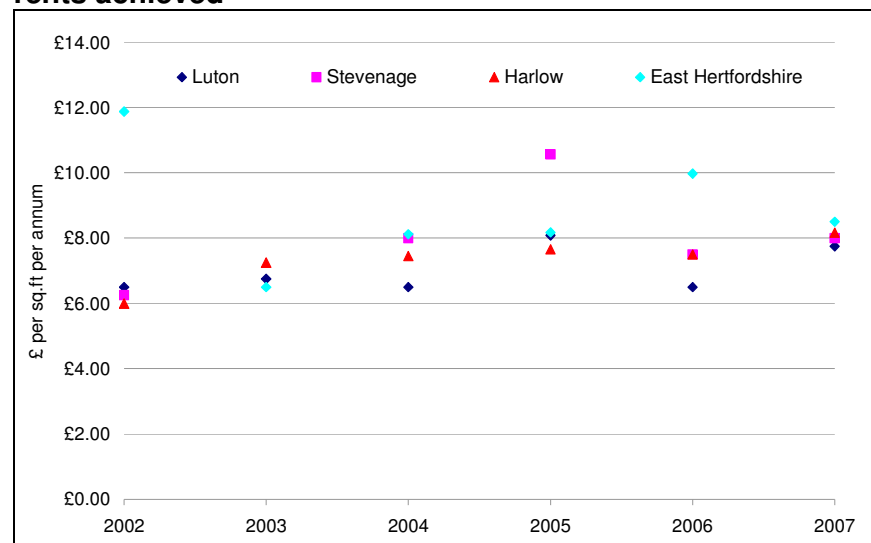
Source: Focus / Savills

Historically East Herts has tended to achieve higher rents than its neighbours. This is not a reflection of greater demand but rather the fact that supply is dominated by smaller units which means that its £ per sq.ft values tend to be higher. Recent deals within the market area include the 2007 letting of a 1,000 sq.ft unit at Park Farm Industrial Estate in Buntingford at an annual rent of £14,900 per annum. It was this deal that achieved the top rent of

£14.35 per sq.ft. Another example is the 2006 letting at Foxholes Business Park in Hertford of a 2,200 unit at a rent of just under £10 per sq.ft.

On the whole there has been very little to differentiate the identified competing locations in terms of rents (**Figure 3-14**), although Luton has tended to achieve marginally lower values than seen elsewhere. For 2007, top rents for Luton, Stevenage and Harlow were £7.75, £8.00 and £8.16 per sq.ft respectively.

Figure 3.14: Competing industrial/warehouse locations – top rents achieved



Source: Focus / Savills

As with the office market, the investment market is exceptionally small in this market area. According to Property Data, only £7.2 million worth of investment transactions has occurred in the Hertford, Bishop's Stortford and Ware industrial markets since the beginning of 2000. This compares to £1.8 billion in the wider East of England region. Therefore, the market area represents a low 0.4% of the total.

4 Current Land Supply

4.1 *Introduction*

The focus of the supply side analysis has been on developing a comprehensive database of land supply through a visual site survey that provides information at an individual site level (i.e. company or plot level within a recognised employment area or 'cluster'). The objective of the survey was to obtain a clear and robust picture of the existing employment land and premises provision in East Herts in terms of quantity and quality, considering the opportunities and limitations of the existing employment sites and premises. Information gathered is consistent with the key requirements of the ODPM Guidance Note on Employment Land Reviews.

The visual site surveys were undertaken by Halcrow between March 2008 and May 2008. They covered all employment sites in B use classes as well as sites in non-B use classes that are part of a wider employment area. The results of the surveys were subsequently mapped using Geography Information Systems (GIS) to allow the supply of employment land to be quantified and analysed by use class.

4.2 *Current stock of employment land*

The current quantity of employment land in the District has been calculated from the survey GIS database to be approximately 122ha. This excludes roads and open spaces but includes sites that are part of employment areas but are not currently used for B1, B2, B8 uses.

4.2.1 *Existing Uses*

In accordance with the Town and Country Planning Use Class Orders 1987 and its subsequent amendments, sites in East Herts are assigned a Use Class based on the type of activity they accommodate. The most relevant Use Classes in terms of an employment land review can be summarised as follows:

- (a) B1 = offices, research and development, light industry
- (b) B2 = general industrial

- (c) B8 = storage and distribution
- (d) Sui generis = use of its own that does not fall into any of the other use classes (e.g. Motor Car Showrooms)

The breakdown of employment land by use class is presented in **Table 4-1** below. ***It should be noted that the following figures are subject to an error margin as they are based on visual site surveys and GIS calculations.***

Table 4-1: East Herts employment land breakdown

Use Class	Size in hectares	Percentage
B1	40	32%
B2	31	26%
B8	26	22%
Sui-Generis	8	6%
Other uses	3	3%
Unknown	4	3%
Vacant	10	8%
Total	122	100%

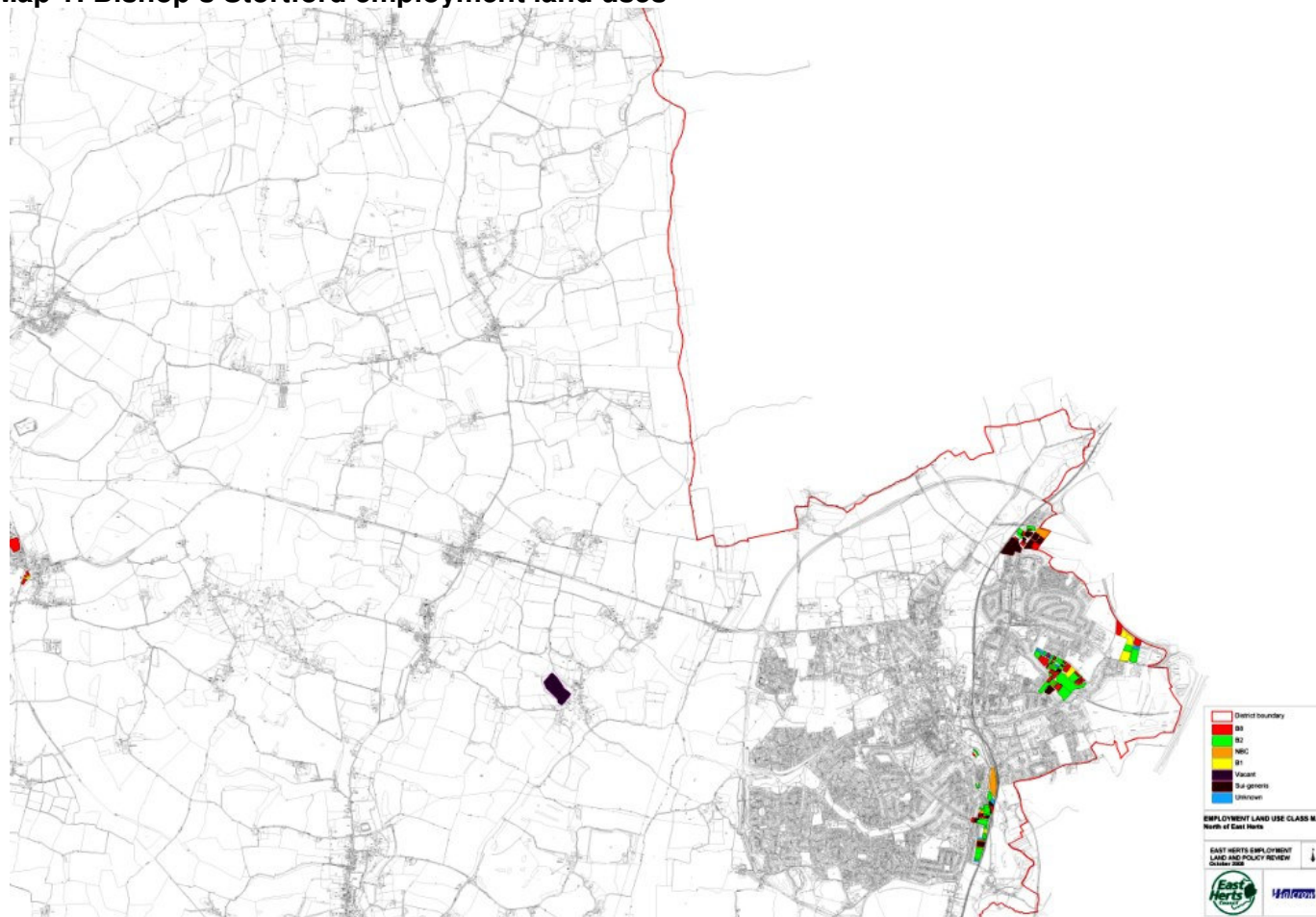
Source: Halcrow

The figures presented above exclude roads and open spaces within employment estates. The total gross employment land in the District (calculated using the estate plot sizes on GIS, including roads and open spaces) is estimated to be approximately 153 ha.

Approximately one third (32%) of employment land in the District was used for B1 purposes, with 26% in B2 use and 22% in B8 use. Sui generis uses account for approximately 6% of employment land while non employment uses account for only 3% of sites in employment designated areas. The vacancy rate appears to be low at around 8% while the details of a small proportion of sites (3%) could not be recorded during the visual site surveys, either because of physical access constraints or because no obvious land use could be assigned.

The main concentration of employment land is located in and around the towns of Bishop’s Stortford, Hertford and Ware which jointly account for over 70% of the District’s supply. A detailed breakdown of the spatial distribution of employment land by use class can be seen in **Table 4-2** below.

Map 1: Bishop's Stortford employment land uses



Map 2: Hertford and Ware employment land uses

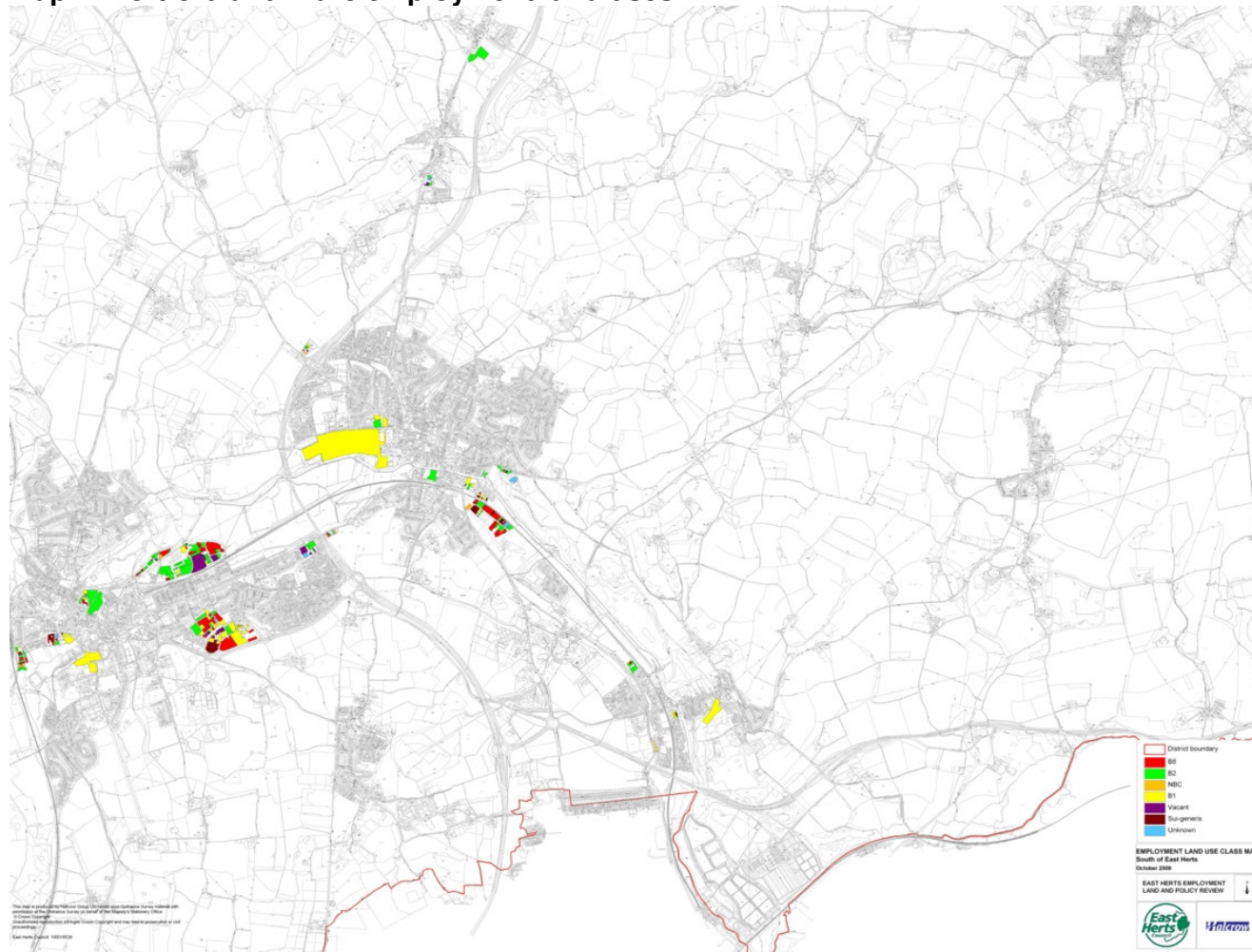


Table 4-2: Employment land breakdown by area (Ha)

Use Class	Bishop's Stortford	Hertford	Ware	Rest of the District
B1	3	8	20	9
B2	11	11	2	7
B8	5	7	2	12
NBC	3	0	0	0
Sui-Generis	5	1	1	0
Unknown	1	1	1	1
Vacant	0	3	0	6
Total	28	32	26	35

Source: Halcrow

Ware has a high proportion of B1 employment land (20 ha), this is mostly due to the presence of the GSK site which is the biggest single employment site in East Herts and falls under the B1 use class (offices, research and development). Bishop's Stortford appears to have a very low proportion of B1 land (3 ha) and a high proportion of B2 (11 ha). It also appears that vacant land is concentrated in Hertford (3 ha) and the rest of the District (6 ha).

4.3

Employment Clusters

In terms of employment clusters (concentrations of employment sites or estates), the GSK site in Ware is by far the largest in the District at over 19 ha. Other notable employment clusters include the Sainsbury's Depot, Marshgate Drive, Foxholes Business Park, Terlings Park and Marsh Lane, Stortford Hall Industrial Park and Woodside Industrial Estate to mention a few (**Table 4-3**).

Table 4-3: Biggest employment clusters

Employment cluster	Size (ha)
GSK, Ware	19
Sainsbury's Depot, Buntingford	9
Marshgate Drive, Hertford	7
Foxholes Business Park	7
Terlings Park, Gilston	6
Marsh Lane, Ware	5
Stortford Hall Industrial Park, Bishop's Stortford	4
Woodside Industrial Estate, Bishop's Stortford	4
Former GSK site, Bury Green	4
Raynham Close, Raynham Road & Myson Way, Bishop's Stortford	4

Source: Halcrow

4.4

Age of building stock

The following sections look at the qualitative elements of each site based on the visual site survey undertaken. The results are

presented in terms of hectares of employment land and all percentages refer to the total employment land in the District.

Information on the approximate age of building stock was collected during the site survey and is based on the surveyors' visual inspections of the buildings. The broad age groups used to describe the age of buildings (pre-war, 1950s to 1980s, 1990s to present) ensure the robustness of the data.

Overall, a significant amount of building stock (approximately 42%) appears to have been built over the past 20 years, a further 57% between the 1950s and 1980s and 1% in the pre-war years (**Table 4-4**).

Table 4-4: Approximate age of buildings stock

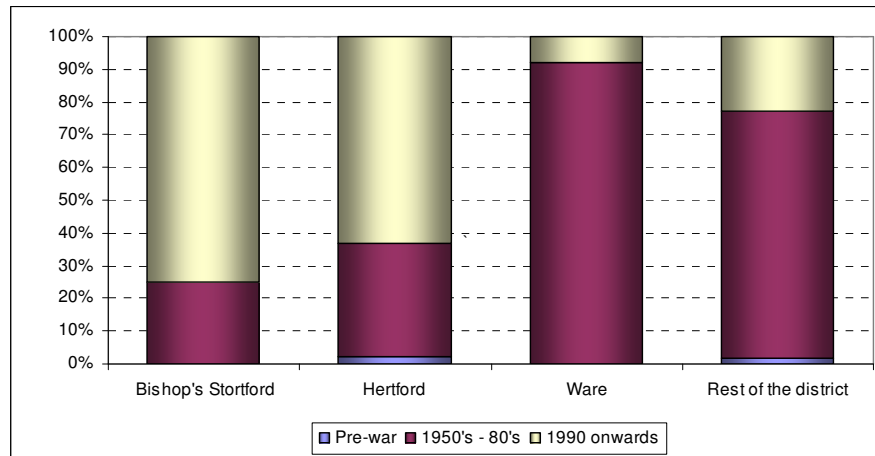
Approximate age of building	Proportion of all stock
Pre-war	1.2%
1950's - 1980's	56.5%
1990's onwards	42.4%
Total	100.0%

Source: Halcrow

Figure 4-5 below provides a more detailed analysis of the approximate age of building stock in East Herts. It should be noted that the older than average profile of Ware building stock is mostly due to the big GSK site that appears to have been built before the 1980s⁵ and which dominates Ware's supply of employment land.

⁵ There have been some more modern buildings on the GSK site in Ware but the majority of buildings are older than 1980s.

Figure 4-5: Approximate age of building stock by area



Source: Halcrow

4.5

Quality and condition of building stock

In terms of the quality of the District's employment sites and building stock, the vast majority of sites are ranked as average or better, with only one in ten described as being in poor condition. Just over half (52%) of the District's sites and building stock are described as being in good condition and of good quality (**Table 4-6**).

This suggests that the majority of buildings across the District are of a high enough quality to meet the current / future needs of businesses or to be capable of meeting them with some improvements and modifications. It should be noted however that quality by itself is not a guarantee that a site will meet business needs as factors like location, size and tenure are also important.

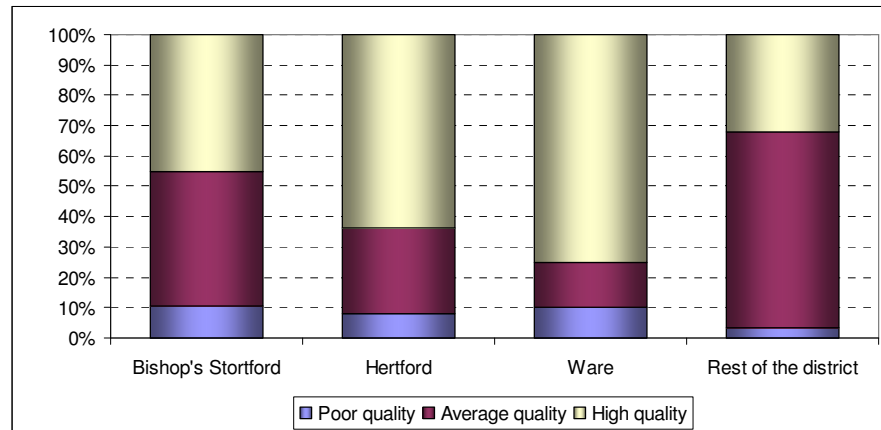
Table 4-6: Quality of East Herts' employment sites and building stock

Quality	Percentage
Poor	8%
Average	39%
Good	52%
Total	100%

Source: Halcrow

In terms of the spatial distribution of high quality sites, Ware appears to have the highest concentration of high quality sites while Bishop's Stortford appears to have the lowest (**Figure 4-7**).

Figure 4-7: Quality of employment sites and building stock by area



Source: Halcrow

4.6

Accessibility

Site accessibility refers to how accessible individual employment sites are by heavy goods vehicles (HGVs), light goods vehicles (LGVs) and other vehicles. It refers to the ease with which such vehicles can access employment site curtilages. It does not necessarily reflect how accessible they are to the wider road network or how accessible they are by public transport.

Overall, the majority of employment sites (60%) have good accessibility as opposed to 14% that appear to have poor (Table 4-8).

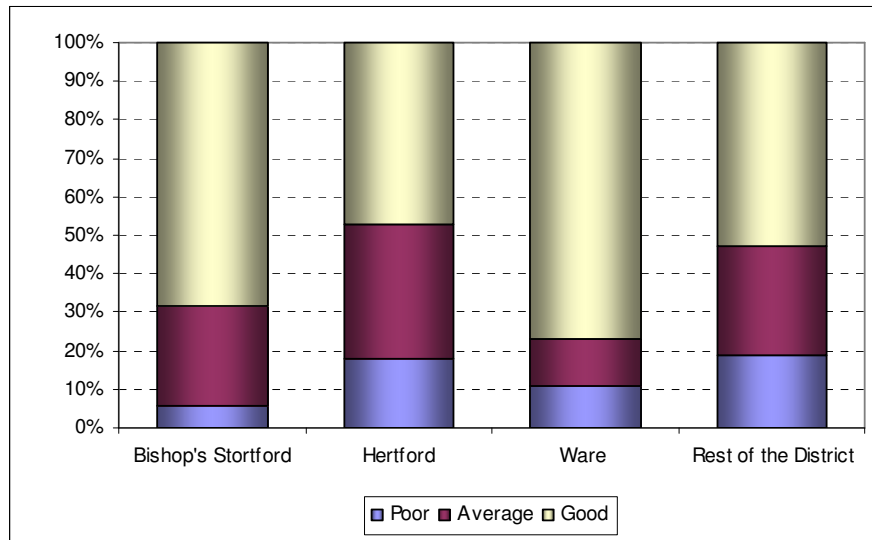
Table 4-8: Accessibility of employment sites

Accessibility	Percentage
Poor	14%
Average	26%
Good	60%
Total	100%

Source: Halcrow

Hertford appears to have the lowest proportion of employment sites with good accessibility and the highest proportion of sites with poor accessibility. This is due to sites such as Caxton Hill which scores low on accessibility and which has historically been held back due to access issues. Ware's high accessibility score is again heavily influenced by the GSK site (Figure 4-9).

Figure 4-9: Accessibility of employment sites



Source: Halcrow

4.7

Parking Provision

Along with site accessibility, parking provision can be a major factor affecting the overall quality and appeal of an employment site. Lack of sufficient on site parking provision can also lead to problems relating to excessive on street parking and increased levels of traffic congestion. This appears to be a considerable issue in Bishop's Stortford (**Figure 4-11**).

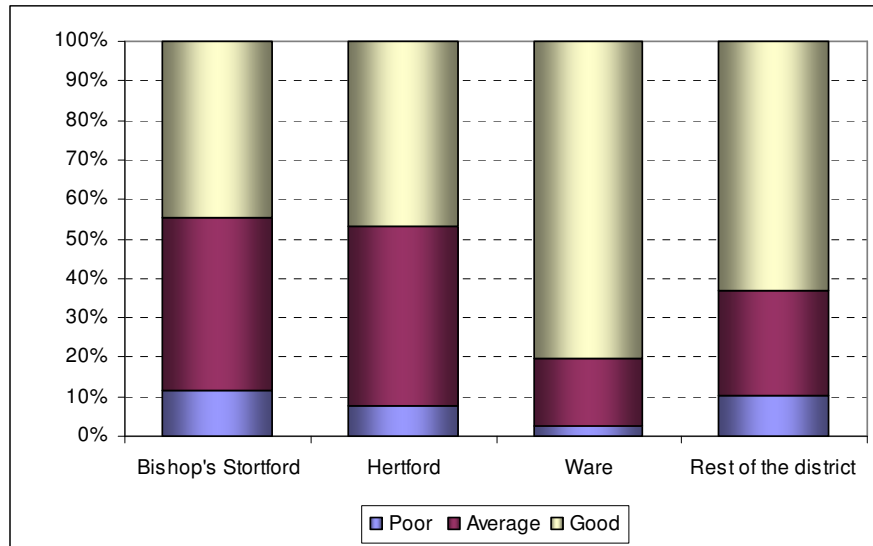
Across the District as a whole however, the majority of sites appear to have adequate or good parking provision (**Table 4-10**).

Table 4-10: Parking provision

Parking	Percentage
Poor	8%
Average	33%
Good	58%
Total	100%

Source: Halcrow

Figure 4-11: Parking provision by area



Source: Halcrow

4.8

Potential conflicts with adjacent land uses

The operations or quality of uses on existing employment sites can be constrained by the uses found on adjacent sites. For example, an employment site adjacent to residential or commercial uses will be subject to limitations with regards to permitted noise and emission levels.

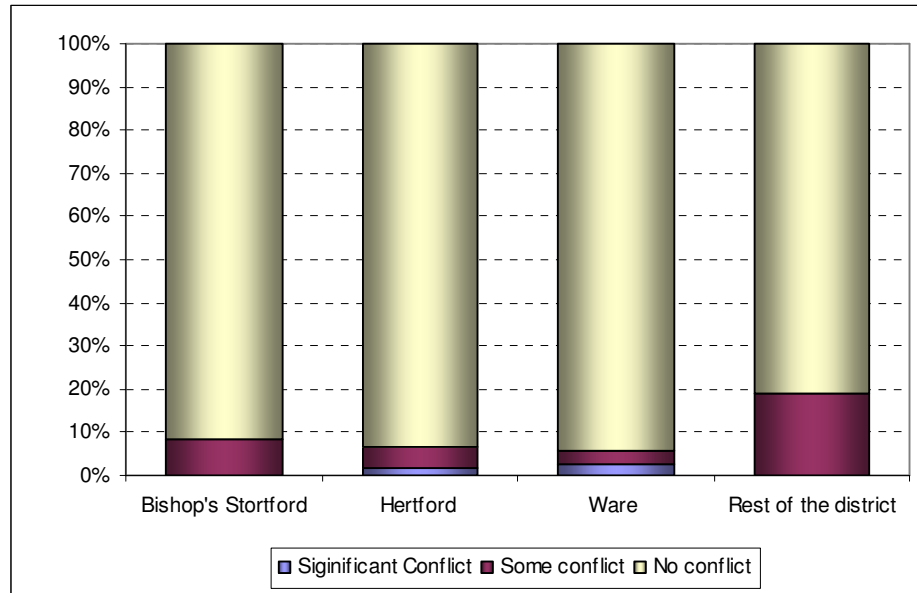
The vast majority of employment sites (89%) do not appear to have significant conflicts with adjacent land uses. Overall only 1.3 ha of employment land appears to be in direct conflict with adjacent land uses (**Table 4-12** and **Figure 4-13**).

Table 4-12: Potential conflict with adjacent land uses

Potential conflict	Percentage
Significant Conflict	1%
Some conflict	9%
No conflict	89%
Total	100%

Source: Halcrow

Figure 4-13: Potential conflict of employment land with adjacent land uses



Source: Halcrow

4.9

Flexibility

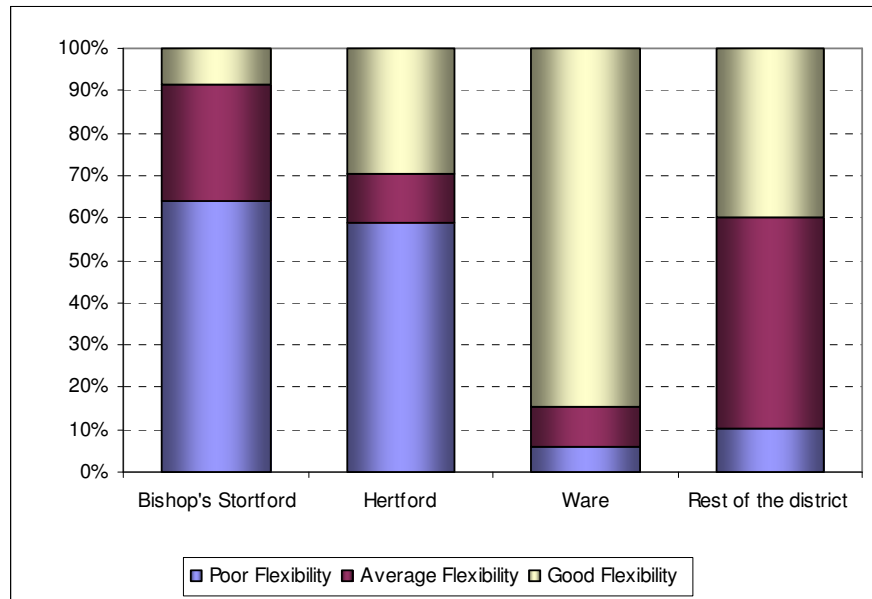
Flexibility refers to a site's potential for in-situ expansion or extension (i.e. without expanding the boundaries of the site). Overall, the proportion of sites with poor and good flexibility appears to be similar (42% and 48% respectively). Employment sites in Bishop's Stortford appear to be the least flexible in the District, followed by those in Hertford (**Figure 4-15**). Employment land in Ware appears to be the most flexible in the District but as noted above, the large GSK site is a major factor.

Table 4-14 Flexibility for in-situ redevelopment and/or expansion

Flexibility	Percentage
Poor Flexibility	34%
Average Flexibility	26%
Good Flexibility	40%
Total	100%

Source: Halcrow

Figure 4-15: Flexibility for redevelopment and/or expansion



Source: Halcrow

4.10

Conclusion

The overall supply of employment land and premises in the District appears to be of generally good quality. Sites in Bishop's Stortford in general score lower in terms of accessibility, parking provision and flexibility, reflecting the built up nature of the town and the general lack of space.

Of particular interest is the low vacancy rate which in terms of hectares of employment land is only 8%. This includes the former GSK site at Bury Green, which has been vacant for some time and which is unlikely to meet the general profile of business demand in the District (mostly smaller B1 units in major urban centres) in the future.⁶

This low vacancy rate highlights the strong demand for employment land and premises in the District and the scarcity of supply. The key employment centre of Bishop's Stortford in particular appears to have hardly any vacant employment land at all. It is generally considered that a certain level of vacant land and

⁶ The site has recently received planning permission for redevelopment which is likely to further reduce the vacancy rate across the District.

premises (thought to be around 10%) is useful for the efficient operation of the commercial property market.

5 Land Demand

5.1 **Introduction**

In accordance with the East of England Plan, and supported by the *East of England Employment Land Review Guidance*, the fundamental requirement of the employment land review is to assess the employment land needed to support the growth target of an area. Hence, the core economic scenario needs to appraise the implications for East Herts to meet the East of England Plan May 2008's aspiration of creating 68,000 new jobs in Hertfordshire between 2001 and 2021.

There is also a need to test the employment land implications of other possible economic outcomes in the area between 2001 and 2021. These economic scenarios are presented as 'what if' situations in order to test the sensitivity of employment land demand in East Herts.

5.2 **Economic Demand Scenarios**

The following scenarios have been developed to assess future demand for employment land as part of this study:

- *Scenario 1 Business as Usual*: continuation of existing economic and sectoral growth trends
- *Scenario 2 RSS Constrained Growth*: achieving RSS employment target for East Herts which is derived from the 68,000 job growth target for Hertfordshire
- *Scenario 3 RSS Constrained Growth Plus Airport Expansion*: achieving employment growth resulting from Stansted Airport's expansion in addition to the growth target for East Herts derived from the East of England Plan.

5.2.1 *Forecasting methodology*

Given the evolution of the scenarios and the East of England Plan (May 2008) employment target there is no set of published regional employment forecasts that correspond directly to them. In light of this a set of 'derived' employment forecasts for East Herts have been developed for the Employment Land Review using

Experian Business Strategies 2003 (EBS03 Baseline) as the base⁷.

The following paragraphs outline the key assumptions used to develop the employment forecasts for each scenario and their respective results.

Scenario 1: Business as Usual

As mentioned earlier, the EBS 03 Baseline model is adopted as the Business as Usual scenario. The EBS forecasts are developed at a pre-defined 30 sector level. These 30 sectors are similar to the broad one/two digit Standard Industrial Classifications⁸ (SICs). From experience, we are aware of the complexities of assessing land demand for B use classes, while using such broad sector forecasts.

Hence, assuming that the 2006 Annual Business Inquiry three digit sub-sector level breakdown is consistent over the projection period, the broad EBS defined sector forecasts for Scenario 1: Business-as-Usual were converted into three-digit SIC level estimates. Finally, three-digit SIC level estimates were converted into B use class employment projections. In simpler terms, the EBS 30 sector forecasts were mapped to the appropriate use classes in order to analyse the forecasts at a use class level.

The employment projections by B use class for the “Business as Usual” scenario are presented in the table below.

Table 5-1: Employment Projections for East Herts’ “Business as Usual” Scenario (number of jobs)

Use Classes	2001	2006	2008	2011	2016	2021
B1	16,473	16,064	17,243	18,725	20,735	22,423
B2	15,427	14,297	14,170	13,598	13,004	11,836
B8	5,611	5,527	5,706	5,888	6,128	6,195
Non B Class	28,019	30,220	30,977	31,763	33,174	33,793
Total	65,531	66,107	68,096	69,974	73,041	74,246

Source: Experian Business Strategy, Annual Business Inquiry and Halcrow

⁷ EBS03 or Experian Business Strategies 2003 refers to the baseline forecast model prepared by Experian Business Strategies in 2003 as part of the development of the East of England Plan.

⁸ The UK Standard Industrial Classification of Economic Activities is used to classify business establishments and other statistical units by the type of economic activities they are engaged in.

Scenario 2: RSS Constrained Growth

As mentioned earlier, this scenario focuses on achieving the East of England Plan's (May 2008) employment growth for East Herts. The plan doesn't explicitly state an employment growth target for the local authority area. However, it identifies 68,000 new jobs as a target for Hertfordshire between 2001 and 2021.

The document also identifies a housing target of 83,200 new dwellings over the same period for Hertfordshire. This relates to a ratio of 0.817 new job per each new dwelling built in Hertfordshire. Applying this job per dwelling ratio to local authority level housing targets identified in the East of England Plan May 2008, the following table derives East Herts' employment target as approximately 9,800 jobs between 2001 and 2021.

Table 5-2: Deriving East Herts' Employment Growth Target

Local Authority	Dwellings Target from East of England Plan	Derived Employment Target
East Herts	12,000	9,808
North Hertfordshire	6,200	5,067
Stevenage	16,000	13,077

Source: East of England Plan, Halcrow

The generation of sector level forecasts under this scenario assumes that the sectoral trends from Scenario 1, in percentage terms, are constant between 2001 and 2021. The derived 9,800 jobs target for Scenario 2 was applied to the assumed trends generated under Scenario 1 to produce the detailed sector level forecasts for Scenario 2: RSS Constrained Growth. The subsequent employment projections by B use class for the RSS Constrained Growth scenario are presented in the table below.

Table 5-3: Employment Projections for East Herts' RSS Constrained Growth Scenario

Use Classes	2001	2006	2008	2011	2016	2021
B1	16,473	16,082	17,325	18,875	21,004	22,755
B2	15,549	14,413	14,333	13,797	13,253	12,077
B8	5,611	5,533	5,733	5,935	6,207	6,287
Non B Class	27,898	30,153	31,029	31,927	33,524	34,228
Total	65,531	66,180	68,419	70,534	73,988	75,346

Source: East of England Plan, Experian Business Strategy, Annual Business Inquiry and Halcrow

Scenario 3: RSS Constrained Growth plus Airport Expansion

This scenario assumes that the planned expansion of Stansted Airport goes ahead, which results in more jobs for East Herts's economy over and above of the 9,800 employment target between 2001 and 2021.

To derive the impact of the airport's expansion on East Herts' economy, it is necessary to establish the total employment benefits of such proposals. Table 5.7 of the *Employment & Housing Implications of the Second Runway at Stansted Airport Final Report* (August 2004), a report commissioned jointly by the Government Office for the East of England and the East of England Development Agency suggests that development of the second runway at Stansted Airport will lead to the creation of some 18,800 gross new jobs in its catchment area.

Table 5-4: Gross employment additionality of Stansted 2R, by area (2021)

Area	Gross Airport related jobs (000s, 2021 unless specified)				
	Core	Outer	External	Catchment	EoE Region
Direct on-site jobs	13.7	0.0	0.0	13.7	13.7
Direct off-site jobs	1.4	0.0	0.0	1.4	1.4
Indirect jobs	0.7	0.9	1.7	1.6	3.3
Induced jobs	0.9	1.2	2.9	2.1	5.0
Catalytic jobs	0.0	0.0	0.0	0.0	0.0
Gross Airport related jobs	16.8	2.1	4.6	18.8	23.5
Gross Airport related jobs (2036)	17.4	2.1	4.8	19.6	24.4

Source: PACEC/ Halcrow (Note: EoE is the East of England region, totals may not add up due to rounding)

All direct on-site impact will occur within the airport's boundary, which is outside East Herts. However, the document suggests that within the airport's catchment there are two main locations for direct off-site employment related to Stansted Airport, i.e. Stansted (Uttlesford) and Bishop's Stortford (East Herts). Hence, this employment land review assumes that Bishop's Stortford (or East Herts) will account for 50% of direct off-site employment that will be created as a result of the second runway at Stansted Airport. This relates to 700 gross new jobs in East Herts by 2021.

The second runway at Stansted Airport will also result in 1,600 and 2,100 indirect and induced jobs respectively for the catchment

area's economy. Due to the lack of any specific information, this employment land review assumes that a nominal 10%⁹ each of the indirect and induced jobs created in the 'catchment area' will be based in Bishop's Stortford (East Herts). This relates to 370 gross new jobs in East Herts by 2021.

Hence, the 2nd Runway at Stansted will create 1,070 gross new jobs by 2021 in East Herts. It is assumed that 50% of these jobs will be created by 2016 and the remaining 50% will be created by 2021.

The employment projections under this scenario also assume that the existing SICs at Stansted Airport LSOAs¹⁰ are defined as airport and related sectors in East Herts. The current breakdown of these SICs is assumed as a constant to distribute the gross airport additionality of 1,070 gross new jobs up to 2021 in East Herts.

The resultant gross airport related additionality at three-digit SIC when added to the results of *Scenario 2: RSS Constrained Growth* at the same three-digit SICs leads to employment projections for *Scenario 3: RSS Constrained Growth plus Airport Expansion*. Finally, the three-digit SIC level estimates were converted into B use class employment projections. In simpler terms, the additional employment growth created by the Airport Expansion is added to the RSS constrained growth forecasts to calculate the total growth in employment by use class.

The employment projections by B use class for the "RSS Constrained Growth plus Airport Expansion" scenario are presented in the table below.

⁹ The 10% assumption is based on East Herts being one of ten local authorities in Stansted's catchment area

¹⁰ Lower Layer Super Output Areas form one of the three Super Output Area (SOA) levels of geographic hierarchy used by the Office of National Statistics to report small area statistics. Within England and Wales a Lower Layer (minimum population 1,000) was introduced in 2004. Unlike electoral wards, these SOA layers are of consistent size across the country and won't be subjected to regular boundary change.

**Table 5-5: Employment Projections for East Herts' RSS
Constrained Growth plus Airport Expansion Scenario**

Use Classes	2001	2006	2008	2011	2016	2021
B1	16,473	16,082	17,325	18,875	21,165	23,077
B2	15,549	14,413	14,333	13,797	13,322	12,215
B8	5,611	5,533	5,733	5,935	6,251	6,375
NBC	27,898	30,153	31,029	31,927	33,789	34,757
Total	65,531	66,180	68,419	70,534	74,527	76,424

Source: *Employment & Housing Implications of the Second Runway at Stansted Airport Final Report, East of England Plan, Experian Business Strategy, Annual Business Inquiry and Halcrow*

5.3

Translating employment growth to employment land demand

The employment forecasts for the scenarios are converted to land demand by making assumptions on employment densities (the average floorspace in square metres per person in an occupied building) and plot ratios (the total gross floor area of a building (including walls and corridors) divided by the gross area of the industrial sites (the total area of the site up to the boundaries including any access roads and parking). These assumptions are set out below.

5.3.1

Employment Densities

Employment densities are widely used for planning purposes. The ODPM's *Guidance Note on Employment Land Reviews* states that there is no one correct figure and that ratios vary due to a number of factors such as employment sector, function, location, age of building and point of economic cycle. The *Guidance Note on Employment Land Reviews*, suggests that there are a limited number of large-scale surveys that have been undertaken; these include the study carried out for SERPLAN by Roger Tym & Partners (1997) and the more recent work done only in the South East (DTZ, 2004). Both studies provide average floorspace per worker ratios expressed in sq metres per worker. The findings of these reports are presented in the table below.

Table 5-6: Employment Densities from Employment Land Reviews – Guidance Note

Use	Floorspace/Worker (m ²) RTP, 1997	Floorspace/Worker (m ²) DTZ Pieda, 2004
Offices	17.9	18.3
Industrial	31.8	38.2
Manufacturing	29.7	-
Warehousing (general)	40.1	-
Warehousing (with loading bays, e.g. DIY)	-	78.2

Source: ODPM, 2004

Another nationally acceptable source for employment densities is *the Employment Densities: A Full Guide* produced for English Partnerships. The document presents gross internal floor space per worker for different use classes. This is presented in **Table 5-7** below

Table 5-7: Employment Densities: Arup Research

Use	Floor space per Worker (m ²)
Industrial	
General industry	34
Small industrial units	32
High tech / R & D	29
Warehousing & Distribution	
General warehousing	50
Large scale & high bay	80
Offices	
General purpose built offices	19
Head quarters	22
Serviced Business Centre	20
Business Park	16
Science Park	32

Source: Arup Economics and Planning, 2001

Taking into account the OPDM's Guidance Note on Employment Land Reviews, previous experience conducting employment land studies around the country and our study of employment sites in East Herts, **Table 5-8** below presents the employment land densities adopted for the demand assessment.

Table 5-8: Adopted Employment Land Densities

Land Use	Adopted Employment Density
B1	20
B2	35
B8	45

Source: Halcrow

5.3.2

Plot ratios

Plot ratios are the total gross floor area of a building (including walls and corridors, etc.) divided by the gross area of industrial sites (total area of industrial sites up to site boundaries and includes access roads and parking spaces, etc.) for sites with buildings on them. Plot ratios are used to calculate the net employment land demand after employment densities or floor space worker ratios have been used to calculate the amount of floorspace required in the forecast.

Similar to employment densities, the adopted plot ratios used in this employment land study (**Table 5-9**) are a combination of the OPDM’s *Employment Land Reviews: Guidance Note*, experience of previous employment land studies conducted around the country and tacit knowledge of employment sites in East Herts gained while conducting the visual site surveys.

Table 5-9: Adopted Employment Plot Ratios

Land Use	Adopted Plot Ratios
B1	100%
B2	50%
B8	50%

Source: Halcrow

Employment land demand Forecasts 2001 - 2021

The employment density discussed earlier has been used to convert jobs to floor space and then the respective plot ratio to convert floor space to need and demand for employment land.

As highlighted earlier in this chapter, there are three alternative employment growth scenarios. Under the “Business as Usual” (BAU) scenario, if the current economic trends continue up to 2021, East Herts will fall short of the RSS growth target as the area’s economy is projected to grow by some 8,700 jobs between 2001 and 2021 under this scenario (**Table 5-1**).

The BAU scenario will only see an additional employment land demand of 2 ha in East Herts between 2008 and 2021. Similar to the other two scenarios, East Herts will see rising demand for B1 and B8 land and floorspace over the coming years while demand for B2 land and floorspace will decline (**Tables 5-10 and 5-11**).

Table 5-10: “Business as Usual” Employment Floorspace Forecasts in sq m for East Herts

Land Use	2001	2008	2011	2016	2021	Actual change 2001-2021	Actual change 2008-2021
B1	329,470	344,861	374,497	414,706	448,451	118,981	103,591
B2	343,790	290,916	276,287	257,534	224,977	-118,813	-65,939
B8	224,767	230,673	239,222	250,085	254,166	29,399	23,493
Total	898,027	866,450	890,007	922,326	927,594	29,567	61,144

Source: Halcrow

Table 5-11: “Business as Usual” Employment Land Forecasts in ha for East Herts

Land Use	2001	2008	2011	2016	2021	Actual change 2001-2021	Actual change 2008-2021
B1	32.9	34.5	37.4	41.5	44.8	11.9	10.4
B2	68.8	58.2	55.3	51.5	45.0	-23.8	-13.2
B8	45.0	46.1	47.8	50.0	50.8	5.9	4.7
Total	146.7	138.8	140.6	143.0	140.7	-6.0	1.9

Source: Halcrow

It should be noted that the total additional demand for 2 ha between 2008 and 2021 assumes that the 13 ha of surplus B2 land over the coming years will be re-used for B1 and B8 uses. It also assumes that no employment sites are lost to other uses (e.g. residential, retail). Therefore the figure of 2 ha additional land need over the period 2008 to 2021 should be treated as the absolute minimum.

Under the core study scenario of RSS Constrained Growth, approximately 9,800 jobs would be created in East Herts between 2001 and 2021. This scenario will see an additional land demand of 3.3 ha of employment land for all B use classes between 2008 and 2021.

In particular, the forecasts show that East Herts will see rising demand for B1 and B8 land and floorspace over the coming years while demand for B2 land and floorspace will decline. The demand

for B1 land in particular is forecast to increase by approximately 11 hectares between 2008 and 2021 (**Table 5-13**).

Table 5-12: RSS Constrained Growth Employment Floorspace Forecasts in sq m for East Herts

Land Use	2001	2008	2011	2016	2021	Actual change 2001-2021	Actual change 2008-2021
B1	329,470	346,499	377,496	420,084	455,090	125,620	108,592
B2	343,790	292,298	278,499	260,874	228,308	-115,482	-63,990
B8	224,767	231,768	241,138	253,329	257,928	33,161	26,160
Total	898,027	870,565	897,134	934,287	941,326	43,299	70,761

Source: Halcrow

Table 5-13: RSS Constrained Growth Employment Land Forecasts in ha for East Herts

Land Use	2001	2008	2011	2016	2021	Actual change 2001-2021	Actual change 2008-2021
B1	32.9	34.6	37.7	42.0	45.5	12.6	10.9
B2	68.8	58.5	55.7	52.2	45.7	-23.1	-12.8
B8	45.0	46.4	48.2	50.7	51.6	6.6	5.2
Total	146.7	139.5	141.7	144.8	142.8	-3.9	3.3

Source: Halcrow

As discussed above, the additional need of 3.3 ha from 2008 to 2021 is the bare minimum requirement over that period.

Alternatively, East Herts can have economic prospects stronger than the RSS Constrained Growth scenario. In this case, as highlighted earlier in the chapter, the area may achieve the RSS target as well as reap additional employment benefits derived as a result of the expansion of the Stansted Airport.

Under this scenario of RSS Constrained Growth Plus Airport Expansion, the area's economy is projected to grow by some 10,900 jobs between 2001 and 2021. This scenario will see an additional land demand created of 5.1 ha for all B use classes between 2008 and 2021 (**Table 5-15**). Like the two economic scenarios discussed above, East Herts will see rising demand for B1 and B8 land and floorspace over the coming years while demand for B2 land and floorspace will decline.

**Table 5-14: RSS Constrained Plus Airport Expansion
Employment Floorspace Forecasts in sq m for East Herts**

Land Use	2001	2008	2011	2016	2021	Actual change 2001-2021	Actual change 2008-2021
B1	329,470	346,499	377,496	423,306	461,534	132,064	115,035
B2	343,790	292,298	278,499	261,930	230,421	-113,369	-61,877
B8	224,767	231,768	241,138	255,088	261,447	36,681	29,679
Total	898,027	870,565	897,134	940,325	953,402	55,375	82,837

Source: Halcrow

**Table 5-15: RSS Constrained Plus Airport Expansion
Employment Land Forecasts in ha for East Herts**

Land Use	2001	2008	2011	2016	2021	Actual change 2001-2021	Actual change 2008-2021
B1	32.9	34.6	37.7	42.3	46.2	13.2	11.5
B2	68.8	58.5	55.7	52.4	46.1	-22.7	-12.4
B8	45.0	46.4	48.2	51.0	52.3	7.3	5.9
Total	146.7	139.5	141.7	145.7	144.5	-2.1	5.1

Source: Halcrow

5.4

Conclusions

Land demand in East Herts is likely to increase by 2 to 5 hectares between 2008 and 2021 reflecting the economic scenarios discussed earlier in this chapter. The above figures are the minimum additional land requirements to 2021. For example, any loss of employment land to other uses would increase the District's additional employment land requirements.

In particular, the demand for B1 and B8 uses appears to be increasing between 2001 and 2021. In comparison, the demand for B2 land appears to be declining. Hence, estates in the district with predominantly industrial (B2) land use should be carefully assessed to test their appropriateness for meeting future demand requirements. Further, any employment land identified to be unsuitable to meet the future requirements and unsuitable and unviable for redevelopment should be considered for release.

6 Quality of Employment Land

6.1 *Introduction*

This section provides a qualitative assessment of the District's existing employment land stock. The assessment was undertaken at an estate level, where an estate is defined as a recognised cluster of sites or areas (recognisable in market and employment land terms). The key consideration in assessing future land needs and making recommendations to support the LDF is a view on the quantity of employment land that is 'fit for future' purpose.

The appraisal has been undertaken in accordance with CLG guidance and uses a *traffic light* approach to identify estates that are:

- a priority for retention as high quality employment sites (Green);
- those where employment uses remain viable but intervention in the future may be required to retain employment uses (Amber);
- those that could be considered for release for alternative use (Red).

This was informed by site visits undertaken by Halcrow and Savills and the analysis of the site survey database.

It should be noted that "Red" sites should not be considered as sites that should be released for alternative uses straight away. They are sites that should be considered for release provided that their fitness for purpose, sustainability and marketability do not improve and that sufficient new employment allocations are secured to ensure no overall loss to the District's supply of employment land.

The assessment criteria used are summarised in **Table 6-1** below and provide a balanced, qualitative assessment between the market and planning perspective of each estate.

Table 6-1: Estate Appraisal Criteria

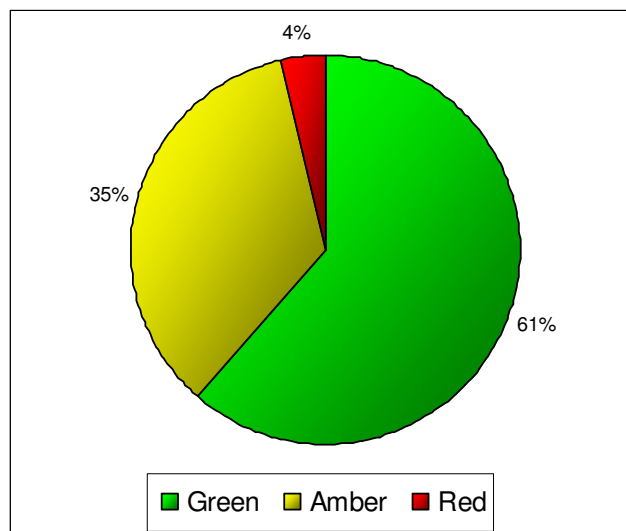
<p>Fitness for purpose</p> <ul style="list-style-type: none"> • Is the estate fit for its current use? • What is the demand/vacancy rate? • What is the quality of the land like? • Does the estate have good accessibility and parking provision?
<p>Sustainability</p> <ul style="list-style-type: none"> • Is the estate sustainable for its existing use? • Is there any conflict with adjacent land uses? • Does the estate have good accessibility and parking provision?
<p>Marketability</p> <ul style="list-style-type: none"> • Is the estate marketable to meet future employment land needs? • Is the estate in a good location? • Is the estate visible? • Is the estate flexible? • Is the general quality of environment good? • Is there any conflict with adjacent land uses? • Is the market perception positive?

6.2

Analysis

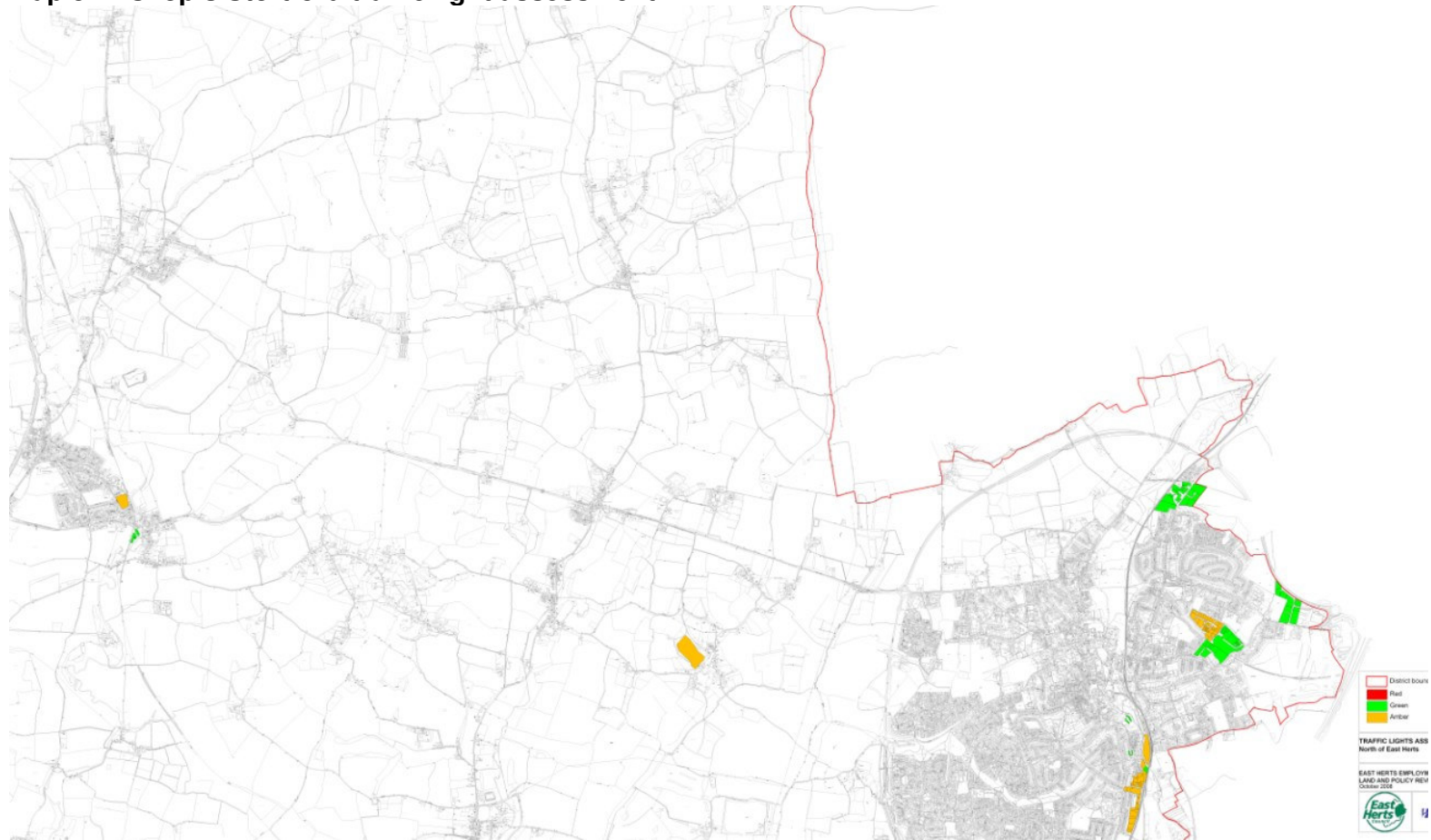
The results show that approximately 61% (74 ha) of the employment land and premises stock was appraised as ‘Green’ – land that should be retained for employment uses. Approximately 35% (42 ha) of employment land is assessed as “Amber” with the remaining 4% (5 ha) assessed as “Red” (**Chart 6-2**).

Chart 6-2: Traffic light assessment

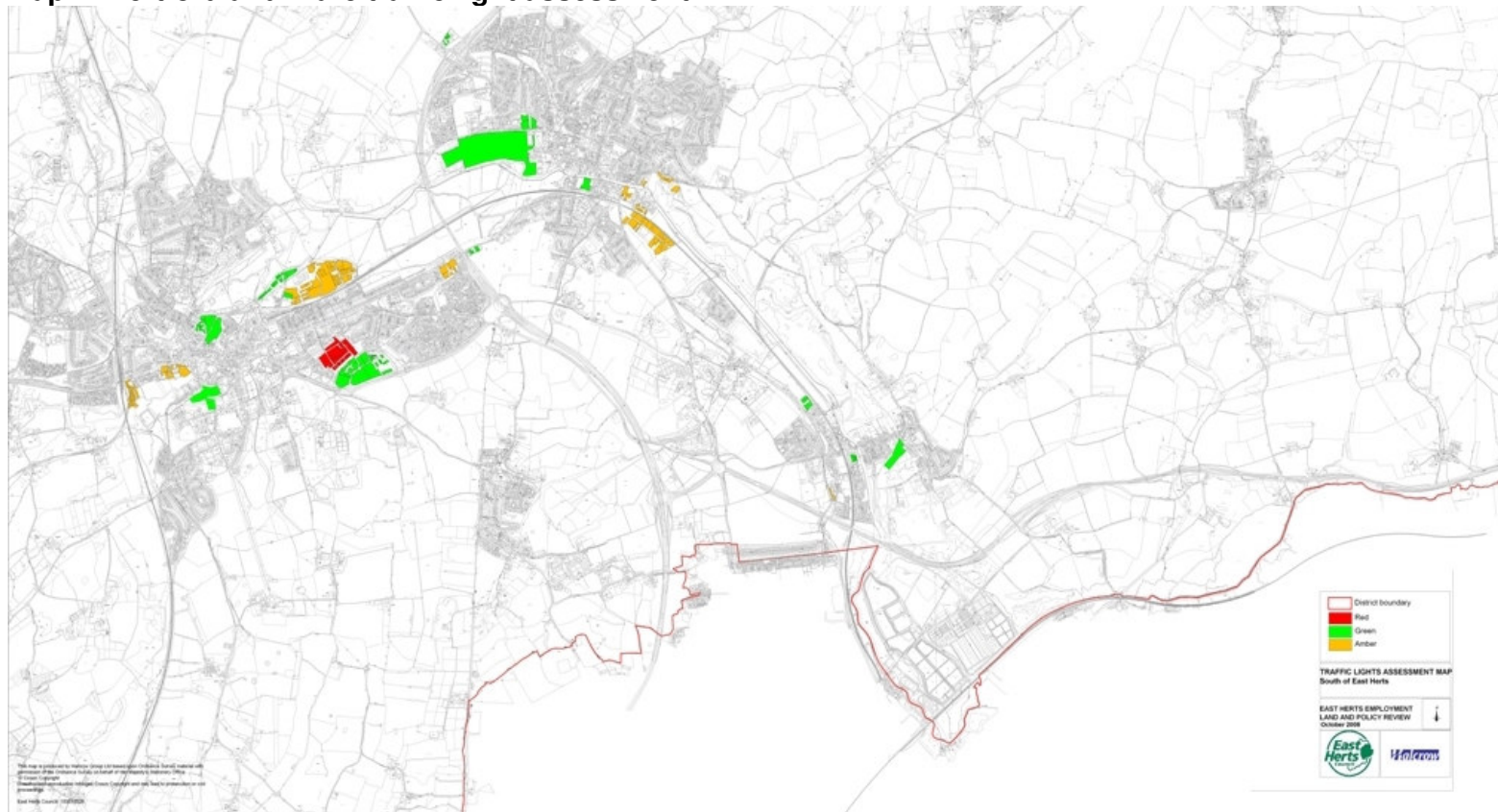


Source: Halcrow, Savills

Map 3: Bishop's Stortford traffic light assessment



Map 4: Hertford and Ware traffic light assessment



Tables 6-3 and **6-4** below summarise the spatial distribution of green, amber and red sites. Ware has the highest proportion of green employment land with the GSK site again being a major contributing factor. On the other hand, Hertford appears to have the lowest proportion of “Green” employment land and a high proportion of “Amber”.

Bishop’s Stortford appears to have no sites that could be classified as “Red”. This does not necessarily mean that all employment sites in Bishop’s Stortford are of a high quality but from talking to local agents, Bishop’s Stortford was highlighted as being a key location for occupiers based on its better road links being located on the M11. The strong demand and low vacancy rates in combination with the scarcity of supply mean that existing employment sites in the town need to be safeguarded. However, if B2 employment and land demand continues to decline (as the forecasts indicate), the lower-quality “Amber” sites that are mainly in B2 use should be considered for release if they cannot be redeveloped for B1 or B8 uses (e.g. Twyford Road). Therefore, these traffic light assessments should be reviewed on a regular basis (e.g. yearly basis) to ensure that they constantly reflect market conditions and business demand.

Table 6-3: Traffic light assessment by area (in hectares)

Area	Green	Amber	Red	Total
Bishop’s Stortford	18	10	0	28
Hertford	15	13	5	33
Ware	19	6	0	25
Rest of East Herts	22	14	0	36
Total	74	42	5	121

Source: Halcrow, Savills

Table 6-4: Traffic light assessment by area (in percentages)

Area	Green	Amber	Red
Bishop’s Stortford	65%	35%	0%
Hertford	47%	39%	14%
Ware	75%	25%	0%
Rest of East Herts	61%	39%	0%

Source: Halcrow, Savills

The detailed traffic light assessment can be seen in **Table 6-5** below.

Table 6-5: Traffic light assessment by employment estate / cluster

Employment estate / cluster	Area	Traffic light assessment
Goodliffe Park, Stort Valley Industrial Estate & Birchanger Industrial Estate	Bishop's Stortford	Green
Millside Estate	Bishop's Stortford	Green
Southmill Trading Centre	Bishop's Stortford	Green
Stortford Hall Industrial Park, The Links Business Centre	Bishop's Stortford	Green
Woodside Industrial Estate	Bishop's Stortford	Green
Raynham Road / Dunmow Road Industrial Estate	Bishop's Stortford	Amber
Twyford Road	Bishop's Stortford	Amber
Buntingford Business Park	Buntingford	Green
Park Farm Industrial Estate	Buntingford	Green
Sainsbury's Distribution Depot	Buntingford	Green
Silkmead Industrial Estate, Hare Street	Buntingford	Amber
Watermill Industrial Estate	Buntingford	Amber
Former GSK	Bury Green	Red
Terlings Park	Gilston	Amber
Dicker Mill	Hertford	Green
Foxholes Industrial Estate	Hertford	Green
Hartham Lane	Hertford	Green
Pegs Lane	Hertford	Green
Windsor Industrial Estate	Hertford	Green
Marshgate Drive	Hertford	Amber
Merchant Drive	Hertford	Amber
Mimram Road	Hertford	Amber
Taylor Trading Estate	Hertford	Amber
Wareham's Lane	Hertford	Amber
Caxton Hill	Hertford	Red
High Cross	High Cross	Green
Clarklands Industrial Estate	Sawbridgeworth	Green
Italstyle	Sawbridgeworth	Green
Hayters	Spellbrook	Green
Standon Business Park	Standon	Green
Station Road	Standon	Amber
The Maltings	Stanstead Abbots	Green
Leeside Works	Stanstead Abbots	Green
Riverside Works	Stanstead Abbots	Green
The Spinney	Stanstead Abbots	Amber
Warrenwood Industrial Estate	Stapleford	Green
Thundridge Business Park	Thundridge	Green
Broadmeads	Ware	Green
Ermine Point Business Park & Gentlemen's Field	Ware	Green
Watton Business Centre	Ware	Green
GSK	Ware	Green

Employment estate / cluster	Area	Traffic light assessment
Crane Mead Business Park	Ware	Amber
Marsh Lane	Ware	Amber
Widbury Hill, Star Street	Ware	Amber

Source: Halcrow, Savills

6.3 **Estate / cluster assessment**

The multi-criteria assessment of the District's employment estates / clusters indicates that the majority of sites should be safeguarded for employment use. Furthermore, it indicates that there is little room for the release of employment sites for other uses. The following section provides a more detailed assessment of employment estates / clusters.

6.3.1 *Bishop's Stortford*

Goodliffe Park, Stort Valley Industrial Estate & Birchanger Industrial Estate

The cluster of estates and properties comprising of Goodliffe Park, Stort Valley Industrial Park and Birchanger Industrial Estate is found on the northern edge of Bishop's Stortford's urban area. The area scores highly based on the general quality of its stock. While there are some older units, there has been some recent development activity with some larger units available. Its position directly on Stansted Road just off the A120 means that it scores highly in terms of visibility. The cluster has high occupancy rates and good parking provision with no major conflicts with adjacent land uses. It is recommended that it is safeguarded for employment use. **Assessment: Green.**

Millside Estate

This estate has no vacant units indicating strong demand. Its central location and its reasonable quality and accessibility enhance its marketability. Given the strong demand and lack of supply for employment land in Bishop's Stortford it is recommended that it remains in employment use. **Assessment: Green.**

Southmill Trading Centre

Southmill Trading Centre has no vacant units indicating strong demand. It benefits from its location in Bishop's Stortford and does

not appear to suffer from any major qualitative constraints.

Assessment: Green.

Stortford Hall Industrial Park & The Links Business Centre

The cluster made up of Stortford Hall Industrial Park, The Links Business Centre and surrounding industrial premises is well established and dominated by smaller industrial/warehouse units. It benefits from its location in Bishop's Stortford and relative proximity to the M11 and high occupancy rates indicate strong demand.

Assessment: Green.

Woodside Industrial Estate

Woodside is an industrial estate on the edge of Bishop's Stortford's urban boundary and the closest estate to the M11 junction to the north east of the town. Its proximity to the M11 is a key asset providing it with a high score in terms of visibility. The strength of its location has meant that the quality of its stock is relatively high with some recent development activity. Unit sizes are aimed at larger occupiers than seen elsewhere in the District, providing it with a high score in terms of market perception. This is reflected in its tenant profile; occupiers include established companies including Diageo and Travis Perkins. Overall it is a key strategic employment site that should be safeguarded for employment use.

Assessment: Green.

Raynham Road / Dunmow Road Industrial Estate

The cluster's occupancy rate is relatively low with several vacant units at the time of the survey. The overall qualitative characteristics of the cluster are mostly average indicating there is room for improvements. There are currently a number of B2 uses on the site which if the decline in B2 demand continues (as indicated by the employment forecasts) should be considered for B1 redevelopment. If that is not deemed possible, the cluster should be re-assessed as a possible "Red". **Assessment: Amber.**

Twyford Road

Twyford Road to the south of Bishop's Stortford benefits from its location and relative proximity to the M11 compared to other estates in other parts of the District. However, its direct access to the M11 is heavily constrained as it is located to the south of the

town. Access into the estate is also constrained with some recent new build residential development as you enter the site. This, combined with the fact that the general quality of its stock is not particularly high, with small units appealing to local occupiers, means that in terms of market perception it scores poorly. Local agents gave it the lowest ranking in Bishop's Stortford. As with Raynham Road / Dunmow Road Industrial Estate above, Twyford Road's assessment should be regularly reviewed to reflect market trends and redevelopment opportunities. **Assessment: Amber.**

6.3.2

Buntingford

Buntingford Business Park

Buntingford Business Park located directly on the A10 is a new development with large, high-quality units. It scores well in most qualitative areas and is a particularly attractive location for local occupiers based on the quality and range of its offering. It is recommended that it is safeguarded for employment use.

Assessment: Green.

Park Farm Industrial Estate

Park Farm Industrial Estate provides smaller, older units that cater for smaller businesses. It scores well in terms of general quality and its high occupancy rate indicates strong demand from local businesses. **Assessment: Green.**

Sainsbury's Distribution depot

This site scores well across most qualitative criteria and benefits from its good location and visibility. It is recommended that it is safeguarded for employment use. **Assessment: Green.**

Silkmead Industrial Estate, Hare Street

Silkmead Industrial Estate in Hare Street is an isolated small estate in the north of the District and based on its isolation it scores poorly in terms of marketability. Its isolation however means that it achieves a good score in terms of competition as there are no other employment sites in the locality. The estate is made up of small wooden units further restricting its score in terms of market perception and general quality of working environment.

Assessment: Amber

Watermill Industrial Estate

Watermill Industrial Estate benefits from its relative proximity to the A10 but the fact that it is located in the north of the District and

consists of generally small, poor quality units meant that in terms of marketability it scores poorly. A few vacant units indicate demand could be stronger. Refurbishment of units would lead to improved image and perception. An application for a total of seven new B1 units has been recently approved by the Council.

Assessment: Amber.

6.3.3

Bury Green

Former GSK site

The former GlaxoSmithKline site at Bury Green is a major developed site that was purpose built for GSK for their Research & Development activities. As a result, it scores poorly in terms of fitness for purpose and marketability. Based on its previous use the site's access is limited, further reducing its marketability score. In terms of sustainability the site also scores poorly due to its rural location meaning that its access to public transport and supporting facilities (shops etc) is non-existent. However, the site has recently been given planning approval for 2 data centre buildings, 2 external compounds and a substation building and is expected to be redeveloped in the near future. **Assessment: Amber.**

6.3.4

Gilston

Terlings Park

Terlings Park in Gilston is one of the major developed sites in the greenbelt / rural area. While it scores poorly in terms of town location because of this classification, the fact that it is on the Harlow boundary and in close proximity to Harlow train station, means that it scores highly in terms of sustainability. Its attractiveness is also enhanced based on its proximity to an A road. It scores poorly based on its fitness for purpose however. The site was used for research and development activities and as a result its properties are suited to a single occupier for this use. Demand from occupiers of this nature is limited in East Herts therefore the site is not meeting the District's current demand profile. Its proximity to Harlow also means that it competes directly with this market which has a greater 'years of supply' of offices compared to East Herts as a whole (4.5 versus 3.9 years). It is likely that if the site was to be redeveloped to appeal to smaller scale occupiers it might perform better. **Assessment: Amber.**

6.3.5

Hertford

Dicker Mill

The estate benefits from its location which is relatively close to the town centre while being relatively isolated from residential areas therefore avoiding major conflicts with adjacent land uses. Its overall quality is average but it serves the needs of smaller occupiers in Hertford. **Assessment: Green.**

Foxholes Business Park

Foxholes Industrial Estate which is primarily made up of B1 offices scores highly in terms of quality of offering with its larger, newer units and visibility based on its positioning directly off the A414. Based on the market perception of local agents it is considered the top ranking location in Hertford. **Assessment: Green.**

Hartham Lane

This estate benefits from above average quality buildings, good parking provision and flexibility. There appears to be good demand, especially from smaller occupiers. The site also scores well in terms of sustainability. Its relative proximity to the centre of Hertford means that it achieves a good score on its proximity to a train station and facilities, factors perceived highly by some occupiers as they can assist in attracting and retaining staff. **Assessment: Green.**

Pegs Lane

This cluster includes a number of good quality office buildings with occupiers ranging from East Herts District Council and Hertfordshire County Council to the Police. The cluster benefits from its central location in Hertford and is expected to maintain strong demand for B1 use in the future. It scores well across all qualitative categories. **Assessment: Green.**

Windsor Industrial Estate

This estate scores highly in terms of visibility although the overall quality and range of its stock are mostly average. Its location and high occupancy rate are strong points for its safeguarding for employment use. **Assessment: Green.**

Marshgate Drive

This estate is well occupied (one vacancy was recorded at the time of the survey) but its overall qualitative score ranges from

poor to good. Given that most units are currently in manufacturing use, the estate would be a good candidate for redevelopment to B1 if demand for B2 units declines (as projected by the employment forecasts). **Assessment: Amber.**

Merchant Drive

This estate appears to have some vacant units and overall average qualitative characteristics. As above, it should be considered for B1 redevelopment if demand for B2 declines and vacancies persist. **Assessment: Amber.**

Mimram Road

This estate has mostly average qualitative characteristics. It offers relatively small units appealing to local occupiers and in that sense fulfils an important local function. It includes a number of B2 units that could be considered for B1 redevelopment if B2 demand declines. **Assessment: Amber.**

Taylor Trading Estate

This estate has mostly average qualitative characteristics. Approximately a third of the units were vacant at the time of the survey. Refurbishment and improved marketing should be considered to make the estate more attractive. The vacancy rate will need to be monitored and if it remains high the site should be considered for B1 redevelopment. **Assessment: Amber.**

Wareham's Lane

This estate has a mixed qualitative profile ranging from poor to good. It appears to have no major conflicts with adjacent land uses however and some flexibility making it a potential candidate for B1 redevelopment. **Assessment: Amber.**

Caxton Hill

Caxton Hill is an older, traditional estate primarily offering small warehouse units, with the quality of its stock being relatively poor. It scores poorly in terms of visibility as it is not accessible via the A414 and there are some adjacent residential properties backing onto the estate causing potential use conflicts. The estate seems to have poor flexibility and some vacant units. It should be considered for release over the planning period provided that a better quality new site can be allocated for employment use. **Assessment: Red.**

6.3.6 *High Cross*

High Cross

This estate scores well across all categories and has been occupied for a long time by an important local business, (Oakley). It is recommended that it is safeguarded fro employment use.

Assessment: Green.

6.3.7 *Sawbridgeworth*

Clarklands Industrial Estate

This is an industrial estate of average overall quality. The high occupancy rate and the lack of major conflicts with adjacent land uses make it fit for purpose as an industrial site. **Assessment:**

Green.

Italstyle

This is a small estate of average overall quality. It is well located and fully occupied and it is recommended that it is safeguarded for employment use. **Assessment: Green.**

6.3.8 *Spellbrook*

Hayters

The Hayters site in Spellbrook is a major developed site currently occupied by Hayters Lawn Mowers. It scores relatively highly in terms of proximity to an A road and the nature of the properties on the site are suited to its current use. The site is fit for its current use but if the site was to become available it would likely not appeal to the current profile of demand seen in the District.

Therefore the site should be safeguarded for employment use but its status should be reviewed if its circumstances change.

Assessment: Green.

6.3.9 *Standon*

Standon Business Park

Standon Business Park achieves an average score in terms of general quality of environment and visibility as it is located directly on the A120. In terms of market perception it is not deemed to be a prime location in terms of road access compared to the A10 but

it has a good occupancy rate indicating it is a small estate that meets local needs. **Assessment: Green.**

Station Road

Station Road scores reasonably well in terms of quality and location but the site appears to be vacant and should be considered for redevelopment for employment use given its good flexibility and no major conflicts with adjacent land uses.

Assessment: Amber.

6.3.10

Stanstead Abbots

The Maltings

This estate scores well in terms of the general quality of its environment and quality of its stock which is largely B1 offices. The estate is clearly branded and appears to be well managed. However, the estate has a relatively low level of visibility as it does not have direct access to the major road network and is accessed by travelling through Stanstead Abbots. **Assessment: Green.**

Leeside Works

This estate has good visibility, accessibility and parking, average quality and image of building stock and no major conflicts with adjacent land uses. Its good occupancy rate indicates strong demand. **Assessment: Green.**

Riverside Works

This relatively small industrial estate is of average overall quality but it is fully occupied indicating strong market demand.

Assessment: Green.

The Spinney

This small estate is of average overall quality. At the time of the survey one out of the three units was vacant. Future vacancy rates should be monitored and if they persist redevelopment should be considered. **Assessment: Amber.**

6.3.11

Stapleford

Warrenwood Industrial Estate

Warrenwood Industrial Estate scores highly in terms of visibility as it is located directly off the A119 running north of Hertford. Its location also means that it scores highly in terms of competition as

there are no other employment areas in the vicinity. The site is also relatively isolated from opposing residential uses avoiding potential conflicts with adjacent land uses. In terms of marketability it scores rather poorly but the estate is largely made up of small older workshops and warehouses appealing to local small occupiers and therefore plays a significant role in meeting demand from smaller businesses. **Assessment: Green.**

6.3.12 *Thundridge*

Thundridge Business Park

This small estate scores highly across all qualitative criteria and appears to be fit for purpose as an industrial site. **Assessment: Green.**

6.3.13 *Ware*

Broadmeads

This estate is fully occupied with modern buildings of high quality. Some difficulties are acknowledged with regard to access. However, its relative proximity to the centre of Ware means that it achieves a good score on its proximity to a train station and facilities, factors perceived highly by some occupiers as they can assist in attracting and retaining staff. Furthermore, the buildings appear capable of being altered and re-used should their current use become obsolete. **Assessment: Green.**

Ermine Point Business Park & Gentlemen's Field

Ermine Point Business Park and Gentlemen's Field consists of standardised small scale warehouse/office units. Its position adjacent to the A10 enhances its visibility and general market perception although it is rather average in terms of general attractiveness. The general quality of the estate is relatively high and its standardised smaller units are appealing to locally based small occupiers. It is recommended that it is safeguarded for employment use. **Assessment: Green.**

GlaxoSmithKline

The GSK compound in Ware scores highly based on the quality of its environment, visibility and branding. The fact that the site is under single occupation has no doubt assisted in this. The GSK site is unlikely to be available to the wider property market, unless it is vacated at some point in the future. It is a site of strategic

importance that should be safeguarded for employment use.

Assessment: Green.

Watton Business Centre, Ware

This estate had no vacant units at the time of the survey indicating strong demand from businesses. It scores well in terms of accessibility and parking provision although its overall quality is mostly average. **Assessment: Green.**

Crane Mead Business Park & Marsh Lane

The cluster of estates made up of properties on Marsh Lane and Crane Mead Business Park scores well in terms of sustainability because of its proximity to the centre of Ware and the train station. The fact that the cluster is made up of a range of differing quality stock, with some partly derelict units found on Marsh Lane, subtract from the general quality of environment. There is potential for a better quality offering but the area's low level of visibility and access points means that its overall market perception is low. **Assessment: Amber.**

Widbury Hill, Star Street

This industrial estate is of average overall quality and at the time of survey had a number of vacant units. It is recommended that the quality of the estate is improved and if vacancies persist it is considered for redevelopment. **Assessment: Amber.**

6.4

Conclusions

All sites fulfil a particular role within the local economy. There are three clear employment locations, Woodside Estate in Bishop's Stortford, Foxholes Business Park, Hertford and the GSK site in Ware, which meet demand from larger 'in-coming' occupiers. Based on their marketability to potential tenants they should remain in employment use and present opportunities for further development.

The dominance of small local occupiers in East Herts means that it is equally important to safeguard those estates which achieve strong demand from this section of the market in each of the principle towns. This includes the Stortford Hall and Goodliffe Park clusters in Bishop's Stortford and Dicker Mill in Hertford. In the case of Ware this would be Ermine Point Business Park and the Maltings in Stanstead Abbots.

Some of the employment estates in the District have seen some level of upgrading in recent years, reflecting strong local demand. For most “Amber” estates some level of refurbishment would be recommended in order to improve local market perceptions. Refurbishment of some of the poorer quality units coupled with some form of rebranding may assist in enhancing many estates’ general quality of their environments and their marketability.

In the case of the estates assessed as “Red”, factors such as high vacancy rates, low marketability, poor location and limited sustainability make them suitable for consideration of potential release, provided that their circumstances do not improve and that better quality new employment allocations replace them.

7 Market Balance

7.1 *Future requirements*

Employment forecasts for the District indicate an additional requirement of 2-5 ha of employment land between 2008 and 2021. However, it is likely that the decline in B2 employment and land demand will not translate in all surplus B2 sites being redeveloped for B1 or B8 use. Furthermore, there is a possibility that more employment sites will be lost to other uses (e.g. residential, retail) over the planning period. Therefore, the net additional employment land demand requirements are likely to be a minimum of 2-5 ha. Assuming that the 5 ha of employment land assessed as “Red” in this Review will be released over the planning period, the total additional employment land requirement would be 7-10 ha.

It is recommended that the loss of employment sites is monitored on an annual basis and the District’s additional employment land requirements are regularly reviewed to ensure an up to date and robust understanding of employment land needs.

7.2 *Stakeholder consultation*

Stakeholder consultation took the form of an employment land workshop held in Bishop’s Stortford in April 2008 and letters sent out in March and April 2008 inviting key stakeholders to express their views on the District’s supply and demand for employment land and premises. One of the key questions asked was which employment sites should be safeguarded, which ones should be considered for release and which locations should be considered for allocation for employment use in the future.

The clear message coming from the stakeholder consultation was that there is very little room for the release of employment land as the current supply is struggling to meet demand. Stakeholders indicated that the supply of employment land is particularly tight in Bishop’s Stortford and that failure to provide sufficient employment sites in terms of quantity and quality would drive businesses out of the town and the District.

In terms of new allocations, the consensus is that there are few available options for development, especially in and around the key employment area of Bishop's Stortford. The opportunities for new employment land allocations are constrained by the Green Belt, the importance to preserve the rural nature of the District and the strong competition from alternative uses, mainly residential.

A number of potential new employment locations were identified however; these are discussed over the following section.

7.3

Potential new allocations

Through the consultation process and the review of the demand and supply for employment land and premises in East Herts it has become obvious that the District is faced with a scarcity of potential new employment locations. Of the potential new locations identified, those located in Bishop's Stortford score the highest, reflecting the high demand for employment sites in and around the town.

The former park and ride site adjoining Woodside Estate in Bishop's Stortford is the top ranking potential new allocation site. This is based largely on the fact that Woodside is the top rated existing employment site in the District, helped by its location in Bishop's Stortford and its proximity to the M11 junction. The site is currently vacant having been previously used for park & ride, meaning that it scores highly in terms of site assembly and the fact that demolition would not be required in order to bring it forward for development. As the site is located within an existing estate it already has a high level of infrastructure provision. The site's development for B1 use would greatly improve Bishop's Stortford limited supply of B1 land and premises which is not currently sufficient to meet market demand.

The Areas of Special Restraint (ASR1 to ASR5) in Bishop's Stortford are ranked second. The ASRs score highly in terms of potential marketability based on them being in Bishop's Stortford and their location to the north of the town meaning that they have good access to the M11 junction and good visibility. These various sites are all greenfield meaning that they score highly in terms of deliverability, although this does reduce their sustainability score.

The site at Whittington Way, Bishop's Stortford is ranked third. Its rank is based on the fact that it is located in Bishop's Stortford receiving a high score in terms of marketability. It also receives a high score in terms of deliverability as it is a greenfield site meaning that site assembly is not an issue in the sense that the removal of tenants would not be required. This also means that demolition would not be required, enhancing its sustainability score. Where the site is marked down is based on its location to the south of Bishop's Stortford. While it is adjacent to the A1184, achieving a good score for visibility, its access to the M11 is restricted. Its greenfield status also means that it scores poorly in terms of infrastructure provision.

A potential new allocation at Hoe Lane (Old Presdale Pit) in Ware, suggested through the stakeholder consultation, achieves a relatively poor score in terms of sustainability. This is because it is classed as a Greenfield site, isolated from and visually unconnected to the built-up structure of Ware. Its sustainability score is however, enhanced as no demolition would be required in order to bring forward. It also achieves a good score in terms of its deliverability as the site is vacant. Its placing at the bottom of the potential new allocations ranking is based on it being in Ware, meaning that it does not have the same access to the motorway network as those potential new sites in Bishop's Stortford. Furthermore, whilst the site is physically adjacent to the A10 road, it has poor local vehicular access. This reduces its attractiveness from a market perspective, as does its poor level of visibility. Furthermore, the Inspector's Report on the Second Review of the East Herts Plan stated that the development of this site "*would result in an illogical and unacceptable hole in the Green Belt, thereby disrupting its strategic functions*". It is therefore, concluded that this is an inappropriate and unsuitable potential new employment location.

Table 7-1 below summarises the ranking of the potential new employment locations considered above.

Table 7-1: Ranking of potential new employment allocations

Estate/ cluster	Town	Ranking
Woodside Estate, Park & Ride site	Bishop's Stortford	1
ASR1 to ASR5	Bishop's Stortford	2
Whittington Way	Bishop's Stortford	3

Source: Halcrow, Savills

7.4

Recommendations for potential new allocations

The potential new allocation at Woodside Estate presents the best opportunity for new employment development and there is expressed interest by the private sector for its immediate development which would help ease Bishop's Stortford's urgent need for more employment land, especially for B1 use.

The sites at ASR1 to ASR5 and Whittington Way in Bishop's Stortford would require significant investment in infrastructure and present better opportunities for development over the longer term based on the strength of their location in Bishop's Stortford.

In terms of potential new employment locations, the demand forecasts and stakeholder consultation indicate that these should primarily be in the major urban centres with a clear emphasis on Bishop's Stortford and the surrounding area. They should cater mostly for the needs of smaller businesses which form the vast majority of the District's business base and should be able to accommodate the increasing demand for B1 employment over the coming years. Flexibility of employment sites and units will be increasingly important in the future and a flexible portfolio of employment sites will enable the District to better adjust to cyclical and structural changes in its economy and the corresponding demand for employment land and premises.

Consideration also needs to be given to the needs of rural areas. Even though the majority of demand is focused on the District's main economic and business centres it is important to ensure the vitality and viability of the District's rural economy and therefore any rural sites brought forward for development should be considered in accordance with their impact on the environment, their sustainability and their suitability and fitness for purpose.

8 Conclusions

8.1 *Introduction*

This final section draws together the assessments of the commercial property market, land supply, land demand and the multi-criteria assessment of employment sites and proposes a series of recommendations on how the District should take forward employment land issues into the preparation of its Local Development Framework.

Employment land demand in East Herts is likely to increase by 2 to 5 hectares between 2008 and 2021. In order to meet RSS expectations on employment growth, the District is expected to need at least 5 additional ha of employment land between 2008 and 2021. The overall need for additional employment land is underlined by the structural change in employment demand over the plan period, which is forecast to see increasing demand for B1 and B8 uses, with a decrease in demand for B2.

In making this assessment, no specific account has been taken of productivity in the use of business space. As noted in the '*East of England Employment Land Review & Guidance Report*' while there is little doubt that many employers have achieved dramatic reductions in floorspace per head, there is not any conclusive evidence that average densities are falling. Indeed evidence across studies on business space use indicates no significant change over time. For example, DTZ (2004) found, through business surveys, literature review and workshops, that new working practices had limited impact on employment density. Therefore, there is no justification to factor this into future forecasts. The same justification is used to consider the impact of home working practices. What has been considered is the potential for intensification on existing estates (through the plot ratios chosen in the demand chapter).

8.2 *Employment land requirements of the RSS*

The future employment land requirements are analysed in terms of the quantity of land and premises needed, and the quality (i.e. nature and type) of employment land needed. It should be emphasised that the additional land demand identified by the

change in employment reflects the minimum employment land requirements of the District. On top of that we need to consider the loss of employment sites released for other uses and the fact that not all B2 surplus land and premises will necessarily be redeveloped for B1 or B8 use.

8.2.1

Employment land requirements - Quantity

In accordance with the RSS, the fundamental requirement of the employment land review is to assess the employment land needed to support the growth targets for the District to 2021. Therefore the core demand scenario appraised is the impact of an additional 9,800 additional jobs in East Herts between 2001 and 2021.

The 9,800 additional jobs translate to an increase in demand of 12.6 ha for B1 land, an increase of 6.6 ha for B8 land and a decrease in demand of 23.1 ha for B2 land between 2001 and 2021. Looking at the period 2008 to 2021, the demand for B1 land is forecast to increase by 10.9 ha, the demand for B8 land to increase by 5.2 ha and the demand for B2 to decrease by 12.8 ha.

Under the lower growth “Business as Usual” scenario, the overall increase in demand between 2008 and 2021 is forecast to be 2 ha while under the higher growth “RSS plus Stansted Airport Expansion” scenario land demand between 2008 and 2021 is forecast to increase by 5 ha.

Under all scenarios, future land need is driven by the increase in demand for B1 and B8 land and premises and a decline in the demand for B2.

Given the strong current demand for employment land and premises in the District and the apparent scarcity of supply the Council needs to plan for RSS employment targets and in doing so needs to allocate additional employment land to meet the identified structural change in demand. On top of the 2-5 ha of additional land need identified by the employment forecasts, allowances need to be made for employment sites that may be released for other uses over the planning period. A total of 5 ha of existing employment land has been identified as “Red”, therefore if these sites were to be released for other uses the total new employment land requirement would be 7-10 ha.

8.2.2

Employment land requirements – Quality

The quality of the future employment land requirement is determined by the nature of the sectoral growth envisaged in the District and the economic aspirations set for the area.

The sectoral growth in the economy indicates a shift from B2 to B1 and to a lesser extent B8 uses. This structural change in demand has a significant impact on the quality of land and premises needed in the future. The question of whether or not existing B2 land will meet future B1 and B8 requirements is an important dynamic that has been taken into consideration in the site appraisal of existing stock, in so much that the appraisal criteria consider the extent to which sites meet current and future demand needs.

As was outlined earlier in this report, the District's business base consists mainly of small companies employing 10 people or less. The small business base is a key engine that needs to be catered for in the form of smaller and more flexible business premises. Start-up demand is likely to require premises up to 1,000 sq.ft. and it will also be important to provide follow-up space (up to 2,500 sq.ft.) to support companies in the area as they grow. This demand is likely to be for B1 uses.

Sectoral growth also indicates a continued growth in warehousing and storage industries in the area. While these industries are land hungry (i.e. operate at a lower employment density than other B-Use Classes) and often lower skilled jobs, the demand should be encouraged to support overall employment targets. Obvious requirements of this sector are for large units, well located for the transport network.

Overall, the District's policies on employment land provision need to ensure a balanced and diverse portfolio of land and premises to meet a different focus of need in the future, with a greater emphasis on B1. The portfolio needs to ensure a strong pipeline of opportunities for development across the plan period to attract potential inward investors and support a growing indigenous business base looking to expand. Failure to supply the right quality and type (as well as quantity) of employment land and premises is likely to drive existing businesses away from the

District and reduces its ability to attract new businesses and inward investment.

Furthermore, there is also a quality imbalance between current supply and future demand, in the sense that the “traffic light” analysis identifies 5 ha of existing employment land that should be considered for release, if their circumstances and characteristics are not improved, and a further 42 ha of employment land that should be considered for refurbishment or redevelopment to enhance their marketability and fitness for purpose.

8.3 *Options for meeting future employment land need*

The future employment land portfolio will consist of the following elements.

8.3.1 *Existing employment areas*

Within the existing employment land areas the key planning decisions over the plan period will relate largely to safeguarding appropriate areas and managing the release of poor areas so that in the short, medium and longer term a market balance is maintained.

As noted earlier in this report, the estates identified in the “traffic light” review as ‘Red’ should be considered for release at the appropriate time in the plan period. Furthermore, the release of any employment land will need to be carefully managed so as to ensure that an adequate supply of land and premises is always available to meet demand requirements. It is inappropriate to release all “Red” estates at once in the short term as this is likely to lead to an imbalance in supply. Estates should be considered on a site by site basis when it can be demonstrated they no longer serve current need and future employment use is deemed to be unviable.

It is also recommended that the District’s LDF identifies the good (“Green”) employment land as key employment areas and protects them through a policy which ensures they are only released in exceptional circumstances. These estates represent the priority employment sites in the District and are essential in meeting future employment needs.

For average (“Amber”) estates, the planning decisions will depend on the overall balance of land demand against supply and the function of the employment area at the given time in the plan process. Employment land policy should safeguard ‘Amber’ sites until it can be demonstrated that (i) they are no longer viable employment areas and (ii) their release will not lead to short term market imbalance (i.e. under supply of land). To meet the nature of future demand opportunities for the improvement, the intensification and redevelopment for new employment uses should be encouraged through the plan process.

The LDF should also include a policy on positive windfall opportunities so that applications are permitted for employment use in non-allocated sites. Planning decisions will need to be based on suitable criteria to ensure market balance of employment land, site suitability and a sequential approach. Given the nature of future demand new employment areas will need to be appropriate for either B1 or B8 uses. Site level policy should make clear the appropriate employment use for new sites.

8.3.2

New employment areas

The more effective use of existing employment areas will not provide sufficient opportunities for sites and premises to meet future demand. Therefore, the Council will need to provide additional employment land allocations in the plan period, both to meet future increases in demand and replace lost estates.

Given the urban concentrations in Bishop’s Stortford, Hertford and Ware (Bishop’s Stortford in particular) and the limited land available within these, it is considered unlikely that significant employment land opportunities exist in the urban areas beyond those already in employment use. Therefore consideration will need to be given to new allocations as part of any urban extensions proposed.

Chapter 7 assessed a number of potential new employment allocations and ranked them according to their viability, fitness for purpose and chances of being taken forward for development by the private sector. The three top ranking potential new allocations are all located in or around Bishop’s Stortford reflecting the town’s key role as the District’s premier business location and the town’s current levels of demand and supply.

8.4

Future Monitoring

The future monitoring of the employment land context in the District will be important in helping to meet the growth aspirations for the area. The Employment Land and Policy Review presents a static review at the time of the study; while the economy and development activity in the area presents a continually changing context within which to work. It is therefore recommended that the Council regularly gathers and reviews data on both supply and demand so that policy can evolve and meet future changes that may occur.

In terms of monitoring employment land supply, the survey exercise undertaken as part of this review provides the Council with a valuable and positive tool in understanding existing supply and how it changes over time. It is recommended that this database is updated continuously through the monitoring of actual development. In addition it is recommended that the area is surveyed every two-three years to maintain a robust database. Our experience elsewhere indicates that up to 20% of sites can change use in a 2-3 year period, indicating that the database can quickly become out of date.

For regular monitoring, the information sought could be reduced to provide a more efficient process. Key information of change required will be company details and current use class so that change over time can be monitored. Linked to GIS, this could eventually provide a time series of change. This approach will help monitor progress on all sites and identify loss of land in all land categories.

With respect to employment land demand and progress towards the employment aspirations of the RSS, two approaches should be undertaken. Firstly, historical data from 2001 onwards needs to be maintained to assess progress being made towards the 2021 target of 9,800 additional employment. This analysis should also map employment to use classes so that the changing nature of sectoral demand can be monitored. With regards to future forecasts, these change on a regular basis to reflect the macro-economic changes at a UK level and how they translate to regional and local level. It is recommended that the Council liaises regularly with EEDA and EERA in order to stay up to date with

their central forecasts which local authorities can use for planning proposes.

Alongside the employment demand monitoring, regular market reviews should be commissioned to assess the short-term demand and monitor the nature and location of development pressures. This will help ensure the area can provide short term market opportunities in line with the current conditions. This should be undertaken by recognised agents/individuals who understand the local dynamics and markets.

Glossary

B1 use class	<p>The 2005 UCO defines B1 land use as 'Business' which involves following permitted uses of the land and premises:</p> <ul style="list-style-type: none"> ✓ Offices other than uses within use class A2 ✓ Research and Development – Labs, Studios ✓ Light Industry.
B2 use class	<p>The 2005 UCO defines B2 land use as 'General Industrial' which involves following permitted uses of the land and premises:</p> <ul style="list-style-type: none"> ✓ General industry (e.g. manufacturing) other than those classified in B1.
B8 use class	<p>The 2005 UCO defines B2 land use as 'Storage and Distribution' which involves following permitted uses of the land and premises:</p> <ul style="list-style-type: none"> ✓ Wholesale warehouses, distribution centres and repositories.
CLG	Department for Communities and Local Government
EEDA	East of England Development Agency
Employment cluster	Area planned or allocated for industry, where space is available for large buildings and further expansion. It may include groups of co-located industrial estates or those within very close proximity.
Employment Density	Employment density is defined as gross internal floorspace per worker ratio. Best practise researches e.g. English Partnership's Guide on Employment Densities present such ratios for individual use classes.
Employment Land Need	The balance between land requirement and employment land supply. Positive need indicates additional land allocations; negative indicates land release.
Employment Land Requirement	The overall level of land required to meet demand and market operation. Calculated as the structural land demand plus a natural level of vacancy to support market operation.
Floorspace	<i>Gross Floorspace</i> is defined as all the areas enclosed by the exterior walls of a building, both finished and unfinished, including indoor parking facilities, basements, hallways, lobbies, stairways, and elevator shafts. <i>Net Floorspace</i> is defined as all the areas enclosed by the exterior walls of a building minus non employment areas including indoor parking facilities, basements, hallways, lobbies, stairways, and elevator shafts. For the purpose of this study, all references to 'floorspace' are for net floorspace.
GIS	Geographical Information System or GIS allow spatial interpretation of data, and outputs are in form of maps.

Gross Employment Land	The land area covered by employment sites including public roads and communal areas.
Indirect Airport Employment	Employment in the chain of suppliers of goods and services to direct business activities
Induced Employment	Employment generated by the spending of incomes by direct and indirect employment
Industrial Estate	Group of buildings, with a common gateway, operating as an employment location.
Lower Layer Super Output Areas	Lower Layer Super Output Areas form one of the three Super Output Area (SOA) levels of geographic hierarchy used by the Office of National Statistics to report small area statistics. Within England and Wales a Lower Layer (minimum population 1,000) was introduced in 2004. Unlike electoral wards, these SOA layers are of consistent size across the country and won't be subjected to regular boundary change.
LDD	Local Development Documents
LDF	Local Development Framework
Net Employment Land	The land area covered by employment sites excluding public roads and communal areas.
ODPM	Office of the Deputy Prime Minister
Planning Period	The time period 2001 to 2021 is referred to as planning period. This is the same for the 'indicative' employment growth targets set for growth areas in the East of England Plan (Regional Spatial Strategy).
Plot Ratio	Plot ratios are the total gross floor area of a building (including walls and corridors, etc.) divided by the gross area of industrial sites (total area of industrial sites up to site boundaries and includes access roads and parking spaces, etc.) for sites with buildings on them.
RES	Regional Economic Strategy
RSS	Regional Spatial Strategy
SIC	Standard Industrial Classifications or SICs are industrial / sectoral categorisations approved by the Office of National Statistics.