# Waverley Employment Land Review Update

April 2016

ATKINS

Plan Design Enable

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# Executive Summary

This study provides a partial update to the Waverley Employment Land Review, updating the assessment of employment floorspace and land requirements, and the resulting supply/demand balance of the 2011 Employment Land Review. In accordance with Planning Policy Guidance, the study considers a range of need scenarios; incorporates analysis of market signals and the findings of stakeholder consultation; provides analysis of supply and demand taking into account both quantitative and qualitative considerations; and makes evidence based recommendations.

The scenario testing presented in Chapter 5 suggests potential B use class employment change of between -1,760 and 3,350 FTE jobs between 2013 and 2033. Scenario 1, based on Experian's employment projections, suggests growth in B1a/b and B8 employment, and decline in B1c/B2 employment, resulting in additional need for approximately 6 hectares of B1a/b land and 5 hectares of B8 land by 2033.

The trend-based scenario (Scenario 2) suggests decline across all B-use class sectors, which translates into no additional B-use class need over the period to 2033.

The Economic Strategy aligned scenario (Scenario 3), takes the trend-based scenario as its starting point but makes a number of assumptions to better align it with Waverley's Economic Strategy 2015-2020. The Economic Strategy's vision is that: "*Waverley will enjoy continued economic prosperity and diversity while safeguarding and enhancing its attractive character and high quality of life*". A top priority for the Council is therefore to safeguard and enhance the Borough's attractive character and high quality of life.

Taking the above into account, as well as the constraints on the land available for development, and the low demand from businesses to relocate to Waverley, the Economic Strategy aims to continue the Council's successful approach of supporting modest levels of employment growth at the appropriate locations and without compromising what makes Waverley special (e.g. its attractive settlements and town centres that feature a high concentration of retail, leisure and service activities).

Scenario 3 forecasts modest levels of B1a/b employment growth, with much of the Borough's employment growth projected to come from non-B use class sectors. In total, the Borough is projected to need approximately 2 hectares of additional B1a/b land over the period to 2033, and no additional industrial or warehousing land.

By comparing projected levels of demand against the available supply of employment land (including existing commercial development pipeline, vacant land, and sites with potential for intensification of use), the supply/demand balance assessment suggests the Council should safeguard its existing B1a/b sites and provide additional B1a/b floorspace to meet the projected levels of additional need by 2033. This could be achieved by making best use of the identified available supply of land, intensifying the use of existing sites where possible, and re-using any surplus B1c/B2 and B8 sites that meet the qualitative characteristics of B1a/b demand.

While the analysis suggests there is no additional need for industrial and storage and distribution floorspace, it will be important to safeguard good quality, fit for purpose B1c/B2 and B8 sites to maintain a diverse business base and to be able to respond to any unforeseen future opportunities. The stakeholder consultation and market analysis suggest that Waverley's industrial market is currently constrained by a lack of flexible industrial premises that can accommodate SMEs.

It is therefore important that Waverley provides a continuing supply of land suitable for B2 and B8 uses, as well as premises meeting the needs of businesses of all sizes in order to maintain a healthy mix of business. Ensuring a supply of good quality, well located employment sites is maintained will help to support investment by existing business and managed growth in the local business base in accordance with the Waverley Economic Strategy.

# 1. Introduction

## About this report

1.1. This report updates the 2014 Waverley Employment Land Review (ELR) using the latest available employment forecasts from Experian and fresh analysis of the Borough's supply of employment land. It also considers a land-need scenario aligned to the Waverley Economic Strategy 2015-2020 and presents an updated supply-demand balance assessment. The structure of the report is as follows:

- Chapter 2 presents an analysis of Waverley's current employment land supply;
- Chapter 3 presents an analysis of Waverley's commercial property market;
- Chapter 4 presents the findings of the stakeholder consultation undertaken as part of this study;
- Chapter 5 examines the likely future demand for employment land in Waverley;
- Chapter 6 sets out the supply demand balance for employment land in Waverley; and
- Chapter 7 presents the report's conclusions and policy implications.

1.2. Because of rounding, there may be instances that numbers may not appear to completely add up. Numbers have been rounded for presentation and legibility reasons, but also because numbers with many decimals imply a level of accuracy that cannot be achieved when considering long-term forecasts.

## Methodology

1.3. The study includes a comprehensive assessment of the supply and demand for employment land that complies with Planning Practice Guidance (PPG) and the National Planning Policy Framework (NPPF).

### The primary objective of assessing need

1.4. The primary objective of assessing economic development need is to identify the future quantity of land or floorspace required for economic development uses. This includes the quantitative and qualitative need for new development and the identification of any gaps in the current land supply.

### Defining need

1.5. Guidance states that economic development need assessments should address the total quantity of economic floorspace required, and consider the qualitative requirements for each market segment. Additionally the guidance recommends that any assessment of need should be realistic in taking account of the particular nature of that area (for example geographic constraints and the nature of the market area).

### Demand analysis

1.6. An examination of the future employment needs in Waverley was undertaken, drawing upon the Estates Gazette commercial property database (EGi) to identify 'market signals', such as vacancy rates, stock and rental levels by location and property type. A stakeholder consultation exercise was undertaken to gain an understanding of the needs and aspirations of businesses in the study area.

1.7. In accordance with guidance and best practice, the assessment of future employment land needs in Waverley considered a range of scenarios including:

- Experian employment projections scenario;
- Trend-based scenario; and
- Waverley Economic Strategy aligned scenario.

### Property market analysis and stakeholder consultation

1.8. A property market analysis was undertaken for the Borough and the wider context in neighbouring boroughs was also considered. In addition, consultation took place with key stakeholders to obtain local views on employment land need.

### Supply analysis

1.9. A robust assessment was undertaken for all of the existing employment sites in Waverley Borough, considering a mixture of qualitative and quantitative data. Site issues and scope for change were analysed to assess their suitability for employment uses and ability to meet future business accommodation requirements to 2033.

1.10. Potential sources of employment floorspace supply provide were identified that could be brought forward in the short to long term.

### Supply – demand balance

1.11. The estimated demand and supply of employment floorspace in the Borough was considered by taking account of the supply and comparing this against the demand outputs of the three scenarios.

### Recommendations

1.12. The study concludes with policy recommendations for achieving a demand – supply balance and meeting employment demands for the period to 2033.

# 2. Employment land supply

## Introduction

2.1. This chapter provides an overview of the total stock of existing B-class employment land and provides the headline results of the comprehensive review of employment areas and premises within the Borough. The results of this analysis provide the basis upon which to consider how future employment land requirements (detailed in Chapter 5) can be met.

## Total stock

2.2. Valuation Office Agency (VOA) data provide the most recently available details of business units in Waverley that are subject to business rates. The VOA assesses the 1.8 million non-domestic properties in England and Wales that are liable for business rates and collects information on these properties, including the type of property, location, floorspace and rateable value. Commercial data sourced from Estates Gazette (EGi) provides details of currently marketed B-class floorspace within the Borough. The two sources of data together allow for the identification of the total stock of B-class employment land within the Borough.

2.3. B-class floorspace located within designated employment development sites and undesignated employment sites has been considered. The employment development sites are protected for employment generating uses in the Council's Local Plan (as shown in **Table 2-3**). Undesignated employment development sites relate to employment floorspace that is located outside of the designated employment development sites.

2.4. According to VOA data (**Table 2-1**) Waverley has approximately 614,500 sqm of B-class use employment floorspace[1]. The majority of this floorspace consists of warehousing & distribution (B8) with a 38% share of total B-class employment floorspace. The next largest share of B-class employment floorspace accommodates light and general industrial (B1c / B2) development with a 33% share of total B-class employment floorspace. Office development constitutes the smallest share of B-class employment floorspace with a combined share of 28%.

**Table 2-1 Total stock of Waverley B-class employment floorspace**

| B1a/b (sqm) | B1c (sqm) | B2 (sqm) | B8 (sqm) | Total (sqm) |
|---|---|---|---|---|
| 173,400 | 118,000 | 88,500 | 234,600 | 614,500 |
| 28% | 19% | 14% | 38% | 100% |

Source: Atkins based on VOA and EGi data, 2015[2]

2.5. **Table 2-2** provides an indication of the average size of different B-class premises within Waverley. Average general industrial premises (B2) are the largest at 1,171 sqm. The overall average size for all premises is 311 sqm.

**Table 2-2 Average size of premises (sqm)**

[1] These figures are different to the 2014 report as the formula used for the original calculations underestimated the amount of floorspace.
[2] Existing B class floorspace estimates from the current planning application for Site 136 – Dunsfold Park

| | B1a/b | B1c | B2 | B8 (sqm) | Total (sqm) |
|---|---|---|---|---|---|
| **Average (sqm)** | **152** | **282** | **1,171** | **622** | **311** |

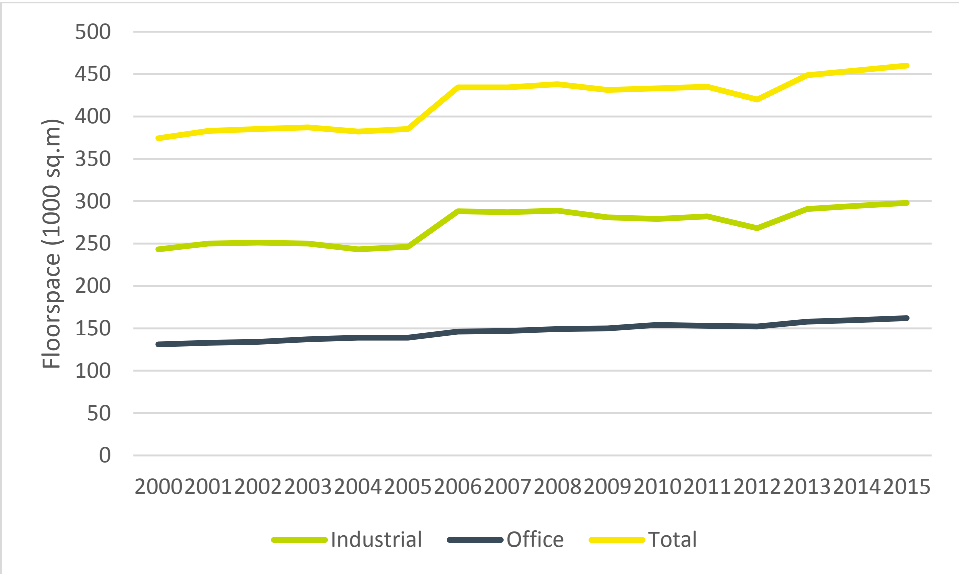
Source: Atkins based on VOA data, 2015

2.6. **Figure 2-1** presents estimates of total B-class use floorspace in Waverley for the period 2000 to 2012 using the latest available Valuation Office Agency (VOA) data. Office floorspace has steadily risen, whilst industrial floorspace has risen but experience decline in 2004-2005 and 2012. It should be noted that the variation in total floorspace between **Figure 2-1** and **Table 2-1** is a result of differences in how the VOA experimental data in **Figure 2-1** has been analysed compared to the data in **Table 2-1**.

2.7. The key differences are as follows:

- the classification of properties (VOA does not classify by use class);
- timing and content of data extracts (**Figure 2-1** relates to VOA data as at 1st April each year);
- geography (VOA use post code level data); and
- rounding (the experimental data is rounded to the nearest 1,000 sqm).

**Figure 2-1 Waverley B-class floorspace (square metres), 2000 to 2015**




Source: VOA – Commercial and Industrial Floorspace and Rateable Value Statistics (2000– 2012) Experimental Data.

Note: Floorspace for 2013-2015 is estimated based on the extrapolation of 2000-2012 data.

## Survey of employment sites

2.8. Waverley Borough Council identified and appraised a total of 146 employment areas as part of this update. The site appraisals provide a comprehensive audit of the employment areas and assesses their prospects for continued employment use. While these 146 employment sites make up the majority of Waverley's employment land supply, they do not include every single employment site (especially smaller sites). This explains why total floorspace in Table 2-3 is lower than the total from Table 2-1.

2.9. The sites are ranked as follows and reflects the guidance set out in paragraph 22 of the NPPF:[3]

[3] 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. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or

- Good – good prospects for continued employment use
- Poor – poor prospects for continued employment use.[4]
- Zero – sites already in alternative use (e.g. residential use). Sites have zero prospect for continued employment use.

2.10. The site appraisals have identified vacant / opportunity land that could contribute to the future employment land supply up to 2033 (see **Table 2-7** and **Table 2-8**).

2.11. **Table 2-3** identifies the distribution of B class employment floorspace across the 146 sites[5], which equates to around 419,000 sqm of occupied floorspace. There is an additional 29,800 sqm of vacant floorspace. The largest concentration of occupied plus vacant floorspace is located at site 41 – Farnham Trading Estate (68,362 sqm), sites 136 + 137 – Dunsfold Aerodrome (52,421 sqm) and site 61 - Coxbridge Business Park (28,165 sqm).

**Table 2-3 Total occupied B-class floorspace in surveyed employment sites[6]**

| Site No. | Site name | Settlement | Land area (ha) | Total occupied B-class floorspace in surveyed employment sites (sqm)[7] |
|---|---|---|---|---|
| 1 | Bramley Business Centre | Bramley | 0.5 | 981 |
| 2 | Exchange House | Haslemere | 0.1 | 282 |
| 3 | Drummonds (part of Central Hindhead) | Haslemere | - | - |
| 5 | Weyside Park | Godalming | 2.1 | 8,455 |
| 6 | Westbrook Mills | Godalming | 2.2 | 5,736 |
| 7 | Guardian House | Godalming | 0.3 | 702 |
| 8 | Surrey Place / Courtyard House | Godalming | 0.2 | 221 |
| 9 | Mill Pool House / The Old Mill / River Court | Godalming | 0.7 | 2,134 |
| 10A | Craven House | Godalming | 0.2 | 1,083 |
| 10B | Friary House (Mountain House on proposals map) | Godalming | 0.2 | 1,911 |
| 11 | Smithbrook Kilns | Bramley | 2.4 | 2,013 |
| 12+26 | Woolmead House and Woolmead House East | Farnham | 0.1 | 1,719 |
| 13 | St Georges Yard | Farnham | 0.2 | 1,024 |
| 14 | 5 Castle Street | Farnham | - | - |
| 15 | St. Stephen's House | Farnham | 0.1 | 1,385 |
| 16 | Clarendon House | Farnham | 0.1 | 728 |
| 17 | St James House | Farnham | 0.1 | 297 |
| 18 | Clock House / East Gate | Farnham | 0.2 | 785 |
| 20 | 5 Mead Lane | Farnham | 0.1 | 490 |

buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.

[4] It should be noted that in cases where sites have planning applications or prior approvals for non B-class development then this is captured in the commercial monitoring pipeline date (as identified in Table 6-1).

[5] Including the new site 156 – The Barbican

[6] A size threshold of 0.2 ha was used to select sites for assessment although some town centre office sites deemed as an important element of employment land supply were also included.

[7] VOA data, 2015

| Site No. | Site name | Settlement | Land area (ha) | Total occupied B-class floorspace in surveyed employment sites (sqm)[7] |
|---|---|---|---|---|
| 21 | Maritime House / Sequel House | Farnham | 0.1 | 465 |
| 22 | Gostry House | Farnham | 0.2 | 1,448 |
| 23 | Wey Court | Farnham | 0.2 | 2,075 |
| 24 | Craven House | Farnham | 0.1 | 496 |
| 25 | Cheyenne House | Farnham | 0.3 | 2,679 |
| 27 | Romans Business Park | Farnham | 0.9 | 3,471 |
| 28 | Romans Industrial Park | Farnham | 0.5 | 1,300 |
| 29 | Farnham Business Centre | Farnham | 29.0 | 1,978 |
| 30 | Riverside Park Industrial Estate | Farnham | 0.6 | 7,884 |
| 31 | Riverside Business Park | Farnham | 0.3 | 899 |
| 32 | Millennium Centre | Farnham | 0.9 | 4,835 |
| 33 | Headway House | Farnham | 0.7 | 1,894 |
| 34 | Astra Works | Cranleigh | 0.5 | 1,810 |
| 35 | Cranleigh Works / Old Factory Work | Cranleigh | 0.3 | 707 |
| 36 | Jewson Ltd | Cranleigh | 0.8 | 2,997 |
| 37 | The Old Windmill | Cranleigh | 0.1 | 440 |
| 38 | Abbey Business Park | Farnham | 1.4 | 1,520 |
| 39 | Farnham Business Park | Farnham | 1.9 | 10,791 |
| 40 | Hurlands Business Centre | Farnham | 0.5 | 3,070 |
| 41 | Farnham Trading Estate | Farnham | 9.7 | 65,977 |
| 42 | Monkton Park | Farnham | 1.0 | 7,646 |
| 43A | North of Bourne Mill Business Park (Patrick Stonemasons Site) | Farnham | 0.7 | 110 |
| 43B | Bourne Mill Business Park (South) | Farnham | 0.6 | 5,629 |
| 44 | Grove Bell Industrial Estate | Farnham | 1.0 | 3,628 |
| 45 | Bernay House (formerly Haslemere House) | Haslemere | 0.2 | 572 |
| 46 | Hewitts Industrial Estate | Cranleigh | 3.0 | 18,425 |
| 47 | SWICO (formerly Chapman Hse) | Haslemere | 0.2 | 1,591 |
| 48 | Unicorn Trading Estate | Haslemere | 0.7 | 3,460 |
| 49 | 19-21 Weyhill | Haslemere | - | 1,121 |
| 50 | Kings Road Industrial Estate | Haslemere | 1.4 | 10,571 |
| 51 | Century Farm | Farnham | 0.6 | 583 |
| 52 | Preymead Industrial Estate (Farm) | Farnham | 0.5 | 5,033 |
| 53 | Birtley Courtyard | Bramley | 0.3 | 918 |
| 54 | The Old Stick factory / Fisher Lane Factory | Chiddingfold | 0.9 | 1,410 |

| Site No. | Site name | Settlement | Land area (ha) | Total occupied B-class floorspace in surveyed employment sites (sqm)[7] |
|---|---|---|---|---|
| 55 | Little Mead Industrial Estate | Cranleigh | 2.1 | 10,444 |
| 56 | Weydown Industrial Estate | Haslemere | 1.8 | 6,829 |
| 57 | Cranleigh Freight Services (Whitesales Rooflights in ELR) | Alfold | 0.6 | 4,173 |
| 58 | Weyburn Works | Elstead | 3.5 | 535 |
| 59 | Elm House | Elstead | 0.2 | 713 |
| 60 | Tanshire House / Oak House | Elstead | 1.3 | 1,874 |
| 61 | Coxbridge Business Park | Farnham | 8.7 | 27,891 |
| 62 | Manfield Park | Cranleigh | 1.9 | 9,840 |
| 63 | Moor Park House | Farnham | - | 322 |
| 64 | Hones Yard Business Park | Farnham | 0.4 | 4,075 |
| 65 | Surrey Sawmills | Farnham | 0.9 | 1,517 |
| 66 | Wrecclesham Works aka Stephenson's Engineering Site | Farnham | 0.3 | 3,218 |
| 67 | Godalming Business Park | Godalming | 0.8 | 3,556 |
| 68 | Dolphin Works / Drumbeat House (part of Godalming Key Site) | Godalming | - | - |
| 69 | Ashcombe Court | Godalming | 0.8 | 1,597 |
| 70 | 18/20 Brighton Road | Godalming | 0.1 | 434 |
| 71 | Highfield | Godalming | 0.2 | 776 |
| 72 | English Chain Company Ltd | Godalming | 0.2 | 984 |
| 74 | Hambledon House | Godalming | 0.1 | 1,054 |
| 75 | Berkley House | Godalming | - | - |
| 76 | Network House | Godalming | 0.5 | 771 |
| 77 | Waverley Borough Council | Godalming | 0.9 | 4,905 |
| 78 +132 | Bridge House & Southern House | Godalming | 0.2 | 1,382 |
| 79 | 1 & 2 The Mews, | Godalming | 0.0 | 326 |
| 80 | Lammas Gate | Godalming | 0.1 | 239 |
| 81 | Sweetapple House | Godalming | 0.0 | 830 |
| 82 | 21 Farncombe Street | Godalming | 0.1 | 1,071 |
| 83 | Builders Yard, Cleveland Place | Godalming | 0.4 | 405 |
| 84 | 22 Hare Lane (now Tanners Mews) | Godalming | - | - |
| 85 | Coleman Roofing Supplies Ltd | Witley | 0.2 | 500 |
| 87 | Miltons Yard | Witley | 0.3 | 961 |

| Site No. | Site name | Settlement | Land area (ha) | Total occupied B-class floorspace in surveyed employment sites (sqm)[7] |
|---|---|---|---|---|
| 88 | Coopers Place | Chiddingfold | 1.7 | 8,768 |
| 89 | Capital Park | Chiddingfold | 0.3 | 1,577 |
| 90 | The Works | Witley | 0.2 | 546 |
| 91 | Depot Witley Station | Witley | 0.6 | 2,685 |
| 92 | Corium House & Innovation House | Godalming | 0.9 | 2,552 |
| 93 | Langham Park | Godalming | 1.8 | 2,296 |
| 94 | Anvil Park / Wurth House | Godalming | - | - |
| 95 | Cranleigh Brickworks | Cranleigh | 20.0 | 830 |
| 96 | Hogs Back Sandpit | Farnham | 27.9 | - |
| 97 | Woodside Park Industrial Estate | Godalming | 2.1 | 6,687 |
| 98 | Coombers Ltd (Sawmills) aka Mills Site | Haslemere | 0.9 | 826 |
| 99 | Chiddingfold Storage Depot | Dunsfold | 2.8 | 6,195 |
| 100 | KATZ Auto (formally Chuter Hills Coachworks) | Haslemere | 0.2 | 406 |
| 101 | Longdene House | Haslemere | 1.5 | 948 |
| 102 | Mullard Space Science Laboratory | Ewhurst | 13.7 | - |
| 103A | Old Ewhurst Brickworks | Ewhurst | 4.6 | 5,901 |
| 103B | Old Ewhurst Brickworks | Ewhurst | 1.5 | - |
| 104 | The Hallams | Wonnersh | - | - |
| 105 | Ockford Mill | Godalming | 0.1 | 1,266 |
| 106 | Rushmoor Garage | Frensham | 0.3 | 669 |
| 107 | The Dairy | Farnham | 0.3 | 1,476 |
| 108 | The Factory | Farnham | 0.5 | 2,289 |
| 109 | 6a Wrecclesham Road | Farnham | - | - |
| 110 | Guildford Road Trading Estate | Farnham | 1.4 | 5,715 |
| 111 | Swallow Tiles Ltd | Cranleigh | - | - |
| 112 | Jewsons | Godalming | 0.8 | - |
| 113 | BP Hydraulics Ltd | Godalming | 0.1 | - |
| 114 | Stonebridge House | Godalming | 0.4 | 470 |
| 115 | Beaver Depot | Bramley | 0.4 | 560 |
| 116 | Factory, Wrecclesham Rd/River Lane | Farnham | 0.2 | - |
| 117 | Garage | Farnham | 0.2 | 249 |
| 118 | WBC Depot (& others) | Farnham | 1.0 | 448 |
| 120 | Bridge House | Farnham | 0.1 | 1,052 |
| 121 | Victoria House | Farnham | 0.1 | 434 |
| 122 | Borelli Yard | Farnham | 0.0 | 518 |
| 123 | Farnham Castle Newspaper Ltd | Farnham | 0.0 | 1,766 |

| Site No. | Site name | Settlement | Land area (ha) | Total occupied B-class floorspace in surveyed employment sites (sqm)[7] |
|---|---|---|---|---|
| 124 | The Court Yard, 17 West Street | Farnham | 0.2 | 542 |
| 125 | Miscellaneous at Churt Place Nursery (aka Brokenbog) | Frensham | 2.4 | 8,415 |
| 126 | Weydon Works | Farnham | 1.0 | - |
| 127 | The Old Sand Pit | Farnham | 0.9 | 2,035 |
| 128 | The Reeds | Frensham | - | - |
| 129 | Lamport Court | Farnham | 0.3 | 501 |
| 130 | Shortfield Garage | Frensham | - | - |
| 131 | Lakeview Business Centre | Farnham | 0.2 | 906 |
| 133 | Blacknest Farm | Dunsfold | - | - |
| 134 | SCC Highways Depot | Witley | 0.9 | 2,588 |
| 135 | The Common House Garage | Dunsfold | 0.7 | 770 |
| 136 + 137 | Dunsfold Aerodrome[8] | Dunsfold | - | 39,453 |
| 138 | Gastonia Coaches, Gaston Garage | Cranleigh | 0.6 | 957 |
| 139 | Grantley House | Cranleigh | 0.1 | - |
| 140 | Telephone Exchange | Farnham | 0.2 | - |
| 141 | The Old Court House | Farnham | 0.1 | 337 |
| 142 | Catteshall Manor | Godalming | 8.9 | 79 |
| 143 | The Works, Hookstile Lane | Farnham | 0.2 | 567 |
| 144 | Colemans Yard off School Hill / Wrecclesham Road | Farnham | 0.4 | - |
| 145 | Coalyard Site off The Street | Farnham | 0.3 | 938 |
| 146 | Smithbrook Barns | Bramley | 0.9 | 634 |
| 147 | Hickleys Court | Farnham | 0.2 | 249 |
| 148 | Longly Timber Products Ltd aka Harvest Wood Products Ltd | Tilford | 2.2 | 171 |
| 149 | Greenhills Business Park aka Greenhills Rural Enterprise Centre | Tilford | 2.0 | 3,298 |
| 150 | Units 1-6 Alfold Business Centre | Alfold | 0.3 | 371 |
| 156 | The Barbican | Farnham | 0.1 | - |
| **Total** | | | **206** | **418,536** |

Source: Atkins based on VOA (September 2015) and EGI (March 2014)

[8] Floorspace for Dunsfold Aerodrome provided by the Council. Total B class floorspace is some 39,453 sqm, with an additional 2,078 sqm of ancillary floorspace.

## Sources of employment floorspace supply

2.12. The Borough has a number of potential sources that could bring forward new employment floorspace. These are discussed below.

### Vacant floorspace

2.13. Vacant floorspace refers to vacant premises which are marketed (vacant land is considered below). The EGi availability data has been analysed to give an indication of the current availability of B-class floorspace. **Table 2-4** identifies the amount of vacant floorspace in the Borough including all vacant floorspace that is in the EGi database. It should be noted that there may be other floorspace currently available that is not currently being marketed.

2.14. **Table 2-4** presents EGi data and VOA data. According to the EGI data, Waverley has approximately 29,800 sqm of B-class floorspace that is being actively marketed; the majority is B1c/B2 use class (approximately 13,100 sqm), followed by B1a/b (approximately 10,500 sqm). Vacancy rates have been identified by calculating vacant floorspace as a percentage of total B-class floorspace as outlined in **Table 2-1**.

2.15. There is currently a vacancy rate of approximately 5% of all B-class floorspace in the Borough, which is considered to be an acceptable level of vacancy which allows for churn in the market (based on Consultants' experience).

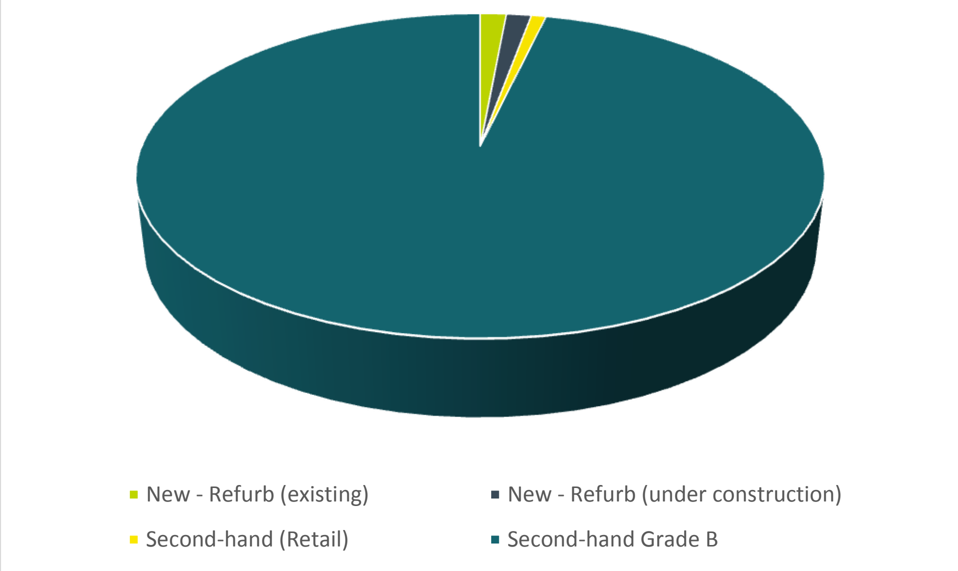
**Table 2-4 Vacant floorspace and vacancy rate by use class**

| B1a/b | | B1c | | B2 | | B8 | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| sqm | % | sqm | % | sqm | % | sqm | % | Sqm | % |
| 10,500 | 2% | 6,800 | 1% | 6,300 | 1% | 6,200 | 1% | 29,800 | 5% |

Source: Atkins based on EGi and VOA data, 2015. Figures in the table are rounded

2.16. **Figure 2-2** illustrates the quality of vacant premises within employment sites identified by Waverley Borough Council. Second hand - Grade B floorspace makes up 96% of vacant premises. New and refurbished premises are more attractive to new investors and are therefore potentially more likely to be occupied more quickly than second-hand buildings.

**Figure 2-2 Quality of vacant B-class floorspace in employment development sites**




Source: Atkins based on EGi data, 2015

2.17. **Table 2-5** provides an analysis of vacant floorspace by employment area. The main concentration of vacant floorspace (B1a) is located in site 5 – Weyside Park (1,641 sqm) and site 46 – Hewitts Industrial Estate (1,534 sqm).

2.18. It should be noted that the figures shown in **Table 2-5** are based on a post code analysis of EGI 'availability data'. Where reference was made to more than one B-class activity for a given EGI data point the consultants have assumed an even split of the total floorspace area (sqm).

**Table 2-5 Vacant floorspace by employment development site (sqm)**

| No. | Site name | Settlement | Office B1a (sqm) | Light / General industrial B1c/B2 (sqm) | Warehouse / Storage & distribution (B8) (sqm) | Total (sqm) |
|---|---|---|---|---|---|---|
| 5 | Weyside Park | Godalming | 1,641 | - | - | 1,641 |
| 8 | Surrey Place / Courtyard House | Godalming | 20 | - | - | 20 |
| 9 | Mill Pool House/The Old Mill/River Court | Godalming | 97 | - | - | 97 |
| 13 | St Georges Yard | Farnham | 229 | - | - | 229 |
| 15 | St. Stephen's House | Farnham | 198 | - | - | 198 |
| 29 | Farnham Business Centre | Farnham | - | 136 | 68 | 205 |
| 30 | Riverside Park Industrial Estate | Farnham | - | 611 | 160 | 771 |
| 34 | Astra Works | Cranleigh | 288 | - | - | 288 |
| 40 | Hurlands Business Centre | Farnham | - | 156 | - | 156 |
| 41 | Farnham Trading Estate | Farnham | - | 1,590 | 795 | 2,385 |
| 45 | Bernay House (formerly | Haslemere | 84 | - | - | 84 |

| No. | Site name | Settlement | Office B1a (sqm) | Light / General industrial B1c/B2 (sqm) | Warehouse / Storage & distribution (B8) (sqm) | Total (sqm) |
|---|---|---|---|---|---|---|
| | Haslemere House) | | | | | |
| 46 | Hewitts Industrial Estate | Cranleigh | - | 1,022 | 511 | 1,534 |
| 61 | Coxbridge Business Park | Farnham | 274 | - | - | 274 |
| 62 | Manfield Park | Cranleigh | - | 320 | 160 | 480 |
| 87 | Miltons Yard | Witley | - | 223 | - | 223 |
| 88 | Coopers Place | Wormley | - | 646 | 323 | 968 |
| 93 | Langham Park | Cranleigh | 145 | - | - | 145 |
| 101 | Longdene House | Haslemere | 99 | - | - | 99 |
| 108 | The Factory | Farnham | 159 | - | - | 159 |
| 121 | Victoria House | Farnham | 73 | - | - | 73 |
| 146 | Smithbrook Barns | Cranleigh | 143 | - | - | 143 |
| 149 | Greenhills Business Park aka Greenhills Rural Enterprise Centre | Tilford | 107 | - | - | 107 |
| 156 | The Barbican | Farncombe | 523 | - | - | 523 |
| **Grand Total** | | | **4,079** | **4,704** | **2,017** | **10,800** |

Source: Atkins based on EGi data, 2015

## Commercial development pipeline

2.19. Waverley has valid but as yet unimplemented B-class planning permissions which would result in a total net loss of 288 sqm of B-class floorspace. A net loss was identified for office (B1) and industrial (B2), while a net gain has been identified for warehousing (B8) and office (B1a), as shown in **Table 2-6** below.[9]

**Table 2-6 Summary of B-class floorspace unimplemented permissions**

| | B1a/b | B1c/B2 | B8 | Total |
|---|---|---|---|---|
| Gains | 1,191 | 241 | 5,659 | 7,091 |
| Losses | - 6,927 | - 453 | - | - 7,379 |
| **Total** | **- 5,736** | **- 212** | **5,659** | **- 288** |

Source: Waverley monitoring data (April 2015)

## Evaluation of surveyed employment development sites

2.20. The site assessment was undertaken by Waverley Borough Council in the summer of 2015, in accordance with the key criteria set out in the NPPG.

2.21. The site assessments considered the following factors and characteristics and the results are summarised in Appendix A-2:

- Location & existing planning designations
- Property Appraisal - size, type, age and condition of premises
- Access and parking

[9] Commencements are not included within the future pipeline, as it is assumed that these sites will be eventually built out. As such the sites do provide opportunity for new development to meet the supply-demand balance.

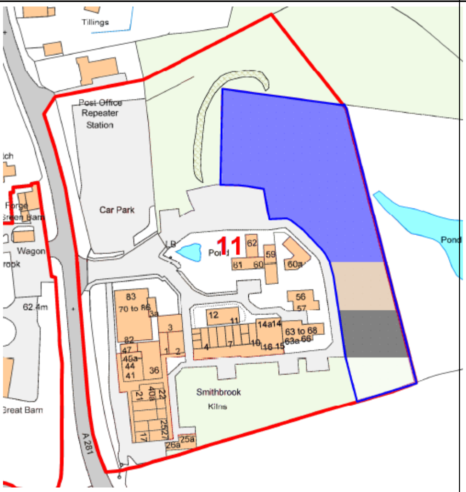
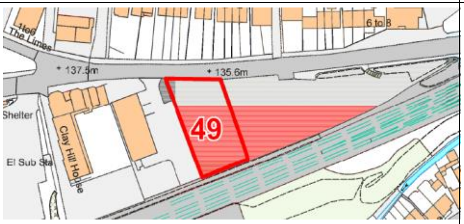
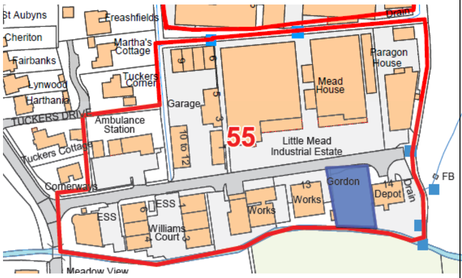
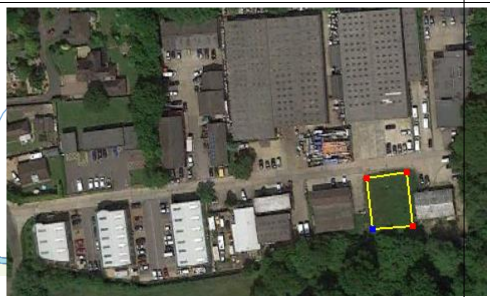
- Vacancy and prospects for continued employment use.

2.22. The desk-top analysis and the site appraisals have identified vacant land with potential for development and also land with opportunity for intensification as follows:

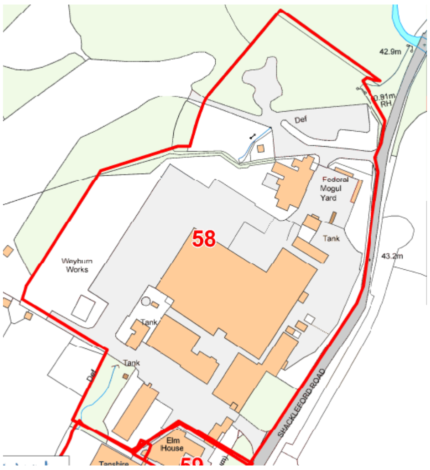
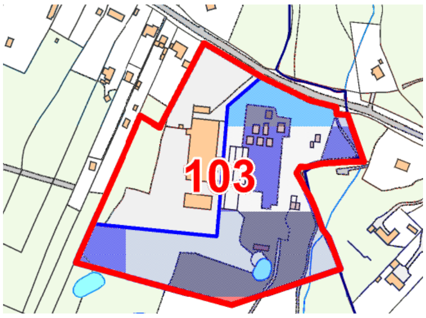
### Vacant land (short – medium term)

2.23. Within the existing employment areas there are some key vacant sites which can be developed for employment uses. It is important to identify these opportunities as these areas are a potential supply of employment land. Some 5.83 ha of vacant land in the existing employment areas was identified using satellite photography / site surveys, are set out in **Table 2-7**.

**Table 2-7 Vacant parcels in surveyed employment development sites**

| No. | Settlement | Vacant Parcel | Vacant Parcel Location | Vacant Parcel Area (Ha) |
|---|---|---|---|---|
| 11 - Smithbrook Kilns | Bramley |   |  | 0.68 ha |
| 49 - 19 – 21 Weyhill[10] | Haslemere |   |  | 0.1 ha |
| 55 Little Mead Industrial Estate | Cranleigh |   |  | 0.04 ha |

[10] The site is currently vacant as a result of the demolition of the existing buildings. Planning permission (WA/2010/1568) was granted in 2011 for 39 dwellings and 683m$^2$ B1 floorspace which has now expired. There is a pending planning application (WA/2015/2256) on the site for 55 flats. However, it is considered that although the site is likely to be redeveloped for housing because of the recent planning permission, there is still an opportunity for some employment use on the site as the previous consent included some employment floorspace.

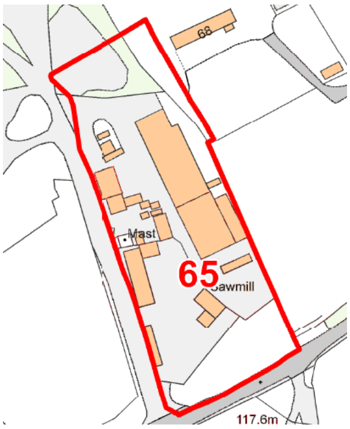
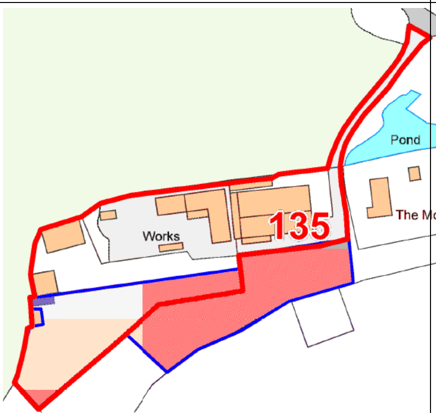
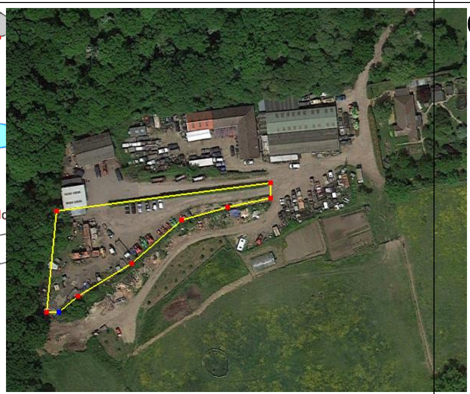
| No. | Settlement | Vacant Parcel | Vacant Parcel Location | Vacant Parcel Area (Ha) |
|---|---|---|---|---|
| 58 - Weyburn Works[11] | Elstead |  |  | 3.5 ha (whole site is derelict) |
| 103 Old Ewhurst Brickworks | Ewhurst |  |  | 1.51 ha |
| Total | | | | 5.83 |

### Land with scope for intensification / redevelopment (medium – long term)

2.24. Approximately 1.06 ha of land has been identified where sites with scope for intensification or regeneration, as set out in **Table 2-8**. The capacity of the site to accommodate new development will need to be assessed to determine the appropriate mix of uses and intensity that could be achieved on the site.

[11] The site has been vacant since January 2008. A recent planning application (WA/2015/0789) sought permission for 69 new dwellings including 21 affordable units and a 60 bed care home and was refused on the grounds of "loss of suitably local industrial land, for which it has not been adequately demonstrated that there is no need for the site to be retained, at least in part, for employment purposes." Further analysis should be undertaken to determine the viability of the site for employment use, and the optimal mix of uses for the site. Pending the findings of such a viability assessment, it is recommended that this brownfield site is protected for employment use, or ancillary uses supporting nearby employment uses (to prevent locating such uses in greenfield land). If the viability assessment shows the site is not viable for employment use it should be released for alternative uses.

**Table 2-8 Land with scope for intensification / redevelopment (medium – long term)**

| No. | Settlement | Land with scope for intensification / redevelopment | Land parcel location | Land parcel area (ha) |
|---|---|---|---|---|
| 65 – Surrey Saw Mills | Farnham |   |  | 0.86 ha (whole site) |
| 135 – The Common House Garage | Dunsfold |   |  | 0.2 ha |
| **Total** | | | | **1.06** |

### Dunsfold Park Opportunity (long term)

2.25. Dunsfold Park is a former Canadian World War Two air base. After the war the site was used by the aerospace industry including by BAE for development of the Harrier jump jet. At its peak the site employed 1,300 people. The majority of the site is made up of greenspace and old runways which mean that, although the site covers a total area of 248 ha around 210 ha is previously developed land. Part of the site is used for B class uses.[12]

2.26. Dunsfold Park has approximately 130 business premises, with 85 permanent occupiers and numerous temporary occupiers, the park employs around 700 people although a proportion of these are lorry drivers so are not permanently based on-site. There is a good mix of occupiers on the site carrying out light industrial manufacturing, storage and office uses. The park acts has a cluster of high end automotive businesses, which are attracted by the secure nature of the site and the large runway spaces that enable testing of vehicles, these businesses include designing, testing and repair. There also a cluster of business related to the TV production including set and costume design and there is also a BBC studio on site.

[12] Refer to Site 136 Dunsfold Park in Appendix A2.

2.27. Dunsfold Airport Ltd (DAL) and Rutland (DAL) Limited are actively promoting the redevelopment of the Dunsfold Aerodrome site for a mix of housing, employment and other uses. An application for planning permission was submitted in December 2015 (WA/2015/2395).

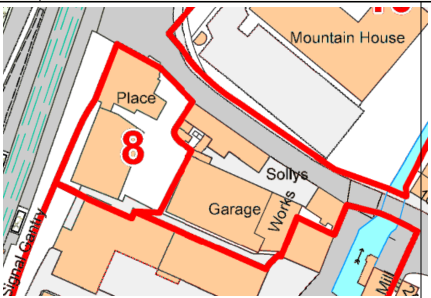
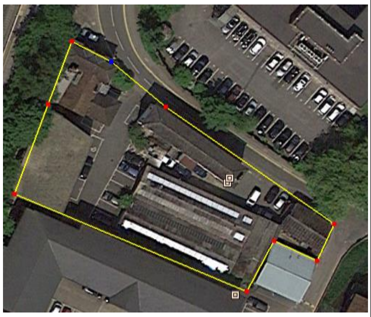
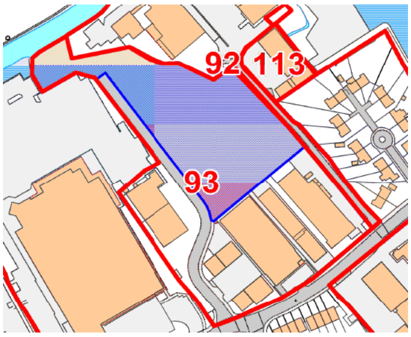
2.28. In addition to the 1,800 homes proposed, the application seeks to increase Class B employment floorspace on site by some 26,067 sqm providing a net increase of 2050 jobs. Whilst the application seeks some flexibility in the use of Class B floorspace the proposal could provide an additional 4,355 sqm Class B1a/b floorspace alongside 9,538 sqm of additional Class B1c/B2 and 12,173 sqm Class B8.

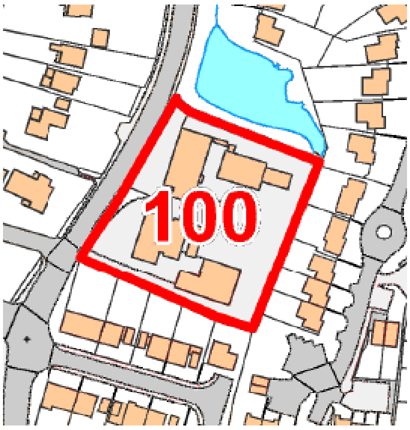
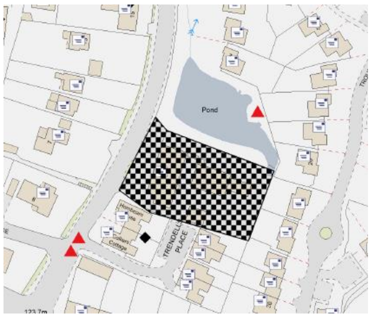
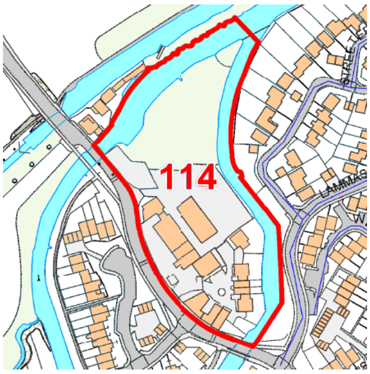
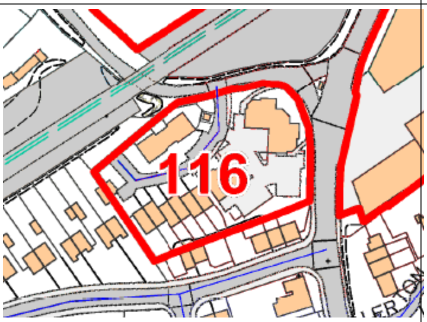
2.29. Planning permission WA/2015/0695 was granted on 8th December 2015 for the erection of 6 buildings to provide for 9,966 sq. of Class B1(b), B1(c), B2 and/or B8 flexible use floorspace with associated parking, servicing, landscaping and works to existing access road following demolition of existing buildings. The Floorspace to be demolished was 960sqm B1(c) resulting in a net increase of 9,006 sq. m.

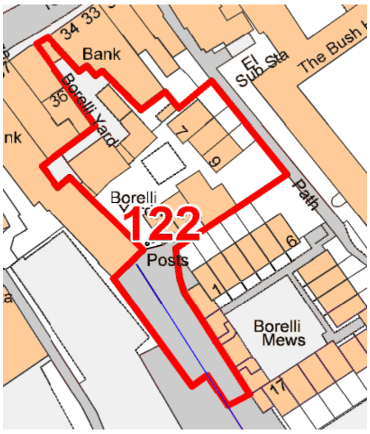
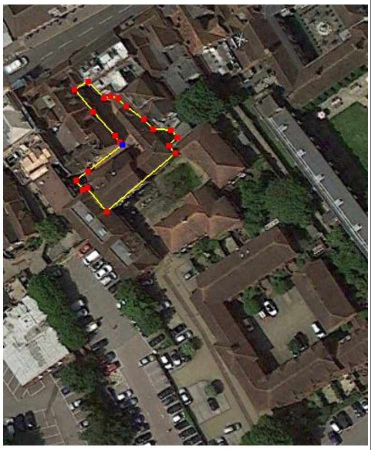
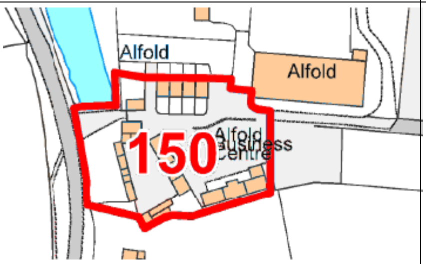
### Employment site boundary amendments

2.30. Amendments to designated employment site boundaries (as verified on site) are set out below in **Table 2-9**.

**Table 2-9 Proposed employment site boundary amendments**

| No | Settlement | Designated employment development site boundary area | Proposed employment site boundary area |
|---|---|---|---|
| 8 - Surrey Place / Courtyard House | Godalming |  |  |
| 93 - Langham Park | Godalming |  |  |

| No | Settlement | Designated employment development site boundary area | Proposed employment site boundary area |
|---|---|---|---|
| 100 - KATZ Auto (formally Chuter Hills Coachworks) | Haslemere |   |   |
| 114 - Stonebridge House | Godalming |   |  |
| 116 - Factory, Wrecclesham Road | Farnham |   |  |

| No | Settlement | Designated employment development site boundary area | Proposed employment site boundary area |
|---|---|---|---|
| 122 - Borelli Yard | Farnham |  |  |
| 150 - Units 1-6 Alfold Business Park | Alfold |  |  |

#### Proposed new employment site

2.31. Proposed new employment site identified in **Table 2-10**.

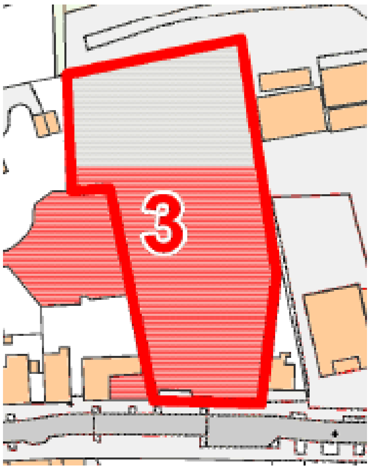
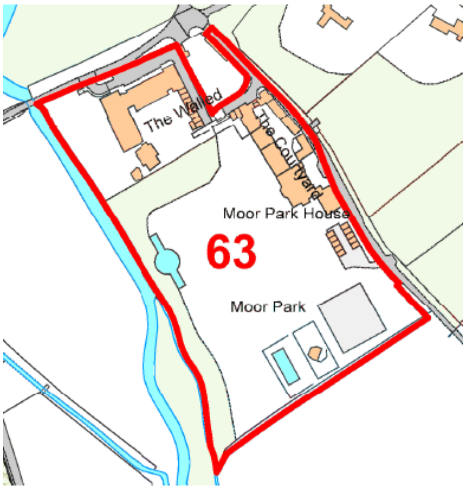
**Table 2-10 Proposed new employment site boundary**

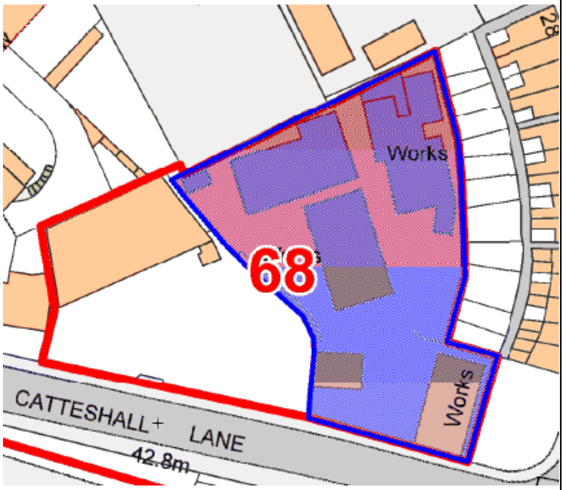
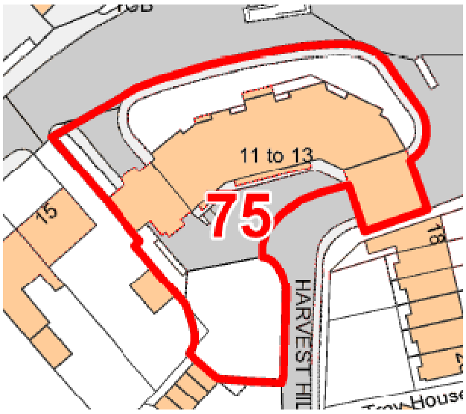
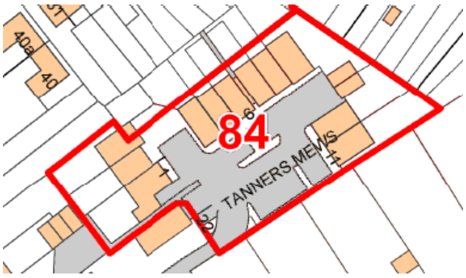
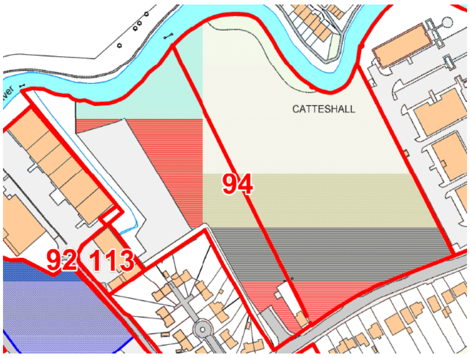
| No | Settlement | Proposed employment site boundary area | Justification |
|---|---|---|---|
| 156 – The Barbican, East Street | Farnham |  | Well located three storey office building recently refurbished and suited to continued employment use. |

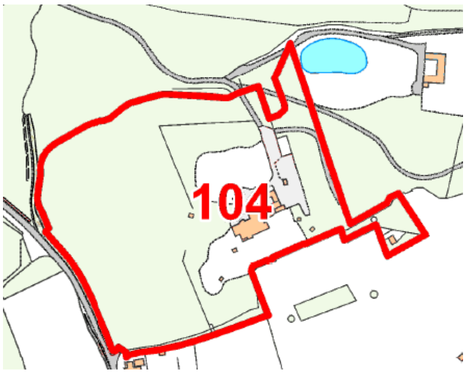
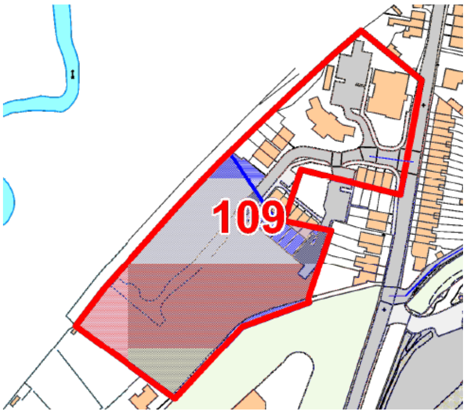
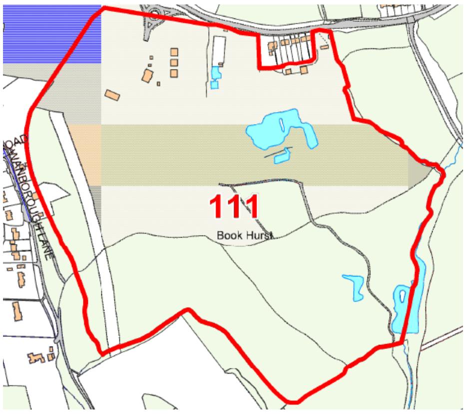
#### Proposed amendments to the protection of sites

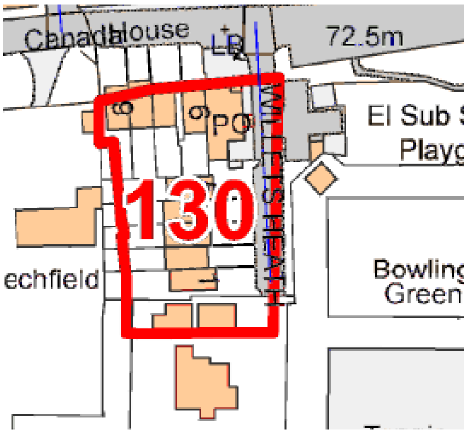
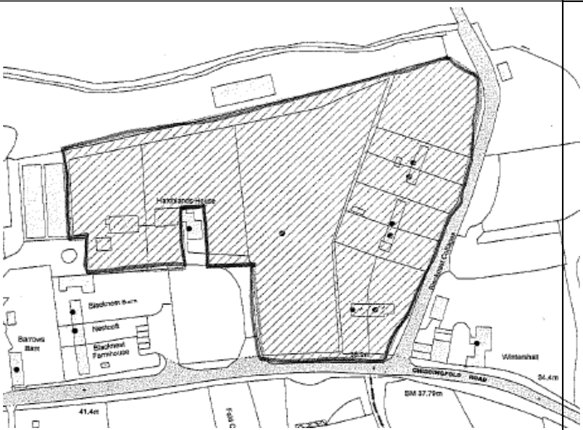
2.32. Proposed amendments to the protection of sites that are no longer in employment use (B class) are presented in **Table 2-11** below.

**Table 2-11  Proposed amendments to the protection of sites**

| No | Settlement | Proposed employment sites to be removed from protection | Justification |
|---|---|---|---|
| 3 – Drummonds | Haslemere |  | Currently in residential use |
| 14 – 5 Castle Street | Farnham |  | In Class A3 Use since 2012 |
| 63 – Moor House Park | Farnham |  | Site redeveloped for residential use |

| No | Settlement | Proposed employment sites to be removed from protection | Justification |
|---|---|---|---|
| 68 – Dolphin Works / Drumbeat House (part of Godalming Key Site) | Godalming |  | Undergoing redevelopment for housing as part of Flambard Way Key Site |
| 75 – Berkley House | Godalming |  | Currently in Class D1 Use (Health Centre/Clinic). WA/2010/0382 |
| 84 – 22 Hare Lane (now Tanners Mews) | Godalming |  | Currently in residential use |
| 94 – Anvil Park / Wurth House | Godalming |  | Recorded on SHLAA 2014 as residential & developed |

| No | Settlement | Proposed employment sites to be removed from protection | Justification |
|---|---|---|---|
| 104 – The Hallams | Wonersh |   | Currently in residential use |
| 109 – 6a Wrecclesham Road | Farnham |   | Currently in residential use |
| 111 – Swallow Tiles Ltd | Cranleigh |   | Currently in residential use |
| 128 – The Reeds | Frensham |   | In use as a garden centre / retail |

| No | Settlement | Proposed employment sites to be removed from protection | Justification |
|---|---|---|---|
| 130 – The Shortfield Garage | Frensham |   | Now redeveloped to provide 9 dwellings, a shop and parish meeting room under Permission WA/2008/0310 |
| 133 – Blacknest Farm | Dunsfold |  | Now residential |

## Key messages

2.33. Waverley has approximately 614,500 sqm of B-class use employment floorspace. The majority of this floorspace consists of warehousing & distribution (B8) with a 38% share of total B-class employment floorspace. The next largest share of B-class employment floorspace accommodates light and general industrial (B1c / B2) development with a 33% share of total B-class employment floorspace. Office development constitutes the smallest share of B-class employment floorspace with a combined share of 28%. The level of vacancy within the Borough is low at around 5%.

2.34. The Borough has a number of potential sources that could bring forward new employment floorspace, as follows:

- Vacant Floorspace (EGI data) - This represents approximately 29,800 sqm of actively marketed B-class employment space. This presents a source of supply, for the market to function efficiently. There will always need to be flexibility and a range of choice in premises to allow for movement of business and to allow business to expand or start up. This current supply provides a vacancy level of around 5% which is considered to be a low level of vacancy level for the Borough. This level of vacancy provides a lack of flexibility for market churn.
- Commercial Development Pipeline – Recent monitoring data supplied by Waverley Borough Council identifies that there is valid but as yet unimplemented B use class planning permissions, which would result in a net loss of approximately 290 sqm of B-class floorspace.
- Vacant land (short – medium term) – This represents approximately 6 ha of potential B-class employment space.
- Land with scope for intensification (medium – long term) – This represents approximately 1 ha of potential B-class employment space.

2.35. Dunsfold Park Opportunity - The site covers some 248 hectares and is 86% brownfield. The owners are actively promoting the site for a mix of housing, employment and other uses. Some net 9,006 sq. m of Class B floorspace, currently part of the present application, has already received planning consent. The site therefore provides opportunities ranging from the short term, to the medium and long term.

# 3. Analysis of local property market

## Introduction

3.1. This section provides an examination of Waverley's market for B-class uses drawing upon the EGi (Estates Gazette) commercial property database to identify 'market signals', such as vacancy rates, stock and rental levels by location and property type. The following provides a summary of our property market research; it provides detail on recent market activity across the Borough according to the main property market indicators, including rents, investment deals and leasing activity and discussions with local commercial agents.

## Property market indicators

3.2. The property market indicators that were analysed for Waverley[13] include rents, investment deals and leasing activity using the EGi market data and discussions with local commercial agents. Comparisons were made against other key competing centres, including Guildford (Surrey), Woking (Surrey) and Alton (East Hampshire).

### Office rents

3.3. Typical monthly rents for office premises, ranged from £65 - £300 per sqm at the time of writing, with an average of £170 per sqm. Higher quality offices such as new build, business park office space and second hand grade A are attracting an average asking rent of £160 - £300 per sqm, according to the EGI market data. Second hand B grade and new refurbished office space typically had an average rent of £65 - £160 per sqm. Local commercial agents identified that good quality office accommodation typically achieved rental values of £160 - £195 per sqm and older office accommodation typically achieved around £110 - £130 per sqm depending on specifications offered.

3.4. There are variable rents between the towns. The largest range of rents are in Cranleigh, which ranges from £85 - £275 and Farnham, which ranges from £65 - £300. Godalming ranges from £130 - £300 and Haslemere ranges from £130 – £190, which is the town with least variance in rental value.

3.5. In comparison, Guildford achieved higher starting rents at £300 - £325 per sqm, while Woking achieved lower rents ranging £200 - £215 per sqm. In East Hampshire, Alton was achieving lower rents between £75 - £160 per sqm. Taking into account local commercial agents price points and current marketed properties the average office floorspace in Waverley was valued at £150 per sqm, positioning the Borough below Guildford and Woking but at a similar level to Alton (in East Hampshire) in the market place. Waverley's office market is relatively weak in comparison to major centres' of Guildford and Woking.

### Industrial rents

3.6. EGI market data identified that typical monthly rents for industrial (B1c/B2 and B8) typically ranged from £70 - £140 with an average of £90 per sqm. Local commercial agents identified that good quality industrial premises typically achieved realistic rental values of £85 - £120 per sqm and lower grade industrial space achieving £65-£85 per sqm.

3.7. There are variable rents between the towns. The largest range of rents are in Farnham, which ranges from £75 - £140. Cranleigh ranges from £85 - £95, Godalming ranges from £70 - £80 and Haslemere ranges from £90 - £95, which is the town with least variance in rental value.

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[13]This includes analysis of key town areas of Cranleigh, Farnham, Haslemere and Godalming.

3.8. Other competing neighbouring centres are achieving a variety of market rents. Alton (East Hampshire) is achieving typically lower at between £55 and £75 per sqm, whilst Guildford has much higher rents of between £85 - £130 per sqm.

3.9. Taking into account local commercial agents price points and the current marketed properties the average industrial floorspace in Waverley was valued at £85 per sqm, which is lower than Guildford but higher than Alton.

3.10. There is perceived to be a lack of new build developments catering for industrial uses, although local commercial agents noted that some premises have been refurbished. The stakeholder consultees identified that the Borough was suffering from ageing industrial stock, with several locations considered to be coming to the end of their usable life e.g. Hewitts Industrial Estate.

## Investment deals

3.11. The volume of transactions across Waverley has been limited in recent years as occupiers retrench in the recessionary conditions. There have been quite a few sale and investment transactions in both office and industrial sectors in Waverley in 2012 – 2014, with ten sales for industrial units and 12 sales recorded for office units. In general industrial (B1/B2/B8)[14] most sales transactions were for units of between 475 sqm and 610 sqm with price varying between £275,000 and £340,000.

3.12. There were a couple of transactions for warehouse / distribution uses over 6,875 sqm. In (B1a) office sales most transactions were between 75 sqm to 325 sqm with transaction values varying between £185,000 and £425,000 million. There were a couple of transactions for office premises over 1,500 sqm according to EGi data.

3.13. Taking into account local commercial agents price points and current marketed properties the average office floorspace in Waverley was valued at £150 per sqm, positioning the Borough below Guildford and Woking but at a similar level to Alton (in East Hampshire) in the market place. Waverley's office market is relatively weak in comparison to major centres' of Guildford and Woking with business parks achieving higher rents as a result of offering better quality and providing consolidated services (e.g. broadband).

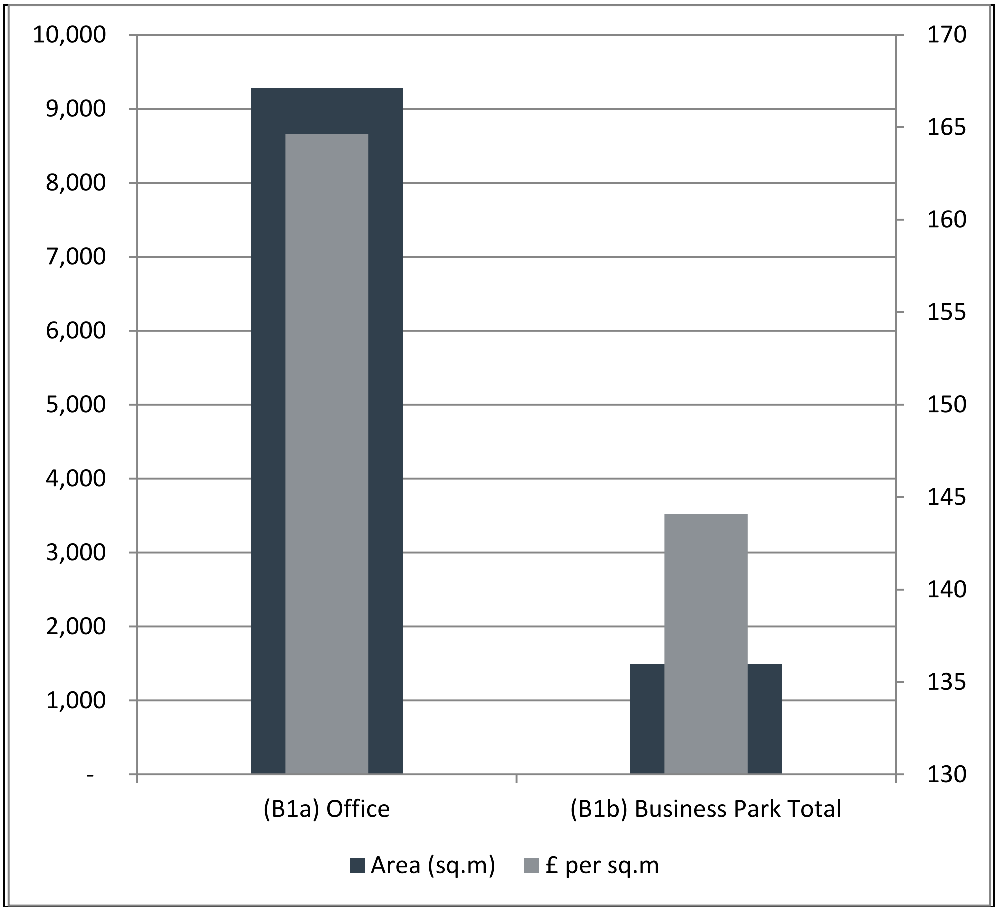
## Leasing activity

3.14. In comparison to investment deals, there has been a consistent stream of leasing activity in Waverley, particularly for industrial space.

3.15. New office leases in the Borough totalled 9,283 sqm between March 2012 and March 2014 (EGI). On average the amount of floorspace leased was 166 sqm with a typical small-medium sized premises between 50 sqm and 500 sqm.

[14] General Industrial as per EGI classification included B1 use classes, which was assumed to be small support office space within the industrial development

**Figure 3-1 Total office floorspace leased by type (March 2012 - March 2014) and average rental**



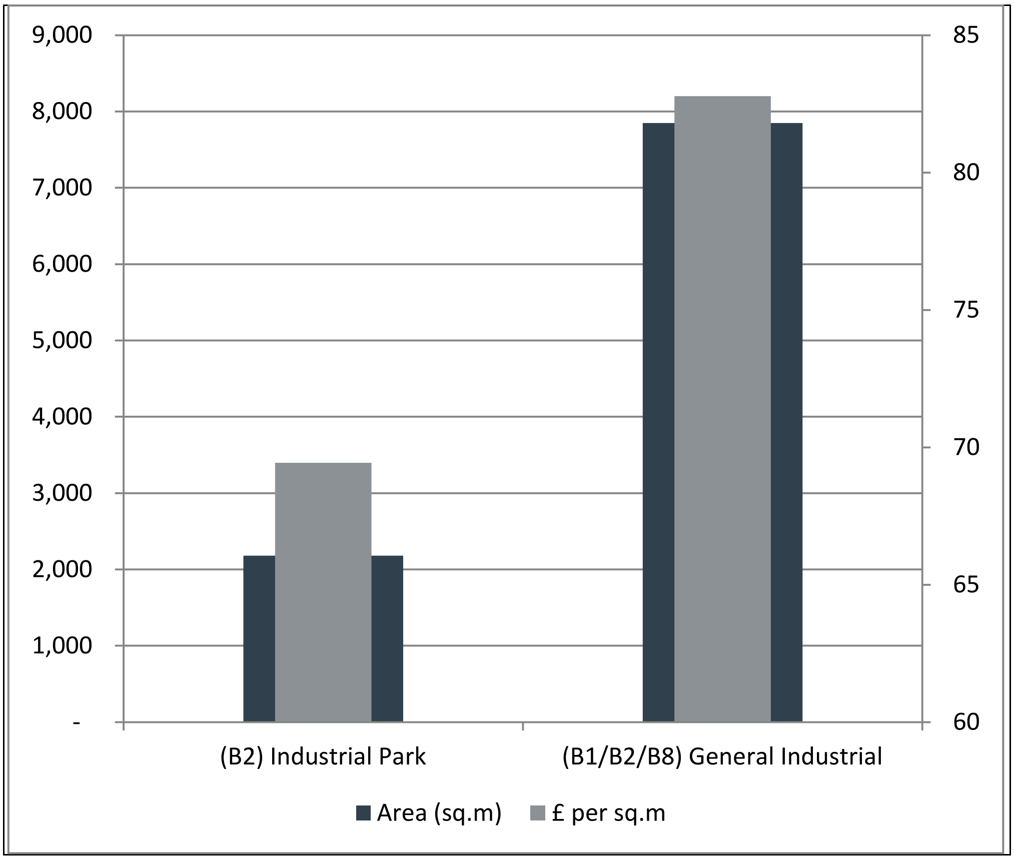

Source: Atkins based on EGI data, 2013/2014

3.16. **Figure 3-1** shows the total office floorspace leased by type and the average annual rental for the period March 2012 to March 2014. Typically 86% of all office space leasing was for office development (B1a), whilst the remaining 14% was in research / business parks (B1b use class). Office space (B1a use class) leased at an average rental of £165 per sqm (depending on size and location) while research / business parks (B1b use class) was leased at a lower average rent of £145 per sqm. The average leased area per transaction for research / business parks was slightly larger at 215 sqm, while regular office space was at an average floorspace of 165 sqm. Farnham had 59% of transactions at an average floorspace size of 171 sqm, compared to 39% in Godalming, although the average size of transactions in Godalming was larger at 235 sqm for the same period.

3.17. New industrial leases in Waverley have totalled 10,027 sqm of floorspace between March 2012 and March 2014, with an average premises floorspace of 327 sqm. Figure 3.2 shows the total industrial floorspace leased by type and the average annual rental for the period March 2012 to March 2014. Typically 22% of all leasing was in dedicated Industrial parks (B2 use classes) with an average rental rate of £70 per sqm and around 78% in general industrial space (B1/B2/B8 use classes)[15] with an average rental rate of £83 per sqm. The floorspace per transaction for industrial parks was similar with industrial parks (B2 use classes) achieving an average of 365 sqm and industrial space (B1/B2/B8 use classes) achieving an average of 290 sqm. Farnham had 53% of transactions at an average floorspace size of 78 sqm, compared to 40% in Cranleigh, although the average size of transactions in Cranleigh was larger at 285 sqm for the same period.

[15] EGI classification for general industrial includes B1 uses classes which is assumed to small office to support industrial uses

Figure 3-2 Total industrial floorspace leased by type (March 2012 – March 2014) and average rental

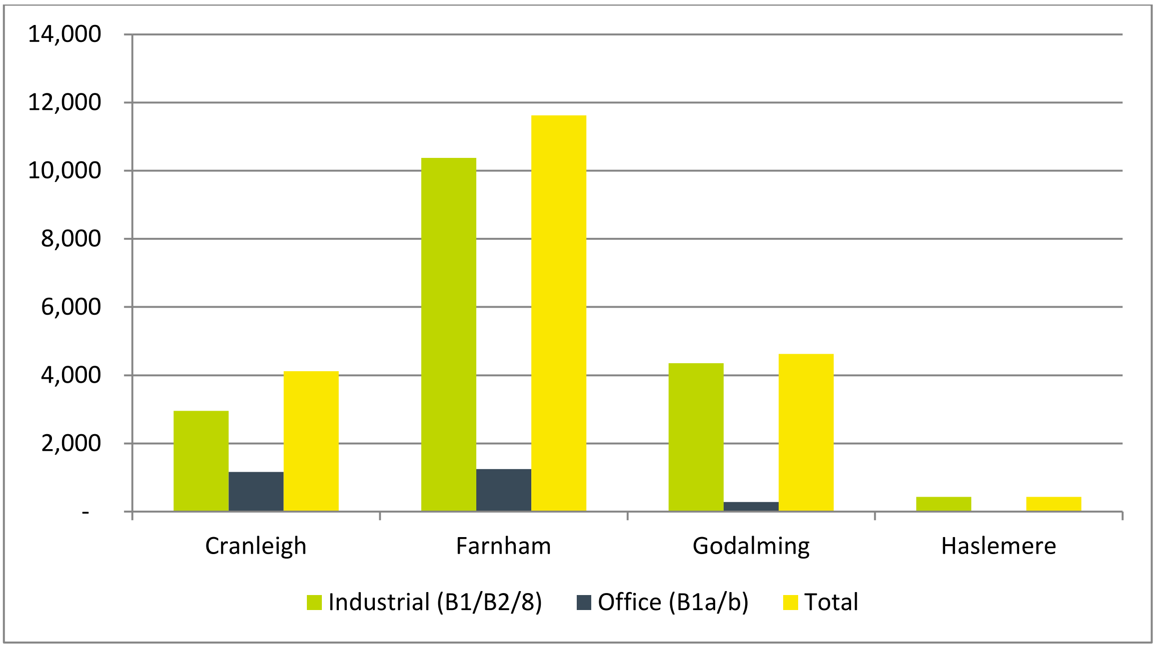



Source: Atkins based on EGI data, 2012/2014

3.18. **Figure 3-3** shows the total volume of B class employment floorspace leased across the four major towns of Cranleigh, Godalming, Farnham and Haslemere.

3.19. In the industrial market, Farnham has received the largest volume of floorspace leased (10,374 sqm), whilst Haslemere has received the least (432 sqm). In the office market, Farnham and Cranleigh have achieved a similar volume of leased office floorspace, with 1,249 sqm and 1,163 sqm, respectively over the last two years.

**Figure 3-3 Total B class employment floorspace premises leased by type (March 2012 – March 2014, sqm)**

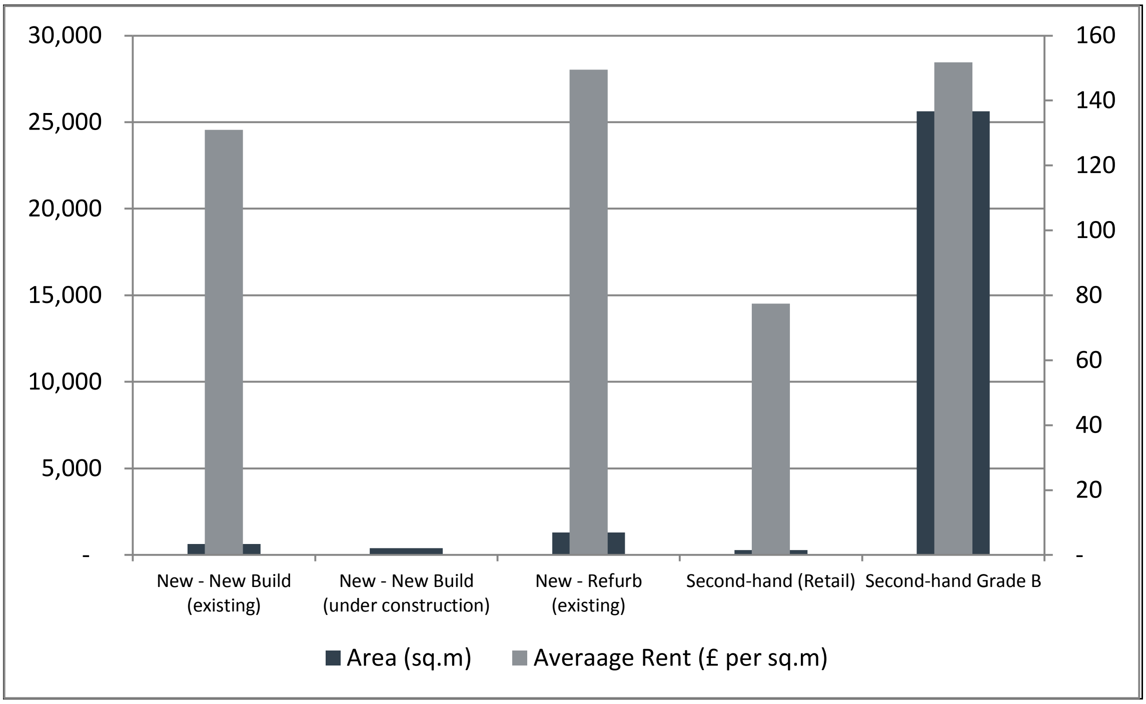



## B-Class commercial property market

3.20. The EGI data identifies that Waverley has approximately 29,800 sqm of B-class floorspace that is being actively marketed; the majority is B1c/B2 use class (approximately 13,100 sqm), followed by B1a/b (approximately 10,500 sqm).

3.21. Information in the remainder of this section refers to EGi data 2012 / 2014. Figure 3-5 shows EGI data on current actively marketed office and industrial space by quality against the most recent asking price. The quality of office and industrial space shows that 70% of all actively marketed space is second-hand grade B, across 105 units (94% of total units). The second hand Grade B stock was concentrated in mixed industrial (39 units) and office (66 units). There were six actively market design and build property and only two new build properties. This may lead to limit the choice of industrial and office space quality and development flexibility options offered to future tenants looking to invest in the Borough.

**Figure 3-4 Marketed industrial and office floorspace by quality and average rental (£ per sqm)**




Source: Atkins based on EGi data, 2012/2014

## Office

3.22. Waverley is not considered to be a prime office market, in contrast to destinations that are in closer proximity to London, such as Guildford. Part of the reason for this is the constrained office supply in terms of both quantity and quality which affects the attractiveness of the Borough, especially for larger businesses. Waverley's office market is considered to serve locally based companies and is perceived by local commercial agents to be struggling to attract and retain larger multinational corporations. An example is the relocation of the WWF.

3.23. Local commercial agents in the area identified that leasing inquiries for office space tended to be for smaller sized units between 140 - 185 sqm serving the needs of small local businesses. Car parking facilities and / or good access to the railway station were considered to be important factors in determining the desirability of office locations.

3.24. The quality of office space was not raised as a key concern with most local commercial agents agreeing that landlords were quite flexible on the requirements and rental rates offered to businesses. Local commercial agents noted that whilst there was a lack of new office stock, some of the premises have undergone refurbishment.

## Industrial

3.25. Local commercial agents consider that there is medium demand for B1c/B2 industrial units from local businesses operating in the Borough. There is considered to be a lack of supply of suitable B1c/B2 stock across the Borough. There is an insufficient supply of employment locations with enough capacity to accommodate additional B1c/B2 industrial uses across the Borough. Local commercial agents consider that additional sites need to be brought forward for B1c/B2 class development, in order to accommodate SME's.

3.26. Local commercial agents identified that leasing inquiries for industrial space tended to be for units between 185 and 200 sqm primarily from local businesses expanding within the area. Typically demand was in light industrial space which was confirmed by the EGi market data reflecting a lack of available properties in this category. Local commercial agents identified that locally businesses are looking beyond Waverley towards East Hampshire, which is considered to have more available industrial stock and flexibility to accommodate a range of B class uses.

## Conclusion

3.27. The volume of commercial investment transactions for employment premises (B use class) has been fairly active given the recent recession with 22 transactions between 2012 and 2014. For the same period there has been a consistent stream of leasing activity with102 recorded transactions within the Borough, which indicates that key centres within Surrey may have been less affected than other parts of the UK, due to its resilient local economy, and transport links with central London. The transaction activity was particularly concentrated around Farnham.

3.28. By comparing rent levels between Waverley and competing centres it has been possible to position the Borough within the wider office market. In terms of office rents in Waverley, it is positioned below Guildford and Woking (Surrey) but at a similar level to Alton (in East Hampshire) in the market place.

3.29. Waverley's industrial market is considered to be constrained by a lack of flexible industrial premises that can accommodate SME's. The number of leasing transactions was marginally lower for industrial when compared to office space, however industrial and office achieved a similar total of floorspace leased during 2012 to 2014. The reason being that perceived demand for office and industrial space consisted of local businesses expanding to small-medium sized units typically less than 2,000 sqm each. Local commercial agents confirmed that there was minimal demand for larger office space, while most of the remaining demand was from smaller local businesses around Waverley.

3.30. The majority of actively marketed B-class commercial floorspace is concentrated in the industrial market (B1, B2 & B8 use classes), which has a 78% share of the total stock with the rest in the office market. Local commercial agents noted there was demand for light industrial business units (B1c/B2 use classes) which was confirmed by EGI data that showed a lack of availability of marketed space in this category. Analysis of EGI market data showed that 94% of the marketed B-class stock was second hand grade-B, which may limit the options and flexibility offered to potential businesses looking to invest in the Borough. Local commercial agents agreed that the flexibility of premises to accommodate a mix of uses (light industrial with supporting office uses) was a major decision criteria. In addition, local commercial agents acknowledged that local businesses looking to expand were looking beyond the Borough towards East Hampshire, which is considered to be offering better quality, availability and location for light industrial B class premises.

# 4. Stakeholder consultation

## Introduction

4.1. This section summarises the key findings of the stakeholder consultation undertaken as part of this study. A consultation event was held in Godalming in March 2014 to discuss local employment land issues and to inform the findings of this study.

4.2. The consultation event was attended by stakeholders representing Waverley Borough Council, local businesses, and property agents active in the area. The purpose of the consultation event was to capture local perspectives on Waverley's economic growth prospects, challenges and opportunities and their implications for the supply and demand for employment land and premises.

4.3. It should be noted that the consultation feedback discussed in this section reflects the views of the stakeholders that attended the consultation event and does not necessarily coincide with the views of Waverley Borough Council. The following represents a summary of the key issues raised at the stakeholder consultation event.

## Existing situation

4.4. Stakeholders expressed their view that Waverley is suffering from ageing industrial stock, with several locations considered to be coming to the end of their usable life (Hewitts Industrial Estate was used as an example). Other competing neighbouring Boroughs, including Woking, Horsham, and East Hampshire are considered to be offering better quality, availability and location of B class premises.

4.5. Transport congestion was identified as an important issue which is likely to intensify in the coming years as more businesses relocate from the Borough and more residents have to travel further to work. Furthermore, local businesses rely on employees that commute from the south as housing is more affordable in the south and the coastal areas.

4.6. The combination of the above factors is likely to put greater pressure on Waverley's transport network as well as those of neighbouring authorities including Woking, Weybridge and Guildford.

4.7. Stakeholders expressed concern that some multinationals such as World Wildlife Fund have relocated from the Borough and that the Borough does not appear to be attractive to larger businesses.

## Type of B-use class demand

4.8. Stakeholders identified a clear lack of new B class development coming forward in recent years. They suggested there is demand for new site allocations for B class uses on greenfield and brownfield sites, particularly for a mix of uses, including B1a(office) and B1c / B2 (light and general industrial).

4.9. Current and future demand for premises is generated mainly by small and medium sized enterprises (SME's), including high-tech businesses. This demand is mostly for business units between 140 sqm and 185 sqm. Increasing home-working trends are affecting the type of demand for employment premises and this trend is likely to increase in the future.

## Policy issues

4.10. It was suggested that planning policy could be developed that applies a mix of uses (e.g. similar to housing policy H4). Stakeholders also said that greater clarity is required on the Council's strategy for business and economic development. As an example, Catteshall Lane is identified as a key employment site, however housing and employment sites have both been allowed at this location.

4.11. Stakeholders expressed the view that a ‘blanket’ protection policy covering existing employment development sites is not suitable; instead protection policy should be applied more flexibly to account for the co-existence of complimentary uses.

4.12. It was also suggested that the projected employment growth in lower paid employment sectors is likely to have implications for affordable housing supply and demand.

## Opportunities and constraints for future growth

4.13. Stakeholders identified the need to accommodate new employment as new residential development comes forward to ensure that the economy remains balanced.

4.14. Improving broadband (capacity and availability) is essential for businesses (particularly businesses that rely on the use of the internet for their operations). Mobile phone coverage (which impacts on the use of smartphones) was also identified as needing improvement.

4.15. Business locations need to have good transport connections and while Waverley benefits from a good location and good transport connectivity, traffic congestion remains a constraint to growth. Access to public car parking was identified as being important for new commercial developments.

4.16. The historic under provision of B2/B8 sites and the resultant lack of availability was considered to constrain growth. Stakeholders thought that despite the decline in manufacturing, small scale industrial premises are still required.

4.17. In terms of future opportunities, Waverley has the opportunity to become a more business-orientated location, as it currently benefits from good strategic connections to the A3, the London to Portsmouth railway line and proximity to the two main London airports (Gatwick and Heathrow). Future growth in Waverley is likely to come from small and medium sized businesses, primarily in B1 sectors including professional services and businesses related to the digital economy. However Godalming has a very limited supply of employment premises for business start-ups.

4.18. Any new employment sites need to have flexibility in order to be able to respond to future business requirements. In the east of the Borough, Dunsfold Industrial Estate is a popular location for businesses, but not all employers will be looking to be accommodated at this site. The west of the Borough provides considerable opportunity but this depends on greenbelt land release. More centrally, Haslemere is heavily constrained whereas Godalming provides more opportunities but more clarity is required on sites, such as Catteshall lane.

## Conclusions and implications

4.19. Most of the views expressed at the consultation event are in line with the findings of the rest of the analysis. Stakeholders said that most of the current demand for employment land and premises is coming from small and medium sized B1 businesses and this is likely to continue in the future. The Borough’s constrained employment land supply is affecting demand with a limited amount of B class developments coming forward in recent years. Good quality infrastructure (including transport and broadband) is important for retaining existing businesses and attracting new ones to the Borough. Stakeholders also expressed the view that despite the decline in manufacturing, small scale industrial premises are still required but demand is constrained by the limited supply.

4.20. The views expressed at the consultation workshop in combination with the findings of the property market analysis presented in the previous chapter provide useful local insights. The volume of commercial investment transactions and leasing activity for B use class premises over the period 2012-2014 suggest that Waverley along with key centres within Surrey have been less affected than other parts of the UK by the recent recession. This indicates the Borough’s economy is well placed to take advantage of the economic recovery but the limited supply of employment land and premises and limited pipeline of future developments are likely to constrain the ability of existing businesses to grow and the Borough's ability to attract new investment.

4.21. The lack of flexible B class premises that can accommodate SMEs is of particular importance given the important role that SMEs play in the local economy. The implication of the above is that if the Borough has aspirations for economic growth and employment creation, it needs a wider variety of employment sites.

# 5. Future employment land requirements

## Introduction

5.1. The approach to assessing future employment land requirements is in line with the NPPF and PPG's guidance on economic development needs assessments. The analysis in this section considers a range of future employment growth scenarios, including one based on the latest employment forecasts from Experian, a trend-based scenario, and a scenario aligned to the 2015 Waverley Economic Strategy. Furthermore, the assessment of future need has been informed by analysis of market signals, the findings of the stakeholder consultation event and discussions with Waverley BC officers.

5.2. Employment sectors have been mapped to the core B1a/b (business), B1c/B2 (light and general industrial) and B8 (storage and distribution) employment uses, and job numbers have been converted to floorspace and land requirements by applying appropriate employment density and plot ratio assumptions.

5.3. The employment densities used are in line with the HCA's Employment Densities Guide 2nd Edition (2010). The plot ratios used are the same as those used in the previous Waverley Employment Land Review and are in line with the ODPM's Employment Land Reviews: Guidance Note (2004). These employment density and plot ratio assumptions are summarised in **Table 5-1** below.

**Table 5-1 Employment density and plot ratio assumptions**

| Use Class | Employment Density[16] | Plot Ratio |
|---|---|---|
| B1a/b | $14m^2$ per FTE | 75% |
| B1c/B2 | $42m^2$ per FTE | 40% |
| B8 | $70m^2$ per FTE | 50% |

5.4. All scenarios discussed in this chapter should be treated as indicative only. Predicting future economic trends and corresponding employment land requirements is not an exact science. The assessment needs to be based on a series of assumptions, including the future performance of individual business sectors, the proportion of employment in each sector that corresponds to each of the B-use classes, and future employment densities and plot ratios by use class. Furthermore, the future economic performance of Waverley's economy is subject to external factors that are hard to predict in the context of this study, such as political and economic changes at the national and international levels.

5.5. With the above caveat in place, the scenarios presented in this chapter provide an indication of future economic trends, and are a useful tool for informing employment land policy. It should also be noted that all figures presented in this Chapter have been rounded and therefore may not completely add up.

## Scenario 1: Experian based scenario

5.6. Scenario 1 is based on the outputs of Experian's employment forecasting model (released in March 2015). Experian's detailed local level forecasts are based on an integrated regional sectoral model of the UK. The model is constructed on the basis that each UK region and each sector of the economy is treated as an economic entity in its own right, for which forecasts can be made using historic relationships between variables. In broad terms, the historical performance of

[16] Gross external area (GEA)

county economies is interpreted in terms of their share of the regional economy of which they are a part. In turn, the performance of local authority areas is based on their share of their encompassing county. For each sector of the economy (38 categories), equations are produced for output and employment that explain the observable relationship between these variables at the local and regional level. A full description of Experian's forecasting methodology is presented in Appendix A.

5.7. According to Experian's model, full time equivalent employment (FTE) across all sectors is forecast to increase by approximately 8,640 jobs between 2013 and 2033, an increase of 21%. The number of FTEs in B use class sectors is forecast to increase by approximately 3,350, equating to a 16% increase. A summary of Experian's employment forecasts is presented in **Table 5-2** below.

**Table 5-2 Waverley employment forecasts – Experian scenario (FTE)**

| Use Class | 2013 | 2016 | 2021 | 2026 | 2033 | Change 2013-2033 |
|---|---|---|---|---|---|---|
| B1a/b | 16,380 | 17,350 | 18,040 | 18,550 | 19,430 | +3,050 |
| B1c/B2 | 1,740 | 1,770 | 1,750 | 1,690 | 1,670 | -70 |
| B8 | 2,420 | 2,550 | 2,630 | 2,690 | 2,790 | +370 |
| **Total B use class FTE jobs** | **20,540** | **21,670** | **22,420** | **22,930** | **23,890** | **+3,350** |
| **Total FTE jobs (all use classes)** | **41,390** | **43,470** | **45,430** | **47,200** | **50,030** | **+8,640** |

Source: Experian, Atkins

5.8. B1a/b employment in the Borough is expected to increase by approximately 3,050 FTE jobs (+19%) over the period to 2033 while employment in B1c/B2 sectors is projected to marginally decline (-4%). B8 employment is forecast to increase by 370 FTE jobs (+15%).

5.9. Based on the above employment forecasts and the employment density and plot ratio assumptions summarised in **Table 5-1**. Waverley's floorspace and land requirements over the period 2013-2033 are presented in **Table 5-3** below.

**Table 5-3 Waverley B use class floorspace need (sqm) – Experian based scenario**

| Use Class | 2013 | 2016 | 2021 | 2026 | 2033 | Change 2013-2033 |
|---|---|---|---|---|---|---|
| B1a/b | 235,900 | 249,800 | 259,800 | 267,100 | 279,800 | +43,900 |
| B1c/B2 | 72,900 | 74,100 | 73,500 | 70,900 | 70,200 | -2,700 |
| B8 | 169,700 | 178,800 | 184,400 | 188,400 | 195,500 | +25,800 |
| **Total floorspace** | **478,500** | **502,700** | **517,700** | **526,400** | **545,500** | **+67,000** |

Source: Experian, Atkins

**Table 5-4 Waverley B use class land requirements (ha) – Experian based scenario**

| Use Class | 2013 | 2016 | 2021 | 2026 | 2033 | Change 2013-2033 |
|---|---|---|---|---|---|---|
| B1a/b | 31.5 | 33.3 | 34.6 | 35.6 | 37.3 | +5.9 |
| B1c/B2 | 18.2 | 18.5 | 18.4 | 17.7 | 17.5 | -0.7 |
| B8 | 33.9 | 35.8 | 36.9 | 37.7 | 39.1 | +5.2 |
| **Total B use class land** | **83.6** | **87.6** | **89.9** | **91.0** | **94.0** | **+10.3** |

Source: Experian, Atkins

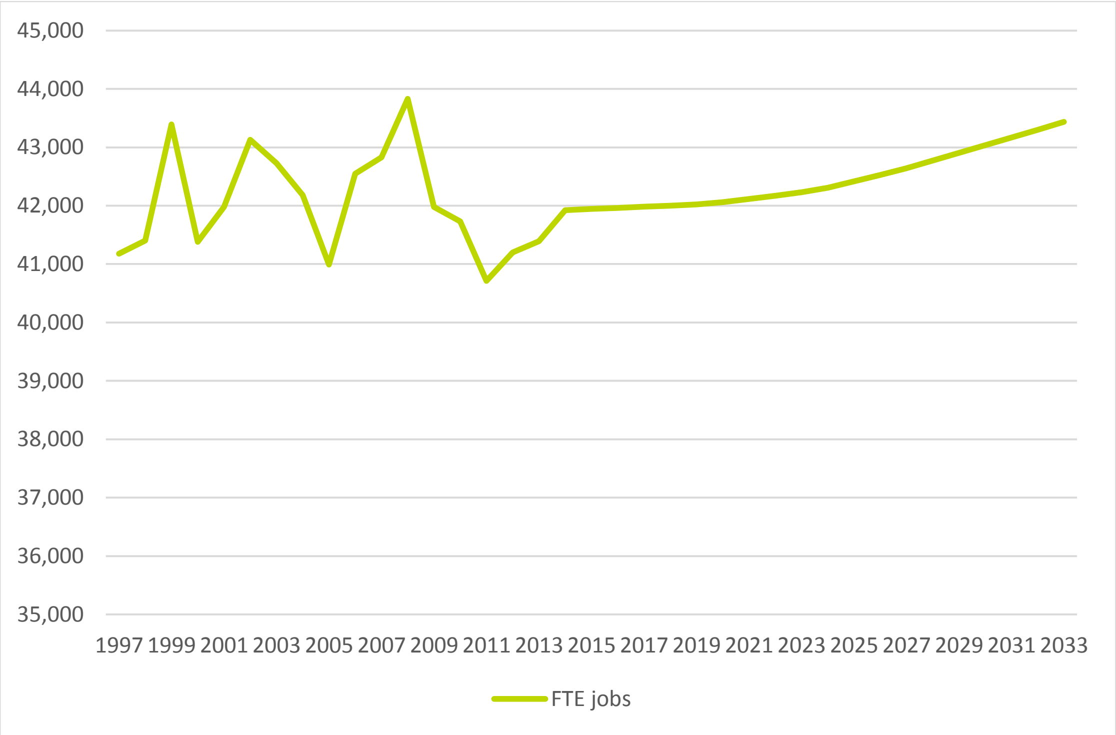
5.10. According to the Experian based scenario, land requirements for B1a/b and B8 uses will increase by a total of approximately 11 hectares over the period to 2033 (approximately 5.9ha B1a/b and 5.2ha B8). No additional requirement for industrial land is projected.

## Scenario 2: Trend based scenario

5.11. Scenario 2 is a trend-based scenario based on Waverley's historical job levels between 1997 and 2013. As **Figure 5-1** illustrates, there were only relatively small fluctuations in the Borough's FTE job numbers over the period 1997-2013. Overall, the median number of FTE jobs over this period was 41,980 and the average 42,030. The lowest number of FTE jobs was recorded in 2011 (40,710) and the highest in 2008 (43,830).

5.12. The historical figures show a clear trend of Waverley's employment levels remaining broadly level. Projecting these historical job numbers into the future, Waverley's job numbers are expected to stay largely within the 42,000 – 43,500 range over the period to 2033.

**Figure 5-1 Waverley trend-based FTE job projections to 2033**




Source: Experian, Atkins

5.13. The projection of historical trends suggests that the total number of FTE jobs across all sectors will increase by 5% (approximately 2,050 additional FTE jobs) over the period 2013-2033. FTE employment in B use classes is projected to decline however (-1,760 FTE jobs), with the main decline taking place in industrial and storage and distribution sectors (-860 and -540 FTE jobs respectively). The trend-based employment projections are summarised in **Table 5-5** below.

**Table 5-5 Trend-based employment projections (FTE)**

| Use Class | 2013 | 2016 | 2021 | 2026 | 2033 | Change 2013-2033 |
|---|---|---|---|---|---|---|
| B1a/b | 16,380 | 16,460 | 16,320 | 16,190 | 16,020 | -360 |
| B1c/B2 | 1,740 | 1,470 | 1,160 | 940 | 880 | -860 |
| B8 | 2,420 | 2,440 | 2,230 | 2,050 | 1,880 | -540 |
| **Total B use class FTE jobs** | **20,540** | **20,370** | **19,710** | **19,180** | **18,780** | **-1,760** |
| **Total FTE jobs (all use classes)** | **41,390** | **41,962** | **42,116** | **42,526** | **43,440** | **+2,050** |

Source: Experian, Atkins

5.14. The declining employment projections across all B use class sectors suggest no additional floorspace requirements over the period to 2033. The declining requirements for B1c/B2 and B8 floorspace in particular, are projected to result in some 74,000 square metres of surplus floorspace by 2033 (**Table 5-6**).

**Table 5-6 Waverley B use class floorspace need (sqm) – Trend-based scenario**

| Use Class | 2013 | 2016 | 2021 | 2026 | 2033 | Change 2013-2033 |
|---|---|---|---|---|---|---|
| B1a/b | 235,900 | 237,000 | 235,000 | 233,200 | 230,700 | -5,200 |
| B1c/B2 | 72,900 | 61,800 | 48,700 | 39,600 | 37,100 | -35,800 |
| B8 | 169,700 | 170,600 | 155,900 | 143,400 | 131,300 | -38,400 |
| **Total B use class floorspace** | **478,500** | **469,400** | **439,600** | **416,200** | **399,100** | **-79,400** |

Source: Experian, Atkins

5.15. These floorspace requirements translate into no additional employment land requirements over the period to 2033. B1c/B2 land requirements are projected to decrease by 9 hectares and B8 by 7.7 hectares (**Table 5-7**). B1a/b land requirements are projected to decline marginally but taking into account the strong residential pressures in the Borough (including office to residential permitted development rights and the Starter Homes initiative) and the potential loss of B1 floorspace, there is no realistic prospect of any significant B1a/b surplus.

**Table 5-7 Waverley B use class land requirements (ha) – Trend-based scenario**

| Use Class | 2013 | 2016 | 2021 | 2026 | 2033 | Change 2013-2033 |
|---|---|---|---|---|---|---|
| B1a/b | 31.5 | 31.6 | 31.3 | 31.1 | 30.8 | -0.7 |
| B1c/B2 | 18.2 | 15.4 | 12.2 | 9.9 | 9.3 | -9.0 |
| B8 | 33.9 | 34.1 | 31.2 | 28.7 | 26.3 | -7.7 |
| **Total B use class land** | 83.6 | 81.2 | 74.7 | 69.7 | 66.3 | -17.3 |

Source: Experian, Atkins

## Scenario 3: Economic Strategy aligned scenario

5.16. Scenario 3 uses the trend based scenario as its starting point but makes a number of assumptions to better align with the Waverley Economic Strategy 2015-2020. The Economic Strategy's vision is that: "*Waverley will enjoy continued economic prosperity and diversity while safeguarding and enhancing its attractive character and high quality of life*". A top priority for the Council is therefore to safeguard and enhance the Borough's attractive character and high quality of life.

5.17. Waverley has historically recorded relatively low levels of population and employment growth. This reflects a number of factors such as the character and rural nature of the Borough, the demographic profile of its population, the high average house prices, the constraints on the land available for development and the low demand from businesses to relocate to Waverley.

5.18. Furthermore, while other districts face pressing challenges to diversify their economies, Waverley already has a diverse business base, which includes many small and medium sized enterprises operating across a range of industry sectors. This, in combination with the Borough's high levels of economic prosperity, means there is no strategic need to pursue high levels of growth.

5.19. The above do not mean that the Council is negative towards any proposals for employment growth. It will continue its successful approach of supporting modest levels of employment growth at the appropriate locations and without compromising what makes Waverley special (e.g. its attractive settlements and town centres that feature a high concentration of retail, leisure and service activities).

5.20. Key employment sectors over the coming years are likely to include the service industry (including retail, food and drink, and leisure), office-based sectors such as information and communication, education, public services, and the visitor economy. Therefore most of the key employment sectors do not require B use class land and premises. The Economic Strategy also notes that the Borough has high levels of home working and this trend is likely to grow further in future years, reducing the need for physical employment space.

5.21. Based on the above, Scenario 3 uses the Trend-based scenario as its base but makes sector specific assumptions that align with the Economic Strategy. These assumptions are summarised in **Table 5-8** below. They and are based on the observation of historical trends and how each sector aligns to the priorities outlined in the Economic Strategy. This results in employment projections that use historical trends as their starting point but have been adjusted on a sector-by-sector basis to better reflect growth potential in the Borough's key sectors.

5.22. For example, past trends show a very significant decline in manufacturing employment between 1997 and 2013. Scenario 3 assumes that manufacturing employment will continue to decline over the period to 2033 but at a slower pace. This reflects the general consensus that the sharp decline of the manufacturing sector across the UK is slowing down, with specific manufacturing sub-sectors (particularly in high-value, high-technology areas) actually showing signs of growth.

5.23. Similarly, historical employment figures show very rapid growth in relatively new sectors of the economy such as Media Activities, Telecoms, and Computing & Information Services (which grew by 82%, 69% and 61% respectively over the period 1997-2013). Scenario 3 assumes that employment growth in these sectors will continue over the period 2013-2033 but at a slower pace, as they become more mature and established.

5.24. **Table 5-8** shows the sectors assumed to experience the greatest levels of growth or decline over the period 2013-2033. All other sectors not listed in **Table 5-8** are assumed to experience little or no change (in absolute terms) over the assessment period.

**Table 5-8 Scenario 3 main assumptions**

| Sector | FTE employment change 2013-2033 % | FTE employment change 2013-2033 |
|---|---|---|
| Education | 22% | +1,130 |
| Residential care & social work | 22% | +580 |
| Professional services | 10% | +530 |
| Accommodation & food services | 10% | +260 |
| Computing & information services | 10% | +220 |
| Recreation | 17% | +190 |
| Administrative & supportive services | 6% | +180 |
| Media activities | 22% | +130 |
| Manufacturing of machinery & equipment | -27% | -60 |
| Other manufacturing | -30% | -60 |
| Manufacturing of metal products | -30% | -80 |
| Manufacturing of computer & electronic products | -32% | -90 |
| Public administration & defence | -18% | -100 |
| Agriculture, forestry & fishing | -33% | -100 |
| Construction of buildings | -13% | -110 |
| Health | -18% | -320 |
| Wholesale | -14% | -430 |

Source: Atkins

5.25. The employment projections underpinning Scenario 3 are summarised in **Table 5-9** below.

**Table 5-9 Economic Strategy aligned employment projections (FTE)**

| Use Class | 2013 | 2016 | 2021 | 2026 | 2033 | Change 2013-2033 |
|---|---|---|---|---|---|---|
| B1a/b | 16,380 | 16,710 | 16,920 | 17,140 | 17,480 | +1,100 |
| B1c/B2 | 1,740 | 1,770 | 1,670 | 1,570 | 1,460 | -280 |
| B8 | 2,420 | 2,500 | 2,390 | 2,290 | 2,150 | -270 |
| **Total B use class FTE jobs** | **20,540** | **20,980** | **20,980** | **21,000** | **21,090** | **+550** |
| **Total FTE jobs (all use classes)** | **41,390** | **42,010** | **42,300** | **42,660** | **43,080** | **+1,690** |

Source: Experian, Atkins

5.26. In accordance with the Economic Strategy's objective of managing modest levels of growth, Scenario 3 projects approximately 1,690 net additional FTE jobs by 2033, an increase of 4% compared to 2013 levels. This will include approximately 550 FTE jobs in B use class sectors, representing an increase of 3% in B use class employment.

5.27. These employment projections translate to a small additional requirement for B1a/b floorspace (approximately 15,800 square metres) and a surplus of some 30,500 square metres of B1c/B2 and B8 floorspace (**Table 5-10**).

**Table 5-10 Waverley B use class floorspace need (sqm) – Economic Strategy aligned scenario**

| Use Class | 2013 | 2016 | 2021 | 2026 | 2033 | Change 2013-2033 |
|---|---|---|---|---|---|---|
| B1a/b | 235,900 | 240,600 | 243,600 | 246,900 | 251,700 | +15,800 |
| B1c/B2 | 72,900 | 74,500 | 70,000 | 66,100 | 61,300 | -11,600 |
| B8 | 169,700 | 175,100 | 167,400 | 160,200 | 150,800 | -18,900 |
| **Total B use class floorspace** | **478,500** | **490,200** | **481,000** | **473,200** | **463,800** | **-14,700** |

Source: Experian, Atkins

5.28. The above floorspace requirements translate into an additional need for approximately 2 hectares of B1a/b land by 2033, and a surplus of some 7 hectares of B1c/B2 and B8 land (**Table 5-11**).

**Table 5-11 Waverley B use class land requirements (ha) – Economic Strategy aligned scenario**

| Use Class | 2013 | 2016 | 2021 | 2026 | 2033 | Change 2013-2033 |
|---|---|---|---|---|---|---|
| B1a/b | 31.5 | 32.1 | 32.5 | 32.9 | 33.6 | 2.1 |
| B1c/B2 | 18.2 | 18.6 | 17.5 | 16.5 | 15.3 | -2.9 |
| B8 | 33.9 | 35.0 | 33.5 | 32.0 | 30.2 | -3.8 |
| **Total B use class land** | **83.6** | **85.7** | **83.5** | **81.5** | **79.0** | **-4.6** |

Source: Experian, Atkins

## Conclusions

5.29. The scenario testing undertaken in this chapter provides a range of future employment land requirements ranging from a surplus of 17 ha (Trend-based scenario) to the need for 10 additional hectares (Experian based scenario). The Economic Strategy aligned scenario suggests a small additional requirement for B1a/b land (approximately 2 hectares) but a B1c/B2/B8 surplus of approximately 7 hectares.

5.30. On balance, Scenario 3 appears to be the most realistic, aligning with both historical trends and Waverley Council's strategic priorities as outlined in the Economic Strategy. It projects small levels of employment growth, with most of the growth coming from outside the core B use class sectors – and therefore resulting in little additional B use class floorspace and land requirements. Scenario 3 is also aligned to the EM3 LEP's strategy which does not specifically target the Borough or its towns for economic growth, although it looks to support SMEs and the rural economy.

5.31. The Experian-based scenario (Scenario 1) forecasts significant levels of employment growth that do not align with historical trends or Waverley Borough Council's vision of managed growth, as outlined in the Economic Strategy. In total, Experian's forecasts suggest a 21% employment increase across all sectors over the period to 2033. This is considered unrealistic considering the Borough's historically low growth levels, the limited availability of additional employment land, and the Council's continued focus on managing employment growth levels so that they do not adversely affect the Borough's attractive environment, and high quality of life.

5.32. Scenario 1 suggests significant additional B8 land requirements but Waverley is not considered to be an appropriate location for significant growth in B8 employment, as a result of the limited availability of appropriate sites.

5.33. Furthermore, Experian's forecasting model is in essence a regional forecasting model than forecasts employment numbers at the national and regional levels, and then allocates a proportion of regional growth to the constituent local authorities. This limits the model's ability to fully reflect local economic characteristics. This is particularly relevant to relatively small local authorities like Waverley, which do not necessarily share similar economic characteristics as their regions and sub-regions. For example Waverley's economic profile and economic growth ambitions are significantly different to those of the Enterprise M3 area or the South East region as a whole. It is therefore important that Experian's forecasts are considered in the light of the local economic context.

5.34. On the other hand, the trend-based scenario projects significant decline across all B-use class sectors. These projections suggest a significant surplus of employment land by 2033. This is also considered to be unrealistic, and contrary to the market signals and local views that were collected as part of this study.

5.35. Based on the above, Scenario 1 can be viewed as a very optimistic "high growth" scenario, while Scenario 2 as a very pessimistic "high decline" scenario. Scenario 3's projections lie between these two extremes and suggest modest levels of growth in office-based sectors and modest levels of decline in industrial / storage and distribution sectors. Scenario 3 takes into account both past trends and future aspirations, and is considered to provide a more realistic projection of future employment levels and employment land requirements.

5.36. Based on the findings of Scenario 3, it is recommended that Waverley safeguards its existing supply of B1a/b sites, and seeks to reuse any surplus B1c/B2 and B8 sites to accommodate the projected modest levels of growth in B1a/b sectors. Even though Scenario 3 forecasts a decline in industrial and storage and distribution requirements, it will still be important to safeguard fit for purpose B1c/B2 and B8 sites to protect the diversity and flexibility of the Borough's economy.

# 6. Future employment site supply requirements

## Introduction

6.1. Chapters 3, 4 and 5 have highlighted the main issues facing Waverley in terms of current supply and future demand for employment land and premises. This section assesses the suitability of existing identified employment sites in Waverley to meet future business requirements over the period to 2033.

6.2. The process undertaken can be summarised as follows:

- The amount of additional floorspace that needs to be provided in order to meet future requirements has been identified in Chapter 5. This yields an estimate of net land requirements to be provided during the period to 2033;
- The designated employment development sites have been evaluated in terms of their suitability for future employment use (see below); and
- Recommendations on amount of floorspace potentially available (see below).

## Refining a future portfolio of employment sites

### Future employment land requirements

6.3. As set out in Chapter 5, the Economic Strategy aligned projections suggest 550 additional B use class FTE jobs by 2033, translating to additional requirements for 15,800 square metres of B1a/b floorspace and 2 hectares of B1a/b land. Scenario 3 also suggests a surplus of approximately 30,000 square metres of B1c/B2/B8 floorspace, which translates into an indicative surplus of approximately 7 hectares of B1c/B2/B8 land.

6.4. In order to meet employment land requirements to 2033, it is necessary to firstly identify employment locations which have the physical potential to accommodate future growth. This has been achieved through the ‘taking stock’ assessment, the comprehensive site appraisals presented in Chapter 2, and the review of the local property market presented in Chapter 3.

## Supply update

6.5. In order to assess ways in which future demand can be met, we have examined a range of potential sources of supply, which include:

- Vacant B Class Floorspace (source: EGI);
- Employment Floorspace from Vacant Land in surveyed employment areas (short term);
- Employment Floorspace from Intensification of Land in surveyed employment areas (medium-long term);
- Employment Floorspace from Intensification of Land in surveyed employment areas (long term);
- Commercial Development Pipeline.

6.6. **Table 6-1** sets out a breakdown of potential employment floorspace. It should be noted that vacant floorspace can only go a certain way in meeting the future needs for employment floorspace as there will always need to be a degree of vacant floorspace in a properly functioning market, and also the requirements for new floorspace are largely for B1(a) floorspace and B8 floorspace and therefore some of the vacant employment floorspace is not appropriate to meet these needs. Future employment floorspace needs are also sensitive to the market need for quality and location of premises.

## Vacant land supply and land for intensification assumptions

6.7. The amount of floorspace potentially available from vacant land at each of the employment sites (identified through site appraisal surveys) is presented in **Table 6-1**.

6.8. With regard to opportunity land at employment sites, the potential additional capacity arising from redevelopment and / or intensification has been estimated by halving the above plot ratios for each type in order to make an allowance for existing floorspace which is replaced during the redevelopment process. Plot ratio relates total gross floor area to the area of the site, e.g. two storey building covering half a site would have a plot ratio of 1:1 (equivalent to 100%).

6.9. **Table 6-1** shows potentially some 67,100 sqm of floorspace that could be developed in surveyed employment areas on vacant land and through intensification of existing employment areas. It should be noted that this represents a theoretical supply of potentially available land, according to the survey undertaken in 2015. As such, it should not be assumed that all of these sites will come forward for B-class development over the plan period.

**Table 6-1 Vacant land and land identified for intensification / redevelopment**

| | Area of land | | Developable land (60%) | Floorspace (sqm) | | | |
|---|---|---|---|---|---|---|---|
| **Site** | **Size of land (ha)** | **Land (sqm)** | | **B1(a)/b** | **B2 / B1(c)** | **B8** | **Total** |
| **Employment floorspace from vacant land (short-medium term)** | | | | | | | |
| 11 – Smithbrook Kilns | 0.68 | 6,800 | 4,080 | 1,224 | 816 | 2,040 | 4,080 |
| 49 –19-21 Weyhill | 0.10 | 1,000 | 600 | 300 | 300 | 0 | 600 |
| 55 – Little Mead Industrial Estate | 0.04 | 400 | 240 | 72 | 48 | 120 | 240 |
| 58 – Weyburn Works | 3.50 | 35,000 | 21,000 | 6,300 | 4,200 | 10,500 | 21,000 |
| 103 B – Old Ewhurst Works | 1.51 | 15,100 | 9,060 | 2,718 | 1,812 | 4,530 | 9,060 |
| **Sub Total** | **5.83** | **58,300** | **34,980** | **10,614** | **7,176** | **17,190** | **34,980** |
| **Employment floorspace from intensification of land (medium – long term)** | | | | | | | |
| 65 –Surrey Sawmills | 0.86 | 8,600 | 5,160 | 1,548 | 1,032 | 2,580 | 5,160 |
| 135 – The Common House Garage | 0.20 | 2,000 | 1,200 | 360 | 240 | 600 | 1,200 |
| **Sub Total** | **1.06** | **10,600** | **6,360** | **1,908** | **1,272** | **3,180** | **6,360** |
| **Employment floorspace from intensification of land (short – medium - long term)** | | | | | | | |
| 136 + 137 – Dunsfold Aerodrome[17] | | | | **4,355** | **9,538** | **12,173** | **26,067** |
| **Commercial development pipeline[18]** | | | | | | | |
| | | | | - 5,736 | - 212 | 5,659 | - 288 |
| **Total** | | | | **11,141** | **17,774** | **38,202** | **67,119** |

Source: Atkins, 2015

## Supply / demand balance

6.10. For the market to function efficiently and to allow effectively for churn, choice and flexibility, it will always be necessary for pipeline supply to be in excess of projected levels of future demand. In simply planning for an amount of supply which matches future estimates of demand in quantitative terms, the operation of the market will be distorted which would result in a significant element of demand not being met. In allowing employment growth to materialise through new development, a surplus in supply is required to ensure that actual demand can be met in terms of location, type, timing, quality and size.

6.11. **Table 6-2** sets out the relationship between the estimated supply and demand for employment floorspace in the Borough, by type of floorspace. It takes the total supply identified in **Table 6-1** and compares it with the outputs of the three scenarios (presented in Chapter 5).

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[17] Based on an application for planning permission WA/2015/2395
[18] Assumes 50:50 split of floorspace for office/warehousing (B1/B8) category

**Table 6-2 Supply/demand floorspace balance by 2033 (sqm)**

| Scenario | B1a/b | B1c/B2 | B8 | Total |
|---|---|---|---|---|
| Scenario 1: Experian based | -32,800 | 20,500 | 12,400 | 100 |
| Scenario 2: Trend based | 16,300 | 53,600 | 76,600 | 146,500 |
| **Scenario 3: Economic Strategy aligned** | **-4,700** | **29,400** | **57,100** | **81,800** |

Note: Negative values indicate shortfall, positive values indicate surplus. Figures have been rounded to the nearest 100
Source: Atkins

6.12. Focusing on Scenario 3 (which was identified in Chapter 5 as being the most realistic and best aligned to the Council's Economic Strategy) Waverley is projected to have sufficient employment floorspace to meet the needs of industrial and warehousing businesses, with some potential to release surplus B1c/B2 and B8 land.

6.13. In terms of B1a/b, there is a shortfall of around 4,700 sqm under Scenario 3. Under Scenario 1 Waverley is projected to have a significant shortfall of B1a/b floorspace (-32,800 sqm), while under Scenario 2 the Borough is projected to have sufficient employment floorspace to meet all its requirements over the period to 2033.

6.14. However, it must be noted that not all sites with potential for redevelopment or intensification are likely to come forward in the short-term, as current occupiers need to vacate the current premises before sites can be redeveloped. For some of the vacant land opportunities there may be a need for the Council to help facilitate land assembly to enable development. Furthermore, surplus B1c/B2 and B8 sites may not be suitable for B1a/b use because of quality, location and accessibility factors.

6.15. Consequently, it is important not to assume that not all vacant or surplus land, or land identified for intensification / redevelopment can contribute to meeting future elements of demand. Planned and committed supply will not always be translated into actual development. It is therefore important to protect existing fit for purpose, viable employment areas and not rely solely on potential supply that may not reach the market place. This means that it is possible that some new B1a/b sites may need to be allocated over the planning period in order to meet demand. Furthermore, any surplus B1c/B2 and B8 sites should be considered for their suitability for B1a/b re-use.

6.16. In planning for meeting future demand, it will be essential to ensure that supply can respond to market needs in terms of the type of premises required. In addition, emerging employment land supply policies and associated designations should provide sufficient choice and flexibility to meet the varying needs of the market.

## Conclusions

6.17. Chapter 6 has identified the potential supply of B class floorspace that could be available in the Borough up to 2033. The identified supply of floorspace comes from various sources including: existing vacant employment premises; vacant land and redevelopment opportunities in surveyed employment areas; and unimplemented planning permissions for commercial development. The potential supply is equivalent to approximately 67,100 sqm of B use class floorspace.

6.18. Scenario 2 (discussed in Chapter 5) suggests that Waverley's identified potential supply should be theoretically sufficient to meet all B use class requirements to 2033. However it is noted that while in quantitative terms the identified potential supply should be sufficient to meet future demand, qualitative factors such as location, quality, type, size, layout and accessibility of sites could discount some available sites from meeting future demand.

6.19. Scenario 1 projects a significant shortfall of B1a/b floorspace and sufficient supply of B1c/B2 and B8 floorspace. Under the projections of Scenario 3, Waverley is projected to have an oversupply of B1c/B2 and B8 floorspace and an undersupply of B1a/b. This need could theoretically be met by using some of the surplus industrial and storage and distribution floorspace, although it is recognised that not all of the surplus B1c/B2 and B8 sites would be able to meet the qualitative characteristics of additional B1a/b demand. It is therefore possible that some additional B1a/b allocations may be required in the long term.

6.20. Under all scenarios, it will be important that the Borough maintains a supply of employment land and premises that are flexible and affordable and meet the needs of SMEs (which form the lifeblood of Waverley's economy). Despite the anticipated decline in need for industrial and storage and distribution floorspace, the existing employment development sites will continue to play an important role in providing premises to meet the needs of existing occupiers, and to provide a reservoir of employment land to meet other identified employment needs including B1a/b uses.

# 7. Conclusions and policy implications

7.1. This section sets out our conclusions and recommendations for taking forward employment land policies in Waverley.

## Supply and demand balance

7.2. The employment forecasts set out in Chapter 5 identify potential B use class employment growth of between -1,760 to 3,350 FTE jobs over the period to 2033. The Economic Strategy aligned Scenario 3 suggests a modest growth of 550 FTE B use class jobs, with total employment growth across all sectors totalling 1,690 FTE jobs.

7.3. Scenarios 1 and 3 project growth in B1a/b employment. Scenario 1 also suggests growth in B8 employment. The trend-based Scenario 2 suggests decline across all B use class employment sectors. Continued decline in industrial employment is projected by all three scenarios.

7.4. For the purpose of land use planning it is important to convert projected employment changes into changing floorspace requirements and compare these with the available supply of employment floorspace. Chapter 6 detailed this supply/demand assessment and concluded that Waverley should have sufficient industrial and storage and distribution floorspace to meet business needs to 2033. Scenario 1 suggests a significant shortfall of B1a/b floorspace by 2033, while Scenario 3 suggests that the Borough has marginally sufficient supply to meet B1a/b need.

7.5. Based on the projections of Scenario 3, it is recommended that Waverley safeguards its existing supply of B1a/b sites, and seeks to reuse any surplus B1c/B2 and B8 sites to accommodate the projected modest levels of growth in B1a/b sectors (there is projected needed for approximately 2 hectares of additional B1a/b land over the assessment period). Even though Scenario 3 forecasts a decline in industrial and storage and distribution requirements, it will still be important to safeguard fit for purpose B1c/B2 and B8 sites to protect the diversity and flexibility of the Borough’s economy.

7.6. It should be noted that the supply/demand balance assessment is a theoretical quantitative exercise. Qualitative factors such as size, quality, type, location and accessibility of premises can be important in deciding whether an available site is fit for purpose and likely to meet the specific characteristics of future demand. Providing a precise match of sites and premises to possible future demand has inherent difficulties and uncertainties and is not the purpose of the supply/demand balance exercise. However, providing a quantitative supply/demand assessment allows the Council to consider what policy approaches are appropriate.

7.7. The site assessment presented in this report shows that the majority of sites have been assessed as having “good” prospects for continued employment use. There could be some loss of employment sites assessed as having “poor” prospects for continued employment use, and it is important that any such losses are closely monitored by the Council and their impacts regularly assessed.

7.8. A key implication of the supply/demand balance assessment is that the Council should safeguard its existing good quality and fit for purpose B1a/b sites. It should also explore opportunities to provide additional B1a/b floorspace by re-using any surplus B1c/B2 and B8 sites that meet the qualitative characteristics of B1a/b demand. While the analysis suggests there is no additional need for industrial and storage and distribution floorspace, it will be important to safeguard good quality, fit for purpose B1c/B2 and B8 sites to maintain a diverse business base and to be able to respond to any unforeseen future opportunities. Any surplus sites that are not fit for purpose and are unlikely to meet future market needs should be considered for release to alternative uses.

### Vacant floorspace

7.9. There is around 29,800 sqm of vacant floorspace across employment sites. This represents approximately 5% of total floorspace. The vacant floorspace has a role to play in meeting some of the future demand, but in any market there will be a need for a level of vacancy to allow for movement of businesses to meet their needs. A normal level of vacancy in a buoyant market could be considered to be between 7-10%. Therefore not all vacancy will be used to meet growth needs. There will also be issues with the type and quality of some units not meeting the requirements of businesses looking to move to the Borough or start up.

### Commercial development pipeline

7.10. Another source of supply is the existing commercial development pipeline (sites that have planning permission but have not been implemented). Recent monitoring data supplied by Waverley Borough Council identifies that there is valid but as yet unimplemented B use class planning permissions, which would result in a net loss of approximately 290 sqm of B-class floorspace.

### Vacant land (short – medium term)

7.11. There are some short to medium term opportunities for new floorspace in the surveyed employment areas, where there is a total of around 6 ha of vacant land, which could accommodate a total of 35,000 sqm of new floorspace.

### Land with scope for intensification (medium – long term)

7.12. Approximately 1 ha of land which could accommodate potentially 6,400 sqm of net floorspace could be realised if the surveyed employment areas were redeveloped to intensify the use. However, these are medium to longer term opportunities as they will require land assembly and significant investment.

### Dunsfold Park opportunity (short – medium - long term)

7.13. The site covers some 248 hectares and consists mainly of greenspace and old runways. The owners are actively promoting the site for a mix of housing, employment and other uses. In addition to the 1800 homes proposed, the application seeks to increase Class B employment floorspace on site by some 26,067 sqm providing a net increase of 2,050 jobs. Whilst the application seeks some flexibility in the use of Class B floorspace the proposal could provide an additional 4,355 sqm Class B1a/b floorspace alongside 9,538 sqm of additional Class B1c/B2 and 12,173 sqm Class B8.

## Policy implications and recommendations

7.14. Waverley's employment land policies need to be aligned to the national policy context which emphasises providing a supply of good quality employment sites to meet the needs of the business community and supporting existing and growing sectors within the local economy.

7.15. The National Planning Policy Framework sets out that local planning authorities should plan positively and proactively to encourage sustainable economic growth. This should include supporting existing business sectors, promoting high-value growth sectors, and adopting a flexible approach which takes account of the potential future needs which cannot be anticipated, or to allow for rapid changes in economic circumstances.

7.16. Ensuring a supply of good quality, well located employment sites is maintained will help to support investment by existing business and managed growth in the local business base in accordance with the Waverley Economic Strategy. Demand is likely to continue to be driven by small and medium sized businesses, primarily operating in B1 sectors.

7.17. All scenarios tested as part of this study suggest further decline in industrial employment and two out of the three scenarios also project decline in B8 employment. However, the stakeholder consultation and market analysis suggest that Waverley's industrial market is currently constrained by a lack of flexible industrial premises that can accommodate SMEs. It is therefore important that Waverley provides a continuing supply of land suitable for B2 and B8 uses as well as premises meeting the needs of businesses of all sizes in order to maintain a healthy mix of business.

7.18. The analysis presented in this report makes a strong case for safeguarding good quality existing sites and exploring opportunities to intensify economic activity on employment sites where appropriate (and without affecting the character of Waverley's market towns). At the same time, any surplus industrial and warehousing sites should be considered for re-use to meet the Borough's growing B1 needs. The study's recommendations are summarised below:

- The Council needs to safeguard its good quality existing supply of employment land, protecting sites that are fit for purpose (e.g. well-located and well-performing) and redeveloping sites for continued employment use where improvements are necessary or redevelopment at higher density is possible.
- Encourage intensification of uses within existing employment development site locations where appropriate.
- Review vacancy levels across employment sites, identify any particular issues or constraints affecting occupancy rates and devise a strategy for addressing these issues.
- Sites that are not fit for purpose and unlikely to meet future business needs should be considered for release (e.g. for residential redevelopment to help meet the Borough's housing needs). Any release of employment land should not adversely affect the Borough's ability to meet the needs of local businesses.
- Define the wider Functional Economic Market Area (FEMA) and assess employment land requirements at that level. Waverley Borough is currently making good progress working with Woking Borough Council and Guildford Borough Council to define the FEMA, and this work is nearing completion. This will assist the Borough in developing planning policy for employment needs that are a closer fit to the real economic market, and ensure that most of the impacts of the policy area will be contained.
- The Council should work proactively with landowners and developers to bring forward new employment land provision and the development or intensification of existing allocations. In addition the report has identified a number of potential sources of supply including vacant land, land with scope for intensification and the Dunsfold Park opportunity.
- Ensure that the Borough provides a good variety of employment sites that meet the needs of the local business base (primarily small and medium sized enterprises).
- The Council should keep monitoring the supply and demand for employment land and premises and maintain flexible policies that will enable it to respond to future opportunities for economic and business growth and investment when these arise.

7.19. The NPPF requires local authorities to be responsive to market signals to ensure that there is adequate provision of the right type of employment land to meet the needs of the business communities. This study represents part of the evidence base to identify what the market requires in terms of employment land needs. The Consultants recommend that in order to respond to market signals the Council should do the following:

- Undertake a full Employment Land Review every 4-5 years, and partial updates every 2-3 years as appropriate;
- Undertake surveys of businesses to understand local businesses needs and aspirations this will require an appropriate sample size and will need to explore aspirations for growth / expansion, perceptions of the suitability of the location, type, size and quality of the premises;
- Continue to carry out and monitor employment areas through regular annual or bi-annual surveys, assessing quantity of occupied and vacant floorspace, but also assessing the quality of the premises and wider site environment; and

- Consult regularly with local property agents to gain perspectives of local market conditions.

## Implementation

7.20. To help meet the forecast the consultants recommend that there will be a need for a much more proactive approach to economic development within the Council; the following provides recommendations on potential implementation measures that could assist with this.

### Guidance on the provision of B-Class floorspace within mixed use schemes

7.21. In order for the Council to maximise the economic development potential of sites within the Borough we recommend that further planning guidance in the form of an SPD could provide a clearer basis for applicants and the Council's Development Management and economic team to maximise the opportunities for employment generating floorspace within development proposals.

7.22. Guidance is required on types of employment provision which can be accommodated:

- Maximising location potential
- Occupier needs and requirements (Size and type of premises reflecting mix of sectors and SMEs)
- Configuration and design of premises.
- Conversion and refurbishment projects
- Fit out requirements
- Management and disposal options

7.23. Illustrative worked examples could show how to assess the level of B-Class provision which can be accommodated in different market locations accounting for market viability issues.

### Monitoring

7.24. This study has provided further evidence that can be used in support of the Borough's employment land policies; this will need to be updated on a periodic basis to ensure that the Council is responding appropriately to market signals.

7.25. The Council could carry out regular surveys of the employment areas (every two years) which provides useful information on the quantity of B class floorspace. However, the Council should ensure that the information collected is shared widely within the Council in particular with those officers that are responsible for economic development. This would help the Council develop a more proactive approach to planning for employment land and supporting economic development.

7.26. It is recommended that the Council undertakes an assessment of the impacts of permitted development rights on the Borough's supply of employment land, and that it closely monitors the amount of employment land being lost as a result of prior approvals.

### Further sector based analysis

7.27. The Council should undertake analysis of IDBR data at an individual premises level. This would provide the opportunity to provide detailed analysis of the business base, including emerging clusters of firms. This would also enable detailed analysis of employment densities by sector, premises and location which the Council could use when scrutinising planning applications.

### Funding

7.28. A proposed growth fund could be used to support improvements in access/branding/signage improvements – possibly utilising CIL/Business rates retention from premises (area by area basis).

An investment fund for B-Class premises development/management represents another opportunity. There is potential for the Council to consider a joint venture approach with private sector development sector partner.

# A.1. Experian forecasting methodology

## Introduction

Experian's Regional Planning Service methodology is based on a top-down approach to regional forecasting; therefore views on the UK economy form the basis of the regional view. The UK as a whole is modelled on the basis of relationships at the national level.

The starting point for the forecasts is a wide range of historical economic data that is collected at a highly disaggregated level and covers all the major economic indicators. The majority of this data come from the Office of National Statistics (ONS). Data also come from a number of other sources including the Labour Force Survey, the CBI's survey of manufacturing industries, and the European Commission's survey of consumer confidence.

These data describe the historical performance of the UK economy and its constituent regions. After ensuring consistency between data from different sources and vintages, equations are constructed to represent the historical relationships between the several indicators. Each equation explains the performance of a particular indicator in terms of a number of other indicators. There is an equation for all the major indicators, at the national and regional level.

The overall forecasting approach is based on a methodology that combines long-term supply and demand influences with short-term demand side influences. In the short- to medium-term, the performance of the UK and regional economies is driven by demand side influences. However, supply potential is the long-term determinant of growth.

The model is used to produce an initial forecast which is evaluated by regional and sector experts in light of their detailed knowledge. Alterations are made for significant pieces of inward investment, or infrastructure development, or changes to European funding, in the form of 'add factors'. A new forecast is then produced, which is again subject to rigorous inspection. This process continues until those ultimately responsible for the forecast are satisfied with the results.

## Regional and local area forecasts

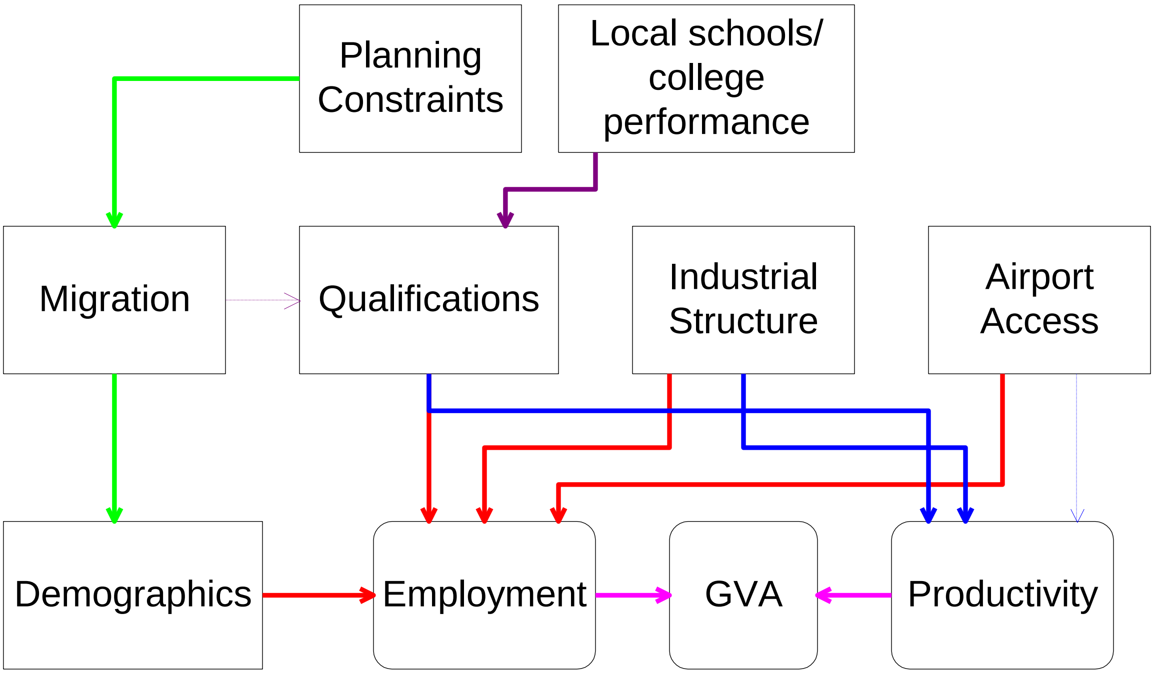
Experian's Regional Sectoral Model (IRSM) of the UK is constructed on the basis that each UK region and each sector of the economy is treated as an economic entity in its own right, for which forecasts can be made using historic relationships between variables. These relationships differ between regions and sectors on the basis of their differing economic structures, historic performances and so on. At the same time, the UK as a whole is modelled on the basis of relationships at the national level. By solving at both levels simultaneously, the model produces forecasts that are entirely internally consistent. The forecasts position each region in a genuine national and sectoral context and thus accurately reflect the economic dynamics of each region.

County and local/unitary authority area (LAD) forecasts are prepared once national and regional forecasts are finalised. The key feature at this geographical level is that far fewer reliable economic data are available. Experian make use of employment data, drawn from the Annual Business Inquiry along with surveys such as the Labour Force Survey.

In broad terms, the historical performance of county economies is interpreted in terms of their share of the regional economy of which they are a part. In turn, the performance of the LAD areas is based on their share of their encompassing county. For each sector of the economy (30 categories, SIC92 definition), equations are produced for output and employment that explain the observable relationship between these variables at the local and regional level.

The models are solved to initially produce forecasts of output for each of the counties for each of the 30 categories. In broad terms, if a county X has accounted for a steadily rising share of a sector P in region Y, then its share will continue to increase into the future. This applies whether the sector is increasing or decreasing in size at the regional level. These calculations are executed for every sector and every county in a region. All county totals must sum to regional totals. Output forecasts in each county in each industry are translated to employment by using wider regional productivity trends. The process is then repeated to produce forecasts for local areas relative to their wider counties.

**Figure A.1 Experian sub-national model overview**




The forecasts derived from the methodology set out above are entirely demand driven which, evidence has shown, works particularly well over the short-to-medium term. Over the longer-term, supply-side factors become more important in influencing the performance of economies.

These supply-side factors are incorporated in Experian's long-term county model. These include labour supply, labour force quality, infrastructure, population density and ethnic mix, which help determine potential participation rates (the potential for people to be economically active for a given employment rate), productivity and employment rates. Labour supply is shaped largely by demographic developments, and these play a key role in long-term economic development. The Experian county model combines official trends-based population projections with a policy based adjustment based on housing development allocations as outlined in each of the regional spatial strategies set out by Regional Assemblies.

The longer-term supply-side and short-to-medium demand-side models are drawn together, and the whole process culminates with a set of county and sub-county level forecasts that are entirely consistent with the national and regional forecasts upon which it is based.

## Full-time equivalent employment definition

Starting in early 2012, Experian changed the definition of full-time equivalent employment used in its forecasting model. Therefore, the Experian forecasts used for this update will not be entirely consistent with those used in previous studies.

The previous definition of Full-Time Equivalent employment (used in history and forecasts) was as follows:

FTE = SELF + FULL + 0.4*PART

Where SELF, FULL and PART were self-employment, full-time employment and part-time employment respectively. Effectively, this embodied two assumptions:

- Self-employed work full time
- Part time employment is 40% of full-time employment

These two assumptions are applied to all industries and regions. Each industry, region or industry-region pair uses its own definition of full-time employment.

The new definition is based on total hours worked and is as follows:

FTE = (HOURS)/(37.8*13)

The new FTE definition uses a constant yard-stick of full-time employment for all industries, regions and industry-region based on thirteen working weeks in a quarter at 37.8 hours a week. 37.8 hours is the average hours worked by a full-time worker in the UK between 1990 and 2009.

The advantage of the new FTE definition is that the previously nebulous concept of full-time worker has been replaced by a constant definition. This makes it easier to meaningfully compare employment across industries and regions.

Further, it takes account of the fact that self-employed workers often either do not work full-time or, alternatively, work longer than the typical full-time employee. In addition, although 40% is approximately the ratio between full-time and part-time workers hours for the UK economy as a whole, this varies between industries and regions.

This new definition also recognises the effects of short-time, layoffs and overtime, the amount of which vary across the economic cycle.

# A.2. Summary Site Results

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Bramley Business Centre | Bramley | 0.5 | 981 | | | | Good | Relatively modern build, well-occupied. |
| 2 | Exchange House | Haslemere | 0.1 | 282 | | | | Poor | Prior notification for 7 dwellings on upper floors. Most of the building will no longer be used as employment site with the ground floor retained as offices. |
| 3 | Drum-monds (part of Central Hindhead) | Haslemere | - | - | | | | Zero | Now residential |
| 5 | Weyside Park | Godalming | 2.1 | 8,455 | 1,641 | | | Good | These purposes built office buildings are well-suited to continued employment use. It should be noted however that employment floorspace has & will reduce as a result of a) Prior Approval granted for change of use of Thornbrook House (B1c) to 34 dwellings in May 2014. (Site area 0.58Ha). b) Prior Approval for 36 units at Panda House granted 08/10/2013 (CR/2013/0019). |
| 6 | Westbrook Mills | Godalming | 2.2 | 5,736 | | | | Good | Vacant offices being advertised. Suitable for employment. |
| 7 | Guardian House | Godalming | 0.3 | 702 | | | | Good | Suitable for continued employment use (B1). |
| 8 | Surrey Place / | Godalming | 0.2 | 221 | 20 | | | Good | Occupied & suitable for continued employment use. |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| | Courtyard House | | | | | | | | |
| 9 | Mill Pool House/The Old Mill/River Court | Godalming | 0.7 | 2,134 | 97 | | | Good | Good quality, well located, fully occupied. |
| 10A | Craven House | Godalming | 0.2 | 1,083 | | | | Poor | Given planning history of prior approval Craven House (vacant) likely to go to residential. |
| 10B | Friary House (Mountain House on proposals map) | Godalming | 0.2 | 1,911 | | | | Good | Good quality well located office premises. |
| 11 | Smithbrook Kilns | Bramley | 2.4 | 2,013 | | 0.7 | | Good | Some PD conversion to Residential has occurred, however the site provides accommodation suited to a variety of business and office users in an attractive rural setting. Need to seek to retain remaining employment floorspace as part of mix of uses. |
| 12 + 26 | Woolmead House and Woolmead House East | Farnham | 0.1 | 1,719 | | | | Good | This site (along with ELR Site 12) presents an opportunity for redevelopment for mixed uses in a central location. Employment uses would be considered appropriate at this location as part of any scheme coming forward. It is however accepted that redevelopment proposals may result in a net |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | loss of employment floorspace |
| 13 | St Georges Yard | Farnham | 0.2 | 1,024 | 229 | | | Good | Good quality site, within the centre of Farnham, fully occupied. Good location for offices. |
| 14 | 5 Castle Street | Farnham | - | - | | | | Zero | In Class A3 Use since 2012 |
| 15 | St. Stephen's House | Farnham | 0.1 | 1,385 | 198 | | | Good | Good quality site, within the centre of Farnham, fully occupied. |
| 16 | Clarendon House | Farnham | 0.1 | 728 | | | | Good | Good quality site, within the centre of Farnham, fully occupied. |
| 17 | St James House | Farnham | 0.1 | 297 | | | | Good | Good quality site, within the centre of Farnham, fully occupied. |
| 18 | Clock House / East Gate | Farnham | 0.2 | 785 | | | | Good | Good quality site, within the centre of Farnham, fully occupied. |
| 20 | 5 Mead Lane | Farnham | 0.1 | 490 | | | | Good | Good quality site, within the centre of Farnham, fully occupied. |
| 21 | Maritime House/Se-quel House | Farnham | 0.1 | 465 | | | | Good | Good quality site, within the centre of Farnham, fully occupied. |
| 22 | Gostry House | Farnham | 0.2 | 1,448 | | | | Good | Good quality site, within the centre of Farnham, fully occupied. |
| 23 | Wey Court | Farnham | 0.2 | 2,075 | | | | Good | Good quality site, within the centre of Farnham, fully occupied. |
| 24 | Craven House | Farnham | 0.1 | 496 | | | | Good | Good quality site, within the centre of Farnham, fully occupied. |
| 25 | Cheyenne House | Farnham | 0.3 | 2,679 | | | | Good | Good quality site, within the centre of Farnham, fully occupied. |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| 27 | Romans Business Park | Farnham | 0.9 | 3,471 | | | | Good | Whilst units fronting East Street are now in Retail use units behind are occupied and still suited for employment uses. |
| 28 | Romans Industrial Park | Farnham | 0.5 | 1,300 | | | | Good | Whilst units fronting East Street are now in Retail/A3 use units behind are occupied and still suited for employment uses. |
| 29 | Farnham Business Centre | Farnham | 29.0 | 1,978 | 205 | | | Good | Modern small light industrial park, in occupation. |
| 30 | Riverside Park Industrial Estate | Farnham | 0.6 | 7,884 | 771 | | | Good | Modern small light industrial park, in occupation. |
| 31 | Riverside Business Park | Farnham | 0.3 | 899 | | | | Good | Modern small light industrial park, in occupation. |
| 32 | Millennium Centre | Farnham | 0.9 | 4,835 | | | | Good | Modern office park with good access. |
| 33 | Headway House | Farnham | 0.7 | 1,894 | | | | Good | Modern office park with good access. |
| 34 | Astra Works | Cranleigh | 0.5 | 1,810 | 288 | | | Good | Well-located industrial / sui generis unit in fair condition suited to continued employment use. |
| 35 | Cranleigh Works / Old Factory Work | Cranleigh | 0.3 | 707 | | | | Good | Mainly occupied industrial units suitable for continued employment uses. |
| 36 | Jewson Ltd | Cranleigh | 0.8 | 2,997 | | | | Good | Curent Use Sui Generis in occupation |
| 37 | The Old Windmill | Cranleigh | 0.1 | 440 | | | | Good | Good quality occupied site. |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| 38 | Abbey Business Park | Farnham | 1.4 | 1,520 | | | | Good | Good quality and occupied purpose built rural business park |
| 39 | Farnham Business Park | Farnham | 1.9 | 10,791 | | | | Good | Good quality occupied business park. |
| 40 | Hurlands Business Centre | Farnham | 0.5 | 3,070 | 156 | | | Good | Good quality well-occupied units |
| 41 | Farnham Trading Estate | Farnham | 9.7 | 65,977 | 2,385 | | | Good | Good quality well-occupied industrial park. |
| 42 | Monkton Park | Farnham | 1.0 | 7,646 | | | | Good | Fully let trading estate in good condition |
| 43A | North of Bourne Mill Business Park (Patrick Stonema-sons Site) | Farnham | 0.7 | 110 | | | | Poor | Planning permission for Hotel + pub/restaurant granted 2013 & advertisement consent for said development given April 2015 thus development likely to proceed. (WA/2013/1243) |
| 43B | Bourne Mill Business Park (South) | Farnham | 0.6 | 5,629 | | | | Good | Modern occupied units in good condition. |
| 44 | Grove Bell Industrial Estate | Farnham | 1.0 | 3,628 | | | | Good | Well occupied, new units recently constructed, well located for strategic road network. |
| 45 | Bernay House | Haslemere | 0.2 | 572 | 84 | | | Good | Well located modern office facilities. |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| | (formerly Haslemere House) | | | | | | | | |
| 46 | Hewitts Industrial Estate | Cranleigh | 3.0 | 18,425 | 1,534 | | | Good | Designated employment site of average condition. Planning application for residential redevelopment refused on 30/09/2015 principally on the grounds of loss of suitably located industrial and commercial land. |
| 47 | SWICO (formerly Chapman Hse) | Haslemere | 0.2 | 1,591 | | | | Good | Good quality occupied site. |
| 48 | Unicorn Trading Estate | Haslemere | 0.7 | 3,460 | | | | Good | Well located occupied Employment site |
| 49 | 19-21 Weyhill | Haslemere | - | 1,121 | | 0.1 | | Good | Site is currently vacant as a result of the demolition of the existing buildings. Planning permission was granted in 2011 for 39 dwellings and 683m2 B1 floorspace which has now expired. |
| 50 | Kings Road Industrial Estate | Haslemere | 1.4 | 10,571 | | | | Good | Occupied & suitable for continued employment use. |
| 51 | Century Farm | Farnham | 0.6 | 583 | | | | Good | Continued use of existing buildings for Class B1(c) light industrial and B8 storage use including domestic storage and associated parking facilities allowed on appeal 2011. Buildings occupied. |
| 52 | Preymead Industrial | Farnham | 0.5 | 5,033 | | | | Good | Average quality occupied site. Large areas used for open storage however intensification |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| | Estate (Farm) | | | | | | | | of use would be limited by the access. |
| 53 | Birtley Courtyard | Bramley | 0.3 | 918 | | | | Good | Includes 1 unit as Vets. Remainder suitable for continued employment uses. Fully occupied. |
| 54 | The Old Stick factory / Fisher Lane Factory | Chiddingfold | 0.9 | 1,410 | | | | Good | Buildings occupied and in good condition providing rural employment opportunities. |
| 55 | Little Mead Industrial Estate | Cranleigh | 2.1 | 10,444 | | 0.04 | | Good | Designated site in average condition, fully occupied, with some recent new development. |
| 56 | Weydown Industrial Estate | Haslemere | 1.8 | 6,829 | | | | Good | Fully occupied site with mix of B1, B2, B8 and Sui Generis use (Jewsons) in town centre location. |
| 57 | Cranleigh Freight Services (Whitesales Rooflights in ELR) | Alfold | 0.6 | 4,173 | | | | Good | Site fully occupied and in good condition. |
| 58 | Weyburn Works | Elstead | 3.5 | 535 | | 3.5 | | Good | Site vacant since January 2008. Site has been marketed since 2008 and the Council accepts evidence that continued employment use on its own is unlikely to be viable given site redevelopment and remediation costs. |
| 59 | Elm House | Elstead | 0.2 | 713 | | | | Good | Good quality fully occupied business park |
| 60 | Tanshire House / | Elstead | 1.3 | 1,874 | | | | Good | Good quality fully occupied business park |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| | Oak House | | | | | | | | |
| 61 | Coxbridge Business Park | Farnham | 8.7 | 27,891 | 274 | | | Good | Good quality occupied modern site. |
| 62 | Manfield Park | Cranleigh | 1.9 | 9,840 | 480 | | | Good | Suitable for continued employment use. |
| 63 | Moor Park House | Farnham | - | 322 | | | | Zero | Site redeveloped for residential |
| 64 | Hones Yard Business Park | Farnham | 0.4 | 4,075 | | | | Good | Good quality occupied site with good access to strategic road network in susustainable location close to centre of Farnham. |
| 65 | Surrey Sawmills | Farnham | 0.9 | 1,517 | | | 0.9 | Good | Good quality occupied site, located on the A325 so good access to strategic road network. |
| 66 | Wreccle-sham Works aka Stephen-son's Enginee-ring Site | Farnham | 0.3 | 3,218 | | | | Poor | Vacant premises in average/poor condition. Application WA/2015/1116 seeking 12 dwellings pending. |
| 67 | Godalming Business Park | Godalming | 0.8 | 3,556 | | | | Good | Good quality business centre centrally located in Godalming. |
| 68 | Dolphin Works / Drumbeat House (part of Godalming | Godalming | - | - | | | | Zero | Undergoing redevelopment for housing as part of Flambard Way Key Site |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| | Key Site) | | | | | | | | |
| 69 | Ashcombe Court | Godalming | 0.8 | 1,597 | | | | Good | Good quality occupied site well located close to centre of Godalming |
| 70 | 18/20 Brighton Road | Godalming | 0.1 | 434 | | | | Poor | CR/2014/0036 Change of Use B1 to C3 Prior Approval not required. Proposal is for 2 dwellings. |
| 71 | Highfield | Godalming | 0.2 | 776 | | | | Poor | CR/2014/0035 Change of Use B1 to C3 (11 units) Prior approval not required, decision notice dated 16/09/2014. Appln for Planning Permission for 6 dwellings refused on 24/07/2015 (WA/2015/1038) but not on grounds of loss of employment (appln sought demolition and erection of 6 dwellings). |
| 72 | English Chain Company Ltd | Godalming | 0.2 | 984 | | | | Poor | Planning permission for 13 dwellings granted in March 2013, WA/2012/1998 |
| 74 | Hambledon House | Godalming | 0.1 | 1,054 | | | | Good | Good quality occupied site well located close to centre of Godalming |
| 75 | Berkley House | Godalming | - | - | | | | Zero | Now in Class D1 Use (Health Centre/Clinic). WA/2010/0382 |
| 76 | Network House | Godalming | 0.5 | 771 | | | | Good | Well located and occupied site suitable for continued employment use. |
| 77 | Waverley Borough Council | Godalming | 0.9 | 4,905 | | | | Good | Good quality modern offices suitable for continued employment use. |
| 78 +132 | Bridge House & Southern House | Godalming | 0.2 | 1,382 | | | | Poor | Long term vacancies in both properties, Southern House has prior approval for conversion to 10 flats (CR/2015/0019) and Prior approval not required for change of use |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | of Bridge House to 8 dwellings (CR/2015/0011). |
| 79 | 1 & 2 The Mews, | Godalming | 0.0 | 326 | | | | Good | 2 The Mews is a modern glass office building currently in occupation. Prior approval was deemed not to be required for conversion of 1 The Mews from B1 to 4 flats (decision dated 13/02/14 CR/2013/0035)and therefore employment floorspace at the site is likely to be reduced. |
| 80 | Lammas Gate | Godalming | 0.1 | 239 | | | | Good | 1st and 2nd floor at 84a Lammas Gate granted planning permission for 4 residential units in May 2013. (relates to two of the five sections in the terrace). Marketing assessment was sufficient to demonstrate that there is no longer a reasonable demand for the existing use of the building as offices. Calls remainder of the terrace into question if it becomes vacant. |
| 81 | Sweetapple House | Godalming | 0.0 | 830 | | | | Good | Good quality occupied and well located site suited to continued employment use. |
| 82 | 21 Farncombe Street | Godalming | 0.1 | 1,071 | | | | Good | OH Hewett are clothing wholesalers (mainly ties) but there is a rear warehouse/factory unit acessed by Owen Road. If vacant, given relatively poor quality of premises, could provide opportunity for either change of use or redevelopment for residential use. However there is some indication that the site is still in use and has a highly accessible location. |
| 83 | Builders | Godalming | 0.4 | 405 | | | | Good | Suitable for continued employment use. |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| | Yard, Cleveland Place | | | | | | | | Head office of Jackson and Gocher |
| 84 | 22 Hare Lane (now Tanners Mews) | Godalming | - | - | | | | Zero | Now residential |
| 85 | Coleman Roofing Supplies Ltd | Witley | 0.2 | 500 | | | | Good | Occupied average quality site. |
| 87 | Miltons Yard | Witley | 0.3 | 961 | 223 | | | Good | Older premises hosting a variety of small businesses suitable for continued employment use. |
| 88 | Coopers Place | Chiddingfold | 1.7 | 8,768 | 968 | | | Good | Purpose built industrial estate suitable for continued rural employment use. |
| 89 | Capital Park | Chiddingfold | 0.3 | 1,577 | | | | Good | Suitable for continued employment use. |
| 90 | The Works | Witley | 0.2 | 546 | | | | Good | Suitable for continued employment use. |
| 91 | Depot Witley Station | Witley | 0.6 | 2,685 | | | | Good | Fully occupied site suitable for continued employment use. |
| 92 | Corium House & Innovation House | Godalming | 0.9 | 2,552 | | | | Good | Recent planning permission (WA/2015/0716) for partial redevelopment to provide new office building at Innovation House. Suitable for continued employment use. |
| 93 | Langham Park | Godalming | 1.8 | 2,296 | 145 | | | Good | Fully occupied site suitable for continued employment use. |
| 94 | Anvil Park / Wurth | Godalming | - | - | | | | Zero | Recorded on SHLAA 2014 as residential & developed |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| | House | | | | | | | | |
| 95 | Cranleigh Brickworks | Cranleigh | 20.0 | 830 | | | | Poor | Planning permission for 19 dwellings granted 10/08/2015 (WA/2013/1947) |
| 96 | Hogs Back Sandpit | Farnham | 27.9 | - | | | | Good | Suitable for continued employment use (mineral extraction) |
| 97 | Woodside Park Industrial Estate | Godalming | 2.1 | 6,687 | | | | Good | Current application for residential-led mixed use scheme including some Use Class B1 and D1 floorspace. Well-located site is considered suited to continued employment use. |
| 98 | Coombers Ltd (Sawmills) aka Mills Site | Haslemere | 0.9 | 826 | | | | Good | Mainly occupied premises though somewhat tired buildings on western part with potential for redevelopment however site suited to continued employment use. Eastern part of site comprises operational Timber Mill. |
| 99 | Chidding-fold Storage Depot | Dunsfold | 2.8 | 6,195 | | | | Good | Occupied premises used for storage of discarded automotive parts (B8) in rural location. |
| 100 | KATZ Auto (formally Chuter Hills Coach-works) | Haslemere | 0.2 | 406 | | | | Good | Suitable for continued employment use. Currently used for car maintenance. |
| 101 | Longdene House | Haslemere | 1.5 | 948 | 99 | | | Good | Occupied good quality offices in parkland setting. Suitable for continued employment use. |
| 102 | Mullard Space Science | Ewhurst | 13.7 | - | | | | Good | Fully occupied science laboratories. |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| | Laboratory | | | | | | | | |
| 103A | Old Ewhurst Brickworks | Ewhurst | 4.6 | 5,901 | | | | Good | Car Salvage depot currently in occupation and suited to continued use. |
| 103B | Old Ewhurst Brickworks | Ewhurst | 1.5 | - | | 1.5 | | Good | Derelict Brickworks may have potential for redevelopment subject to contamination and viability issues. |
| 104 | The Hallams | Wonnersh | - | - | | | | Zero | Now residential |
| 105 | Ockford Mill | Godalming | 0.1 | 1,266 | | | | Poor | Prior approval for a change of use from Class B1a (office) to class C3 (residential) use for 10 units was deemed not required on 7th April 2014 (CR/2014/0005) |
| 106 | Rushmoor Garage | Frensham | 0.3 | 669 | | | | Good | Suitable for current use (car repairs) Suitable for continued employment use. |
| 107 | The Dairy | Farnham | 0.3 | 1,476 | | | | Poor | July 2015 - Application refused for Erection of 21 affordable dwellings following demolition of existing buildings together with associated works. Refused principally on amenity grounds. Long term vacant and derelict |
| 108 | The Factory | Farnham | 0.5 | 2,289 | 159 | | | Good | Designated, good quality site supporting multiple units. |
| 109 | 6a Wreccle-sham Road | Farnham | - | - | | | | Zero | Now residential |
| 110 | Guildford Road Trading Estate | Farnham | 1.4 | 5,715 | | | | Good | Reasonable quality trading estate serving multiple businesses. |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| 111 | Swallow Tiles Ltd | Cranleigh | - | - | | | | Zero | Now residential |
| 112 | Jewsons | Godalming | 0.8 | - | | | | Good | Well-located occupied site. |
| 113 | BP Hydraulics Ltd | Godalming | 0.1 | - | | | | Good | Occupied light industrial unit suitable for continued employment use. |
| 114 | Stone-bridge House | Godalming | 0.4 | 470 | | | | Good | In existing employment use however may come under pressure for Prior Approval |
| 115 | Beaver Depot | Bramley | 0.4 | 560 | | | | Good | Occupied site used for scaffold storage/offices |
| 116 | Factory, Wreccle-sham Rd/River Lane | Farnham | 0.2 | - | | | | Good | Two good quality occupied office blocks suited to continued employment use |
| 117 | Garage | Farnham | 0.2 | 249 | | | | Good | Well located site for continued use for Car sales. |
| 118 | WBC Depot (& others) | Farnham | 1.0 | 448 | | | | Good | Council Recycling centre and likely to continue as such. |
| 120 | Bridge House | Farnham | 0.1 | 1,052 | | | | Poor | WA/2015/0297 - Change of use from B1 to residential to provide 14 dwellings. Full Permission 27/04/2015. Prior Approval Not Required for 12 dwellings 23/10/2014 |
| 121 | Victoria House | Farnham | 0.1 | 434 | 73 | | | Poor | Identified in the 2014 SHLAA as having potential for 8 flats as part of a mixed use conversion. |
| 122 | Borelli Yard | Farnham | 0.0 | 518 | | | | Good | The site supports a mix of retail and office premises, fully occupied and suited to |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | continued retail / employment use. |
| 123 | Farnham Castle Newspaper Ltd | Farnham | 0.0 | 1,766 | | | | Good | Site will remain in employment use as offices for Farnham Castle Newspapers as part of proposed redevelopment site for mixed uses granted under WA/2015/0545 on 08/06/2015. |
| 124 | The Court Yard, 17 West Street | Farnham | 0.2 | 542 | | | | Good | Good quality occupied offices in centre of Farnham |
| 125 | Miscella-neous at Churt Place Nursery (aka Brokenbog) | Frensham | 2.4 | 8,415 | | | | Poor | Site last used for storage and repair of bathroom items. (Cert . of lawfulness granted in 2004 for Class B8 use). Site is poor quality and appears to be semi-derelict & not trading. Promoted for 20-30 dwellings in 2014 Call for Sites. |
| 126 | Weydon Works | Farnham | 1.0 | - | | | | Good | The site as a whole is suited to continued employment/Sui Generis use. The disused building on the northern part of the site (LAA 498) has potential for redevelopment for housing if it becomes available but this potential may be limited by the adjacent uses and vehicle movements associated with the builders yard. Therefore more likely to be suited for employment redevelopment. |
| 127 | The Old Sand Pit | Farnham | 0.9 | 2,035 | | | | Good | Quarry in active use. (Class B2) |
| 128 | The Reeds | Frensham | - | - | | | | Zero | Garden Centre / Retail |
| 129 | Lamport Court | Farnham | 0.3 | 501 | | | | Good | Good quality offices on Firgrove Hill Frontage comprise part of larger mixed use development. |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| 130 | Shortfield Garage | Frensham | - | - | | | | Zero | Now redeveloped to provide 9 dwellings, a shop and parish meeting room under Permission WA/2008/0310 |
| 131 | Lakeview Business Centre | Farnham | 0.2 | 906 | | | | Good | The site is occupied and suited to its current use (B1 c, car parts & repairs) |
| 133 | Blacknest Farm | Dunsfold | - | - | | | | Zero | Now residential |
| 134 | SCC Highways Depot | Witley | 0.9 | 2,588 | | | | Good | Good quality Council Household recycling centre recently upgraded. |
| 135 | The Common House Garage | Dunsfold | 0.7 | 770 | | | 0.2 | Good | Site in occupation hosting several vehicle related businesses. |
| 136 + 137 | Dunsfold Aerodrome | Dunsfold | - | 39,453 | | | | Good | Suitable for continued employment use |
| 138 | Gastonia Coaches, Gaston Garage | Cranleigh | 0.6 | 957 | | | | Good | Fully occupied site in good condition suited to continued employment use. |
| 139 | Grantley House | Cranleigh | 0.1 | - | | | | Poor | Now mainly residential. |
| 140 | Telephone Exchange | Farnham | 0.2 | - | | | | Good | Telecoms exchange in utility use. 1997 Permission for 1st floor offices never implemented. |
| 141 | The Old Court House | Farnham | 0.1 | 337 | | | | Good | Good quality occupied offices in centre of Farnham. |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| 142 | Catteshall Manor | Godalming | 8.9 | 79 | | | | Good | Converted Manor House in office use (occupied). |
| 143 | The Works, Hookstile Lane | Farnham | 0.2 | 567 | | | | Good | Occupied light industrial units suitable for continued employment use despite relatively poor quality. |
| 144 | Colemans Yard off School Hill / Wreccle-sham Road | Farnham | 0.4 | - | | | | Good | Former builders yard & scrap metal yard in predominantly residential area. In use principally for the storage of materials, |
| 145 | Coalyard Site off The Street | Farnham | 0.3 | 938 | | | | Good | The majority of the current buildings and structures on the site are of poor quality. The site nonetheless provides useful local employment opportunities and as such is suited to continued employment use. |
| 146 | Smithbrook Barns | Bramley | 0.9 | 634 | 143 | | | Good | Good quality rural employment site |
| 147 | Hickleys Court | Farnham | 0.2 | 249 | | | | Good | Good quality well located & occupied offices |
| 148 | Longly Timber Products Ltd aka Harvest Wood Products Ltd | Tilford | 2.2 | 171 | | | | Good | Recently redeveloped site. Use restricted by condition to timber production, treatment and storage. (WA/2014/2016) |
| 149 | Greenhills Business Park aka | Tilford | 2.0 | 3,298 | 107 | | | Good | Good quality occupied business premises. |

| Site No. | Site name | Settlement | Land area (ha) | Total B-class floorspace in surveyed designated employment development sites (sqm) | Vacant Floor-space (sq.m) | Vacant Parcels (ha) | Land with scope for intensification / redevelopment (ha) | Prospects for Continued Employment Use | Justification |
|---|---|---|---|---|---|---|---|---|---|
| | Greenhills Rural Enterprise Centre | | | | | | | | |
| 150 | Units 1-6 Alfold Business Centre | Alfold | 0.3 | 371 | | | | Good | . Units 1 -6 remain in employment use following conversion of units 9-12 to 4 residential dwellings. |
| 156 | The Barbican | Farnham | 0.1 | - | 523 | | | Good | Well located three storey office building recently refurbished and suited to continued employment use. |
| **Total** | | | **206** | **418,536** | **10,800** | **5.9** | **1.1** | | |

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