Christchurch and East Dorset Employment Land Review
Stage 2 Report

2009

Please note: Document Abandoned – Superseded by Bournemouth Dorset Poole Workspace Strategy and Delivery Plan October 2008 and Bournemouth Dorset Poole Workspace Study 2012

Contents

Introduction

This report sets out the findings for Stage 2 of the Christchurch and East Dorset employment land review (ELR). The ELR forms part of the evidence base informing the production of the Christchurch and East Dorset Core Strategy, Site Specific Allocations DPD and Bournemouth Airport Supplementary Planning Document (SPD). The primary aim of Stage 2 is to determine the amount, location of employment land and type of premises required across the main business sectors during the plan period (2006 – 2026). Stage 2 of the review has been produced in accordance with Government guidance[1].

Stage 2 Detailed Objectives

i. ***To understand the future quantity of land required across the main business sectors***
ii. ***To provide a breakdown of that analysis in terms of quality and location***
iii. ***To provide an indication of 'gaps' in supply***

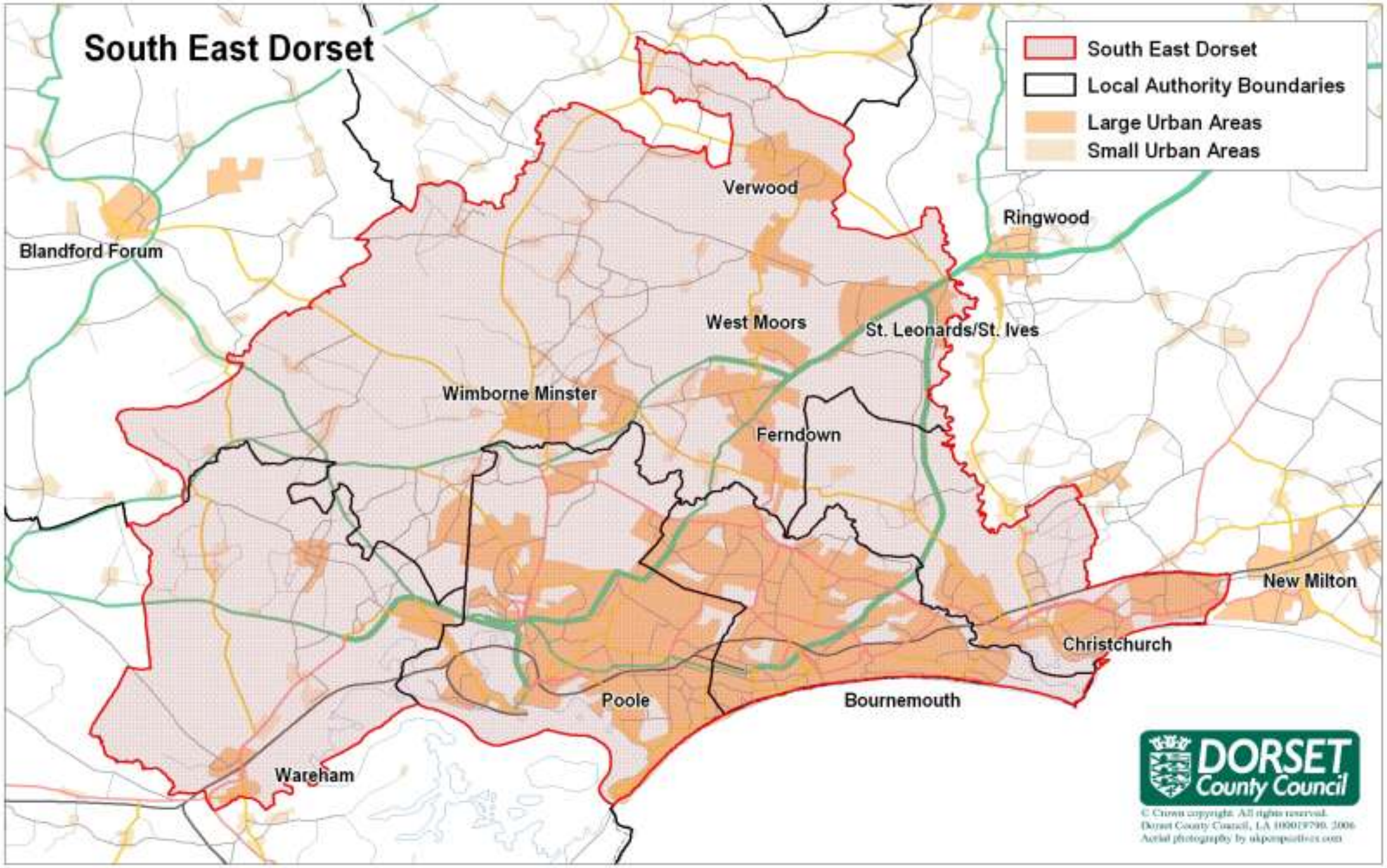
The Secretary of State's Modifications to the draft Regional Spatial Strategy identify employment growth across the Bournemouth and Poole Travel To Work Areas (TTWAs) of 43,000 for the period 2006 – 2026 to accommodate a projected 3.2% growth in GVA. Job growth for the Bournemouth TTWA which encompasses Christchurch, Bournemouth and East Dorset totals 23,000. The Secretary of State's Modifications set out a requirement for 152ha of employment land to be provided across the Poole and Bournemouth TTWAs. This figure has been derived from the employment land projections produced by DTZ consultants.

For the purposes of the Christchurch and East Dorset Employment land review employment land projections and demand for premises is derived from the Bournemouth, Dorset and Poole Workspace Strategy (October 2008). Dorset authorities have agreed a joint approach to adopt employment projection figures from this study in place of the RSS projections. Employment land projections for B1, B2 and B8 use classes are based upon a 3.2% per annum growth in employment. This report focuses on land requirements for B uses as there is currently no established methodology available for determining land requirements for Non B uses.

Future requirements for land and premises are based upon the existing portfolio of sites formally identified / allocated in the Christchurch and East Dorset Local Plans.

[1] Employment Land Reviews: Guidance Note 2004 (ODPM)

South East Dorset Local Commercial Property Market Area



Commercial Market Area
The commercial market area for employment land spans administrative boundaries. Requirements for employment land will be met through supply located across South East Dorset. This also considers the locational attributes of employment sites across South East Dorset and where different forms of business activity are likely to locate given the types of sites available. The determination of employment land requirements for Christchurch and East Dorset reflects overall requirements for South East Dorset and the supply of employment land that will come forward in Christchurch, Bournemouth, Poole and East Dorset (in particular) over the plan period to 2026. Therefore, the employment land requirement for Christchurch and East Dorset reflects the overall land requirement for Bournemouth, Christchurch and East Dorset.

Market Segment Analysis
Employment sites examined within this review have been classified under specific market segments as set out in Government guidance[2]. These market segments embody specific site characteristics which appeal to particular forms of business activity. A detailed description of these market segments is set out in Appendix A.

The market segment assessment examines the Christchurch and East Dorset employment land portfolio and determines the proportion of employment land falling within each market segment. This analysis determines the locational characteristics of different market segments and the range of business activity it is possible to attract to sites falling within these segments. This allows an assessment of how the existing portfolio of sites meets the needs of local business and those that may be attracted from outside the plan area.

Figure 1 Employment Land Portfolio by Market Segment

Business Segment	Christchurch	East Dorset
Established or Potential Office Locations	0ha	0ha
High Quality Business Parks	0ha	3.67ha
Research & Technology / Science Parks	9.75ha	0ha
Warehouse / Distribution Parks	0ha	0ha
General Industrial / Business Areas	147.11ha	104.2ha
Heavy / Specialist Industrial Sites	0ha	0ha
Incubator / SME Cluster Sites	0ha	0ha
Specialised Freight Terminals	25.8ha	0ha

[2] Employment Land Reviews Guidance Note (ODPM 2004)

Sites for Specific Occupiers	0ha	0ha
Recycling / Environmental Industrial Sites	0ha	0ha
Education / Training	1.34ha	1.34ha

Figure 2 Market Segment Representation in Christchurch

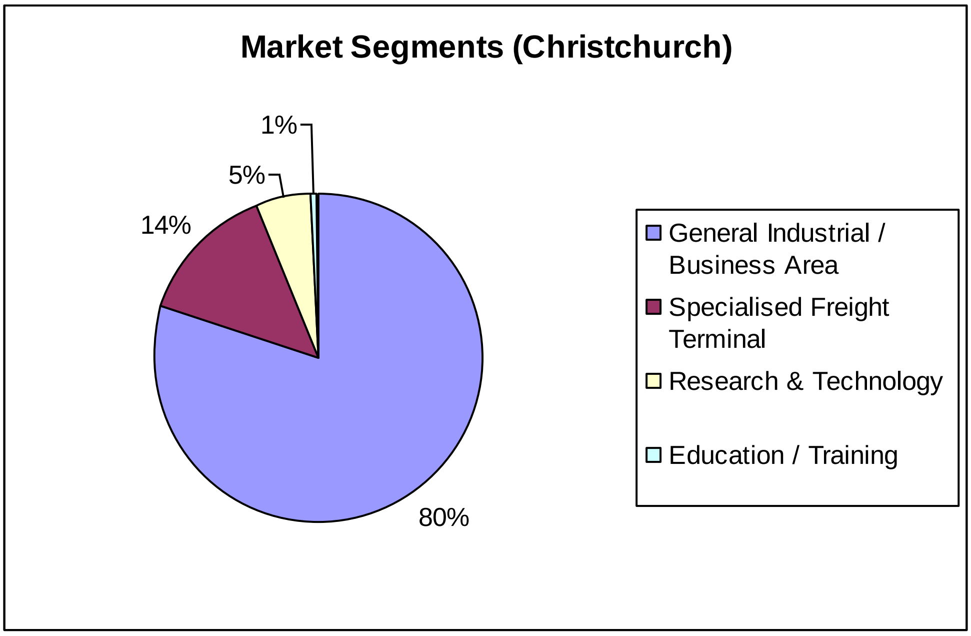


Figure 3 Market Segment Representation in East Dorset

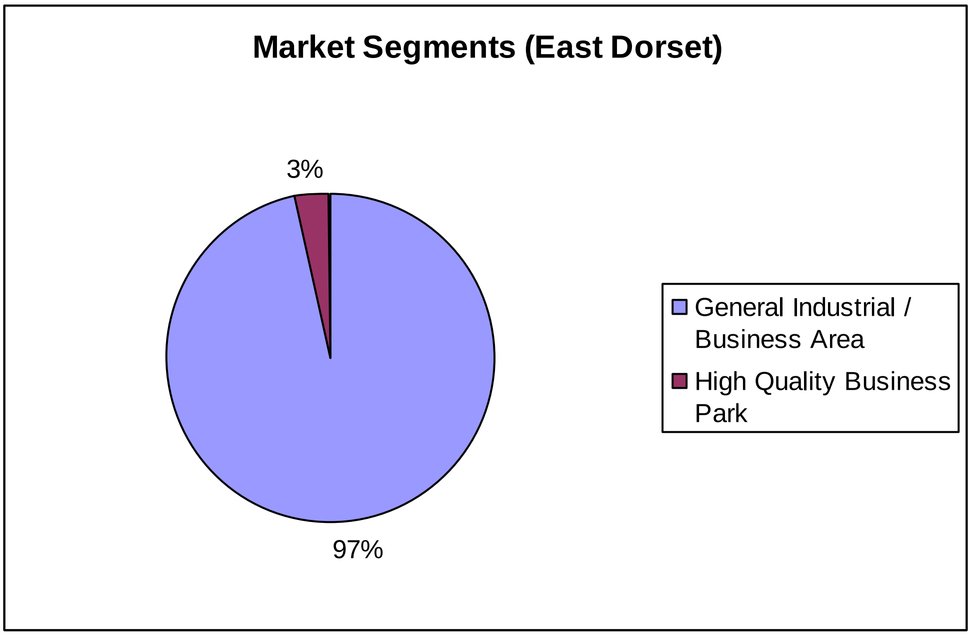
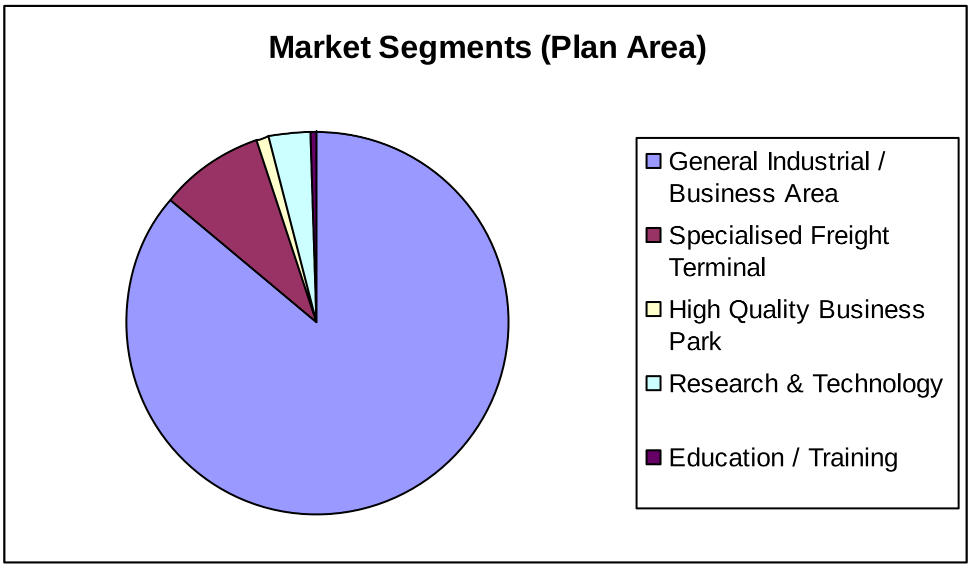


Figure 4 **Market Segment Representation in Christchurch and East Dorset (Combined).**



Market Segment Overview

The vast majority of allocated employment land supply within the plan area falls within the ‘General Industrial / Business Area’ segment. These sites generally comprise older, more established land and buildings in industrial use. Premises are a mix of ages and qualities and site / building size.

The locational characteristics of these sites falling within the general industrial / business area category are attractive to a particular range of economic activity. The most prevalent business sectors located on allocated sites and significant non allocated sites in this market segment include general manufacturing / engineering, storage and distribution, transport and communications, and construction. Most commercial premises on sites within this market segment are established light industrial and general industrial units combining elements of B1 and B2. The majority of employment premises are small units between 93 – 486sqm and predominantly leasehold. The greatest proportion of businesses operating in the plan area do so on sites of less than 0.25ha. The exception to this is a small number of larger employers located in the Airport Northern Development Zone.

Gaps in Market Segment Provision and Implications

Significant gaps in the employment portfolio include:

- High Quality Business Parks,
- Research and Technology / Science Parks
- Incubator / SME Cluster Sites
- Recycling / Environmental Industrial Sites
- Warehouse / Distribution Parks

High Quality Business Park Locations

These types of site are large and often over 20ha (no less than 5ha) occupied by national or multinational firms. Sites are characterised by high quality buildings and public realm with good access to main transport networks. Sites are likely to have significant pure office, high office content manufacturing and research and development (R&D). These types of site attract strategic inward investment.

Business activity such as advanced engineering, ICT, R&D, cultural / creative sectors, general office / financial and business services, Biotechnology and medical related sectors are attracted to these types of site. These forms of business activity are typically knowledge based associated with high levels of productivity and high quality employment opportunities.

There is a distinct shortage of allocated / established employment sites in the plan area within this market segment. This raises issues for the type of inward investment which can be attracted to the plan area and has a significant impact upon prospects for promoting sustainable economic growth.

The prevalence of more traditional industries in the plan area such as general manufacturing is not conducive to long term sustainable economic growth. A reliance on traditional industries over the plan period is likely to lead to an economic decline. This is counter to the objectives of the RSS, RES and sub regional study which set out and emphasis the need to support key growth sectors.

Research and Technology / Science Parks

These are usually office based developments, which are strongly branded and managed in association with academic and research institutions. They range from incubator units with well developed collective services, usually in highly urban locations with good public transport access to more extensive edge/out of town locations.

The range of business activities attracted to this location include office, environmental technologies, ICT, biotechnology and medical related sectors. These types of sectors are classified as growth sectors which offer high levels of productivity and high quality employment opportunities.

The scope and viability of providing this type of site in the plan area is limited due to a number of factors. In particular this type of site is attractive to a limited range of highly specialised businesses with unique locational requirements. Often businesses need to be in close proximity to research facilities, clusters of related activity and with connectivity to London. In this instance it is difficult to compete with more attractive locations in the South East.

Incubator / Small and Medium Sized Enterprises (SME) cluster Sites
Sites within this market segment generally comprise modern purpose built serviced units.

Small and medium sized enterprises perform a very important role in the local economy as they are often the drivers for economic growth. This is because they are often the source of new innovations which have a commercial application. SMEs are often commercially vulnerable as they lack the financial stability of large well established firms. Therefore, it is particularly important that policy support is offered in the form of appropriate sites and premises.

This market segment could be accommodated within high quality business parks or general industrial / business areas with high quality premises and public realm such as employment land located at Bournemouth Airport.

Recycling / Environmental Industries Sites
Certain users require significant external storage. Many of these uses e.g. waste recycling plants can, if in modern premises and plant, occupy sites which are otherwise suitable for modern light industry and offices. There are issues of market and resident perceptions of these users. Some sites because of their environment (e.g. proximity to heavy industry, sewage treatment works etc) may not be marketable for high quality employment uses.

Businesses seeking to locate on this type of site include recycling, renewable energy production, water treatment and decontamination and environmental consultancy.

The range of business activity within this segment may also be accommodated on general industrial / business areas where they do not have an adverse impact on existing uses or the ability to attract further investment. In view of the types of site within the Christchurch and East Dorset portfolio we are more likely to attract lower value firms in the recycling / environmental industries segment which will conflict with higher value uses from other sectors.

Warehouse / Distribution Parks
These sites are large, often edge / out of town serviced sites located at key transport interchanges. Business activity on these sites include wholesale, storage and transportation activities, large scale strategic distribution sheds and small warehousing units.

Major distribution companies require large sites and premises and good access to the strategic road network. At present sites in the plan area do not have particularly good strategic road access acting as a very significant constraint for the attraction of large distribution companies. However, small scale distribution companies currently perform relatively well in the plan area.

The airport business park provides some opportunity for larger warehouse/ distribution development with relatively large, unconstrained sites in the medium to long term. However, this is dependent upon a package of transport measures being delivered for the Airport and there is currently little prospect for the implementation of a link road from the north east sector to the A338.

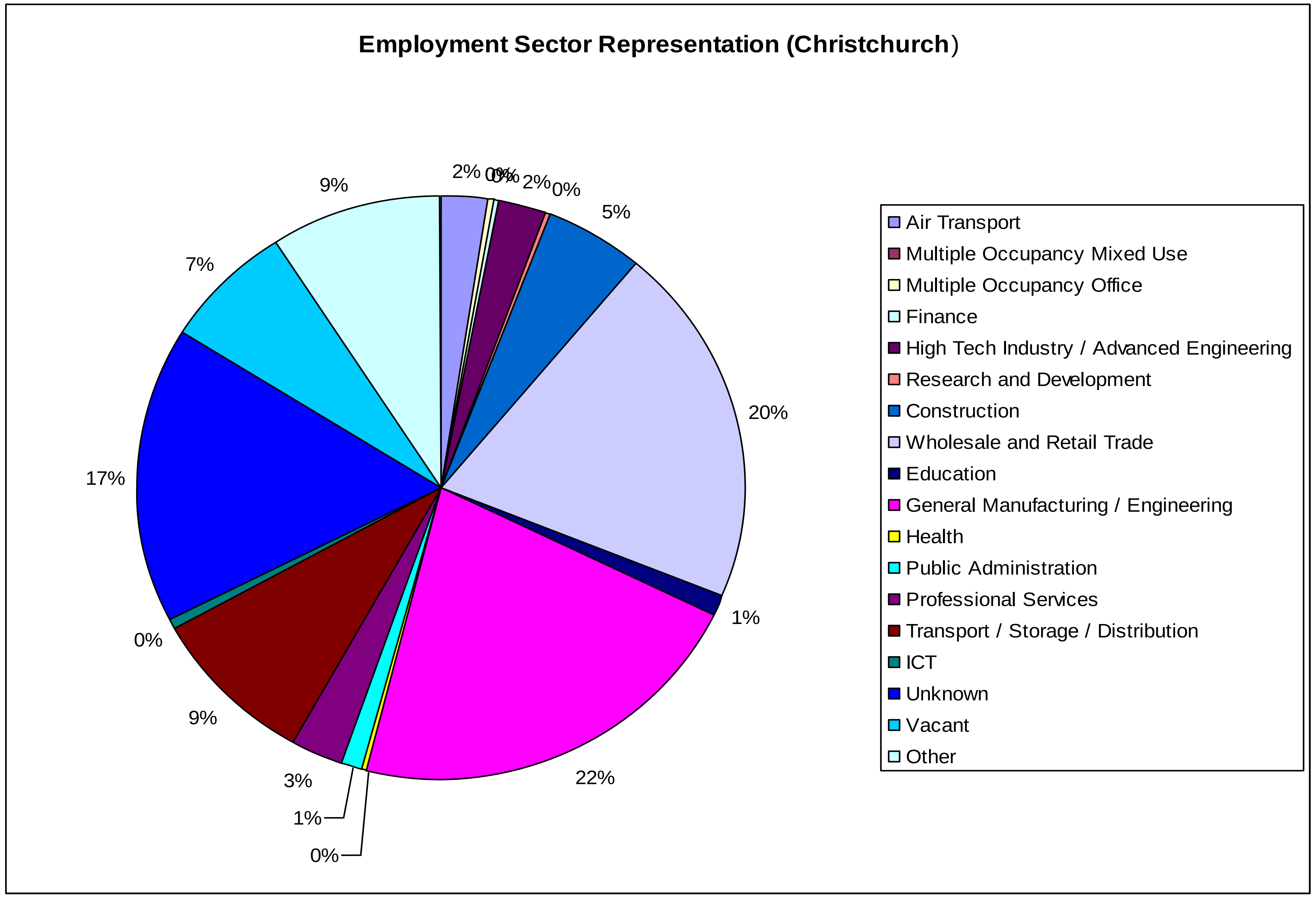
Further limitations for growth of this market segment include competition from more accessible locations in closer proximity to the M3 and M27.

Employment Sector Representation

A detailed breakdown of employment sector representation on allocated and significant non allocated employment sites has been calculated for the plan area. Non allocated sites have been considered as they comprise a very significant proportion of employment land supply. Employment sector representation is illustrated separately for Christchurch and East Dorset.

Consideration of the geographical distribution of business sector activity provides an indication of the type of business sector activity which can be attracted to sites in the plan area given their market segment and respective locational attributes.

Employment Sector Representation (Christchurch)

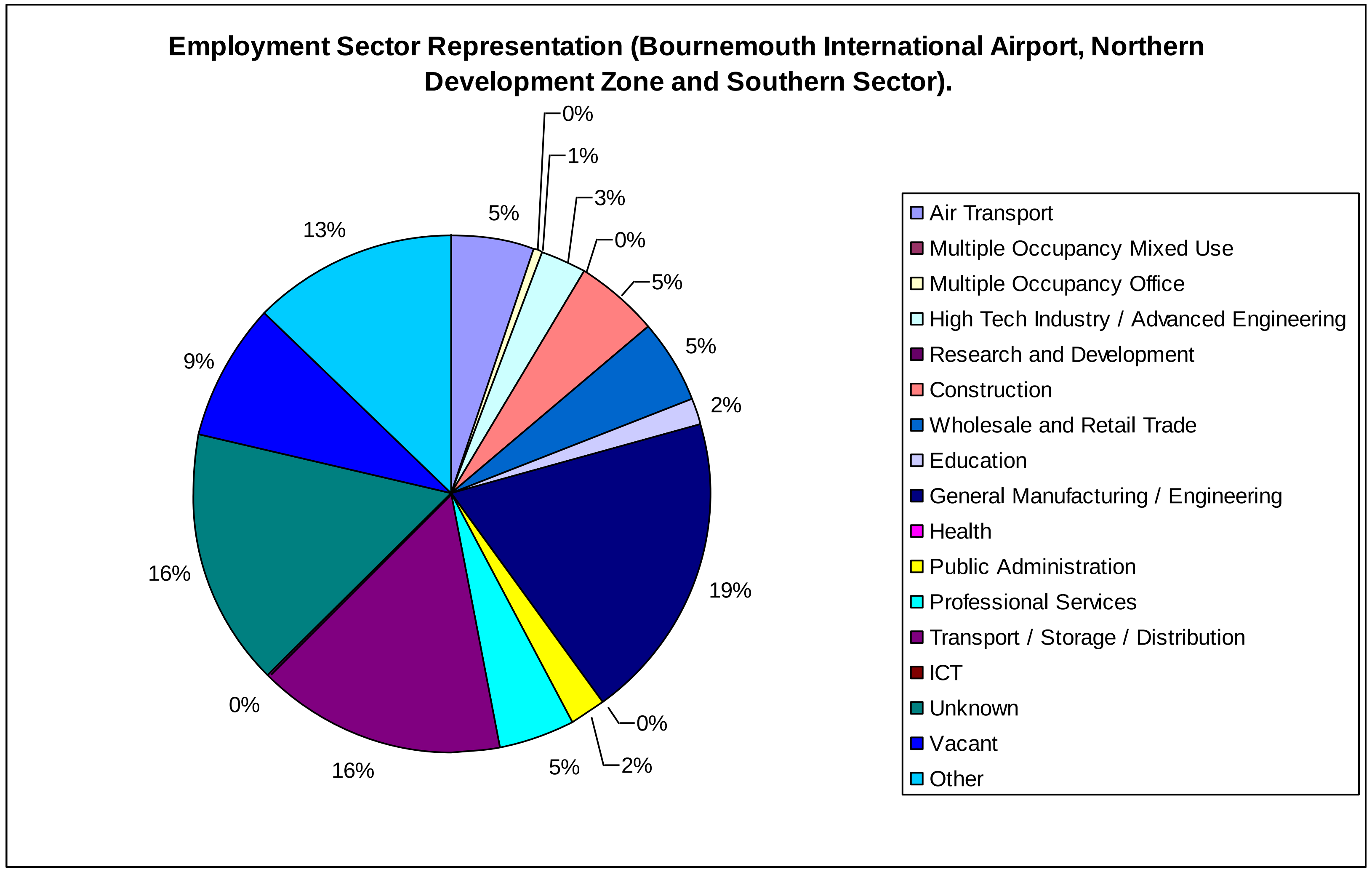


Analysis

In terms of business sector representation from B1, B2 and B8 uses on allocated and non allocated sites greatest representation is from general manufacturing / engineering, transport / storage / distribution and construction industries. In this context the majority of occupiers on employment sites within Christchurch are from traditional industries. General manufacturing / engineering is a declining sector nationally which raises concerns for its future on a local basis. Transport / Storage / Distribution and construction are traditional industries which play a important role in the local economy but are not identified as key sectors for economic growth. Christchurch has a significant representation of knowledge based companies which are characterised by high levels of innovation and economic productivity conducive to economic growth. Knowledge based companies in the Borough include high tech industry / advanced engineering companies largely associated with aerospace companies located at the airport. Christchurch has two large employers (BAE Systems, Quinetiq) which undertake R&D activity. R&D activity is associated with innovation that leads to economic growth. R&D activity and representation from other knowledge sectors is low across the plan area which raises issues for achieving sustainable economic growth across the plan period. There is a high percentage of wholesale and retail trade uses on established employment sites in the Borough. These types of uses generally comprise lower order employment opportunities and are not key growth sectors.

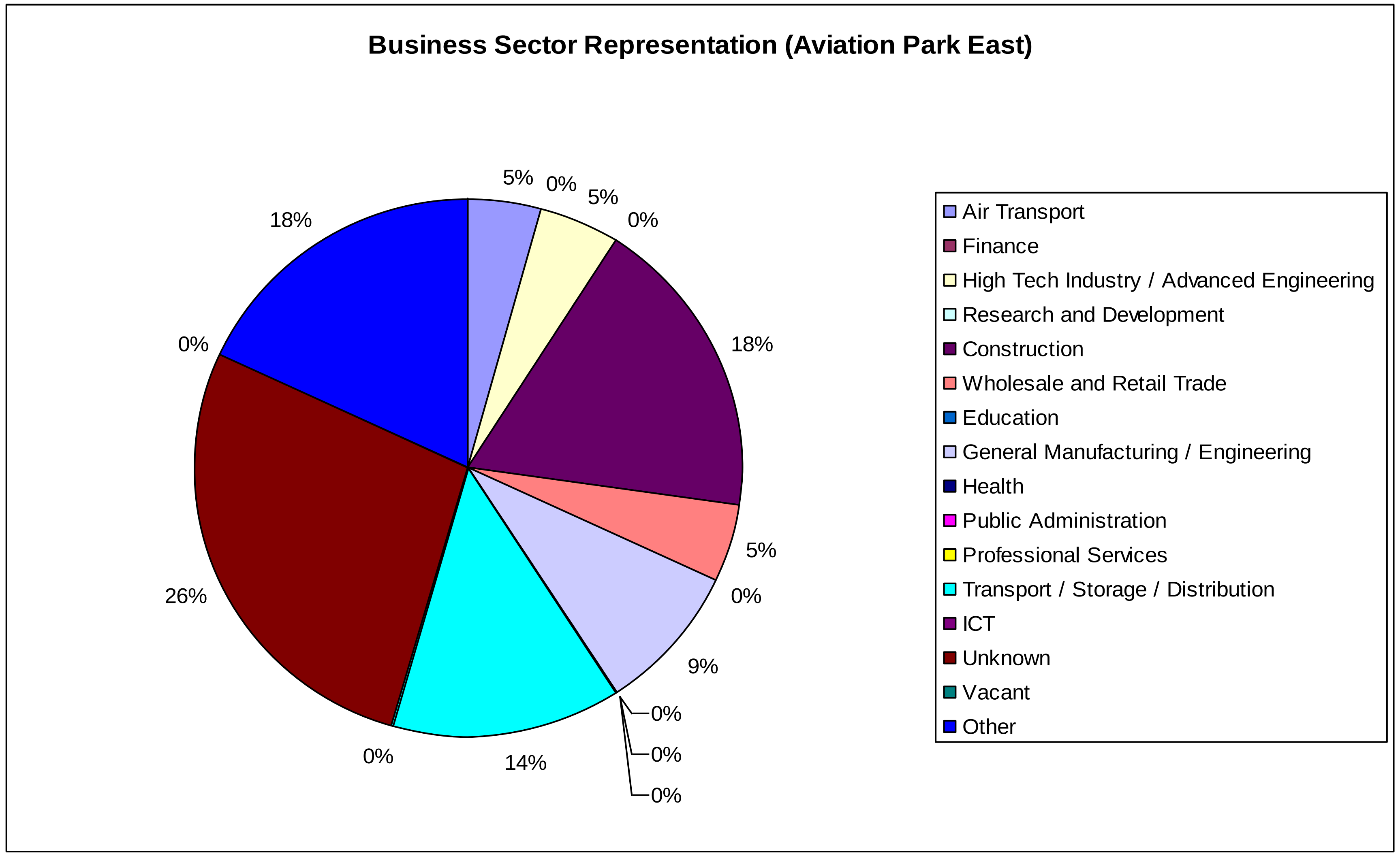
Utilisation rates are high in the Borough (93%) and have increased since the initial audit was undertaken, reflecting a current high level of economic vitality on employment sites in the Borough.

Employment Sector Representation (Christchurch)



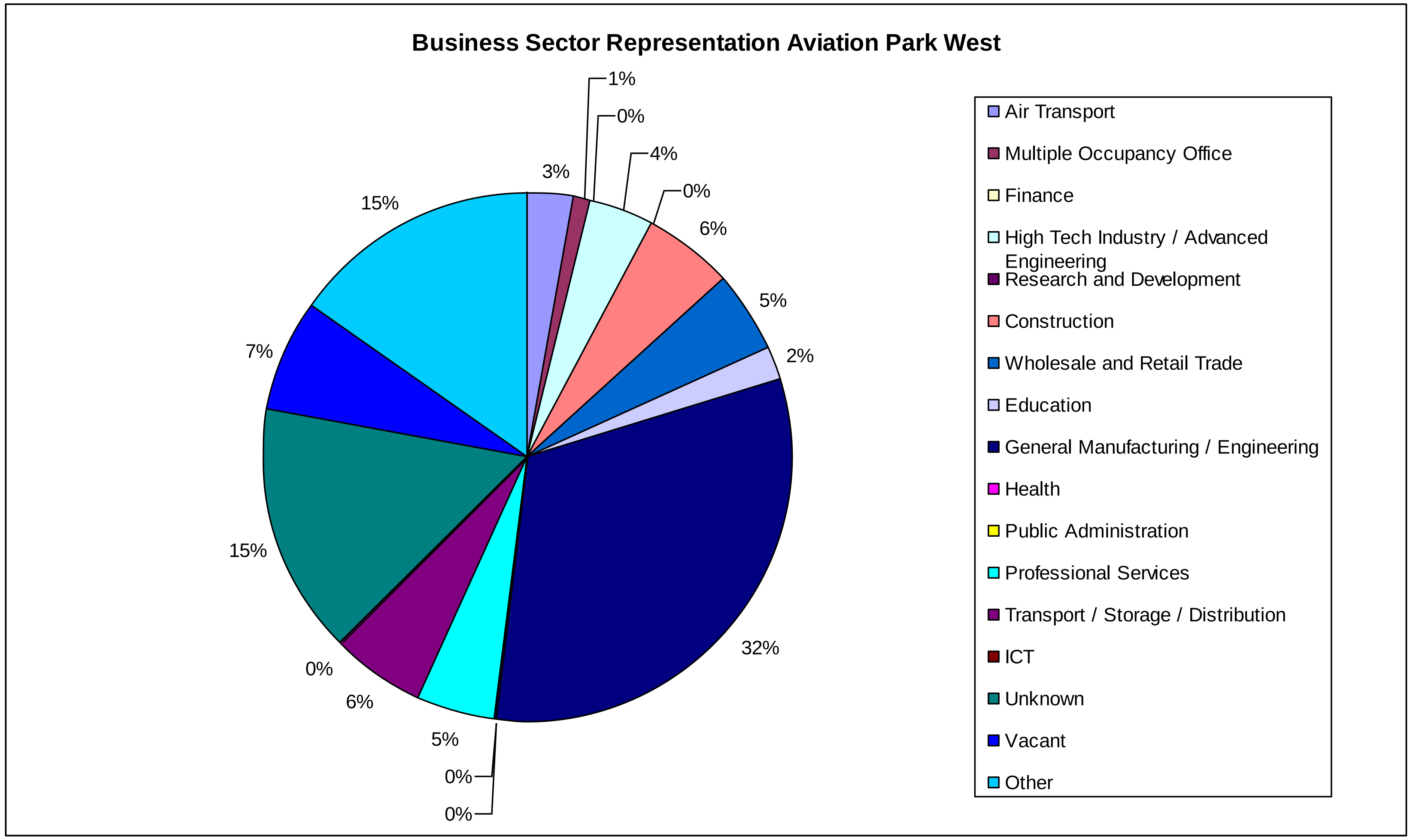
Analysis
General manufacturing and transport / storage / distribution businesses constitute the majority of businesses located at the Airport. There are some larger high tech / advanced engineering firms which are significant for offering high quality employment opportunities and making a significant contribution toward economic growth. The Airport has a high level of vitality with utilisation rates over 90%. Since the initial audit units within the Basepoint development have become occupied and vacancy rates are low. The Airport northern development zone has a prevailing industrial character and predominantly populated by older industrial units and hangers. Key growth sectors are geared around aerospace industries with an absence of clusters of other knowledge based activity.

Employment Sector Representation (Christchurch)



Analysis
The eastern sector is significantly less developed in comparison to the western sector due to poor road access. Again the predominant sectors represented on site are General manufacturing / engineering, transport / storage / distribution and construction. FR Aviation is a major employer on site within the high tech / advanced engineering sector and is very significant as a key growth sector for the sub regional / regional economy.

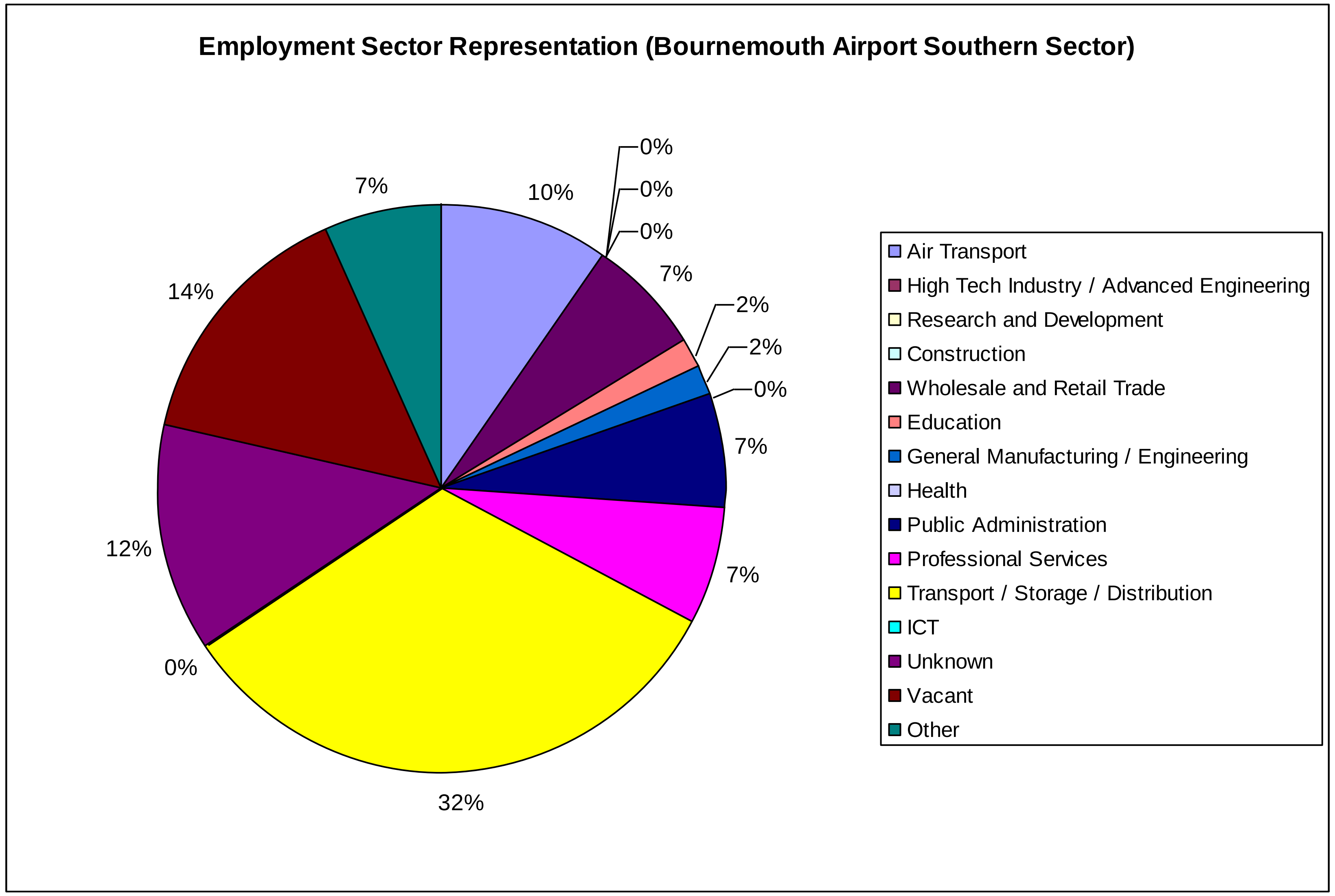
Employment Sector Representation (Christchurch)



Analysis

The general manufacturing / engineering sector is strongly represented forming the bulk of on site employment. However this business park contains the highest proportion of knowledge based industries operating in the Borough with strong representation from the high tech industry / advanced engineering sector. There is also a very significant office element with occupiers such as VAI, Drilling Systems, Shape Technology and Basepoint providing a very significant amount of high quality office development. This office element concentrated at the entrance to the western sector contributes to raising the image of the site.

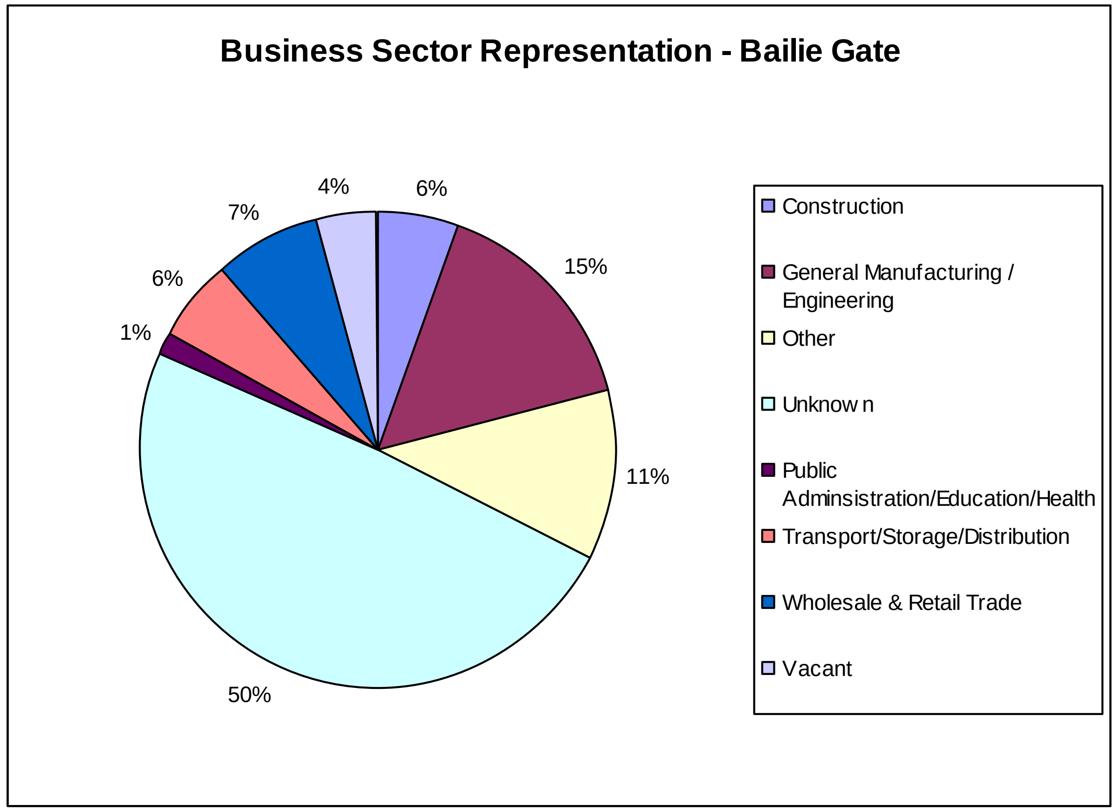
Employment Sector Representation (Christchurch)

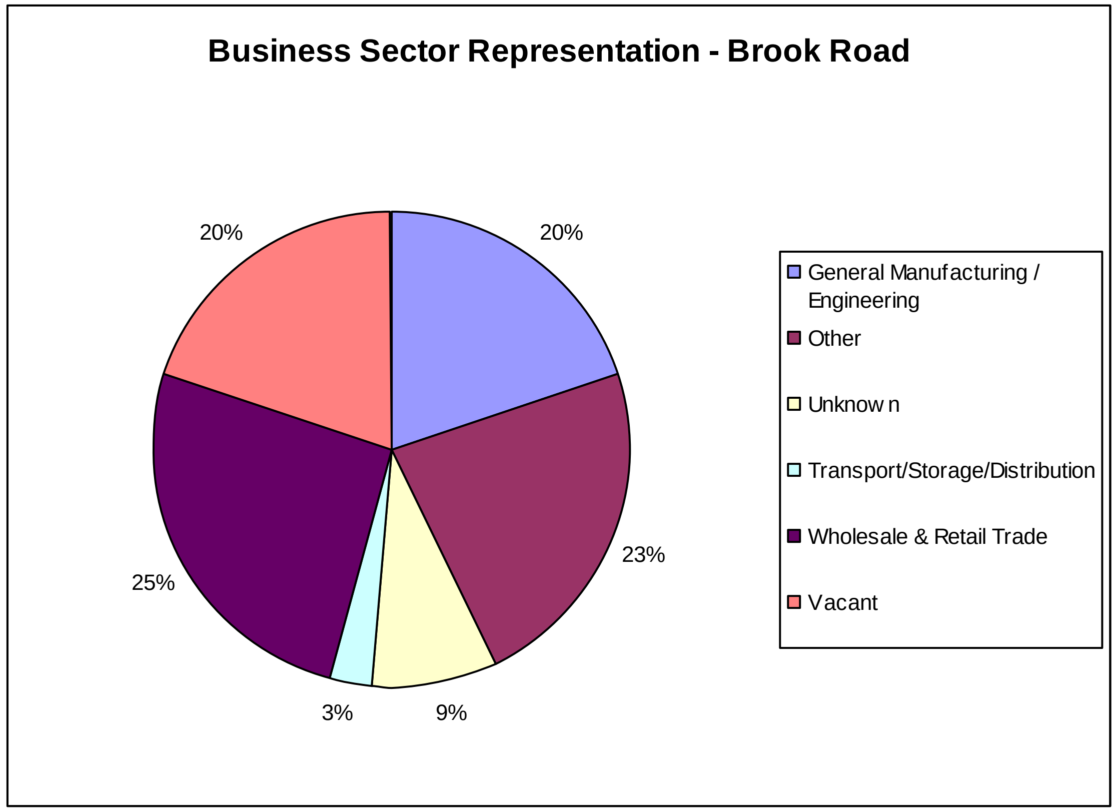


Analysis

The southern sector is far more associated with the operational element of the airport and contains a small number of non operational business activities. The southern sector is currently located in the Green Belt placing a very significant restriction upon future development. However, the Secretary of State's Modifications to the RSS state that changes to the extent of the Green Belt should be made to accommodate the development needs of the airport. Fine boundary changes to the airport Green Belt will be determined through the Christchurch and East Dorset Core Strategy. We understand that Manchester Airports Group current aspirations for the Southern Sector are to relocate employment uses not directly associated with the operational airport to the northern business parks.

Employment Sector Representation (East Dorset)



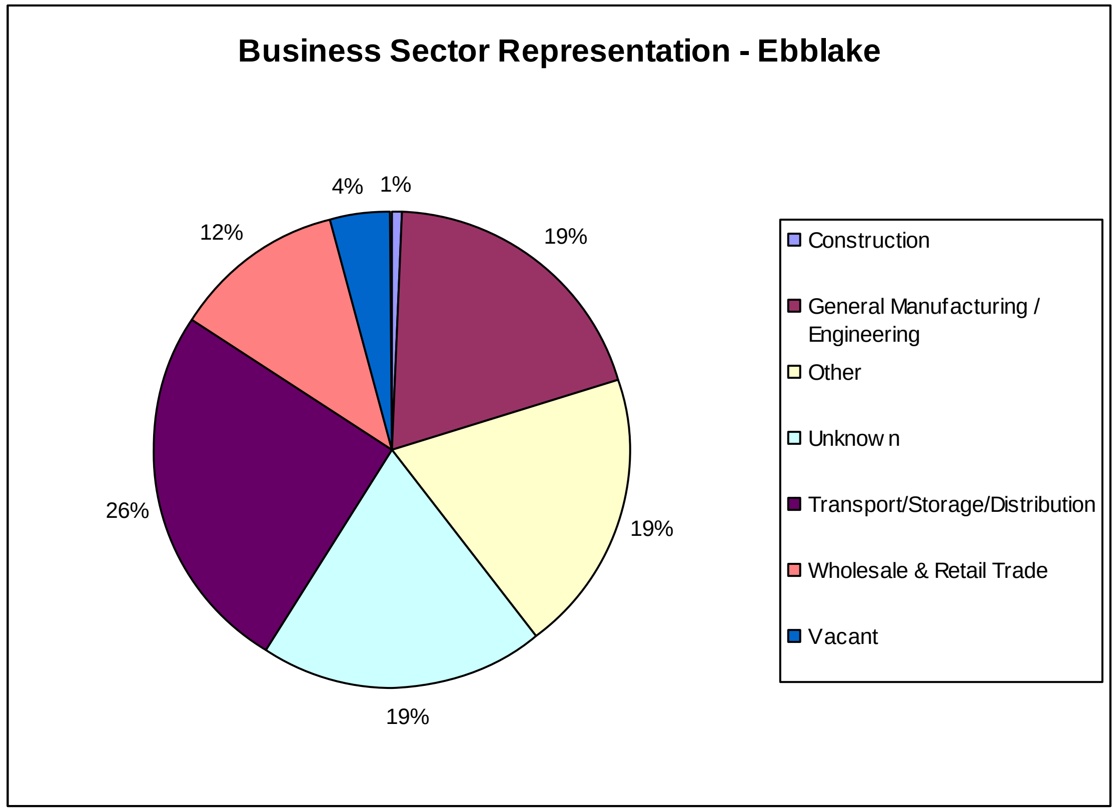


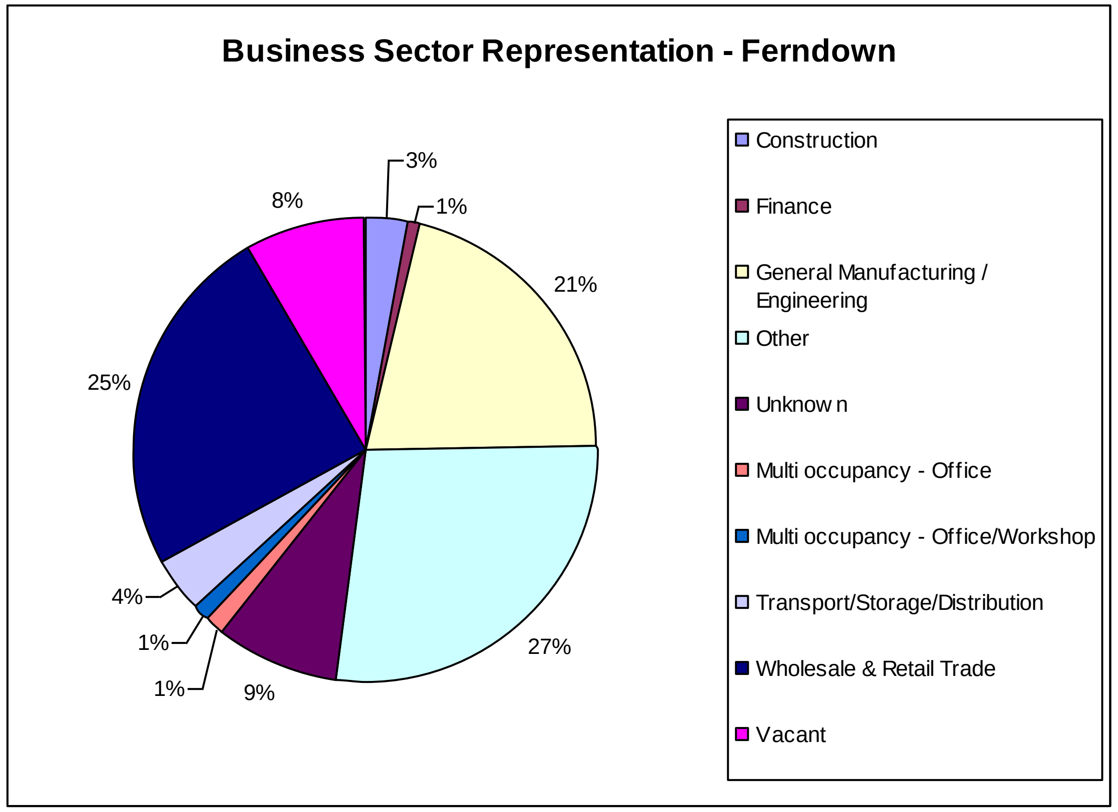
Analysis

Bailie Gate:
A very significant proportion of business activity (15%) is general manufacturing / engineering which reflects the overriding character of the site. Combined with a significant proportion of transport / storage and communications there is demand for B1, B2 and B8 premises. There is a significant element of wholesale / retail trade accommodated on this site which dilutes the traditional employment element. There is a high utilisation rate of 96% (at the time of survey) which illustrates strong viability.

Brook Road
A high proportion of business activity (20%) is within the general manufacturing / engineering sector which reflects general site character and illustrates a sound demand for B1c and B2 uses. There is a very high percentage (25%) of wholesale and retail warehousing which creates a mixed image of the site as both an employment and retail location. At the time of survey utilisation rates were at 80% which is significantly less than sites elsewhere in the Borough and indicates a lower vitality.

Employment Sector Representation (East Dorset)



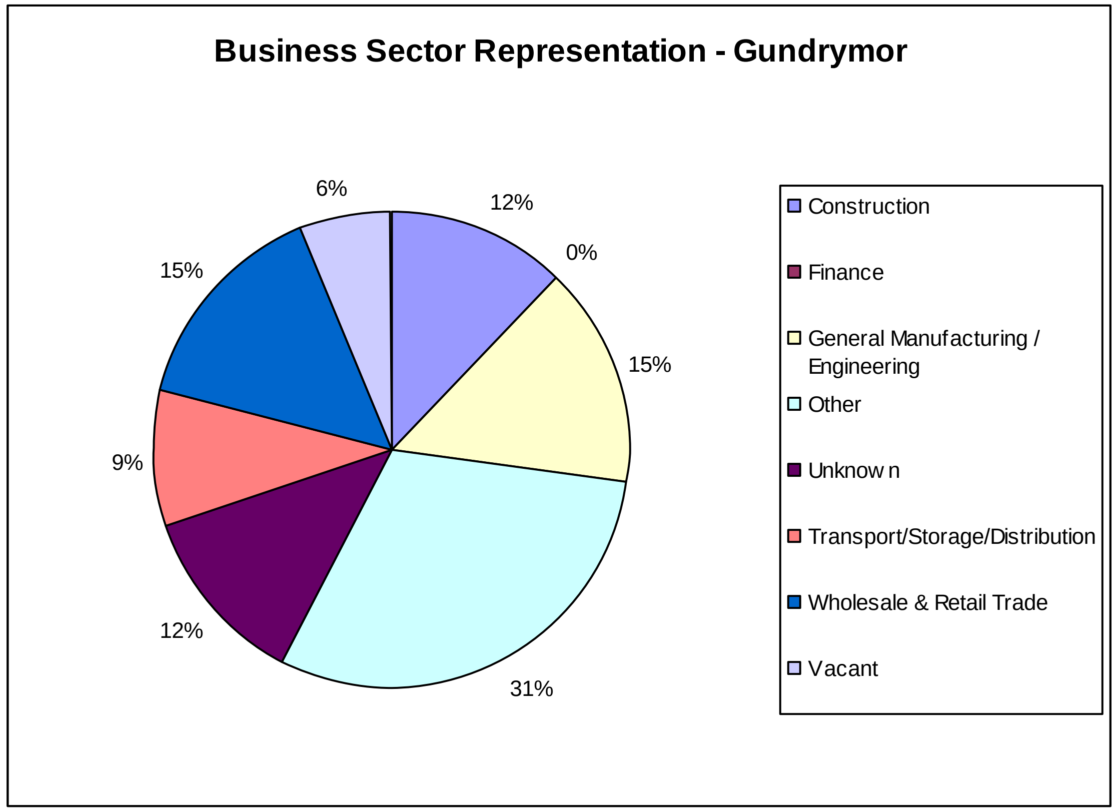


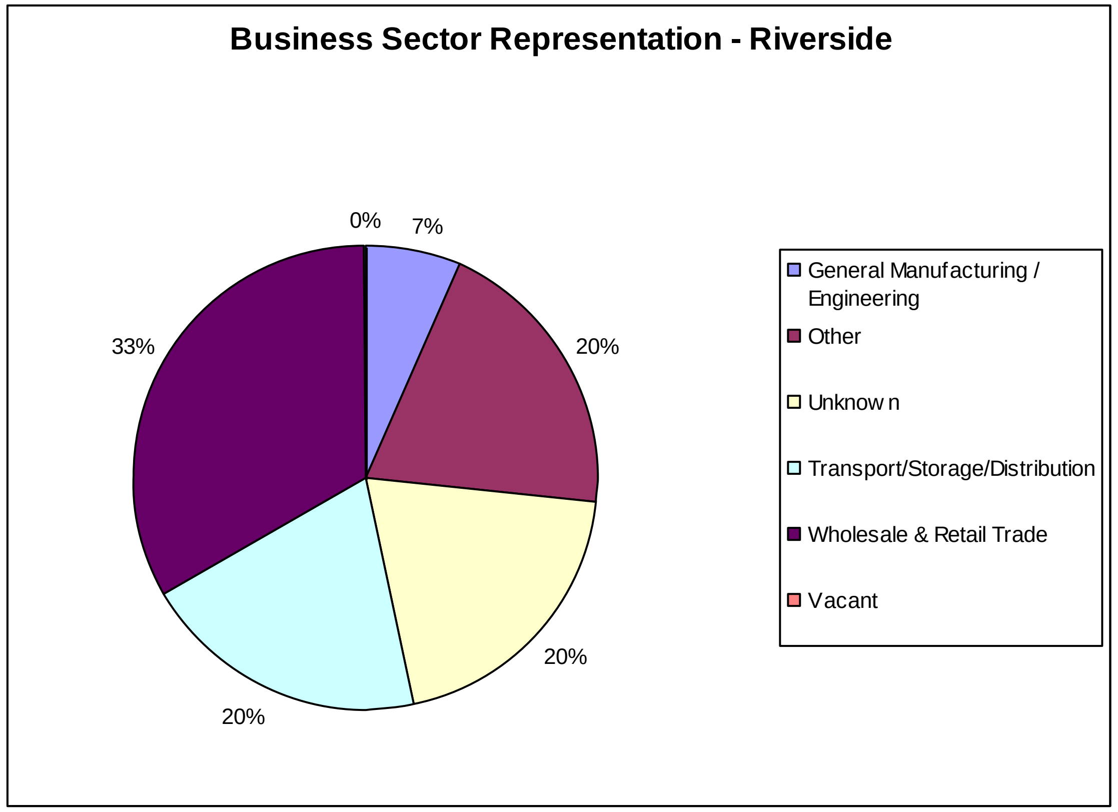
Analysis

Ebblake
The predominant uses on this site include general manufacturing / engineering (19%) and transport / storage and communications which constitutes a strong demand for B1c, B2 and B8 premises. As with other sites in the borough there is a significant retail element which creates a mixed image of the site as both an employment and retail location. Utilisation rates are high for this site at 96% which indicates a high level of site vitality.

Ferndown
The predominant use of the Ferndown industrial estate is wholesale and retail trade (25%) followed by general manufacturing / engineering (21%) which affects how the site can be marketed. Utilisation rates are high at 92% which reflects a generally good level of vitality for the site as a whole (at the point of survey). The representation of traditional employment uses on the site indicates a high demand for B1c, B2 and B8 premises.

Employment Sector Representation (East Dorset)



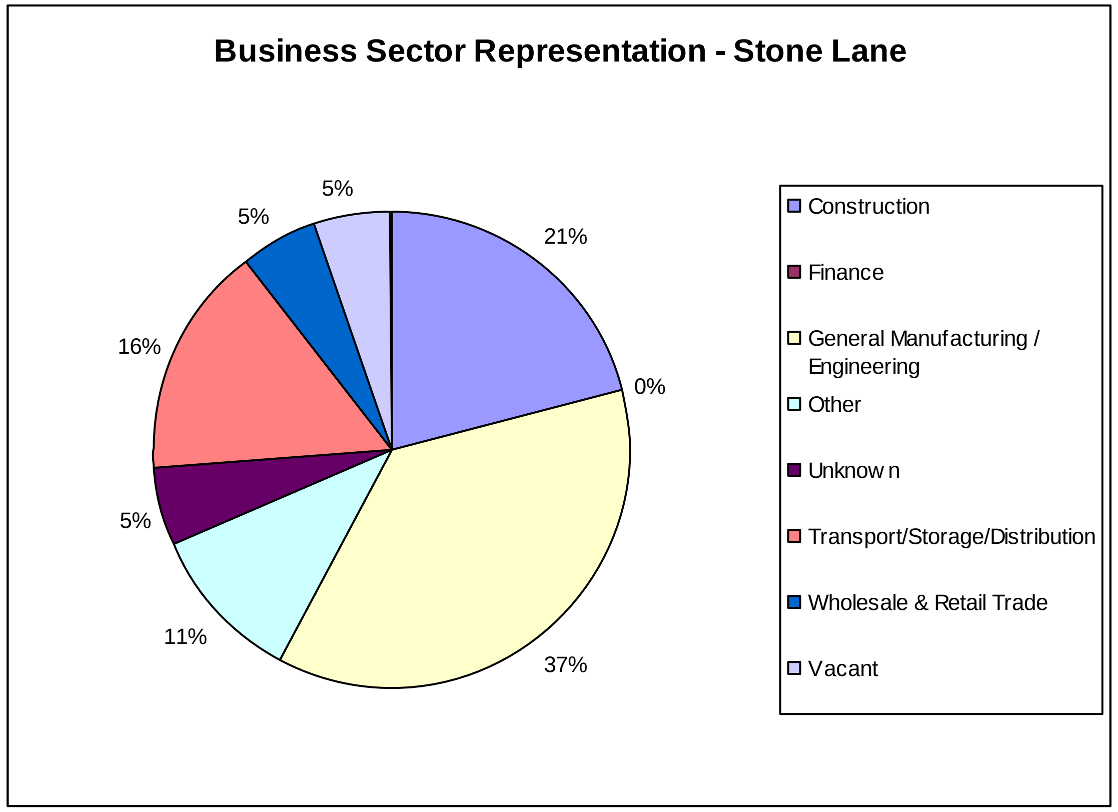


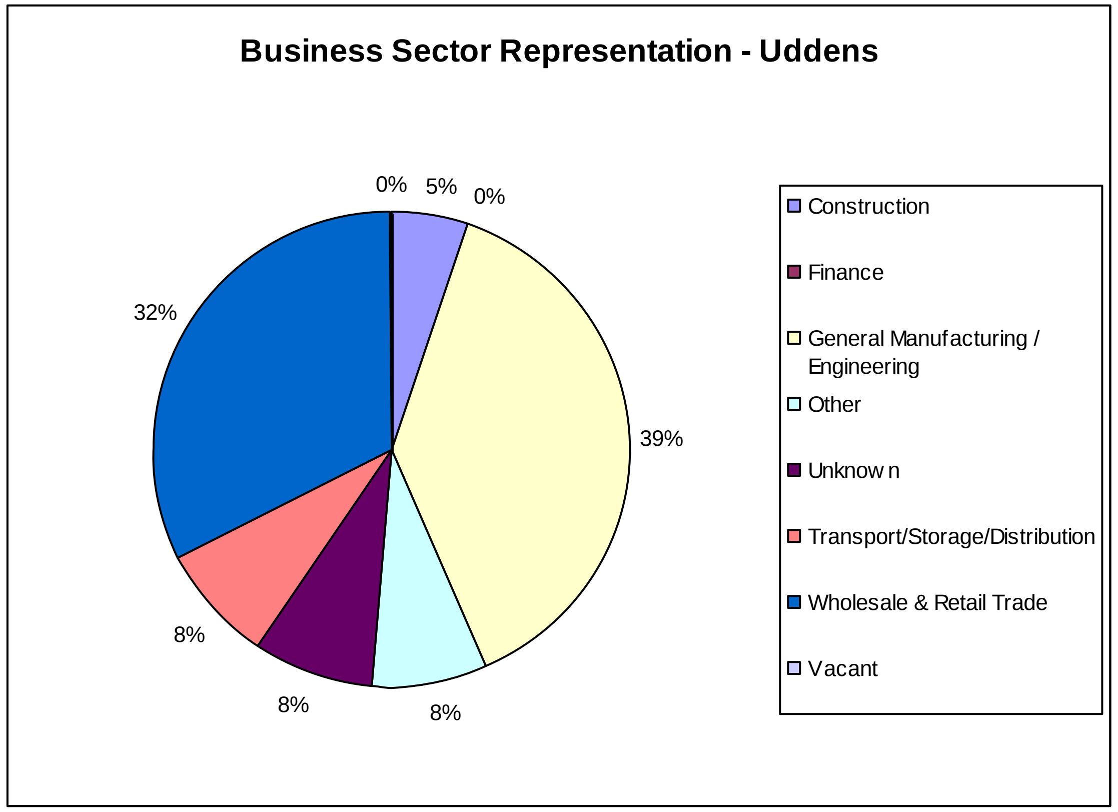
Analysis:

Gundrymor:
This site is dominated by four core sector areas which comprise general manufacturing / engineering, construction, wholesale / retail trade and transport / storage and distribution. This balance of uses provides a mixed image of the site in respect of the balance between traditional employment uses and retail. The sector representation indicates a high level of demand for B1c, B2 and B8 premises. Utilisation rates are good at 94% indicating a high level of site vitality and viability.

Riverside:
Wholesale and retail trade is by far the predominant use on the Riverside site (33%) which establishes the prevailing image for the site. Transport / storage and communications is the second biggest sector at 20% followed by general manufacturing / engineering (7%).
At the time of the survey utilisation rates were at 100% which shows excellent site vitality and viability.

Employment Sector Representation (East Dorset)

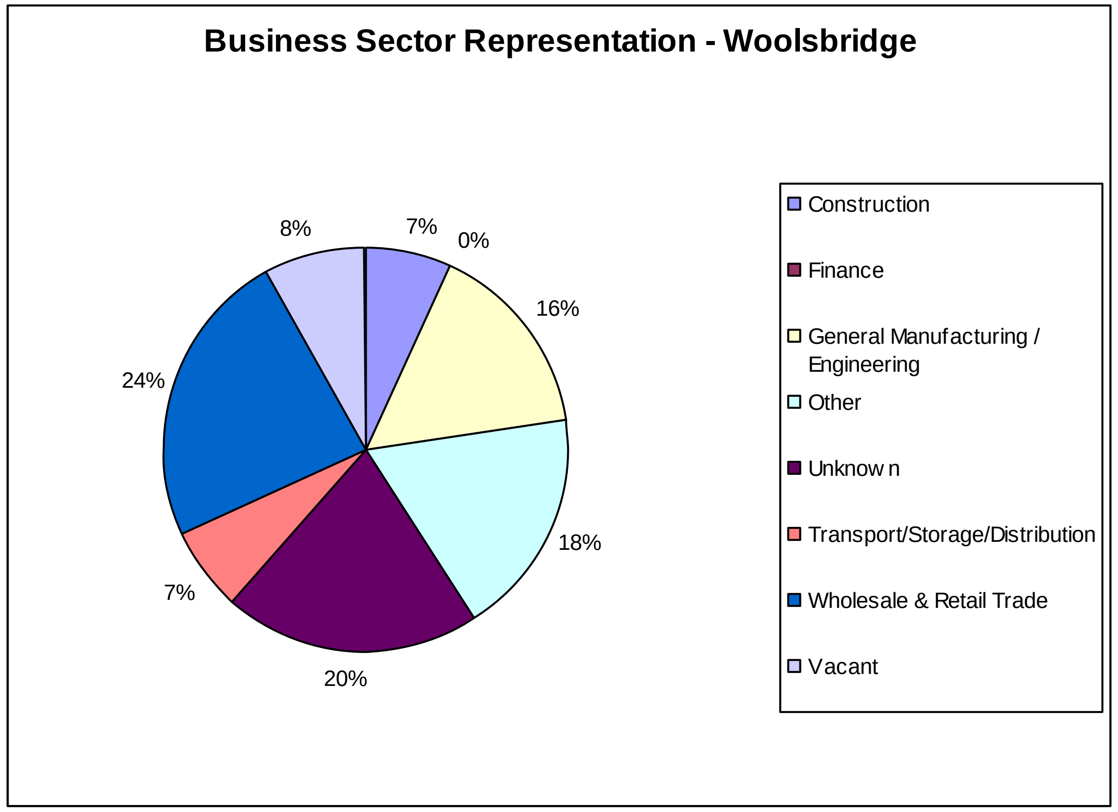




Analysis

Stone Lane
The predominant activity on Stone Lane is general manufacturing / engineering (37%) with construction following at (21%), transport storage and communications at 16% and 5% of activity within wholesale and retail trade. Of the East Dorset sites Stone Lane has the clearest image for traditional employment uses. This indicates a healthy demand for B1c, B2 and B8 premises. Utilisation rates are high at 95% which indicates good site vitality and viability.

Uddens
Core activities on this site include general manufacturing / engineering (39%) and wholesale and retail trade (32%) and transport / storage / communications (8%) presenting a good level of demand for B1c, B2 and B8 premises. The image of the site is currently split between attracting trade warehouses and traditional employment uses. Utilisation rates are high at 95% which represents good site vitality and viability.



Analysis

Woolsbridge:
The predominant use on the Woolsbridge site is for wholesale and retail trade 24% followed by general manufacturing and engineering (16%). Other significant on site uses include construction (7%) and transport / storage / communications (7%). Similar to other sites in the District the site image is dictated by trade warehouse and manufacturing / engineering uses. The strong component of general manufacturing / engineering provides reasonable demand for B1c, B2 and B8 premises. Utilisation rates at the time of survey were 92% which demonstrates good site vitality and viability.

Inward Investment Assessment

This aspect of the study has been undertaken in order to determine the range of business activity that may be attracted to the plan area in response to policy intervention. Particular focus has been given to 'growth' sectors which are recognised as making a significant contribution to sustainable economic growth. The sectors examined here have been identified in the Regional Economic Strategy and the Draft Regional Spatial Strategy for the South West. The RES / RSS promote the growth of business sectors which are innovative, economically productive and offer well paid and highly skilled employment opportunities. The sub regional study (produced to inform the RSS) promotes RSS key sectors and other high value sectors including financial / business services and aviation related clusters.

Promotion of these forms of business activity is intended to stimulate long term economic growth. However, this is not at the expense of promoting the growth of more traditional industries such as manufacturing and engineering which comprise a significant element of the local economy. Aviation related sectors have also been added to this analysis as they are very significant sectors for the sub region and particularly in relation to the airport.

The following sectors have been examined:

- **Business Aviation**
- **Aircraft Maintenance / Repair and Overhaul**
- **Air Freight**
- **General Manufacturing / Industry**
- **Advanced Engineering**
- **Environmental Technologies**
- **General Office / Financial and Business Services**
- **ICT**
- **Biotechnology and Medical Related Sectors**
- **Marine Technologies**
- **Cultural / Creative Sectors**
- **Leisure / Hospitality**
- **Distribution and Logistics**
- **Food and Drink**

Review of Key Sector Growth Opportunities for Christchurch and East Dorset

Business Sector	Description	Key Locational Requirements	Scope for Growth in the Plan Area
Business Aviation	This includes firms using air taxis, chartered business aircraft or their own corporate aircraft or helicopters for flexible, fast movements of key staff and high value products.	- Hanger and or apron space - Space for maintenance operations - Low landing fees - low cost premises - Proximity to London	Sites in the plan area do not have good connectivity to London markets. BIA does not anticipate a large increase in these types of flight in the medium term. It is also not clear that the sub regional economy will generate sufficient demand for business aviation services. **Assessment – Limited scope for growth**
Aircraft Maintenance / Repair and Overhaul	This involves both major maintenance and overhaul of aircraft and minor regular checks of aircraft every few hundred flying hours. This includes a range of specialist activities such as engine overhaul, components, mainframe maintenance, aircraft painting / livery and interior fitting out.	- Hangers / Industrial premises with airside access - Low cost hangarage and landing fees - Skilled maintenance engineers in the local area - Competitive airport rates - Long runway without night time restrictions which does not restrict the size of aircraft that can be brought in for maintenance.	Over the next 6 – 7 years there is a projected growth in this area of 5%. This sector is highly competitive with firms prepared to fly long distances to obtain lower maintenance costs. BIA has some scope to accommodate this sector in view of runway size, lack of night flying restrictions, available airside land, access to skilled labour, low landing fees and competitive property costs. However, BIA faces competition from established airports with maintenance bases in the UK and overseas. Additionally, none of the airlines currently using BIA use it as their maintenance base. **Assessment – Low level growth possible**
Air Freight	The main elements of this sector include airlines, freight forwarders and ground transport companies. Express cargo consists of ‘integrator’ carriers such as DHL, TNT, UPS, Fedex and Parcel Force.	- Hangers and warehousing - Long runways allowing long haul aircraft to take off and land fully laden - Relaxed night flying restrictions - Low runway / road congestion for cargo deliveries - Access to strategic highway network - Access to competitively priced land and premises near airport - Quick airport turnaround times - Low landing fees - Central location in South	Businesses in this sector tend to locate at the larger airports as they have a wider range of destinations and carriers and frequent flights using larger aircraft. Smaller regional airports such as BIA are often considered to have insufficient facilities to support intensive freight operations. The airport Masterplan produced by MADL does not envisage growth in air freight operations particularly as large scale freight travel do not operate on short haul budget airlines. The airport site is not located in or on any major centre of commercial activity and is not centrally located in the region. The runway is shorter than the top 6 in the region and is 15 miles from the nearest major road (M27). BIA has a limited range of carriers and destinations. Major freight operators have significant investment at other airports and are unlikely to relocate. **Assessment – Limited Scope for Growth**
General Manufacturing / Industry	General manufacturing refers to all steps necessary to convert new materials, components or parts into finished goods that meet a customers expectations or specifications This sector includes manufacturing and processing firms.	- Close proximity to markets - Access to raw materials - Access to skilled labour - Access to strategic road network - Relatively large sites required for some companies	There is significant demand for modern industrial accommodation across the sub-region. This sector also constitutes one of the main business sector represented on industrial estates in South East Dorset. **Assessment – Good Prospects for Growth** **Infrastructure Improvements Required –** - **Provision of modern premises** - **Highways infrastructure improvements e.g. A338 Link Road**
Advanced Engineering	This sector comprises a range of specialist manufacturing and precision engineering operations such as aerospace.	- Access to major airports - Good access to the strategic road network - High quality business park locations - Access to technically skilled labour force - Quality of life - Access to flexible and affordable	There are a number of existing firms located in South East Dorset. A significant number of these firms are currently located at the airport which could provide a platform for future expansion. The airport also has large sites and reasonable access to the road network. **Assessment – Good Prospects for Growth**

Business Sector	Description	Key Locational Requirements	Scope for Growth in the Plan Area
		workspace (combining office, R&D / light industrial) - Incubator units and grow on space - High quality broadband infrastructure	**Infrastructure Improvements Required –** - **High quality business park locations** - **High quality premises** - **Highways infrastructure improvements**
Business Sector	**Description**	**Key Locational Requirements**	**Scope for Growth in the Plan Area**
Environmental Technologies	Activities involved in this sector include recycling, renewable energy production, water treatment and decontamination or environmental consultancy.	- Availability of skilled labour - Proximity to universities with relevant R&D facilities - Good access to customers / suppliers, large manufacturing centres - High quality small and medium sized units offering combined office and R&D / light industrial functions (Within B1) - A range of sites and premises type accommodating uses from sorting of waste to incineration (B1, B2, B8) – regarded as 'bad neighbour' uses. - Access to incubator / move on facilities - High quality broadband infrastructure - Connectivity to the national grid (Renewable energy) - Road, rail and air accessibility	There are some recycling firms due to locate at the airport, notably the MBT plant. NLP have identified some capacity to establish a cluster of recycling activity in the north west business park in close proximity to the proposed MBT plant. However the promotion of lower value recycling uses at the airport is likely to create conflict with higher order uses. **Assessment – Some prospects for small scale growth** **Infrastructure Improvements Required –** - High quality small and medium sized units - Incubator / move on facilities - Highway infrastructure improvements
General Office / Financial and Business Services	A range of uses including banks, accountancy and legal firms	- Access to markets and suppliers - Proximity / market connectivity to London - Proximity to M25 - Access to large pool of skilled workers - Access to high quality transport and ICT infrastructure - Quality of life - Availability of car parking	Activity in this sector is predominantly focused in the Bournemouth area. BIA is not currently an attractive site to office workers due to lack of on site facilities. The site is also not desirable for large scale office development due to issues of trip generation. However, there is some scope for development from SMEs. Growth in this sector is largely dependent upon the provision of high quality premises. **Assessment – Reasonable scope for growth in smaller scale office developments.**
ICT	This sector includes a range of specialist activities including: The manufacture of computers and TV / radio equipment, Telecoms, ITC consultancy and the reproduction of computer media.	- Quality of life / lifestyle - Availability of skilled workers - High quality broadband infrastructure - Proximity to London - High quality premises - Image of location - Road, rail and air accessibility	Growth in the ICT sector is mainly concentrated along the M4 corridor with good connectivity to London markets. For this reason alone there is limited scope to promote this sector within the plan area. Within the plan area there is some representation at the Basepoint centre (airport) and the Arena development (Ferndown). The plan area is unlikely to attract major firms in the face of competition from more accessible business parks in the Southampton and Thames Valley area. **Assessment – Some scope for small scale growth** **Infrastructure Improvements Required –** - Smaller, high quality, flexible premises (Good quality offices with good facilities) - High quality business park locations -

Biotechnology and Medical – related sectors	Activities include manufacture of pharmaceutical products, biotechnology, medical research, production of medical and surgical equipment.	- Access to research facilities - Availability of high quality graduates - Quality of life - Proximity / Connectivity to London - Proximity to existing clusters of biotechnology and health related firms - Specialist incubator facilities located close to research institutions. - High quality small and medium sized units combining elements of office, R&D and light industrial functions (B1). - High quality broadband infrastructure - Good road, rail and air accessibility	South East Dorset performs poorly on the locational requirements for this sector. **Assessment –** There is currently limited scope for growth in this sector due to the following factors: o Not within close proximity / connectivity to London markets o Limited availability of high quality graduates to work in this sector o Limited research activity in the plan area to build upon. **Infrastructure Improvements Required –** - Specialist incubator facilities - High quality small and medium sized units combining elements of office, R&D and light industrial functions (B1). - Strategic transport infrastructure improvements including airport link road, airport junction improvements, additional lanes on the A338.
Business Sector	**Description**	**Key Locational Requirements**	**Scope for Growth in the Plan Area**
Marine Technologies	Construction, maintenance and repair of boats	- Proximity to existing marine clusters - Access to waterside locations and workshops (B2) - Access to high quality small and medium sized units combining office, R&D and light industrial functions (B1) - Port facilities and infrastructure - Access to skilled labour - High quality broadband infrastructure - Road, rail, air accessibility	Within South East Dorset Poole and Christchurch have experienced growth in this sector. There is also some scope for growth in areas without waterside access for firms engaged in upholstery manufacturing. **Assessment – Reasonable scope for growth concentrated in Christchurch** **Infrastructure Improvements Required –** - Access to high quality small and medium sized units combining office, R&D and light industrial functions (B1)
Cultural / Creative Sectors	Activities within this sector include media, publishing and web design.	- Quality of life - Image of the location - High quality B1 offices - Edge of town business parks (B1 office and light industrial) - High quality broadband infrastructure	Businesses within this sector are generally more likely to look for city centre locations. Within South East Dorset Bournemouth and Poole is identified as a growth area. Bournemouth University and the Arts Institute Enterprise Pavilion (generators of start up firms). However there has been little recent growth in employment in the sub region. The airport does not provide a good location in terms of image and facilities to attract firms from this sector. **Assessment – Little scope for growth in the plan area.**
Leisure / Hospitality	Businesses within this sector include hotels, conference centres and facilities, health and fitness centres	- Large sites in accessible locations near to or within urban locations	There is limited demand at the airport to accommodate some of these uses in the longer term and this is linked to the pace of development at the employment site. NLP have determined that there may be scope to accommodate a hotel on the airport site in respect of anticipated passenger growth. Increases of firms and staff on the airport business park may also generate demand for conference space , catering and leisure uses on site. **Assessment – Limited demand concentrated at the airport business park**
Distribution and Logistics	This includes wholesale, storage and transportation activities, large scale strategic distribution sheds and small warehousing units.	- Availability of large sites / premises (for large scale distribution) - Access to workforce - Access to the strategic road network - Access to sites without 24 hour operating constraints	The airport offers large relatively unconstrained sites suiting the requirements of this sector. The provision of a link road from the North East sector to the A338 would assist growth. There is also currently good local demand for smaller scale units. Growth in this sector is constrained by competition from more accessible locations in closer proximity to the M3 and M27 (e.g. Southampton).

			Assessment – There is reasonable scope for growth in this sector with across the plan area. The airport offers relatively large unconstrained sites which could support small to medium sized distribution firms depending on localised transport infrastructure improvements. **Airport Infrastructure Improvements Required** - **Package of junction improvements to the B3073** - **Link road from the north east business park to the A338 to enable large scale distribution firms to locate.**
Food and Drink	This sector includes agriculture, fishing, the manufacture of food and beverages.	- Large B2 units in accessible locations (i.e. close to motorway junctions) - Proximity to large supermarket distribution centres	**Assessment –** In Christchurch there are limited prospects to promote this type of use given limited access to the strategic road network and proximity to large distribution centres.

Employment land Supply

Employment land in Christchurch and East Dorset has already been quantified in terms of market segment. This section examines the level of employment land supply in the plan area and how this is balanced against projected demand for the plan period to 2026.

Christchurch and East Dorset fall within the local commercial property market area of South East Dorset (as defined in Figure 1). Employment land requirements have been identified on a district level in the Bournemouth, Dorset and Poole Workspace Strategy (2008). Employment land requirements for Christchurch and East Dorset reflect the overall requirements and available supply across Bournemouth, Christchurch and East Dorset as identified by the study.

Strategic planning across South East Dorset adopts a co-ordinated approach between the respective authorities in assessing demands for employment land and premises. The South East Dorset sub-region is treated as a functional planning area for economic development and the provision of employment land and premises. This translates into a policy approach which guides the location of employment land and specific business sector activity to the most appropriate location. Employment policy seeks to provide land in locations where there is market demand and the types of sites which embody the necessary locational attributes for business sector activity which can be attracted to these areas.

Employment land located at Bournemouth Airport comprises the vast majority of land supply for the South East Dorset (approximately 60ha net developable land). As a result current sub regional employment projections indicate that the Airport should provide a proportion of the employment land requirement for Bournemouth, Poole and East Dorset.

Employment Land Supply

Employment land supply reviewed in this study constitutes land that is available for development including vacant land or land with long term vacant buildings.

In accordance with the methodology adopted in the employment land reviews conducted by Dorset authorities definitions for the phasing of availability of sites is as follows:

- **Immediate** – Comprising land assessed capable of development without any delay;
- **Short Term** – Made up of land which could be developed, pending a possible short delay, but within a 12 month period;
- **Medium Term** – Comprising land which could be developed within a 1 to 4 year time span; an
- **Long Term** – Comprising land which is unlikely to be developed within the next 4 years

- **'For Owner'** - The amount of land which is being retained by firms for their own expansion.

Christchurch and East Dorset Allocated and Unallocated Land Supply

Allocated Sites in Christchurch	Available Supply	Timing of Availability	Unallocated Sites in Christchurch	Available Supply	Timing of Availability
Bournemouth Airport North West Business Park (38 ha)	12 – 15ha	Medium / Long Term	BAE 4ha	4ha	Short Term
Bournemouth Airport North East Business Park (20ha)	0	Possible Long Term	Avon Trading Park 0.7ha	0.7ha	Short Term
Gasworks Site 1.5ha	1.5	Medium / Long Term	Bournemouth and West Hants Water 0.7ha	0.7ha	Short Term
			Grange Road 0.56 / 0.61	0.4	Medium Term
Totals	**13,5 – 16.5ha**				

Allocated Sites in East Dorset	Available Supply	Timing of Availability	Unallocated Sites in East Dorset	Available Supply	Timing of Availability

Christchurch Site Supply Assessment

Airport North West Sector 12 – 15ha (Medium – Long Term)

Employment land located at Bournemouth Airport forms a very significant proportion of employment land supply serving the South East Dorset sub region. The site is constrained by sensitive environmental designations and road access limiting the level of land that can come forward during the plan period to 2026.

The North West Business Park is the focus for further development as there are deliverable highways improvements which can facilitate further development coming forward. The North East Business Park has particularly poor road access and requires a link road to the A338 for further development to come forward in this sector. This is confirmed in the Airport's master plan and transport assessment work undertaken by Dorset Engineering Consultancy and Peter Brett Associates.

The Peter Brett study and further work undertaken by Dorset County Council has examined the capacity of junctions along the B3073 and the capacity of the A338 and identified improvements that will enable further development to come forward at the North West Business Park and the operational airport.

Work undertaken by Peter Brett Associates (on behalf of Manchester Airports) and further work undertaken by Dorset County Council has determined a package of improvements to the B3073 and the A338 which will enable 42,000 sqm or 12 – 15 ha of employment development to come forward in the North West Business Park. At present this study has not tested the ultimate capacity of junctions and the upper limit of development that can come forward with deliverable transport infrastructure improvements.

Setting aside land at the airport the BAE site within the urban area constitutes the majority of available employment land for Christchurch.

Airport North East Business Park: (20ha) (Currently not available)

Current access to the North East Business Park is via a narrow road from Matchams Lane. Due to access constraints further development of the business park will require a link road from the park to the A338.

South East Dorset local authorities including Bournemouth, Christchurch, East Dorset and Poole have adopted an interim transport contributions policy. The link road has been prioritised to receive funding. Should significant public sector funding become available to support this scheme this may enable the deliver of the link road during the plan period.

The Local Transport Plan sets out plans for A31 to Poole Corridor improvements which makes provision for a strategic link to the Airport as part of this wider strategic scheme. This scheme could solve the issue of strategic access to the Airport and may have greater scope to attract public funding than the link road which only facilitates access to the business park.

There are also habitats implications for the implementation of a link road which is examined in detail within the Airport Ecological Study.

As a result of these constraints the focus of development is currently upon the north west business park.

Gasworks Site: 1.5ha (Availability Medium / Long Term)

This site is located within an area of high flood risk (zone 3a) which is a constraint on development coming forward on the site. In order for commercial development to come forward on the site it would need to satisfy the PPS25 tests to determine that a suitable site is not available within an area unaffected by flood risk.

A proportion of the site is currently occupied by Gas holders. Subject to the site becoming surplus to Transco's requirements there would be contamination issues to overcome.

Should the site come forward Policy EO3 of the adopted Local Plan identifies the potential of this site for mixed use development. The site is also identified in the Town Centre Strategy land use action plan 12: Bridge Street / Stony Lane South. The site identified in the Town Centre Strategy also extends to land currently occupied by the Civic Offices and Two Rivers Meet Leisure Centre. The Local Plan sets out a requirement for a development brief for the site.

If floodrisk constraints can be overcome a mixed use scheme may come forward including an employment element.

BAE Site: 4 ha (Availability: Short Term)

This site has good strategic road access, located just of the A337 and close to the A35. There is good site access with an existing commercial entrance on Grange Road. The site is served by a regular public transport service.

The site is unconstrained and cleared for development. There are some external constraints with residential development to the rear and opposite the front of the site. With adjoining employment uses and landscaping in front of the site there is considered sufficient distance between potential uses and existing residential to overcome amenity considerations.

The external environment is a high quality employment environment with existing large scale employment uses sandwiching the site and good road frontage. The site is located within reasonable distance of town centre facilities, residential population and a local supermarket.

There are no significant constraints to prevent this site coming forward in the short term.

This site is identified in the Workspace Strategy to be protected for employment uses falling within B use classes.

Avon Trading Park: 0.7ha (Availability: Short Term)

This site is located along Fairmile and in close proximity to the Bargates shopping core providing excellent access to local facilities and public transport services.

There are no significant constraints for this site to be brought forward in the short term and the site is in single ownership.

Bournemouth and West Hants Water, Located off Fairmile Road (0.7ha) (Availability – Short Term).

A proportion of this site accessed via Mill Road has been identified as underutilised by the land owner. Any intensification of this site and subsequent traffic generation is likely to raise issues for the residential access road (Mill Road). Should this site be intensified for employment use further discussion is required with the land owner concerning appropriate employment uses and traffic generation.

Land Between Stour Road / Railway, north of Station Approach (0.53ha) (Availability Short Term)

This site was allocated for office development in the 2001 adopted Local Plan. The allocation has since been deleted following the Secretary of State's direction to the Council on the status of saved policies. The site currently has the status of an established employment site and is protected by policy EI1 of the Local Plan.

However, the site is constrained by adjacent residential uses which pose difficulties for employment development coming forward for B1c, B2 or B8 uses. There has not been a strong market for office development in the town centre and interest has not been expressed in this site for office use hence reasoning behind the deletion of the Local Plan allocation.

This site has been considered for housing potential as part of the 2009 SHLAA. Given the residential amenity constraints of this site and the need to meet a 5 year land supply, this site will be considered for release to non employment uses as part of Stage 3 of the ELR.

Grange Road: (0.56ha) / (0.61ha) (Availability Short / Medium Term)

Christchurch Borough Council currently owns the land for this site and occupies approximately 50% of the existing units. The site is underutilised and may be come surplus to the Council's requirements.

The SHLAA has identified potential for mixed use development including residential. Stage 3 of the ELR will need to confirm the level of development for employment uses within B classes.

East Dorset Supply Assessment

Ferndown Industrial Estate – East of Cobham Road (8.5ha)

This Ferndown Industrial Estate is located in close proximity to the A31 which raises significant issues for increases in levels of congestion.

An agreement has been reached with the Highways Agency regarding a short term highways solution that will enable the development to come forward. Longer term solutions to more effectively address congestion issues on the A31 will be identified through the South East Dorset Multi Modal Study.

Further development at the Ferndown Industrial Estate inclusive of the RSS employment extension will require improvements to the A31 to be set out in the emerging South East Dorset Transport Study.

The implementation of short term infrastructure improvements agreed as part of the Section 106 will mean that the site is likely to come forward over the next 3 – 5 years.

Area of Search 7G – North West of Ferndown 20ha

This site has carried forward into the Secretary of State's Modifications and is supported by East Dorset District Council. On this basis it is anticipated that the allocation will remain in the adopted RSS.

The primary site constraint is the impact upon the A31 and the ability to develop a solution which is acceptable to the Highways Agency. The Council considers the preferred location within the area of search to be an extension north west to the existing Ferndown business park.

An alternative site considered to be within the area of search has been put forward located south of the access roundabout to the Ferndown Industrial Estate of some 4ha.

Land Availability by Phasing Across South East Dorset

Local Authority	Short Term	Medium Term	Long Term	All Availability
Christchurch	5.4	13.9 – 16.9	13.9 – 16.9	19.3 – 22.3ha
East Dorset	9.9	0	20	29.9
Purbeck	0	1.9	44.72	46.6
Bournemouth	11	0	4.93	16
Poole	5.59	12.58	9.21	28.1
North Dorset	23.6	8.2	11.12	42.9

(Local Authority Supplied Figures)

It is clear from this data that despite the overall supply of employment land constraints upon availability raise significant issues in meeting demands for employment land. The ability to meet demands for employment land will depend upon maintaining existing sites in the portfolio in employment use and overcoming infrastructure constraints at the Airport. The ability to overcome infrastructure constraints at the airport will be a crucial factor in determining the requirement for additional employment sites to meet demand over the plan period.

Sites with Planning Permission (as of March 2007) (Source DCC).

Local Authority	With Permission March 2007	Allocated March 07	All March 07
Christchurch	7.72	73.23	80.95
East Dorset	6.29	15.21	21.50
Purbeck	17.36	4.70	22.06
Dorset	133.14	145.31	278.45
Bournemouth	6.43	5.88	12.31
Poole	2.20	7.00	9.20
Structure Plan Area	141.77	158.19	299.96

Unit Type	Tenure	Number of Units	Min.Size (sqm)	Max.Size (sqm)
Craft / Studio / Workshop	Freehold	0	N/A	N/A
Craft / Studio / Workshop	Leasehold	0	N/A	N/A
Sub Total		**0**	**N/A**	**N/A**
Industrial	Freehold	3	245.35	951
Industrial	Leasehold	40	14.03	3200.40
Sub Total		**43**	**259.38**	**4151.4**
Light Industrial	Freehold	1	2085.6	2085.6
Light Industrial	Leasehold	1	2085.6	2085.6
Sub Total		**2**	**2085.6***	**2085.6***
Office	Freehold	1	92.9	92.9
Office	Leasehold	20	16.72	521.35
Sub Total		**21**	**109.62**	**614.25**
Warehousing	Freehold	0	0	0

Warehousing	Leasehold	4	445.92	3603.03
Sub Total		**4**	**445.92**	**3603.03**
Total / Average		70		

(Source Property Pilot 30/09/06 – 30/09/07)

Premises Actively Marketed Nov 08 – Nov 09 / Available Floorspace Nov 09

Location	Unit Type	Tenure	Number of Units Marketed	Floorspace Let	Available Floorspace	Min.Size (sqm)	Max.Size (sqm)
Christchurch Town Centre	**Office**	**Leasehold**	39	543	1133.75	43.11	344.94
	Office	**Freehold**	1				
	Sub Total					**1,676sqm**	
Barrack Road	**Office**	**Leasehold**	1				
	Office	**Freehold**					
	Sub Total					**66.98sqm**	
Highcliffe	**Office**	**Leasehold**	2		177.82	52	125
	Office	**Freehold**	0				
	Sub Total					**177.82sqm**	
Hurn	**Office**	**Leasehold**	2		176		
	Office	**Freehold**					
	Sub Total					**176sqm**	
	Warehousing	**Leasehold**	1		812		
	Warehousing	**Freehold**					
	Sub Total					**812sqm**	
Bournemouth Airport	**Office**	**Leasehold**	42	4834	4043 (Includes NATs building 3237)	16.72	3715
	Office	**Freehold**					
	Sub Total					**8,877sqm**	
	B1c / B2 / B8	Leasehold	28	15,619	932	41.8	6498
	B1c / B2 / B8	Freehold					
	Sub Total					**16,551sqm**	
Somerford	B1c / B2 / B8	Leasehold	34	499	13,999 (6,888 BAE not completed)	61.59	2459
	B1c / B2 / B8	Freehold	14			213	1326
	Sub Total					**14,498sqm**	
	Office	Leasehold	8		792	7	268
	Office	Freehold	0				
	Sub Total					**792sqm**	
Purewell	B1c / B2 / B8	Leasehold	8		369.84		
	B1c / B2 / B8	Freehold	1				
	Sub Total					**369.84sqm**	
Stony Lane	B1c / B2 / B8	Leasehold	1		321.81		
	B1c / B2 / B8	Freehold	1		321.81		
	Sub Total					**321.81sqm**	
Avon / Fairmile	B1c / B2 / B8	Leasehold					
	B1c / B2 / B8	Freehold	1		187		
	Sub Total					**187sqm**	

The above marketing data illustrates that the bulk of supply is for small leasehold industrial units. The prevalence of industrial units is commensurate with the dominance of the general industrial / business market segment across the plan area. A lack of freehold premises is significant here as many businesses seek these types of premises for investment purposes. In this instance many businesses will seek to locate outside the Borough in areas with greater availability of freehold premises.

The level of office accommodation marketed here is attributable to the Basepoint development located in the airport North West business park. This accommodation is now let and the future level of marketed offices is likely to be substantially less.

(Figure 15) Current supply of land actively marketed

Land Tenure	**Number of Sites**	**Min. Size (Ha)**	**Max Size (Ha)**
Freehold	2	0.76ha	2.88ha
Leasehold	0	0	0
Total Available			3.64

(Source Property Pilot 01/11/08 / 01/11/09)

The marketing data supplied by Property Pilot supports data supplied by DCC indicating the shortage of land available immediately or in the short term.

Premises vacant for 1 year or more (30/09/06 – 30/09/07)

Location	**Tenure**	**Number of Units**	**Cumulative Size (sqm)**
Avon / Fairmile	Freehold	0	
	Leasehold	0	
Bournemouth Airport	Freehold		
	Leasehold	3	122.25
Christchurch Town Centre	Freehold	0	
	Leasehold	0	
Highcliffe	Freehold	0	
	Leasehold	0	
Somerford	Freehold	0	
	Leasehold	2	105.35
Total:			

Data on long term vacancy rates confirms the high utilisation rates in the Borough and the economic vitality of existing sites.

Land Supply at Bournemouth Airport

RPS Burks Green and Drivers Jonas have produced a spatial strategy for the North West Business Park. The strategy sets out a zonal plan highlighting the development opportunities within the park.

The master plan sets out existing floorspace and the extent of floorspace provision that can be accommodated by the existing highways network (This was identified before the completion of the Peter Brett study). The strategy sets out suggested floorspace, site density and building use of development parcels.

Existing Floorspace Within Development Zones		
	Sq ft	**Sq m**
Suis Generis	53,123	4935
A3	2,398	223
B1a	52,495	4,877
B1c	69,470	6,453
B2	144,505	13,425
B8	279,597	25,972
Total	601,541	55,885

Total Floorspace Created by New Development Parcels		
	Sq ft	**Sq m**
A1 / A3	12,066	1,121
B1a	174,794	16,239
B1c	69,459	6,453
B2	494,494	45,940
B8	456,000	42,364
Total	1,206,815	112,117

Total Floorspace Supported by Existing Highways Network		
	Sq ft	**Sq m**
Suis Generis	53,123	4,935
A3	2,398	223
B1a	171,006	15,887
B1c	69,470	6,453
B2	359,783	33,425
B8	387,236	35,972
Total	1,042,861	96,885

Employment Projections / Demand Analysis (2006 – 2026)

The process of determining requirements for employment land and premises has utilised a range of research instruments in order to present the most accurate picture of need. The calculation of employment land requirements for Christchurch and East Dorset has considered the extent to which land supply in the plan area contributes to meeting demand elsewhere in South East Dorset. The following evidence has contributed to the picture of demand:

- *Professional views of local property agents / Airports Estates Office (interviews conducted by Christchurch and East Dorset councils).*
- *Analysis of enquiries received via Property Pilot*
- *Local take up rates*
- *Christchurch and East Dorset business surveys*
- *South East Dorset stakeholder event*
- *Economic Study of Development Land at Bournemouth Airport (prepared by Nathaniel Lichfield and Partners for Christchurch Borough Council March 2008).*
- *Bournemouth, Dorset and Poole Workspace Strategy Delivery Plan (October 2008) (Includes employment land projections based on Cambridge Econometrics Modelling)*

Local Commercial Agents Assessment of Market Demand

Bournemouth International Airport (Estates Manager)
In assessing demand at the Airport the majority of enquiries are made through Goadsby (the principal agent) or direct to the Airport itself. In this respect Goadsby and the Estates Manager are well placed to assess demand for land and premises at the Airport.

Supply
As of June 2006 the Estates Office has confirmed a supply of 1.2 million sq ft of business space in the Northern Development Zone. (Refer to precise deliverable floorspace capacity set out in the preceding section extracted from the RPS Burks Green Spatial Framework.)

Demand for Premises
As of November 2009 occupancy rates in the Northern Development Zone are at 96%. Demand is greatest for smaller units of approximately 1000sqft which corresponds with demand on sites located elsewhere in Christchurch.

Incentives / Disincentives to Locating at the Airport

The flexibility of lease agreements and rental levels act as incentives to locating at the Airport. In comparison to the Bournemouth and Poole area rent for floorspace is fairly competitive e.g. VAI £14 per sq ft compared to typical rental levels for B1 premises in Bmth and Poole of £13 per sq ft for used premises and £17 per sq ft for new B1 premises in Bournemouth.

On and off site infrastructure requirements were noted as a major constraint for attracting inward investment. In particular the provision of a link road from the North East Sector to the A338 was considered fundamental to enable the remaining land in this sector to be brought forward.

However, infrastructure issues have varying impact on existing airport businesses and those considering locating at the airport. The issue of transport infrastructure does not appear to have been a major deterrent to businesses such as Aim and FRA. However, other businesses such as those located in the more recent Basepoint complex have identified it as a significant issue for the operation of their business.

The manager of Basepoint in the North West sector has identified disincentives for office development related to the present prevailing industrial character and lack of appropriate facilities for office workers. At present the Airport is not viewed as an established location for office development. Basepoint is the only development currently offering starter units and there is a lack of provision of units to meet the needs of businesses that outgrow the starter units.

Espley Brooks (Christchurch)

Espley Brooks confirmed a relatively buoyant market for premises in the Borough with current high utilisation rates. A high demand for freehold premises has been noted by both Goadsby and Espley Brooks. Demand for freehold premises is derived from businesses seeking more investment potential. A lack of available freehold premises has been cited as a reason for businesses locating out of the Borough.

Espley Brooks has recorded a longstanding strong demand for premises in the region of 800 – 1200 sq ft. In this respect there is a particular shortage of units in the Borough in the 1000 – 2000 sq ft range. Outside of the airport there is less demand for larger premises with premises between 9,000 / 10.000 sq ft being difficult to let.

In accordance with the view put forward by Goadsby smaller units are more attractive, particularly those which offer flexible use i.e. workshop space with some office space. Many businesses have added a mezzanine floor to increase floor space which has been the case for units located at Avon Trading Park.

Incentives for Locating in the Borough

Businesses tend to locate in the Borough if their clientele / market exists locally. Despite rental levels which may be in excess of other local areas there is an incentive to locate in Christchurch because of the quality of the living and working environment. Rental levels are typically £7 per sq ft and £5 – 6 in similar types of location in Bournemouth and Poole.

Demand for Office Space
Demand for office accommodation in the Borough is in the region of 800 – 1400 sq ft units. Units of 2000 sq ft and above are more difficult to let. The demand is for modern, purpose built premises of a high specification. Older style office accommodation is difficult to let such has been the case with Hengistbury House and Purewell.

Business Trends
There is some evidence of apparent downsizing of businesses e.g. Enco Engineering with three large units currently being marketed: 11,000 / 6,000 / 5,000 sq ft and BAE who have declared approximately half of their existing site as surplus to requirements.

Locational Requirements
Many businesses that don't require a town centre location will locate on an industrial estate as it is more cost effective. The key locational attributes influencing business movement / relocation decisions include:

- *Good accessibility to the highway network*
- *Access to local amenities for employees*
- *Optimum size / quality of premises referred to above*
- *ICT provision*

A significant number of businesses can locate almost anywhere as long as the right type of premises is on offer with the appropriate ICT connectivity and with good accessibility.

Infrastructure Constraints

Good transport connectivity was identified as a key locational requirement. Issues with poor transport access was given as a reason for businesses locating outside of the Borough. In the local area Ferndown has better links with the highway network. This is a significant deterrent for distribution companies to locate in Christchurch.

Lack of parking is seen as one of the principle constraints. The units off Reid Street in Avon Trading Park are much better served with forecourt parking and delivery parking space.

Future Demands

Gordon Espley identified a demand for modern premises for Small and Medium Sized Enterprises (SMEs). The scope for accommodating these types of premises on existing sites in the Borough requires further investigation.

Marketing Issues

Take up for office space is closely linked to the specification of premises on offer. As referred to above premises such as Hengistbury House have been difficult to market as they do not meet modern high spec requirements. ‘Hello House’ on Somerford road has been let following extensive refurbishment to raise the specification of the office accommodation.

Some premises have remained on the market due to over valuation. This is particularly the case with the premises sought after by the Baptist Church on Airfield Way, Somerford.

Goadsby – Meeting Held August 2005

Land Supply Issues

Goadsby indicated that in South East Dorset there is a shortage of available employment land to meet current demand. It was felt that supply could be improved through development on sites which are classified as underutilised and through the consideration of development on Green Field sites. .

Goadsby identified employment land at Bournemouth International Airport as providing the main supply for South East Dorset.

In respect of future development at the airport Goadsby have suggested a 50/50 split between high and low value employment uses in order to meet present demand.

Inward Investment

Goadsby raised the importance of considering the core locational requirements across the main business sectors in order to attract inward investment. The view was expressed that sites meeting the core locational requirements of the main business sectors would be taken up.

In particular Goadsby have stated that 50% of the current market is for B8 uses. In respect of premises provision it was advised that new premises should not be restricted to one use class and be capable of accommodating an element of B1, B2 and B8. Businesses are also seeking freehold as opposed to leasehold premises for investment purposes. The availability of freehold premises was considered very significant in guiding business movement / relocation.

Office Development

Goadsby identified the airport as a potentially attractive location for office development. However, future office development is constrained by the requirement for car parking provision and the sustainability issues this raises.

Local Commercial Agents Conclusions for Christchurch

Employment Land and Premises Supply

- In Christchurch and across South East Dorset there is a shortage of employment land available in the short term.
- The Airport serves as a strategic site for the sub region.
- In Christchurch there is a shortage of premises of 1,000 – 2,000 sqft

Demand for Land and Premises

- Utilisation / occupancy rates are very high across the Borough
- In Christchurch a demand for units of 800 – 1,200 sqft with flexible use (B1,B2, B8)
- Demand for office space of 800 – 1,400 sqft (2,000 sqft and above is difficult to let).
- Demand for premises for Small and Medium Sized Enterprises.
- Historical demand for freehold premises for investment purposes but more leasehold in the current climate and difficulties in obtaining finance.
- Key locational requirements include good access to the highway network, access to local amenities for employees, availability of optimum size and quality of premises and ICT provision.

Bournemouth Airport Northern Development Zone

- Utilisation rates are close to 100%
- Greatest demand for units around 1,000 sq ft
- Flexible lease arrangements and competitive rates
- Image of site as an industrial location is a constraint on business mix
- High demand for starter units and lack of grow on space.
- Significant capacity issues with local highway network restricting level of development that can come forward.

Business Survey Results

Demand across Main Business Sectors

Business surveys were conducted in Christchurch and East Dorset during the Autumn of 2006. The business survey was aimed at businesses currently located in the plan area operating under B1, B2 and B8 uses. However, notable bolts ons to the study include the health and leisure sectors.
The business survey assesses future requirements for land and premises. The survey recorded land and premises requirements according to the following business categories.

- Research & Development
- General Manufacturing / Engineering
- Banking / Finance / Insurance
- Construction
- Distribution
- Education

- High Tech Industry / Advanced Engineering
- Health
- Public Administration
- Transport / Storage / Communications
- Agriculture / Fishing

The survey conducted in Christchurch received a 30% response. In Christchurch the highest number of responses were received from the following business sectors:

- General manufacturing / engineering
- Construction
- Distribution
- Health

The majority of businesses in the Borough are small to medium sized companies employing less than 15 staff. Most of these are small, independent companies well established in the local area. However a small number of larger firms are very significant with 3% of firms accounting for 45% of Borough employees. Proportionally BIA has a higher number of larger firms which is significant for employment generation. In support of sustainable long term growth the Borough needs to be able to attract larger businesses as well as supporting small and medium sized enterprises (SMEs).

Business Location

The majority of respondents are located within industrial estates falling within the General Industrial / Business Area market segment. In some instances respondents differed in perception of their location. This was particularly in respect of perceptions of the airport northern business park.

Premise Type

Most commercial premises in the Borough are established industrial and office units with fewer modern units. There are a number of premises that combine uses and include elements of B1, B2 and B8. This type of use is indicative of a requirement to provide premises where there is a flexibility of use. A lack of modern premises is a disincentive for some businesses specifically requiring this type of premises to invest in the Borough. The current supply of premises is more suited to the needs of the general manufacturing, construction and distribution industries that appear to be more readily able to utilise more established premises.

The majority of premises on employment sites are small units within the 93 – 486sqm scale. Larger premises in the Borough are occupied by businesses in the general manufacturing, construction and health sectors. The airport has a significant number of larger premises and this site has more scope than town centre sites to accommodate them.

Site Size
The majority of businesses in the area operate on sites of less than 0.25ha and this reflects the core demand. The airport northern business park contains businesses operating on larger sites.

Ownership
In terms of tenure premises in the Borough are mainly leasehold. Demand over the past 5 years has been for freehold premises. The Borough has had a shortage of freehold premises which has acted as a disincentive for investment. However, in the current economic climate demand has increased for leasehold due to difficulties in obtaining finance for freehold premises.

Locational Requirements
Of the responses received through the Christchurch business survey the following factors were seen as most significant for businesses decisions to locate in the area:

- Quality of life
- Ability to retain skilled staff
- Flexibility of tenure
- Proximity to customers
- Access to broadband infrastructure
- Availability of car parking
- Good access to the strategic road network (Particularly significant for manufacturing, construction and distribution.)
- Proximity to the airport (connectivity to national, European and international markets.)

Respondents to the business survey identified the following factors as constraints for existing businesses and disincentives for businesses considering locating in Christchurch.

- Availability of public transport (mainly for businesses located at the airport)
- Availability of skilled workforce locally
- Capabilities for future expansion (limited by land availability and ability to secure finance to acquire land and premises.)
- Ability to expand on own site
- Cost of land / premises (a constraint for smaller businesses)
- Quality of land / premises (lack of modern industrial and office units / prevailing industrial character within Borough.)
- Availability of affordable open market housing
- Lack of links to higher education institutions
- Lack of proximity to suppliers
- Environmental constraints (proximity to sites of nature conservation / residential, highway capacity, Proposed MBT plant at Aviation park West)

Plans for Physical Expansion
Of the businesses located in the Borough the following businesses are planning to physically expand.

- General Manufacturing (BIA, urban area)
- Construction (BIA, urban area)
- Distribution (urban area)
- High Tech Industry / Advanced Engineering (BIA)
- Transport / Storage / Communications (BIA)
- Professional Services (urban area)

The following businesses are seeking to expand in the short to medium term (Short Term – 1-2 years, Medium Term 3-5 years, Long Term (5+Years)

- General Manufacturing / Engineering
- Construction
- Distribution
- Professional Services / ICT
- Transport / Storage / Communications

Location for Expansion
The majority of businesses located within the Borough are seeking to expand on another site or premises in the Borough. A lesser proportion of businesses are seeking to expand on their own site but this is mainly related to land availability. In contrast businesses located at the airport generally seek to expand on their own site.

Types of Site Sought: (market Segment)
Of the businesses located in the urban area the majority are seeking to locate on industrial estates which would fall under the General Industrial / Business Area market segment. This is unsurprising as these businesses are currently located on this type of site. The following businesses are seeking to locate on this type of site:

- General manufacturing / engineering
- Construction
- Distribution
- Transport / Storage / Communications

Businesses located at the Airport are seeking to expand on their own site or within the NDZ. Of the centrally located businesses the majority are seeking to expand on another site or premises within the Borough. There is some demand for business park locations from R&D, general manufacturing / engineering, construction, health and professional service sectors.

Of those businesses seeking expansion at the Airport greatest demand is for business park locations. The following businesses are seeking to expand in a business park location:

- General Manufacturing / Engineering
- Advanced Engineering
- High Tech Industries

The following business sectors represented at the airport are seeking expansion on an industrial estate:

- General manufacturing / Engineering
- Construction
- Distribution

The lack of business park / science park locations has significant implications on for the nature of inward investment in the Borough.

Demand for Premises (Christchurch urban area)

- Modern office units
- Modern industrial units
- Demand for modern premises from General Manufacturing / Engineering, Construction, Distribution and some professional services sectors

Demand for premises at the airport is equally split between a requirement for modern and established premises.

Size of Premises Sought

- Size of premises sought – 93 – 186sqm / 93 – 929sqm

Demand for larger premises –

- General Manufacturing / Engineering
- Health
- Construction
- Distribution

Proportionally there is greater demand from businesses located at the airport seeking larger premises. Demand for larger premises is drawn from:

- Construction
- Distribution
- Transport / Storage / Communications

Size of Site Sought for Expansion

- Less than 0.25ha
- Larger sites sought from General Manufacturing / Engineering
- Airport – sites less than 1ha

Supply of land and premises

Businesses operating within the urban area
25% of businesses on sites within the urban area have determined that the existing supply of land and premises will not meet future requirements. 31% of businesses located in the urban area have stated that future land premises provision is sufficient.

Businesses operating at Bournemouth Airport
21% of businesses have determined that future supply is unlikely to meet their requirements and 47% are satisfied with existing supply. Greater land availability at the airport explains the higher proportion of businesses content with existing supply.

East Dorset Business Survey Conclusions

The business survey for East Dorset was carried out in January and February 2007, and was sent to all businesses currently operating from the main industrial estates in the district. Of the 790 questionnaires sent, 180 responses were received, representing a 23% response rate.

The Nature of the Businesses
The most significant business sectors indicated by the responses include; general manufacturing (33%), distribution (21%), other (21%) and construction (12%).

Status of Business
The majority of businesses are independent companies (78%), with smaller numbers of subsidiaries of larger groups (14%) and head office sites (7.5%).

Location
The majority of businesses located on East Dorset industrial estates are within the sectors of general manufacturing, high tech industry/advanced engineering, construction, transport and distribution and other. The remaining business sectors occupy an even spread of locations.

Type of premises:
The majority of general manufacturing class themselves as occupying established industrial units. The distribution sector is more evenly split between established storage/distribution units and established industrial units.

For the principal sectors (general manufacturing, construction and distribution) a greater proportion of premises are not purpose built. Only high tech industry and other record a greater response for purpose built units.

Length of operation on these premises.
There is considerable variation in the trends exhibited by the sectors in this category. The businesses established for less than one year are restricted to construction, distribution, high tech industry and other.

The larger sectors of general manufacturing, construction, distribution and other all exhibit a core of businesses which have been established for between 5-20 years. A significant proportion have also been established for up to 5 years, with a much smaller group having been in place for more than 20 years. High tech industry demonstrated a more evenly spread establishment trend.

The majority of businesses in East Dorset have either started at the current site, or from other premises within the district. The most significant sectors within the district include; general manufacturing, construction, distribution and other. The business sector of distribution was the only sector to have a noticeably higher response for previously operating outside the district.

Site Ownership
The main sectors within the district (general manufacturing, construction and other) all exhibit a trend for leasehold, closely followed by freehold, with a minority of licensed premises. In contrast, transport and distribution sectors demonstrate a more significant proportion of licensed premises, with a lower proportion of freehold property.

Number of employees
The companies employing the largest numbers of staff are engaged in general manufacturing, construction, distribution and other. These groups all exhibit a wide range of full time and part time working patterns, although none from these sectors have either full time or part time total workers above 250.

Number of floors at current premises
Most businesses in all sectors have 1-2 floors. A small proportion of construction, high tech industry and other do though possess 3 floors.

Size of Premises
A wide range of premises sizes are occupied by the major business sectors. For general manufacturing this spans the full range, with the majority falling within 93 and 929 square metres of floor-space.

Factors seen as positive or negative in present location
a. Research and Development: The availability of land and premises, public transport and affordable housing were all considered to be negative factors.

b. General manufacturing: The ability to retain the existing workforce, quality of life, accessibility to the road network and car parking were all considered by this sector to represent positive factors. In contrast, public transport, the availability of a skilled workforce and access to affordable housing were all identified as negative features.

c. Banking/finance/insurance: Car parking and accessibility to broadband were considered positive, while the ability to expand the existing premises and accessibility to affordable housing were identified as the most negative factors for this sector.

d. Construction: Access to the road network, car parking and broadband, along with quality of life were all ranked as positive, while public transport, the availability of a skilled workforce and access to affordable housing were all seen as negative factors.

e. Distribution: Access to the road network, car parking, quality of life and ability to retain the existing workforce were all identified as positive. In contrast, the capacity for future expansion and access to public transport and affordable housing were all seen as negative.

f. Education: This sector identified quality of life, car parking and broadband access as positive, but significantly proximity to customers was seen as a negative factor.

g. High Tech Industry: This sector viewed access to the strategic road network, proximity to customers and access to broadband as positive. While access to public transport and proximity to higher education establishments were all seen as negative.

h. Health: Access to the strategic road network, proximity to customers and access to the broadband were all identified as positives. Negative factors were considered to be the potential for expansion, public transport, access to port and rail and the provision of affordable housing.

i. Transport: Perhaps unsurprisingly, access to the strategic road network was ranked as the highest positive factor. The negative factors identified included; availability of public transport, affordable housing and significantly access to port and rail.

j. Other: The availability of land, the ability to retain workforce, access to the road network, quality of life and the availability of car parking were all ranked as positive. The availability of public transport and affordable housing were ranked as the principle negative factors by this sector.

Most significant locational requirements

The key preferences emerging were for the availability of land which was the most significant first choice factor, followed by good access to the road network (access to rail, port or airport all however rated relatively low). Proximity to customers and the availability of skilled workers were also significant. Very few chose environmental factors as being significant.

Future Business Plans

a. Plans to expand business on current site:

Construction is the most dynamic sector, with 67% expressing plans for expansion. Distribution has a more even split between those wishing to move (39%), against those having no plans (48%). The general manufacturing sector appears to be generally stable, with the response for no plans to expand being double that of those with plans to do so.

b. Plans to physically decrease the size of existing business:
The majority of respondents were positive and had no plans to decrease the size of their operations (typically between 70% and 87%). Only small numbers indicated plans to decrease within general manufacturing (4%) and distribution (4%).

c. Plans to relocate existing business:
This issue revealed some variation within the plans businesses identified, although in all cases for each sector, a greater number had no plans at all. Within general manufacturing and engineering; 22% have plans, 67% indicated no such plans and 6% were unsure. Within distribution; 26% have plans, 59% indicated no such plans and 15% were unsure. Within construction; 25% have plans, 55% indicated no such plans and 20% were unsure. Within the other group; 20% have plans, 59% indicated no such plans and a further 20% were unsure.

The likelihood of plans to relocate or expand
The most positive feelings were expressed from general manufacturing, where 42% of respondents felt that their plans would come to fruition. In contrast, some 57% of the other group were pessimistic, with an additional 21% not sure.

Broad location and timescale for the planned change
There were some generally modest plans to expand on existing sites. General manufacturing, construction, distribution and other, all indicated some short to medium term plans for expansion.

Only very small numbers of businesses from any sectors indicated a current intention to downsize.

Few businesses indicated clear plans to expand onto another site within East Dorset, of which general manufacturing represented the most significant sector. Similarly, there were no clear trends for businesses expanding or relocating outside East Dorset due to a lack of responses for those questions.

Business Locations / Premises Sought:

The majority of general manufacturing (96%) and distribution (60%) preferred industrial estate locations. A preference for business parks was only identified by the high tech industry sector.

Modern industrial units were preferred by the major sectors of general manufacturing (50%), construction (45%) and distribution (46%). The highest response received for other forms of premises, was for general manufacturing (38%), which sought established industrial units.

Type of Premises

Just over half of general manufacturing premises (57%) are not purpose built. The remaining major sectors are generally divided evenly.

Size of Premises Sought
For all the major sectors that responded to the survey, the most common size sought was 186-464 square metres. Distribution however had a more evenly spread response between the sizes 93 and 1858 square metres.

Preferred ownership arrangements
For the major sectors that responded to the survey (general manufacturing, construction, distribution and other), in all cases freehold was the preferred ownership arrangement. Only the health sector recorded a slight preference in leasehold.

Number of employees you will employed after anticipated expansion or downsizing
There is a generally even spread for the sectors of general manufacturing, construction and distribution concentrated across the full time range from 5-9 and 10-24. The other sector is however dominated by full time 5-9 and part time 1-4. With the exception of high tech industry and health sectors, all the remaining sectors anticipate a greater number of full time than part time posts for their employees.

Land Supply
For the sectors of general manufacturing, construction and distribution their answers are split between yes and don't know. Within the other sector are the responses more evenly distributed between yes and no. Only for the high tech industry sector, were there more no responses, although there were only a low number of respondees to the questionnaires for this sector.

Employment Land Take Up

Development Progress in Christchurch and East Dorset 1994 – 2006 (Hectares @ March 2006)

District	Christchurch	East Dorset
Structure Plan Provision 194 - 2011		
1994 / 1995	0.05	1.63
1995 / 1996	0.81	1.1
1996 / 1997	0.66	3.72
1997 / 1998	0.52	1.63
1998 / 1999	5.27	3.13
1999 / 2000	0.75	2.64
2000 / 2001	0.71	0.84
2001 / 2002	3.34	2.2
2002 / 2003	0	0.74
2003 / 2004	0.78	1.79
2004 / 2005	1.59	0.52
2005 / 2006	0.46	0.63
2006 / 2007	0ha	0.62
2007 / 2008		
Total 1994 - 2006	14.94	20.57
Annual Structure Plan Target	2.9	1.2
Average Take Up – 1994 -	1.3	1.7

2006		

Location	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	Total:	Average per year
Site D APW	0.27							
Anglo American Automotive	0.14							
Former Airworks Site		1.2						
Dorset Young Enterprise		0.36						
Ocean Yacht Systems			0.35					
Phase B APW			0.34					
Basepoint				0.77				
Plot 2/4, Phase B APW				0.78				
Site B, South of Barnabus Lodge North West Park						0.34	**4.55ha**	**0.76ha**

‘Meeting Demands for Employment Land and Premises in South East Dorset’ (Stakeholder Event October 2006)

The following questions were addressed during workshop sessions run at an event organised by South East Dorset local authorities to examine future requirements for employment land and premises.

- What types of sites and premises will be required to meet the future needs of businesses in the conurbation? / Where, and how can these needs be met?

Employment land requirements for South East Dorset were examined as part of a spatial approach. It is important that future provision of employment land and premises is co-ordinated over an effective commercial market area as opposed to approaches confined to administrative boundaries. Strategic sites such as Bournemouth Airport and Ferndown Industrial Estate constitute a very large proportion of employment land supply for the sub region as a whole. In this respect approaches to employment land provision need to consider existing locations of sites and where it is possible to bring sites forward to accommodate need.

General requirements for sites and premises
A range of sites are required to meet the needs of business activity currently located in the sub region and activity which can be attracted to the area. The provision of nursery / incubation units and larger ‘grow space’ is seen as essential in promoting incremental growth.

It was considered that employment sites need to accommodate a variety of employment uses including B1, B2 and B8. A mix of employment uses to be located on sites across the sub region include multi storey offices, affordable workspace and warehousing.

It was noted that there is particular demand across the sub region for smaller premises in the region of 150 – 250sqm.

Locational Requirements
The range of sites located across the sub region was seen as not meeting the infrastructure needs of key growth sectors. Potential options to address this include the fundamental upgrading of infrastructure on existing sites or the allocation of new sites providing appropriate infrastructure.

The provision of necessary transport infrastructure was viewed as one of the most significant locational requirements. Sites with good connectivity to the strategic road network and the south east are considered key for attracting growth sectors.

Issues constraining future employment development
The following constraints were identified as the most significant:

- Lack of necessary infrastructure
- Greenbelt
- Sensitive environmental designations
- Permitted scale of new development

Competing demands for land
The requirement upon local authorities to deliver the level of housing set out in the RSS has placed considerable pressure on existing employment sites. In this instance the strategic housing land availability assessment must effectively dovetail with the employment land review process.

Barriers to business growth
Over regulation was seen as one of the biggest issues preventing the growth of local business. It was noted that changes in government policy could assist the growth of companies, particularly small and medium sized enterprises.

Measures to Meet Need

General land provision

In broad terms, a need was expressed for the provision of a number of larger employment sites of the approximate size and scale of Ferndown Industrial Estate to meet requirements over the next 20 years.

The shortage of employment land in the South East Dorset Sub Region emphasises the importance of making best use of urban sites / Brownfield sites. This is particularly in respect of achieving higher densities of development, looking at the potential for redevelopment and recycling of existing sites and premises.

It was suggested that Greenfield sites may need to be considered in order to effectively meet demand for employment land over the plan period. In particular it was suggested that extensions to existing employment sites may need to be considered which in some instances would involve Greenfield development.

Infrastructure delivery

Infrastructure improvements necessary to serve employment sites in the sub region require very high levels of investment. The following sources of funding were discussed as a means of delivering infrastructure:

- Regional fund for infrastructure
- Contributions from new housing provision
- EU cohesion funding – to support the ‘competitiveness agenda’ and rural diversification

Creating an attractive place to live

The quality of the local environment and the provision of good quality public facilities act as an incentive to attract people to live and work in the local area.

The lack of affordable market housing in South East Dorset is a deterrent in attracting key workers to live and work in the local area. There is also the issue of the quality of the existing housing stock and the supply of housing. The provision of appropriate levels of housing can be addressed through the planning system.

High quality employment opportunities

There is a recognised need for a greater range of high quality employment opportunities in the sub region. At present there is also a mismatch between skills and jobs with a shortage of appropriately skilled workers. Further investment is required to raise skill levels to assist economic growth.

Local Development Framework Policies

Reference was made to the need for planning to adopt a more joined up approach to address requirements for employment land, residential land, transport infrastructure and the provision of facilities.

It was felt that LDF policies should not be overly prescriptive with regard to employment uses. The changing nature of the market poses potential issues for employment policies becoming outdated. However, the need for some level of prescription was noted in order to promote the requirements of key business sectors and complementary clusters of employment development.

A requirement for greater flexibility in employment policies was noted. Flexibility in land use allocations would allow for necessary onsite facilities that don't fall under the traditional employment land use classes e.g. gym facilities. Future employment allocations need to be realistic and realisable in respect of the businesses that can be attracted to the local area.

Transport Policy
The requirement for local authority run and publicly subsidised transport services was identified to provide the necessary links between residential and employment areas.

Travel plans requested from employment developments need to be 'realistic' and tailored to specific business types.

Nathaniel Lichfield and Partners 'Economic Study of Development Land at Bournemouth Airport (March 2008)

As part of the airport economic study NLP undertook an assessment of market demand for employment space in the sub region in relation to current and emerging supply of land. This assessment was based on discussions with local property agents, council economic development officers and analysis of enquires received for business premises.

Demand for Office Space
Demand for office space in South East Dorset is steady in the region of 200 – 1,000 sqm. Demand for office space is concentrated in the town centres of Bournemouth and Poole. Demand for office development is relatively low as major new office occupiers tend to locate near the M3/M27 corridor near Southampton. Demand is for modern, high specification premises with low running costs and good parking / accessibility for staff.

Outside Poole and Bournemouth demand for office is more limited although the Arena scheme at Ferndown industrial estate has attracted various office occupiers in small modern units.

Industrial B1(c), B2 and B8)
NLP identify a strong demand for industrial space across the sub region. Vacancy levels on existing sites are generally low with available sites taken up quickly. Demand is for smaller units 100 – 200 sqm (freehold) as well as 1,000 – 2,000 sqm design and build units. Most demand is for B1 (c) and B2 with significant demand for small / medium sized B8 units and half of all enquiries for warehousing. Prime locations for industrial demand include Ferndown and Bournemouth Airport.

Size (sqft)	0 - 999	1000 – 1,499	1,500 – 1,999	2,000 – 4,999	5,000 – 25,000	25,000 – 50,000	Over 50,000	% by use
Industrial	150	13	14	192	41	12	10	25%
Light Industrial	301	14	8	238	20	1	6	34%
Warehousing	77	14	5	113	23	8	13	14.6%
Offices	235	19	9	128	17	0	0	24%
Serviced Offices	41	2	0	5	0	0	0	2.8%
% by size	47%	3.6%	2.1%	39.1%	5.8%	1.2%	1.7%	

Source: Dorset County Council Property Pilot database. Note: Enquiries only apply to Bournemouth, Poole, Christchurch and East Dorset.

The data suggests that most demand is for industrial premises (73% of enquiries) with reasonable demand for office premises (27%). Most demand is for smaller premises 91% of enquiries for units under 465sqm and very little demand for premises above 2,300 sqm. The strongest demand is for units below 95sqm.

Demand at Bournemouth Airport

The airport receives 3 – 4 enquiries per week with most enquiries for industrial premises of 200 – 450sqm and mainly from firms already located in the sub region. Few enquires are received for office space but this reflects the type of premises that are available.

The market attractiveness of the NDZ is derived from its diverse range of premises, low cost of space and availability of parking. The prestige of an airport location is also attractive to some firms.

Factors limiting demand at the airport include the lack of premises to meet demand, the poorer quality of some units and limited road access.

Aviation related demand –

Some future demand will come from existing aviation related firms and some small scale maintenance facilities from budget airlines. There has been enquiries for large hangers (2,000 and 15,000 sqm) from air livery firms and for a sales base for a private aircraft business. Many aviation firms have been attracted to the airport by availability of suitable land / premises and parking rather than any special features of an airport location.

Industrial / Office

Local agents consider the majority of demand is for industrial uses at the airport. There is capacity to provide a good quality office campus site which is lacking in the sub region attracting smaller occupiers. NLP's view is that approximately 20% of the site could be dedicated to office use, up to 10ha. It is considered that an office element should be located at the gateways to the site.

Associated Development
Future demand at the airport will be influenced by the range of service uses provided on site. In particular services typical of modern business parks include convenience retail, restaurant, banking, amenity space, conference and leisure facilities and potentially dental, medical and legal services.

NLP recommend that the provision of on site service uses should be modest in scale, sufficient to serve on site needs without adversely affecting nearby town centres.

Infrastructure Constraints
Demand for employment space at the NDZ is constrained by requirements for infrastructure which facilitate land coming forward. Significant local road improvements are required in order to realise the full development potential of the NDZ.

The range of employment uses promoted at the airport will determine the level of transport improvements required. For example low level trip generating uses such as distribution uses may be accommodated with improvements to the B3073. In contrast, full development of the NDZ with a significant office component would require a link road to the A338.

A study has been undertaken by Peter Bretts Associates assessing the quantum of development that will trigger the need for specific transport improvements. The outputs of this study will help to establish the precise level and location of infrastructure required to meet projected employment demand and realise the potential of the NDZ.

Image of the Site
The future identity of the airport NDZ is important for enhancing its market attractiveness. The range of business activity which can be attracted to the site is dependant on site image. NLP believe that the site could be promoted as the premier business location for the sub region catering for a mix of employment uses including knowledge based firms. An attractive site image is particularly important for promoting an office area where high design standards are needed.

Phasing of Development
Careful phasing of development is required to match market demand and to ensure traffic generation does not exceed the pace of improvements to road access.

NLP’s assessment of demand has identified a requirement for approximately 0.4-0.8ha of office development every few years. 4 – 5 ha per annum could be released for industrial uses subject to appropriate road improvements.

Bournemouth, Dorset and Poole Workspace Strategy and Delivery Plan (GVA Grimley Oct 2008)

GVA Grimley was commissioned by the South West Regional Development Agency and the Bournemouth, Dorset and Poole local authorities to undertake a review of the 2003 Workspace Strategy.

The Workspace Strategy review has undertaken an assessment of employment land demand to 2026. Demand has been assessed against current supply with any gaps in supply assessed in quantitative and qualitative terms. The Workspace Strategy assesses demand for employment land on a travel to work area (TTWA) basis and on a district level. Employment land requirements for Christchurch and East Dorset are determined in relation to projections for South East Dorset and available supply across this area.
In particular employment land requirements for the plan area are based in consideration of demand for Bournemouth, Poole, Christchurch and East Dorset and employment land supply which is deliverable across these authority areas during the plan period to 2026.

Commercial Property Market Overview

Office
GVA's assessment of office demand is consistent with NLP's view of sub regional demand. The South East Dorset sub region is not perceived as an area attracting significant inward investment. Core office markets are located in areas with good connectivity to London such as Southampton.

The supply and take up of refurbished office space in Bournemouth and Poole is reasonably balanced. GVA also report a good take up of refurbished stock in Bournemouth and Poole. Agents have reported a shortage of secondary accommodation with raised floors.

The property profession has raised concerns that inward investment is weighted toward the financial sector, particularly susceptible to the current global economic downturn. In the current market there is evidence of major companies like Barclays looking to downsize.

Industrial Market
GVA identify the focus of industrial premises in Poole and significant sites such as Bournemouth Airport. GVA put forward the view that there has been a marked decline in manufacturing consistent with national trends. This is not consistent with NLP's assessment of demand or from other locally established evidence.

GVA's consultation of local agents has recorded a significant increase in enquiries for B8 floorspace over the past 5 years, representing almost 50% of all enquiries for some agents. Agents have also put forward the view that there has been a modest increase in the demand for B2 floorspace.

Tenure
Demand over the past years has been for freehold premises. This is consistent with the findings of the business survey and the Councils own discussions with local property agents. Changes in market conditions and difficulties in obtaining finance has led to a higher demand for leasehold premises.

Employment Land Demand Forecast
Employment land projections put forward in the 2008 Bournemouth, Dorset and Poole Workspace Strategy are supported by Dorset local authorities as the most robust currently available and supersede projections contained in the Draft Regional Spatial Strategy for the South West Incorporating the Secretary of State's Proposed Changes. A number of other studies have been undertaken to establish employment projections for the local area which are set out below.

1. A forecast as part of the Demand and Supply of Employment Land, Sites and Premises in South West England (Jan 2007) by DTZ for SWRDA
2. A forecast by Dorset County Council undertaken as part of the co-ordinated employment land review process.
3. The forecast by Dorset County Council on which the RSS Panel Report figure is assumed to be based.
4. A forecast by Roger Tym and Partners as part of their commission by the Regional Assembly.

The following assessment provides a critical evaluation of these studies and sets out why the 2008 Bournemouth, Dorset and Poole Workspace Strategy should be afforded greatest weight.

Comparison of Employment Land Forecasts

Area covered

DTZ	Roger Tym	GVA Grimley
South West Region	South West Region	BDP Sub-region

Areas for which forecasts made

DTZ	Roger Tym	GVA Grimley
Page 47: SSCTs but based on job forecasts for TTWAs using earlier work by Roger Tym to allocate jobs within and outside urban areas. The SSCT in SE Dorset has been redefined in the RSS Panel Report and Secretary of State's Proposed Changes since	Annex B: District and Unitary Council areas. Projections set out for increase in jobs and floorspace and not projections for employment land demand.	Appendix D: Demand and Supply figures for District and Unitary Council areas.

completion of the DTZ report.		

Commissioned by

DTZ	Roger Tym	GVA Grimley
SWRDA	SWRA	SWRDA

Date of report

DTZ	Roger Tym	GVA Grimley
January 2007	August 2008	October 2008

Stage of RSS when report released

DTZ	Roger Tym	GVA Grimley
Submission Document	Draft RSS plus Panel proposals	Secretary of State's changes

Overall conclusions

<u>DTZ</u>
The report identified a sufficient supply of employment land on a regional level to meet demand but this masks a number of issues which include:

- A mismatch between demand and supply in the SSCT and at regional level;
- Quantitative issues and qualitative considerations;
- Availability of employment land in the short, medium and long term.

<u>Roger Tym</u>
The report identifies that planning for economic land uses should be undertaken at a sub regional level as advised in the RSS and in Government guidance. The report identifies a need to undertake a joint employment land review which could be followed by joint DPDs. In the present round of LDDs, in which single district working is already far advanced, districts should at least share their emerging evidence bases and policies, and identify and resolve cross-boundary issues.

<u>GVA Grimley</u>
The report identifies an imbalance of supply and demand across the sub region. Within the Bournemouth Travel to Work Area there is an undersupply of employment land in the short to medium term. The RSS identifies 20ha of employment land to the West of Ferndown to come forward in the plan period. Due to issues with the capacity of the A31 this supply is considered to be available in the long term and subsequently there remains a shortfall in employment land supply in the short to medium term.

There is an undersupply of land within the Bournemouth TTWA for office. Therefore, strategic sites such as the Airport Business Park will play a significant role in the provision of land for office development that complements the Bournemouth and Poole town centres.

- An adequate supply in Poole overall, but a 13 ha deficit in the short term, significantly for offices

In the sub-region as a whole, there is uncertainty affecting a large part of the assumed supply, which could result in a supply shortage, and a negative impact on economic performance.

Research Methodology

DTZ

DTZ's future demand assessment considers three key components:

- □Demand for sites and premises to accommodate economic growth as a result of the RES 3.2% p.a. GVA growth scenario;
- □Demand for sites and premises to replace stocks lost through dilapidation and change of use;
- □Appropriate provision to ensure choice in the market.

In this report they have used three categories of employment premises/land:

- □Offices – comparable to B1a in the Use Class Order
- □Other Business Space – covering B1 b/c and B2
- □Warehouse – covering B8 activities

These categories align with the Department for Communities and Local Government categories used in rateable floorspace statistics and enable consistent analysis throughout the study.

Roger Tym

RTP say that they have based their approach on government guidance on Employment Land Reviews. The Guidance Note indicates that, in order to assess future requirements for employment land, local authorities should start from employment forecasts and then translate jobs into demand for floorspace and land. In the South West, employment forecasts, based on the economic aspirations of the draft RSS and RES, were provided by Cambridge Econometrics, and incorporated in the draft RSS, in the form of growth targets for those TTWAs which contain SSCTs.

The EiP Panel proposed that the RSS should provide more detailed employment figures, to cover the whole region, and show future land requirements (demand) as well as jobs. It also proposed a sub-regional approach, in which the analysis of demand and supply is focused on Housing Market Areas (HMAs), but indicative figures are also provided for districts and SSCT urban areas. RTP have therefore provided figures for district and unitary councils in Annex B of their report.

GVA Grimley

GVA Grimley state that employment land demand is based on three main elements:

1. Allowance for Economic Growth

It is based on a 3.2% GVA increase per annum as set out in the RES strong growth scenario.

The forecast by Cambridge Econometrics distinguishes between 19 economic sectors. Employment in the 19 sectors is converted into employment in four land use types:

- Office (B1a)
- Other Business Space (B1b/c, B2)
- Warehousing (B8)
- Non-B-Use-Class

For the conversion a matrix has been used which is based on the ODPM Employment Land Review Guidance with some refinements based on 4-digit-SIC analysis of current employment for each district. As a next step the employment in each of the three B-Use-Class land types (B1a, B1b/c & B2 and B8) is converted into floorspace using the following employment densities which are in line with the ODPM Employment Land Review Guidance:

- Office 18 m^2 per employee
- Other business space 32 m^2 per employee
- Warehousing 55 m^2 per employee

The floorspace is then translated into land demand using the following plot ratios:

- Office 0.41
- Other business space 0.32
- Warehousing 0.44

These plot ratios are based on research by Dorset County Council, Bournemouth Borough and the Borough of Poole of completions and outstanding planning consents since 1994 within the sub-region.

2. Allowance for Windfall Losses

The allowance for windfall losses takes into account that a proportion of designated employment land will not be entirely used by B-Use-Class employment. Land uses such as recycling, waste management, combined heat and power plants and bus depots can, under certain circumstances and where appropriate, be allocated on employment land.

A significant part of the projected employment growth arises from sectors which have traditionally not been located on employment land such as healthcare, education, hotels and leisure. Recent planning experience has shown that under specific circumstances and where appropriate such uses might locate on employment land. Under specific circumstances and where appropriate employment land might also be used for other uses to enable employment development to come forward.

The allowance for windfall losses also takes into account the need for a flexible supply of employment land. Allowance has to be made for a range of different needs by the economy which might change over the next 20 years.

To estimate the amount of land needed for windfall losses historic losses have been used as a guideline as reported in the Monitoring Reports of the Districts in the sub-region.

3. Allowance for Churn

Locational and premises needs of businesses change over time. This requires businesses to move. In other cases an existing business might cease its operations and a new business takes over a site for redevelopment. For this to happen smoothly there is a need for certain level of vacant land. This type of demand has been called ‘churn’ demand or ‘frictional vacancy’. It takes typically around two years to achieve planning consent, site preparation and construction after site has changed hands. To estimate the churn demand Grimley have taken the annual net take-up of employment land and multiplied it by two.

8. Important factors

8.1 Churn

DTZ

DTZ state that a over a 20 year period it is reasonable to expect significant churn in the employment property market. It is therefore important to make an allowance for replacement of stocks lost to other uses. A number of factors are likely to stimulate this churn:

- Dilapidated stocks requiring replacement;
- Vacated premises which are no longer fit for purpose requiring replacement; and
- Pressure for change of use – to either alternative employment use or other Use Class.

In order to calculate the potential scale of market churn and replacement demand DTZ have analysed data on the age of commercial and industrial floorspace collated by the Department for Communities and Local Government (DCLG). They have considered the trends within stocks built prior to 1990, as stock built after this date is likely to have a useful economic life throughout the analysis period.

Roger Tym

In calculating how much employment land should be provided in Local Development Documents, local authorities may add to the forecast demand a frictional margin, or buffer, to allow for land which at any one time is in the planning and development pipeline.

RTP argue that over a 20-year planning period, adding a frictional margin of perhaps two years' supply will not make much difference to total land requirements. But for practical purposes authorities will wish to assess the demand-supply balance for shorter periods, for example to ensure that there is a five-year supply of readily deliverable sites, When considering these shorter time horizons, the frictional margin will make a considerable difference.

GVA Grimley

Grimley adopt a narrower definition of 'churn' than DTZ, which seems to be identical with RTP's concept of a 'frictional margin' to take account of land in the development 'pipeline.' They have made an allowance for churn of 35 ha based on 2 years average take up of employment land between April 2004 and March 2006.

8.2 Choice

DTZ

In addition, DTZ state that analysis of property markets across the UK has highlighted a need for some headroom to ensure there is a choice and range of provision to meet the varied requirements of occupiers and developers. They conclude that an allowance of around 10% should be provided to ensure enough headroom in the market to enable choice.

Roger Tym

Some authorities add to the forecast demand to allow for flexibility, choice and competition in the land market. RTP say this is unnecessary, provided that the planning system provides enough land to meet future demand for
some years ahead, on a rolling basis. So long as these sites provide a suitable mix in terms of their qualitative features, this should normally provide enough choice and competition for the market to work efficiently.

GVA Grimley

Grimley criticise DTZ's 10% allowance to accommodate choice as not being justified in their report.

8.3 Non-B-uses

DTZ

DTZ accept that a significant amount of 'employment land' will be taken up by Non-B-Use employment sectors during the period 2006-2026. These uses would include Sui Generis related functions such as motor trades, and a growing demand for mixed use development/service provision. They have made no allowance for retail, but expect 10% of employment growth in Motor Trades, Hotels and Catering, Education and Health, and Miscellaneous services to be accommodated on 'B class sites.' The identify a total demand for 34 ha from these sectors during the RSS period in the Bournemouth, Poole and Dorchester and Weymouth SSCTs.

Roger Tym

The floorspace demand figures only relate to 'employment space', comprising factories, warehouses and offices – the B use class and physically similar uses. RTP state that jobs outside this category ('the non-B uses') account for high shares of total employment, but do not necessarily translate into demand for land in the same way, partly because they are often accommodated in housing areas. They have not made any allowance for non-B uses being located on 'employment land.'

GVA Grimley

GVA Grimley state unequivocably that they have not quantified the land demand from Non-B-Use Class sectors (5.24; page 67). On the other hand, however, they make an allowance of 79 ha in the sub-region over the period 2006 – 2026 for windfall losses of employment land to other uses (5.31-5.33;page 69). The other uses are unspecified but would surely include some Non-B-Use employment.

8.4 Economic Growth

DTZ

At regional level, DTZ forecast a need for 1,020 ha to accommodate economic growth up to 2026 (including an allowance for growth of non-B-class uses on 'employment land'). When provision for replacement of land lost to other uses, and allowance for choice is taken into account, they argue for a total provision of 1,716 ha. At SSCT level, however, they have not separately identified all these elements within the overall provision of 180 ha proposed for the Bournemouth, Poole and Dorchester and Weymouth SSCTs. If, however, one assumes a similar split between the various elements of the forecast to that at regional level, then an allowance of about 77 ha for economic growth (excluding non-B-class uses) can be deduced for the BDP Sub-region (similar to that calculated by GVA Grimley, but more than double that implied by the RTP forecast).

Roger Tym

RTP have provided forecasts for floorspace only; they argue that "it is best for the translation of floorspace into land requirements to be done at local level, where the specifics of individual sites can be taken into account." Nevertheless, they state that a 40% ratio is "probably reasonable" for most industrial and warehouse sites. For some offices, especially in city centres, they expect considerably higher density. It is difficult to explain, however, why at 33.7 ha their implied land take for economic growth in the BDP sub-region is less than half of the 70 ha calculated by GVA Grimley.

GVA Grimley

The allowance for economic growth is 70 ha calculated using the approach set out above. This figure is entirely the result of increased demand for office space. There is also additional demand for warehousing space, but that approximately equates with a decline in demand for other business space (primarily manufacturing).

8.5 New/Green-field Sites

DTZ

DTZ suggest a need for a diverse portfolio of sites to meet the requirements of the RSS and RES, but certainly do not reject a role for windfall sites and previously developed land.

Roger Tym

The relatively small area of new development indicated by RTP would be more likely to be largely, if not entirely, accommodated on 'brownfield' sites than the much larger requirements indicated by DTZ and GVA Grimley.

GVA Grimley

Grimley suggest that DTZ have overestimated the need for greenfield sites to replace employment land lost to other uses especially housing (Appendix C). They also recognise a need for new employment land, however, and propose employment areas within the RSS Urban Extensions (page 115).

9. Difference in outcome (all figures relate to 2006 – 2026)

DTZ	Roger Tym	GVA Grimley
Bournemouth SSCT +67.0 ha Poole SSCT +85.0 ha	Bournemouth BC +14.4 ha Borough of Poole + 7.5 ha Christchurch DC -3.2 ha East Dorset DC +6.2 ha North Dorset DC +0.6 ha Purbeck DC -0.3 ha	Bournemouth BC +40.2 ha Borough of Poole +36.9 ha Christchurch DC +3.6 ha East Dorset DC +21.5 ha North Dorset DC +25.3 ha Purbeck DC +11.5 ha
Bournemouth & Poole HMA +152 ha	**Bournemouth & Poole HMA +25.2 ha**	**Bournemouth & Poole HMA +139.0 ha**
Dorchester & Weymouth SSCT +28 ha	West Dorset DC +6.6 ha Weymouth & Portland BC +2.0 ha	West Dorset DC +39.6 ha Weymouth & Portland BC +5.6 ha
Dorchester & Weymouth HMA +28.0 ha	**Dorchester & Weymouth HMA +8.6 ha**	**Dorchester & Weymouth HMA +45.2 ha**
BDP Sub-region +180 ha	**BDP Sub-region +34 ha**	**BDP Sub-region +184 ha**
[DTZ figures used by Secretary of State in changed HMA policies, but logically a need for additional allocations outside the SSCTs]	**[Land forecasts not supplied by RTP – derived from floorspace at DCC using 40% plot ratio suggested by RTP]**	

Summary and Conclusions

1. Analysis of components in BDP Sub-region forecasts (Hectares)

	DTZ	Roger Tym	GVA Grimley
Economic Growth (B class uses)	77	34	70
Economic Growth (non B uses)	34	0	0
Churn (narrow definition)	0	0	35
Churn (DTZ broad definition) Including Replacement of Stocks	51	0	0
Replacement of 'Lost' Employment Land	0	0	79
Allowance for Choice	18	0	0
Total	**180**	**34**	**184**

2. Final Observations

- A comparison of these three reports is not really a comparison of like with like. DTZ and Grimley have provided fully worked up land forecasts, whereas RTP have provided only a re-working of Cambridge Econometrics's trend employment projection. The difference is intentional. DTZ and Grimley were expected to incorporate their knowledge of the national and regional property markets, and in the case of Grimley to take into account data provided by the planning authorities in the BDP Sub-region. RTP on the other hand were asked to provide a guidance note to assist the planning authorities in the South West in carrying out employment land reviews, forecasting demand in their areas, and identifying an adequate supply as required by government policy. RTP acknowledge that their floorspace projections derived from the Cambridge Econometrics employment projections will require further work by the planning authorities to produce workable land forecasts for their areas.
- Notwithstanding the different purposes of the reports, it is difficult to understand why the economic growth component for B class uses is so much different (smaller) in the Roger Tym document compared to the broadly similar figures (much larger) in the DTZ and Grimley forecasts. Ostensibly all three consultants derived this component from the same source material (Cambridge Econometrics projections). **Are we sure that only one version of these projections has been issued by SWRA/SWRDA?**
- RTP have found that the overall decline in industrial sectors amounts to a substantial net loss at both regional and local levels. This conflicts with the statement by GVA Grimley that the decline of manufacturing is roughly in balance with an increased demand for warehousing. In the BDP Sub-region, this inconsistency between the two reports equates to a net loss of about 24 ha in the RTP figures for the 20 year period as compared with the Grimley forecasts.
- The different figures used to calculate floorspace per worker by RTP (35 m^2) and Grimley (55 m^2) in respect of warehousing also make a substantial difference to the basic 'economic growth' component. At 55m^2 per worker instead of 35 m^2 the projected increase in warehousing in the region 2006 – 2026 would be 1,850,750 m^2 as opposed to 1,177,750 m^2. At 40% plot ratio, the difference equates to over 168 ha. The forecasts have conflated the manufacturing, warehousing and other industrial into a single industrial and warehousing category at the lower levels of aggregation, so that, it is unfortunately not possible to identify the effect in the BDP Sub-region.

- The DTZ and Grimley forecasts result in a very similar overall outcome, which is not surprising as their assumptions and methodology are very similar.
- The recognition of the reality of non-B class uses on ‘employment land’ by DTZ seems very sensible. They do not take account of retail uses on industrial/trading estates and business parks, however; the prevalence of retail and retail/trade warehouses is evident on many such properties in Dorset.
- It seems doubtful that the different matrices used by the three consultants to convert from sics to use classes have made a material difference to the outcomes of their studies. It would be necessary to work through the calculations at a very fine level of detail to be sure of this, however, and employment data would be needed for 4 digit sics.
- The substantially larger amount of land allocated to Dorchester and Weymouth HMA, relative to Bournemouth and Poole HMA, by GVA Grimley compared with DTZ may well be a consequence of the requirement for Grimley to provide forecasts for individual planning authorities rather than for SSCTs as in the case of DTZ. Different ratios would have had to be used to allocate employment to these areas, which could have resulted in a shift in the balance of employment and therefore of floorspace and land. As the local authority figures are said to have been derived from disaggregated projections supplied by Cambridge Econometrics, it would probably be necessary to go back to Cambridge Econometrics for a full explanation of these factors. An alternative, or additional explanation, may lie in discussions between Grimley and the district councils which may have suggested that an alternative distribution to that found by DTZ was appropriate.
- There is a logical inconsistency in GVA Grimley’s concept of ‘churn.’ If two years supply is to be defined as 35 ha based on past development rates then surely the 20 year RSS requirement is 385 ha (10 x 35 + 35 for ‘churn’) rather than 184 ha. Alternatively, the allowance for ‘churn’ could be calculated as 14.9 ha (70 ha for economic growth + 79 ha for lost land replacement = 149 ha so that 2 years supply = 149/10 = 14.9 ha), suggesting an overall requirement of163.9 ha. **Perhaps more attention needs to be given to past development rates in the sub-region, however, as a guide to future needs as opposed to an over reliance on trend based national employment projections.**
- Certainly, it is difficult to argue that the DTZ/Grimley figures are excessive given the development rates in recent years. Development during the period 1994 – 2007 in the BDP sub-region averaged 13.5 ha per annum equating to 270.0 ha for a 20 year period. Even if the current economic downturn were assumed to depress the rate of development for several years, a figure of 180+ ha for the period 2006 – 2026 does not seem unreasonable.

Methodology

GVA's analysis of employment land demand is based on the following elements:

1. Allowance for Economic Growth
2. Allowance for Windfall Losses
3. Allowance for Churn

Allowance for Economic Growth

The allowance for economic growth is based on the RSS assumption of a 3.2% GVA increase per annum.

The Cambridge Econometrics modelling distinguishes between 19 economic sectors which is converted into the following land use types:

- Office (B1a)
- Other Business Space (B1b/c, B2)
- Warehousing (B8)
- Non B Use Classes

For the conversion a matrix has been used based on the ODPM Employment Land Review Guidance with some refinements based on 4 digit SIC analysis of current employment for each district. The conversion matrix assigns a proportion of the employees in each of the 19 sectors from the employment forecast to one or more of the four land use types.
As a next step the employment in each of the four land use types is converted into floorspace using the following employment densities which are in line with the ODPM employment land review guidance:

- Office 18sqm per employee
- Other business space 32sqm per employee
- Warehousing 55sqm per employee

The floorspace is then translated into land demand using the following plot ratios:

- Office 0.41
- Other business space 0.32
- Warehousing 0.44

(Plot ratios are derived by DCC research of planning applications within the sub region.)

Allowance for Windfall Losses
An allowance has been made for a proportion of allocated employment land that will be taken up by non B Class employment in order to effectively meet the demand for B class uses. An estimation of projected windfall losses for

Christchurch and East Dorset has been made on based on previous trends recorded in monitoring reports.

Allowance for Churn
Locational and premises needs of business change over time. This requires businesses to move. In other cases an existing business might cease its operations and a new business takes over a site for redevelopment. For this to happen smoothly there needs to be a certain level of vacant land. This type of demand ha been called ‘churn’ demand or ‘frictional vacancy’. Estimation of churn demand has calculated the annual net take up of employment land and multiplied it by two.

Economic Growth

Employment growth in the Bournemouth TTWA is projected to grow by 3.2% GVA for the period 2006 – 2026.

GVA Grimley Employment Projection

The baseline forecast undertaken by GVA Grimley considers economic growth, windfall loses and an allowance for churn.

According to the GVA forecast there is an overall demand of 174ha of employment land within the sub region for B class employment. Within the sub region 34% of total demand falls within the Bournemouth TTWA.

Total Demand by TTWA (Workspace Strategy Projections)					
	BDP	**Bournemouth TTWA**	**Poole TTWA**	**Dorchester and Weymouth TTWA**	**None TTWA**
Office	60.4	21.3	24.4	8.8	5.8
Industrial	-0.6	10.5	-11.5	2.4	-2.0
Windfall Loses	79	22.2	21.6	20.1	15
Churn	34.89	5.29	11.31	10.33	7.96
Total	173.7ha	59.3ha	45.9ha	41.7ha	26.8ha

Demand by Phasing –

The Workspace Strategy has put forward an analysis of demand by phasing which is in accordance with the 20 year projections provided by Cambridge Econometrics. From this analysis demand is clearly front loaded within the first 5 years of the plan period. Across the sub region 59% of demand (102ha) is loaded into the period 2006 – 2011.

Demand by Phasing (Workspace Strategy Analysis)					
	2006 – 2011 ha	**2011 – 2016 ha**	**2016 – 2021 ha**	**2021 – 2026 ha**	**2006 – 2026 ha**

Bournemouth TTWA	**23.8**	**17.3**	**15.3**	**2.8**	**59.3**
Poole TTWA	23.1	10.4	3.9	8.5	45.9
Dorchester and Weymouth TTWA	19	6.6	5.8	10.3	41.7
NONE TTWA	36.5	-4.7	-10.5	5.5	26.8
Total	102.3	29.6	14.6	27.1	173.7

Balancing Demand and Supply

In order to identify any gaps in the employment land portfolio it is necessary to balance projected demand against the identified portfolio of sites which will come forward during the plan period.

Local Authority	Short Term	Medium Term	Long Term	All Availability
Christchurch	4.7	1.55	59.5	65.75
East Dorset	9.9	0	20	29.9
Purbeck	0	1.9	44.72	46.6
Bournemouth	11	0	4.93	16
Poole	5.59	12.58	9.21	28.1
North Dorset	23.6	8.2	11.12	42.9
Totals	54.79	24.23	149.48	229.25

Availability by Travel To Work Area

TTWA	2006 - 2011	2011 - 2016	2016 - 2026	All Availability
Bournemouth	25.6	1.55	84.43	111.58
Poole	5.59	14.48	53.93	74
Dorchester and Weymouth				
North Dorset*				

Conclusions

General Market Overview

There is a general consensus that there is a shortage of employment land available in the short to medium term within the Bournemouth travel to work area which encompasses Christchurch and East Dorset.

Demand is fairly strong for land and premises within the existing Christchurch / East Dorset employment land portfolio. Across Christchurch and East Dorset utilisation rates are high with only a small percentage of vacant units recorded.

The current portfolio of sites is best suited to the requirements of general manufacturing, construction and distribution industries currently located in the area. However, the portfolio is limited to the general industrial / business area which limit the range of business activity that can be attracted.

Demand has been strong in the past for freehold premises but in the current economic climate this has fallen away with businesses less able to obtain finance for freehold premises.

Rental levels in Christchurch and East Dorset are comparable with those in Bournemouth and Poole and are competitive in this respect.

General demand across all business sectors is for modern, high spec, purpose built premises.

Modern purpose built premises for small / medium sized enterprises.

Current supply of premises suited to general manufacturing, construction and distribution (businesses that tend to already be located in the area.)

General shortage of employment land available immediately / short term across the conurbation.

Provision of on site service uses and improvements in public transport services.

25% of respondents to the business survey determined that existing supply is insufficient to meet need.

21% of airport respondents determined that existing supply is insufficient to meet need.

Requirement for incubation units and grow space.

Office Market

Property Pilot Analysis

Relatively low demand for office floorspace within Christchurch

Local Agents

There is a lack of provision of office starter units and grow on space.

Demand for office units from 800 – 1,400 sqft / NLP 200 – 1,000sqm (most demand located in Bournemouth and Poole.

Airport to attract some high spec office development

Industrial B1(c), B2 and B8)

Local Agents – Demand for premises between 800 – 1,200 sqft in general

High demand for B1(c)

Low demand for larger premises

50% of market demand for B8 premises

Relatively strong demand for B2 (Property Pilot)

Site size / Type

The majority of existing demand is for general industrial / business area (market segment)

Generally on sites of less than 0.25ha

Sectors seeking to expand.

Appendix A

A Classification of Employment Property market Segments and Types of Site

Established or Potential Office Locations

Sites and premises, predominantly in or on the edge of town or city centres, already recognised by the market as being capable of supporting pure office (or high technology R&D/business uses)

High Quality Business Parks:

These are likely to be sites, no less than 5ha but more often 20ha or more, already occupied by national or multi national firms or likely to attract those occupiers. Key characteristics are quality of buildings and public realm and access to main transport networks. Likely to have significant pure office, high office content manufacturing and R&D facilities. Includes ‘strategic’ inward investment sites.

Research and Technology / Science Parks

Usually office based developments, which are strongly branded and managed in association with academic and research institutions. They range from incubator units with well developed collective services, usually in highly urban locations with good public transport access to more extensive edge/out of town locations.

Warehouse / Distribution Parks

Large, often edge/out of town serviced sites located at key transport interchanges.

General Industrial / Business Areas

Coherent areas of land which are, in terms of environment, road access, location, parking and operating conditions, well suited for retention in industrial use. Often older, more established areas of land and buildings. A mix of ages, qualities and site/building size.

Heavy / Specialist Industrial Sites

Generally large, poor quality sites already occupied by or close to manufacturing, and processing industries. Often concentrated around historic hubs such as ports, riverside and docks.

Incubator / SME Cluster Sites

Generally modern purpose built, serviced units

Specialised Freight Terminals e.g. aggregates, road, rail, wharves, air.

These will be sites specifically identified for either distribution or, in the case of airports, support services. Will include single use terminals e.g. aggregates

Sites for Specific Occupiers

Generally sites adjoining existing established employers and identified by them or the planning authority as principally or entirely intended for their use.

Recycling / Environmental Industries Sites

Certain users require significant external storage. Many of these uses e.g. waste recycling plants can, if in modern premises and plant, occupy sites which are otherwise suitable for modern light industry and offices. There are issues of market and resident perceptions of these users. Some sites because of their environment (e.g. proximity to heavy industry, sewage treatment works etc) may not be marketable for high quality employment uses.