

**EMPLOYMENT BACKGROUND PAPER**  
**FINAL VERSION**

**Prepared by: East Hampshire Planning Policy**

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# 1. Executive Summary

## Introduction

1. This Employment Background Paper has been produced to inform and justify a revised approach to managing the development of employment land across East Hampshire, outside of the South Downs National Park. This revised approach will involve the removal of permitted development rights for the change of use of buildings from office, light industry or warehousing to residential use, on key employment sites. Evidence is also provided to help the Council build on the strategy of its Local Plan to safeguard against the inappropriate loss of employment land to alternative uses. The two objectives for the background paper are therefore: 1) to identify key employment sites that should be protected from inappropriate change of use; and 2) to identify options for a local plan policy, to clarify when an employment site is likely to be considered suitable for redevelopment to an alternative (non-employment) use.
2. In particular, please note that this background paper is being published to help justify the proposed implementation of a non-immediate Article 4 direction, to remove permitted development rights for conversion from the aforementioned employment uses to residential use, on selected employment sites outside of the South Downs National Park. The background paper also provides clear justification for applying planning conditions to remove these permitted development rights from new premises on allocated and windfall (redevelopment) sites.

## Policy Context

3. The East Hampshire District Joint Core Strategy (JCS, adopted June 2014) establishes a requirement for new employment land allocations, to deliver additional industrial and office floorspace in East Hampshire. Outside of the South Downs National Park, this requirement is being delivered through the Council's Housing and Employment Allocations Plan (adopted April 2016) and a masterplan for regeneration at Whitehill and Bordon. In tandem with new provision, the Council's Employment Land Review (May 2013) established a need to minimise the loss of industrial floorspace and restrict the loss of office floorspace to functionally-obsolete premises. On this basis, Policy CP4 of the JCS and Saved Policy IB4 manage the redevelopment of employment sites so as to avoid the loss of important office and industrial floorspace. Policy CP4 needs to be supplemented by a new policy that will clarify the circumstances in which redevelopment for alternative use may be permitted, taking account of the findings of this background paper.
4. Aside from the Council's Local Plan, there are a variety of other plans and strategies relevant for the provision of employment land outside of the South Downs National Park. These include the made neighbourhood plans for Alton, Bentley and Medstead & Four Marks; East Hampshire District Council's corporate and economic strategies; and the strategies of the two Local Economic Partnerships operating within East Hampshire. Certain parishes and areas of East Hampshire also benefit from a temporary exemption, granted by the Government, from

permitted development rights for the conversion of offices to residential use. This exemption is coming to an end in May 2019. This background paper identifies the “key messages” of these plans and strategies and considers how permitted development rights have operated in other parts of Hampshire, to inform a revised approach to managing proposals to redevelop employment sites in East Hampshire, outside of the South Downs National Park.

### **Summary of Evidence: Indicators & Drivers**

5. Evidence on the district’s economic characteristics and trends, the stock of employment floorspace and local market intelligence has been compiled in Section 4 of this background paper. A wide-ranging qualitative assessment of almost 100 employment sites has also been undertaken, to provide an overview of the range and quality of employment land and, in particular, to help identify the key employment sites for meeting future employment needs.
6. The following points summarise the trends, indicators and underlying drivers of economic change in East Hampshire:
  - East Hampshire has witnessed population growth and a growth in the proportion of economically active persons since 2000; however, the rates of growth have been slower than the Hampshire average.
  - East Hampshire forms part of an interconnected labour market, with more residents commuting to places outside of the district for work than commuting into the district for the same purpose.
  - Local employment within office-based and industrial sectors has largely recovered to previous levels since the last recession.
  - Overall, the local economy is performing well and remains robust, but East Hampshire is not a major centre of economic activity compared to other parts of the Solent area or the M3 corridor.
  - The qualitative assessment of sites illustrates that there is a reasonable range of employment sites of differing qualities and types. There are a number of well-occupied clusters of sites in the settlements of Alton, Whitehill & Bordon, Four Marks and Horndean; but many employment sites lie within small settlements or in rural locations, sometimes distant from strategic routes or from services. Some of these clearly function well and are attractive to occupants (they appear to have less than 10% vacant premises).
  - The economic conditions appear to be broadly favourable for investment in the development and refurbishment of employment floorspace within East Hampshire. There is evidence of pent-up demand in the industrial sector and a shortage of good quality, modern, high-specification office premises for small and medium-sized businesses.

### **Issues and Opportunities**

7. The main planning issues for the provision of employment floorspace are to deliver the new allocations of employment land at Alton and Whitehill & Bordon and to protect the better quality office and industrial floorspace within the district from conversion to residential use. Tackling both of these issues will ensure that new provision augments the functional supply, in accordance with local planning policies.

8. In the context of a favourable economic context for investment, there are opportunities to deliver new floorspace through the allocations of the Council's Local Plan. The protection of existing floorspace should be limited to employment sites that suit the needs of local businesses, because the removal of poor quality, redundant floorspace could have beneficial effects on the operation of property markets; as evidence has shown in other parts of Hampshire. An Article 4 direction could therefore be used to remove permitted development rights for the better quality employment sites.

### **Key Sectors & Key Employment Sites for the East Hampshire District Local Plan**

9. The "key sectors" of the East Hampshire economy can be defined on the basis of its existing strengths (the "business base"); the future implications of strategies for investing in the local economy; and the implications of the Council's Local Plan. The evidence shows that the key sectors include those forming part of the "knowledge economy" (such as professional and business services, advanced engineering and technology sectors) but also others such as construction, which are well-represented in East Hampshire. Businesses operating in these sectors are likely to require industrial-style facilities (including storage facilities) and offices. The varied nature of businesses operating within the key sectors means that a variety of premises for small and medium-sized businesses will need to be retained and provided; although some larger units will also be required. The Council's Local Plan gives a spatial dimension to the definition of key sectors: it will be important to support businesses wishing to base themselves in Whitehill & Bordon, in Alton and in other local service centres in East Hampshire.
10. Identification of the key sectors has helped to inform site selection processes for identifying those sites which are particularly important for the growth of the local economy. Using the results from a qualitative site assessment carried out over the summer of 2017, a total of 50 employment sites have been identified as "key employment sites" (see Table 8, Section 6). These sites are of particular strategic or local importance for meeting some the existing and future floorspace needs of businesses in East Hampshire. This background paper establishes that the key employment sites are appropriate candidates for an Article 4 direction that would remove permitted development rights that enable conversion of employment sites to residential use.
11. The common characteristics of the key employment sites are also suitable for identifying what makes a site "fit for purpose" to meet the floorspace needs of local businesses. These characteristics include: good vehicular access; good accessibility to services, facilities and residential areas; flexible and adaptable accommodation for a range of business requirements; attractive and well-maintained buildings/common areas; amenity implications for redevelopment. They can be used to inform future criteria for planning policies to manage the redevelopment of employment sites in East Hampshire (outside of the South Downs National Park).

### **Conclusions and Recommendations**

12. This background paper confirms that both the vision and the strategy of the JCS remain appropriate for supporting economic growth, and that the local economy remains buoyant and sustainable. There are however challenges to be overcome: it will be important to retain the higher quality employment sites, to balance the current demand for floorspace with available supply and to better address the Council's objectives for providing more employment opportunities for local residents.
  
13. The 50 key employment sites that have been identified using the evidence of this background paper can be amalgamated into clusters, to give a total of **30 key employment sites and clusters** that should be reserved for employment use, to support the delivery of the Council's Local Plan and Neighbourhood Plans. The common site characteristics of the key employment sites enable the Council to identify options for a detailed planning policy, to clarify the circumstances in which a site would be deemed unfit for purpose and could be developed for alternative use. The supporting text for Policy CP4 in the JCS makes clear that such a policy is required.
  
14. The following recommendations are therefore made on the basis of the evidence in this background paper:
  - Permitted development rights for the conversion of office or some industrial uses to residential use should be removed from the 30 key employment sites and clusters (office and industrial) identified in Table 8 (Section 6).
  
  - The common characteristics of the key employment sites (see Section 6) should be taken into account and used to inform a future planning policy that establishes the circumstances in which an employment site can be redeveloped for alternative use.



## 2. Introduction

- 2.1 This Employment Background Paper has been produced by East Hampshire District Council to provide updated information on the local economy with a particular focus on the use and development of employment land. Its purpose is to inform and justify a revised approach for managing the development of employment land across East Hampshire (outside of the South Downs National Park).
- 2.2 The revised approach will involve the removal of permitted development rights for the change of use of buildings from office, light industry or warehousing use to residential use, on selected employment sites. Evidence will also be provided to help the Council build upon the strategy of its Local Plan, established by the East Hampshire District Local Plan: Joint Core Strategy (adopted June 2014), to safeguard against the inappropriate loss of B Use Class employment land and premises to alternative uses. Evidence is presented and analysed in the context of planning policies, with the aim of ensuring that the needs for employment land will continue to be met to 2028.

### Scope of Background Paper

- 2.3 The Council's Employment Land Review (hereafter: ELR; produced by NLP, May 2013) has established the importance of avoiding or minimising the loss of employment floorspace<sup>1</sup>, to provide for sustainable economic growth. This background paper updates some of the background economic and employment information in the ELR, and uses this and other evidence to identify employment sites across the district (but outside of the South Down National Park) that are of strategic or local importance for meeting the needs of local businesses. The consideration of evidence in this background paper establishes that these "key" employment sites should be made exempt from recent permitted development rights affecting employment uses (office, light industry, and storage and distribution uses), which could otherwise allow an unacceptable loss of employment land to residential use.
- 2.4 The characteristics of the district's key employment sites can also help to inform a set of policy criteria that should be met, in order to demonstrate that an employment site is no longer fit for purpose and could be redeveloped for alternative (non-B Class employment) uses. The concluding section of this background paper identifies options for future local plan policies in East Hampshire, outside of the South Downs National Park.
- 2.5 The scope of this background paper is limited to pursuing these two objectives: 1) to identify key employment sites that should be protected from inappropriate change of use;

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<sup>1</sup> See paragraphs 9.56-9.60, East Hampshire Employment Land Review Update: Final Report, NLP, March 2013. There is a particular need to resist the loss of industrial floorspace, but the ELR also makes clear that there are opportunities for upgrading and modernising existing office floorspace which should be pursued, for purposes of meeting future needs.

and 2) to identify options for a future local plan policy, to clarify when an employment site would be considered unfit for purpose. However, the evidence collected for these purposes also provides justification for protecting new employment premises from a change to residential use, as new development is highly likely to meet the needs of the market and address imbalances between supply and demand. Therefore, this background paper also supports the use of planning conditions to remove permitted development rights for B Use Class employment use to residential use. Please note that the background paper does not wholly supersede, but only partially updates and complements the Council's ELR.

## Preparation and Consultation

- 2.6 This background paper has been prepared using existing published evidence from national and local information sources. It has been prepared in the context of local and national planning policy, guidance and legislation. Additional evidence has been gathered through site visits over the summer of 2017 (e.g. to update assessments of local employment sites).
- 2.7 At this time, the background paper is being published to help justify the proposed implementation of a non-immediate Article 4 direction, to remove permitted development rights for a change of use of buildings from B1a, B1c and B8 employment use to C3 residential use on specific sites in East Hampshire<sup>2</sup>. Following engagement with district councillors and other interested parties, this background paper will also be used to inform emerging planning policies and will be re-published (incorporating any appropriate amendments) alongside a future iteration of the Council's Local Plan.
- 2.8 Responses to the content of this background paper are welcome and can be made as part of the statutory consultation processes for the making of a non-immediate Article 4 direction for East Hampshire (outside of the South Downs National Park). Further details on the timetable and arrangement for consultation will be outlined on the Council's website. Please check the following webpage for details: <http://www.easthants.gov.uk/planning-policy/consultation>.

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<sup>2</sup> See Classes O, P and PA, in Part 3 of Schedule 2 of The Town and Country Planning (General Permitted Development) (England) Order 2015, as amended.

### 3. Policy Context

- 3.1 This section summarises the strategy and policy documents, together with other evidence that sets the context for the provision of employment land in East Hampshire (outside of the South Downs National Park). This information, together with recent data on the local economy, will help to identify the issues and opportunities for protecting employment floorspace from redevelopment to alternative uses. See Section 5 (Issues and Opportunities) for further details.
- 3.2 The success of East Hampshire’s development plan policies could partly depend on the operation of permitted development rights for employment uses. This section also outlines the context for exercising these rights across East Hampshire.

#### Local Plan: Joint Core Strategy, Part 2 and Saved Policies

- 3.3 The approach of the East Hampshire Joint Core Strategy (JCS) towards the provision of new and the protection of existing employment land is underpinned by the Council’s ELR<sup>3</sup>. This study identified an overall need for between 18.8ha and 38.6ha of employment land across the district till 2028, for which the vast majority is for industrial floorspace. This was on the basis of identifying a need for between 82,450m<sup>2</sup> and 159,940m<sup>2</sup> of additional employment floorspace.

**Table 1: Requirements for Employment Land in East Hampshire, 2011-2028**

	<b>Job Growth Scenario</b>	<b>Past Take-Up Scenario</b>	<b>Labour Supply Scenario (583 dpa)</b>
Industrial Land Requirement (ha)	13.2	34.2	22.9
Office Land Requirement (ha)	5.6	4.4	4.4

Source: Table 7.6, ELR

- 3.4 The ELR also established that to meet the anticipated requirement, there is a need to minimise the loss of industrial floorspace<sup>4</sup> and to facilitate improvements in the quality of office floorspace, whilst ensuring that losses are limited to out-dated, functionally-obsolete premises<sup>5</sup>. In addition to qualitative issues for the provision of office floorspace, a spatial imbalance in the supply of and demand for offices was identified: whilst the towns of Alton and Petersfield have witnessed the greatest local demand, 86% of the identified supply was concentrated in other areas<sup>6</sup>.

<sup>3</sup> East Hampshire District Council Employment Land Review (ELR) Update, Final Report, NLP, May 2013

<sup>4</sup> See paragraphs 9.13-9.16 & 9.57, East Hampshire District Council ELR Update, Final Report, NLP, May 2013

<sup>5</sup> See paragraphs 4.37, 9.42 & 9.58, East Hampshire District Council ELR Update, Final Report, NLP, May 2013

<sup>6</sup> See paragraphs 9.36-9.38, East Hampshire District Council ELR Update, Final Report, NLP, May 2013

- 3.5 The JCS was adopted in 2014 and responded to the above strategic requirements and issues for the quantity and distribution of employment land. The plan's spatial strategy focuses on providing new employment opportunities at Whitehill & Bordon (as part of the area's regeneration) and Alton, and more generally on providing jobs to meet local residents' needs within the constraints of the local environment.
- 3.6 The policy requirements for new employment land are set out in JCS Policy CP3, which identifies the need for:
- a. About 9.5ha of land for employment use in Whitehill & Bordon.
  - b. About 7ha of employment land in Alton.
  - c. About 3ha of employment land in Petersfield.
  - d. About 2ha of land in Horndean for industrial (B2) and business use (B1).
- 3.7 The Housing and Employment Allocations Plan (Part 2 of the Local Plan, adopted in April 2016) identified new sites in relation to these strategic requirements, in areas outside of the South Downs National Park. The Housing and Employment Allocations Plan makes provision for the above requirements through policies EMP1, EMP2 and HN1.
- 3.8 In Alton, Policy EMP1 allocates 7ha of employment land at Lynch Hill and EMP2 allocates 3ha of employment land at Wilsom Road, which taken together more than meets the identified needs. Policy HN1 also allocates 2ha of land in Horndean for industrial (B2) and business (B1) use, as part of a mixed use scheme, to meet the requirement for Horndean set out in CP3.
- 3.9 The employment land identified for Whitehill & Bordon is being dealt with as part of the wider Whitehill & Bordon regeneration. Planning permission was granted in November 2015 for up to 10,000sqm of new employment floorspace (B1 and B2 use), and a variety of office and industrial sites will provide for the employment needs of existing and future residents, including Chieftain House (Quebec Park), an Enterprise Zone at Louisburg Barracks, Enterprise Park (Budds Lane), Viking Park and Woolmer Trading Estate.
- 3.10 For purposes of minimising the loss of floorspace, Policy CP4 of the JCS establishes the Council's broad approach towards redevelopment proposals affecting existing employment land. This policy is informed by the outcomes to the survey of existing employment sites in the ELR and provides strategic protection against proposals for the redevelopment of these industrial and business sites to alternative uses. Sites that were deemed unsuitable for continued employment use have already been de-allocated through the Council's Local Plan<sup>7</sup>.
- 3.11 Generally speaking, Policy CP4 establishes that the redevelopment of employment land is acceptable where a site is no longer deemed suitable for employment use and the proposal accords with other relevant policies and strategies of the local plan. More policy detail is

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<sup>7</sup> See paragraph 5.14, East Hampshire District Local Plan: Joint Core Strategy (adopted June 2014)

required, to set out the requirements for demonstrating that a site is no longer fit for purpose<sup>8</sup>, in the context of the findings of the ELR as updated by this background paper.

- 3.12 At present, detailed guidance in relation to proposals involving the loss of employment floorspace is provided by the Council's *Guidance on the loss of Industrial or Business Uses* (April 2017), which supports JCS Policy CP4 and Saved Local Plan Policy IB4. This guidance sets out the minimum action required for marketing business premises or a site and for demonstrating a lack of financial viability, to demonstrate that the premises or site are/is no longer suitable for employment use.
- 3.13 Saved Policy IB4 of the East Hampshire District Local Plan: Second Review (March 2006) expresses a number of other land-use specific factors that are relevant for considering redevelopment proposals involving the loss of employment floorspace (e.g. the size, shape, location or access arrangements of an employment site). This policy will be reviewed in the context of this background paper.

## Neighbourhood Plans

- 3.14 There are three "made" Neighbourhood Plans covering parts of East Hampshire, outside of the South Downs National Park. These plans form part of the statutory development plan and their policies carry the same weight in decision-making as the policies of the Local Plan. These Neighbourhood Plans are:
- Alton Neighbourhood Development Plan (Made: May 2016)
  - Bentley Neighbourhood Plan (Made: May 2016)
  - Medstead and Four Marks Neighbourhood Plan (Made: May 2016)
- 3.15 Neighbourhood plans are also being prepared for Beech, Bentworth, Bramshott and Liphook, Ropley and Rowlands Castle parishes. At the time of writing, none of these plans had progressed to a stage of becoming significant material considerations for relevant planning applications.
- 3.16 There is no requirement for neighbourhood plans to include policies relating to the provision of employment land or its protection from redevelopment to alternative uses. However, the issue of local employment is considered within all three of the made neighbourhood plans, as detailed below.
- 3.17 The **Alton Neighbourhood Development Plan** seeks to develop and enhance the business economy of Alton and Holybourne, to ensure that the town is economically sustainable (objective 5b). To this end, the Plan includes a policy (ES1) that supports the re-use of commercial brownfield land for employment purposes, based on a local business survey

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<sup>8</sup> See paragraph 5.22 of the East Hampshire District Local Plan: Joint Core Strategy, East Hampshire District Council & South Downs National Park Authority, Adopted June 2014

which identified a lack of suitable premises to rent. It does however recognise that in accordance with the National Planning Policy Framework, Policy CP4 (JCS) and Saved Policy IB4, there are circumstances in which redevelopment for alternative use is more realistic.

- 3.18 The neighbourhood plan identifies the employment sites at Mill Lane and Wilsom Road as being well-located and fit for purpose. Alton Town Council has also committed to working with East Hampshire District Council, to achieve the appropriate mixed use development of the former Coors Brewery site, close to the centre of Alton. A development brief has been prepared for this site.
- 3.19 The **Bentley Neighbourhood Plan** includes a vision for 2028 in which the parish will have a strong, positive and supportive relationship with local employment and businesses which helps to facilitate new employment opportunities for local people. The future “shape” of planning policy in relation to protecting employment uses was raised as a key issue for the Neighbourhood Plan to address, however the safeguarding of a particular site within the village for employment use was found to be unfeasible at the time of plan-making. A future review of the Neighbourhood Plan could include measures to safeguard employment uses from redevelopment to alternative use.
- 3.20 The **Medstead and Four Marks Neighbourhood Plan** seeks to safeguard and support existing employment areas and uses, and to support a business hub that would facilitate start-ups and the growth of small businesses (objective 4). Policy 3 of the Plan supplements the requirements of Policy CP4 (JCS) for the redevelopment of employment or business uses, by requiring applicants to demonstrate that their continuation is no longer viable or that there is no market demand. These requirements are similar to, although more specific than those of Saved Policy IB4. Policy 3 also expresses support for the expansion of existing employment or business uses provided that this would not have unacceptable impacts on local character, residential amenity, highway safety or flood risk.

## Local Enterprise Partnership Strategies

- 3.21 The majority of East Hampshire lies within the Enterprise M3 Local Enterprise Partnership (LEP) area, whilst parts of the southern parishes (Clanfield, Horndean and Rowlands Castle) fall within the Solent LEP functional economic area. These two LEP areas have different strengths and ambitions, reflecting the different characteristics of the areas and the varied opportunities for growth. Both the Enterprise M3 and the Solent LEP have a Strategic Economic Plan (SEP) which helps to guide private and central government investment in the economy of their areas.
- 3.22 The **Enterprise M3 Strategic Economic Plan** (March 2014) has a vision of making its area *‘the premier location in the country for enterprise and economic growth, balanced with an*

*excellent environment and quality of life.*<sup>9</sup> The area, which extends from the New Forest, through mid and north Hampshire, southwest Surrey and to the edge of London, has seen continued and fast-paced growth since 2000. It is home to world-class sectors in information and communications technology, digital media, pharmaceuticals, aerospace and defence, and professional and business services.

**Figure 1: Extract of ‘Overview of the Enterprise M3 area’, Enterprise M3 SEP, March 2014**



NB: Numbers denote a selection of the Enterprise M3 area’s key businesses; please see SEP for details

3.23 The SEP identifies a relatively high concentration of knowledge-based industries, including important technology clusters supported by local universities. Other important sectors include defence and the visitor economy (business and tourism). However, there is significant variation in the performance of different towns across the LEP area, with significant investment being required, to help link the prosperous towns (Basingstoke, Farnborough, Guildford and Woking) with those that do not perform as well. In this context, Whitehill & Bordon is identified as a “step-up” town, where efforts will be focused on creating vibrant and sustainable new communities, improving transport connectivity and improving workforce skills. This is consistent with the on-going regeneration of Whitehill & Bordon, supported by EHDC’s adopted JCS (see above).

<sup>9</sup> For full details, please see: <https://www.enterprisem3.org.uk/document/enterprise-m3-local-growth-deal-submission-march-2014>

- 3.24 The SEP targets policy interventions such as the regeneration of Whitehill & Bordon, but also the delivery of new housing and the reduction of congestion at Basingstoke, Guildford, Farnborough and Woking. In general, the M3 corridor will be supported to enable it to become the primary Sci: Tech corridor in the UK by 2020, whilst in rural areas, interventions will be targeted to support the visitor economy and the competitiveness of rural businesses. The Enterprise M3 SEP envisages that by 2020, this package of measures will boost GVA per capita (a measure of productivity) so that it is 25% ahead of the national average; creating 52,000 new jobs with 20% in R&D and high value added industries<sup>10</sup>; and increasing entrepreneurial activity, involving the creation of 1,400 businesses per annum. It should be noted that some of the proposed interventions involved money from the EU, administered through the European Regional Development Fund. After the result of the EU referendum (June 2016), it is not clear whether this money will continue to be available for investment beyond March 2019 (i.e. when the UK formally leaves the EU).
- 3.25 It is important to note that the Enterprise M3 LEP is currently reviewing its SEP and that the outcomes to this process will form the basis for an industrial strategy. This industrial strategy will be published in early 2018 and may supersede the approach outlined above. The relevant consultation document identifies the prospect of moving away from a growth town/step-up town approach, to one that involves focusing investment on a limited number of strategic propositions around areas or corridors in the Enterprise M3 area<sup>11</sup>. These ‘propositions’ would be large-scale (nationally significant) housing and/or commercial developments supported by high quality infrastructure. At the time of writing, it would be premature to place significant weight on these suggestions, which have not yet been spatially defined or confirmed by the LEP.
- 3.26 Much of East Hampshire that falls within the Enterprise M3 LEP area is rural in character. For rural areas, the current SEP identifies latent economic potential for the deployment and development of low carbon technologies and renewable energy; the exploitation of broadband technologies; agricultural diversification and the growth of food & drink technologies.
- 3.27 The **Solent LEP’s Strategic Economic Plan** is the *Transforming Solent Growth Strategy* (January 2015)<sup>12</sup>. This strategy is focused on achieving a vision “to create an environment that will bring about sustainable economic growth and private sector investment in the Solent’. The LEP area is identified as a mixed economy with strengths in knowledge-based

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<sup>10</sup> High value added industries are defined as those that “generate a large margin between the final price of a good or service and the cost of the inputs used to produce it, and thus create higher profits for businesses and higher wages for workers” (Business and Enterprise Committee – Eleventh Report, Risk and Reward: sustaining a higher value-added economy, House of Commons, July 2009). Because UK-based industries cannot compete in a globalised economy of inexpensive labour on the basis of low labour costs alone; higher value added industries in the UK tend to focus on activities where investment in skills, knowledge, technology and innovation are important factors (ibid.).

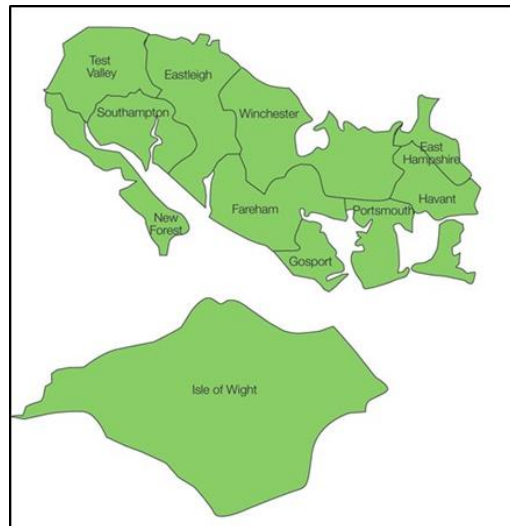
<sup>11</sup> For details, please see: <https://www.enterprisem3.org.uk/enterprise-m3-strategic-economic-plan-consultation-2017>

<sup>12</sup> For full details, please see: [https://solentlep.org.uk/media/1508/transforming\\_solent\\_growth\\_strategy\\_-\\_jan\\_2015.pdf](https://solentlep.org.uk/media/1508/transforming_solent_growth_strategy_-_jan_2015.pdf)



business sectors; creative industries, advanced technologies; financial and business sectors; and a visitor economy founded on significant heritage and natural assets.

**Figure 2: A map of the Solent LEP area, including parts of East Hampshire's southern parishes (Clanfield, Horndean & Rowlands Castle)**



- 3.28 The priorities for growth include supporting new businesses and SMEs (small and medium-sized enterprises), and developing the following sectors of the economy: marine, aerospace and defence, advanced manufacturing, engineering, transport and logistics, low carbon and the visitor economy. These priorities are underpinned by a commitment to develop a low carbon green economy in the Solent area.
- 3.29 The Growth Strategy specifically targets the creation of 16,600 additional new jobs beyond 2014 growth forecasts, increasing GVA and improving productivity, the creation of 1,000 new businesses and an improvement in the business survival rate. Although the Growth Strategy identifies a number of strategic sites for employment-related development, none of these are located within East Hampshire. For East Hampshire, it appears that supporting the start-up and growth of SMEs will be essential.

### Relevant Local Strategies

- 3.30 East Hampshire District Council has published a business strategy, entitled 'Strategy for business 2015-2021', which envisages that Council will become the most business friendly council in the UK. Although many of the initiatives for delivering this vision are not directly related to the development of land, the Council is seeking to capitalise on development or regeneration opportunities to enhance economic growth. This includes delivering land and property for commercial use, such as at the former OSU site in Liphook.
- 3.31 The business strategy supports the East Hampshire District Council Corporate Strategy 2014-2019, which voices support for local businesses to ensure that local people of all ages are

able to find employment and remain in East Hampshire. The provision of sufficient, good quality employment floorspace will be important for delivering this aspect of the Council's corporate vision.

## National Policy and Guidance

- 3.32 The Government's national planning policies are set out in its **National Planning Policy Framework** (NPPF, March 2012). Paragraphs 18-22 of the NPPF set out the planning policies for building a strong and competitive economy, including the need for local planning authorities to set criteria or identify sites for employment use, to match the economic vision and strategy for their area. In East Hampshire, new sites to meet the anticipated needs of businesses have been planned and allocated through the JCS and Part 2 of the Local Plan. Future planning policies shall identify existing sites that should be protected from redevelopment, because of their importance for the local economy. As mentioned above, detailed policy criteria are also required to supplement the guidance of JCS Policy CP4, to establish when a site is no longer fit for purpose, in the context of relevant economic visions and strategies.
- 3.33 Paragraph 19 of the NPPF notes that significant weight should be placed on the need to support economic growth through the planning system. Paragraph 21 further clarifies that local planning authorities should support existing business sectors, taking account of whether they are expanding or contracting, and identify and plan for new sectors that are likely to locate in their areas. East Hampshire District Council will therefore need to support the growth and expansion of SMEs and rural enterprises, in accordance with the relevant LEP strategies and local economic strategies (see above). The NPPF particularly highlights the need to plan positively for knowledge-driven, creative or high technology industries.
- 3.34 Paragraph 22 of the NPPF stresses that planning policies should avoid the long-term protection of sites allocated for employment use, where there is no reasonable prospect of a site being used for that purpose. In such cases, applications for alternative uses should be treated on their merits, having regard to market signals and the relative need for non-employment land uses. The Council's JCS complies with this national policy by expressing the broad circumstances in which the redevelopment of employment sites will be supported (Policy CP4). This policy is supported by Saved Policy IB4, whilst the Council's published guidance provides some further clarification on the marketing and economic viability evidence needed to demonstrate that a site has no realistic prospect of being used for B Class employment purposes.
- 3.35 The Government's **Planning Practice Guidance** (PPG) includes detailed guidance for assessing the need for and supply of land for economic development uses<sup>13</sup>. This background

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<sup>13</sup> For details, please see the sections of the PPG entitled: 'Housing and economic development needs assessments' and 'Housing and economic land availability assessment', available at: <https://www.gov.uk/government/collections/planning-practice-guidance>

paper does not implement these aspects of national guidance because the Council’s strategic land requirements to 2028 have already been established by the JCS. The approach of this background paper is instead to review existing employment sites and related evidence, by updating and adding to the data gathered in the Council’s Employment Land Review (undertaken by the planning consultancy NLP), in accordance with conventional best practice.

3.36 This approach reflects the advice of the PPG for evidence gathering in support of a Local Plan. The PPG suggests that evidence should be tightly focused on supporting particular policies in the Local Plan<sup>14</sup>. In accordance with this guidance, this background paper focuses on supporting the future implementation of Local Plan policies CP4 (JCS) and IB4 (saved policy), and on informing future detailed policies to manage the redevelopment of employment sites to alternative uses.

## Permitted Development Rights

3.37 In 2013, the Government introduced new ‘permitted development rights’ which allow an office building (Use Class B1a<sup>15</sup>) to change its use to a dwelling house without the need for planning permission. Initially, these rights were introduced on a temporary basis and were due to expire at the end of May 2016. They were however made permanent in April 2016. Further temporary permitted development rights for buildings in employment use have also been introduced as follows:

**Table 2: Synopsis of Permitted Development Rights Affecting Industrial Premises**

Use of Building	Permitted Development
Light Industrial (Use Class B1c)	In <b>April 2016</b> , the Government introduced temporary permitted development rights, which will allow for light-industrial buildings of less than 500 square metres to change to residential use without the need for planning permission; these rights will come into effect from <b>October 2017</b> and last for a period of three years.
Storage and Distribution (Use Class B8)	In <b>April 2015</b> , the Government introduced temporary permitted development rights, which will allow for storage and distribution buildings of less than 500 square metres to be converted to residential use without planning permission. Residential use must begin by <b>15 April 2018</b> .

Source: Planning Portal website

3.38 These permitted development rights mean that, in the case of residential redevelopment affecting qualifying buildings, East Hampshire’s planning policies for managing the redevelopment of employment sites would not be implemented. Instead of seeking planning permission, a system of ‘prior approval’ operates, whereby applicants consult a local

<sup>14</sup> Paragraph 014, Local Plans, Planning Practice Guidance (Reference ID: 12-014-20140306)

<sup>15</sup> See The Town and Country Planning (Use Classes) Order 1987 (as amended) for details of how the use of a building or land is classified by the planning system.

planning authority about pre-defined matters such as highway impacts and flood risk. If there are no overriding constraints in terms of these matters, applicants can implement the change of use. This means that there are only limited opportunities to refuse a prior approval application.

- 3.39 Many parishes in East Hampshire are currently exempt from the permitted development of buildings from office to residential use<sup>16</sup>. This because in 2013 the Government agreed that these rights could threaten the growth of the East Hampshire economy, by causing an unacceptable loss of office floorspace. This exemption is temporary (until May 2019) and was granted before the adoption of the East Hampshire JCS and the Part 2 Local Plan, when the district was not covered by an up-to-date local plan to meet the needs for new development.
- 3.40 The expiry of East Hampshire's exemption from the conversion of offices to residential use, together with the need to understand the detailed circumstances when redevelopment would be acceptable (i.e. to inform a planning policy to support JCS Policy CP4), presents the Council with an opportunity to pursue a joined-up approach towards managing the impacts of development on the area's employment sites. Particular employment sites that are important for their contribution to sustainable development could be identified for exemption from permitted development rights; and their important characteristics could help to identify detailed policy criteria for redevelopment.
- 3.41 The future exemption of any employment site from permitted development rights would need to be sought through the formal process of applying for an 'Article 4 direction'. This is a direction that may be issued by a local planning authority to remove permitted development rights for specific areas, or for all of its planning area. The procedures for issuing an Article 4 direction are detailed in The Town and Country Planning (General Permitted Development) (England) Order 2015. It should be noted that the process for introducing an Article 4 direction differs considerably from the original exemption process used by the Government in 2013. An Article 4 direction must be consulted on with those affected by the removal of permitted development rights, the Secretary of State can call in and amend any direction and there is an opportunity for judicial review. The Government's planning practice guidance also makes clear that for an Article 4 direction, there should be particularly strong justification for the withdrawal of permitted development rights covering the entire area of a local planning authority, or where a prior approval process is available to control permitted development<sup>17</sup>.

## National Industrial Strategy

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<sup>16</sup> Specifically, the parishes of Alton, Bentley, Bramshott & Liphook, Four Marks, Grayshott, Hordean, Liss, Medstead, Petersfield, Ropley and Whitehill are exempt from the permitted development of offices to residential use. See Appendix 4 for a map showing these parts of the district.

<sup>17</sup> Paragraph 038, Local Plans, Planning Practice Guidance (Reference ID: 13-038-20140306).

- 3.42 In light of the decision to leave the European Union, the Government prepared a green paper, setting out how it proposes to build a modern industrial strategy for the UK. From the Government's perspective, a modern industrial strategy must:
- Build on the UK's strengths and extend excellence into the future
  - Close the gap between the UK's most productive companies, industries, places and people and the rest; and
  - Make the UK one of the most competitive places in the world to start or grow a business
- 3.43 The strategy is intended to identify the UK's competitive strengths, explore with industry the ways in which the government can help, and put in place institutions and relationships to sustain higher levels of productivity over the long term<sup>18</sup>. The green paper identifies "10 pillars" for the industrial strategy, which have been proposed because the evidence shows that they are drivers of growth<sup>19</sup>. The following pillars are likely to be relevant to the planning system:
- Upgrading infrastructure
  - Supporting businesses to start and grow
  - Delivering affordable energy and clean growth
- 3.44 In East Hampshire, supporting the birth and sustainable growth of businesses could involve allowing the redevelopment of poor quality offices and industrial units, so as not to limit the effectiveness of the property market in providing high quality accommodation, to meet the needs of modern businesses. Research on the operation of the property market in Hampshire/the M3 LEP area suggests that the proliferation of low quality premises can depress market rents, thus restricting the economic case for the development of new, higher quality premises (see Section 5 for more details). The lack of suitable accommodation for small and medium sized businesses has been highlighted as an issue in East Hampshire<sup>20</sup>, whilst business survival rates in East Hampshire are not as good as other parts of Hampshire<sup>21</sup>. To complement this approach, policies that restrict redevelopment for alternative (non-employment use) could also be applied to those sites providing relatively high quality, modern business accommodation. These sites could help attract and retain businesses that will help to grow the local economy and support the Government's national strategy.

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<sup>18</sup> Summary (page 9), Building our Industrial Strategy, Green Paper, HM Government, January 2017

<sup>19</sup> For details of the 10 pillars, see Page 11, Building our Industrial Strategy, Green Paper, HM Government, January 2017

<sup>20</sup> See paragraph 4.59 in this Background Paper

<sup>21</sup> See paragraph 4.19 in this Background Paper

## 4. Summary of Evidence: Indicators & Drivers

- 4.1 This section summarises the economic characteristics of, and trends affecting East Hampshire; information on the current stock of employment floorspace and on sites outside of the South Downs National Park; and market intelligence regarding the local, sub-regional and national commercial property markets. Where possible, data and trends have been compared with the findings of the Employment Land Review (ELR) 2013.
- 4.2 Information on the economic characteristics of the area has been obtained from the ONS and compared with national and regional data where appropriate. Section 4.3 also includes contextual indicators of future growth from the Office for Budget Responsibility and the Bank of England, along with sub-regional reviews of commercial property markets. Although this information relates to the national and sub-regional economies, the economy of the district will clearly be affected by macro-economic changes. In particular, it is noteworthy that since the 2013 ELR, the UK has voted to leave the European Union. At the time of writing, the long-term implications of this decision are uncertain.
- 4.3 It is important to recognise how the trends and characteristics of the local economy are likely to influence the future demand for employment floorspace in East Hampshire, in the context of the policy drivers identified in the previous section. Section 5 (Issues and Opportunities) considers the key messages arising from the evidence and the planning policy context.

### Geographical Context

- 4.4 East Hampshire is a largely rural district and is split into two planning areas by the SDNP, which runs through its centre. East Hampshire District Council's planning area includes the settlements of Alton, Horndean, Liphook and Whitehill & Bordon which are locations for industrial, office and warehousing activities. These activities fall into the B Use Classes<sup>22</sup> for planning purposes and therefore can be said to provide "B Class" jobs. The SDNP area includes Petersfield, which is also a location for employment and B Class jobs in East Hampshire. Businesses are also widely distributed across the district, in the smaller settlements and the countryside. The national statistics do not readily allow the Council to distinguish between employment in the SDNP and elsewhere, so the following information is presented for East Hampshire as a whole.

### Demographics

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<sup>22</sup> These are Use Classes B1a (offices), B1b (research & development), B1c (light industry), B2 (general industry) and B8 (storage or distribution) of the Town and Country Planning (Use Classes) Order 1987 (as amended). For more details on the system of use classes, please see: [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

- 4.5 The overall resident population of East Hampshire, estimated to be 118,000<sup>23</sup>, grew by 6.2% between 2006 and 2016. This level of population growth was less than both the regional (9.1%) and national (8.0%) averages for this period. In terms of the local labour supply, a total of 63,500 East Hampshire residents were identified as being economically active in 2016/17, representing 83.9% of residents aged 16 and over<sup>24</sup>.
- 4.6 In 2013, Hampshire County Council produced a review of economic statistics from the 2011 Census, for all parts of Hampshire and the unitary authorities of Portsmouth and Southampton. Although this information is now somewhat dated, it remains useful to compare the information from the 2001 and 2011 Censuses, to understand changes over time for East Hampshire. In many cases, census data is more reliable than other nationally-produced datasets<sup>25</sup>.
- 4.7 Between 2001 and 2011, the East Hampshire resident population aged 16-74 increased by 6.2%, a total of 4,868 from 78,654 to 83,522. Across Hampshire, Portsmouth and Southampton as a whole (the “Hampshire Economic Area”), the equivalent population increased by 8.1%, by more than 96,000, from 1,192,474 to 1,288,881. A breakdown of the Hampshire authorities can be found in the table below; the population in the two cities of Portsmouth and Southampton as well as in the district of Basingstoke & Deane increased by the highest proportions, 13.3%, 11.5% and 10.2% respectively. The median increase<sup>26</sup> for council areas was 7.2%, which indicates that East Hampshire’s potential labour supply increased more slowly than the majority of the Hampshire Economic Area in the first decade of the 21<sup>st</sup> century.

**Table 3: Change in Population (2001 vs 2011 Census) across Hampshire, Southampton and Portsmouth**

<b>Population aged 16-74</b>				
<b>District/Area</b>	<b>2001</b>	<b>2011</b>	<b>2001-2011 change</b>	<b>2001-2011 % change</b>
Basingstoke and Deane	111,851	123,243	11,392	10.2%
East Hampshire	78,654	83,522	4,868	6.2%
Eastleigh	83,628	91,582	7,954	9.5%
Fareham	78,191	81,198	3,007	3.8%
Gosport	54,858	59,499	4,641	8.5%
Hart	61,652	66,087	4,435	7.2%
Havant	83,625	86,247	2,622	3.1%
New Forest	119,064	124,798	5,734	4.8%
Portsmouth	135,623	153,705	18,082	13.3%

<sup>23</sup> ONS mid-year population estimates 2016

<sup>24</sup> Source: ONS annual population survey, Jul 2016-Jun 2017

<sup>25</sup> For example, census data avoids the limitations of sampling processes which affect the ONS annual population survey. It reflects the responses of individual households rather than proxy measurements, such as are used in mid-year population estimates.

<sup>26</sup> The median is the middle result when all results are arranged in size order.

Rushmoor	66,531	69,652	3,121	4.7%
Southampton	161,634	180,201	18,567	11.5%
Test Valley	78,995	84,652	5,657	7.2%
Winchester	78,168	84,495	6,327	8.1%
Hampshire County Area	895,217	954,975	59,758	6.7%
Hampshire Economic Area	1,192,474	1,288,881	96,407	8.1%

Sources: 2001 Census and 2011 Census

- 4.8 In addition to considering the total potential labour supply, it is useful to consider levels of economic activity or inactivity within the population. A resident can be either economically active (i.e. employed, self-employed or unemployed), or economically inactive (for reasons such as retirement, or caring for family members). Each resident needs to be classed as either economically active or inactive, so the sum of the two rates equals 100.
- 4.9 According to census data, the economic activity rate for East Hampshire residents was 73.0% in 2011 compared to 72.0% in 2001, an increase of 1.0 percentage points. This compared to an average 1.5 percentage point increase across the Hampshire Economic Area from 2001 to 2011, from 70.5% to 72.0%. Therefore, in addition to witnessing a slower increase in the potential labour supply, the district witnessed a slower increase in the economically active proportion of its labour supply. Nevertheless, in 2011, the proportion of economically active residents in East Hampshire was still greater than the average for the Hampshire Economic Area as a whole. Comparing the 2011 Census data to the 2016 ONS estimate (63,500 economically active persons; see above), it appears that the number of economically active residents has increased since 2011.
- 4.10 In addition to statistics concerning the district's resident and economically active population, it is important to consider the actual workforce. This number may be different, as many residents in East Hampshire commute to other places for work, whilst other people commute into the district for the same reason<sup>27</sup>. The total number of workforce jobs in East Hampshire (including the self-employed and HM Forces personnel) was estimated to be 59,000 in 2015<sup>28</sup>. This represents an increase on the estimated 56,730 jobs in 2012, as reported in the Council's 2013 ELR<sup>29</sup>.
- 4.11 Table 4 shows the breakdown of employee jobs (i.e. excluding the self-employed and HM Forces personnel) in the district, compared to corresponding national figures and figures for the South East. The largest employment sectors in 2015 were Wholesale and Retail Trade, including Motor trades (18.6%), Education and Health (11.6%) and Accommodation and Food Service Activities (9.3%).

<sup>27</sup> The workforce will also be different because not every economically active person is in work. For example, some people of working age will be in full-time education, or on maternity leave.

<sup>28</sup> ONS jobs density, 2015

<sup>29</sup> Paragraph 2.6, East Hampshire Employment Land Review Update: Final Report, NLP, May 2013



**Table 4: Employee Jobs in Total and by Industry, 2016**

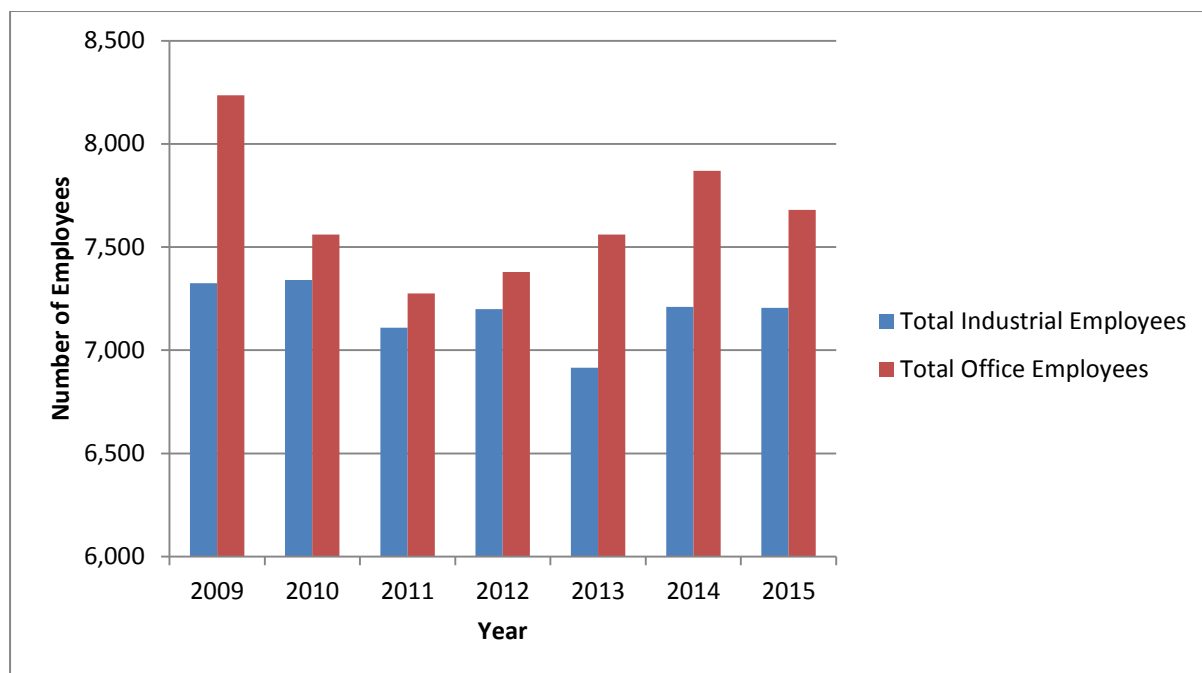
	<b>East Hampshire (employee jobs)</b>	<b>East Hampshire (%)</b>	<b>South East (%)</b>	<b>Great Britain (%)</b>
Total employee jobs	43,000	-	-	-
Full-time	28,000	65.1	7.3	7.8
Part-time	15,000	34.9	2.7	32.2
<b>Employee jobs by industry</b>				
B : Mining and quarrying	35	0.1	0.1	0.2
C : Manufacturing	3,500	8.1	6.3	8.1
D : Electricity, gas, steam and air conditioning supply	200	0.5	0.5	0.4
E : Water supply; sewerage, waste management and remediation activities	350	0.8	0.6	0.7
F : Construction	2,500	5.8	5.0	4.6
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	8,000	18.6	16.3	15.3
H : Transportation and storage	1,500	3.5	5.1	4.9
I : Accommodation and food service activities	3,000	7.0	6.8	7.5
J : Information and communication	2,000	4.7	6.2	4.2
K : Financial and insurance activities	1,500	3.5	2.9	3.6
L : Real estate activities	700	1.6	1.9	1.6
M : Professional, scientific and technical activities	4,000	9.3	8.9	8.6
N : Administrative and support service activities	3,000	7.0	9.2	9.0
O : Public administration and defence; compulsory social security	900	2.1	3.1	4.3
P : Education	5,000	11.6	10.2	8.9
Q : Human health and social work activities	5,000	11.6	12.0	13.3
R : Arts, entertainment and recreation	1,000	2.3	2.6	2.5
S : Other service activities	1,250	2.9	2.2	2.1

Source: ONS Business Register and Employment Survey: open access

4.12 Not all of the abovementioned sectors of the economy will require B Class employment floorspace. This is because not all sectors of the economy use offices or industrial units for their business operations. To consider how changes in the local workforce might have affected the demand for offices and industrial units, it is useful to analyse the change in the number of employees across East Hampshire, in sectors that might require B Class

employment floorspace<sup>30</sup>. Figure 3 shows how the number of these employees changed between 2009 and 2015, in professions likely to require either industrial or office floorspace:

**Figure 3: Change in B Use Class Jobs in East Hampshire, 2009-2015**



Source: ONS Business Register and Employment Survey (BRES), 2015

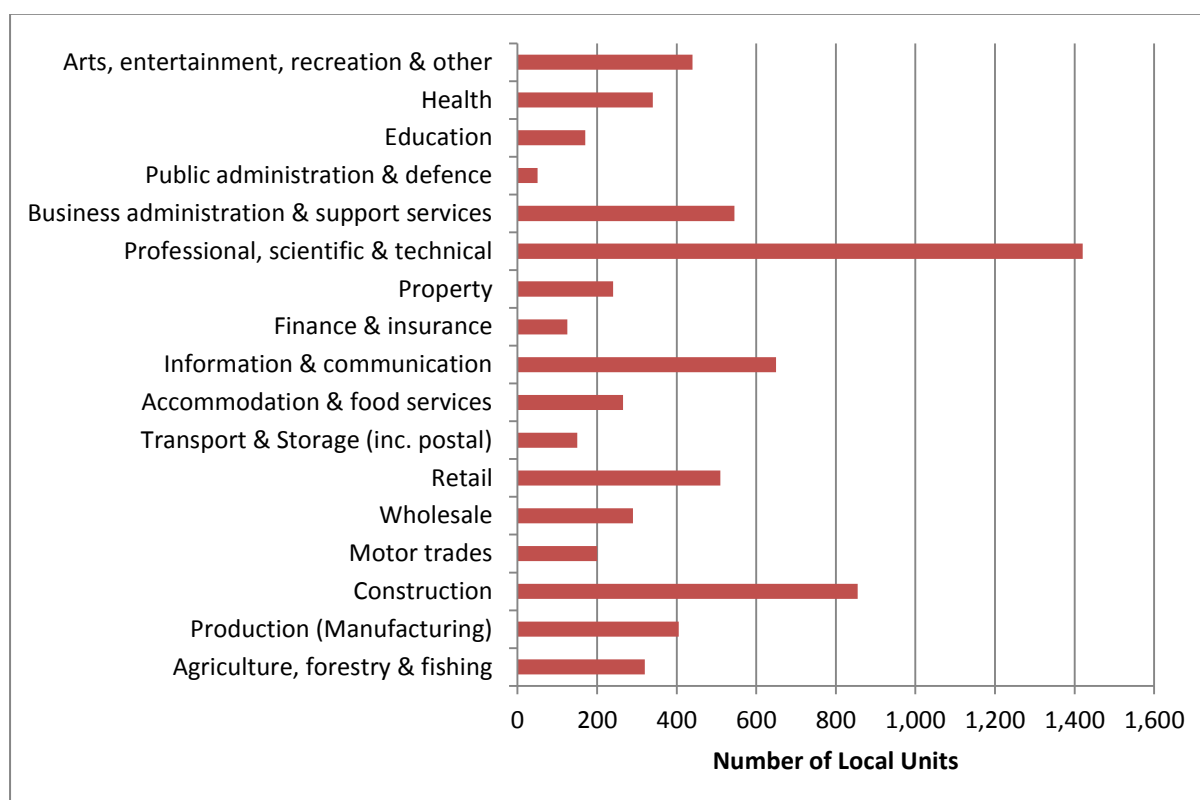
4.13 From 2009 to 2011, there was a notable decrease in the number of employees in East Hampshire likely to require office floorspace to do their jobs. This period broadly corresponds to the recession associated with the “credit crunch” and subsequent economic downturn, beginning in 2007/8. From 2011 to 2015, the number of employees increased once again but is still below 2009 levels. For industrial sectors of the local economy, the number of employees has been broadly stable since 2009 with small decreases until 2013, recovering to near 2009 levels in 2014 and 2015. Overall, it is estimated that there were fewer employees in both industrial and office-based sectors in 2015 than in 2009. However, this is only one factor affecting the demand for floorspace (others include the nature of business operations, the condition of existing premises, and macro-economic influences on investment decisions). It should also be noted that the official statistics in Figure 3 are sample-based *estimates* and that forecasting companies such as Experian can produce different estimates for past employment levels. Nevertheless, it appears that recent changes in local employment have not been a significant driver of the need to protect existing, or provide additional employment floorspace in East Hampshire.

<sup>30</sup> Please see Appendix 1 for details of how these sectors of the economy have been defined. The method that has been used to estimate the number of B Class employees in Figure 3 takes ONS annual estimates for the number of employees falling in particular Standard Industrial Classification (SIC) codes and combines the results for those SIC codes that correspond to office or industrial B Use Classes.

## Business Demography

4.14 East Hampshire is home to a range of businesses working in a variety of different sectors. The structure of the local business base can be understood in terms of the Standard Industrial Classification (SIC) codes used by the ONS to classify business activities. Figure 4 shows the number of local units (which are individual sites, such as factories, offices or shops) located in East Hampshire that fall within each SIC code. This graph shows that a relatively large number of business premises are in use for professional, scientific or technical purposes; these premises are most likely to be offices, though they could include research and development facilities. Construction businesses also occupy a fairly large proportion of local business premises. These could be industrial units or premises on industrial sites.

**Figure 4: Number of Local Units in Use by Different Economic Sectors in East Hampshire**



Source: ONS Enterprise/local units by Industry, 2016

4.15 Please note that the number of premises in each SIC code does not indicate the strength of demand for new development within particular sectors, as this information is a snapshot in time and does not express whether sectors of the economy are likely to expand or contract. The Council's 2013 ELR includes projections of demand for office and industrial floorspace to 2028, which informed the policies and employment land allocations of the Local Plan (see Section 2 for further details).

4.16 In addition to the number of businesses in each sector of the economy, it is important to consider the size of local businesses. East Hampshire is home to a relatively large number of small and medium enterprises (SMEs), including “micro” businesses that have between zero and nine employees. Table 5 (below) shows the number and percentage of businesses in East Hampshire district by employee size band, compared to the average for the South East region.

**Table 5: Number and percentage of Businesses in East Hampshire Compared to Regional Averages**

	<b>East Hampshire (numbers)</b>	<b>East Hampshire (%)</b>	<b>South East (numbers)</b>	<b>South East (%)</b>
<b>Enterprises<sup>31</sup></b>				
Micro (0 to 9)	5,715	90.4	352,060	89.8
Small (10 to 49)	525	8.3	32,690	8.3
Medium (50 to 249)	70	1.1	5,875	1.5
Large (250+)	10	0.2	1,460	0.4
Total	6,320	-	92,085	-
<b>Local Units<sup>32</sup></b>				
Micro (0 to 9)	6,080	87.2	385,755	85.2
Small (10 to 49)	775	11.1	54,375	12.0
Medium (50 to 249)	105	1.5	10,960	2.4
Large (250+)	15	0.2	1,615	0.4
Total	6,975	-	452,705	-

Source: Inter Departmental Business Register (ONS), 2016

4.17 The majority of businesses in East Hampshire are micro-businesses, which are likely to have small floorspace requirements. These comprise 90.4% of enterprises within the district and 87.2% of local units. This is a higher proportion than the regional average (89.8% enterprises, 85.2% local units). East Hampshire also has a slightly lower proportion of larger firms with over 250 employees (0.2%) compared to the regional average (0.4%).

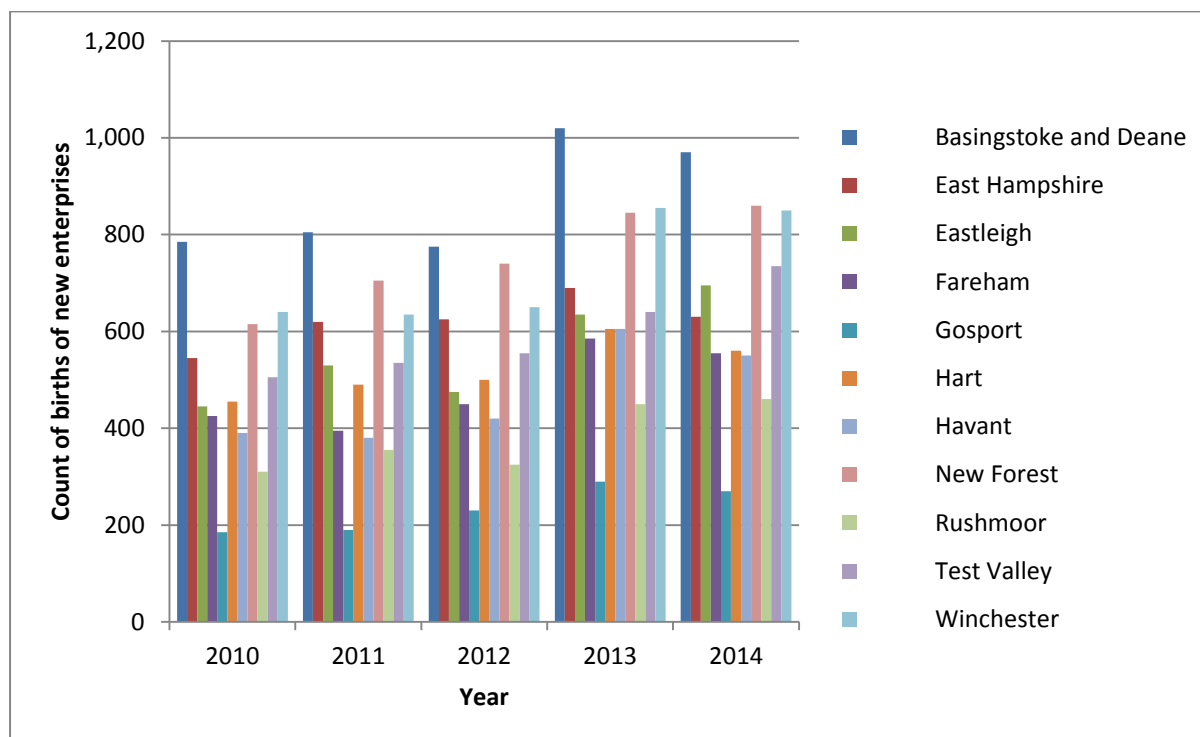
4.18 In addition to the structure of the local business base (in terms of the number of employees), it is useful to consider the number of “business births”, i.e. the number of new businesses created on an annual basis, and their rate of survival. This gives an impression of the emerging demand for floorspace from new businesses and how sustained that demand is likely to be. A higher level of new business births and a higher survival rate could put

<sup>31</sup> An Enterprise is the smallest combination of legal units (generally based on VAT and/or PAYE records) which has a certain degree of autonomy within an Enterprise Group.

<sup>32</sup> An individual site (for example a factory or shop) in an enterprise is called a local unit.

greater pressure on the stock of office and industrial premises, but a lower level of either of these indicators could signify a lack of suitable premises, encouraging businesses to establish themselves elsewhere, or undermining sustainable growth.

**Figure 5: Number of Annual Business Births (2010-2014), for East Hampshire and other districts in Hampshire**



Source: ONS Business Demography, 2015

4.19 East Hampshire has witnessed a relatively high number of business births each year, although less than Basingstoke & Deane, New Forest District and Winchester. By contrast, East Hampshire had a relatively low five-year business survival rate compared to many other parts of Hampshire (see Table 6 below). This suggests that although a relatively high number of businesses are created each year across East Hampshire, quite a high proportion of new businesses fail within the first five years. Indeed, business survival rates in East Hampshire are typically lower than the Hampshire average<sup>33</sup>.

**Table 6: Five-Year Business Survival Rates (2010-2015) for Hampshire Districts**

District	No. of Business Births in 2010	Five-year Survival Rate (% of 2010 businesses still active in 2015)
Basingstoke & Deane	785	47.1
<b>East Hampshire</b>	<b>545</b>	<b>43.1</b>
Eastleigh	445	47.2
Fareham	425	36.5
Gosport	185	40.5

<sup>33</sup> The two-, three-, four- and five-year survival rates for businesses created in 2010 is lower for East Hampshire than for Hampshire as a whole. Source: ONS Business Demography, 2015.

Hart	455	44.0
Havant	390	47.4
New Forest	615	42.3
Rushmoor	310	45.2
Test Valley	505	45.5
Winchester	640	48.4

Source: ONS Business Demography, 2015

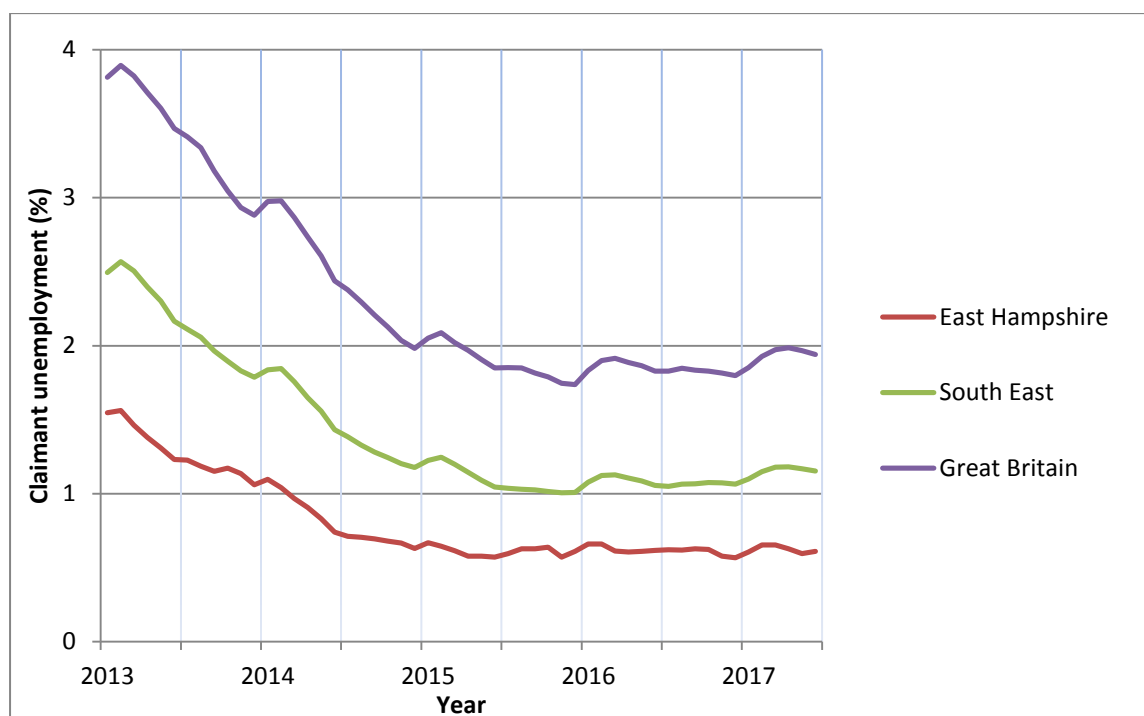
- 4.20 The direct implications for the provision of employment premises in East Hampshire are unclear. New businesses are likely to be micro-businesses (zero to nine employees) and may not initially require dedicated premises, whilst there could be many reasons why businesses fail to grow and cease trading. Nevertheless, the disappointing business survival rates for East Hampshire further underline the importance of helping to provide sufficient, high-quality premises for both office and industrial uses, of a mix of sizes that will enable businesses to grow.

## Labour Market

- 4.21 East Hampshire's economic activity rate, the proportion of working age residents in or seeking employment, at 82.8% is above that of both the South East and national average (80.8% and 78.0%, respectively). A total of 2,000 people were unemployed at March 2017, which equates to 3.3% of the economically active population, below both the regional (3.8%) and national (4.7%) averages.
- 4.22 Claimant unemployment has remained relatively steady at 0.6% from December 2014 to June 2017. The current rate is below that of the regional (1.2%) and well below the national average (1.9%), a pattern that has prevailed historically. This indicates that, as reported in the Council's ELR in 2013<sup>34</sup>, there remains little slack in the local labour market. Further growth in the local workforce could be driven by people of working age moving into the district, or by helping local people to remain in the area for work through the provision of more apprenticeship opportunities or skills training programmes.

<sup>34</sup> Paragraph 2.18, East Hampshire Employment Land Review Update: Final Report, NLP, May 2013

**Figure 6: Claimants of Benefits Due to Unemployment as a Percentage of Resident Population, 16-64 years**



Source: ONS claimant count by sex and age (all claimants), (Jan 2013-June 2017)

4.23 The district's resident workforce has higher than average skill levels when compared to the South East region and the national average, with a higher proportion of graduate level workers (43.8% compared to 41.4% and 38.2%). However, the district also has a higher percentage of the population with no qualifications compared to the regional average (7.7% compared to 5.5%), although the national average is higher still at 8.0% of the total population.

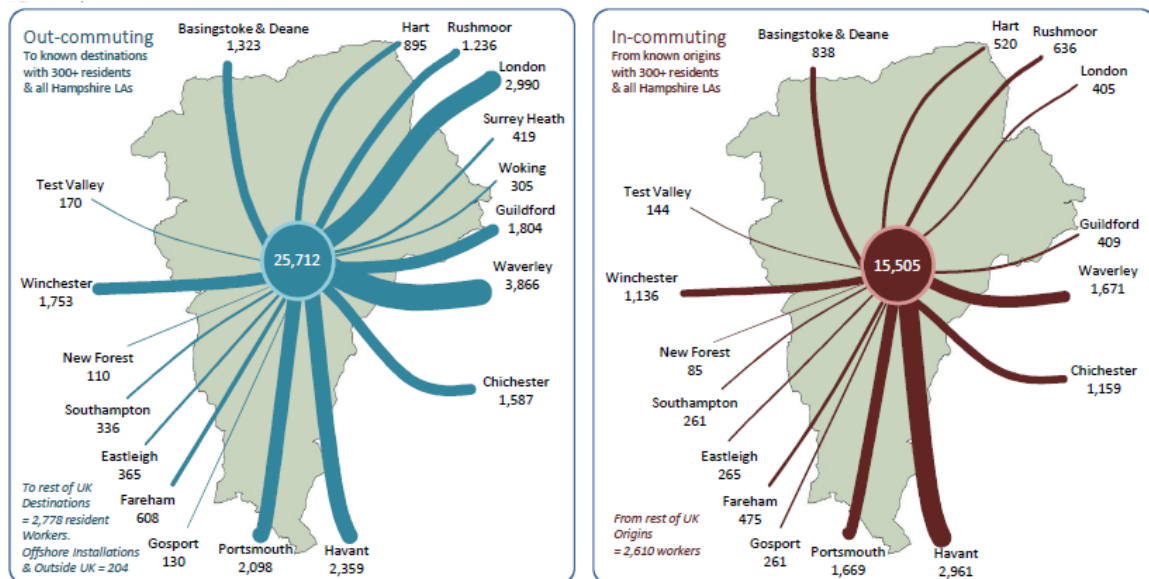
**Table 7: Qualifications of East Hampshire Residents, Number and Percentage of 16-64 Year Olds**

Qualifications (Jan 2016-Dec 2016)				
	East Hampshire	East Hampshire	South East	Great Britain
	(level)	(%)	(%)	(%)
<b>Individual levels</b>				
NVQ4 and above	29,400	43.8	41.4	38.2
NVQ3 and above	41,600	62.0	60.2	56.9
NVQ2 and above	52,700	78.5	77.5	74.3
NVQ1 and above	57,600	85.8	88.8	85.3
Other qualifications	-	-	5.8	6.6
No qualifications	5,100	7.7	5.5	8.0

Source: ONS Annual Population Survey

- 4.24 The Council's 2013 ELR identified a significant discrepancy between the average earnings of residents compared with the earnings of local workers. This, together with higher levels of qualifications in the district, in part explained the fact that some residents were commuting to higher paid jobs outside the district<sup>35</sup>. Since the ELR was published, 2011 Census data on commuting has been published, showing that the district continues to witness significant in- and out-commuting for work purposes.
- 4.25 The 2011 Census travel to work data shows that out-commuting was significantly higher than in-commuting, with a net outflow of 10,207 workers. The highest number of in-commuters came from Havant followed by Waverley and Winchester districts. The highest number of out-commuters travelled to Waverley, followed by London and Havant<sup>36</sup>.

**Figure 7: Travel to Work Data for East Hampshire (Out-commuting and In-commuting)**



Source: Hampshire County Council 2011, using data from the 2011 Census

- 4.26 The fact that East Hampshire is a net exporter of labour clearly demonstrates that the district is part of an interconnected labour market. Different parts of the district form part of either the Enterprise M3 or Solent economic areas, whilst London is also an important source of employment. This means that supporting the growth of other areas, together with supporting the growth of the local economy, will help to maintain the high levels of economic activity and employment in East Hampshire. Ensuring the future provision of high quality employment premises within the district could also help to reduce the need to travel for work purposes.

<sup>35</sup> Paragraph 2.21, East Hampshire Employment Land Review Update: Final Report, NLP, May 2013

<sup>36</sup> Please note: the 2011 Census travel to work data also shows that the majority of the jobs in the district were held by residents, with people living and working in the district accounting for nearly 60% of the local workforce.



## Nature and Supply of Employment Floorspace

- 4.27 This part of Section 4 identifies the current stock of employment space in East Hampshire and how it is estimated to have changed over time, using monitoring statistics from Hampshire County Council and the Valuation Office Agency. These statistics cover the recent and planned development of floorspace, including the extension and reconfiguration of existing premises (where planning permission is required); and changes in the number and cumulative size of rateable properties (which includes office and business premises) in the district. Such measures help to build a picture of whether the amount of employment space in the district has been increasing or decreasing, which is an important consideration for the future provision/protection of employment land and premises through the planning system.
- 4.28 A qualitative assessment of many employment sites across East Hampshire (outside of the South Downs National Park) has also been undertaken, to update the assessment carried out in the Council's 2013 ELR. This assessment will help the Council to identify which sites should be protected from redevelopment for alternative uses, in the context of economic indicators and market intelligence.

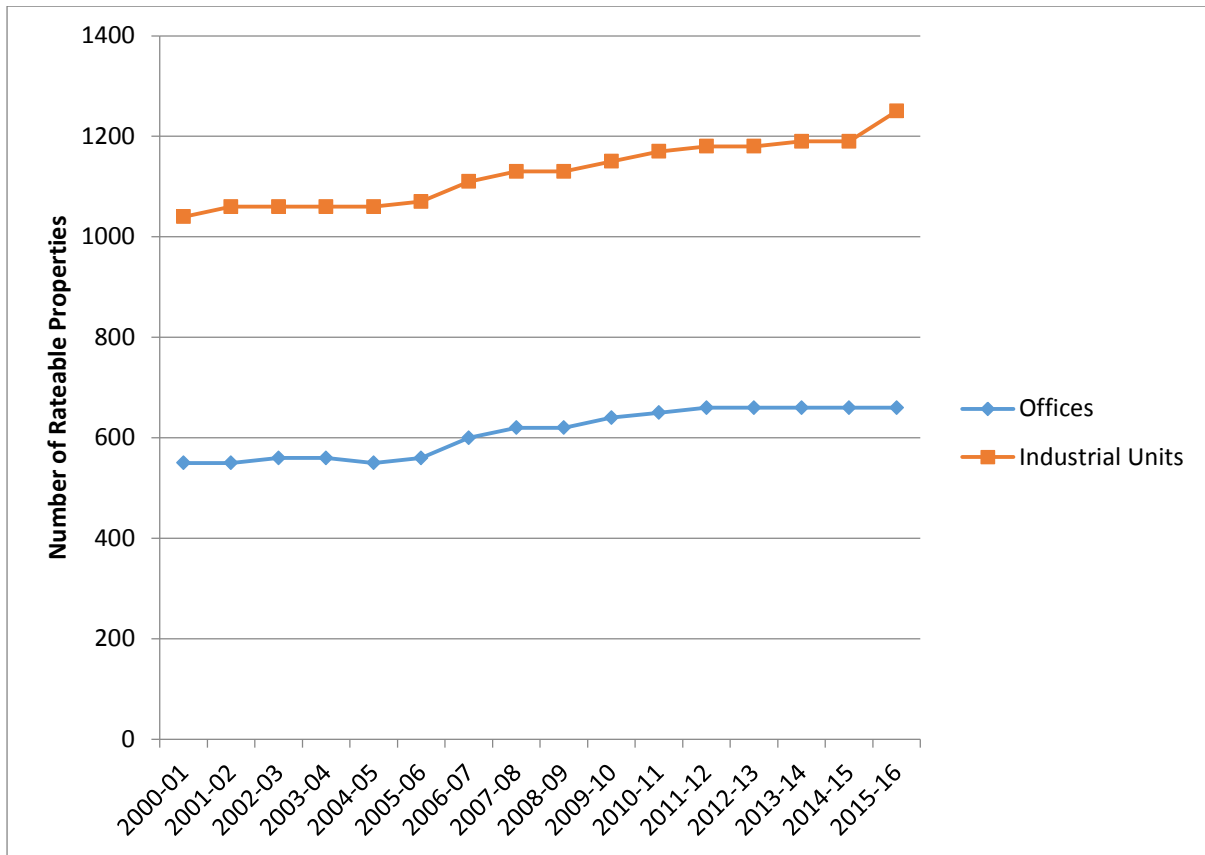
## Stock of business premises and floorspace

- 4.29 Across East Hampshire, there was a total of 88,000m<sup>2</sup> of office floorspace and 491,000m<sup>2</sup> of industrial floorspace in March 2016<sup>37</sup>. It is also possible to review how these quantities, and the number of individual premises, have changed over time using statistics produced by the Valuation Office Agency.
- 4.30 Time-series statistics for the number of rateable (industrial and office) properties by local authority area, and the total amount of floorspace, are available for the period 2000/01-2015/16. Figure 8 shows how the number of office and industrial properties in East Hampshire has varied since 2000/01:

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<sup>37</sup> Business Floorspace at 31 March 2016, Valuation Office Agency

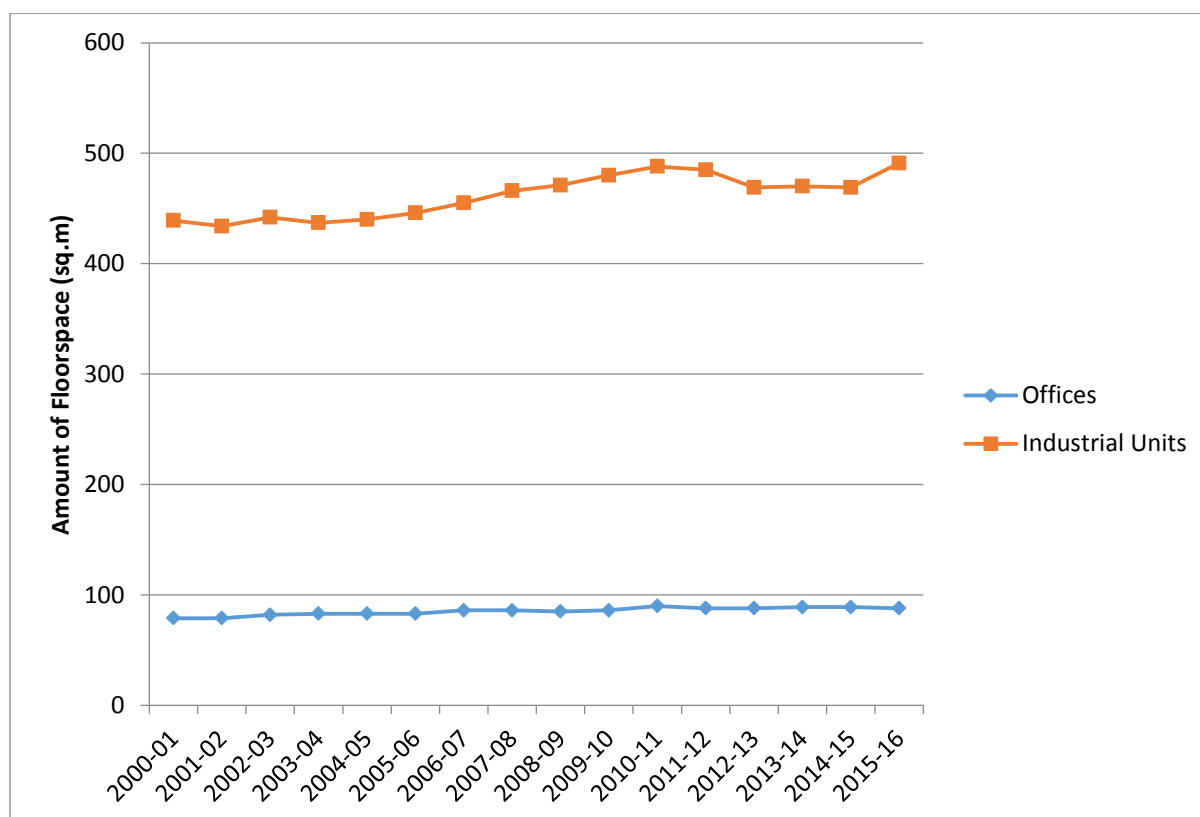
**Figure 8: Changes in the Number of Office and Industrial Properties in East Hampshire, 2000/01-2015/16**



Source: Business Floorspace, VOA as at 31 March 2016

4.31 This can be compared to the total quantities of office and industrial floorspace in East Hampshire (Figure 10), which have generally increased since 2000-01, albeit to a lesser degree than the number of premises. For example, whilst the total number of industrial units has increased by c.20% from 2000 to 2016, the amount of floorspace has increased by only c.12%. These statistics confirm the trend reported by the property agents that demand has increasingly been for smaller premises, driven by SMEs.

**Figure 9: Changes in the Total Quantity of Floorspace for Industrial and Office Properties in East Hampshire, 2000/01-2015/16**



Source: Business Floorspace, VOA as at 31 March 2016

4.32 The VOA statistics suggest a positive economic picture, whereby the number of properties and amount of floorspace has increased over time for both industrial and office sectors of the East Hampshire economy. These statistics are for the district as a whole and do not reflect more localised pressures on supply, such as in Alton, where the new allocations of the local plan are yet to be delivered. The use of commercial floorspace is likely to have changed over this period, due to wider social and economic changes, including periods of growth and recession. From the point of view of providing land for employment use, it is clear that the focus remains on the industrial sectors (manufacturing, storage and distribution). Looking ahead, it is also useful to consider the new supply in the pipeline (i.e. with planning permission or allocated in the development plan), to understand how overall floorspace could increase in the future.

### Pipeline supply and recent development trends

4.33 At 1 April 2017, a total of 31,994m<sup>2</sup> of net additional office and industrial floorspace had been permitted but remained undeveloped in East Hampshire (outside of the South Downs National Park)<sup>38</sup>. The majority of this additional floorspace (c.78%) is concentrated on development sites in Bordon. In addition to this, the Local Plan allocates a number of sites in

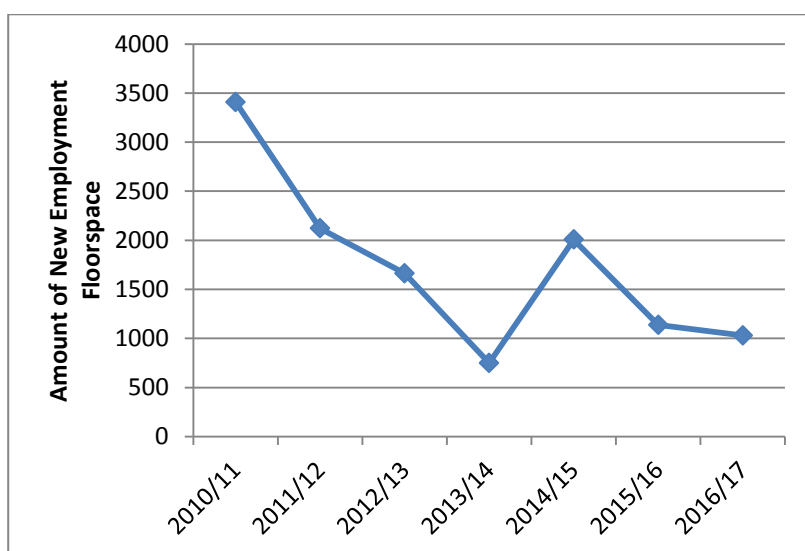
<sup>38</sup> Industrial and Office Floorspace Monitoring, Hampshire County Council

Alton, which could provide a further c.106,000m<sup>2</sup> of additional employment floorspace; and a site as part of the allocation of land east of Horndean, which could deliver another c.42,500m<sup>2</sup>. This gives a total pipeline supply for East Hampshire District Council’s planning area of around 180,500m<sup>2</sup> (outside of the South Downs National Park), which compares to an estimated need for the district of between 82,450m<sup>2</sup> and 159,940m<sup>2</sup> for the period 2011-2028, according to the Council’s 2013 ELR. This is the need for the entire district, including the national park area, and it should be noted that significant additional supply (estimated at c.13,000m<sup>2</sup> of additional floorspace<sup>39</sup>) is also proposed by the Petersfield Neighbourhood Plan.

4.34 Of the outstanding supply with planning permission (31,994m<sup>2</sup>), 29,892m<sup>2</sup> is for mixed office and industrial floorspace (Use Classes B1-B8 within the same development), whilst 2,102m<sup>2</sup> is estimated to be specifically for industrial purposes (Use Classes B1c, B2 and B8).

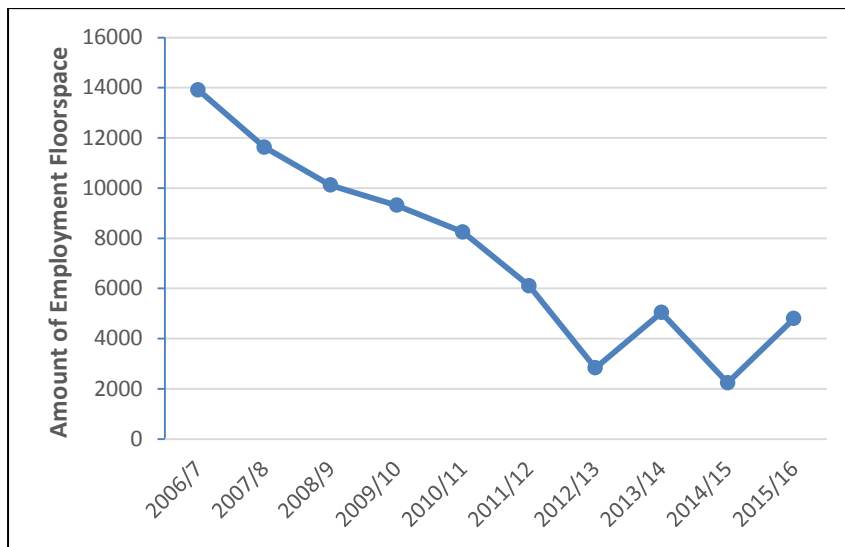
4.35 It is useful to compare the pipeline supply to the development of employment floorspace over time. Since 2010/11, a relatively small total of 12,112m<sup>2</sup> of new employment floorspace has been developed. The annual development of new floorspace has decreased over time (see Figure 10), reflecting the fact that new allocations made through the East Hampshire District Local Plan had not yet progressed through the plan-making process. Part 2 of the Local Plan, which includes the employment land allocations for Alton and a mixed use (residential and employment) allocation at Horndean, was adopted by the Council in April 2016. It is likely that the development of these new allocations will lead to increases in the annual take-up of employment land in the next few years.

**Figure 10: Net Additional New Employment Floorspace in East Hampshire (Outside of the South Downs National Park)**



<sup>39</sup> Table 7 of the Petersfield Neighbourhood Plan (2013-2028) identifies total new allocations of 3.23ha. Assuming an average developable area of 40% of the total allocation, it is estimated that these new allocations could provide c.13,000m<sup>2</sup> of new employment floorspace.

**Figure 11: Gross Additional New Employment Floorspace in East Hampshire (Including the South Downs National Park)**



Sources for Figures 10 & 11: Industrial and Office Floorspace Monitoring, Hampshire County Council

4.36 Figure 11 confirms the long-term trend across the whole of East Hampshire of reducing levels of new employment-related development. This is a consequence of various factors, including macro-economic difficulties that were associated with the 2007/8 economic downturn. With an increasingly positive economic context and significant new allocations in recently adopted plans; there is good potential for reversing this trend. The Council will continue to monitor development trends through its Annual Monitoring Report.

4.37 At this stage and taking account of the identified pipeline supply and development since 2011, it appears that sufficient employment land will be made available to meet the needs of businesses to 2028. The strategic approach of the East Hampshire JCS remains appropriate to deliver the previously-estimated requirements for employment floorspace: the ELR provided an upper estimate of the floorspace requirements for East Hampshire of 159,940m<sup>2</sup> which compares with a total supply (pipeline supply in EHDC planning area + completions since 2011) of 192,606m<sup>2</sup>. This provides a healthy buffer of c.20% against delays in delivery; although it should be noted that much of the planned additional floorspace is yet to be developed.

## Review of Local Employment Sites

4.38 This part of Section 4 summaries the characteristics and quality of existing employment sites in East Hampshire (outside the South Downs National Park) and their suitability to meet future employment needs. Detailed results can be found at Appendix 2. This qualitative assessment updates the one undertaken for the Council's 2013 ELR and can be used to inform the future protection of employment sites in areas outside of the South Downs

National Park. Please note that the South Downs National Park Authority has updated its own evidence regarding the quality of employment sites in the national park area<sup>40</sup>.

- 4.39 A total of 94 existing employment sites have been assessed amounting to over 95ha in area, comprising 26 office sites, 33 industrial sites and 34 mixed (industrial and office) sites<sup>41</sup>. These sites comprise main employment areas, but do not include every employment site within the District. Allocated employment sites were not assessed, as these are currently undeveloped and are already reserved solely for employment use. There are a further 2 employment sites in the district that were identified but not visited: Whitehill & Bordon Enterprise Park and Lasham Airfield. These sites are not sufficiently accessible to the general public and therefore could not be assessed as part of this update. The former OSU site at Liphook was not assessed as the site is currently under construction for B1 use.
- 4.40 Each site was inspected and its suitability for employment use assessed against the criteria listed below (details of the site assessment criteria can be found in Appendix 2):
1. Strategic access
  2. Local accessibility
  3. Proximity to urban areas and access to labour and services
  4. Site layout, characteristics and development constraints
  5. Local Character/ proximity to incompatible uses
  6. Market attractiveness
  7. Quality of buildings
- 4.41 Site location plans are included at Appendix 2, which also contains a detailed assessment of each site against the above criteria, along with commentary to supplement the formal appraisal exercise.
- 4.42 The results to the qualitative assessment show that there are a number of well-occupied clusters, or concentrations of employment sites, within the settlements of Alton, Whitehill & Bordon, Four Marks, Liphook and Horndean. These clusters generally have good access to, or are otherwise close to the main strategic transport routes of the A3 and the A31. The sites often have low levels of vacancy (i.e. observed to be less than the average of 10% vacant premises, which is typical at any one time within a functioning property market).
- 4.43 However, a general point applying to many employment sites across the district is that they lie within small settlements or rural locations, sometimes distant from strategic routes or from services. Some also have constrained local access (such as narrow, country roads and

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<sup>40</sup> See Employment Land Review 2017 Update, South Downs National Park Authority, 2017, available at: [https://www.southdowns.gov.uk/wp-content/uploads/2017/03/ELR\\_report\\_2017.pdf](https://www.southdowns.gov.uk/wp-content/uploads/2017/03/ELR_report_2017.pdf)

<sup>41</sup> Please note that following the site visits, a number of contiguous sites were subsequently amalgamated (i.e. when the assessment led to the same conclusions for each site). This was for purposes of expediency.

infrequent public transport access). While this affects the overall assessment of sites, not all of these factors are necessarily important for some occupiers; for example, strategic road access is more important for larger industrial or distribution firms but less so for office users. Some of the rural sites were observed to have few vacant properties (e.g. less than 10%).

- 4.44 For such reasons, the assessment results do not necessarily provide a complete picture of a site's role within the local economy or its suitability to meet local business needs. A site's importance for meeting particular business or sector needs can be sufficient reason for its retention, even if it does not perform well against conventional site assessment criteria.
- 4.45 Overall, the assessments of existing sites indicate that the district contains a reasonable range of employment sites of differing quality and type, totalling 95.9ha.
- 4.46 The assessment process identified 15 office sites, 12 industrial sites and 23 mixed (industrial and office) sites to be considered for safeguarding for employment use. Please see Section 6 of this Background Paper for details of which sites are recommended for a future exemption from permitted development rights, thus enabling the Council to better protect employment sites that are key to the local economy. Some of the assessed sites are also proposed to be grouped as key employment clusters, to reflect their proximity to each other and their similarity in access arrangements or site characteristics.

## The Commercial Property Market

- 4.47 This part of Section 4 updates the information contained in the Council's ELR (May 2013) on the performance of the commercial property market in East Hampshire and in surrounding areas. Contextual information on the national economy is also referenced and discussed at the outset. The evidence has been obtained from publicly-available market reviews and economic assessments.
- 4.48 The Economic and Fiscal Outlook (March 2017) from the Government's Office for Budget Responsibility (OBR) looks at the short-term potential for economic growth, as a result of such factors as business investment and consumer spending. It is the former that is of interest for this paper, as business investment may include the refurbishment of or development of premises, as companies expand to change their working practices. It is therefore relevant to note that business investment has fallen as predicted in earlier OBR forecasts, with growth being driven by enhanced consumer spending. Business investment is expected to strengthen once again from the third quarter of 2017, with growth ranging from 3.6 to 4.2% from 2018 to 2021<sup>42</sup>. This suggests a relatively positive context for investment in existing premises and the development of allocated sites. In terms of the economy as a whole, growth of 2.0% of real (inflation-adjusted) GDP growth is predicted for 2017, slowing thereafter due to a squeeze on consumer spending as growth in incomes fails to keep pace<sup>43</sup>.

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<sup>42</sup> Table 1.1, Economic and Fiscal Outlook, Office for Budget Responsibility, March 2017

<sup>43</sup> Paragraph 1.6, Economic and Fiscal Outlook, Office for Budget Responsibility, March 2017

- 4.49 The Bank of England's Inflation Report (August 2017) confirms that 'the combination of high rates of profitability, especially in the export sector, the low cost of capital and limited spare capacity supports investment by UK firms over the forecast period<sup>44</sup> [i.e. until 2020]'. Growth in real incomes and consumption is projected to remain subdued, which could limit GDP growth. Businesses that focus on exports could capitalise on strong growth in the rest of the world and the lower exchange rate for sterling<sup>45</sup>. Whilst this could benefit local businesses that operate in the manufacturing and tourism sectors, other local businesses that operate within the service sector would be more likely to benefit from domestically-driven economic growth.
- 4.50 Overall, there is a generally positive economic context for investment in new business premises. However, the low projection for growth in consumer spending and wages is unlikely to encourage the expansion of locally-focused SMEs in East Hampshire. New inward investment in the district is therefore likely to be driven by export-generating businesses, whilst other investment could depend on the need for new premises to satisfy pent-up demand (see below for information on existing deficiencies in the availability of premises across the two LEP areas). There is also potential for investment from businesses operating in the manufacturing sectors, which would build on the area's existing strengths.

## Market Geography

- 4.51 The Council's ELR notes that the district has a relatively localised and self-contained commercial property market. However, because it forms part of two LEP areas, it is also influenced by economic policy initiatives associated with the M3 corridor to the north and the Solent area to the south. The main transport links are the A3 and A31 roads and the London-to-Portsmouth and London-to-Alton railway lines. Within the Council's planning area, B Class employment floorspace is concentrated in Alton, Bordon and Horndean. The majority of this floorspace is in industrial use (Use Classes B1c, B2 and B8).
- 4.52 In 2013, the Council's ELR reported a variety of views on the evolution of the property market, with the potential for a decline in office floorspace requirements associated with the public sector; but on the other hand, the potential for an increase in overall market activity driven by prospective falls in the price of employment land<sup>46</sup>. In the more recent past, there are reports of growing momentum in the industrial and office property market in the Solent sub-region, which affects Horndean and the southern parishes<sup>47</sup>, arising from a relative dearth in supply. In the Enterprise M3 sub-region (affecting northern parts of the district in particular), a shortage in the supply of industrial floorspace has been noteworthy and has been described as a strategic (LEP-wide) issue<sup>48</sup>. It therefore appears likely that industrial rents will continue to rise across East Hampshire, reflecting the demand-supply imbalance. Because East Hampshire has a more localised office market, office rental values are relatively

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<sup>44</sup> Monetary Policy Summary, page I, Inflation Report, Bank of England, August 2017

<sup>45</sup> Prospects for Inflation, page 31, Inflation Report, Bank of England, August 2017

<sup>46</sup> Paragraph 4.3, East Hampshire Employment Land Review Update: Final Report, NLP, May 2013

<sup>47</sup> Market Focus, Hughes Ellard, Winter 2016/17

<sup>48</sup> Enterprise M3 Commercial Property Market Study, Final Report, Regeneris Consulting, July 2016



low and future prospects could depend on the success of initiatives to develop a more office-based economy through regeneration at Whitehill & Bordon<sup>49</sup>.

- 4.53 Since 2013, the performance of East Hampshire's commercial property market has shown marked differences by sector. In common with other areas, rental values for office floorspace were negatively affected by the credit crunch in 2007/8; but whilst values have increased in areas closer to London (e.g. Guildford and Woking), or remained at similar levels in parts of north Hampshire, it appears that between 2012 and 2015, East Hampshire witnessed falls in rental values for office premises<sup>50</sup>. By contrast, the industrial property market has been relatively buoyant, with the take-up of floorspace increasing from 2012 to 2014 across the Enterprise M3 LEP area, with notable contributions from northern areas of East Hampshire, including significant deals in Alton<sup>51</sup>. This further reinforces the fact that East Hampshire's commercial property market is predominantly industrial rather than office-based.

## Review of Commercial Property Agents' Reports & Market Intelligence

- 4.54 By contrast with the 2013 ELR, this background paper does not report the outcomes from direct discussions with local property agents, but instead relies on publicly-available bulletins or written synopses from property agents/consultants on the performance of local, sub-regional or regional commercial property markets. This reflects a proportionate approach to evidence gathering for what is an interim update to the principal findings of the ELR (a part of the evidence base that remains relevant for the strategy of the Council's Local Plan). The following sub-sections summarise the published views of selected property agents, with an overall comparison against the findings of the 2013 ELR provided at the end.
- 4.55 **Hughes Ellard**<sup>52</sup>: Although the Solent sub-regional property market only directly affects the southern parishes of East Hampshire, the supply of and demand for floorspace in this area can affect other parts of the district. It is therefore significant that Hughes Ellard report growing momentum for speculative industrial development in the Solent area at the end of 2016, driven by a lack of supply<sup>53</sup>. This lack of supply has caused growth of up to 25% in rental values since previous schemes were developed (i.e. before the financial crisis in 2007/8), helping to make speculative development attractive in Chichester, Gosport, Eastleigh, Chandler's Ford, Southampton and Portsmouth. The fall in supply of office premises has also led to rental growth in these sectors (albeit at a more modest 15%). Prime office rents were generally lower in the eastern part of the Solent sub-region (Portsmouth, Havant, Waterlooville and Chichester) than in the west (Southampton and Fareham), with a

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<sup>49</sup> See paragraph viii and Table 1, Executive Summary, Enterprise M3 Commercial Property Market Study, Final Report, Regeneris Consulting, July 2016

<sup>50</sup> See Figure 8.4, Enterprise M3 Commercial Property Market Study, Final Report, Regeneris Consulting, July 2016

<sup>51</sup> See Figures 8.8 & 8.9, Enterprise M3 Commercial Property Market Study, Final Report, Regeneris Consulting, July 2016

<sup>52</sup> Market Focus, Hughes Ellard, Winter 2016/17 [downloaded from [www.hughesellard.com](http://www.hughesellard.com) on 10/07/2017]

<sup>53</sup> Ibid.

more balanced look to prime industrial rents. The A3(M) corridor, which includes Horndean, is said to remain a popular industrial location, with further speculative development likely to be seen in Waterlooville. Overall, the outlook for the commercial property market moving into 2017 was very positive.

- 4.56 **Lambert Smith Hampton**<sup>54</sup> (LSH): LSH also report on the general lack of available industrial stock in the south coast area (especially in advance of recently-commissioned speculative development becoming available). Although LSH report a fall in new enquiries for floorspace between quarters 1 and 2, they still recorded an 8% increase in interest compared to 2016.
- 4.57 There is a clear distinction to be drawn between demand for the better quality “prime” industrial premises and demand for secondary stock. LSH expect prime take-up to increase in locations such as Chandler’s Ford, Nursling, Southampton and Hedge End, whilst take-up of secondary stock has fallen by 11.5% quarter-on-quarter and 22% year-on-year. As more prime quality stock becomes available on the south coast, it is expected that the supply of secondary stock will also increase as occupants move to the more attractive premises. This could stimulate landlords to take the initiative to refurbish older stock. Overall, because of demand, LSH report that the squeeze on supply will continue, with a small increase in rental values (of higher quality premises) expected as a result.
- 4.58 With regard to the market for office premises, LSH<sup>55</sup> reported a fall of 30% in office demand at the start of 2017, due to general market uncertainty and a lack of suitable supply. More significantly, a change in market dynamics was reported, whereby demand is principally being generated by locally grown small and medium-sized businesses (SMEs), which need less space, contributing to a reduction in transaction sizes. This is of particular interest for the property market in East Hampshire, which is not a location for large-scale office headquarters and where demand has historically been locally generated. Rents had been increasing compared to the first quarter of 2016, though this is more notable in prime locations (high quality city centre and out of town locations) rather than localised markets comparable to those in East Hampshire.
- 4.59 **Jones Lang Lasalle**<sup>56</sup> (JLL): JLL produce a UK Property Index, which despite being nationwide in its coverage, provides further contextual information. JLL report that returns of commercial property investment increased in the first quarter of 2017, particularly for the industrial sectors, and that London and the South East outperformed the rest of the UK. This provides a relatively positive context for the development and refurbishment of commercial property in East Hampshire.

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<sup>54</sup> South Coast Industrial Market Pulse Q1 2017 [downloaded from <http://www.lsh.co.uk/commercial-property-research> on 10/07/2017]

<sup>55</sup> South Coast Office Market Pulse Q1 2017 [downloaded from <http://www.lsh.co.uk/commercial-property-research> on 10/07/2017]

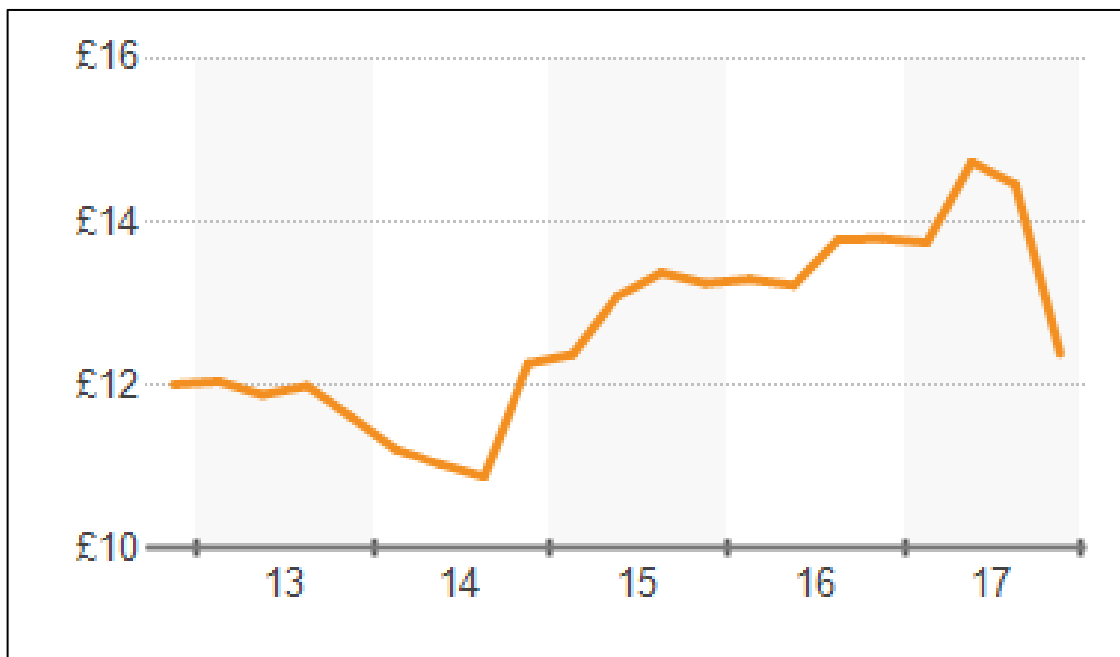
<sup>56</sup> UK Property Index Q1 2017, Jones Lang Lasalle [downloaded from <http://www.jll.co.uk/united-kingdom/en-gb/research> on 10/07/2017]

- 4.60 **Regeneris Consulting:** these consultants produced an in-depth study on behalf of the Enterprise M3 LEP which was based on extensive economic and market data analysis, tested and refined through a series of commercial property workshops<sup>57</sup>. It applies to the majority of East Hampshire outside of the Solent sub-region (i.e. north of Clanfield), but as with findings relevant to the Solent area, the supply of and demand for floorspace in this area can also affect the remainder of the district.
- 4.61 An increase in the take-up of office floorspace across the M3 LEP area is reported from 2012-2015, consistent with economic data showing strong job growth in these sectors. It is noteworthy that many deals were for small premises (less than 250sq.m), which reflects the high concentration of SMEs in the LEP area. However, deals for larger premises in the north east of the LEP area (outside of East Hampshire and near London) accounted for 90% of the increase in take-up. The majority of vacant stock was reported to be poorer quality “Grade B” office floorspace, which is affecting rental values in parts of the LEP area and therefore acting as a constraint on the development of new, high quality floorspace. All of the vacant floorspace in East Hampshire (9% of the total supply) was classified as Grade B in December 2015.
- 4.62 Until 2015, the take-up of industrial floorspace in the LEP area also increased; however, in this case the recorded data is likely underplay demand, as shortages in the supply of floorspace were reportedly acting as a constraint on the market. In East Hampshire, most of the demand for industrial premises was from SMEs, although a reported lack of larger scale, industrial premises has been limiting the retention of these businesses as they grow. Agents reported that in December 2015, the majority of vacant industrial space across the M3 LEP area was of poor quality and would not meet the needs of either local SMEs or larger investors.
- 4.63 Turning to the recent performance of the East Hampshire sub-market in particular, the five-year trends for office and industrial rents show that there have been some fluctuations since 2013, however industrial rents have generally increased, whilst office rents increased from late 2014 to early 2017, before recently returning to near 2013 levels. Figures 12 and 13 (on the next page) show in greater detail how local office and industrial rents have changed between 2013 and 2017.

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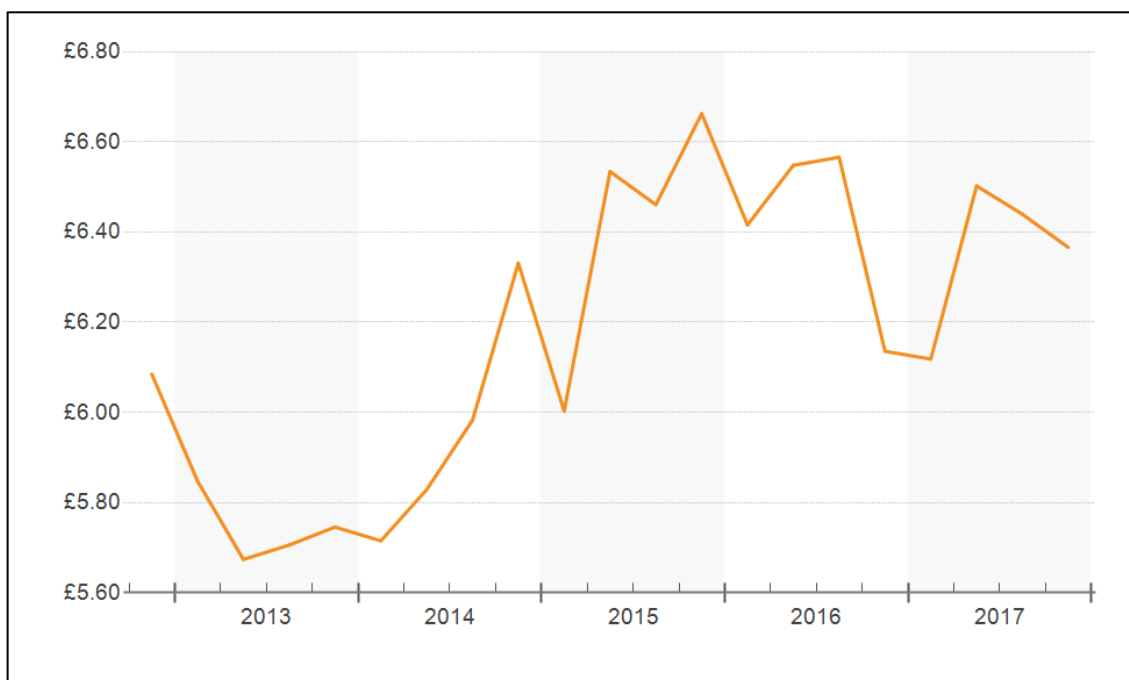
<sup>57</sup> Enterprise M3 Commercial Property Market Study, Final Report, Regeneris Consulting, July 2016 [downloaded from <https://www.enterprisem3.org.uk/intelligence> on 22/08/2017]

Figure 12: Office rents (asking prices, £/ft) in East Hampshire, 2013-2017



Source: CoStar ([www.costar.co.uk](http://www.costar.co.uk)), accessed 12/2017

Figure 13: Industrial rents (asking prices, £/ft) in East Hampshire, 2013-2017



Source: CoStar ([www.costar.co.uk](http://www.costar.co.uk)), accessed 12/2017

## Comparison of Market Intelligence with the 2013 ELR Findings

4.64 For the industrial floorspace market, the 2013 ELR highlighted a lack of supply across East Hampshire for large-scale industrial premises, which was limiting the retention of SMEs as

they grow and expand<sup>58</sup>. There was a relative lack of surplus floorspace to enable churn, intensification and the upgrading of occupied premises in need of modernisation. All of this informed the allocation of new employment land in Alton, Petersfield and at Whitehill & Bordon (see Section 2). As some of these sites have yet to be developed and brought to the market, it is not surprising that the situation remains unchanged, based on the property agents' findings for both the Solent and M3 LEP parts of East Hampshire. However, new business premises are currently being built at Liphook (at the former OSU site) and Whitehill & Bordon (as part of the area's regeneration), which should help to address on-going supply issues.

- 4.65 Increasing rental values in the Solent area have begun to drive speculative industrial development. This is associated with the lack of available supply, but is a phenomenon that was not apparent in 2013. Looking across the two LEP areas and in the context of a positive national outlook, there is considerable opportunity to capitalise on the continuing pent-up demand. However, if rental values continue to increase (see Figure 13), there is a risk of businesses moving operations to less expensive areas where there is already a greater supply. Enabling the refurbishment and expansion of existing premises could therefore have a role to play in meeting demand in a sustainable manner.
- 4.66 Historically, East Hampshire has not been a location of choice for large-scale office employers. Some property agents have suggested that the growth in office rental values and the take-up of floorspace has been less apparent in East Hampshire than for the industrial sector (although Figure 12 shows growth in rents between 2014 and the early part of 2017). The availability of poor quality vacant stock has been identified as a constraint on new office investment and it is noteworthy that vacant premises in East Hampshire often fall into this category. In 2013, the ELR identified a shortage of good quality, modern, high-specification office premises for local SMEs, which could be addressed through the loss of older, functionally obsolete space<sup>59</sup>. This finding remains relevant in the context of a recent fall in rental values across East Hampshire.

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<sup>58</sup> Paragraph 4.36, East Hampshire Employment Land Review Update: Final Report, NLP, May 2013

<sup>59</sup> Paragraph 4.37, East Hampshire Employment Land Review Update: Final Report, NLP May 2013

## 5 Issues and Opportunities

- 5.1 Section 4 of this paper has reported a number of trends and characteristics of East Hampshire, which are relevant to the future provision of employment land and premises. This section seeks to distil this information in the context of the key messages from the policy documents identified in Section 3.
- 5.2 East Hampshire remains a prosperous place to live and do business. Since the start of the 21<sup>st</sup> century, East Hampshire has witnessed population growth and a growth in the proportion of economically active persons; although the rate of growth in both cases has been lower than the Hampshire average. The resident labour supply is nonetheless greater than the total workforce jobs, and some residents choose to commute to work outside of the district, with a smaller number of commuters travelling into East Hampshire from other areas. Levels of local employment in office-based and industrial sectors have varied since the “credit crunch” in 2007/8, decreasing during the subsequent recession but largely rebounding from 2012 to 2015. Taken together, these trends/characteristics suggest that the local economy has remained robust but is not a centre of economic activity, compared to other areas in Hampshire.
- 5.3 Commercial property agents confirm the view that East Hampshire is not a major location for business investment, compared to parts of the Solent area or the M3 corridor. The current economic climate is however broadly favourable for the development and refurbishment of employment floorspace, which could help to retain businesses that might otherwise struggle to find suitable premises. New allocations and extant planning permissions could provide a relatively healthy supply of new floorspace to meet the needs estimated by the 2013 ELR, with significant new allocations in Alton likely to augment the existing supply in the coming years. There are clear opportunities to address reported deficiencies in the supply of modern business premises, particularly in the north of the district.
- 5.4 The policy drivers for employment land protection and provision further reflect the rural character of much of the area and the localised influence of the main settlements. Both the Solent LEP and Enterprise M3 LEP’s have ambitious growth strategies for which development in East Hampshire is generally a minor aspect, with the exception of the strategically-significant regeneration of Whitehill & Bordon. Nonetheless, there is policy support from the LEP strategies and the Council’s own business strategy for capitalising on the current opportunities for growth across the district, as intended by the adopted Local Plan. The Local Plan also remains compliant with national policy, whilst the made neighbourhood plans provide additional support for the retention of employment land and sustainable growth of local businesses.
- 5.5 In summary, it appears that the drivers for the development of new and refurbished floorspace will be the short-to-medium term supply issues currently affecting the operation

of the commercial property market, in particular within the industrial sectors. The longer-term social and economic drivers of economic growth (population, labour supply, the profile of the business base) do not indicate a need for a different strategic planning policy response to that of the JCS. Continued monitoring of the supply of floorspace will be required, to ensure that the allocated sites are delivered, allowing the market to address current supply deficiencies. This monitoring will be in accordance with the Council's existing practice of monitoring the supply of new floorspace on an annual basis.

*Issue in Focus: Permitted Development Rights and the Loss of Floorspace*

5.6 As noted in Section 3, specific parishes within East Hampshire currently benefit from an exemption from the permitted development rights (PDRs) affecting office premises<sup>60</sup>. This exemption is temporary and will no longer be effective from May 2019. In other parts of Hampshire, these permitted development rights have enabled the conversion of offices to residential use without the need for planning permission from the local planning authority. The following table summarises the losses and consents in other parts of Hampshire at 2015, as reported by Regeneris for the Enterprise M3 LEP:

Market Area	Losses to 2015 (m <sup>2</sup> )	Consents at 2015 (m <sup>2</sup> )	Stock of Office Floorspace at 2015 (m <sup>2</sup> )	Comments
Basingstoke & Andover	11,000	28,000	458,000	<ul style="list-style-type: none"> <li>All poor quality unoccupied office space</li> <li>Removal of dated stock helping to reduce oversupply of poor quality space</li> </ul>
Blackwater Valley (including Hart & Rushmoor)	3,300	12,800	Hart: 239,000 Rushmoor: 288,000	<ul style="list-style-type: none"> <li>All poor quality, unoccupied office space</li> <li>Removal of dated stock helping to reduce oversupply of poor quality space</li> <li>Risks of 'pepper-potting' residential development in existing business park settings</li> </ul>
New Forest	1,200	3,300	107,000	<ul style="list-style-type: none"> <li>Some losses have been high quality, occupied offices</li> <li>Concerns about impact on supply and pressure on existing businesses to vacate</li> </ul>
Winchester	2,900	3,200	298,000	<ul style="list-style-type: none"> <li>Major issue, particularly in</li> </ul>

<sup>60</sup> Class O of Part 3 of Schedule 2, The Town and Country Planning (General Permitted Development) (England) Order 2015, as amended.

				town centre where supply is already constrained
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Source: Table 8.1 (Impact of Permitted Development Rights by Market Area), Regeneris Consulting

- 5.7 Although there was widespread concern at the potential impact of PDRs when they first came into operation; PDRs for office premises have largely been seen by local agents and other councils as having a positive effect on local commercial property markets<sup>61</sup>. This is because the older, poorer quality and unoccupied stock can have a negative effect on rental values. When values are kept low by the widespread availability of this stock, the return on investments in new premises, or on refurbishments, is limited. This can have the effect of reducing incentives for owners and businesses to make such investments. However, as noted above, the dearth of good quality, available premises is limiting the ability of businesses to remain in a market area, and this can stifle local economic growth. The exercise of PDRs for office to residential development, having facilitated the disposal of older stock, can assist the development of higher quality floorspace elsewhere and so help to resolve market constraints. Regeneris identify the Upper M3 area as an example of where this is happening<sup>62</sup>.
- 5.8 There are some examples, in rural areas such as the New Forest and larger urban areas such as Winchester and Guildford, where higher quality office space has also been lost as a result of PDRs. Clearly, given existing constraints on the supply of higher quality floorspace that would allow SMEs to thrive, this impact would be unwelcome in East Hampshire. It therefore appears that a targeted approach towards protecting the best quality office floorspace would be advisable.
- 5.9 New PDRs have also been introduced by the Government for light industrial and storage & distribution uses of less than 500 square metres. There is currently no significant monitoring data associated with these PDRs; however given that the majority of employment floorspace in East Hampshire is in industrial use and that the local area is popular with SMEs operating in industrial sectors, the impact of these rights could be more significant. Nonetheless, market intelligence suggests that industrial rents could continue to rise because of shortages of good quality premises, here and elsewhere. It is therefore important to avoid policy restrictions on the redevelopment of floorspace which could hamper refurbishment and investment activity. It appears that a targeted approach towards protecting high quality industrial floorspace would therefore be prudent. Reflecting the demand and nature of East Hampshire's business base (i.e. in favour of industrial rather than office premises), greater protection from redevelopment could be afforded to higher quality industrial premises.
- 5.10 The main planning issues for the provision of employment floorspace in East Hampshire (outside of the South Downs National Park) are thus to deliver the new allocations of employment land at Alton and Whitehill & Bordon; and to protect existing the better quality office, light industrial and storage & distribution premises from conversion to residential use. Tackling both of these issues will ensure that new provision augments the functional supply, in accordance with local planning policies. The market conditions are broadly supportive of investment in employment premises; hence there are opportunities for the Council, landowners and developers to support development and redevelopment activity. For the

<sup>61</sup> Paragraph 8.18, Enterprise M3 Commercial Property Market Study, Final Report, Regeneris Consulting, July 2016

<sup>62</sup> Ibid.



Council, there is an opportunity to protect sites that are particularly important for the area's economic growth through the use of an Article 4 direction to remove permitted development rights.

## 6 Key Sectors & Key Employment Sites for the East Hampshire District Local Plan

- 6.1 When considering the key sectors of the local economy for planning purposes, it is important to review not just the existing business base (in terms of the number of business in particular sectors and relative employment levels), but also the strategic priorities of the economic strategies affecting East Hampshire; and the strategy of the Council's adopted local plan. The following paragraphs distil the key messages from previous sections of this background paper, for the purpose of identifying the key sectors of the local economy.
- 6.2 Following the identification of the key sectors, other important land-use specific issues are discussed in relation to ensuring sustainable development in areas of the district outside of the South Downs National Park. The combination of economic growth considerations and wider planning considerations has resulted in the identification of some key employment sites, which are important both for the growth of the local economy and for sustainable development in East Hampshire. These key employment sites are those that are proposed for exemption from permitted development rights, through the use of an Article 4 direction. Their notable site characteristics can also help the Council to formulate appropriate policies to supplement Policy CP4 of the JCS and update Saved Policy IB4, through a future local plan.
- 6.3 This paper has a particular emphasis on sectors of the economy that are likely to have land use requirements falling within the B Use Classes, which means that discussion of the key sectors focuses on businesses requiring office or industrial premises. Other sectors of the economy (e.g. retail) are also important, but their land-use requirements are dealt with through other evidence base studies.

### Scoping the Key Sectors: The Existing Business Base

- 6.4 Section 4 of this background paper summarises evidence relating to the existing business base of East Hampshire. Figure 4 identifies that a relatively large number of East Hampshire's commercial premises are in use by the professional, technical or scientific professions; by businesses operating in the construction sector; and by businesses in information or communication services. Manufacturing uses occupy a smaller number of premises than either companies working in business administration, or retailers. This suggests that the businesses in East Hampshire are more likely to require offices, light industrial units or research and development facilities, rather than large factory production facilities. Construction businesses may require offices for backroom staff, or facilities that can be used for the storage & distribution of building materials and tools. Moving forward, the Council's 2013 ELR identifies a larger floorspace requirement for premises in industrial or storage and distribution use classes (B1c (light industrial), B2 (general industrial), B8 (storage and

distribution)) compared to the office (B1a) use class<sup>63</sup>. Many local businesses could have small floorspace requirements, as many of them are classed as micro businesses (paragraph 4.17 above). Local market intelligence confirms that demand has been for smaller premises to suit small and medium-sized businesses.

- 6.5 In summary, and in order to maintain a supply of employment floorspace that is likely to meet future demand, it will be important to retain sites currently in use for light industrial, small-scale industrial or storage and distribution purposes. Those sites providing smaller business units are particularly important for local businesses, which tend to be of a small size. Ideally, offices would be fit for the purpose of meeting the requirements of professional (e.g. legal, architectural, management consultancy) companies, or for businesses operating in the IT and communication sector.

## Scoping the Key Sectors: Economic Investment Implications

- 6.6 The two LEPs that cover parts of East Hampshire each have SEPs that direct investment to support the growth of the local economy. Whilst many strategic business sectors are concentrated in other parts of the LEP areas (as opposed to being clustered in East Hampshire); development activity in East Hampshire will contribute significantly to the general objectives of each SEP. It is therefore worth noting that both LEPs target growth in high value added, often knowledge-based industries. Key strategic sectors include: advanced technology, health, aerospace, professional and business services, engineering and low carbon technology. In rural areas (which includes much of East Hampshire), economic potential has been identified through agricultural diversification and the growth of food & drink technologies, as well as the growth of the visitor economy. The economic regeneration of Whitehill & Bordon is a strategic objective of the Enterprise M3 LEP.
- 6.7 The Council also has its own strategies to help to direct future business investment within the district. The corporate strategy offers support for local businesses, to ensure that local people are able to find employment in East Hampshire; whilst the Council's "strategy for business 2015-2021" envisages a sustainable local economy where highly productive businesses create quality jobs for local people. These strategies demonstrate positive support for the existing business base (see above).
- 6.8 The LEP strategies suggest that investment will be focused on assisting businesses operating in knowledge economy sectors, such as advanced engineering and technology, pharmaceuticals, but also the provision of professional services. The Council's own strategies provide support for local businesses, which include those operating within the professional and scientific sectors, but also construction and manufacturing sectors. It will

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<sup>63</sup> See Table 1 in this background paper

therefore be important to retain sites that are fit for purpose for meeting the requirements of all these sectors, for delivering the Council's and the LEPs' strategies.

## Scoping the Key Sectors: Local Plan Implications

- 6.9 The vision of the Council's JCS focuses the provision of new employment opportunities at Whitehill & Bordon, to support its regeneration, and in Alton; with an additional aim of creating sustainable working and living environments in rural parts of the district<sup>64</sup>. Amongst other things, the strategy for achieving sustainable economic development therefore seeks to: optimise economic opportunities presented by the regeneration of Whitehill & Bordon; build upon clusters of high quality manufacturing and service industry businesses; realise the full potential of opportunities in the low carbon economy; and ensure that villages with settlement policy boundaries contribute to local economic success<sup>65</sup>.
- 6.10 The JCS strategy is focused on support for certain sectors of the economy, but also on all economic activity in particular settlements and parts of the district. Policy CP2 identifies a spatial strategy that supports appropriate development in the more sustainable settlements, such as Alton, Whitehill & Bordon, Horndean and Liphook. The JCS objectives for sustainable economic development support the provision of sites which are suitable for the growth of knowledge economy, so that the mismatch between local skills and employment opportunities can be addressed. Good quality sites that support employment in the rural area, whilst limiting environmental impacts (either directly, or through contributing to the growth of the low carbon economy), also receive strategic support.
- 6.11 In addition to these strategic implications, JCS Policy CP4 and Saved Policy IB4 focus on the retention of sites that remain suitable for modern and emerging business requirements. The Council's Local Plan is therefore in principle supportive of the growth of key sectors identified by the relevant economic strategies (paragraphs 6.6-6.8 above).

## The Key Sectors Defined

- 6.12 The foregoing shows that the key sectors of the local economy include knowledge economy sectors, such as professional and business services or advanced engineering and technology (including low carbon technology); but also other sectors that are well-represented in East Hampshire, such as construction. Businesses operating in these sectors are likely to require industrial-style facilities (including storage facilities) and offices. The varied nature of businesses operating within the key sectors means that a variety of premises suitable for small and medium-sized businesses will need to be retained and provided; although some

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<sup>64</sup> Spatial Vision, p.15, East Hampshire District Local Plan: Joint Core Strategy (Adopted June 2014)

<sup>65</sup> Paragraph 5.6, East Hampshire District Local Plan: Joint Core Strategy (Adopted June 2014)

larger units will also be required. Key employment sectors can also be defined with reference to the Council's Local Plan, which expresses a spatial vision and strategy for the economic growth of the district. It will therefore be important to support businesses wishing to base themselves in Whitehill & Bordon, in Alton and in other local service centres of East Hampshire.

## Key Employment Sites (Outside of the South Downs National Park)

- 6.13 It is important to identify those employment sites which are of particular strategic or local importance – i.e. the “key sites” – for meeting the existing and future floorspace needs of businesses in East Hampshire. This will assist the Council in its plan-making and decision-taking as a local planning authority. Section 4 of this background paper identifies on-going concerns relating to the supply of good quality office and industrial premises across East Hampshire, which means that the key employment sites will be appropriate candidates for an Article 4 direction to restrict permitted development rights for the conversion of employment sites to residential use.
- 6.14 To identify the key sites, it is important to recognise the above analysis concerning the key sectors of the local economy. The land-use requirements of these sectors should be supported through planning policies and decisions. However, it is also important to consider other sectors of the economy and other planning issues that could affect decisions on the change of use and redevelopment of employment sites in East Hampshire, outside of the South Downs National. This will ensure that future planning decisions can reflect all aspects of sustainable development and not just key employment and economic concerns in isolation.
- 6.15 The NPPF identifies a set of core land-use planning principles that should underpin both plan-making and decision-taking. These are set out in paragraph 17 of the NPPF and include the following:
- Planning should always seek to secure high quality design and a good standard of amenity for all existing and future occupants of land and buildings;
  - Planning should take account of the different roles and character of different areas, promoting the vitality of our main urban areas...recognising the intrinsic character and beauty of the countryside and supporting thriving rural communities within it;
  - Planning should encourage the effective use of land by reusing land that has been previously developed (brownfield land), provided that it is not of high environmental value.
- 6.16 These principles have been embedded in three-stage site selection processes for office and industrial uses, which build on the results to the qualitative assessments (as reported in Section 4 above) and take account of the key employment sectors and the local economic context.

- 6.17 As well as these economic considerations, it has been important to consider the potential amenity implications of losing an employment site. For example, the existing buildings on a site could provide incidental benefits for adjoining uses, by attenuating noise and limiting visual intrusion from transport infrastructure (busy roads, railway lines). It has also been important to recognise the potential implications from the relocation of businesses that could be displaced by a change of use. An unplanned change of use could increase development pressure on greenfield sites and on areas outside of current settlement policy boundaries. However, in accordance with the Council's JCS, it would often be more appropriate to intensify the use of existing sites (where they are fit for purpose) in order to deliver sustainable development.
- 6.18 Appendix 3 provides full details of the site selection processes for both office and industrial uses. In summary, **stage one** aligns the selection processes with the criteria for the permitted development rights for the conversion of office, light industrial and storage & distribution uses to residential use<sup>66</sup>. It also removes sites that are too small to be significant for future protection through local plan policies. **Stage two** of the selection process subsequently applies a simple procedure to identify candidate sites, using screening criteria that are based on the site assessment outcomes, together with information on the site characteristics and the key sectors of the economy. Finally, **stage three** re-evaluates all sites that have *not* been identified as candidates through stage two, in terms of amenity considerations, the benefits of clustering, and of ensuring an effective and efficient use of land and premises. Information from made Neighbourhood Plans in East Hampshire (outside of the national park) has also been considered, as a means of ensuring that the local significance of some of the smaller employment sites would be fully recognised. Stage three enables the NPPF's core planning principles to be interpreted and applied when identifying the key employment sites.
- 6.19 The results of the site selection processes are shown in Table 8 on the next page. This table identifies 50 employment sites that should be exempt from the Government's permitted development rights for conversion to residential use, because of their relative importance for the local economy. A site-specific justification for such an exemption is summarised in the table. For maps showing the sites, please refer to Appendix 2, which also provides full details of the relevant site assessment results (see also Section 4 above).
- 6.20 This background paper makes clear that difficulties have been experienced in supplying good quality office and industrial premises to meet demand; and that proposed additions of employment land are yet to be delivered. Moreover, the 2013 ELR makes clear that there is little available slack in the existing supply of office or industrial floorspace, with vacancy rates being quite low across the district. More recent data from CoStar Property Group suggests that vacancy levels for industrial premises have fallen to around 4% since late

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<sup>66</sup> The criteria have been established through The Town and Country Planning (General Permitted Development) (England) Order 2015

2014<sup>67</sup>. In this context, the Council needs to consider development proposals affecting the most important employment sites in its planning area, to ensure that its strategy for sustainable economic growth can be delivered. Table 8 summarises the evidence to support an Article 4 direction, which would remove permitted development rights for conversion from employment to residential use, helping to ensure the scrutiny of redevelopment proposals for the key employment sites (outside of the South Downs National Park).

**Table 8: East Hampshire Employment Sites with Potential for Safeguarding from Non-employment Uses**

Site Name	Location (town/parish)	Forms Part of a Key Cluster? (Y/N; Name of Cluster)	Reasons for Identifying for Safeguarding
Alton Business Centre (including Delta Park)	Alton	Y, Omega Park	The site forms part of an employment cluster and is well connected to the A31. Although the office uses do not score as highly as some others through the refreshed qualitative assessments, there are amenity and operational benefits for maintaining this area in office use.
Caker Stream	Alton	Y, Mill Lane	The site forms part of an employment cluster. Although this area does not score as highly as some others through the refreshed qualitative assessments, e.g. because some premises are of average quality; it is a relatively good site and there are amenity and operational benefits of maintaining the wider industrial area in its entirety.
Elstead House, lighting shop and units	Alton	Y, Newman Lane	The site performs well through the qualitative assessment and is well connected to the A31.
Grove Park Industrial Estate	Alton	Y, Mill Lane	The site forms part of an employment cluster. Although this site does not score as highly as some others through the refreshed qualitative assessments, e.g. because some premises are of average quality; it is a relatively good site and there are amenity and operational benefits of maintaining the wider industrial area in its entirety.
Kerridge Industrial Estate	Alton	N	This site is located close to the train station and a supermarket, in very close proximity to the railway line. There are amenity benefits of maintaining its current employment use. The site appeared to be fully occupied at the time

<sup>67</sup> See [www.costar.co.uk](http://www.costar.co.uk) for details (accessed 12/2017).. The fourth quarter result for 2017 puts vacancy levels at less than 4% for the first time since 2013 and continues a reducing trend for vacant floorspace in East Hampshire.

Site Name	Location (town/parish)	Forms Part of a Key Cluster? (Y/N; Name of Cluster)	Reasons for Identifying for Safeguarding
			of the refreshed qualitative survey.
Lumbry Park	Alton	N	This site performs well through the qualitative assessment and is well connected to the A31. Although the site is in use as a veterinary referral centre, it benefits from planning permission for B1 use and could be used for office or light industrial use without planning permission. It can help support the growth of the "knowledge economy" in East Hampshire, through the provision of suitable business accommodation.
Mill Lane	Alton	Y, Mill Lane	The site forms part of an employment cluster and is well connected to the A31. Although the sites comprising this area do not score as highly as some others through the refreshed qualitative assessments; it is a relatively good site and there are amenity and operational benefits of maintaining this industrial area in its entirety.
Newman Lane Industrial	Alton	Y, Newman Lane	The site performs well through the qualitative assessment and is well connected to the A31.
Omega Park	Alton	Y, Omega Park	The site performs well through the qualitative assessment and is well connected to the A31. It can help support the growth of the "knowledge economy" in East Hampshire through the provision of suitable business accommodation.
Omni Business Centre	Alton	Y, Omega Park	The site is at the centre of an employment cluster and is well connected to the A31.
Paradigm House	Alton	N	The site performs well through the qualitative assessment and is well connected to the A31. It can help support the growth of the "knowledge economy" in East Hampshire.
Riverside Omega Park	Alton	Y, Omega Park	The site performs well through the qualitative assessment, forms part of an employment cluster and is well connected to the A31. It can help support the growth of the "knowledge economy" in East Hampshire through the provision of



Site Name	Location (town/parish)	Forms Part of a Key Cluster? (Y/N; Name of Cluster)	Reasons for Identifying for Safeguarding
			suitable business accommodation.
Riverway Industrial Estate	Alton	Y, Newman Lane	The site performs well through the qualitative assessment and is well connected to the A31. It can help support the growth of the "knowledge economy" in East Hampshire through the provision of suitable business accommodation.
Selborne House	Alton	Y, Newman Lane	The site performs well through the qualitative assessment and is well connected to the A31. It can help support the growth of the "knowledge economy" in East Hampshire through the provision of suitable business accommodation.
Sycamore Park (specific buildings)	Alton	Y, Mill Lane	The site forms part of an employment cluster. Although it does not score as highly as some others through the refreshed qualitative assessments; the site is relatively good and there are amenity and operational benefits of maintaining the wider industrial area in its entirety.
Turner House	Alton	Y	The site performs well through the qualitative assessment and is well connected to the A31. It provides flexible accommodation for high value businesses to a modern specification.
Unit 13, Mill Lane	Alton	Y, Newman Lane	The site forms part of an employment cluster. Although vacant at the time of the refreshed qualitative study; it is a relatively good site and there are amenity and operational benefits of maintaining the wider industrial area in its entirety.
Waterbrook Estate	Alton	N	The site performs well through the qualitative assessment and is well connected to the A31. It can help support the growth of the "knowledge economy" in East Hampshire through the provision of suitable business accommodation.
Weyside Park	Alton	Y, Newman Lane	The site forms part of an employment cluster. Although it does not score as highly as some others through the refreshed qualitative assessments, e.g. due to some premises of average quality; it is a relatively good site and there are amenity and operational benefits of maintaining the wider industrial area in its

Site Name	Location (town/parish)	Forms Part of a Key Cluster? (Y/N; Name of Cluster)	Reasons for Identifying for Safeguarding
			entirety.
Bentley Business Park	Bentley	N	Although the site does not score as well as some others through the qualitative assessment, and is surrounded by residential uses; it is centrally located (close to local services and facilities) and well occupied. The vision for the Bentley Neighbourhood Plan expresses support for local employment and businesses, which counts in favour of maintaining the employment use of this site.
Bentley Industrial Centre	Bentley	N	Although the site does not score as well as some others through the qualitative assessment, it is still relatively good across several measures and is particularly suitable for small businesses operating in the rural area. The vision for the Bentley Neighbourhood Plan expresses support for local employment and businesses, which counts in favour of maintaining the employment use of this site.
Bellhanger Enterprises	Bentworth Parish	N	The site performs well against a number of qualitative criteria. Although it is remote, it is in a very good location for access to the M3 corridor.
High View Business Centre	Bordon	Y, Woolmer & High View	The site forms part of an employment cluster (together with Woolmer Industrial Estate, to the south). It performs well through the qualitative assessment and is well connected to the A3.
Wolfe Lodge, Farnham Road	Bordon	N	The site performs well through the refreshed qualitative assessment and is well connected to the A3.
Woolmer Industrial Estate	Bordon	Y, Woolmer & High View	The site performs well through the qualitative assessment and is well connected to the A3. It can help support the growth of the "knowledge economy" in East Hampshire through the provision of suitable business accommodation.
Dukes Mill	Four Marks	Y, Station Approach (N of Railway)	The site is relatively high quality and provides suitable accommodation for high value businesses to a modern specification.

Site Name	Location (town/parish)	Forms Part of a Key Cluster? (Y/N; Name of Cluster)	Reasons for Identifying for Safeguarding
Lymington Farm Industrial Estate	Four Marks	N	The site is relatively high quality, provides suitable accommodation for a range of small/growing businesses and can help to support the growth of the "knowledge economy" in East Hampshire through the provision of suitable business accommodation.
Mansfield Business Park	Four Marks	Y, Station Approach (N of Railway)	The site is relatively high quality and provides suitable accommodation to support the growth of the "knowledge economy" in East Hampshire through the provision of suitable business accommodation.
Woodlea Park	Four Marks	Y, Station Approach (N of Railway)	The site is relatively high quality, provides suitable accommodation for a range of small/growing businesses and can help to support the growth of the "knowledge economy" in East Hampshire through the provision of suitable business accommodation.
Enterprise Industrial Estate	Horndean	Y, West of A3(M)/Enterprise Rd	The site forms part of an employment cluster. It is a relatively good site and there are amenity benefits of maintaining the industrial area in its entirety.
Hazleton Industrial Estate	Horndean	Y, Hazleton & Wessex Gate	The site performs well through the qualitative assessment and is well connected to the A3(M). The site provides suitable accommodation for high value businesses to a modern specification.
Highcroft Industrial Estate	Horndean	Y, West of A3(M)/Enterprise Rd	The site performs well and is well-connected to the A3(M) (northbound in particular). It could help to support the growth of the "knowledge economy" in East Hampshire through the provision of suitable business accommodation.
Hillside Industrial Estate	Horndean	Y, West of A3(M)/Enterprise Rd	The site forms part of an employment cluster, well-connected to the A3(M) (northbound in particular). It is a good quality site, suitable for small businesses. There are amenity benefits of maintaining the industrial area in its entirety.

Site Name	Location (town/parish)	Forms Part of a Key Cluster? (Y/N; Name of Cluster)	Reasons for Identifying for Safeguarding
May's Yard	Horndean	Y, West of A3(M)/Enterprise Rd	The site forms part of an employment cluster, well-connected to the A3(M) (northbound in particular). Although it does not score as highly as others through the refreshed qualitative assessments, e.g. due to its sloping nature and average quality; it is a relatively good site and there are amenity benefits of maintaining the industrial area in its entirety.
Wessex Gate	Horndean	Y, Hazleton & Wessex Gate	The site is relatively high quality and provides suitable accommodation to support the growth of the "knowledge economy" in East Hampshire through the provision of suitable business accommodation.
Westfield Industrial Estate	Horndean	N	Although the site does not score as well as some others through the qualitative assessment, it is still relatively good across several measures and there are amenity benefits for adjoining residential areas (noise attenuation from the A3(M)) of maintaining the current employment use.
Inverallen	Kingsley	N	The site performs quite well through the refreshed qualitative assessment and is in a good location for access to the M3/Solent corridor. Although the site is remote from facilities and services, it is accessible for a rural employment site and does not have any amenity constraints.
Ajax House/Plowden House	Liphook	N	The site performs well through the refreshed qualitative assessment. It is well located relative to local services and facilities and can help support the growth of the "knowledge economy" in East Hampshire through the provision of suitable business accommodation.
Beaver Industrial Estate	Liphook	Y, Former OSU & Beaver Industrial Estate	Although the site does not score as well as some others through the qualitative assessment, it forms part of an emerging employment cluster and there are amenity benefits from maintaining the current employment use, given the proximity of the railway line. It is well located for local services and public transport connections.

Site Name	Location (town/parish)	Forms Part of a Key Cluster? (Y/N; Name of Cluster)	Reasons for Identifying for Safeguarding
Bleach's Yard Industrial Estate	Liphook	N	Although the site does not score as well as some others through the qualitative assessment, there are amenity benefits from maintaining the current employment use, given the proximity of the railway line. The site is also well located for local services and public transport connections.
Exchange House	Liphook	N	The site performs well through the refreshed qualitative assessment. It is well located relative to local services and facilities and can help support the growth of the "knowledge economy" in East Hampshire through the provision of suitable business accommodation.
Former OSU site	Liphook	Y, Former OSU & Beaver Industrial Estate	Although not part of the qualitative assessment, this site is in the process of being developed for employment use. It will be well located relative to facilities and services and will provide good quality accommodation for small and growing businesses.
Index House	Liphook	N	The site performs well through the refreshed qualitative assessment. It is well located relative to local services and facilities and can help support the growth of the "knowledge economy" in East Hampshire through the provision of suitable business accommodation.
The Stone Yard, Alton Lane	Medstead Parish	N	The site performs quite well through the refreshed qualitative assessment. It provides good quality accommodation for small and growing businesses.
Home Farm, Petersfield Road	Ropley Parish	N	The site performs quite well through the refreshed qualitative assessment and is well connected to the A31
Lyeway Farm, Lyeway Lane	Ropley Parish	N	The site performs quite well through the refreshed qualitative assessment. It provides good quality accommodation in the rural area, to a modern specification.
Southlands	Selbourne Parish	N	The site performs quite well through the refreshed qualitative assessment. It provides good quality accommodation for small and growing businesses.
Oakhanger Farm Business Park	Selbourne Parish	N	Although the site does not score as well as some others through the qualitative assessment, it is still relatively good across several measures and provides accommodation that is suitable for high

Site Name	Location (town/parish)	Forms Part of a Key Cluster? (Y/N; Name of Cluster)	Reasons for Identifying for Safeguarding
			value businesses operating in the rural area.
West End Farm, Upper Froyle (selected buildings)	Upper Froyle	N	Although the site does not score as well as some others through the qualitative assessment, it is still relatively good across several measures and provides accommodation that is suitable for high value businesses operating in the rural area.
Norton Farm	Worldham Parish	N	The site performs well through the refreshed qualitative assessment. It provides good quality accommodation in the rural area.

6.21 The characteristics of these key employment sites are themselves suitable for identifying what makes a site fit for employment use. This is because sites that lack similar characteristics are less likely to be suitable for meeting the requirements of modern businesses; in particular of those operating in key employment sectors. The following characteristics are common to many of these sites:

- Vehicular access is good, often using wide roads that largely avoid residential areas;
- Accessibility to local facilities, services and/or residential areas is good, often by walking modes;
- Business accommodation can suit a range of requirements and the site could be flexibly adapted or remodelled through redevelopment, to meet changing business needs;
- Common areas and buildings are attractive and well-maintained, sometimes to a specification suitable for attracting modern businesses;
- There are amenity constraints for alternative uses that make the current employment use an effective use of land.

6.22 These site characteristics can be used to inform future policy criteria to manage the redevelopment of employment sites in East Hampshire (outside of the South Downs National Park). Sites with these characteristics are likely to be attractive and sustainable locations for local businesses and may be suitable for employment-related redevelopment. Where redevelopment would result in the loss of a B class employment use, the Council would need to take account of the proven marketability of the site, which may be demonstrated in accordance with the Council's *Guidance on the loss of Industrial or Business Uses*.

## 7 Conclusions and Recommendations

### Conclusions

- 7.1 This background paper confirms that both the vision and strategy of the Council's Joint Core Strategy (adopted June 2014) remain appropriate for supporting economic growth, and that the local economy remains buoyant and sustainable. The Council, its partners and the private sector are in the process of creating new employment opportunities at Whitehill & Bordon, whilst jobs are also being provided across the district, to help meet residents' employment needs. In Alton, the Council has allocated two employment sites through Part Two of its Local Plan (adopted April 2016).
- 7.2 The district is not, however, a major location for business investment compared to other parts of the Solent area and the M3 corridor. It is part of a wider labour market, and is a net exporter of labour, with more workers commuting out of the district than commuting back into the district for work purposes. Two of the JCS objectives include the provision of jobs to meet residents' needs and reducing the need to travel, particularly by car. It will therefore be important to retain the highest quality employment sites and premises in employment use, to provide local and accessible job opportunities across the district.
- 7.3 The retention of higher quality employment sites will also be important to address the current imbalance between the supply of and demand for employment floorspace. Although experience in other parts of Hampshire has suggested that the loss of *poor quality* office accommodation has had a positive impact on the market; the loss of higher quality premises is unlikely to have the same beneficial effects, as any new investment that follows from their loss would be required as replacement floorspace, rather than to supplement the current provision. A loss of the higher quality employment sites could also mean that local residents would have to travel further afield for work purposes, e.g. to business parks in other parts of the Solent and Enterprise M3 sub-regions.
- 7.4 This background papers therefore establishes the case for removing permitted development rights for the conversion of office, light industrial or storage and distribution premises to residential use, on the higher quality employment sites outside of the South Downs National Park. It is not appropriate to remove permitted development rights for many of the poorer quality employment sites, as their redevelopment could enable the market to deliver new, better quality premises elsewhere (see Section 5).
- 7.5 The results from the refreshed qualitative site assessment (Section 4 & Appendix 2) have shown that there is a wide range of employment sites across the district, of various sizes and qualities. Many sites lie within small settlements or are in rural locations, but there are significant clusters in the larger settlements of Alton, Whitehill & Bordon, Liphook and Horndean. Analysis suggests that the "key sectors" of the local economy are likely to require

premises for modern office-style accommodation, and/or premises for light industrial; small-scale industrial; or storage and distribution purposes. Taking account of the site assessment results and information on the key sectors, together with planning policy considerations, a total of 50 sites have been identified as the “key employment sites”. Some of these sites can be amalgamated into clusters, to give a total of **30 key employment sites and clusters** that should be reserved for employment use, to support the delivery of the Council’s Local Plan and Neighbourhood Plans. It should be noted that these sites/clusters are existing employment areas, and that delivery of the employment allocations will also be crucial for purposes of meeting the employment land requirements identified through the Council’s ELR.

- 7.6 As detailed in Section 3 above, a new detailed policy is required to clarify the circumstances in which an employment site will be deemed unfit for purpose and could be redeveloped for alternative use. These requirements will supersede those of Saved Policy IB4 and support the implementation of Policy CP4 of the JCS. To help identify suitable policy requirements, the key employment sites have been reviewed for their common characteristics, which mark them out as important from the perspective of national and local planning policies. These characteristics concern the sites’ standard of vehicular access; their accessibility to local services, facilities and residential areas; their adaptability for meeting changing business requirements; their attractiveness and suitability for modern businesses; and the amenity implications for surrounding uses that could arise from their redevelopment for alternative use.
- 7.7 One option for defining the policy requirements for redevelopment would be to assess employment sites proposed for alternative use against criteria informed by the common characteristics of the key employment sites. This could ensure that sites which are similar to the key employment sites—as well as the sites themselves—are not lost through redevelopment, which could undermine the delivery of the Council’s local plan. However, the site assessment process has made clear that not all of the key sites share the same characteristics; not all sites are important for the same reasons. It would therefore be important for a new policy to recognise that a site need only demonstrate some of the relevant characteristics to be considered suitable for retaining in employment use.
- 7.8 Another option for defining the policy requirements would be to specify the characteristics of sites that would typically be suitable for redevelopment, where these characteristics are the opposite of the common (valuable) characteristics of the key employment sites. This approach would provide protection for the sites that share all, or some of the common characteristics by virtue of omitting them from a positively-worded policy.
- 7.9 The list of the common site characteristics for the key employment sites (Section 6, paragraph 6.21) therefore enables the Council to identify options for clarifying the circumstances in which a site could be redeveloped for alternative (non-employment) use.
- 7.10 In summary, this background paper provides evidence through Sections 3 & 4 to inform a list of key employment sites (outside of the South Downs National Park) that should be exempt



from permitted development rights for conversion to residential use. Furthermore, the common characteristics of these sites have been identified for purposes of informing a future planning policy to establish when an employment site would be deemed unfit for purpose and could be redeveloped for alternative use.

## Recommendations

The following recommendations are made on the basis of the evidence in this background paper:

- Permitted development rights for the conversion of office or some industrial uses to residential use should be removed from the 30 key employment sites and clusters identified in Table 8 (Section 6).
- The common characteristics of the key employment sites (see Section 6) should be taken into account and used to inform a future planning policy that establishes the circumstances in which an employment site can be redeveloped for alternative use.

## Appendix 1: Definition of B Use Classes by Standard Industrial Classification codes

**Standard Industrial Classification (SIC) codes that have been associated with office floorspace (premises in Use Classes: B1(a) offices and B1(b) research & development)**

SIC Code	Description
42	Civil engineering
60	Programming and broadcasting activities
62	Computer programming, consultancy and related activities
64	Financial service activities, except insurance and pension funding
65	Insurance, reinsurance and pension funding except compulsory social security
66	Activities auxiliary to financial services and insurance activities
69	Legal and accounting activities
70	Activities of head offices; management consultancy activities
71	Architectural and engineering activities; technical testing and analysis
72	Scientific research and development
73	Advertising and market research
74	Other professional, scientific and technical activities
82	Office administrative, office support and other business support activities
84	Public administration and defence; compulsory social security

**Standard Industrial Classification (SIC) codes that have been associated with industrial floorspace (premises in Use Classes: B1(c) light industry, B2 general industry and B8 storage & distribution)**

SIC Code	Description
10	Manufacture of food products
11	Manufacture of beverages
13	Manufacture of textiles
14	Manufacture of wearing apparel
15	Manufacture of leather and related products
16	Manufacture of wood and of products of wood and cork
17	Manufacture of paper and paper products
18	Printing and reproduction of recorded media
19	Manufacture of coke and refined petroleum products
20	Manufacture of chemicals and chemical products
21	Manufacture of basic pharmaceutical products & pharmaceutical preparations
22	Manufacture of rubber and plastic products
23	Manufacture of other non-metallic mineral products
24	Manufacture of basic metals
25	Manufacture of fabricated metal products, except machinery and equipment
26	Manufacture of computer, electronic and optical products
27	Manufacture of electrical equipment
28	Manufacture of machinery and equipment n.e.c.
29	Manufacture of motor vehicles, trailers and semi-trailers
30	Manufacture of other transport equipment

31	Manufacture of furniture
32	Other manufacturing
33	Repair and installation of machinery and equipment
41	Construction of buildings
43	Specialised construction activities
49	Land transport and transport via pipelines
52	Warehousing and support activities for transportation
58	Publishing activities
59	Motion picture, video and television programme production, sound recording and music publishing activities

## Appendix 2: Qualitative Assessment of Employment Sites

The following tables detail the criteria by which individual employment sites across East Hampshire were assessed, in terms of the key characteristics identified in Section 4 of the main report (paragraph 4.38).

Each site was assessed by applying the scoring criteria in situ. Each site was scored by two planning officers coming to a combined decision against each criterion. The draft results were subsequently reviewed using GIS software and relevant information; they were amended where this was deemed necessary to ensure factual accuracy and consistency in the application of the criteria. Scores are purely qualitative and have not been aggregated in any way, to determine “the best” or “the worst” sites. Different factors may be more significant in different cases (see Section 4), so no overall scores have been attempted as part of this qualitative review of employment sites.

Sites were identified using the 2013 ELR, discussions with Economic Development colleagues and the Council’s database of non-domestic properties, subject to business rates.

### **Tables of Assessment Criteria**

#### Strategic Access

<b>Score</b>	<b>Possible indicators</b>
Very good	Within 2km of A3, A31 or A325 access via good unconstrained road and avoiding town centres and residential areas
Good	Within 2km of A3, A31 or A325 access via good unconstrained roads and avoiding residential areas but not town centres
Average	Within 5km via generally good unconstrained roads with few difficult junctions
Poor	Within 5km via generally unconstrained roads with some narrow, difficult junctions
Very poor	Over 5km from strategic road network, access via constrained/local roads

#### Local Accessibility

<b>Score</b>	<b>Possible indicators</b>
--------------	----------------------------

Very good	Very good local access via free moving roads avoiding residential areas, close access to a range of public transport services
Good	Good local access via free moving roads for all vehicles, nearby access to public transport services
Average	Reasonable site access for all vehicles via some residential areas, some public transport services nearby
Poor	Restricted access for HGV's, restricted access to major road networks via residential roads, limited public transport services nearby
Very poor	Restricted access for all commercial vehicles, severely limited access to major road network via residential roads, difficult access to public transport services

Proximity to urban areas and access to labour and services

<b>Score</b>	<b>Possible indicators</b>
Very good	Near centre of urban area with wide range of services nearby, close proximity to sizeable residential areas providing local labour supply
Good	Near centre of urban area with some services nearby, close proximity to residential areas providing local labour supply
Average	Adjoining or periphery of an urban area, within walkable distance to a local facility
Poor	Remote site with limited local services and small residential area nearby
Very poor	Remote isolated site with no local services or residential areas nearby

Site Layout, characteristics and development constraints

<b>Score</b>	<b>Possible indicators</b>
Very good	Generally level site, regular shape, no obstructions, site within flood zone 1, no conservation or landscape constraints on scale of development, no other significant

	constraints on new development
Good	Mostly level site, regular shape, no major obstructions, majority of site within flood zone 1, no significant conservation or landscape constraints on scale of development, other constraints on new development
Average	Partly level site, regular shape, fragmented or some obstructions, majority of site within flood zone 2, potential conservation or landscape constraints on scale of development
Poor	Partly level, irregular shape, fragmented or some significant obstructions, part of site within flood zone 3, conservation or landscape constraints on scale of development
Very poor	Sloping/uneven site, irregular shape, significantly obstructed or fragmented, within flood zone 3, conservation or landscape constraints on scale of development

Local Character/ Proximity to incompatible uses

Score	Possible indicators
Very good	Well established commercial area, no amenity constraints
Good	Established commercial area with potential amenity constraints for future development
Average	Commercial area with some amenity constraints
Poor	Few commercial uses nearby with multiple constraints on more than one side
Very poor	No other existing commercial area with multiple constraints on more than one side

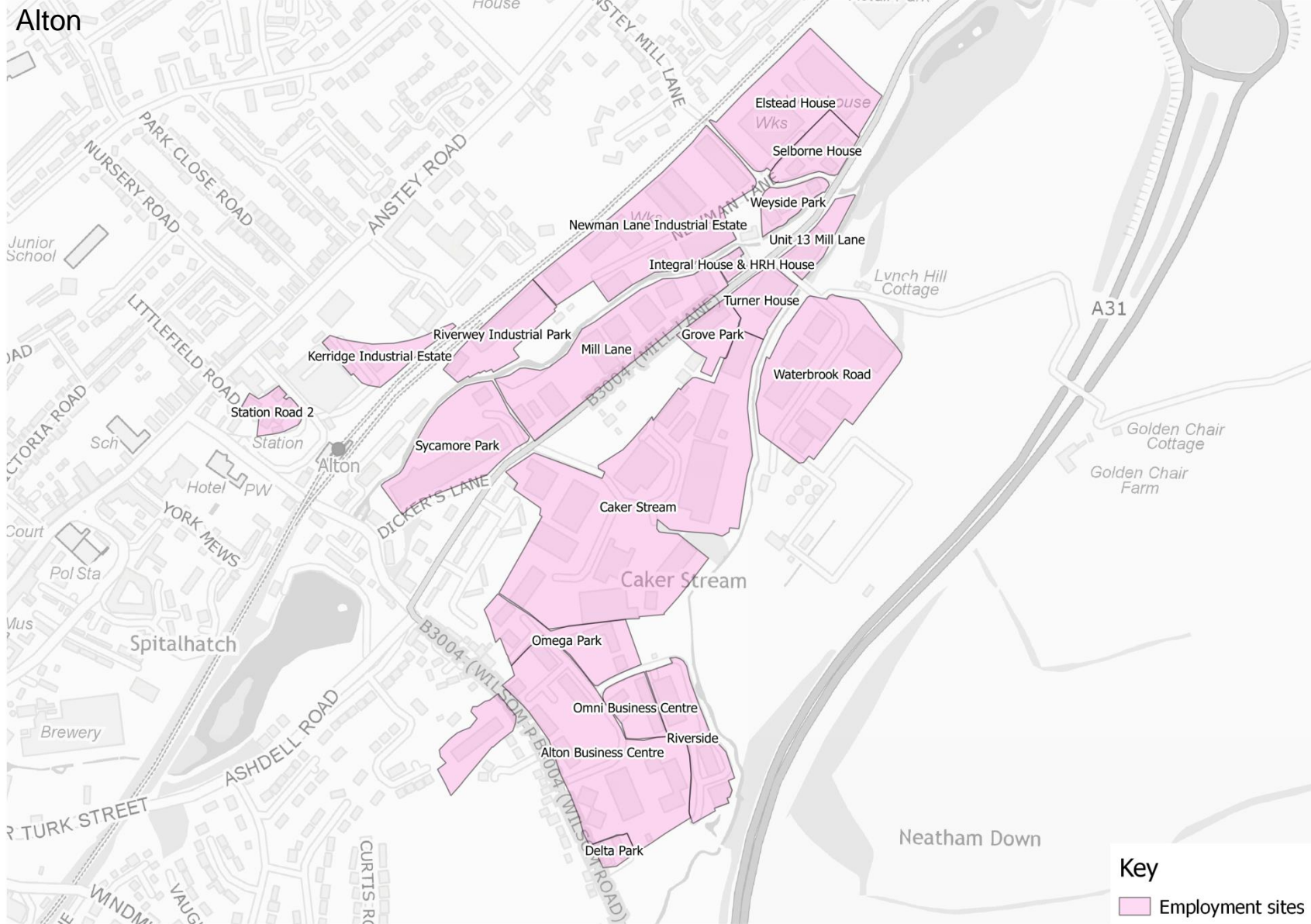
Market attractiveness

Score	Possible indicators
Very good	High profile, high quality appearance, managed site with good quality common areas, good environment and

	quality of occupiers, ample parking, under 10% vacant space/buildings
Good	Visible, good quality appearance, neat and tidy common areas, good environment, good parking, around 10% vacant space/buildings
Average	Partly visible, reasonable appearance, managed common areas, adequate parking, around 10% vacancy
Poor	Not visible from public highway or unattractive, limited levels of parking, more than 10% vacant space/buildings, limited evidence of recent investment
Very poor	Run-down unattractive appearance/location, neglected common areas, inadequate levels of parking, over 25% vacant space/buildings, in need of redevelopment

Quality of buildings

<b>Score</b>	<b>Possible indicators</b>
Very good	Building(s) is new or in excellent condition and appear to provide well designed, flexible accommodation for workforce and business operations
Good	Building(s) is/are in a good condition and provide good, flexible accommodation for workforce and business operations
Average	Building(s) is/are in a satisfactory condition but provide inflexible accommodation, or has other limitations for accommodating the workforce and business operations
Poor	Building(s) is/are showing signs of wear and tear, but has/have the potential for conversion or refurbishment to suit modern business requirements
Very poor	Building(s) is/are in poor condition and do not meet the needs of modern businesses, with limited potential for conversion or refurbishment

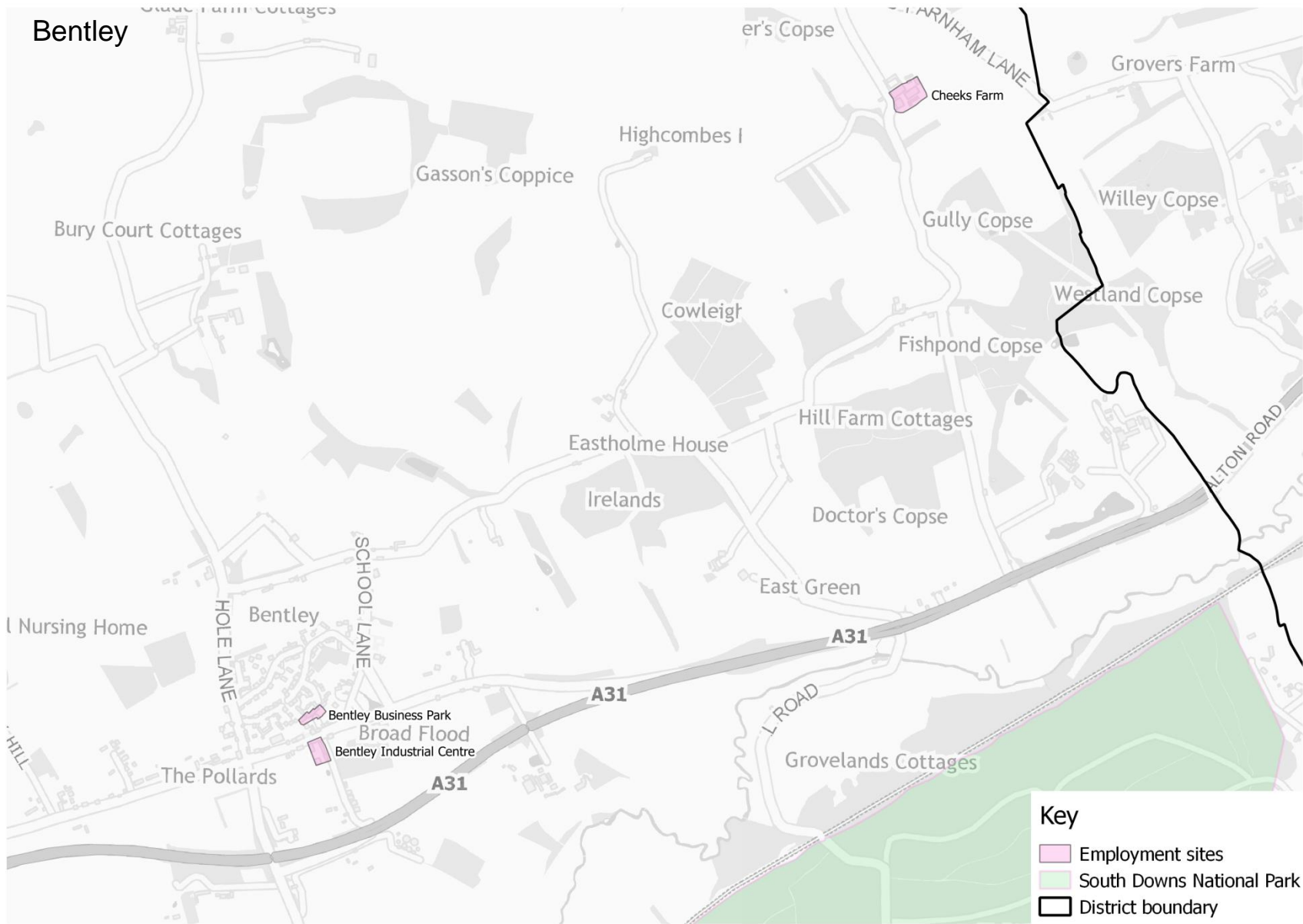


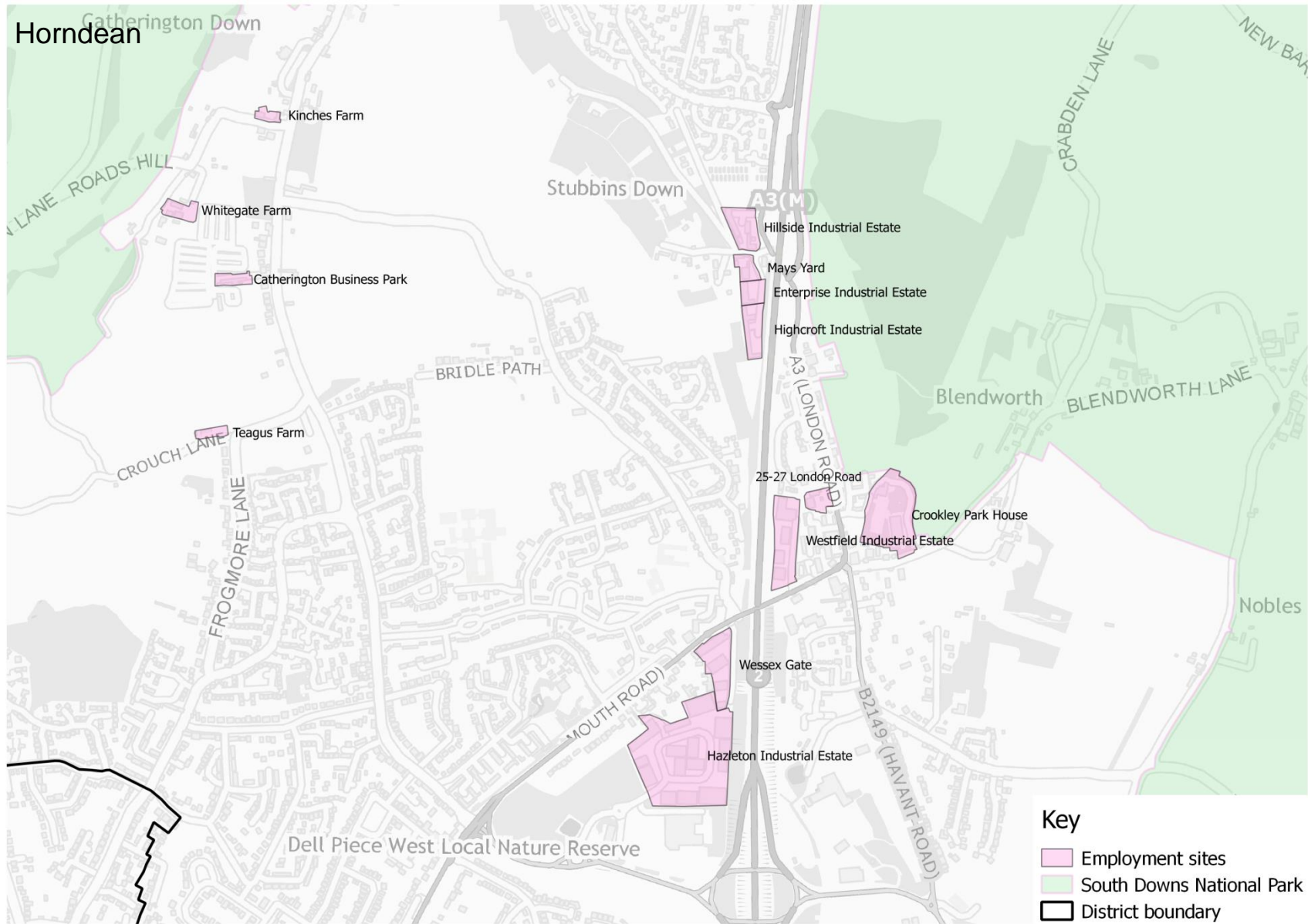


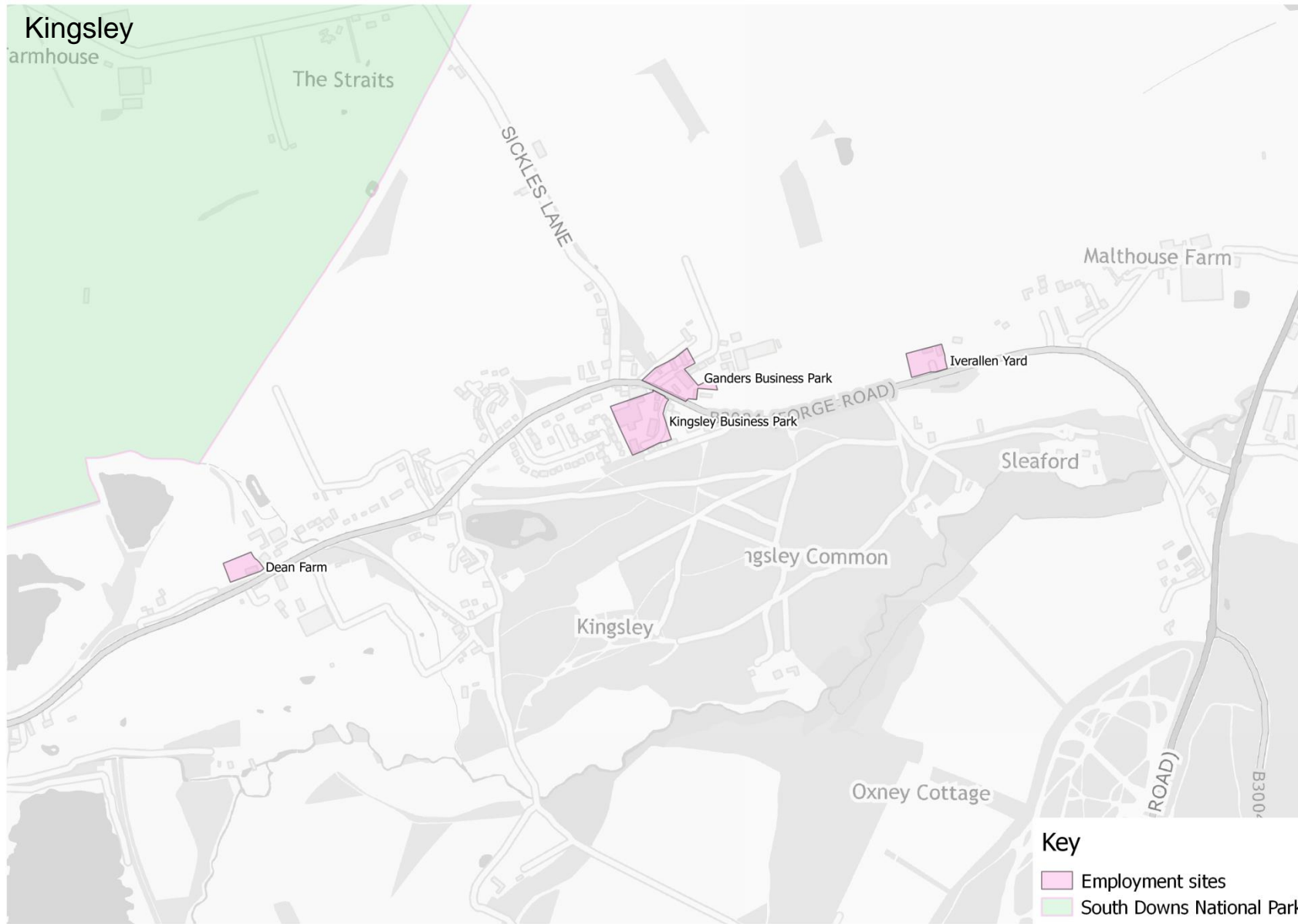


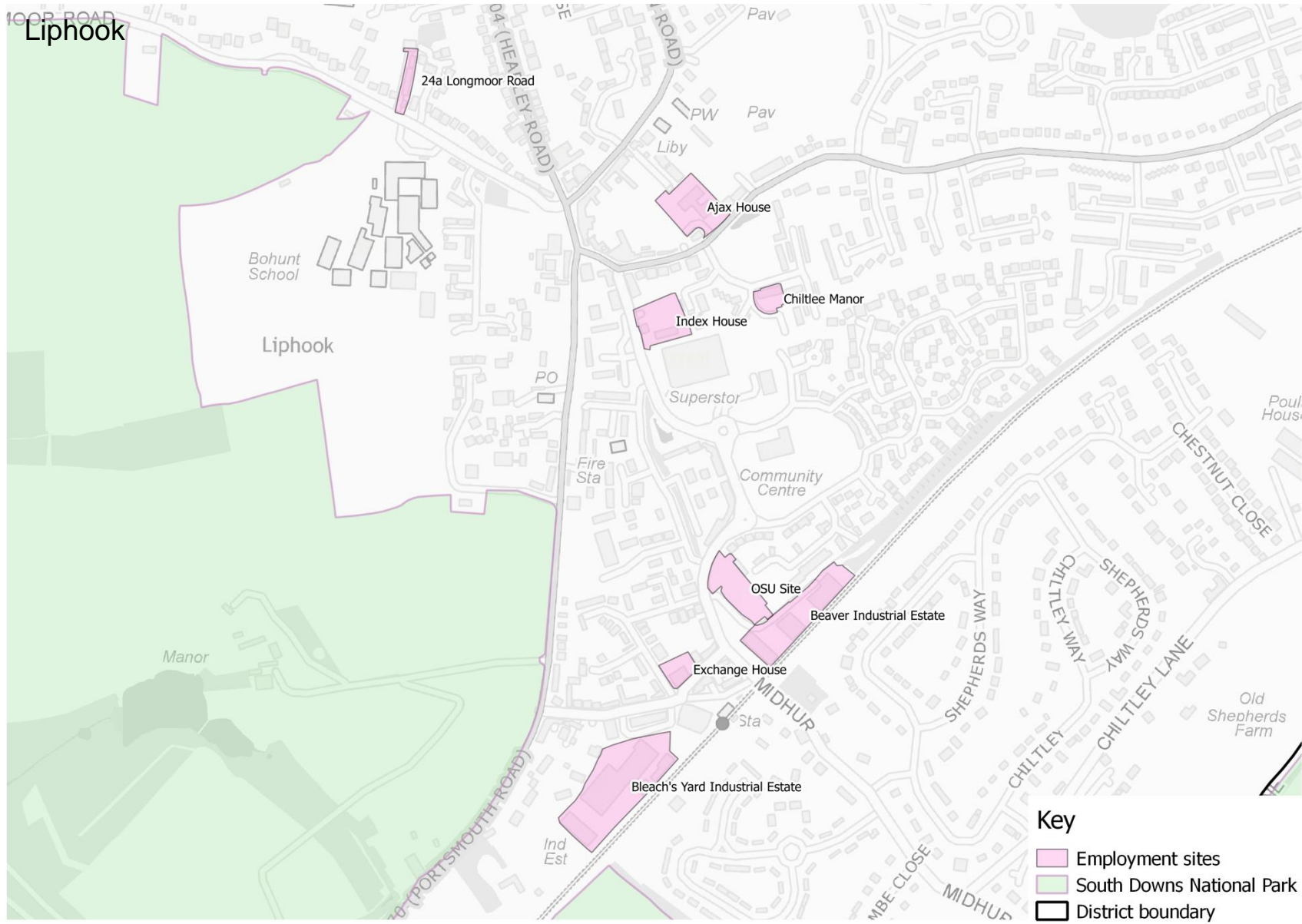




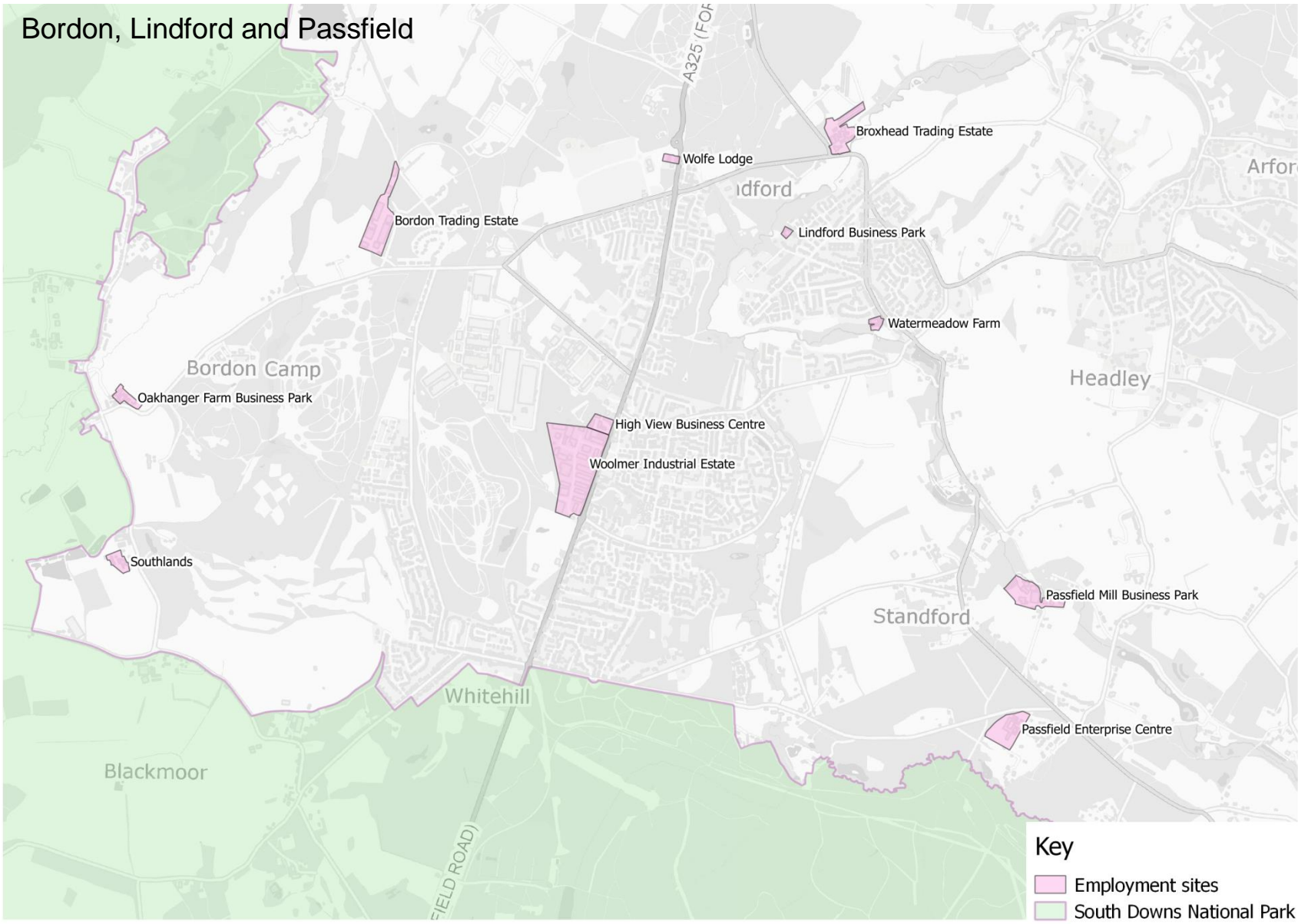




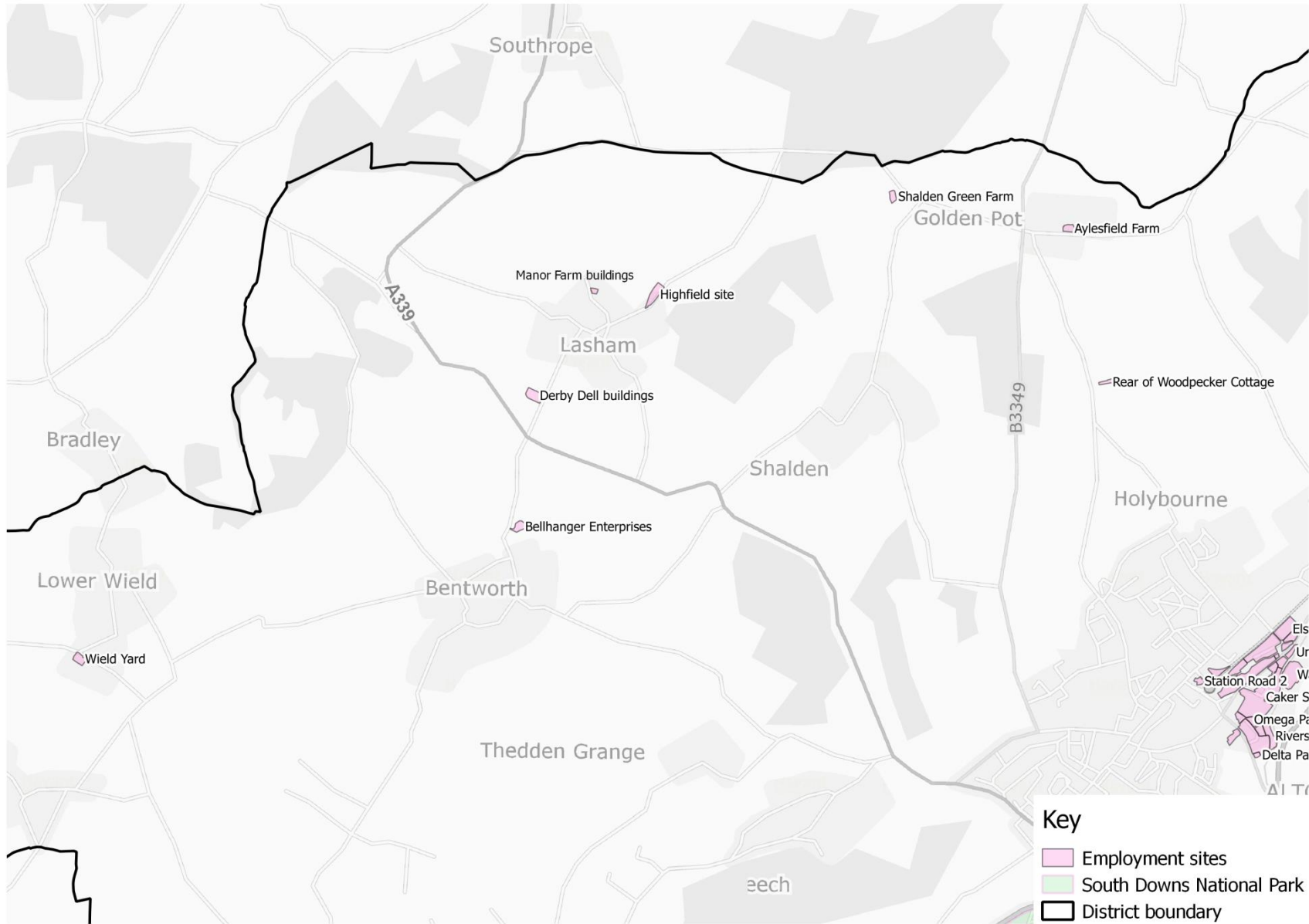


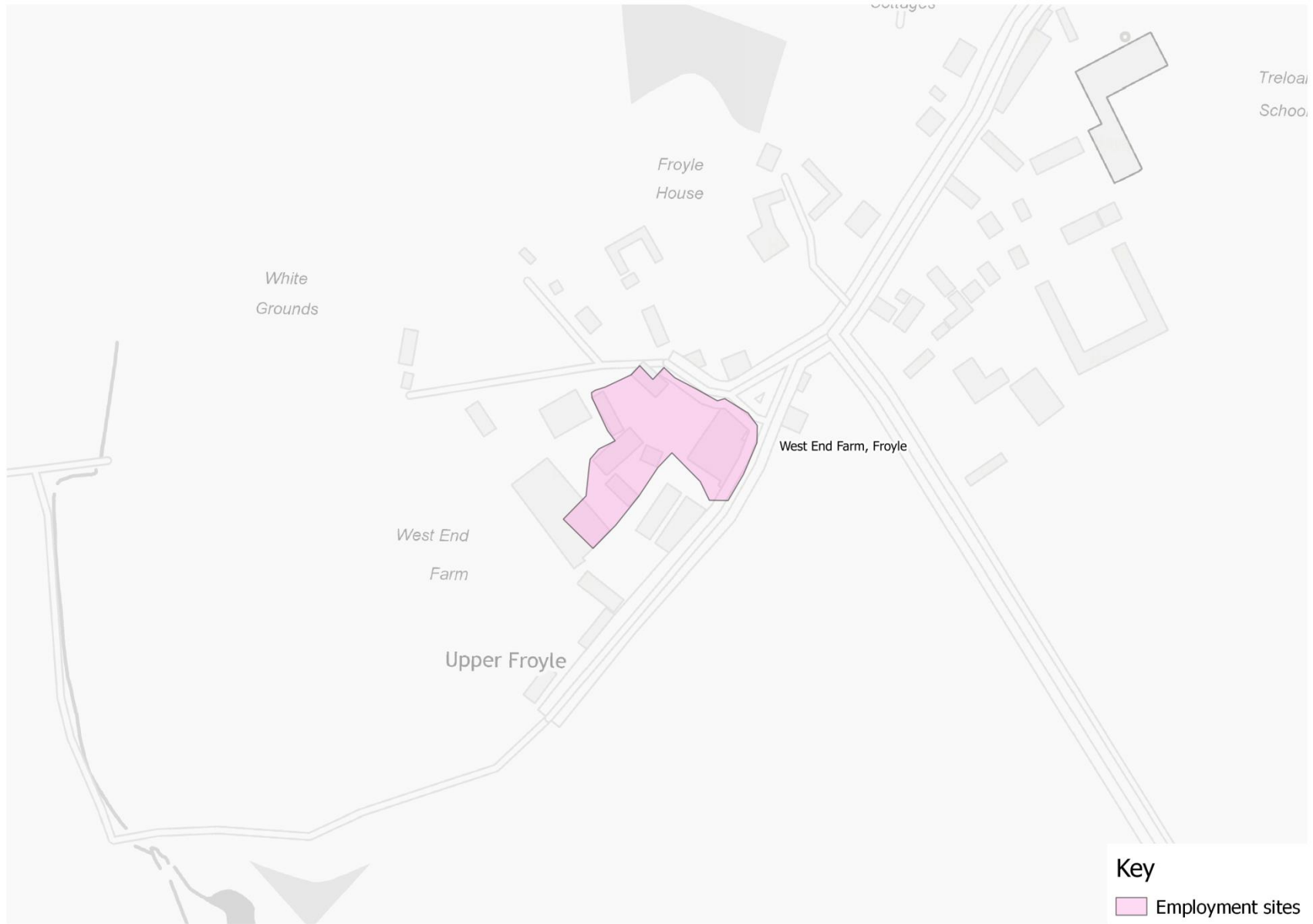


# Bordon, Lindford and Passfield









## Detailed Results of Qualitative Assessment

Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
Alton Business Centre, GU34 2PP	Very good	Average	Average	Average	Very good	Average	Good	Part of Omega Park 2km from A31, sloping entrance to site Reasonable appearance Adequate parking
The Omni Business Centre, Omega Park, GU34 2QD	Very good?	Average	Average	Average	Very good	Average/ poor	Poor	2km from A31, sloping access off Wilsom Road Established commercial area Sloping site Buildings showing signs of wear and tear Plenty of parking
Riverside, Omega Park, GU34 2QE	Very good	Average	Average	Poor	Very good	Good	Very good	2km from A31, sloping access off Wilsom Road Established commercial area Some utilities over head, potential development constraints, not visible but disregarded due to quality of site and units Majority of site in Flood Zone 3
Delta Park	Very good	Good	Average	Very good	Average	Good	Very good	2km from A31 Established commercial area Offices in good condition Plenty of parking
Omega Park including Oriol Court	Very good	Average	Average	Average	Very good	Average	Good	Part of Omega Park Established commercial area 2km from A31, sloping entrance to site Reasonable appearance, adequate parking Managed common areas
Paradigm/ Charwell House, GU34 2PP	Very good	Good	Average	Very good	Average	Good	Very good	2km from A31 Surrounded by residential, potential amenity constraints Building in excellent condition Site good appearance Plenty of parking
Caker Stream, GU34 2QA	Very good	Average	Average	Average/ poor	Very good	Average	Average	Within 2km of the A31 Established commercial area Fragmented site

Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
								Adequate parking on site Site of reasonable appearance, buildings in satisfactory condition Approx. half of site in Flood Zone 2 and a small area of the site in Flood Zone 3
Grove Park Industrial Estate, GU34 2QG	Very good	Good	Average	Average	Very good	Average	Average	Within 2km of the A31 Established commercial area Buildings in satisfactory condition, site of reasonable appearance Approx. half of site in Flood Zone 2
Turner House	Very good	Good	Average	Average	Very good	Good	Good	Entire site in Flood Zone 2 Visible, good quality appearance, plenty of parking Buildings in good quality
Unit 13 Mill Lane	Very good	Good	Average	Poor	Very good	Average	Average	Within 1km of A31 Established commercial area Entire site in Flood Zone 3, level site, with plenty of parking Buildings in satisfactory condition
Waterbrook Estate, GU34 2UD	Very good	Good	Average	Very good	Very good	Very good	Very good	Within 1km of A31 Potentially over 10% vacancy but very good attractive site, evidence of recent investment Plenty of parking Approx half of site in Flood Zone 2 and an area in Flood Zone 3
Sycamore Park	Very good	Good	Average	Average	Good	Average	Average	Sloping site Part of site in Flood Zone 2 Residential to west of the site Partly visible from Mill Lane Reasonable appearance, buildings in satisfactory condition
Mill Lane including Forge Works and Rowan Industrial GU34 2QG	Very good	Good	Average	Average	Very good	Average	Average	Within 1km of A31 Good local access Some limitations for vehicles turning Buildings satisfactory and site overall reasonable appearance Part of site in Flood Zone 2
Integral House and HRH House	Very good	Good	Average	Poor	Very good	Average	Good	Flood Zone 2 and 3 Listed Building

Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
								Only partly visible Buildings in good condition
Weyside Park, GU34 2PJ	Very good	Good	Average	Average	Very good	Average	Average	Within 1km of A31 Established commercial area Buildings in satisfactory condition Reasonable site with adequate parking Need to check flooding on site and proximity to listed building Entire site in Flood Zone 2 and part of site in Flood Zone 3
Selborne House	Very good	Good	Average	Average	Very good	Good	Very good	Entire site in Flood Zone 2 Visible, good quality appearance, plenty of parking, flexible accommodation Evidence of recent investment
Elstead House, lighting shop and units, GU34 2QJ	Very good	Good	Average	Average	Very good	Good	Good	Less than 1km from A31 Established commercial area Buildings in good condition and site overall of good quality appearance Approx. half of site in Flood Zone 2
Newman Lane Industrial, GU34 2QR	Very good	Good	Average	Very good	Very good	Good/ average	Good	Within 2km of the A31, Established commercial area Buildings in good condition Site neat and tidy Approx. half of the site in Flood Zone 2
Riverwey Industrial Park, GU34 2QL	Very good	Good	Average	Very good	Very good	Good/ average	Good	Within 1km of A31 Established commercial area Buildings in good condition Reasonable appearance of site Some limitations for vehicles turning Approx. half of site in Flood Zone 2
Lumbry Park, GU34 3HL	Very good	Good	Poor	Average	Good	Good	Very good	Very good strategic access, site just off the A31 Isolated from residential area No amenity constraints Buildings in excellent condition and plenty of parking Entrance to the site in Flood Zone 2
Kerridge Industrial Estate,	Very poor	Very poor	Very good	Good	Average	Poor	Average	Access through station car park, town centre and residential area

Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
GU34 2PT								Buildings in satisfactory condition Site overall reasonable appearance
Station Road 2 (in train station car park), GU34 2GD	Average	Very good	Very good	Good	Average	Poor	Average	Site located in station car park, access through town centre and car park Poor access Buildings in satisfactory condition and site overall poor appearance Limited parking
Hartley Business Park, GU34 3HS	Good	Average	Poor	Average	Average	Good	Average	Located on the Selborne Road, not within 2km of the A31, but good connection Fragmented site Listed Building on site
Norton Farm, Alton	Poor	Average	Very Poor	Good	Poor	Good	Good	Located on B3006 (Selborne Road) over 2km from A31 Free moving but narrow access road Isolated site, no residential nearby Variety of buildings on site Plenty of parking
Borovere Business Park	Poor	Poor	Average	Good	Poor	Average	Good	Poor access to site via narrow entrance road and residential roads, adjoining residential area, mostly level site, no obstructions, not visible site but reasonable appearance and good quality of buildings Increasing amenity constraints due to adjoining residential development currently being built
Rear of Woodpecker, Old Odiham Road, GU34 4BU	Very poor	Poor	Poor	Poor	Poor	Very poor	Poor	Poor access to site via narrow residential lanes, narrow access road to the site, no public transport nearby, fragmented site, poor layout, unattractive, untidy site, poor quality of buildings, showing signs of wear and tear, appears to do some redevelopment to the rear of the site
Bordon Trading Estate	Good	Average	Poor	Very good	Good	Poor	Average	Over 7km from the A3, within 2km of the A325 access via local roads and Bordon town centre Residential units adjacent to site Limited public transport nearby but generally good roads

Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
Broxhead Trading Estate	Good	Average	Average	Average	Average	Average	Average	Generally unattractive and not well maintained Peripheral of residential area with a local facility on site (Kebab shop and sports bar) Some buildings better quality than others Part of site in Flood Zone 2 and close to Flood Zone 3
Woolmer Industrial Estate	Good	Good	Very good	Very good	Good	Good	Good	On the A325, good local access and close to a bus route Snack bar on site, large supermarket opposite site Inadequate parking Large satellite dish on site
High View Business Centre	Good	Good	Very good	Average	Good	Good	Good	On the A325, good local access and close to a bus route Adequate parking and buildings in good condition Offices for sale Sloping site, various levels Supermarket nearby
Wolfe Lodge, Farnham Road, Gu35 0NH	Good	Good	Average	Good	Good	Good	Good	Access good potentially through Bordon town centre, within walking distance to local shop, fragmented layout, visible site, neat and tidy common areas, good buildings for current office use Check use of building
Crookley Park House	Average	Poor	Average	Average	Poor	Average	Average	Within 2km of the A3M however via residential areas and Horndean centre, difficult access for HGV's via difficult, narrow junctions Plenty of parking on site but not visible, site overall a reasonable appearance Area TPO, many trees on site Borders SDNP

Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
Enterprise Industrial Estate	Good	Good	Average	Average	Good	Average	Average	Very good strategic access heading north on A3(M) however average heading south A3(M), averages out at a good Pylon, slightly sloping site Proximity to the A3 (noise) Some on street parking but generally enough
Hazelton Industrial Estate	Very good	Good	Average	Very good	Very good	Good	Good	Not very visible but good appearance Pylon over edge of site, low levels of vacancy, one obvious empty unit, one unit being refurbished
Highcroft Industrial Estate	Good	Good	Average	Good	Good	Good	Good	Very good strategic access heading north on A3(M) however average heading south A3(M), averages out at a good Good use of site, little/no vacancy Site different to Enterprise, level site with good circulation and parking
Hillside Industrial Estate	Good	Good	Average	Good	Good	Average	Average	Very good strategic access heading north on A3(M) however average heading south A3(M), averages out at a good More visible from main road, but poor common areas and reasonable appearance Entrance to site in flood zone 3 and along eastern boundary
May's Yard	Good	Good	Average	Poor	Good	Poor	Average	Very good strategic access heading north on A3(M) however average heading south A3(M), averages out at a good Steeply sloping All buildings vary in appearance and structure Visible from main road but unattractive and limited evidence of recent investment
Wessex Gate	Good	Good	Good	Average	Good	Good	Good	Pylon on site Noise of A3, some on street parking but generally enough Good quality of buildings



Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
Westfield Industrial Estate	Good	Average	Good	Average	Good	Average	Average	Noise of A3 No vacancies, but appearance of buildings varies from poor to good. Site adjoins a conservation area to the east, potential conservation constraints in the future
25-27 London Road, Horndean, PO8 0BN	Good	Good	Very good	Average	Average	Average	Average	Within 2km of A3 via good roads but through town centre and residential areas. Near centre of urban area with wide range of services nearby. Buildings in satisfactory condition, site overall okay appearance
Teagus Farm, Crouch Lane, Horndean, PO8 9SU	Poor	Poor	Poor	Average	Good	Poor	Average	Within 2km of A3 via good roads, local access via narrow lane, site on the periphery of Horndean with residential nearby, rural feel, no local service. Partly level site, uneven gravel surface, poor circulation, buildings in satisfactory condition.
Catherington Business Park, PO8 0AQ	Average	Average	Poor	Average	Average	Average	Good	Within 2km of A3 via residential roads, narrow access road to site but with passing places. Remote site, some residential nearby, no local service. Fragmented by layout of site and narrow entrance. Site is of reasonable appearance, adequate parking.
Kinches Farm, Roads Hill, Horndean, PO8 0TG	Average	Average	Poor	Poor	Good	Poor	Good	Access via residential roads, no difficult junctions but steep access into site. Remote site with limited local services, small area of residential nearby. Unlevel with little circulation or turning space, not visible, untidy site, gravel unlevel car park, buildings are in a good condition, suitable for current occupants
Whitegate Farm, Roads Hill, Horndean, PO8 0TG	Very poor	Very poor	Very poor	Average	Good	Very poor	Average	Site has a remote feel with very poor access via narrow country lanes with difficult junctions and single track. Very little residential nearby and no local service or public transport. Mostly level site with no major obstructions, untidy, uneven surface site, buildings satisfactory.

Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
Beaver Industrial Estate, GU30 7EU	Poor	Poor	Very Good	Good	Average	Poor	Average	Site relatively close to train station and urban centre, however local access is poor through centre of Liphook Residential uses and train line adjoining site One unit to let Inadequate parking space
Bleach's Yard Industrial Estate	Poor	Poor	Very good	Good	Average	Average	Good	One large unit empty Site relatively close to train station and urban centre, however local access is poor through centre of Liphook Public transport nearby Listed Building close by, potential constraints for future development
Index House	Poor	Average	Very good	Good	Good	Good	Good	One unit to rent Local access average - office use, would not be used by HGV's Site near the centre of the urban area and close to sizeable residential area Site adjoins Conservation Area to north and east, potential constraints for future development
Exchange House	Poor	Average	Very good	Good	Average	Good	Good	Slightly sloping entrance to site One unit for sale (Acurtus) Local access average - office use, would not be used by HGV's Near centre or urban area and close to sizeable residential area
Ajax House/Plowden House	Poor	Average	Very good	Good	Good	Good	Very good	Conservation Area adjoins site on 3 sides, potential for future development constraints Local access average - office use, would not be used by HGV's and therefore better than other sites
Chiltlee Manor	Poor	Average	Very good	Average	Poor	Average	Average	Not visible One unit to rent Manor is a listed building therefore may not be flexible accommodation for business operations and some TPO trees in the grounds Local access average - office use, would not

Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
								be used by HGV's
24A Longmoor Road	Average	Average	Good	Average	Poor	Average	Average	Access to site via roundabouts in Liphook centre, close to the centre, easy access to shop/services, narrow access to site from Longmoor Road, surrounded by residential use, limited amount of parking, no vacancy, buildings in satisfactory condition
Passfield Enterprise Centre	Very poor	Very poor	Poor	Average	Poor	Very poor	Poor	Very poor access to site, no local public transport and access via local roads Site adjoins the SPA Remote site with limited local services Run-down unattractive appearance with neglected common areas Buildings in poor quality, showing signs of wear and tear
Passfield Mill Business Park	Very poor	Very poor	Very poor	Poor	Poor	Poor	Average	One unit to let Very poor access to site, no local public transport and access via local roads Fragmented site Located next to river - site in flood zone 2 Low profile site, unattractive with limited evidence of recent investment Buildings in satisfactory condition
Hazel Road Industrial Estate	Very good	Good	Very good	Very good	Average	Average	Average	Access off A31, located behind main Four Marks centre Residential opposite site Signs of investment, one unit being refurbished Unit 6 to let
Lymington Farm Industrial Estate	Average	Average	Very good	Good	Average	Good	Good	Access via residential areas and town centre. Access through narrow, single lane, underneath a bridge Range of building quality, converted areas. Site adjoins FM1 housing land allocation
Mansfield Business Park	Average	Average	Very good	Good	Good	Good	Very good	Gently sloping site Access through narrow, single lane underneath a bridge Located in mainly employment area

Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
Station Approach	Good	Average	Very good	Average	Good	Poor	Average	Access via residential road, narrow access and difficult junction into site Enclosed site Site not visible, plenty of parking but unattractive site Located in mainly employment area
Dukes Mill	Average	Average	Very good	Very good	Good	Average	Good	Not visible appearance okay Access through narrow, single lane underneath a bridge, Footpath over railway line to local centre Located in mainly employment area
Woodlea Park	Average	Average	Very good	Very good	Good	Good	Very good	Gently sloping site Access through narrow, single lane underneath a bridge Footpath over railway line to local centre Located in mainly employment area
Beverley Court, Five Ash Road, GU34 5EJ	Poor	Poor	Poor	Average	Poor	Poor	Poor	Poor access via residential area and narrow access road to the site, within residential area but no local shop/service nearby, fragmented by buildings, buildings showing signs of wear and tear
Estevan, Stoney Lane, Medstead, GU34 5EL	Poor	Very poor	Poor	Good	Poor	Average	Good	Poor access via residential area and narrow country lane access to the site, within residential area but no local shop/service nearby, well maintained and plenty of parking but hidden site, buildings in good condition
The Stone Yard, Alton Lane, GU34 5AJ	Average	Average	Average	Average	Good	Good	Very good	Within 2km of A31 however access via residential area and town centre, access to the site down a narrow road, located next to garden centre, neat and tidy site with buildings of very good quality, evidence of recent investment, buildings being refurbished
Redhill Farm, Red Hill, Medstead, GU34 5EE	Average	Average	Average	Good	Good	Average	Good	Poor visibility on exit from site, access through centre of Four Marks and residential area, some offices to let Buildings in good condition, site has reasonable appearance

Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
								Adequate parking
High Acres, Willis Lane, GU34 5AP	Average	Average	Poor	Very good	Poor	Good	Good	Over 2km to A31, some pinch points on access road, well maintained and secure site, paved entrance, secure site
Ranch Farm, Willis Lane, GU34 5AP	Average	Average	Poor	Poor	Poor	Good	Good	Over 2km to A31, some pinch points on access road, poor circulation of site, poor configuration, lack of parking, unattractive site Buildings in good condition
Soldridge Business Park, GU34 5JF	Poor	Poor	Poor	Average	Average	Average	Average	Access via narrow lanes, limited amount of residential nearby, fragmented site, plenty of car parking Buildings in satisfactory condition
Manor Farm, North Street, Ropley, SO24 0DF	Good	Good	Very poor	Good	Good	Average	Poor	Some access constraints via narrow road, some buildings showing signs of wear and tear, bus stop nearby on A31 Plenty of parking
Dean Farm, Bighton Hill, SO24 9SQ	Good	Average	Poor	Good	Good	Poor	Average	Access via narrow bridge, access road quite steep and narrow, limited parking on site, some operations outside units Isolated site, no local services or residential areas
Gilbert Street Farm, Gilbert Street, Ropley, SO24 0BY	Very poor	Very poor	Poor	Average	Average	Poor	Very poor	Access poor via narrow, constrained roads Surface poor and unlevel, overall site unattractive Poor quality buildings on site
Chase Farm, Gilbert Street, Ropley	Very poor	Very poor	Poor	Average	Average	Average	Average	Poor access via narrow, constrained roads, narrow passing points Isolated site with limited local services Offices attached to dwelling Buildings in satisfactory condition Reasonable appearance of site, limited parking

Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
Winton Farm, Ropley, SO24 0HB	Very poor	Very poor	Poor	Good	Average	Poor	Average	Narrow access road, not enough parking, some residential nearby, limited evidence of investment, mostly level site, one TPO tree on corner of site
Lyeway Farm, Lyeway Lane, SO24 0DD	Very poor	Very poor	Very poor	Good	Good	Good	Good	Narrow access road to site, not visible site, tidy site, sufficient parking,
Home Farm, Petersfield Road, SO24 9SQ	Good	Good	Poor	Average	Average	Good	Good	Reasonable access to site, tarmacked, tidy, well kept site, plenty of parking, partly level, slightly fragmented, nearby bus route on A31
Sylcombe Farm, Petersfield Road, Ropley, SO24 0EF	Good	Good	Poor	Very good	Average	Poor	Average	Access via good unconstrained roads, nearby bus routes on A31 Remote site with limited local services Need HGV access, good visibility out of site, Buildings in satisfactory condition Messy, untidy site
Bentley Business park	Good	Poor	Good	Average	Poor	Average	Average	Within 2km of A31 but access via residential area Narrow entrance not suitable for all vehicles e.g. HGV's Not visible from main road Residential uses around site All units in use Site adjoins Conservation Area, potential heritage constraints
Bentley Industrial Centre	Good	Good	Good	Average	Poor	Good	Average	Good local access, bus service nearby Residential area on one side Visible from main road, good quality appearance Site adjoins Conservation Area, potential heritage constraints Buildings low level, of satisfactory condition
Cheeks Farm, Cronall Road, GU10 5HD	Very poor	Very poor	Very poor	Good	Good	Average	Average	Site located in the middle of the countryside, poor access via narrow country lanes, little residential nearby and no local shop/services, little parking

Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
Ganders Business Park	Good	Average	Average	Good	Average	Good	Good	2 Listed Buildings nearby Local road access good Plenty of parking Residential use to the west of the site Visible from main road Buildings in good condition
Kingsley Business Park	Good	Poor	Average	Average	Poor	Average	Good	Slope on entrance to site Restricted access via main road and via a narrow residential road 2 Listed Buildings nearby Visible from main road Fragmented site with residential properties on main access to site
Dean Farm, Forge Road, Kingsley, GU35 9NG	Average	Average	Average	Average	Average	Average	Average	Access through Kingsley residential area, adjoins Kingsley settlement within walkable distance to local shop, fragmented by buildings on site, reasonable appearance of site, average quality of buildings, Listed Building on site, potential for future conservation constraints
Inverallen, Forge Road, Kingsley, GU35 9LW	Good	Good	Poor	Good	Good	Average	Average	Good access to site off A325, good local access via free moving roads, not near any public transport. Remote site, no local shop/service nearby, mostly level site with no major obstructions, plenty of parking, buildings in satisfactory condition
West end Farm (The Old Dairy), Upper Froyle	Good	Average	Poor	Average	Average	Average	Average	Few constraints, Conservation Area adjoins site Not visible, converted farm buildings, most buildings in average condition
Bellhanger Enterprises, GU34 5QZ	Good	Good	Poor	Very good	Good	Average	Good	Good access of A339, local access is good Remote site with limited local services and small residential nearby Site of reasonable appearance with plenty of parking Good quality buildings

Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
Derby Dell Buildings, Lasham, GU34 5RX	Average	Poor	Very poor	Good	Good	Poor	Average	Good access of A339, local access via a narrow lane Remote isolated site with no local services nearby Limited evidence of recent investment, site is overgrown, unkempt
Manor Farm Buildings, Lasham, GU34 5SL	Very poor	Poor	Average	Average	Poor	Poor	Good	Access to the site very poor, local access via narrow country lanes Site adjoins urban area Fragmented site, with potential Conservation constraints
Lasham Industrial Park, Highfield Site, GU34 5SQ	Very poor	Poor	Average	Very good	Average	Poor	Good	Access to the site very poor, poor local access via narrow country lanes Site adjoins urban area Unattractive site but fully occupied, untidy uses spilling out into car park Plenty of parking
Shalden Green Farm, Shalden Green, GU34 4DT	Very poor	Very poor	Very poor	Average	Poor	Very poor	Poor	Access to the site very poor via narrow country lanes Restricted access for all commercial vehicles and difficult access to public transport services Remote isolated site with no local services or residential area nearby Site is run-down, unattractive appearance, neglected common areas, buildings are showing signs of wear and tear
Aylesfield Farm, Froyle Road, Shalden, GU34 4BY	Very poor	Very poor	Poor	Good	Average	Good	Good	Access to the site very poor via narrow country lanes Restricted access for all commercial vehicles and difficult access to public transport services Remote site with limited local facilities Site is of a good quality appearance, plenty of parking Buildings in good condition
Southlands, Oakhanger Road, GU35 9JD	Poor	Poor	Very poor	Good	Good	Average	Good	Access via narrow residential roads, remote site in the countryside, level site of satisfactory condition, gravel parking,



Site Name	Strategic Access	Local Accessibility	Proximity	Layout	Character	Market	Quality	Comments
								buildings in good quality, plenty of parking
Oakhanger Farm Business Park, GU35 9JA	Average	Average	Poor	Average	Good	Good	Good	Access via narrow lanes to the site, small area of residential nearby and a tea room on site, fragmented site by layout of buildings, poor circulation, plenty of parking, mix of building quality, evidence of recent investment, no vacancy, Listed Buildings on site, potential for conservation constraints
Watermeadow Farm, 80 Liphook Road, Lindford, GU35 0PG	Average	Average	Good	Poor	Average	Very poor	Very poor	Access via residential roads, site within residential area, surrounded by residential use, fragmented site with poor, narrow access, high level of vacancy, poor condition of buildings and untidy site overall, Listed Buildings on site, potential for conservation constraints
Lindford Business Park, Chase Road, GU35 0FE	Poor	Poor	Good	Average	Poor	Good	Very good	Poor access to site via residential roads and narrow access road shared with access to residential area, within residential area within walking distance of a local shop, not visible from road but good quality, tidy site. Poor circulation and turning area
Wishanger Farm Estate, Wishanger Lane, GU10 2QF	Very poor	Very poor	Very poor	Good	Good	Good	Good	Site located in the middle of the countryside, poor access via narrow country lanes, little residential nearby and no local shop/services, good quality of buildings and site
Wield Yard, Yew Tree Lane, Lower Wield, SO24 9AJ	Very poor	Very poor	Poor	Very good	Average	Average	Very good	Site is remote, over 5km from the strategic road network via narrow country lanes Some residential nearby and a pub, partly visible from road, attractive site, no obstructions or constraints

## **Summary of Findings**

Using the tabulated results (above) and on the basis of sites visits, the following summaries provide a high-level characterisation of the qualitative assessments of employment sites, arranged by settlement.

### **Alton**

**Alton Business Centre** forms part of Omega Park, a mixed employment area. The site lies around 2km from the A31 via good unconstrained roads. Local road access is via residential roads via a steeply sloping road. The Business Centre comprises an older 2 storey building containing small start-up units in a good condition, the site overall is of a reasonable appearance with adequate parking.

**The Omni Business Centre** forms part of Omega Park with access from a steep winding road off Wilsom Road and through the established commercial area. Local road access is good, with a local bus service and the train station nearby. The site is sloping and the buildings are showing signs of wear and tear, overall the site is of a reasonable appearance with plenty of parking.

**Riverside** forms part of Omega Park with access from a steep winding road off Wilsom Road and through the established commercial area. The site is low profile but is a good quality, managed site with buildings in an excellent condition. The entire site is located in Flood Zone 3 with potential constraints on future development.

**Delta Park** adjoins the Omega Park industrial estate and comprises office buildings. The site is 2km from the A31. The site is of a reasonable appearance with adequate parking, the buildings are in an excellent condition.

**Omega Park and Oriol Court** comprises two good quality, office parks with modern units in a good condition with adequate parking at both sites. Access to both sites is via a steep winding road off Wilsom Road and through the established commercial area. The sites are of a reasonable appearance with managed common areas.

**Paradigm/ Charwell House** is a small site, within 2km of the A31 junction. Local road access is good, with a local bus service and train station nearby. The site is located within a residential area, with potential constraints for future development. The buildings are in an excellent condition and the site overall is of a good quality appearance with plenty of parking.

**Caker Stream** is a large industrial area around 1km from the A31. The access is via a steeply sloping road off Mill Lane; a well established commercial area. The buildings are of a satisfactory condition and there is adequate car parking on the site however the site is fragmented by the layout of the buildings on the site and there is poor vehicle circulation. Approximately half of the site is located in Flood Zone 2 and a small area of the site is in Flood Zone 3 with potential constraints on future development.

**Grove Park Industrial Estate** forms part of a larger industrial estate within 1km of the A31. The site is situated within a well established commercial area with no amenity constraints. Local road access is good with adequate parking. The buildings are of satisfactory condition and the site overall is of a

reasonable appearance. Approximately half of the site is in Flood Zone 2 with potential constraints on future development.

**Turner House, Mill Lane** forms part of the Mill Lane industrial estate, within 1km of the A31 junction. The site is situated within an established commercial area. The buildings are in a good condition and the site overall is of a good quality appearance with plenty of parking. The site is located within Flood Zone 2 with potential constraints on future development.

**Unit 13 Mill Lane** forms part of the Mill Lane industrial estate and comprises a large vacant unit. The site is high profile within 1km of the A31 of reasonable appearance with adequate parking. The entire site is located in Flood Zone 3 with constraints on future development.

**Waterbrook Estate** forms part of the Mill Lane industrial estate, within 1km of the A31 junction. Local road access is good, with a local bus service and the train station nearby. The site is situated within an established commercial area. The buildings are in an excellent condition and the site is of high quality appearance with ample parking.

**Sycamore Park** forms part of the Mill Lane industrial estate, within 2km of the A31 junction. Local road access is good with a local bus service and the train station nearby. The site is situated within an established commercial area. The site is sloping with a steep entrance off Mill Lane. The site is partly visible from Mill Lane and is of a reasonable appearance and buildings in satisfactory condition.

**Mill Lane site including Forge Works and Rowan Industrial Park** within 1km of the A31. Local road access is good, with a local bus service and the train station nearby. The site is situated within a well established commercial area with no amenity constraints. The buildings comprise of a mix of larger 1970's industrial units and some more modern units as well as some office premises. The buildings are in a satisfactory condition and the site overall is of a reasonable appearance. There is a Listed Building adjacent to the site and the majority of the site is in Flood Zone 2 meaning potential constraints for future development.

**Integral House and HRH House** is within 1km of the A31. Local road access is good. The site is partly visible from Mill Lane with an office building located to the rear of the site. The buildings are in a good condition and the site overall is of reasonable appearance. HRH House is a Listed Building with constraints on future development. Integral House provides more flexible accommodation. The site is located in Flood Zone 2 and therefore has constraints on future development.

**Weyside Park** forms part of the Mill Lane industrial estate, within 1km of the A31 junction. Local road access is good, with a local bus service and the train station nearby. The site is situated within an established commercial area. The buildings are in a satisfactory condition and the site is of reasonable appearance with adequate parking. The entire site is located in Flood Zone 2 with potential constraints on future development.

**Selborne House** comprises of office accommodation within 1km of the A31 directly on Mill Lane. The site is of a good quality appearance with flexible accommodation in new buildings with evidence of recent investment. The site is located in Flood Zone 2 with potential constraints on future development.

**Elstead House (lighting shop and units)** forms part of the Mill Lane industrial estate, within 1km of the A31 junction. Local road access is good, with a local bus service. The buildings are in a good condition and the site is of a good quality appearance with plenty of parking.

**Newman Lane Industrial** forms part of the larger Mill Lane industrial estate, within 1km of the A31. Local road access is good, with a local bus service and the train station nearby. The buildings are in a good condition and the site is generally of good quality appearance with neat and tidy common areas. Approximately half of the site is located in Flood Zone 2 with potential constraints on future development.

**Riverwey Industrial Estate** forms part of Mill Lane industrial estate, within 1km of the A31 junction. Local road access is good, with a local bus service and the train station nearby. The site is situated within an established commercial area. The buildings are in a good condition and overall the site is of a reasonable appearance with plenty of parking. Approximately half of the site is located within Flood Zone 3 with potential constraints for future development.

**Lumbry Park** is a small estate located on the B3006 (Selborne Road) near the A31. Local road access is off a narrow, sloping road with no public transport services nearby. The site is very low profile with no local shop/service nearby. The buildings are in an excellent condition and the site is of good quality appearance with plenty of parking. The entrance to the site is located in Flood Zone 2 with potential constraints on future development.

**Kerridge Industrial Estate** is a small industrial estate adjoining the railway station and a large supermarket. Local accessibility is very poor via residential roads, the town centre and the train station car park. The site lies relatively close to the town centre services and public transport. The buildings are in a satisfactory condition and the site overall is of a reasonable appearance.

**Station Road 2** is a small industrial site located within the train station car park. Local road access is via residential roads, the town centre and the train station car park. The buildings are in a satisfactory condition and the site overall is of a poor appearance with limited levels of parking and limited evidence of recent investment.

**Hartley Business Park** comprises a mainly industrial site in a remote rural location over 3km from the A31 on the B3006 (Selborne Road). Local accessibility is reasonable via some narrow lanes but there is adequate parking/loading space although there are no public transport links nearby. The site contains older units, some converted barns. The site itself is relatively neat and tidy but fragmented by the buildings and poor vehicle circulation. There is a Listed Building on the site with potential constraints for future development.

**Norton Farm** is located in the countryside on the B3006 (Selborne Road). Local road access is reasonable with limited public transport services nearby. The site is remote and isolated in the countryside with no local service or residential area nearby. The buildings are in a good condition and the site overall is of good quality appearance with plenty of parking.

**Borovere Business Park** is located over 2km from the strategic road network via residential roads; access to the site is via a narrow lane unsuitable for large vehicles. The site adjoins a large residential area, with increasing amenity constraints due to the adjoining residential development currently

under construction to the south of the site. The buildings are in a good condition and the site overall is low profile but of a reasonable appearance with adequate parking.

**Rear of Woodpecker Cottage, Old Odiham Road** is located over 5km from the strategic road network via local roads. Access to the site is via a narrow residential lane. There are no public transport services nearby, no local services and a small residential area nearby. The buildings are in a poor condition, showing signs of wear and tear. The site overall is unattractive with untidy common areas, although there are signs of some redevelopment on site.

### Bordon

**Bordon Trading Estate** is a medium sized industrial estate within 2km of the A325. Local access to the site is via local roads and Bordon town centre, with limited public transport or services nearby. The site contains older, 1970s industrial units in a satisfactory condition.

**Broxhead Trading Estate** comprises a small industrial estate in a relatively remote location outside the main centre. It is within 2km of the A325 and local access is via local roads and Bordon town centre, with limited public transport nearby. There is a local facility on the site and plenty of parking. The qualities of the buildings vary across the site with some evidence of recent investment with some older units. Part of the site is located within flood zone 2 which may have implications for future development.

**Woolmer Industrial Estate** comprises a very large industrial estate located on the A325 with immediate access onto the main road through the centre of Bordon. The site has adequate parking and is in close proximity to public transport. There is a snack bar on the site and a supermarket opposite. The site adjoins other employment areas and open land. The buildings on the site are good quality and provide good, flexible accommodation.

**High View Business Centre** is located on the A325 with immediate access onto the main road through the centre of Bordon. The site has adequate parking and is in close proximity to public transport and local shops. The site is set over various levels due to its steeply sloping nature. The buildings on site are in good condition and provide good, flexible accommodation.

**Wolfe Lodge** is located on the A325; local access is good via free moving roads and close to public transport services. The site is located near the centre of the urban area with services and residential areas nearby. The buildings are in a good condition and the site is of a good quality appearance with neat and tidy common areas and adequate parking.

### Horndean

**Crookley Park** is an edge of centre site, local accessibility is poor with restricted access for HGV's and restricted access to the major road network via narrow, residential roads and the village centre. Public transport accessibility is good; the site is within walking distance of Horndean village shops and services. The site is of reasonable appearance and there is plenty of parking.

**Enterprise Industrial Estate** is a small estate part of a larger employment site within 2km of the A3(M) junctions. Local road access and public transport accessibility are good; the site is within

walking distance of Horndean village shops and services. The site comprises mainly 1970/1980s units on a slightly sloping site.

**Hazleton Industrial** is a medium sized estate within 1km of the A3(M) junction. Local road access and public transport accessibility are good with a supermarket within walking distance. An employment site adjoins the site to the north and a supermarket adjoins the site to the south. The site is well maintained with low levels of vacancy.

**Highcroft** is a small estate part of a larger employment site within 2km of the A3(M) junctions. Local road access and public transport accessibility are good; the site is within walking distance of Horndean village shops and services. The site comprises mainly 1970/1980s units and has sufficient parking.

**Hillside Industrial Estate** is a small estate within 2km of the A3(M) junctions. Local road access and public transport accessibility are good; the site is within walking distance of Horndean village shops and services. The buildings are in a satisfactory condition and the site has a reasonable appearance with poor common areas.

**Mays Yard** is a small estate part of a larger employment site within 2km of the A3(M) junctions. Local road access and public transport accessibility are good; the site is within walking distance of Horndean village shops and services. Access to the site is via a steep slope and the site is sloping with a limited amount of parking.

**Wessex Gate** is a small estate within 1km of the A3 (M) junctions. Local road access and public transport accessibility are good with local shops/services within walking distance. A nursing home adjoins the site to the west, the Hazleton Industrial estate adjoins the south of the site and the A3(M) runs along the east of the site. The site is level and has adequate parking for the current uses. A pylon is situated on site with overhead power lines.

**Westfield** is a small estate within 1km of the A3(M) junctions and within Horndean village centre. Local road access is reasonable, however access to the site is limited by a sloping access road, access to the site is via the town centre and residential area. Public transport accessibility is good and local shops/services lie nearby. The qualities of the units vary from poor to good and the site has a reasonable appearance with adequate parking.

**25-27 London Road** is located within 2km of the A3 (M) however access is via residential roads and the centre of Horndean. The site is located near the centre of Horndean with a wide range of services nearby and in close proximity to sizeable residential areas. The buildings are in a satisfactory condition and the site overall is of reasonable appearance.

**Teagus Farm** is located within 2km of the A3 (M) via generally good unconstrained roads; however local access is via a narrow lane with no suitable passing points. The site is on the periphery of Horndean with residential areas adjoining the site; however there are no local services and limited access to public transport. The buildings are in a satisfactory condition and the site overall is low profile with limited evidence of recent investment.

**Catherington Business Park** is located within 2km of the A3 (M) via generally good unconstrained roads; however local access is via a narrow lane but with suitable passing places. The site is remote

with some residential areas nearby but no local services and limited access to public transport. The buildings are in a good condition and the site overall is of a reasonable appearance with adequate parking.

**Kinches Farm** is located within 2km of the A3 (M) via generally good unconstrained roads; access into the site is steeply sloping. The site is remote with limited local services and limited access to public transport, there is a small area of residential nearby. The buildings are in a good condition however the site overall is untidy with limited levels of parking.

**Whitegate Farm** is located within 5km of the A3 (M) however access is via a narrow, single track country lane with narrow, difficult junctions. The site has a remote feel with no local services or public transport services nearby and a small amount of residential nearby. The buildings are in a satisfactory condition and the site overall is unattractive and untidy.

### **Liphook**

**Beaver Industrial Estate** is located over 2km from the A3(M) via the centre of Liphook with narrow, difficult junctions. Local accessibility is poor with a narrow road into the site, with restricted access for HGV's. The site is located near the urban area with a wide range of services nearby and good access to public transport services. The buildings are in a satisfactory condition and the site is of a reasonable appearance with adequate parking.

**Bleach's Yard Industrial Estate** is located over 2km from the A3(M) via the centre of Liphook with narrow, difficult junctions, with restricted access for HGV's. The site is located near the centre of the urban area with a wide range of services nearby and good access to public transport services. There is a Listed Building near the site with potential constraints for future development. The buildings are in a good condition and the site has a reasonable appearance overall with adequate parking.

**Index House** is located over 2km from the A3(M) via the centre of Liphook. Local accessibility is average with reasonable site access for all vehicles, the site is in office use and therefore not used by HGV's. The site is near the centre of the urban area with a wide range of services nearby and good access to public transport services. The building is in a good condition and the site is visible, is of a good quality appearance and has plenty of parking.

**Exchange House** is located over 2km from the A3 (M) via the centre of Liphook. Local accessibility is average with reasonable site access for all vehicles, the site is in office use and therefore not used by HGV's. The site is near the centre of the urban area with a wide range of services nearby and good access to public transport services. The building is in a good condition, the site is of a high profile with a high quality appearance and adequate parking.

**Ajax House/Plowden House** is located over 2km from the A3 (M) via the centre of Liphook. Local accessibility is average with reasonable site access for all vehicles, the site is in office use and therefore not used by HGV's. The site is located near the centre of the urban area with a wide range of services nearby and good access to public transport services. The building is in very good condition; the site is visible and is of good quality appearance with adequate levels of parking.

**Chiltlee Manor** is located over 2km from the A3 (M) via the centre of Liphook. Local accessibility is average with reasonable site access for all vehicles, the site is in office use and therefore not used by

HGV's. The site is located near the centre of the urban area with a wide range of services nearby and good access to public transport services. The building is a Listed Building with potential Conservation constraints on future development however the building is in good condition. The site is low profile but is of good quality appearance with plenty of parking.

**24a Longmoor Road** is located over 2km from the A3 (M) via the centre of Liphook. Local accessibility is average with reasonable site access for all vehicles. The site is located near the centre of the urban area with a wide range of services nearby and good access to public transport services. The buildings are in a satisfactory condition and the site overall is in an average condition with a limited amount of parking.

**Passfield Enterprise Centre** is located over 5km from the strategic road network via local roads. Local accessibility is very poor with restricted access for all commercial vehicles and difficult access to public transport services. The site is relatively remote with a small residential area nearby and a local shop within walking distance. The quality of the buildings are poor, showing signs of wear and tear, overall the site is run-down with neglected common areas, in need of redevelopment.

**Passfield Mill Business Park** is located over 5km from the strategic road network via local roads. Local accessibility is very poor with restricted access for all commercial vehicles and difficult access to public transport services. The site is remote with no local services or residential areas nearby. The buildings are in a satisfactory condition and overall the site is low profile, unattractive with limited evidence of recent investment.

#### **Four Marks**

**Hazel Road Industrial Estate** comprises a small industrial estate just off the A31. Local access is good with good access to public transport services. The site adjoins the local centre of Four Marks and is adjoins a residential area providing local labour supply. The buildings are in a satisfactory condition and the site is of a reasonable appearance with adequate parking.

**Lymington Farm Industrial Estate** is within 1km of the A31 however access is via residential roads and a narrow single lane under a bridge. The site adjoins a new residential development and contains a variety of uses including retail. The buildings are in a good condition and the site is of good quality appearance with good parking.

**Mansfield Business Park** is a low profile site within 1km of the A31; however access is via residential roads and a narrow single lane under a bridge. The office park is remote from local services and public transport services. The buildings are in excellent condition and the site is neat and tidy with good parking.

**Station Approach** is a low profile site within 1km of the A31, however local access is through a residential area and a narrow access road and difficult junction. The site is in close proximity to local shops/services and local labour supply. The buildings are in satisfactory condition and the site is unattractive.

**Dukes Mill** is within 1km of the A31; however access is via residential areas and a narrow single lane under a bridge. The site is in relative close proximity to the local centre via a footpath over the



railway line. The buildings are in a good condition and the site is of reasonable appearance overall with adequate parking.

**Woodlea Park** is a low profile site within 1km of the A31; however access is via residential roads and a narrow single lane under a bridge. The site is in relative close proximity to the local centre via a footpath over the railway line. The buildings are in excellent condition and the site overall has a good quality appearance with ample parking.

**Beverley Court** is located 2km from the A31 however access is poor via residential roads with some narrow difficult junctions; the access road to the site is narrow and unsuitable for HGV's. The site is located within a residential area but there is no local shop/services or nearby access to public transport. The buildings are showing signs of wear and tear and the site overall is low profile with limited evidence of recent investment.

**Estevan** is located 2km from the A31 however access is poor via residential roads; the access road to the site is a narrow country lane with no suitable passing points. The site is located within a residential area but there is no local shop/service or nearby access to public transport. The buildings are in a good condition, the site overall is low profile but is well maintained with plenty of parking.

**The Stone Yard** is located within 5km from the A31 however access is via residential roads and the centre of Four Marks. The access road to the site is a narrow lane, unsuitable for HGV's. The buildings are in an excellent condition with evidence of recent investment as the buildings were being refurbished during the site visit (July 2017). The site overall is of a good quality appearance with plenty of parking.

**Redhill Farm** is located within 2km of the A31 via residential roads and access would be via the centre of Four Marks. Visibility is poor on exiting the site onto Red Hill. The site adjoins the residential area and has no amenity constraints for future development. The buildings are in good condition and the site has a reasonable appearance with adequate parking.

**High Acres** is located over 2km from the A31 with some narrow, potentially difficult junctions for HGV's. The site is isolated in the countryside with limited local services and a small area of residential nearby. The buildings are in a good condition and the site is well maintained with a paved entrance and secure gates.

**Ranch Farm** is located over 2km from the A31 with some narrow, potentially difficult junctions for HGV's. The site is isolated in the countryside with limited local services and a small area of residential nearby. The buildings are in a good condition however the site is unattractive with limited levels of parking and poor vehicular circulation.

**Soldridge Business Park** is located within 2km of the A31 via narrow, country lanes not suitable for HGV's and there are limited public transport services nearby. The site is fragmented by the buildings and is isolated in the countryside with no local services or residential areas nearby. The buildings are in a satisfactory condition and the site has a reasonable appearance with plenty of parking.

## Ropley

**Manor Farm** is located just off the A31 with a narrow access road to the site. The site is isolated with no local services or residential areas nearby. The buildings are showing signs of wear and tear, the site has a reasonable appearance overall with plenty of parking.

**Dean Farm** is located within 1km of the A31 with access via a steeply sloping narrow lane. The site is isolated with no local services or residential areas nearby. The buildings are in a satisfactory condition however the site is untidy with limited levels of parking.

**Gilbert Street Farm** is located over 2km from the A31 via extremely narrow, constrained roads. The site is isolated with limited local services and residential area nearby. The buildings are in a poor condition and the site is unattractive with neglected common areas.

**Chase Farm** is located over 2km from the strategic road network via extremely narrow, constrained roads. The site is isolated with limited local services and residential area nearby. The buildings are in a satisfactory condition and overall the site is of a reasonable appearance with limited parking.

**Winton Farm** is located over 2km from the strategic road network via extremely narrow, constrained local roads with difficult junctions. The site is remote and isolated with no local services or residential areas nearby. The buildings are in a satisfactory condition, the site is unattractive with neglected common areas.

**The Stables, Oaklands and The Old Mill (Lyeway Farm)** are all located over 2km from the strategic road network via extremely narrow, constrained local roads with difficult junctions. The site is remote and isolated with no local services or residential areas nearby. The buildings are in a good condition and the site overall is of a good quality appearance with sufficient parking.

**Home Farm** is located within 1km of the A31 via good unconstrained roads. The site is quite remote, with limited local services and a small residential area nearby. A bus stop is located within walking distance on the A31. The site is fragmented by the buildings; however the site is of good quality appearance with plenty of parking.

**Sylcombe Farm** is located within 1km of the A31 via good unconstrained roads. The site is quite remote, with limited local services and a small residential area nearby. A bus stop is located within walking distance on the A31. The buildings are in a satisfactory condition however the site overall is unattractive.

### **Bentley**

**Bentley Business Park** is located within 2km of the A31 through the residential area of Bentley. The entrance to the site is narrow and now suitable for all vehicles. The site is low profile and surrounded by residential uses on all sides, with potential amenity constraints for future development. The site is near the centre of the urban area with services nearby and close proximity to residential areas. The buildings are in a satisfactory condition and the site has a reasonable appearance.

**Bentley Industrial Centre** is located within 2km of the A31 through the residential area of Bentley. Local access is good via free moving roads and nearby access to public transport services. The site

has a residential area on one side and is near the centre of the urban area with services nearby. The buildings are in a satisfactory condition and the site has a good quality appearance.

**Cheeks Farm** is located within 5km of the A31 however access is via constrained, local roads with restricted access for all commercial vehicles and no public transport services nearby. The site is remote and isolated with no local services or residential areas nearby. The buildings are in a satisfactory condition and the site overall is of a reasonable appearance however there is little parking.

### Kingsley

**Ganders Business Park** is located within 2km of the A325 via good unconstrained roads. Local road accessibility is good, but has limited public transport nearby. The buildings are in a good condition and the site overall is of a reasonable appearance with adequate parking.

**Kingsley Business Park** is located within 2km of the A325. Local road accessibility is good but the site access road is narrow and passes residential dwellings. The site is fragmented by the residential dwellings on the main access. The site has adequate parking and comprises of a variety of different buildings of different quality.

**Dean Farm** is located within 5km of the A325 via generally good unconstrained roads with access through the residential area of Kingsley. The site adjoins the Kingsley settlement and is within walkable distance to the local shop. The buildings are in a satisfactory condition and the site overall is over a reasonable appearance. There is a Listed Building on the site with potential conservation constraints for future development.

**Inverallen** is located within 2km of the A325 via good unconstrained roads; local access is good via free moving roads. The site is remote with limited local services and a small residential area nearby. The buildings are in a satisfactory condition and the site overall is of a reasonable appearance with plenty of parking.

### Upper Froyle

**West End Farm (The Old Dairy)** is located within 1km of the A31 via good unconstrained roads. Local road accessibility is reasonable for all vehicles via some narrow roads. The site is remote with limited local services nearby and a small residential area nearby. The buildings are in a satisfactory condition and the site is of reasonable appearance with adequate parking.

### Bentworth

**Bellhanger Enterprises** is located within 2km of the A339 via good unconstrained roads avoiding residential areas. Local access is good with a nearby bus service. The site is remote with limited local services and small residential area nearby. The buildings are in a good condition and the site overall has a reasonable appearance.

### Lasham

**Derby Dell Buildings** is located within 2km of the A330 via a steeply sloping narrow lane. Local access is poor with restricted access for HGV's. The site is remote with no local service or residential area nearby. The buildings are in a satisfactory condition and the site overall is unattractive with limited evidence of recent investment.

**Manor Farm Buildings** is located over 2km from the strategic road network via local roads. Local accessibility is poor with restricted access for HGV's and limited public transport services nearby. The site adjoins the urban area and is within walkable distance to a local facility. The buildings are in a good condition but the site overall is very low profile.

**Lasham Industrial Park** is located over 2km from the strategic road network via local roads. Local accessibility is poor with restricted access to major road networks and limited public transport services nearby. The buildings are in a good condition however the site is unattractive with works going on outside the buildings.

### Shalden

**Shalden Green Farm** is located over 2km from the strategic road network. Access to the site is narrow and uneven with restricted access for all commercial vehicles and difficult access to public transport services. The buildings are showing signs of wear and tear and overall the site is run-down with neglected common areas.

**Aylesfield Farm** is located over 2km from the strategic road network. Access to the site is via local roads with restricted access for all commercial vehicles and difficult access to public transport services. The site is remote with limited local services or residential areas nearby. The buildings are in a good condition and the site overall is of a good quality appearance with plenty of parking.

### Oakhanger

**Southlands** is located within 5km of the A325 via some narrow, residential roads, the access road to the site is narrow with potentially restricted access for HGV's. The site is remote with no local services, public transport services or residential areas nearby. The buildings are in a good condition and the site overall is of a reasonable appearance with plenty of parking.

**Oakhanger Farm Business Park** is located within 5km of the A325 via generally good unconstrained roads, local access is reasonable via some residential areas. The site is remote with limited local services and small residential area nearby. The buildings are in a good condition and the site overall is of a good quality appearance with neat and tidy common areas, plenty of parking and evidence of recent investment. There is a Listed Building on the site with potential conservation constraints for future development.

### Lindford

**Watermeadow Farm** is located within 5km of the A325 via generally good unconstrained roads, local access is reasonable via some residential areas. The site is near the centre of Lindford with some services nearby and in close proximity to residential areas. The buildings are in a poor condition and the site overall is run-down with neglected common areas. There is a Listed Building on the site with potential conservation constraints for future development.

**Lindford Business Park** is located within 5km of the A325 via generally unconstrained roads however access to the site is via a narrow access lane shared with access to a residential area. The site is near the centre of the urban area with some services nearby and close proximity to residential area. The buildings are in an excellent condition and the site is of a good quality appearance with neat and tidy common areas.

### **Headley**

**Wishanger Farm Estate** is located over 5km from the strategic road network via narrow, country lanes. Local access is very poor with restricted access for all commercial vehicles and there are no public transport services nearby. The estate is a remote isolated site with no local services or residential areas nearby. The buildings are in a good condition and the site overall is of a good quality appearance with neat and tidy common areas and plenty of parking.

### **Wield**

**Wield Yard** is located over 2km from the strategic road network via extremely narrow, constrained local roads with difficult junctions. The site is remote with limited local services with a small residential area nearby. The buildings are in excellent condition and the site overall is of a good quality; however the site is of a low profile.

## **Appendix 3 – Site Selection Processes (Office & Industrial) for Identifying Key Employment Sites (Outside of the South Downs National Park)**

Council officers have used two separate but related site selection processes, to identify candidates for key employment sites. One process deals with sites that are predominantly in office use, whilst the other deals with sites that are predominantly in industrial use. The reason for defining two different processes is because different considerations apply for key office and key industrial sites – the operational requirements for each type of land use are different, as is the local market context (see background paper for details). There are however similarities regarding the strategic policy context so the two processes are broadly aligned.

The selection processes are shown in full on the following pages, to help the reader to understand that a consistent and robust approach has been used for identifying the key employment sites, in the context of the available evidence.

## Process for Identifying Key Employment Office Sites

**Stage One:** Screen all sites using the following procedure:

Remove sites that are industrial only (B2), or predominantly industrial (B1-8 and of a large size) ;

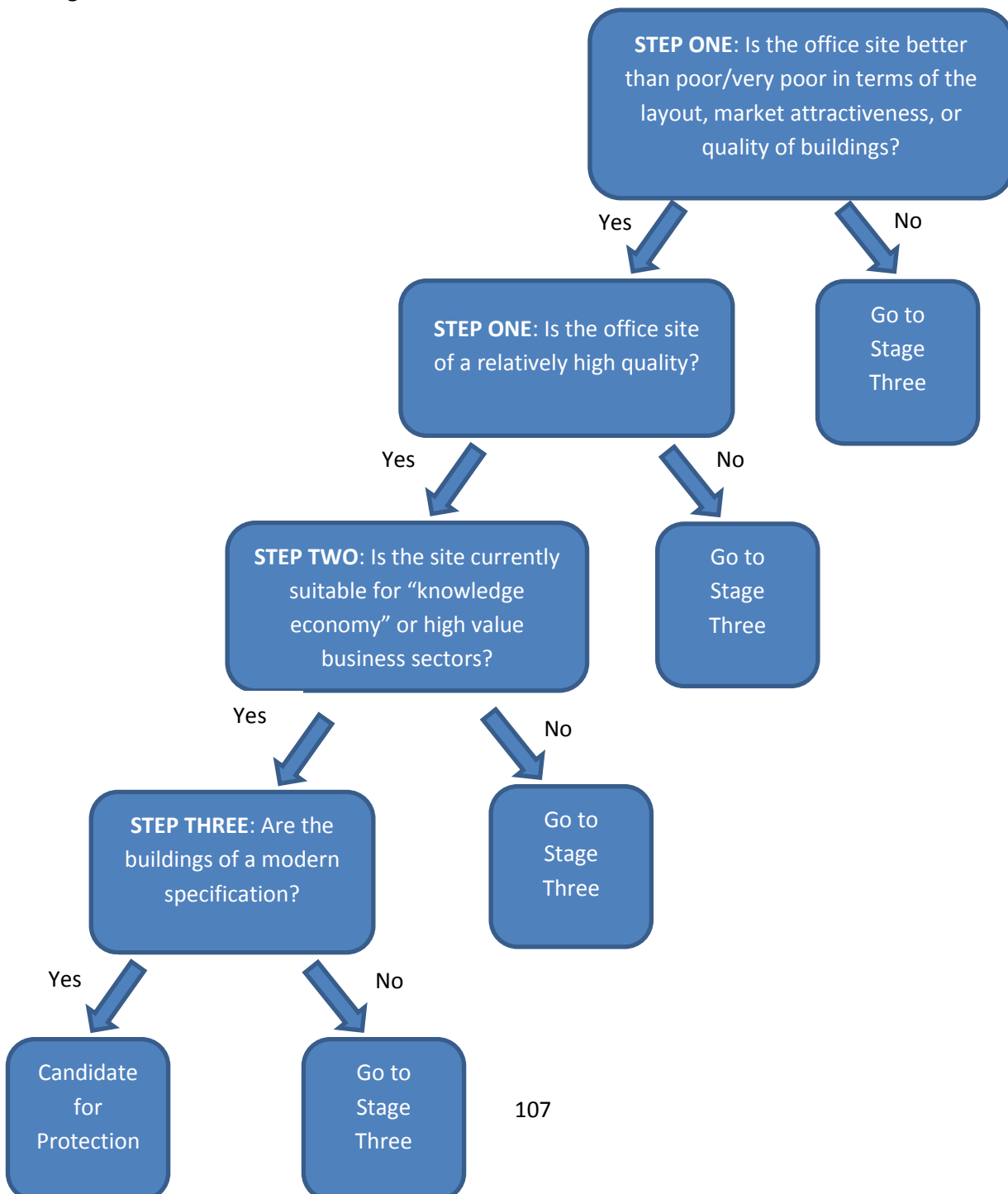


Remove if site is less than **0.2ha** (strategic significance factor)



Remove if site contains a listed building; a scheduled ancient monument, a SSSI, or is within a HSE safety zone (permitted development rights would not apply)

**Stage Two:**



### **Stage Three:**

Review all remaining sites as follows:

- 1) Does the site form part of a significant cluster of buildings and premises, well-occupied and physically conjoined or forming a recognisable industrial area?
- 2) Would there be overall benefits for local amenity for avoiding residential use and retaining business use of the site?
- 3) Are there individual buildings on site that are a) high quality; b) suitable for knowledge economy or high value uses; and c) of modern specification?
- 4) Does the site register at least **four** good or very good scores against the qualitative criteria?
- 5) For sites in Bordon Parish: should the site be retained in employment use to help ensure that the JCS sustainable economic development objectives for Whitehill & Bordon are met?
- 6) For sites in the area of a made neighbourhood plan: should the site be retained in employment use to help deliver the policies of the relevant neighbourhood plan?

If the answer is 'yes' to any of the above questions, planning policy officers will discuss and agree the potential of the site for protection from conversion through permitted development rights.

**Outcome:** a number of candidate sites for the removal of PDRs (office to residential use)

### **NB: Supporting Information for Assessment**

#### **Indicators for Stage 2:**

STEP ONE: Review 'Layout', 'Market Attractiveness', 'Quality' criteria individually

STEP TWO: Review 'Layout', 'Local Character', 'Market Attractiveness', 'Quality' site criteria, and make judgement across all criteria

STEP THREE: Check for occupation of businesses in STEM sectors (information and comms; professional, scientific and technical) or in financial and insurance activities, or computer programming, consultancy and related activities (inc. cyber security, gaming or electronic entertainment)

STEP FOUR: Check quality of appearance (interior or exterior), including, if possible, the flexibility of internal space, building accessibility, availability of fibre broadband (<https://www.hampshiresuperfastbroadband.com/>)

NB: Where no information is available, the default answer should be 'no'



## Process for Identifying Key Employment Industrial Sites

**Stage One:** Screen all sites using the following procedure:

Remove sites that are office only (B1a), or predominantly office (e.g. B1/B1-8 and of a small size);

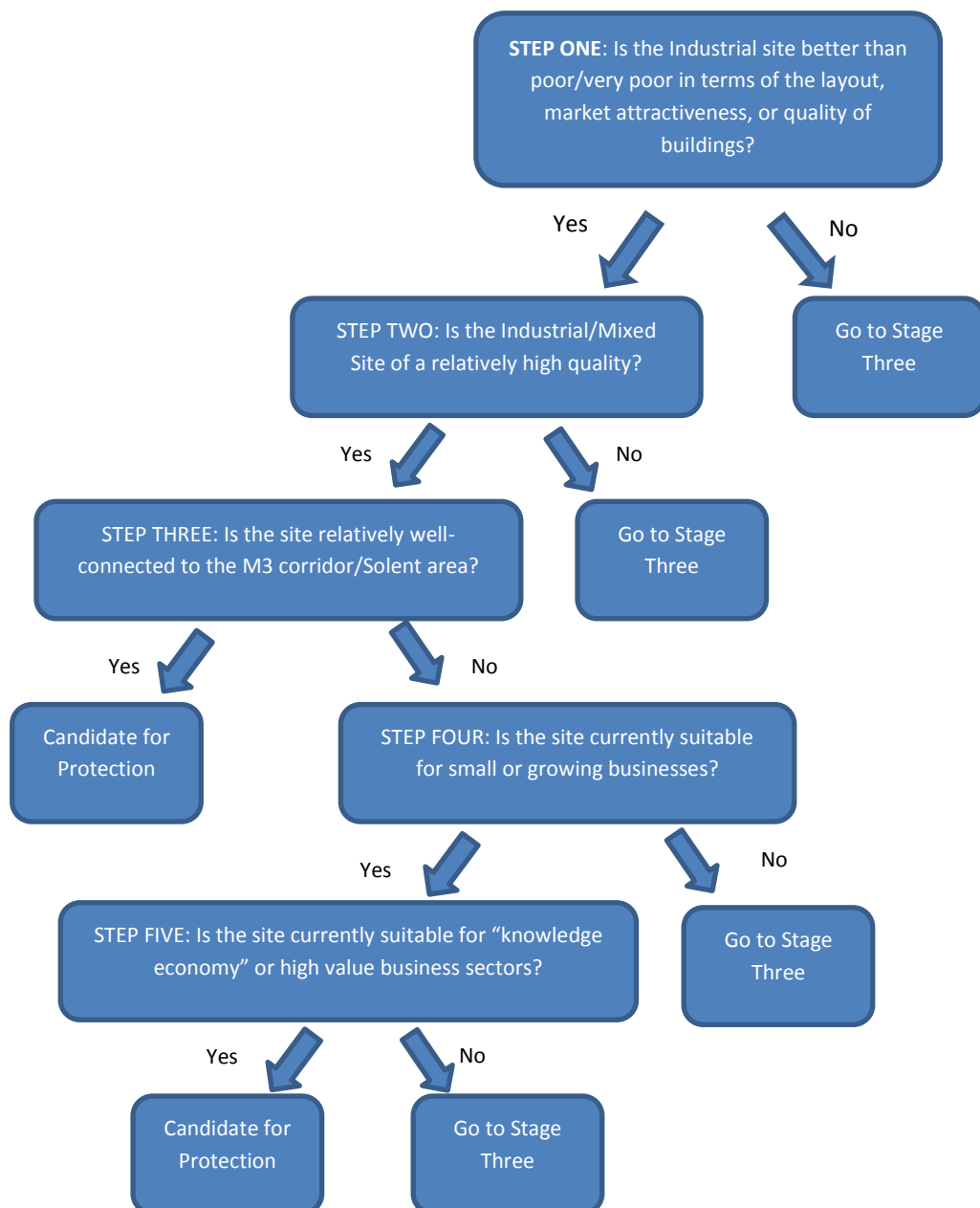


Remove if site is less than **0.2ha** (strategic significance factor)



Remove if site contains a listed building; a scheduled ancient monument, a SSSI, within a HSE safety zone, or buildings more than 500sq.m gross floor area (permitted development rights would not apply)

**Stage Two:**



### **Stage Three:**

Review all remaining sites as follows:

- 1) Does the site form part of a significant cluster of buildings and premises, well-occupied and physically conjoined or forming a recognisable industrial area?
- 2) Would there be overall benefits for local amenity for avoiding residential use and retaining business use of the site?
- 3) Are there individual buildings on site that are a) high quality; b) suitable for knowledge economy or high value uses; and c) of modern specification?
- 4) Does the site register at least **four** good or very good scores against the qualitative criteria?
- 5) For sites in Bordon Parish: should the site be retained in employment use to help ensure that the JCS sustainable economic development objectives for Whitehill & Bordon are met?
- 6) For sites in the area of a made neighbourhood plan: should the site be retained in employment use to help deliver the policies of the relevant neighbourhood plan?

If the answer is 'yes' to any of the above question, planning policy officers will discuss and agree the potential of the site for protection from conversion through permitted development rights.

**Outcome:** a number of candidate sites for the removal of PDRs (industrial to residential)

### **NB: Supporting Information for Assessment**

#### **Indicators for Stage 2:**

STEP ONE: Review 'Layout', 'Local Character', 'Market Attractiveness', 'Quality' site criteria

STEP TWO: Review 'Strategic Access' and 'Local Accessibility'

STEP THREE: Check the size of business units (small and medium floorplates required), and the number of units on site (5+ small units or 2+ medium units)

STEP FOUR: Check for occupation of businesses in STEM sectors (manufacturing of computer, electronic and optical products; manufacturing of electrical equipment; manufacturing of fabricated metal products; manufacturing of chemicals and chemical products) or in the following LEP priority sectors:

ICT and digital media; Pharmaceuticals; Aerospace and defence; 5 G Telecoms; Satellite technologies; Advanced materials and nano-technology; Advanced aerospace/ automotive manufacturing; creative industries; advanced technologies; financial and business sectors

NB: Where no information is available, the default answer should be 'no'

## Appendix 4 – Map of Areas in East Hampshire Currently Exempt from Permitted Development Rights for Office to Residential Conversion

