



Havant Employment Land Review Update Report

For **Havant Borough Council**



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1 Introduction

Background

- 1.1 The Council submitted the Havant Borough Local Plan for Examination in February 2021.
- 1.2 The employment evidence supporting the emerging Plan is the Council's October 2020 Employment Land Review (ELR) paper (Library Ref: EB54). The ELR in turn drew on and updated the Business Needs, Site Assessments and Employment Land Study (Lambert Smith Hampton, 2016) (Library Ref: EB52).
- 1.3 Since the Plan was submitted, the Partnership for South Hampshire (PfSH) have updated the sub-regional assessment of 'need', which was presented at the PfSH Joint Committee on the 22 March 2021. This uses more recent data than the Council's ELR, and in this note we consider whether this new assessment has any implications for the submitted Plan.
- 1.4 Also, perhaps more significantly, since the Plan was submitted the Council has been informed that the Solent has been successful in its Solent Freeport Expression of Interest. We provide more detail regarding this in the next section, but in summary the freeport selection process has been undertaken at extreme pace - with expressions of interest sought in November 2020, and successful candidate sites selected in March 2021. One of Havant's main employment allocations - Dunsbury Park – is proposed as one of the three 'tax sites' associated with operational ports.
- 1.5 For the Council's evidence base, this announcement has a material impact on the Borough's 'need' because by design, freeports are expected to stimulate additional demand – over and above any other baseline assessment.
- 1.6 This means that with the prospect of a freeport, demand for new employment space may be higher than previously expected.
- 1.7 At the time of writing no details regarding the Freeport bid have been made available to the Local Planning Authorities, including Havant. All that is known is that the proposal will support a headline figure of 52,000 new jobs in total. Of these 'at least 25,000 are expected to be 'local'¹. However, we do not know whether these jobs are net additional to baseline growth in port related activities, what sectors these jobs are expected to emerge in or where the 25,000 'local jobs' may be located across the FEMA (and possibly beyond). We understand further details are being worked through in advance of the submission of a full business case later this year.
- 1.8 So, in this note we firstly consider the Freeport proposal and how this can be managed inside the submitted Plan. We then move on to consider the Borough's non-freeport 'need' and planned supply.

¹ <https://solentlep.org.uk/what-we-do/news/success-for-the-solents-ambitious-2billion-freeport-bid/>

2 The Solent Freeport

Introduction to freeports

- 2.1 In November 2020, the Government invited Expressions of Interest for a new generation of freeports. Freeports are not a new concept and the UK has previously had seven freeports between 1984 and 2012.
- 2.2 Freeports are secure customs zones where business can be carried out inside a country's border, but where different customs rules apply. Typically, goods brought into a freeport do not pay duties until they leave the freeport and enter the domestic market. If the goods are ultimately exported no duty is payable at all.
- 2.3 Every freeport requires a port of entry, but freeport proposals can extend beyond an operational port - a small number of 'customs sites' and/or 'tax sites' can be located away from the port of entry.
- 2.4 Customs sites are where occupiers can benefit from a port's customs advantages despite being physically separated from the port. Goods moving between customs sites are not considered to have entered the country.
- 2.5 Tax sites attract a range of tax advantages including business rate relief, stamp duty and tax advantages related to property (e.g. Enhanced Structures and Buildings Allowance) and benefits related to workers (Employer National Insurance).
- 2.6 It is important to remember that the logic of the freeport proposals is that they expected to stimulate additional demand that would otherwise not be attracted to this location. Ideally, as an international freeport, this should be new investment to the UK. Freeports are not expected to displace demand into the freeport estates that would otherwise occur without the freeport – doing so would defeat the object of the original intervention.
- 2.7 If a freeport site simply competes in the local market for the same 'business as usual' demand it then fails in its primary economic objective as an economic policy tool – a tool to stimulate new demand. But pragmatically markets are not so easily segregated, and some overlap is likely.
- 2.8 Government is expected to confirm the freeports in the near future, so that they are in operation by late 2021. Central Government's express programme to get these schemes into place rapidly means that their evidence has been subsequent to the employment evidence base studies underpinning the submitted Plan.

The Solent Freeport bid

- 2.9 The Solent Freeport bid was one of the successful candidate sites announced in February 2021.
- 2.10 Few details are available around the formal bid because of the speed it was prepared (driven by Central Government) and the fact that the selection process is 'stepped' –

the Solent Freeport has passed the expression of interest stage and is now working through additional details including Governance.

- 2.11 However, we know that the bid is relevant to the submitted Plan because the Borough's largest allocation, and also the largest pipeline of permitted supply is at Dunsbury Park, Havant where there is 57,700 sq m remaining – this is one of a small number of proposed tax sites associated with the freeport bid.

Dunsbury Park allocation

- 2.12 Few details are known about the expression of interest bid and more details are expected to emerge over the summer. We do not yet understand how the site may be controlled and freeports governed. But we would expect some mechanism to prevent simple displacement of activity from one site (in Havant) to the tax site. Even were this mechanism not to be put into place formally (the site is owned by Portsmouth Council, and so is in public control), a successful tax site will be expected to stimulate additional demand.
- 2.13 So, in this note we test removing the allocation from Havant Borough's general employment land portfolio.
- 2.14 This does not mean that the site is removed from the development plan. We understand that the Tax Site will not require the use of simplified planning powers (i.e. a Local Development Order) because the site is in public ownership, already assembled and the majority of the site benefits from outline planning permission. The current working assumption is that the site will be managed via the Development Plan policy.
- 2.15 As more details become available over the next few months; especially around the governance of the site and its role in meeting freeport demand, the policy wording may need to be amended. But pragmatically the site was already proposed to be allocated for industrial and logistics uses. Any freeport related development is likely to take a similar form and scale as proposed in the Submission Plan.
- 2.16 We note that it is still possible that Government will not proceed to implement the successful bids. Government intends to have the ports in operation in late 2021 – so more will be known in advance of the Plan's examination hearings. However, it is possible that the Freeport proposal could be unsuccessful, and thus in the analysis that follows we also consider a 'fallback plan' whereby the additional freeport demand is not stimulated, and so the site remains available to meet 'baseline' need.

Summary

- 2.17 The Solent is on its way to securing one of a new generation of freeports. The bids have been developed outside the plan-making process and are, very much, still work in progress with very limited details available.
- 2.18 But for the Havant Plan two factors are relevant. Firstly, the Freeport is expected to stimulate additional demand and investment that otherwise may not have occurred.

Secondly Dunsbury Park is a named 'tax site' expected to benefit from this uplift in demand.

- 2.19 Until more details are available, and until the Freeport bid is formally confirmed, it would appear sensible to briefly test the need for land setting aside this site.
- 2.20 As noted above there is no suggestion that the site is removed from the submitted Plan – the site is, regardless of the Freeport, a good quality site. Only that if the freeport bid is successful the site may be taken by a new generation of investments and there may, subsequently, be too little space for the non-freeport market.
- 2.21 In the next section, we update the Borough's evidence of need before considering the supply of land (so 'balance') with, and without the Tax Site being available for 'business as usual' need.

3 Confirming the Need for Employment Land and Floorspace in Havant

Introduction

- 3.1 In this chapter we review the Plan's employment need figure – the floorspace requirement figure. We need to do this because the evidence on which it is based is at least five years old, and there have been huge changes over the intervening period. So, in this chapter we firstly set out the background to the Plan's need figure and then review three sets of data to explore if the need remains appropriate. The data sets are:
- firstly, we review what has actually happened since 2016 - what has been delivered to date;
 - then we review a very recent economic need assessment prepared by Stantec for the Partnership for South Hampshire (PfSH), a sub-regional study that includes Havant Borough²; and
 - finally, we review the latest data on labour supply.
- 3.2 The objective is to establish if the floorspace need set out in the Plan remains an appropriate basis for addressing employment needs in Havant Borough.

The need requirement in the Plan

- 3.3 The Plan's main economic evidence base is the 2020 ELR, which was in turn based on a 2016 study undertaken by Lambert Smith Hampton (LSH).
- 3.4 The LSH study focused on the market evidence and the supply of land, but also made an assessment of need which obviously predates the Freeport.
- 3.5 The LSH study calculated a need for 82,870 square metres (sq m) of new floorspace between 2016 and 2036 (4,139 sq m per annum). This was based on an assessment of the future growth in jobs³.
- 3.6 This was rolled forward by a year when the Council updated its evidence prior to submission (following a one year extension to the Plan period to 2037, and consequent renaming of the Plan to Havant Borough Local Plan to omit reference to 2036). So, the submitted Plan identifies a total objectively assessed need of 86,919 sq m of net floorspace for the Plan period up to 2037.

² The PfSH Economic, Employment and Commercial Needs (including logistics) Study, prepared by Stantec and Vail Williams, March 2021. (Library ref: EB60),

³ As part of preparing for the Examination an addendum to this report (LSH, 2021) (Library Ref EB57) has been prepared and submitted alongside the Plan. This provides more explanation of the method used in the need calculation to estimate job change by sector, and the floorspace densities applied to calculate the need.

3.7 Against this need the Plan identifies land with estimated capacity of 149,940 sq m.

Delivered to date

3.8 The 86,919 sq m Plan target over the 21 years equates to an average of 4,139 sq m per annum. As identified in Table 3 of the Plan, in the first four years of the Plan period (16/17-19/20) 17,233 sq m net has been delivered, or 4,308 sq m per annum.

3.9 We cannot bring completed employment floorspace right up to date (ie to include 20/21) because the completions information provided annually by Hampshire County Council for the 2020-21 monitoring year will not be available until summer 2021. But at least in headline terms, the LSH assessment of need appears to be reasonable with no early warning signs that this headline target is not appropriate.

3.10 The space that has been delivered has been in industrial units. There have been very few office gains in the early part of the Plan period, just two schemes that sum to less than 1,000 sq m. This is not surprising given the Borough has traditionally been a secondary location for office provision.

Gains and Losses

3.11 While the headline is 'on target' it is useful to note that this reasonably small net addition target conceals much stronger development activity – including investment on protected sites proposed to be defined as established employment areas under Policy C1 in the submitted Plan.

3.12 Early in the Plan period, 22,000 sq m of space was lost at the former New Lane Colt International manufacturing premises. The firm's former site was no longer fit for purpose and they relocated to alternative sites in the South Hampshire market area - including retaining some space in Havant⁴. Their site is now being developed for housing by Homes England– with a very small quantum of replacement employment space.

3.13 The gains delivered over this period are mostly warehousing and industrial with the main gains being:

- At Velocity off Stanbridge Road within the New Lane EEA, secured a B2 production/test facility of 5,295 sq m.
- Dunsbury Park has attracted occupiers from a mix of industrial and warehousing uses.
- The new units at Hermitage Park are now under offer or let to predominantly industrial businesses with some warehousing.

3.14 As part of the Council's evidence base, including the older LSH evidence, the Borough has assessed the quality of the remaining stock and does not foresee further large scale losses. It is also relevant to note, as we refer to below, that the land supply is largely 'front loaded' – sites are ready for redevelopment and, while there is

⁴ Kenwood Business Park

enough land to address the need through the Plan period, most if not all is available in the short-term should demand exceed expectations – including provision to rapidly replace unforeseen losses.

PfSH estimate of need (2021)

- 3.15 The Havant Plan identifies around 87,000 sq m net need for employment uses. As we mention above this was first calculated by LSH in 2016, and subsequently ‘rolled forward’ to 2037 by the Council in the ELR.
- 3.16 The LSH assessment was based on their view of market demand over the Plan period. As set out in their method note (Library ref: EB57), the LSH team started from an estimate of job growth that was then adjusted to reflect their market view of demand – in summary, the forecast was developed bespoke by LSH for Havant based on their local expertise and experience.
- 3.17 Because the assessment is now five years old, in this note we compare the LSH / ELR assessment of need against more recent data. We specifically use the new (2021) Economic Needs study recently completed for PfSH⁵, which includes Havant.
- 3.18 The PfSH work is part of the sub-regional evidence base, and so its recommendations may ultimately be ‘flexed’ to address available supply across the South Hampshire FEMA area. But here the assessment is still useful because it provides a view of need in Havant based on more recent data, including past take-up data from HCC, more recent ONS/NOMIS data and more recent economic forecasts.
- 3.19 The PfSH study also considers Covid and how economies may respond. But in summary, the only lesson we can learn from the emerging evidence is that we now have an extra reason to build-in flexibility in our plan-making. This uncertainty strengthens the need to regularly review plans.
- 3.20 In the next few sections, we compare the 2021 PfSH ‘need’ assessment for Havant with the older LSH assessment that ultimately informed the submitted Plan. We do this first for industrial uses, and then for offices although as we note the Council combined these to arrive at an overall employment need figure in the submitted Plan (Policy DR1). We consider this further in the next Chapter.
- 3.21 The two studies were undertaken at different times, by different authors using different data. We do not focus on where technical assumptions may differ. The PPG is not prescriptive in technical approach. Here we focus on the recommended quantum of floorspace and land, to simply test whether the amount of land / floorspace in the Plan remains ‘sound’ - even though the Plan’s evidence is now five years old.

⁵ PfSH, opt. cit. pg. 5

Industrial Need

- 3.22 The LSH work, as set out in their method note (EB57), looked to forecast the need for industrial space. The LSH team first considered the ‘off the shelf’ forecasts and concluded that they did not reflect the local evidence.
- 3.23 The LSH team also considered the recent EB53 PfSH sub-regional evidence (2016) prepared by GL Hearn. But they concluded that the GL Hearn work was technically unsound and should be set aside. Instead, LSH developed their own forecast for industrial need.
- 3.24 The LSH approach could be described as a ‘labour demand’ approach as set out in the PPG because the team chose to develop an alternative job forecast.
- 3.25 The LSH assessment, carried into the Plan (after the Council rolled forward to 2037) estimated that the industrial sectors would demand an additional 58,000 sq m of space over the Plan period.
- 3.26 The PfSH work also considered a labour demand scenario – from Experian – but for industrial uses chose to adopt a ‘past trends’ approach because recent take-up data and market evidence suggested the industrial market was performing better than the longer term trend, and much better than the Labour Demand forecast suggested.
- 3.27 The 2021 PfSH assessment indicates a minimum industrial need for Havant Borough of 36,499 sq m. So slightly less than the earlier LSH work. But the PfSH work goes on to recommend that the Councils collectively look to provide additional space for logistics - reflecting a strengthening market. This strengthening was observed pre-Covid, but with the near collapse of the high street and move to e-retail this move from the high street into logistics warehouses is likely to only have strengthened.
- 3.28 The study recommended the Councils look for a new generation of logistics sites – up to five in number each 10 ha in size (each accommodating circa 40,000 sq m of floorspace) and located in highly accessible locations (for logistics demand). The PfSH group are considering where, across South Hampshire these new sites are best located.
- 3.29 So, pragmatically the LSH study concludes there is ‘need’ for 58,000 sq m of net additional industrial space over the Havant Plan period whereas PfSH concludes a 36,500 sq m, but this excludes an additional uplift for logistics. The PfSH work is not prescriptive as to where this logistics need should be accommodated in the sub-region. But here; if only one of these new sites were related to Havant, the PfSH assessment of need would be in the order of 76,500 sq m (i.e. one 10 ha site developed at 40% plot ratio would add 40,000 sq m of ‘need’ into the assessment.
- 3.30 In the PfSH work, the range depends on the Borough’s ability/inability to allocate land attractive to the growing logistics sector, but the evidence would still support the 58,000 sq m number that the Plan is based on. The PfSH ‘minimum’ for Havant is 36,500 sq m with scope to increase this is 76,500 depending on how successful the area is in capturing additional logistics demand. The LSH 58,000 sq m sits around the middle of the range.

Office Need

- 3.31 The LSH study identified a need for 27,870 sq m of net additional office floorspace over the 20 years 2016-36, which extended to 2037, results in a need for 29,264 sq m⁶. This figure is based on a job growth figure of 1,640 office jobs.
- 3.32 The Stantec PfSH study office need figure is based on the latest Experian forecast – September 2020. The office need figure for Havant is 35,285 sq m⁷, calculated for the 2019-40 period, a different 21 years. If recalculated to the Havant Plan period, the PfSH need falls slightly to 32,581 sq m. But the Experian view is for slightly higher job growth – 2,715 office sector jobs over the Havant Plan period.
- 3.33 The reason the two assessments reach a similar conclusion regarding floorspace, but the PfSH work estimates more office jobs, is because the older LSH work assumed each worker would require 17 sq m of office floorspace. Whereas more recently jobs density evidence, as used in PfSH, would suggest less.
- 3.34 As discussed in the PfSH report, office densities were tightening pre-Covid as occupiers chose to refurbish space to make it more efficient rather than build new. Homeworking and agile working have also reduced the need for physical office space.
- 3.35 There is considerable uncertainty around the future of the office market, but both the Plan evidence base and more recent work for PfSH suggest a similar amount of floorspace should be provided – with both assessments estimating 30,000 sq m over the Plan period.
- 3.36 The PfSH work would warn that this is an *aspirational* number because, setting aside Covid, the office market has generally struggled to deliver new space across South Hampshire. This is reflected in very few office completions seen in Havant in recent years. Rather than take new space, occupiers had been refurbishing and making better use of older stock.
- 3.37 This would support the Council's approach to flexible allocations (which do not specify the use class of employment that should be provided) – evidence suggests the industrial market may continue to strengthen while the office market may continue to struggle. The fact that a number of the sites proposed for allocation could come forward for either industrial/warehouse or office use is warranted so that the portfolio of sites can respond flexibly and rapidly in a very uncertain market.

Summary

- 3.38 The Plan is based on an assessment of need that is now over five years old. More recent sub-regional evidence of need is now available.

⁶ There is a minor error in the Council's October 2020 Employment Land Review paper (Library Ref: EB54), with the 27,870 sq m figure becoming 27,780 sq m. Thus, the overall aggregate need should be 87,014 sq m.

⁷ This is the occupier demand figure, directly comparable to the 29,264 sq m figure.

- 3.39 The two assessments, the LSH assessment for Havant and the Stantec assessment for PfSH are undertaken by different firms, using different assumptions and undertaken at different time. But pragmatically the more recent Stantec PfSH assessment supports the need figure included in the Havant Plan, and demonstrates that the Plan evidence, although slightly dated, remains appropriate.
- 3.40 Both assessments reach a similar conclusion regarding industrial need – the LSH assessment (58,000 sq m) sits in the middle of the PfSH range of 36,500 – 76,500 sq m. The upper end of the PfSH assessment range is slightly more positive because recent data suggests that the collapse of the high street (and Covid) is fuelling logistics demand. This has strengthened since the 2016 LSH report.
- 3.41 For offices, the two assessments conclude on nearly the same quantity of floorspace although the PfSH assessment considers this space may be used more efficiently and accommodate more office sector jobs than the older LSH assessment.

Labour Supply

- 3.42 A significant material change since the LSH assessment in 2016 is the introduction of the Standard Method. The Method is part of the Government's ongoing efforts to boost delivery to 300,000 new homes a year. It contains more homes, and potentially more labour supply, than would have been assumed in 2016.
- 3.43 In 2016 the Council was working to a housing target around 450 dpa compared to around 510 today. The Council was also working to a very different set of underlying demographic data. In 2016 the 2014 based Sub National Population Projections had just been published. Since then ONS have 'revised' and improved their methods at least twice and the 2018s are the most up to date.
- 3.44 The PfSH work tested the labour supply across the South Hampshire Functional Economic Market Area by developing two scenarios.
- 3.45 The first scenario tested the impact on the new homes (in the Method) on household formation. In this scenario the 'boost' in housing delivery does not deliver a larger population, but instead allows the same size and profile of population to live in smaller households. It allows more people to form their own household – whereas otherwise they may be sharing houses or living with parents etc.
- 3.46 The second approach tested the assumption that the additional homes would be available to migrants (who in turn may require additional B class space). More homes will allow more people to migrate to the area.
- 3.47 Our PfSH work discusses these two scenarios in more detail and in practice the two scenarios are not exclusive. But on balance the first scenario would appear to better reflect Government Policy to make housing more accessible and affordable. It also better reflects the economic evidence. Here there is no evidence to suggest that simply building more homes will 'unlock' economic-led migration into South Hampshire. Evidence from the LEP demonstrated that labour is used less intensively in this area than the wider South East.

- 3.48 For Havant even the second scenario showed a labour supply between 1,000-3,000 higher than the baseline assessment. This must be seen in the context of a 125,000 population, of which 75,000 are 16-64 and so working age.
- 3.49 So, even were this second scenario to transpire the impact on 'need' would be much less than may be assumed. It is also important to note that for this work we have discounted the Tax Site, but this remains in the Plan, and so available to absorb any increase in the labour supply.

Conclusions

- 3.50 We have considered three sets of more up to date evidence and compared the outcome of each to the employment land need requirement in the Plan. The completions in the early part of the Plan period, the more recent forecast and projections in the very recent sub-regional Stantec study and the labour supply approach (also reported in the PfSH work) all reach the same conclusion - that while the Havant Plan's employment evidence may be dated, the scale of the requirements that it drew remain appropriate.
- 3.51 The Standard Method postdates the Council's local evidence, but was considered in the PfSH. That work concluded that an increase in the Council's housing target (from 2016) may facilitate a slightly higher labour supply this would only ever be modest and does not justify a change in approach in the submitted Plan.

Combining Office and Industrial Need

- 3.52 Above we have considered the office and industrial components of need separately – because they flow from different calculations.
- 3.53 But the Havant Plan has chosen to join the assessments, and work to an overall 'B' class (now parts of E) need of 87,000 sq m over the Plan period.
- 3.54 This was done because local evidence (as reported in the market commentary section of chapter 5 that follows) suggested that in the Havant context most office occupiers require a similar type and location of site as industrial users. Unlike the South Hampshire cities, Havant town does not have a strong office market and demand is limited for town centre offices.
- 3.55 This conclusion, to take a flexible approach, is supported in the more recent PfSH work because since 2016 we have seen a continued loss of city/town centre office stock and a small gain in out of centre stock. The PfSH councils, for obvious planning reasons, would prefer to focus growth back into key city centre office sites in Southampton and Portsmouth. However, such a city/town centre office focus is very unlikely to apply to Havant.
- 3.56 So, a more flexible approach to the supply of sites is justified in this context and would be supported by the PfSH evidence.

4 Considering the macro-economic factors impacting on need

- 4.1 In this chapter we consider the impact of Covid on the forecasts, and then the implications of the new Use Class E on the Borough's evidence.

Covid-19

- 4.2 The LSH evidence for this Plan was prepared in 2016, obviously pre-Covid. In this report we do not revise or update the Havant evidence to directly assess Covid-19.
- 4.3 We do not do this for two main reasons. Firstly, at the moment the Office of Budgetary Responsibility (and leading forecasting house Experian) are forecasting a sharp V shaped recession and recovery. The September 2020 Experian forecast, used in our recent PfSH study, suggests that employment will rebound by 2023.
- 4.4 Space vacated in the 2020 recession is available to be taken up and re-occupied as the economy recovers and these jobs return. The Havant Borough Local Plan (2016-2037) 'spans' this 'V' period.
- 4.5 We have also considered the suite of Covid 'recovery plans' and to what extent they should inform our analysis. Many of these were commissioned by interested parties in early 2020, sometimes only weeks after the onset of lockdown. They were proposed to help businesses and business organisations plan for the recovery period. But when reviewed in early 2021, they provide little or no practical advice relevant to this Plan. This is partly because these recovery plans were so quickly superseded - unfortunately the depth and length of the Covid lockdowns were much deeper and longer than expected.
- 4.6 It is also the case that some sectors were more resilient than may have been expected – including many elements of construction. But the main reason these plans are of limited assistance is that for the same reason as set out above – any space vacated in a Covid recession remains available for re-occupation. Undeveloped land also remains available.
- 4.7 Secondly, the recovery may change the way firms occupy their space in the future, but there is as yet, no clarity and certainly no robust evidence available that we could apply in a development plan context.
- 4.8 This is discussed at length in our recent PfSH report and there is little to add by repeating this analysis in detail because, in summary there is no firm answer.
- 4.9 For example, at the time of writing there is discussion about increased homeworking post-Covid. For the development plan, this may reduce the demand for office stock. But at the same time, those remaining in offices may require more space for ongoing social distancing and additional meeting rooms etc. So, we may see offices re-configured to accommodate fewer people. At the time of writing, we simply do not know what the overall balance will be. It is also the case that many firms are

currently 'distressed' and so looking to cut short term costs – office space (when leases allow) is an easy way to do this. It will take time for a more robust view of medium and long term needs to emerge.

- 4.10 In this context it is relevant to note that planning is a long term process, and in any 15 year period we would expect some form of economic shock (admittedly Covid-19 is a large shock). The NPPF has always required plans and policies to be flexible, and there is no expectation the planning system should stop and be delayed while we wait for additional clarity and guidance.
- 4.11 So, in our analysis that follows we are aware of Covid, we consider the risk that Covid introduced to the Plan, but ultimately rely on the flexibility in the Plan to manage this.

Use Class E

- 4.12 Government has recently introduced a new use class – replacing parts of the previous B classes. UCO E's relevance to the assessment of the need for employment land needs to be considered.
- 4.13 Class E is advertised as a flexible use class for town centre uses, and so includes offices (B1), light industrial (B1c), retail (A class) and a number of leisure uses (D class). In theory buildings can change use within class E without seeking planning permission.
- 4.14 At the time of drafting, the PPG and NPPF remain unchanged to reflect the new E use class. In summary, Councils are still expected to 'understand their business needs' and follow the technical approaches set out in the PPG. To understand business needs still requires the Council to form a view as to how much industrial, office and warehousing space should be promoted and managed via Development Management.
- 4.15 So, in this note, which primarily assesses the 'need' for land and floorspace, the new Class E does not change the required approach - we still need to consider the B class land use components of the E use class separately.
- 4.16 But setting aside the PPG / NPPF – E does have possible implications the Council may need to be aware of, and to ensure they monitor to inform a review of the Plan and evidence.
- 4.17 For offices, our opinion is that E is not very material to Havant. Residential to office conversions have been possible for a long time now and while 'E' allows limited demolish/rebuild potential, LSHs market view is that the impact of this will be limited in the Havant market. It is possible office space may be lost of other uses – for example retail. But again, at the moment, the market view is that this is limited.
- 4.18 The greater risk is that the remaining light industrial stock is vulnerable to new uses – and especially retail. This is also not a new risk – 'Trade Counters' are well established on most employment sites and while legally warehouses they largely function as retail units. With 'E' more conventional retailers may look to industrial sites as a cheaper and more convenient alternatives to the high street.

- 4.19 We have no magic solutions to address this risk – Class E is a national policy decision, and the benefits of this new use class are assumed to outweigh the harm at the national level. But for the Council, in the context where industrial vacancy rates are low and demand increasing for the limited stock of land, if light industrial stock is ultimately attractive to a wider range of occupiers - this will displace firms and ultimately to retain firms and jobs will require new allocations in a plan review.

5 Confirming the future supply to meet the need

Introduction

- 5.1 In the preceding chapter we concluded that the quantum of need in the development plan, although based on data five years old, is very similar to our 2021 sub-regional assessment for PfSH. Both assessments would result in a need for B class uses (offices, industrial and warehousing) for around 90,000 sq m over the Havant Plan period.
- 5.2 In the preceding chapter we also concluded that given the lack of a clearly defined office market in Havant, particularly the town centre market, the Council's approach to combining the 'need' when looking for sites is a sensible and pragmatic approach. We would not be of this view if the two market types were distinctly different in terms of sites in demand (ie if the office demand was town centre), but that is not the case here.
- 5.3 So, in this chapter we move on to give an updated commentary on the market and consider how an updated LSH market assessment could have a bearing on the submitted Plan and then to look at the supply of sites.

Market Commentary

Industrial and warehousing

- 5.4 In their 2016 report, LSH chose to set aside the earlier GL Hearn⁸ assessment of industrial demand because the GL Hearn work identified no growth at all, and LSH's reading of the market was more optimistic, pointing towards growth – the 55,000 sq m growth figure over the 2016-36 period. Here we review and update the market assessment.
- 5.5 In 2016, LSH expected to see a strengthening industrial market and a return to growth. As we see from the job change figures on the table at paragraph 2.11 of the LSH Addendum (ref EB57) the growth was driven by logistics/distribution jobs and those in manufacturing /construction. The past take-up (completions) data for Havant for the period 2016-20 that is referred to in earlier chapter, shows that this appears to have been a correct judgement.
- 5.6 The market is assessed at the South Hampshire sub-regional level. The transactional market has been steady take-up against a backdrop of falling supply, and this has generated an increase in headline rents for both prime and secondary stock. Over the past five years recorded take-up has averaged 1.8 million sq ft across the sub-region, with even last year (2020) achieving that rate in the midst of the Covid pandemic. This demand has been driven by both the industrial sector as well as logistics and distribution.

⁸ As identified in GL Hearn's 2016 PUSH Economic and Employment Land Evidence Base Paper

- 5.7 The proportion of Grade A space transacted has increased partly because there is very little secondary stock available and developers are now delivering new, high quality and efficiency planned units. In a growing market, occupiers appear willing to pay the premium for new space – even where secondary stock is also available. Notably, the availability of prime stock across the Solent region from 2016 to 2020 rose from 268,293 sq ft to 980,094 sq ft). It is LSH's opinion that the Havant/Waterlooville market reflected this upward trend.
- 5.8 In terms of enquiries LSH's view is that there is no sign of the market weakening, indeed the indications are upwards. Comparing enquiries in 2019 and 2020 there was a significant shift in the volume of enquiries. For smaller units, 30,000 sq ft – 50,000 sq ft, enquiries rose by 20%, and for larger units, above 50,000 sq ft the number of occupier requirements increased by 55%.
- 5.9 This would echo the market analysis in the PfSH work. In that report Vail Williams also provided a sub-regional view, and confirmed that industrial rents are now rising, developers are delivering speculative space and take-up is increasing. The PfSH work analysed take-up data (completions) from Hampshire County Council and confirmed that around 2016 the industrial market moved from one of decline (loss of space) to growth.
- 5.10 Accordingly, this has supported and prompted the rationale for new development activity, with institutions becoming increasingly confident in the South Coast market, and thus have been proactive in securing new site opportunities.
- 5.11 Post 2016 Havant like the sub-region, has seen development of industrial as well as logistics and distribution. Two recent and significant manufacturing sector entrants are Bio Pure Technology at Dunsbury Park (11,148 sq m) and Sartorius (5,574 sq m) at Velocity in New Lane as well as warehousing at Hermitage Park.
- 5.12 Havant is well placed to secure market demand, and in order to promote and sustain the current wave of development momentum, the rationale to justify significant investment and speculate is dependent on market rents, capitalisation yields and predicted void rates being maintained at the same level. The groundswell of occupiers has adjusted to bearing higher rental costs in line with the market and we see no reason why this benchmark is now not set for the future.
- 5.13 Thus, the evidence indicates LSH's more optimistic outlook for industrial growth was realistic, and remains appropriate for the purposes of looking forward.

Offices

- 5.14 In 2016 LSH noted that the office market remained weak, but was also showing some signs of optimism. On this basis a relatively modest need - 28,000 sq m 2016-36 was identified.
- 5.15 It is no secret that the office market has continued to struggle post 2016. The early 'signs of optimism' noted by LSH did not translate into built development. This applies to Havant Borough but also, outside a small number of successful office market, more generally across the UK.

- 5.16 There is unfortunately little sign the market will improve in the short term.
- 5.17 In 2020 we saw the negative impact of Covid on the office market - across the sub-region office take-up was the lowest on record (125,853 sq ft or just 37% of the 10 year average). Total office availability on the South Coast at the end of 2020 increased to 1m sq ft, up by 7.3% on a year before.
- 5.18 But enquiry levels for the sub-region in 2020 were up 50% on 2019. This may suggest that firms are actively re-considering their needs and, where lease events allow, may look to adjust their office occupancy to reflect the changes triggered by the pandemic.
- 5.19 Obviously, it is very unsafe to draw and firm conclusions in what is currently an uncertain market. While enquiries may have increased, we do not yet know how many will 'covert' into actual take-up in the recovery.
- 5.20 Earlier in this report we noted that the PfSH analysis had considered Covid in some detail. That report concluded that while we may expect fewer people to work in offices due to increased remote working, worker space requirements may increase due to the need for social distancing and a new focus on the office as 'collaboration' space with more meeting rooms and circulation space. It is too early to use short-term market signals to influence a long-term Plan.
- 5.21 Here, LSH, broadly agree with the PfSH conclusions. Firms are actively considering their future space needs (hence enquiries are up), but the majority of requirements are also seeking betterment of their existing office specification. In particular from a health and wellbeing perspective this is important, in order to give employees the confidence and enthusiasm to return to the office and to benefit from collaboration, knowledge sharing, social interaction and productivity.
- 5.22 The overwhelming trend, as a consequence of the success of remote working is that companies are looking to downsize. This is reflected in 57% of all enquires in 2020 in the South Hampshire sub-region being for space less than 5,000 sq ft and 88% of all enquiries were for less than 10,000 sq ft.
- 5.23 Turning to consider Havant specifically, the office market performance since 2016 has been characterised by weak demand and limited supply of relatively poor quality – take-up activity has generally centred around Langstone Technology Park.
- 5.24 In the recent past, Langstone Park has unfavourably competed against Lakeside Office Campus in Portsmouth, a large out of town office park adjacent to the M27 – now owned by Portsmouth Council.
- 5.25 However, we understand that Langstone Technology Park has recently been sold and the new owners intend to invest in the site so that it is better able to compete on a sub-regional scale and regenerate the site for new logistics, R&D and technology uses with offices forming part of the likely mix in some form.
- 5.26 But, in the short term, major new office development is generally unlikely anywhere in the wider sub-region with the only exception being Winchester City which achieves a

'viable to deliver' rent - the threshold for office new build is around £28/30 psf and Winchester can achieve £29 psf.

- 5.27 In Southampton City prime rents remain at £22.50 per sq ft⁹ and out of town locations along the M27 Corridor, including Havant, generally achieve the same.
- 5.28 We therefore consider it unlikely in the short to medium term (ie. within 10 years) that there will be sufficient demand and viability to support new office development in the Borough. The town centre market is weak, and most of the Borough's office stock is in edge/out of town locations with good accessibility to the strategic road network, which are the types of locations where rental growth has been achieved elsewhere. Should the market return to offices in the longer term, and/or a specific larger company requirement arise, accessible edge/out of town locations may justify new build. The change in ownership and reinvestment at Langstone Technology Park could be one such opportunity.
- 5.29 Thus, with employment uses generally seeking out the most accessible edge or out of town locations, flexibility in use allocation is important to at least offer the market some potential, if and when new office development becomes viable.

Conclusion

- 5.30 The 2016 assessment looked to a hopeful office market – where growth would return; maybe not strong growth, but at least positive. Unlike the industrial market, this has not yet translated into significant office growth between 2016 – 20.
- 5.31 This may suggest that the previous LSH assessment may have been too positive (and also the older GL Hearn PfSH assessment). It is certainly the case that there is no viability in the office market at the moment and it may be a number of years before this returns.
- 5.32 The approach taken in the recent PfSH Stantec report was to consider a short term office market rebound unlikely – but still aspirational. If the market returns to growth in a (as yet unclear) post-Covid future, it will be important that land is available, so this demand is not 'choked off' by a land constraint.
- 5.33 Here the quantum of land in the Plan is informed by an assessment of need – which includes land for growth in the office stock. But, the submitted Plan is not specific about end use and makes flexible allocations.
- 5.34 In light of the analysis above, where there is an unusual amount of uncertainty in the market, we think the office market may continue to struggle, whereas the industrial market strengthens and this flexible approach would align with the evidence.

⁹ although it has been reported that rents of £25+ could be achieved at the newest office refurbishment in Southampton at Brunswick Gate, which offers large floorplates that suit corporate occupiers.

The supply pipeline

- 5.35 The market commentary above informs our review of the supply pipeline, with the purpose of ensuring that what is in the supply is still available, likely to be attractive to the market and meet the identified need.
- 5.36 Our starting point is the supply identified in the Plan.
- 5.37 In this assessment we consider supply without Dunsbury Park. As noted earlier there is no suggestion that the site is not allocated in the Plan. But, as a tax site, it may be expected to meet new freeport demand in addition to previously calculated ‘baseline need’.
- 5.38 We do not yet know how the tax sites will be controlled, and to what extent they will be protected and/or available for local demand. So, it is sensible to test the balance of need/supply without relying on Dunsbury Park. As submitted in the Plan, this site was expected to supply 57,700 sq m across two phases.
- 5.39 As a reminder – the Plan has identified a ‘need’ for 86,919 sqm of space and this quantum continues to be a reasonable estimate.

The potential supply from site allocations

- 5.40 **Interbridges West, Emsworth (5ha)**- the Plan refers to the site (C9) as potentially suitable for distribution / warehouse uses, but does not identify a floorspace because the site’s likely primary use is further roadside services.
- 5.41 This site was not available in 2016, so it was not considered by LSH. As part of this work, we asked LSH for an opinion on the site’s suitability as an employment site.
- 5.42 The site is adjacent to the A27 and is large enough to accommodate a modern, efficient unit (5 ha). But access is poor. The land can only be accessed via the roadside service station and only off the westbound carriageway. So, there is a legitimate question as to whether the site would be attractive to an employment use.
- 5.43 Given this risk; the Council’s approach not to identify (and therefore count) a quantum of employment floorspace would appear reasonable.
- 5.44 **Brockhampton West/ Solent Distribution Park (9.3 ha – 20,000 sq m)**- the Plan considers that this site (C10) could meet 20,000 sq m of the identified need. Indeed, the site (BD11) is currently allocated for 23,400 sqm of employment floorspace in the Havant Borough Local Plan (Allocations) (2014).
- 5.45 In 2016 LSH considered this as a site with good potential to meet the needs of any of the B class uses, including offices.
- 5.46 The site has since been sold and the new owner (Exton Estates/Clowes) plan to fully remediate the former landfill site and offer larger, mid box units to the market.
- 5.47 Although 9 ha in size the site is constrained by its brownfield history and several environmental constraints – so the Council have estimated a capacity of 20,000 sq m based on an industrial use, having regard to the landscape and visual impact of any

- development. LSH note that the 20,000 sq m may be a low estimate and they are aware of proposals for around 30,000 sq m. As the industrial market strengthens, occupiers are looking harder at how to optimise their deliverable space.
- 5.48 As LSH previously noted in an improved market the site could accommodate quality, motorway accessible offices. While this remains a remote possibility given current interest, office plot ratios (the amount of floorspace relative to the land available) can be much higher than industrial, and generate more floorspace capacity and jobs.
- 5.49 We do not suggest adjusting the 20,000 sq m assumption in the Plan – but note that this is likely to be an under-estimate as opposed to an over-estimate. It is also noted that all allocations are drafted with a site capacity of ‘about’ so the 20,000 sq m does not represent a ceiling to the quantum of development achievable.
- 5.50 **Land east of A3M/Hulbert Road (2.7 ha)**– the Plan considers this site (C11) could meet 6,250 sq m of the identified need.
- 5.51 In 2016 LSH identified this site (immediately to the west of the B&Q store) as capable of coming forward for a mixed use scheme, across a much wider area of land that could provide 14,000 sq m employment floorspace for office or industrial/logistics on the northern and southern parcels of the site. The northern part of the site has since been assessed as being unsuitable due to extensive woodland (CD10). The remaining land, bisected by the service road runs to approximately 2.7 ha, and is capable of achieving the identified floorspace contribution after accounting for land needed to mitigate the potential adverse ecological impacts.
- 5.52 We have again asked LSH to confirm their view as to the site’s attractiveness as an employment site. They have confirmed that the site’s access to the strategic road network (A3(M)) makes it very suitable for employment uses. They note that the site has not been marketed for B class use, but as demonstrated at Larchwood Industrial Estate next to the Asda Store, the site is likely to be attractive for local businesses. But in line with the wider market the most likely end use is now industrial, and so the development capacity of the southern parcel is smaller than the previous mixed use proposal relating to land north of the allocation.
- 5.53 In our view, given it is relatively modest in scale, the site could contribute to meeting a local industrial/logistics need, providing choice in a market where such opportunities are few and far between.
- 5.54 At the time of drafting (March 2021) there was an undetermined retail application on part of the site (Lidl – submitted in December 2020). It is possible that the Council will release that part of the site (approximately 0.8 ha) depending on the merits of the application.
- 5.55 **Former BAe Systems/Waterloo Park, (4ha)** Waterlooville – the Plan considers this site (C12) could meet 29,820 sq m of the identified employment need.
- 5.56 In 2016 LSH estimated a much smaller capacity – only 4,645 sq m rather than the 29,820 sq m now assumed. We understand that this was because, in 2016, there

was an expectation that retail would take the majority of the site – in 2016 the retail market was obviously stronger than today, and a retail park was being proposed.

- 5.57 The Council's new estimate is based on a 2018 planning application (undermined) where 29,820 sq m of industrial space is proposed on 3 ha of the site (with the 1 ha for retail/leisure).
- 5.58 The applicant's Design and Access statement suggests the industrial elements would be delivered as 15 m high 'sheds', but we note that this format alone would be unlikely to accommodate 29,820 sq m on 3 ha of land.
- 5.59 To deliver this scale of floorspace will require some form of multi floor industrial unit. Multi floor industrial buildings are not common, but increasingly looked at by developers in the context of a tight market. So, we do not conclude that the application material is wrong, and the capacity is lower. The application is in outline so there is scope to change the format from that suggested in the Design and Access statement, but we are still cautious about the capacity estimate. Unlike the other sites in the supply that we have discussed above, the estimate here may be over rather than under.

Summary

- 5.60 These sites in combination at the very least stand to contribute 56,070 sq m.

Supply from opportunities within Established Employment Areas

- 5.61 **Langstone Technology Park** – the Plan considers this site (KP6) is capable of delivering comprehensive redevelopment, and the ELR considers that the site could meet 12,575 sq m of the identified need identified on the basis of a live planning application at the time for industrial and logistics uses.
- 5.62 The site was fully built out at the time of the 2016 LSH report, and so no redevelopment opportunities at Langstone were identified.
- 5.63 The application referred to above is now permitted. Langstone was acquired by overseas investors in December 2020 with the intention of significant regeneration of the existing accommodation, remodelling and redevelopment of new industrial floor space. The new owners intend to implement the existing planning consent in the very near future to provide B2/B8 units, building out these units speculatively. This is very positive news though as Langstone is the Borough's largest office / R&D site, and the fact that it has been purchased with the obvious intention of intensifying and updating the stock through redevelopment, is a positive signal that Havant's employment market is in good health and is a location where occupiers want to be, and developers can invest.
- 5.64 The new owners are developing a masterplan than identifies scope for a second phase of redevelopment that could deliver approximately 8,000 sq m of net additional employment floorspace – office as well as industrial. While the new owner's intent is clear, at this time we think the appropriate Plan response is to only 'count' the additional floorspace 12,575 sq m permitted.

- 5.65 **Former Gas Holder Site New Lane** – this site is not specifically referenced in the Plan, but the ELR identifies it (BD83) to be safeguarded and capable of delivering a 1,250 sq m contribution to the floorspace opportunities in the Established Employment Areas, and this figure contributes to the aggregate contribution made in the Established Employment Areas in the Plan.
- 5.66 In 2016 LSH identified the opportunity to deliver 3,500 sq m of net additional industrial or logistics floorspace.
- 5.67 The site was subsequently promoted through the call for sites for retail and residential development, but given its location within the New Lane Employment Area and the adjacent industrial activities, redevelopment for those uses, in particular the residential use would not be compatible with the surrounding employment uses, and would not therefore be appropriate.
- 5.68 Our view now is that the redundant gas holder site is capable of, and appropriate for delivering at least 1,250 sq m of industrial or logistics floorspace, potentially more.
- 5.69 **Northney Marina, Hayling Island** - the Plan considers that this site (KP3) could meet 1,000 sq m of employment, commercial and service uses (Class E). However, because there is a prior approval for change of use of the existing office (1,865 sq m) the Plan identifies a loss of 865 sq m at this site.
- 5.70 The 2016 LSH assessment identified the site as having potential for 1,000 sq m of additional office space.
- 5.71 Our view now is that these are separate sites, and there is no certainty that the Change Of Use will happen, and the 1,000 sq m may be needed to accommodate small businesses that may be involved in leisure related businesses.

Summary

- 5.72 In summary, we find that the three sites are capable of supporting 14,825 sq m of employment floorspace.

Other sites with unimplemented permissions

- 5.73 The only site that needs to be added to the ready supply of land to provide employment floorspace is the **former Colt Site** New Lane/Bartons Road – the site was cleared in 2018/19 (the 22,560 sq m loss is referred to in the Council's Review document) and is now ready for development. It will be sold by Homes England to developers or owner occupiers with an extant planning consent to build 10 units totalling some 2,860 sq m.
- 5.74 The relatively modest scale of the floorspace proposed will address the demand for smaller units from light industrial and B2 uses, and provide modern efficient floorspace.

Beyond the permitted pipeline

- 5.75 The only other known opportunity is the **former Pfizer Site** 32 New Lane – the site was acquired by Kingsbridge Estates/Bridge Management Fund in 2020 for comprehensive re-development.
- 5.76 At the time of writing the Council is considering a planning application to redevelop the site, roughly 27,000 sq m of specialist warehousing, for a new B8 unit¹⁰. The application promotes the demolition of the existing property and its replacement with a bespoke built 14,000 sq m ‘last mile distribution hub’.
- 5.77 At first glance this is a loss of floorspace – roughly halving the space on site. But in reality it is much more complex. As noted the new unit is a bespoke design, but the end user (tenant) is not disclosed. Nor does the application provide an estimate of employment on site or supported by the development. But, as a last mile delivery facility most of the employment associated with the unit is likely to be ‘offsite’, and may not be directly employed by the warehouse operator. From the application material it is clear that while technically the quantum of floorspace is low, the facility is designed with extensive covered areas where vans or cars can be loaded.
- 5.78 For the Council this application illustrates the need to plan positively for a growing logistics sector – and endorses the strategic recommendation made in our recent PfSH work that the Councils’ collectively look to plan for a new generation of logistics sites because otherwise logistics will displace other activity.
- 5.79 We do not make any changes to our assessment to reflect this possible loss of floorspace, and the application only strengthens the need for Havant (and PfSH) to protect the stock of sites to encourage redevelopment and renewal, and also to plan positively for logistics by making new land allocations for logistics.

The demand supply balance

- 5.80 The table below summarises the demand at March 2020, which is approximately 70,000 sq m, against which the elements of supply – permissions (including the former Colt site) allocations and opportunity within the Established Employment Areas totals to approximately 80,000 sq m, meaning there is a marginal surplus of approximately 10,000 sq m.
- 5.81 As we say above, we have generally taken a cautious approach with the floorspace supply calculations particularly at Brockhampton West and Langstone TP, which may well balance the one site (BAe Systems) where we think the promoter may be overly optimistic in regard to the quantum of floorspace they can deliver.

¹⁰ Ref: 21/00200

Table 5.1 Demand supply balance

The demand supply balance	Sq m net
DEMAND 2016-37	86,919
Delivered 2016-20	17,233
Demand 2020-37	69,686
SUPPLY	
Pipeline permissions (recent completions /unimplemented permissions)	8,837
<i>Permissions included in submission Plan Table 3 (all schemes included in schedule at Appendix A)</i>	5,977
<i>Former Colt Site (allocation H35)</i>	2,860
Allocations	56,070
<i>Interbridges West, Emsworth</i>	-
<i>Brockhampton West/ Solent Distribution Park</i>	20,000
<i>Land east of A3M/Hulbert Road</i>	6,250
<i>Former BAe Systems/Waterloo Park</i>	29,820
Established employment areas (pol C1)	14,825
<i>Langstone Technology Park</i>	12,575
<i>Former Gas Holder Site</i>	1,250
<i>Northney Marina</i>	1,000
Pipeline permissions (additional to the above)	2,860
Total supply	79,732
BALANCE (Total supply minus Demand 2020-37)	10,046

Source: HCC, HBC and Stantec analysis

Conclusion

- 5.82 The assessment above has purposefully removed Dunsbury Park from the ‘balance’ assessment above. Taking this cautious approach our assessment of the sites in the supply, show that in quantitative terms the demand supply balance shows a surplus of 10,000 sq m.
- 5.83 This is marginal, and does not provide significant scope for land to be lost from the supply via windfall redevelopment, nor for additional Permitted Development Rights losses. But we consider it to be realistic for a number of reasons:
- A) LSH’s view is that further large losses of stock are unlikely – with most sites likely to be lost (to housing) already redeveloped.
 - B) The Council has generally been cautious when estimating the capacity of sites.
 - C) Most of the sites in the Plan are available in the short term. If these sites are taken up early, the supply can be ‘topped up’ at a plan review.

- D) The Council's approach to flexible allocations provides additional short term flexibility. Given the weak office market – the land quantifiably justified for offices is available and suitable for industrial uses.
 - E) The future of Dunsbury Park is unclear, and our approach in this paper is arguably very cautious.
- 5.84 Regarding Dunsbury Park – we have taken a cautious approach. There is no suggestion the site is removed from the Plan – only whether as a tax site, the land is available to accommodate estimates of need calculated before the Freeport proposal was ever suggested. A cautious approach also reflects the possibility (risk) that measures will be put in place to limit simple displacement between freeport sites and 'normal sites' - a cautious approach is sensible until more is known.
- 5.85 We have also confirmed that should demand be higher than assumed in the Plan evidence base, there is capacity in the Standard Method housing supply to allow for more jobs – without increasing the overall need for housing in Havant Borough.
- 5.86 Our assessment of the current and pipeline employment land supply in the Borough, therefore concludes that it will provide developers and occupiers with a range of options in terms of location and type of site, to satisfy commercial interests and meet business needs.

6 Conclusions

- 6.1 Since the Plan was drafted, and even since the Plan was submitted for examination, a number of key facts have changed.
- 6.2 Given this is it sensible to briefly review the submitted Plan – in light of more recent evidence and circumstances.
- 6.3 In this paper we have reaffirmed the Council’s assessment of need. We have compared the older, LSH authored evidence with newer data from PfSH. We have also considered ‘labour supply’ and recent, early Plan period take-up.
- 6.4 The evidence is undertaken by different firms, at different times, using different technical approaches (within the scope of the PPG). But, the evidence does appear to align with the 87,000 sq m in the Plan.
- 6.5 Against this need we have established that there enough supply in the Plan – even taking a cautious approach re the Tax Site. It is the case this supply only just (10,000 sq m) exceeds the assessment of need, and care is needed when releasing sites via application (or allocation). But there is flexibility in the Plan to manage these risks. This assessment is over the whole Plan period, and most of the supply sites are available in the short term – so the Plan is able to respond to a change in demand profile. The sites are also flexibly allocated, so able to adjust to meet market demand.
- 6.6 Dunsbury Park remains in the Plan, and while it may be taken up for freeport related demand, it provides considerable additional contingency for the Plan strategy as a whole.

Appendix A List of extant planning permissions

Pipeline permissions (recent completions /unimplemented permissions)	Sq m net
<i>Northney Marina, Hayling Island</i>	250
<i>19 Arnside Road, Waterlooville</i>	684
<i>Interbridges East</i>	600
<i>Hermitage Park</i>	828
<i>Fulflood Road</i>	2,815
<i>19 London Road</i>	684
<i>38 New Lane</i>	116
Total planning permissions (schemes included in Table 3 of the Submission Plan)	5,977