

# Suffolk County Council

## Western Suffolk Employment Land Review

### Final Report

May 2009



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# **Suffolk County Council**

## **Western Suffolk Employment Land Review**

### **Final Report**

**May 2009**

**Reference: P:\PLANNING\621\Instruction\Clients\Suffolk County Council\Western Suffolk  
ELR\10.0 Reports\Final Report\Final\WesternSuffolkELRFinalReport090506.doc**

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# CONTENTS

1.	INTRODUCTION.....	1
2.	POLICY CONTEXT.....	5
3.	COMMERCIAL PROPERTY MARKET ANALYSIS.....	24
4.	EMPLOYMENT LAND SUPPLY ANALYSIS.....	78
5.	EMPLOYMENT FLOORSPACE PROJECTIONS.....	107
6.	BALANCING DEMAND AND SUPPLY .....	147
7.	CONCLUSIONS AND RECOMMENDATIONS .....	151

## LIST OF FIGURES

Figure 1 The Western Suffolk Study Area	5
Figure 2 Claydon Business Park, Claydon	26
Figure 3 Industrial Use in Stowmarket	27
Figure 4 Industrial Development at Eye Airfield	31
Figure 5 Port Related Uses in Mid Suffolk	40
Figure 6 Charles Industrial Estate, Stowmarket	41
Figure 7 Industrial Units at Needham Market	42
Figure 8 British Sugar Factory at Bury St Edmunds	45
Figure 9 Industrial Development in Haverhill	46
Figure 10 Potential Development Land at Suffolk Business Park	48
Figure 11 Vacant Office Stock on Willie Snaith Road, Newmarket	60
Figure 12 Industrial Uses on Willie Snaith Road in Newmarket	61
Figure 13 Industrial Stock at Mildenhall Industrial Estate	62
Figure 14 Land North of Hundred Acre Way, Red Lodge	64
Figure 15 Gerry Reynolds Saddlery Manufacturing Site	72
Figure 16 EuroUSA: Worldwide Moving Specialists, Mildenhall Industrial Estate	73
Figure 17 Employment Sites and Clusters in Mid Suffolk District	79
Figure 18 Employment Sites and Clusters in St Edmundsbury Borough	89
Figure 19 Employment Sites and Clusters in Forest Heath District	98
Figure 20 Employee numbers by use type and projections in Mid Suffolk until 2026	116
Figure 21 Employee numbers by use type and projections in St Edmundsbury until 2026	120
Figure 22 Employee numbers by use type and projections in Forest Heath until 2026	124
Figure 23 Strategic Drivers within Western Suffolk	152
Figure 24 Recommendations for Mid Suffolk District	159
Figure 25 Recommendations for St Edmundsbury Borough	163
Figure 26 Recommendations for Forest Heath District	166

## LIST OF TABLES

Table 1 Office Stock in Mid Suffolk 1998 - 2007	28
Table 2 Industrial Stock within Mid Suffolk 1998 - 2007	28
Table 3 Development Activity in Mid Suffolk	29
Table 4 Business floorspace (B1 – B8) completions in Mid Suffolk	30
Table 5 Rural Business B1 – B8 Floorspace change in Mid Suffolk 2001 - 2007	30
Table 6 Absolute & Annual Average Office Take up Mid Suffolk 1998 - 2008	32
Table 7 Number of Office Deals in Mid Suffolk 1998 - 2008	32
Table 8 Absolute and Average Annual Industrial space take up in Mid Suffolk 1998 - 2008	33
Table 9 Number of Industrial Deals in Mid Suffolk 1998 - 2008	34
Table 10 Commercial Property Vacancy Levels within Mid Suffolk	34
Table 11 Office Availability and Take-Up by Size in Mid Suffolk	35
Table 12 Office Availability and Take-Up by Size in Mid Suffolk	36
Table 13 Available Industrial Floorspace and Annual Average Take-Up in Mid Suffolk	36
Table 14 Available Industrial Floorspace and Annual Average Take-Up in Mid Suffolk	37
Table 15 Rental Values for 'A' grade Office Stock in Mid Suffolk	38
Table 16 Rental Values for 'A' grade Industrial Stock in Mid Suffolk	38
Table 17 Office Stock in St Edmundsbury between 1998 and 2007	47
Table 18 Industrial Stock within St Edmundsbury 1998 - 2007	48
Table 19 B1, B2 and B8 Completions (Sq M of Floorspace) in St Edmundsbury (2006-2007)	49
Table 20 Completions by Use Class in St Edmundsbury (2005-2006)	50
Table 21 Absolute Office Space Take Up in St Edmundsbury (1998 – 2008)	51

Table 22 Number of Office Deals in St Edmundsbury between 1998 and 2008	52
Table 23 Absolute and Average Annual Industrial Take Up in St Edmundsbury (1998-2008)	52
Table 24 Number of Industrial Deals in St Edmundsbury between 1998 and 2008	53
Table 25 Office Availability and Take-Up by Size in St Edmundsbury	53
Table 26 Office Availability and Take-Up by Size in St Edmundsbury	54
Table 27 Industrial Availability and Take-Up by Size in St Edmundsbury	55
Table 28 Industrial Availability and Take-Up by Size in St Edmundsbury	55
Table 29 Rental Values for 'A' Grade Office Stock in St Edmundsbury DC	56
Table 30 Rental Values for 'A' Grade Industrial Stock in St Edmundsbury DC	56
Table 31 Office Stock in Forest Heath between 1998 and 2007	63
Table 32 Industrial Stock within Forest Heath 1998 - 2007	63
Table 33 Completions in Forest Heath	65
Table 34 Absolute and Annual Average Take-Up of office space in Forest Heath 1998 - 2008	66
Table 35 Number of office deals in Forest Heath 2004 - 2008	66
Table 36 Average Annual Industrial Take Up in Forest Heath 1998 - 2008	67
Table 37 Number of industrial deals in Forest Heath between 1998 and 2008	67
Table 38 Commercial Property Vacancy Levels within Forest Heath	68
Table 39 Office Availability and Take-Up by Size in Forest Heath	68
Table 40 Office Availability and Take-Up in Forest Heath Excluding Choose Suffolk Data	69
Table 41 Industrial Availability and Take-Up by Size in Forest Heath	69
Table 42 Industrial Availability and Take-Up in Forest Heath Excluding Choose Suffolk Data	70
Table 43 Rental Values for 'A' grade Industrial Stock in Mid Suffolk	71
Table 44 Total Employment Land by Area (Ha)	80
Table 45 Land Supply – Vacant Employment Land (Ha)*	81
Table 46 Assessment of Quality of Bus Route	82
Table 47 Assessment of Rail Network Provision	82
Table 48 Average Distance to nearest Motorway Junction (km)	83
Table 49 Employment clusters and average distance from nearest A Road	84
Table 50 Assessment of local road access	84
Table 51 Market Readiness of Employment Sites	85
Table 52 Total Employment Land by Area (ha)	90
Table 53 Land Supply – Vacant Employment Land (Ha)*	91
Table 54 Assessment of Quality of Bus Route	92
Table 55 Assessment of Rail Network Provision	92
Table 56 Average Distance to nearest Motorway Junction (km)	93
Table 57 Employment clusters and average distance from nearest A Road	94
Table 58 Assessment of local road access	94
Table 59 Market Readiness of Employment Sites	95
Table 60 Total Employment Land by Area (ha)	99
Table 61 Land Supply – Vacant Employment Land (m <sup>2</sup> )*	100
Table 62 Assessment of Quality of Bus Route	101
Table 63 Assessment of Rail Network Provision	101
Table 64 Average Distance to nearest Motorway Junction (km)	102
Table 65 Employment clusters and average distance from nearest A Road	102
Table 66 Assessment of local road access	103
Table 67 Market Readiness of Employment Sites	104
Table 68 RSS Job target split for Western Suffolk	111
Table 69 Employment Increases between 2006 and 2026 in Mid Suffolk	112
Table 70 Sectors with strong Location Quotients in Mid Suffolk	113
Table 71 Sectors with future growth potential in Mid Suffolk	114
Table 72 Changes in Floorspace in Mid Suffolk 2006 to 2026	116
Table 73 Employment Increases between 2006 and 2026 in St Edmundsbury	117
Table 74 Sectors with strong Location Quotients in St Edmundsbury	118
Table 75 Potential Growth Sectors in St Edmundsbury	119
Table 76 Changes in Floorspace in St Edmundsbury 2006 to 2026	120
Table 77 Employment Increases between 2006 and 2026 in Forest Heath	121
Table 78 Sectors with strong Location Quotients in Forest Heath	122

Table 79 Potential Growth Sectors in Forest Heath	123
Table 80 Changes in Floorspace in Forest Heath 2006 to 2026	124
Table 81 Unexpected losses in Mid Suffolk District 2004/5 – 2007/8 (m <sup>2</sup> floorspace)	126
Table 82 Unexpected losses in St Edmundsbury Borough 2005/6 – 2007/8 (m <sup>2</sup> floorspace)	126
Table 83 Unexpected losses in Forest Heath District 2004/5 – 2007/8 (m <sup>2</sup> floorspace)	127
Table 84 Allowance For Churn by Use Class in Mid Suffolk (m <sup>2</sup> floorspace)	128
Table 85 Allowance for Churn by Use Class in St Edmundsbury (m <sup>2</sup> floorspace)	128
Table 86 Allowance for Churn by Use Class in Forest Heath (m <sup>2</sup> floorspace)	129
Table 87 Current Employment Split in Land and Other Transport Sector in Port of Felixstowe Local Authority Areas	132
Table 88 Growth in Land Demand from the Port of Felixstowe 2018 - 2026	133
Table 89 Growth in Land Demand from the Port of Felixstowe 2018 - 2026	133
Table 90 Sectors Considered as High Value Manufacturing	135
Table 91 Current Employee Numbers and Growth Rates of HVM in Cambridgeshire	136
Table 92 Additional Employment in HVM in St Edmundsbury using East Cambridgeshire percentage change	136
Table 93 Sectors Considered as Research & Development	137
Table 94 Current Employee Numbers and Growth Rates of R&D Employment in Cambridgeshire / St Edmundsbury	138
Table 95 Additional Employment in R&D in St Edmundsbury using East Cambridgeshire Growth Rate	138
Table 96 Current Employee Numbers and Growth Rates of HVM in Cambridgeshire	140
Table 97 Additional Employment in HVM in Forest Heath using East Cambridgeshire percentage change	140
Table 98 Synthesis Employment Land Requirements of Mid Suffolk 2006 -2026	142
Table 99 Employment Land Requirements in the Ipswich Policy Area of Mid Suffolk	143
Table 100 Estimated Additional Demand in Mid Suffolk from Scenario A	143
Table 101 Estimated Additional Land Demand in Mid Suffolk from Scenario B	144
Table 102 Synthesis Employment Land Requirements of St Edmundsbury 2006-2026	144
Table 103 Additional Floorspace Requirement in St Edmundsbury from Scenario A	145
Table 104 Additional Floorspace Requirement in St Edmundsbury from Scenario B	145
Table 105 Synthesis Employment Land Requirements of Forest Heath 2006 -2026	146
Table 106 Additional Floorspace Requirement in Forest Heath from Scenario A	146
Table 107 Requirements for B Class Employment Land Compared with Supply in Mid Suffolk 2006 – 2026	148
Table 108 Requirements for B Class Employment Land Compared with Supply in St Edmundsbury 2006 – 2026	149
Table 109 Requirements for B Class Employment Land Compared with Supply in Forest Heath 2006 – 2026	150







## EXECUTIVE SUMMARY

Suffolk County Council commissioned GVA Grimley to undertake the Employment Land Review for Western Suffolk, comprising the Districts of Mid Suffolk, Forest Heath and the Borough of St Edmundsbury. It will be used as supporting evidence for the emerging Core Strategy of the Local Development Framework (LDF) in each local authority area. Western Suffolk has a job target of 18,000 between 2001 and 2021 which compares with some of the employment growth targets applied to urban centres such as Bedford, Peterborough and Harlow indicating the scale of the challenge for the sub-region.

## COMMERCIAL MARKET

An analysis of the commercial markets within Western Suffolk shows that overall the focus in all three Authorities is towards industrial uses, with a smaller presence of office stock.

In Mid Suffolk the industrial areas in and around Stowmarket and Great Blakenham / Claydon are the focus of commercial activity. The prevalence of port-related companies occupying employment land in this part of the District supports this presence.

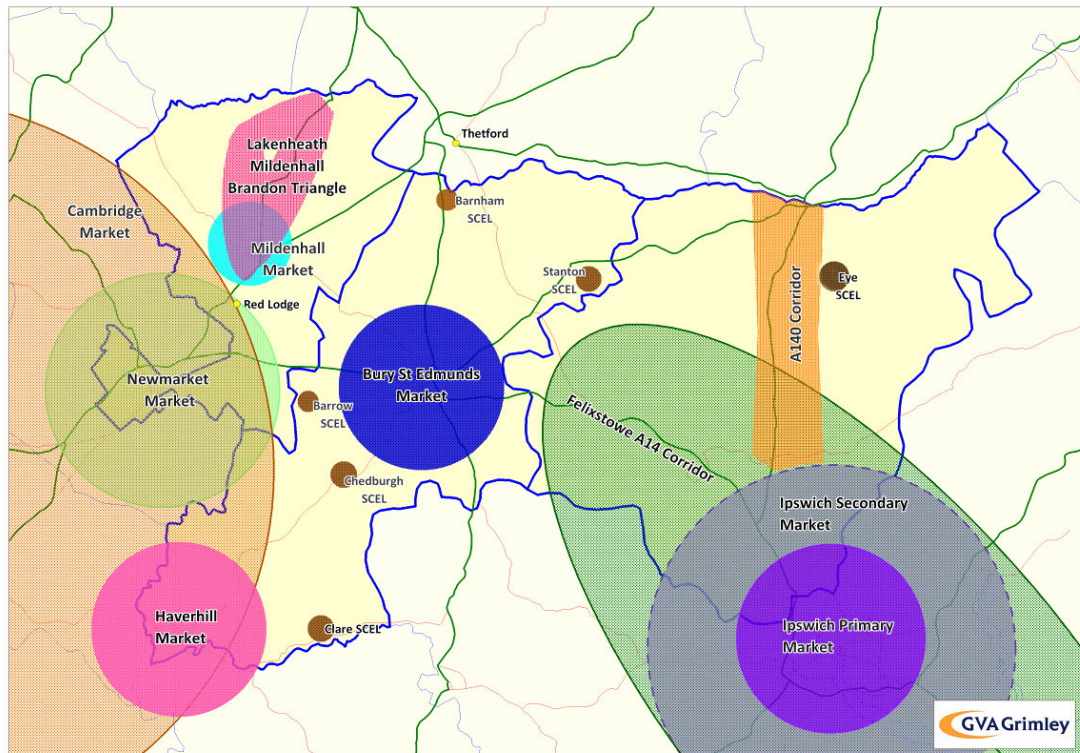
St Edmundsbury District's office and industrial markets are primarily driven by the towns of Bury St Edmunds and Haverhill. Whilst there is a commercial presence in some of the larger villages such as Clare and Chedburgh, it is not on the same scale as the two major towns. Agents consider that the lack of large, new stock (of up to 55,000 sq m / 60,000 sq ft) is a hindrance to Bury St Edmund's employment land offer, but that there is also a high level of demand for smaller, workspace units.

In Forest Heath Newmarket and Mildenhall / Lakenheath / Brandon are the focus of both industrial and office commercial activity. The focus of Newmarket is on the horseracing industry; however we consider that outside of the town the emphasis on horseracing in employment terms falls away. Of the industrial stock in the Mildenhall / Lakenheath / Brandon Triangle, local agents comment that the industrial employment sites service the local area and needs with uses such as printing and metal works.

As an economic sub-region Western Suffolk demonstrates a number of distinct economic influences in different parts of the sub region. These are shown below and include:

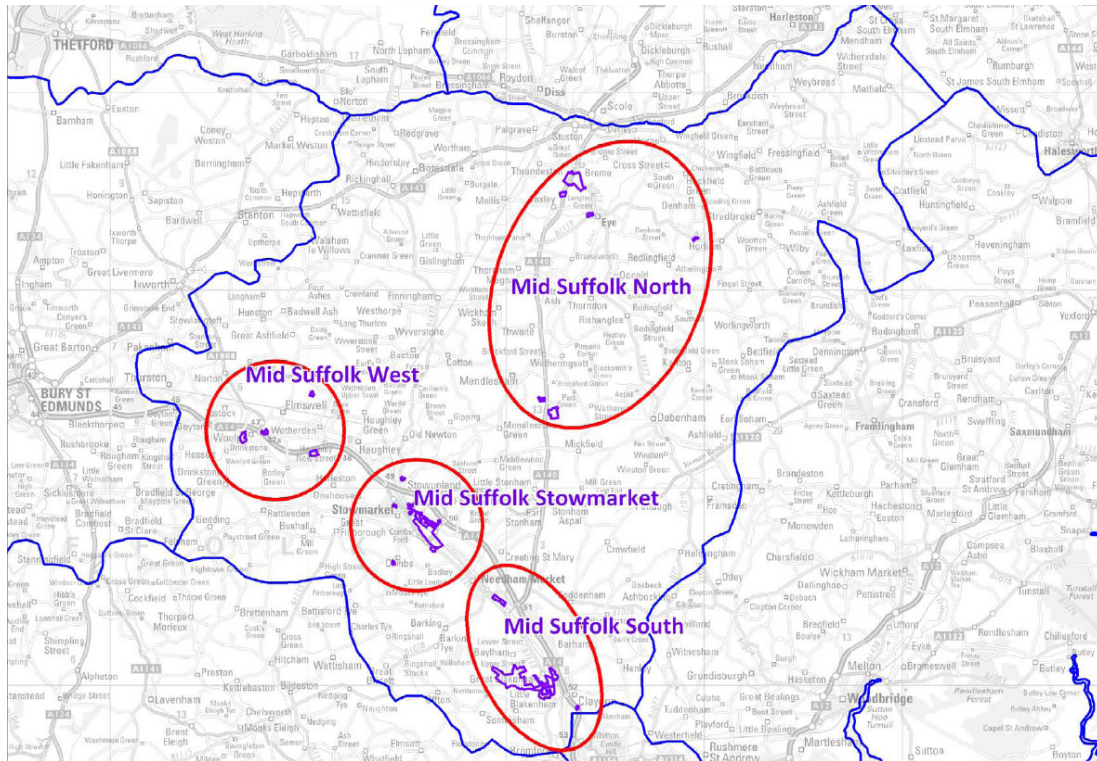
- The Felixstowe A14 Corridor
- Ipswich Primary & Secondary Market
- The A 140 Corridor

- Bury St Edmunds Market
- Newmarket Market
- Cambridge Market



## EMPLOYMENT SITE ANALYSIS

### MID SUFFOLK



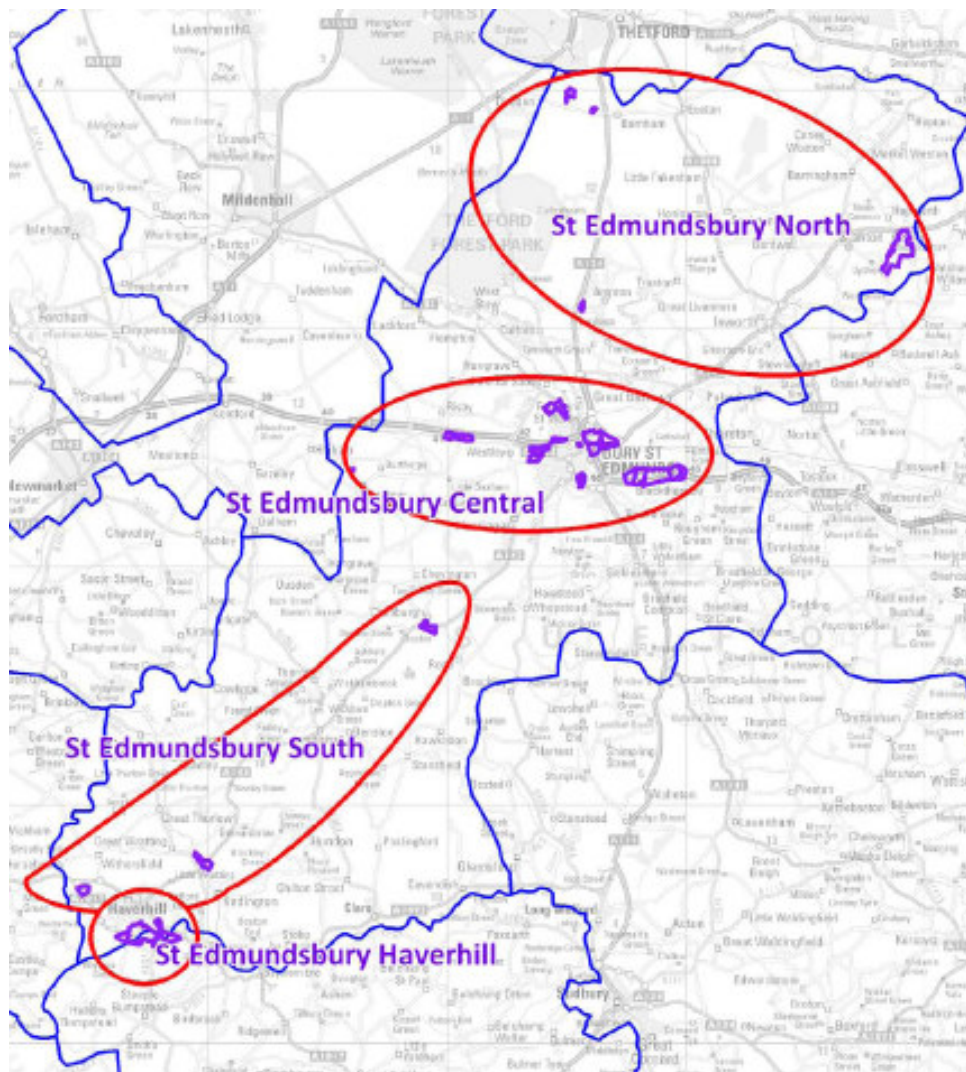
An analysis of employment sites in the three local authorities shows that the southern clusters of Mid Suffolk District (Mid Suffolk South and Mid Suffolk Stowmarket) are comparatively well served by public transport provision compared to the northern area.

Strategic servicing of employment sites is relatively poor with the nearest motorway 50 km away. In particular, employment sites in Mid Suffolk North are a significant distance from the M11.

Mid Suffolk South and Mid Suffolk Stowmarket have relatively good links to A roads and the vast majority of sites within the Districts have no constraints on further development.

From a commercial perspective the stronger linkages to transport infrastructure and proximity to adjacent markets make the employment clusters of Mid Suffolk Stowmarket and Mid Suffolk South the most commercially sound locations within the District.



**ST EDMUNDSBURY**

Employment sites in St Edmundsbury are poorly served by public transport. St Edmundsbury Central, incorporating the main employment location of Bury St Edmunds, is best served by rail provision but only 4 out of the 14 sites are less than 1 mile from the nearest train station.

Strategic servicing of employment sites via the road network in St Edmundsbury is comparatively strong, particularly around Haverhill and St Edmundsbury South.

There are no major barriers to development among the employment sites in St Edmundsbury and there are large amounts of developable employment land available. From a market perspective the strong strategic links in the southern parts of the Borough make it a commercially strong employment location, particularly for distribution uses.

The map displays the Forest Heath area, divided into four wards, each highlighted with a red oval and a purple icon. The wards are:

- Forest Heath North:** Located in the northern part of the area, including locations like Brandon, Lakenheath, and Wangford.
- Forest Heath Central:** Located in the central part, including Mildenhall, Lakenheath, and Wangford.
- Forest Heath South:** Located in the southern part, including Mildenhall, Lakenheath, and Wangford.
- Forest Heath Newmarket:** Located in the southwestern part, including Newmarket and Mildenhall.

The map also shows various roads, green spaces like Thetford Forest Park, and other localities such as Brandon, Lakenheath, Mildenhall, and Newmarket.

Strategic servicing of employment sites is relatively poor particularly in the north of the District, which is over 40 miles away from the nearest motorway and 0.9km away from the nearest A road.



## FUTURE GROWTH SECTORS

Each local authority demonstrates specific economic strengths. Mid Suffolk has a strong representation of manufacturing and port related transport activities, indicating the potential of the sector in the District. A list of sectors with strong representation compared to the East of England and strong recent growth is shown below:

Sector	LQ	Growth 98 -07	Current Number of Employees
Forestry, logging and related service activities	5.47	100%	78
Other mining and quarry	3.67	232%	73
Manufacture basic metals	2.68	10%	88
Construction	1.91	43%	3,350
Sewage and refuse disposal, sanitation and similar activities	1.72	9%	209
Supporting and auxiliary transport activities; activities of travel agencies	1.65	57%	1,017
Electricity, gas, steam and hot water supply	1.56	11%	200
Renting of machinery and equipment without operator and of personal and household goods	1.49	140%	322
Manufacture of transport equipment	1.24	4433%	136
Manufacture of pulp, paper and paper products	1.13	105%	82
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.13	48%	111
Real estate activities	1.08	13%	581
Wholesale trade and commission trade, except of motor vehicles and motorcycles	1.06	11%	1,624
Other service activities	1.05	26%	431

Source: ABI 2007

In St Edmundsbury manufacturing is also strong with the high value manufacturing of chemicals sector particularly strong. Giving its position as a major public centre St Edmundsbury is also strong in utilities, public services, recreational activities, as well as in retail sales. This is shown in the table below:



Sector	LQ	Growth 98 - 07	Current Number of Employees
Manufacture of chemicals and chemical products	3.09	25%	1,062
Forestry, logging and related service activities	2.29	1200%	52
Electricity, gas, steam and hot water supply	1.89	30%	386
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.78	190%	278
Publishing, printing and reproduction of recorded media	1.39	2%	864
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	1.35	6%	1,731
Health and social work	1.27	7%	7,202
Manufacture of textiles	1.16	7%	58
Recreational, cultural and sporting activities	1.03	77%	1,290
Other service activities	1.02	19%	670

Forest Heath's strong growth sectors are related to the horse racing industry particularly the recreation, cultural and sporting activities sector. Further strength in the leisure sector is demonstrated in the strong presence of the hotels and restaurants sector. Traditional B-Class sectors that are represented within Forest Heath include the manufacturing of wood sector and the other service activities sector. This is shown below:

Sector	LQ	% Change	Number of Employees
Forestry, logging and related service activities	13.19	112%	140
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	5.11	65%	374
Recreational, cultural and sporting activities	3.91	18%	2284
Hotels and restaurants	2.07	14%	2533
Public administration and defence; compulsory social security	1.52	33%	1199
Agriculture, hunting and related service activities	1.46	287%	472
Other service activities	1.40	15%	429
Renting of machinery and equipment without operator and of personal and household goods	1.25	67%	200
Real estate activities	1.11	94%	444
Other mining and quarry	1.08	23%	16

Source: ABI / GVA Grimley 2007

## EMPLOYMENT LAND REQUIREMENTS

### MID SUFFOLK

Overall employment land requirements for Mid Suffolk up to 2026, including the base case and our two Scenarios, are shown in the table below:

	Demand		Supply Land (Ha)	Land Surplus /Deficit Ha
	Demand Floorspace (m <sup>2</sup> )	Land (Ha)		
<b>Base Case</b>				
Office	12,369	1.2	1	-0.2
Industrial	49,832	12.5	22.6	10.1
Total	62,200	13.7	23.6	9.9
<b>Scenario A</b>				
Office	28,285	3	1	-1.8
Industrial	313,022	78	22.6	-55.7
Total	403,507	81	23.6	-57.5
<b>Scenario B</b>				
Office	18,202	2	1	-0.8
Industrial	146,026	37	22.6	-13.9
Total	226,428	38	23.6	-14.7

Source: GVA Grimley / Oxford Economics

**ST EDMUNDSBURY**

Overall employment land requirements for St Edmundsbury are shown in the table below:

	Demand	Demand	Supply	Land Surplus /Deficit
Base Case	Floorspace (m <sup>2</sup> )	Land (Ha)	Land (Ha)	Ha
Office	87,000	9.7	11.2	1.5
Industrial	229,857	57.7	86.6	28.9
Total	316,856	67.5	97.8	30.3
<b>Scenario A</b>				
Office	87,000	9.7	11.2	1.5
Industrial	261,482	60.9	86.6	25.7
Total	348,482	70.6	97.8	27.2
<b>Scenario B</b>				
Office	105,498	11.5	11.2	-0.3
Industrial	230,189	57.8	86.6	28.8
Total	335,687	69.3	97.8	28.5

Source: GVA Grimley / Oxford Economics

**FOREST HEATH**

Overall employment land requirements for Forest Heath are shown in the table below:

	Demand	Demand	Supply	Land Surplus /Deficit
Base Case	Floorspace (m <sup>2</sup> )	Land (Ha)	Land (Ha)	Ha
Office	55,761	6	27	21
Industrial	128,911	32	12	-20
Total	184,672	38	39	1
<b>Scenario A</b>				
Office	55,761	6	27	21
Industrial	147,329	37	12	-25
Total	203,090	42	39	-4

Source: GVA Grimley / Oxford Economics

## RECOMMENDATIONS

### STRATEGIC

*R1: ENSURE JOINT WORKING BETWEEN LOCAL AUTHORITIES THROUGHOUT THE PLANNING PERIOD*

*R2: DEVELOP AN OVERARCHING INWARD INVESTMENT STRATEGY FOR SUFFOLK*

*R3: CONTINUE TO INVEST AND ENHANCE STRATEGIC TRANSPORT INFRASTRUCTURE*

*R4:* Given the condition of the A1307 we recommend that St Edmundsbury Borough Council along with Suffolk County Council and Cambridgeshire County Council undertake the necessary road improvements to promote the strong linkages between Haverhill and Cambridge further in the future.

*R5:* Given the capacity issues we recommend that Mid Suffolk District Council and Suffolk County Council undertake the necessary improvements to the A140 which would better link Ipswich and Norwich and improve the strategic benefits of Eye as an employment location.

*R6:* Given the weak transport links in Forest Heath we recommend that Forest Heath District Council and Suffolk County Council undertake the necessary improvements to the strategic road network particularly the A11 between Fiveways and Thetford and the A1065 between Mildenhall and Brandon.

*R7: DELIVER EMPLOYMENT IN A SUSTAINABLE MANNER*

*R8:* Carry out a review of employment forecasts at 5 year intervals and link this with housing completions in the same period to ensure employment land requirements retain their validity.

*R9:* Monitor key data on employment land lost to other uses and developed on Previously Developed Land and 3-5 year intervals to ensure the continued validity of future employment land requirements.

*R10:* In line with the scenarios developed in Chapter 5, we recommend that each local authority monitors employment changes, both in quantitative and in sector terms, from the Port of Felixstowe and Cambridgeshire to ensure employment land requirements are in line with the increasing activity in each of these key areas.

*R11: PROMOTE HIGH QUALITY MIXED USE BUSINESS PARKS*

*R12: PROTECT SELF CONTAINED EMPLOYMENT LOCATIONS*

*R 13: ALLOCATE EMPLOYMENT LAND IN LINE WITH SCENARIOS IN MID SUFFOLK AND FOREST HEATH*

*R14:* Mid Suffolk District considers appropriate sites for employment allocation in either Mid Suffolk Stowmarket or Mid Suffolk South given their proximity to the Port of Felixstowe where highest demand is expected to be in the future.

*R15:* Forest Heath District Council consider appropriate sites for employment allocation in either Forest Heath South or Forest Heath Newmarket because of the strong strategic nature of these employment locations outlined in our supply analysis and their proximity to Cambridgeshire, the expected driver of additional demand.

## MID SUFFOLK



GVA Grimley

*R16: MAINTAIN EXISTING EMPLOYMENT SITES MID SUFFOLK*

*R17: FURTHER CONSIDER THE INFLUENCE OF IPSWICH*

## SITE LEVEL

### MID SUFFOLK SOUTH

*R18: ENCOURAGE DEVELOPMENT FOR LOGISTICS AND OFFICE USES*

### MID SUFFOLK STOWMARKET

*R19: CONCENTRATE DEVELOPMENT ON ALLOCATED EMPLOYMENT LAND IN STOWMARKET*

### MID SUFFOLK NORTH

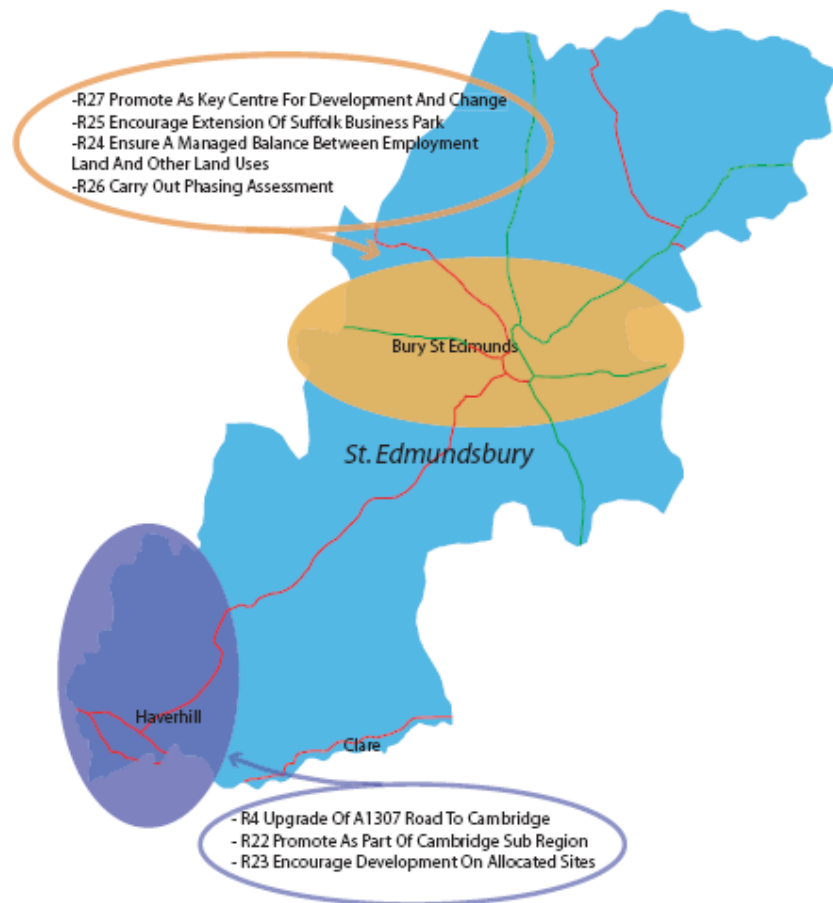
*R12: PROTECT SELF CONTAINED EMPLOYMENT LOCATIONS*

### MID SUFFOLK WEST

*R12: PROTECT SELF CONTAINED EMPLOYMENT LOCATIONS*

*R20: POSSIBLE FUTURE ROLE TO SERVE GROWTH FROM FELIXSTOWE*

### ST EDMUNDSBURY





*R21: MAINTAIN EXISTING EMPLOYMENT SITES WITH THE EXCEPTION OUTSIDE OF ST EDMUNDSBURY CENTRAL*

## ST EDMUNDSBURY HAVERHILL

*R 22: PROMOTE HAVERHILL AS A KEY LOCATION IN THE CAMBRIDGE SUB-REGION*

*R23: ENCOURAGE DEVELOPMENT ON ALLOCATED EMPLOYMENT LAND IN HAVERHILL*

## ST EDMUNDSBURY CENTRAL

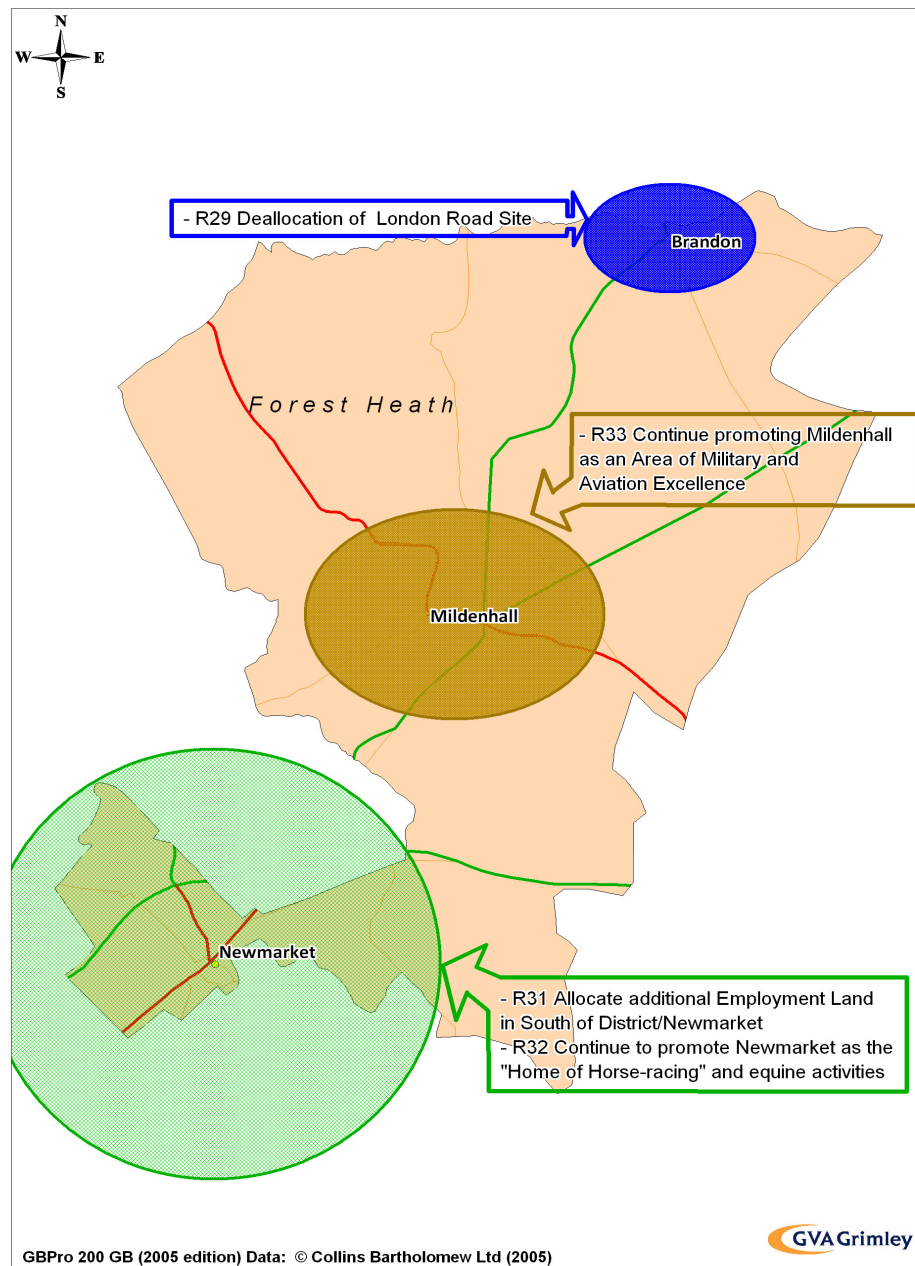
*R24: ENSURE A BALANCED APPROACH TO LAND FOR EMPLOYMENT AND FOR OTHER USES*

*R25: ENCOURAGE DEVELOPMENT OF SUFFOLK BUSINESS PARK EXTENSION*

*R26: CARRY OUT A PHASING ASSESSMENT FOR EMPLOYMENT LAND IN BURY ST EDMUNDS*

*R27: PROMOTE BURY ST EDMUNDS AS A KEY CENTRE FOR DEVELOPMENT AND CHANGE*

## FOREST HEATH



*R28: MAINTAIN EXISTING EMPLOYMENT SITES WITH THE EXCEPTION OF LONDON ROAD*

*R 29 CONSIDER DE-ALLOCATION OF EMPLOYMENT LAND AT LONDON ROAD, BRANDON*

*R30: CONCENTRATE DEVELOPMENT WITHIN FOREST HEATH SOUTH AND FOREST HEATH  
NEWMARKET*

*R31: ALLOCATE ADDITIONAL EMPLOYMENT LAND IN FOREST HEATH SOUTH OR FOREST  
HEATH NEWMARKET*

## SITE LEVEL

### FOREST HEATH NEWMARKET

*R 32: CONTINUE TO PROMOTE THE AREA AS AN EQUINE INDUSTRY EMPLOYMENT  
LOCATION*

### FOREST HEATH SOUTH

*R30: CONCENTRATE DEVELOPMENT WITHIN FOREST HEATH SOUTH AND FOREST HEATH  
NEWMARKET*

### FOREST HEATH CENTRAL

*R 33: PROMOTE FUTURE AVIATION AND MILITARY RELATED USE*

### FOREST HEATH NORTH

*R6. CONTINUE TO INVEST AND ENHANCE STRATEGIC TRANSPORT INFRASTRUCTURE*

# 1. INTRODUCTION

## BACKGROUND

- 1.1 The three local authorities of Forest Heath, Mid Suffolk and the Borough of St Edmundsbury together comprise the 'Rest of Suffolk' (Western Suffolk) area identified in the Regional Spatial Strategy. Policy E1 of the RSS guides on the overall job targets for the period to 2021, establishing some ambitious expectations both in terms of quantum, but also when read in conjunction with the Regional Economic Strategy, the mix and choice of employment opportunity.
- 1.2 The role and function of the Western Suffolk area within the overall regional economy is an important issue. For the East of England to have a successful and growing economy there must be a good choice, quality and mix of employment opportunities (and therefore employment land) if the Sustainable Communities growth agenda is to be delivered. Western Suffolk can make a substantial contribution to this, with an economic offer that is reflective of regional growth ambitions, but accounts for the traditional economic role and function and local distinctiveness of the three local authorities.
- 1.3 With this in mind Suffolk County Council commissioned GVA Grimley to undertake the Employment Land Review for Western Suffolk. This will be used as supporting evidence for the emerging Core Strategy of the Local Development Framework (LDF) in each local authority area.

## THE BRIEF

- 1.4 This commission adds to the work already carried out by each local authority in providing the policy context within which the study is set as well as the economic context. Each local authority also carried out their own site surveys the results of which were analysed by GVA Grimley. This previous work resulted in a requirement to produce an employment study, in line with EEDA's Employment Land Review Guidance Manual (March 2008), which provides:
  - A market review and appraisal of existing employment sites and those committed in the Rest of Suffolk area;
  - An assessment of the market balance of employment land supply and demand for each local authority until 2026
  - To advise on broad policy options for employment land in the area; and

- To identify new policies for existing employment areas, committed employment sites and new sites to be allocated in future
- 1.5 This report constitutes the Final Report of the commission and provides a combination of the work carried out by each local authority and that provided by GVA Grimley.

## METHODOLOGY

- 1.6 The Employment Land Study focuses, in accordance with the EEDA guidance on employment land reviews, on 'B-use-class' employment land, i.e. B1, B2 and B8. Throughout the report we have assumed the following definitions: Office (B1a and B1b), Other Business Space (B1c and B2), and Warehouses (B8). Other Business Space and Warehousing are combined to give employment land requirements for industrial (B1c/B2/B8) uses.
- 1.7 The methods applied included desk based research, consultation with our in-house and local commercial property agents, consultation with key stakeholders, a survey of 99 local businesses, and a field survey to assess the key employment sites.
- 1.8 The supply analysis covers all allocated employment sites across the Western Suffolk area. The assessment approach adopted follows the relevant national guidance<sup>1</sup>.
- 1.9 Within the field survey sites were assessed against agreed criteria to determine their 'fitness for purpose'. The factors assessed included:
- Sustainability (including public transport accessibility and adjacent uses) – **By Local Authority**
  - Local Access (including strategic road access and internal environment) – **By Local Authority**
  - Market Factors (including local access and commercial viability) – **By Local Authority/GVA Grimley**
- 1.10 The main research for this study was undertaken in late 2008/ early 2009. The property market assessment therefore is set in the uncertain market conditions prevailing during this time.
- 1.11 The current property market downturn has a noticeable effect on the short term demand for employment land, with a reduction in investment and therefore demand for employment land. However, within the timeframe of this study – which is up to 2026 – we expect the

overall demand for employment land not to stay relatively constant. There might be a shift in demand in the short term but with overall demand not being reduced significantly.

## STRUCTURE OF THE REPORT

1.12 The remainder of this document is structured as follows:

- Chapter 2 provides the geographical and policy context of the study area
- Chapter 3 provides the commercial property market review for the three local authority areas
- Chapter 4 provides a detailed review of existing employment sites within the three local authority areas.
- Chapter 5. identifies future employment land demand in the three local authority areas
- Chapter 6 provides the balance of employment land supply and future demand
- Chapter 7 gives details of strategic and site level recommendations.

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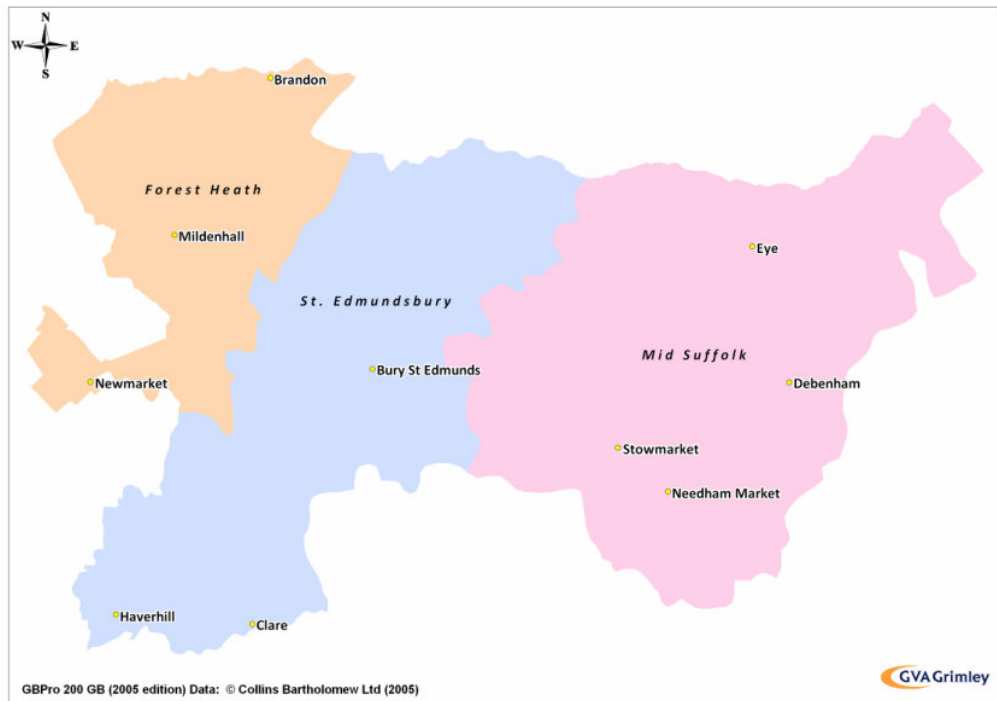
<sup>1</sup> Office of the Deputy Prime Minister (Dec 2004) *Employment Land Reviews: Guidance Note* and East of England Development Agency (Mar 2008) *Employment Land Reviews: Guidance Manual*



## 2. POLICY CONTEXT

- 2.1 For the purposes of this employment land review, Western Suffolk comprises the two districts of Forest Heath Mid Suffolk and the Borough of St Edmundsbury.

**Figure 1 The Western Suffolk Study Area**



## NATIONAL POLICY CONTEXT

- 2.2 The overriding principles of delivering sustainable communities are outlined in 'Planning Policy Statement number 1 – Delivering Sustainable Development' (PPS1). In terms of employment land provision PPS1 states that planning should facilitate and promote patterns of development by making suitable land available for development in line with economic, social and environmental objectives to improve quality of life, by contributing to economic growth and by ensuring that development supports existing communities and contributes to the creation of safe, sustainable and liveable communities with good access to jobs and key services. PPS1 also requires planning policies to promote urban regeneration, regional, sub-regional and local economies, to bring forward sufficient land of suitable quality in the right locations. The PPS also requires the protection and conservation of natural resources, the promotion of the most efficient use of land and the reduction of the need to travel.



- 2.3 'Planning Policy Guidance Note 4 – Industrial and Commercial Development and Small Firms' (PPG4) is the principle home of current government guidance on employment land. PPG4 states that development plan policies should provide for choice, flexibility and competition when allocating land for employment purposes. Development plans need to take in to account both the locational demands of business and wider environmental objectives. Policies should aim to ensure that there is sufficient land available which is capable of development, offering a variety of sites to meet differing needs and which is well serviced.
- 2.4 The Government is currently undertaking a review of national planning policy and is proposing to replace PPG4 with PPS4 – Planning for Sustainable Economic Development. Draft PPS4 stresses the need for local planning authorities to use a wide evidence base to understand both existing business needs and likely changes to prepare policies to support sustainable economic development in the area. To achieve these objectives draft PPS4 recommends a thorough assessment of existing land available for economic development through an employment land review. It additionally states that where appropriate, local authorities should carry out joint land reviews. The draft PPS states that local planning authorities should plan for and facilitate a supply of land which will be able to cater for the differing needs of business and expected employment needs, but which is also flexible enough to be responsive to a changing economy.
- 2.5 In addition to PPG4/ Draft PPS4 there are a number of other pieces of Government guidance relevant to employment land. PPS3 – Housing states that, with regard to previously developed land, local authorities should consider “whether sites that are currently allocated for industrial or commercial use could be more appropriately reallocated for housing development”. This means, when reviewing employment allocations, local planning authorities should consider reallocating for residential uses where it is demonstrated that the employment sites are not needed or is unsuitable for its intended use.
- 2.6 PPS7 – Sustainable Development in Rural Areas requires that planning authorities support a wide range of economic activity in rural areas. In particular local planning authorities should identify in Local Development Documents (LDDs) suitable sites for future economic development, particularly in those rural areas where there is a need for employment creation and economic regeneration and set out in LDDs their criteria for permitting economic development in different locations, including the future expansion of business premises, to facilitate healthy and diverse economic activity in rural areas.
- 2.7 PPG13 – Transport promotes accessibility to jobs and services by public transport, walking and cycling. It states that local authorities should review development plan allocations and

should allocate or re-allocate sites which are or will be highly accessible by public transport (for travel intensive uses).

- 2.8 The conflicting objectives of the National planning policies result in a possible conflict between employment and residential uses and land allocations, especially in predominately rural areas, like Western Suffolk. Rural districts have little brownfield land and therefore experience increased amounts of pressure on their urban areas to accommodate both housing and economic growth. Any Employment Land Review for Western Suffolk would have to include robust site reviews to act as evidence for any 'protective' employment policies in the emerging Local Development Frameworks. Conversely, the evidence would be used to release unattractive employment sites for alternative uses.

## REGIONAL POLICY CONTEXT

### REGIONAL SPATIAL STRATEGY

- 2.9 Regional Spatial Strategy 14 (more commonly known as the 'East of England Plan') was issued by the Secretary of State on 12th May 2008. It covers the counties of Norfolk, Suffolk, Cambridgeshire, Essex, Hertfordshire and Bedfordshire. The East of England Plan supersedes an initial RSS which comprised the former Regional Planning Guidance for East Anglia (Regional Planning Guidance note (RPG) number 6, 2000) together with relevant sections of the former Guidance for the South East and Thames Gateway (RPGs 9, 9A & 3B/9B).
- 2.10 East of England Plan Policy E2 encourages jobs growth across the region whilst policy E1 allocates a target of a net jobs growth of 18,000 for the 'Rest of Suffolk' (Mid Suffolk, St Edmundsbury and Forest Heath). In addition to this net jobs growth target a number of other regional policies influence employment and economic development in the Western Suffolk area. Policy HG1 includes the 6 Ipswich Policy Area parishes of Mid Suffolk in the Haven Gateway (Akenham, Barham, Bramford, Claydon, Great Blakenham and Whitton) whereas Newmarket, in Forest Heath District, and Haverhill, in St Edmundsbury Borough, are included within the Cambridge Sub Region.
- 2.11 Policy SS3 identifies Bury St Edmunds (St Edmundsbury) and the Ipswich Policy Area (6 parishes of Mid Suffolk) as a 'Key Area for Development and Change'. Parts of rural Mid Suffolk and the Haven Gateway/ Ipswich Policy Area are identified as 'Priority areas for Regeneration'. The Haven Gateway and the Cambridge Sub Region are also identified as 'Regional Strategic Employment Locations' in policy E3.

- 2.12 The East of England Plan places a significant amount of emphasis on economic growth in the more urban area of the Western Suffolk area; with particular pressure placed on the IPA parishes of Mid Suffolk, Haverhill and Newmarket (as part of the Cambridge Sub Region) and Bury St Edmunds. However, the Plan also identifies need for economic growth as a means of regenerating rural areas. The challenge for the Western Suffolk Authorities is to find a balance between these two objectives with their planning policies for employment

## REGIONAL ECONOMIC STRATEGY

- 2.13 The Regional Economic Strategy for the East of England (RES) was submitted to the Department of Business and Enterprise and Regulatory Reform (BERR) by the East of England Development Agency (EEDA) on 10th June 2008. EEDA is hoping to receive comments back from BERR before the parliamentary summer recess on 22 July. EEDA is planning to launch the RES at EEDA's annual meeting on 9 September. However, this is dependent on receiving feedback from BERR before the parliamentary recess.
- 2.14 For rural areas the Regional Economic Strategy includes, accessibility, sustainable business growth, innovative solutions to rural community regeneration and enhancement of the economic and social potential of environmental assets. The strategy for the Cambridge Sub Region includes science and technological research and development and enabling and facilitating cluster developments. It also includes the diversification and the raising of the economic performance of market towns. Objectives for the Haven Gateway include the development of the economic potential of major settlements and the rural hinterland through workspace creation and reuse, capturing economic development opportunities from port activities and developing stronger intra-regional links along the Cambridge to Ipswich (A11/ A14) Corridor.

## SUFFOLK STRUCTURE PLAN 2001

- 2.15 The only policy saved from the Suffolk Structure Plan, as directed by the Secretary of State under paragraph 1(3) of Schedule 8 to the Planning and Compulsory Purchase Act 2004, is policy ECON7 – Business Clusters. This policy requires that, in consultation with EEDA, local planning authorities should make particular efforts to facilitate the development of business clusters as these are of increasing importance as sources of innovation and drivers of economic growth.

## ‘EXPANDING SUFFOLK’S HORIZONS’: SUFFOLK ECONOMIC STRATEGY

- 2.16 Suffolk Development Agency (SDA) published the Suffolk Economic Strategy in 2008 and covers the period to 2013. The goal of the SDA is to encourage new population, employment and housing growth in a sustainable way by providing high quality and affordable living and working environments without the need for people to commute to London or Cambridge for high quality jobs.
- 2.17 The three core strategic areas forming the Suffolk Economic Strategy are:
1. Prosperity – “Encourage innovation and collaboration, promoting the county’s strengths to create a diverse and sustainable economy”;
  2. People – “Create an inclusive, adaptive and improving skills and educational base driven by the needs of employers”;
  3. Place – “Develop the provision of transport infrastructure and utilities to facilitate sustainable growth”.
- 2.18 Outcomes and Actions specifically relating to Western Suffolk include developing key centres of excellence across the main growth centres including the Bio-Life enterprise hub in Haverhill, developing a privately operated food hub, creating a leading rural based tourism product, increasing business formation and survival rates and all the outcomes concerning improving the skills base.
- 2.19 In conjunction with the Suffolk Economic Strategy, the SDA have commissioned a survey of strategic sites in the county though the remit of this study is to provide a portfolio of sites in the county for promotional purposes, rather than the full qualitative analysis required for ELRs by the EEDA guidance.

## SUFFOLK LOCAL AREA AGREEMENT

- 2.20 The Suffolk Local Area Agreement (LAA) focuses on ‘Prosperity for All’ as opposed to a narrow focus on economic development. It states that economic development is closely related with other issues, such as health, accessibility and aspirations.
- 2.21 The LAA states that through supporting key sector businesses in Suffolk, to increase productivity and growth, more employment opportunities will be made available to those in the county. It goes on to say that Suffolk’s tourism industry is a key sector and constitutes a growth sector for the county, particularly when linked to the county’s cultural offer. Also

Suffolk must also focus on support to small business and social enterprise, as a large number of businesses within the county can be classified as small or medium sized.

- 2.22 There is a focus on increasing the opportunities available to the local population to enter work and elevate their skills level. This outcome intrinsically links to the University Campus Suffolk project, one campus of which will be at West Suffolk College in Bury St Edmunds.

## SUFFOLK SUSTAINABLE COMMUNITY STRATEGY

- 2.23 The Suffolk Sustainable strategy states that the County needs a prosperous and vibrant economy and encourages a focus on current strengths and in sectors that are important and unique to Suffolk. These strengths include proximity to Europe, a high quality environment, the presence of BT in the county, the high quality arts offer and the University Campus Suffolk.
- 2.24 Particularly, with regard to Western Suffolk, these unique selling points include:
- IT and associated knowledge-based industries along the Ipswich to Cambridge corridor
  - Being a key player in the developing biotech industry. Haverhill's proximity to Cambridge and the research and development aspects of the biotechnology industry have not yet been fully capitalised. There are opportunities to encourage manufacturing companies in the life sciences / bio tech field to locate in west Suffolk.
  - The EEDA is backing the SDA and Suffolk County Council to investigate the potential for developing a food hub in Suffolk to create better links between producers and local and regional markets. Local food is an important sector for Suffolk and supports other aims of Suffolk Community Strategy (creating the greenest county and is an important role in Suffolk's brand) as well as providing a unique economic selling point.
  - Newmarket is internationally famous as a centre for horse racing and breeding and attracts not only significant visitors to the town but also major investment. Other related activity in the area includes the Animal Health Trust. There are opportunities to link Newmarket to the Suffolk brand more effectively and promote the equine sector as a niche opportunity.
- 2.25 The Community Strategy states that there are many opportunities for social enterprises to develop in Suffolk. This business model is important in Suffolk because of its rurality and with low levels of unemployment but low skills and wages it is important that those isolated from employment and training are given the opportunity to contribute to the economy and their local communities.

- 2.26 Another aim of the Community Strategy is to reduce economic inequalities across the County. Earnings and skills levels are lower in west Suffolk than for the rest of the county because the work force is dependent on the declining sectors of agriculture, food processing and specifically manufacturing. Half the Haverhill workforce commutes to Cambridge. Agriculture is still an important part of Suffolk's economy, worth £330 million in crops and livestock output in 2004. There is good potential to add value through the high-quality food and tourism sectors.
- 2.27 In addition finding new and innovative ways to deliver services in rural areas, as the more traditional approaches disappear, and to develop new models for small business units in market towns and rural areas.

## WEST SUFFOLK LSP COMMUNITY STRATEGY

- 2.28 The West Suffolk Local Strategic Partnership covers St Edmundsbury Borough, Forest Heath District and the western part of Babergh District (Mid Suffolk District has its own Local Strategic Partnership). The West Suffolk Community Strategy 2006-2016 entitled 'Making Life Better' produced by Western Suffolk Local Strategic Partnership seeks to maximise the potential for young people, develop safe, sustainable and healthier communities and develop a prosperous and sustainable economy. An annual action plan will be published setting out what will be done to contribute to the priorities set out in the document.

## MID SUFFOLK COMMUNITY STRATEGY

- 2.29 The Mid Suffolk Community Strategy (2004) seeks to make a 'Healthy Community' through (amongst others) Low unemployment, Better quality jobs and Jobs in the countryside especially leisure and tourism.
1. The objectives for Prosperous Thriving Towns and Villages include Develop and Promote ICT infrastructure (Broadband) Supply land for employment development (PDL preferred) Develop incubator units – potential on existing sites and redundant farm buildings Encourage new start-ups by celebrating success. Develop tourism and leisure and by providing Access to 1st Class Services (Improve access to further and higher education and Broadband across the District)
  2. The Mid Suffolk Community Strategy also has a number of green objective relating to business development in the district which include Encourage business to protect and

enhance open spaces Improve water and energy efficiency and waste recycling  
Reduce risk of flooding

- 2.30 Mid Suffolk Strategic Plan - Strategic Priority 4 of the Mid Suffolk Strategic plan is based on Jobs and the Rural Economy. Its objectives are; achieving a net increase in job opportunities, provide more opportunities for business growth and coordinating development in and around Stowmarket. Outcomes are monitored on an annual basis.

## LOCAL PLANNING POLICY FOREST HEATH DISTRICT

### THE FOREST HEATH LOCAL PLAN (DECEMBER 1995)

- 2.31 The Forest Heath Local Plan was adopted by the Council in December 1995 and its policies are saved until superseded by (where relevant) either the adoption of the RSS or a Local Development Framework. Therefore despite originally having a plan period to 2001 (and to 2006 with regards to policies on Red Lodge), the 1995 Local Plan is still extant. The District strategy and settlement policy seeks to direct a limited amount of new development to the towns of Mildenhall, Newmarket and Brandon with the majority of land being allocated to a new district growth point at Red Lodge. As a focus for the majority of new housing, it was envisaged that Red Lodge would be planned as an integrated settlement. In the Rural Area, defined as the area outside the towns and Red Lodge, development is to be strictly controlled.
- 2.32 One of the main aims of the plan is to “promote the economic well being of the District by ensuring that sufficient opportunities exist for employment based development during the Plan period to meet the employment need of the local population”. The aim is to be achieved by the provision of a continuous supply of industrial land and premises and the adequate provision for retail and commercial development.
- 2.33 The ‘Strategy for Future Economic Development’ is based on the provision of a science/business park in Newmarket, the allocation of employment land in Red Lodge to ensure a balanced community and additional industrial development in Brandon linked to the southern link Road. In Mildenhall, the expansion of employment would take place on land available on the existing Mildenhall industrial Estate. In certain villages, individual small units will be encouraged. In the remaining villages, the conversion of existing buildings will be permitted subject to considerations regarding their impact on the local environment.

- 2.34 It is the policy of the plan to encourage the development of the existing industrial estates in the towns by the development of vacant sites and the extension of existing buildings. The Local Plan allocated a total of 39.4 ha of land for employment uses in the towns of Newmarket and Brandon, the villages of Lakenheath and Beck Row and the Red Lodge growth point.

## RED LODGE MASTER PLAN

- 2.35 The Red Lodge Master Plan, adopted in August 1998, acts as supplementary planning guidance to the Forest Heath Local Plan and to the Suffolk Structure Plan. There are two main strategic aims behind the expansion of Red Lodge:
- To remedy the past planning mistakes and create an attractive well resourced settlement; and
  - To relieve the pressure on Newmarket with its sensitive racing-related townscape and landscape setting and allowing committed development in Mildenhall and Brandon to be developed over an extended period.
- 2.36 The concept was to expand Red Lodge to accommodate approximately 1,500 additional dwellings by 2006, provide employment land and new infrastructure in parallel with the other developments. The original time frame has slipped and to date approximately 625 dwellings and 5 Ha of employment land have been developed.

## FOREST HEATH LOCAL DEVELOPMENT FRAMEWORK

- 2.37 Consultation on the Forest Heath LDF Core Strategy and Development Policies Preferred Options DPD took place in September 2006. The consultation identified concerns from statutory consultees and stakeholders to the approach adopted to determine the location, scale and range of employment development. This, combined with gaps in the general evidence base, and new government advice being issued to assist Local Authorities to prepare 'sound' LDFs led the Council to decide to undertake an additional consultation before the Core Strategy and Development Control (CS & DC) Policies are submitted to the Secretary of State. The 'Core Strategy Final Policy Option' underwent a consultation in August / September 2008.
- 2.38 The following elements of the 'Core Strategy Final Policy Option' document relate to the economy:



## VISION:

- The district will have a diverse high-value economy with attractive and vibrant towns and villages that act as employment and service centres for the surrounding rural hinterland. Newmarket and surrounding area will have an extended amount of high skilled jobs, fulfilling its role within the Cambridge sub-region.
- Forest Heath's three towns and two key service centres will have been the focus of the majority of development activity. Each settlement will ... facilitate both the creation of new business activity and expansion of established business.
- For the majority of the villages the emphasis on protecting and enhancing their intrinsic character and built heritage will be balanced with the benefits of allowing for continued small-scale growth for local affordable housing, local jobs or additional community facilities.
- Newmarket As the main town, most additional housing development will have taken place here and a broader range of retailing, employment, services and facilities will be available providing for a wide catchment area.
- As the 'home of horse racing', Newmarket will build on its international high profile; the town will thrive as a tourist, employment and residential destination for the horse racing industry, which together with horse related tourist and cultural attractions will be well co-ordinated with Newmarket's local needs beyond the horse racing industry...
- As part of the sub-regional vision with Cambridge, Newmarket will have further developed its knowledge based economy. There will be improved rail and bus links with other urban centres in the region and with London and to national networks. The frequency and quality of bus services within and beyond the town will be good connecting the rural hinterlands and urban centres with Newmarket and integrated with rail services.
- Mildenhall - employment development that is well related to the existing built up area will have been provided. Mildenhall Industrial estate will be expanded to meet employment demand with associated infrastructure to accommodate this growth. The commercial defence industry and aerospace-based employment opportunities will be encouraged.
- Brandon will have reinforced itself as the Gateway to Brecks with enhanced areas of heathland and conifer plantations. The tourism industry will grow and the area will be known as a place to visit and enjoy countryside tourism at its best. Brandon Country Park, High Lodge and Center Parcs (in Elveden, near Brandon) will continue to be popular tourist destinations, attracting many visitors throughout the year.

- The market town will become increasingly self-sufficient, meeting the needs of the local community with residential and employment growth. The town centre will be revitalised, providing job opportunities and achieving a high quality settlement which has improved the image of the town and its attractiveness as a tourist destination.
- Lakenheath will perform stronger as a key service centre.
- Red Lodge will become a sustainable location with a variety of jobs shops and community services and facilities to cater for the recent population growth and to enhance its ability to provide for the needs of the surrounding villages. The large brown field capacity will be built upon prior to further green field development. The Lorry Park will have been relocated to a more suitable location and the infrastructure needs of the area will be met.
- The villages of Beck Row, Exning, Kentford and West Row will continue to be reliant on nearby Mildenhall and Newmarket for the bulk of their employment. Additional employment opportunities will have been provided within settlements and through small settlement expansions, which meet local needs.

## OBJECTIVES:

- To promote Forest Heath's potential as the geographical centre of the East of England and its proximity to Cambridge to attract high quality economic development.
- To diversify Forest Heath's economy to create a strong, competitive area which encourages sustainable business and improves the mix and quality of jobs, with the greatest potential being in the Mildenhall, Newmarket and Red Lodge areas.
- To encourage quality inward investment to meet the needs of current and emerging markets, particularly the commercial defence industry in the Mildenhall area and equine research in the Newmarket area.
- To deliver urban regeneration projects in Brandon, Mildenhall and Newmarket to support and develop thriving service centres in our market towns, and improve key rural services in our villages.
- To utilise Newmarket's international reputation as the headquarters of horseracing to develop the town further as a tourism, leisure and cultural focus for Forest Heath, whilst still protecting its unique character.
- To support the growth of the local economy and rural regeneration in ways which are compatible with environmental objectives, and which deliver increased prosperity for the whole community.

- 2.39 The proposed Core Policy CS5- Economy and Tourism to be contained within the Forest Heath Core Strategy is as follows:

The range, quantity and quality of employment development within Forest Heath shall be sufficient to deliver the employment job growth policies set out in the East of England Regional Plan (RSS 14) and the Council's Economic Strategy.

The Western Suffolk Employment Land Review (timetabled to be completed in March 2009) will help to determine:

- The total hectareage of additional employment land to be provided in the District between 2006 and 2021.
- The number of jobs to be created in the District between 2006 and 2021.
- The target levels for employment development in hectares per settlement.

The Council will allocate sites to provide business, general industrial, warehouse and distribution uses to achieve a mix and range of sites and balanced economy. Preferred sites will be selected, taking into account the sequential test laid out in PPS6, the need to create sustainable communities by providing a balanced mix of housing and employment growth, and to promote economic regeneration.

Support will be given to developing and sustaining Forest Heath's existing economy with particular priority given to key sectors including the equine industry around Newmarket, the air bases of Mildenhall and Lakenheath, Center Parcs and tourism, and agriculture and forestry.

Land allocated for employment and existing employment sites will only be considered for alternative uses in exceptional circumstances where it is demonstrated they are no longer required for employment use and specific community and environmental benefits can be achieved.

## OPPORTUNITIES AND CONSTRAINTS FOR EMPLOYMENT IN FOREST HEATH DISTRICT

- 2.40 The District is located on two strategic routes, the A11 trunk road from London to Norwich and the A14 from the Midlands to Ipswich and the East Coast Ports, and is bordered by three areas identified in the RSS as key settlements for growth and change; the Cambridge to the west (with Newmarket being in the Cambridge sub region), Bury St Edmunds to the East, and Thetford to the north east.

- 2.41 The major United States Air Force bases of Mildenhall and Lakenheath are located within the District; these provide a significant amount of direct and indirect employment. The recent changes to crown immunity in 2006 have brought more development on the bases directly under the planning control of the LPA.
- 2.42 FHDC are currently encouraging the relocation of Marshalls Aerospace from their existing site in Cambridge to RAF Mildenhall. If this large company were to transfer the economic spin offs are likely to be significant. However the move involves potential problems of compatibility between civil and military operations which are currently being considered by the US Government and the MOD. A decision is not likely until 2009.
- 2.43 Agriculture is a significant sector with employment rates five times that of the Suffolk average. This can be accounted for by one of the largest lowland estates in Europe, the northwest of the District being arable fen, the northeast parts of Thetford Forest, and the horse racing industry around Newmarket all being within Forest Heath..
- 2.44 The horseracing and bloodstock industries around Newmarket dominate the economy of the town and its surrounding area. The LPAs planning policies aim to ensure that these industries thrive and prosper, and therefore generally resist the loss of any land in a horse racing related use. This combined with the Jockey Club owning large areas of heath around the town places constraints on the amount of land available for other types of development.
- 2.45 Tourism is becoming a feature of the District's economy with horseracing in Newmarket, the Brecks, Thetford Forest and Centre Parcs all being attractions. However the high quality of the natural environment, with much of the east of the District being designated an SSSI and SPA, constrains further development in this area.
- 2.46 The economic base of the District is widened by the Industrial and business estates in Brandon, Mildenhall, Newmarket, as well as minor centres of employment in Kentford and Landwades business Park, and the employment opportunities related to the Red Lodge development.

## MID SUFFOLK

### MID SUFFOLK LOCAL DEVELOPMENT FRAMEWORK

- 2.47 The Mid Suffolk Core Strategy underwent and Examination in Public (EiP) in June 2008 and was adopted in September 2008. Employment policies are set out in policy CS11 and

CS2. These are largely based on maintaining the status quo until up-to-date evidence is available from the ELR. Consequently all the existing policies from the Local Plan have been “saved” except for Policy E1, which is replaced by CS11 (see Appendix B of the Core Strategy).

## MID SUFFOLK LOCAL PLAN (SEPTEMBER 1998)

- 2.48 The Mid Suffolk Local Plan was adopted in September 1998 with an original plan period to 2006 and as explained above most of the employment policies have been “saved”. The Local Plan seeks to protect existing employment sites and also directs new development towards the 30.6 hectares allocated (collectively) within the Stowmarket Strategic Development Area, Blackacre Hill – Great Blakenham, Old Stowmarket Road – Woolpit, Woolpit Business Park, Eye Airfield Industrial Estate and Mendlesham. In addition to these allocations, the Mid Suffolk Local Plan restricts development to sites within existing settlement boundaries unless justified by environmental or operational requirements.
- 2.49 Development in Mid Suffolk is also heavily influenced by the ‘A14 corridor’ that runs across the width of the district. Recently a major application has been submitted for a Multi-Modal Distribution Centre in Stowmarket. To date the application has gone out to consultation and further information has been received – including a Supplementary Economic Statement and rail case. At present a decision on the application has been deferred by agreement until the outcome of the ELR and Stowmarket Area Action Plan is known.
- 2.50 The Industrial and Commercial Development objectives of the Local Plan include; encouraging a diverse employment base – especially in the Rural Development Area, allowing for the expansion of existing businesses in keeping with their surrounding environment, responding to locational needs of small businesses, to identify sufficient land for new industrial and commercial development and to meet local need and to support tourism development.
- 2.51 SnOasis is a proposed mixed use development in the Ipswich Policy Area comprising a 350ha sports and leisure resort along with 391 homes (on an adjacent site) plus a new railway station and associated improvements and mitigation. The proposed development is estimated to create 3500 jobs during construction and 1400 full-time equivalent jobs, once completed. The planning application for the development has been approved by the Secretary of State, subject to meeting certain conditions and obligations, in November 2008. The impact of any development on the site should be taken into account in any employment land study for the area.

## PROBLEMS WITH IMPLEMENTING EMPLOYMENT POLICY IN MID SUFFOLK DISTRICT

### 2.52 Change of use to other B class uses, non-employment uses and mixed uses

- Lack of criteria in Development Control policies for evidence of need for change of use, and the
- Availability of sufficient realistic, desirable, alternative sites

### 2.53 Extensions to existing sites and dealing with nuisance developments throw up the question of whether there is sufficient provision of suitable (alternative) units in suitable locations. There is a need to review and monitor the criteria used to assess;

- Physical accessibility
- spread across district (proximity to housing),
- modes of transport
- range of sizes / types in relation to transport impacts
- Economic accessibility, (types of tenure, market rates) etc
- Flexibility – (to future-proof policy) adequate range of sizes, servicing and expandability

### 2.54 Development pressures in the Countryside

- alternative agricultural uses (bio-fuel crops) / loss agricultural land
- The need to provide employment opportunities in rural locations, accessible to local centres of population
- problem deciding desirability of converting redundant buildings to employment use

### 2.55 Tourism – sector growth and opportunities - the need for serviced accommodation of various types

### 2.56 Matching the projected supply of brownfield housing land to expected change of use of employment sites. Core Strategy policy CS8 predicts a total of 1690 houses on brownfield land, about 50 - 80 Hectares depending on density and essential associated development(Further consideration will be given in the SHLAA study, draft due to be published in April 2009).

### 2.57 Calculation of the potential for A, C and D class uses and

- Impact of regeneration of Stowmarket
- Impact on total jobs required in B classes
- any repercussions for town centre policies

## OTHER EMPLOYMENT ISSUES IN MID SUFFOLK

- Political and regional pressures to support development related to road/ rail logistics and other types of development to support the Haven Gateway ports
- The possible impacts of SnOasis
- Loss of Employment Land to Housing
- Scope for “High Quality Jobs” – how realistic is it to expect most people to work in the knowledge economy. What are the opportunities for Mid Suffolk for addressing predicted future food shortages and developing industries appropriate to this market, not trying to be Ipswich /Cambridge
- Meeting the needs of out-commuters so that they don’t out-commute, is it lack of high quality jobs or simply high paid workers choosing to live in distant rural locations
- How many starter and small scale units are required in different locations and what is the range of economically viable numbers on a site
- Implications of the local need for migrant workers – such as housing and transport
- Current and future need for home-working

## ST EDMUNDSBURY BOROUGH

### ST EDMUNDSBURY LOCAL PLAN (JUNE 2006)

- 2.58 The Replacement St Edmundsbury Local Plan was adopted in June 2006 and has a plan period until 2016. Its aims “to secure economic vitality and wealth creation in all communities without causing unacceptable harm to the environment”. Given the relatively up-to-date nature of the policies in the Local Plan, there has been little opportunity to assess the impact of them and whether they present any implementation problems. However, it will be necessary to consider whether some employment uses (e.g. B1a) can be better accommodated into residential areas and whether rural employment opportunities in the larger villages can be improved.

- 2.59 Work has started on the replacement Local Development Framework, with a Statement of Community Involvement already adopted. Consultation on the Core Strategy Issues and Options was held in April 2008, with the Preferred Options document the subject of consultation between November 2008 and 5th January 2009, along with the Issues and Options documents for the Site Allocations DPD. The Local Development Framework is expected to be fully in place by the end of 2011.
- 2.60 Because St Edmundsbury's Local Plan is relatively recent, the Borough Council feel that the adopted policies are meeting their employment land needs well.

### OTHER POLICIES – BROAD SPATIAL STRATEGY, POLICY AND FRAMEWORK FOR REGENERATION AREAS, INFRASTRUCTURE PRIORITIES ETC.

- Consideration of SHLAAs (joint – draft due April 2009)
- Consideration of SHMA (draft due Spring 2009)
- Neighbouring ELRs – Haven Gateway ELR, Braintree Employment Land Study, Breckland ELR, Felixstowe/ A14 Port related uses study
- Cambridge Horizons
- Impact of Stansted Airport

### WHAT ISSUES HAVE COME UP IMPLEMENTING THESE POLICIES AND PLANNING FOR EMPLOYMENT LAND?

- 2.61 With the exception of Bury St Edmunds, which has been designated a Key Centre for Development and Change in the East of England Plan, the 'Rest of Suffolk' is a predominately rural area and therefore faces significant challenges when providing for sustainable economic growth. Due the area's rural location any employment land study should focus on local and sub-regional trends rather than regional ones and specific employment clusters in the areas such as food, horse racing, bio-technology and civil defence.
- 2.62 The study needs to include robust site appraisals as it will be used as evidence for allocating sites through the LDF process. The study also needs to determine whether existing employment sites (allocated or otherwise) continue to meet the future needs of business and then either de-allocate them; or protect them through allocation / designation and by up rating them where appropriate



2.63 Specific issues that need to be addressed by an employment land study for Western Suffolk include:

- Information required by district (through determining jobs targets, sectoral requirements and provide an up-to-date market analysis):
- Job numbers (division of RSS 'Rest of Suffolk figure)
- Broad locations for any new employment allocations
- Total amount of land needed by use class, including considering whether mixed use may be appropriate and what kind of facilities the market requires
- Diversification of existing employment base and the growth of sectors and clusters
- Food, transport logistics, manufacturing, tourism/ecotourism, environmental/ green sector, business services, telecommunications and information technology (especially in the Ipswich Policy Area), increase in social care (to meet the needs of an ageing population)
- Need for a 'higher quality' of employment and links to IT/ skills development and education
- Provision of Start-up and Incubator units and business units in rural locations
- Identification of barriers to employment diversification
- Strategic Sites - including the impacts of the A14 corridor and the port of Felixstowe and the perceived demand for growth in the transport logistics sector.
- The impact of the Ipswich Policy Area and the wider Haven Gateway
- Balancing growth with rural regeneration, particularly the St Edmundsbury Growth Area and the impact of other sub regions - Cambridge and the Thetford/ Breckland Growth Area



## 3. COMMERCIAL PROPERTY MARKET ANALYSIS

### INTRODUCTION

- 3.1 As part of the overall review of employment sites within the three local authorities, it is necessary to consider the role that commercial office and industrial sites and centres play in defining the “offer” of each District / Borough.
- 3.2 This section sets out an assessment of the commercial office and industrial markets within Mid Suffolk, St Edmundsbury and Forest Heath. We have looked at employment provision in the three local authorities by examining changes in the total stock of floorspace, development activity, demand levels, stock availability and rental levels. It should be noted that this assessment is set in the relatively uncertain market conditions prevailing in late 2008 / early 2009, which are having a noticeable effect on short term demand. This is due to a reduction in investment and therefore demand for employment land. Over a longer period (more than ten years) it is expected that there will be a return to less volatile patterns of supply and demand and long term trends will remain.
- 3.3 To assess employment floorspace requirements we assess the quantitative need for new office floorspace, as well as using discussions with local agents to understand employment requirements within each area from a qualitative perspective. This combines with our economic projections in Stage B to give overall employment land requirements for each local authority. The major sources used for the quantitative analysis of the commercial property market in Western Suffolk are the Estates Gazette International (EGI) database and Choose Suffolk’s own property database.

### MID SUFFOLK

### MARKET COMMENTARY

#### OVERVIEW

- 3.4 Commercial and employment related activity within Mid Suffolk is very much concentrated within Stowmarket and Great Blakenham / Claydon, to the south of the District. Neither of these locations are currently viewed as strategic office sites, with the majority of office based companies in Mid Suffolk preferring to stay within Ipswich. Office use within Great

Blakenham / Claydon is predominantly in business parks and, due to its close proximity to Ipswich, is stronger than that in Stowmarket where office space is mostly limited to local firms or office use as an ancillary use to other uses.

- 3.5 There is, however, a relatively strong industrial market in Mid Suffolk, particularly in Stowmarket with a focus on manufacturing, distribution and logistics. This is supported by responses to the web business survey (see Appendix 2) which showed 28% of respondents being from the manufacturing and distribution industries. A significant amount of flat, developable land across the District has leant itself to the development of warehousing and storage distribution units, as well as traditional manufacturing uses such as the ICI Paints factory in Stowmarket.
- 3.6 The majority of rural employment sites situated outside of Great Blakenham and Stowmarket in the District are small, with a predominance of single use owner occupiers which have grown organically in the location. Villages such as Mendlesham and Woolpit are characterised by small 'industrial estate' type employment sites. There is also a large industrial employment site at a former airbase in Eye, to the north of the District.

## MAIN EMPLOYMENT CENTRES

### *GREAT BLAKENHAM / CLAYDON*

- 3.7 Great Blakenham / Claydon is situated north west of Ipswich on the A14, south of Stowmarket and the small town of Needham Market. The area is a centre of distribution and logistics, with good access to local business parks and industrial sites from the A14. Although the area has no railway station, a railway line runs through the towns from Ipswich north to Stowmarket, splitting to create connections to Norwich and Cambridge.
- 3.8 Great Blakenham / Claydon is typified by 'Business Park' employment development, seen at parks such as Orion Court and the Claydon Business Park. There are also a number of recycling and waste related businesses located in Great Blakenham / Claydon, such as the Viridor Landfill site and Sackers Recycling Company, which serve the Ipswich area.
- 3.9 Great Blakenham is also the proposed home of the new 'Snoasis' development. The indoor ski dome was granted outline planning permission by the Secretary of State on 6<sup>th</sup> November 2008. A new railway station with links to London Liverpool Street will be built in Great Blakenham along with improvements to the A12 and A14 as part of the development package. It is estimated that Snoasis will bring forward the creation of approximately 1,400 direct FTE jobs in the local area.

**Figure 2 Claydon Business Park, Claydon**



### **STOWMARKET**

- 3.10 Stowmarket is the largest town in the Mid Suffolk district and is the focus for future housing growth in the area. It has a strong manufacturing and agricultural business background, and is home to several major companies including Bosch Lawn & Garden Ltd, ICI Paint, PPG and Muntions Malt manufactures and suppliers of malt, malt extract and malted ingredients.
- 3.11 The town is adjacent to the A14 and as such has good transport links via road to the port of Felixstowe and north to the Midlands. Stowmarket railway station is on the Liverpool Street Line, with services to London taking approximately 1 hour and 15 minutes.
- 3.12 Stowmarket's location between Ipswich and Bury St Edmunds on the A14 also facilitates its position as a key logistics and distribution centre in the Suffolk region. A number of logistic companies are based in Stowmarket to take advantage of its location. There is also an emphasis on food and drink production.

- 3.13 The University Campus Suffolk has opened the first training centre in the town to provide local degree and post-graduate training.

**Figure 3 Industrial Use in Stowmarket**



## STOCK

### OFFICE

- 3.14 Table 1 sets out total office stock in Mid Suffolk in 1998 and 2007. There has been a 66.7% increase in office space since 1998 in Mid Suffolk, compared to the East of England region (18.7% increase) and England as a whole (22.4% increase).
- 3.15 This is reflected in the good stock available at the more recently developed business parks, such as the Claydon Business Park. This stock is very much in competition with Ipswich business parks for tenants, and therefore needs to be of a suitable 'A' grade standard.

**Table 1 Office Stock in Mid Suffolk 1998 - 2007**

Area	1998 (000 Sq m)	2007 (000 Sq m)	% Change
Mid Suffolk	45	75	66.7%
East of England	7,234	8,589	18.7%
England	78,973	96,700	22.4%

Source: Office of National Statistics

- 3.16 There is also, however, a considerable amount of second hand stock within Great Blakenham / Claydon and Stowmarket, as well as on the rural sites. Business Parks such as the Stowmarket Business Centre contain units which are a poorer quality to those in Claydon and closer to Ipswich. This is due to the increasingly industrial nature of employment stock with greater distance away from the centre of Ipswich.

### INDUSTRIAL

- 3.17 Table 2 shows that between 1998 and 2007 there has been a 24% increase in industrial stock in Mid Suffolk. This is compared to a 6% increase in the East of England and a 3.5% increase in England.

**Table 2 Industrial Stock within Mid Suffolk 1998 - 2007**

Area	1998 (000 Sq m)	2007 (000 Sq m)	% Change
Mid Suffolk	705	871	24%
East of England	33,738	35,704	6%
England	336,410	347,942	3.5%

Source: Office of National Statistics

- 3.18 Generally the employment stock of Mid Suffolk becomes more industrial in nature moving north from Ipswich, with much of the industrial stock in the District linked to storage / distribution and manufacturing uses.
- 3.19 Stowmarket in particular has seen a significant growth in industrial stock over the last 10 years, much of which is now of a secondary nature. Industrial estates such as the Tomo Industrial Estate and the Charles Industrial Estate have poor quality, large 'sheds' and are situated in close proximity to residential sites.
- 3.20 The industrial stock in Great Blakenham is mostly secondary, with some new industrial stock at the Claydon Business Park.

## DEVELOPMENT ACTIVITY

- 3.21 Table 3 below outlines some of the most recent office and industrial developments which have been granted planning permission in the Mid Suffolk area.

**Table 3 Development Activity in Mid Suffolk**

Date	Site	Type	Floorspace (sq m)
May 2008	Bricett Business Park, Great Bricett	Industrial / Storage / Warehouse	425
June 2008	Hill Farm Barnes, Ashbocking Road, Henley	Industrial / Storage / Warehouse	486
April 2008	Gipping Valley, Lower Street, Baylham	(B1) Office	450
July 2008	Plot 8, Windmill Avenue, Woolpit	(B1) Office	490

*Source: Mid Suffolk Planning Dept.*

- 3.22 There is currently a restricted level of development activity within the employment market in Mid Suffolk. In centres such as Stowmarket this is because of the topography of the land, which agents consider needs to be made more 'user-friendly' to enable commercial development to come forward.
- 3.23 Agents consider that moving north from Ipswich, employment land development opportunities become more prevalent and larger development sites become available around the more rural employment centres.

## COMPLETIONS

- 3.24 Table 4 sets out the total amount of business floor space developed between 2006 and 2007. The table shows a decrease in the amount of employment floorspace built out from 1.46 ha per annum in 2006 to only 0.2 ha per annum in 2007. This decreasing amount of employment development explains the low number of planning applications coming forward in 2008 (as outlined above). It should be taken into account, however, that the slowing down of the commercial market may account for the reduction in commercial development activity in the last 12 months.
- 3.25 The web business survey found that a significant 44% of respondent businesses from across Mid-Suffolk thought that availability of appropriate sites / premises a major issue for the future success of their business.



**Table 4 Business floorspace (B1 – B8) completions in Mid Suffolk**

Year	Floor space (Sq m)	Hectares
2007/8	2,005	0.2
2006/7	No details	1.46

Source: Mid Suffolk Annual Monitoring Report

- 3.26 Total additional business floorspace year on year in the rural areas of Mid Suffolk is set out in Table 5 below. Table 5 shows that since 2001 the amount of additional floorspace coming to the market in rural areas per annum has approximately doubled. This is due to development at sites such as the Eye Airfield and the Woolpit Business Park, where low rents allow for the construction of large units for companies such as BASF.

**Table 5 Rural Business B1 – B8 Floorspace change in Mid Suffolk 2001 - 2007**

Year	Additional Floorspace (Sq M)
2001/2002	6,794
2002/2003	7,777
2003/2004	N/R
2004/2005	17,848
2006/2007	14,609

Source: Mid Suffolk Annual Monitoring Report

**Figure 4 Industrial Development at Eye Airfield**

## DEMAND

- 3.27 The current trend in Mid Suffolk according to local agents is a slowly increasing level of demand for both office and industrial space. In the web business survey (see Appendix 2), 89% of respondents across Mid-Suffolk stated that their current premises met business needs. However, 40% said that they are due to be looking for new sites in the future, with most citing needing larger premises as the reason. Most of this demand is intra-District within Mid Suffolk and involves local businesses swapping premises between each other. This corresponds with the web business survey that indicated a strong desire (83% of respondents) to stay in the local district, even if they moved site. There is also a trend of businesses expanding out from Ipswich into business parks at Great Blakenham / Claydon which can accommodate larger units and have cheaper rents than those in Ipswich. Overall, agents consider that there is demand for all types and size of unit, however there is particular demand for higher grade industrial units rather than the secondary stock available in Stowmarket.

## TAKE-UP

### OFFICE

- 3.28 Table 6 sets out the absolute and average annual take up of office employment space in Mid Suffolk over the past ten years broken down to percentage take-up per unit size. The table shows that over the last 10 years the vast majority (70%) of office space take up has been of units which are 1,850 sq m or larger. Office units of between 185 and 465 sq m account for 18% of average annual take up, with units of 465 to 1,850 sq m accounting for 8% of average annual take up. Only 4% of average annual take up is units of less than 185 sq m.

**Table 6 Absolute & Annual Average Office Take up Mid Suffolk 1998 - 2008**

Floor Space Range	Absolute Take up (Sq m)	Average Annual Take up (Sq m)	% Total
<185 sq m	679	62	4%
185 - 465 sq m	3,063	278	18%
465 - 1850 sq m	1,394	127	8%
1850 sq m +	12,128	1,103	70%
<b>Total</b>	<b>17,264</b>	<b>1,569</b>	<b>100%</b>

Source: EGI

- 3.29 Table 7 uses the size ranges above to disaggregate the number of deals done in relation to unit size across Mid Suffolk. Where a year is not present, no deals were recorded. The table can be used to quantify the percentage of total average annual take up to ensure that one deal of +1,850 sq m has not 'skewed' the statistics.

**Table 7 Number of Office Deals in Mid Suffolk 1998 - 2008**

Floor Space Range	1998	2002	2003	2004	2005	2006	2007	2008	Total
<185 sq m				2			4	2	8
185 - 465 sq m		1		1	1	4	3	1	11
465 - 1,850 sq m						1			1
1,850 sq m +	1						1		2
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>5</b>	<b>8</b>	<b>3</b>	<b>22</b>

Source: EGI

- 3.30 Table 7 shows that although 70% of take up was made up of 1,850 or more sq m units, only two deals have been done at this unit size over the past 10 years. The table also shows that there have been many more deals done for units of between 185 and 465 sq m

(11 deals) and units of less than 185 sq m (8 deals). This indicates that for office use, a small number of actual deals account for a large amount of take up, whereas a larger number of deals account for a lesser total take up figure. When looking at both absolute take up and number of deals we consider that office units 185 to 465 sq m in size are the most prevalent in Mid Suffolk.

- 3.31 2007 was a peak year for office deals in Mid Suffolk. This coincides with the peak of the commercial market, and we would expect to see the number of deals per annum fall off significantly over the next 18 months.

### *INDUSTRIAL*

- 3.32 Table 8 sets out the absolute and annual average take up of industrial employment space in Mid Suffolk from 1998 to 2008. Table 8 shows that 72% of the total update across the District was for units of more than 1,850 sq m. 25% of District take up has been units of 465 to 1,850 sq m and 11% of take up has been units of between 185 and 465 sq m in size. Only 1% of total District take up has been for industrial units of less than 185 sq m.

**Table 8 Absolute and Average Annual Industrial space take up in Mid Suffolk 1998 - 2008**

Floor Space Range	Absolute Take Up (Sq m)	Average Annual Take Up (Sq m)	% Total
<185 sq m	228	21	1%
185 – 465 sq m	2,132	194	11%
465 – 1850 sq m	4,667	424	25%
1850 sq m +	13,442	1,222	72%
<b>Total</b>	<b>18,660</b>	<b>1,696</b>	<b>100%</b>

Source: EGI

- 3.33 Table 9 allows us to understand more fully the percentage of total take up set out in Table 8 above. Table 9 shows that, with regard to industrial units, more deals have been done involving units of 185 to 465 sq m than any other size of unit. There is a similar number of deals for all other unit sizes.

**Table 9 Number of Industrial Deals in Mid Suffolk 1998 - 2008**

Floor Space Range	1998	1999	2003	2004	2007	2008	Total
<185 sq m				1	3	1	5
185 - 465 sq m				3	1	4	8
465 - 1850 sq m	2			1		1	4
1850 sq m	1	1	1	2			5
<b>Total</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>4</b>	<b>6</b>	<b>22</b>

Source: EGi

- 3.34 The industrial market appears to be more robust than the office market, with a large number of deals in 2004 and 2007, continuing on through 2008. It is, however, likely that the number of deals will drop off during 2009.

## AVAILABILITY

- 3.35 Table 10 below shows the commercial property vacancy levels within Mid Suffolk as of 2005. The vacancy rate is 6% in Mid Suffolk, which is below that of the East of England (8%) and England (9%).

**Table 10 Commercial Property Vacancy Levels within Mid Suffolk**

Area	Vacancy Rate %
Mid Suffolk	6 %
East of England	8 %
England	9 %

Source: Office of National Statistics (2004 – 2005)

- 3.36 There are, however, units available at a number of locations. Agents consider that this is due to a high level of low grade stock being on offer, with a lack of new, particularly industrial, units. The lack of new offer is perhaps reflected in the web business survey (see Appendix 2) – the results for Mid-Suffolk showed that 44% of business thought the availability of appropriate sites / premises a major issue for the future success of their business. As an illustration of this, there are vacant employment units at the following sites:

- Claydon Business Park
- Stowmarket Business Centre
- Mid Suffolk Business Park
- Woolpit Business Park

- Orion Park

## OFFICE

- 3.37 Table 11 sets out office availability and take up in Mid Suffolk. Both availability and take up have been disaggregated by unit size as shown. A notional year's supply of the unit sizes has also been calculated. It should be stressed that this is purely quantitative and does not take account of the quality of the units.

**Table 11 Office Availability and Take-Up by Size in Mid Suffolk**

Floor Range	Space	Available Floor Space (Sq m)	Annual Average Take Up (Sq M)	Notional Years Supply
<185 sq m		2981	62	48
185 - 465 sq m		7047	278	25
465 - 1,850 sq m		6556	127	52
1,850 sq m		45090	1103	41
<b>Total</b>		<b>61674</b>	<b>1569</b>	<b>39</b>

Source: Choose Suffolk, EGI and Focus

- 3.38 Table 11 shows that the highest notional years supply is for units of 465 to 1,850 sq m, with a notional years supply of 52 years. Following this there is a notional year's supply of office space of less than 185 sq m of 48 years, and a notional year's supply of space larger than 1,850 sq m of 41 years. The most constricted supply is for office units of 185 sq m to 465 sq m, for which there is never the less a high supply level of 25 years.
- 3.39 Acknowledging that these notional supply figures are large it should be highlighted that availability has been calculated in Table 11 using Choose Suffolk, EGI and Focus information. Choose Suffolk is a comprehensive database of available properties within Suffolk while both EGI and Focus are central commercial property databases that are populated by agent information. Therefore, there is greater depth to the information supplied to Choose Suffolk. Choose Suffolk also does not list deals. Therefore, the comparison of Choose Suffolk availability information and take-up from EGI and Focus can be skewed. In order to ensure data consistency we also provide in
- 3.40 Table 12 Take Up vs Availability for EGI only.

**Table 12 Office Availability and Take-Up by Size in Mid Suffolk**

Floor Range	Space	Available Floor Space (Sq m)	Annual Average Take Up (Sq m)	Notional Years Supply
<185 sq m		1,344	62	22
185 - 465 sq m		2,019	278	7
465 - 1,850 sq m		0	127	0
1,850 sq m		0	1103	0
<b>Total</b>		<b>3,363</b>	<b>1569</b>	<b>2</b>

Source: EGI

- 3.41 Table 12 shows that the greatest amount of notional years supply is for units that are less than 185 sq m, with 22 years supply. Following this there are 7 years of notional supply for units that are between 185 to 465 sq m. At present for units that are between 465 and 1,850 sq m and units that are greater than 1,850 sq m there is no available floor space. As a result for these unit sizes the notional years supply equates to zero.

### INDUSTRIAL

- 3.42 Table 13 sets out availability of industrial floorspace against annual average take up broken down into unit size. Using data from Choose Suffolk, EGI and Focus we have calculated that there is 108 notional years of supply of industrial units of less than 185 sq m. This is a very large supply of smaller industrial units, and is predicated on the small annual take up at only 21 sq m per annum on average.
- 3.43 There is a similar notional year's supply for units of 185 to 465 sq m (31 years) and units of 465 to 1,850 sq m (27 years). There is a significant 12 years of notional supply of units of more than 1,850 sq m.

**Table 13 Available Industrial Floorspace and Annual Average Take-Up in Mid Suffolk**

Floor Range	Space	Available Floor Space (Sq M)	Average Annual Take Up (Sq M)	Notional Years Supply
<185 sq m		2,239	21	108
185- 465 sq m		6,050	194	31
465 - 1850 sq m		11,490	424	27
1850 sq m		15,231	1,222	12
<b>Total</b>		<b>35,010</b>	<b>1,696</b>	<b>21</b>

Source: Choose Suffolk, EGI and Focus

- 3.44 The same calculation as presented in Table 13 has been performed again using EGi as the only data source.
- 3.45 Table 14 shows that the highest amount of notional years supply is for units that are less than 185 sq m with 37 years. Following this, for units that are between 465 and 1,850 sq m there is 16 years of notional supply. For the other two unit sizes there are very small amounts of notional supply, with units between 185 and 465 sq m there is 4 years of estimated supply and for units that are over 1,850 sq m there is zero years of future supply.

**Table 14 Available Industrial Floorspace and Annual Average Take-Up in Mid Suffolk**

Floor Range	Space	Available Floor Space (Sq M)	Average Annual Take Up (Sq M)	Notional Years Supply
<185 sq m		761	21	37
185- 465 sq m		724	194	4
465 - 1850 sq m		6,841	424	16
1850 sq m		0	1,222	0
<b>Total</b>		<b>8,326</b>	<b>1,696</b>	<b>5</b>

Source: EGI

## RENTS

### OFFICE

- 3.46 Table 15 shows rental values for 'A' grade office stock in the office locations of Mid Suffolk. Values range from £172 per sq m (£16 per sq ft) for stock in Great Blakenham / Claydon, and £70 per sq m (£6.50 per sq ft) in the more rural locations such as Woolpit and Elmswell. As a comparator, 'A' grade office stock in Ipswich commands rents of up to £172 per sq m (£16 per sq ft).



**Table 15 Rental Values for 'A' grade Office Stock in Mid Suffolk**

Location	Grade 'A' Stock (£ per sq m)	Grade 'A' Stock (£ per sq ft)
Great Blakenham / Claydon	£172	£16
Stowmarket	£161	£15
Needham Market	£140 – 151	£13 - 14
Mendlesham	£70 – 90	£6.50 - 10
Eye	£65 – 113	£6 – 10.50
Woolpit	£70 – 90	£6.50 - 10
Elmswell	£70 – 90	£6.50 - 10

- 3.47 Agents consider that rents fall away sharply as one moves north of Stowmarket and away from the influence of Ipswich as an employment centre. Therefore business centres in rural areas such as Woolpit and Elmswell will suit occupiers who cannot afford to locate in Ipswich or its sphere of influence.

### INDUSTRIAL

**Table 16 Rental Values for 'A' grade Industrial Stock in Mid Suffolk**

Location	Grade 'A' Stock (£ per sq m)	Grade 'A' Stock (£ per sq ft)
Great Blakenham / Claydon	£59 - 65	£5.5 - 6
Stowmarket	£48 – 54	£4.5 - 5
Needham Market	£30 – 54	£4 – 5
Mendlesham	£30 - 43	£2.75 - 4
Eye	£32 - 48	£3 – 4.50
Woolpit	£30 - 54	£2.75 - 4
Elmswell	£30 - 54	£2.75 - 4
Horham	£30 - 54	£2.75 - 4

- 3.48 Table 16 shows rental values for 'A' grade Industrial stock in the employment areas of Mid Suffolk. Industrial rents follow the same pattern as office rents, falling away as one moves further north of Ipswich.

- 3.49 As a consequence of this, the highest industrial rents of up to £65 per sq m (£6 per sq ft) are commanded in Great Blakenham / Claydon, which agents consider an extension of the Ipswich employment area. Marginally lower rents of up to £54 per sq m (£5 per sq ft) are commanded in Stowmarket, a decrease similar to that between office rents in the two centres.

- 3.50 Industrial rents in Needham Market sit in between those of Stowmarket / Great Blakenham / Claydon and the remainder of the rural employment sites. The industrial employment sites in Needham Market service the local area and as rents are only marginally lower than those in Stowmarket non-local occupiers would be more likely locate there over Needham Market so as to take advantage of the increased accessibility to Ipswich.
- 3.51 Rents in the rural employment centres of Mendlesham, Woolpit, Elmswell and Horham can be up to £54 per sq m (£4 per sq ft) but can also fall away to only £30 per sq m (£2.75 per sq ft). Agents comment that the majority of the rural sites, such as Leggetts Yard near Woolpit, will have some kind of owner / occupier element, especially if the site is in single use, and therefore rents are hard to determine.
- 3.52 The web business survey (see Appendix 2) revealed that in Mid-Suffolk, the price of premises had been a major issue over the last two to three years for 28% of respondents, and it was anticipated to remain a major issue over the next two to three years by an increased 39% of responding businesses.

## CONCLUSION

- 3.53 As a District Mid Suffolk has a predominance of industrial over office employment space, with sizeable industrial areas in and around Stowmarket and Great Blakenham / Claydon. Agents consider that employment sites will benefit more from capitalising on the proximity to Felixstowe, the predominant driver of the employment economy for the area, rather than the high-tech industries of the Cambridge Triangle.
- 3.54 The prevalence of port-related companies occupying employment land in the District supports the above. Shipping companies such as Blue Water Shipping, based at the Claydon Industrial Park and logistics / distribution companies such as CEVA logistics (Mendlesham), Hudson Haulage (Elmswell) and Leggett's Transport (Woolpit) are examples of successful, port-related employment use in Mid Suffolk.

**Figure 5 Port Related Uses in Mid Suffolk**

- 3.55 There are, however, other market drivers. The rural employment sites have a strong manufacturing and ‘food stuffs’ element, built on the agricultural past of the region. Agents consider that these units will continue to prosper, but as they tend to have some owner / occupier element, any growth will be in close proximity to the original site or on land already owned by the occupier, rather than through moving to a new location. An example of such an owner / occupied site is the Broadwater Mouldings site in Horham, near Eye. The glass fibre reinforced plastic company is a subsidiary of the Betts Group, a family owned company based on the same premises. The company operates out of its 75,000 sq ft manufacturing facility on a 6 acre plot and employs approximately 70 people.
- 3.56 Companies such as Rosemary & Thyme Ltd at the Mid Suffolk Business Park and STENG Ingredients, also at the Mid Suffolk Business Park, support the District’s food-related employment market. We understand that other food related employment sites elsewhere may be under threat from loss to residential use. This would seem to support any argument for consolidation and improvement of stock in the main employment centres Stowmarket and Great Blakenham / Claydon.

### **STOWMARKET**

- 3.57 Although Stowmarket has experienced a significant amount of growth over the last 10 years, both in terms of its residential stock and its employment stock, there have not been any recent employment development. The quality of both office and industrial commercial units is therefore fairly poor. This is compounded by often awkward land configurations and

topography to create a generally 'B' grade offer. This can be seen in the 'retail creep' evident on some of the estates, which occurs when retail is seen to be a higher value use than the existing industrial / office use. The Charles Industrial Estate in Stowmarket, for example, includes a carpet seller, a fireplace store, a recruitment agency and a hairdresser amongst other non-B uses. It is notable that the largest number of responses from businesses in Mid-Suffolk was from the 'Retail/Hotels' sector (47%).

**Figure 6 Charles Industrial Estate, Stowmarket**



#### **GREAT BLAKENHAM / CLAYDON**

- 3.58 The Great Blakenham / Claydon area is considered by agents to be effectively an extension of Ipswich rather than an employment location in its own right. There are a number of good quality employment sites in the area, which benefits from good links via the A14 to Ipswich (although agents comment that sites such as the Claydon Business Park are difficult to get to). The development of the new 'Snoasis' snow dome will increase employment figures in the area as well as improve local infrastructure through agreements to provide a train station and junction improvements.

#### **NEEDHAM MARKET**

- 3.59 Needham Market falls between the two tiers of employment sites within the District as it is not an employment centre such as Stowmarket or Great Blakenham / Claydon, yet it still has a sizeable amount of stock. The employment stock is predominantly 'B' grade and

mostly industrial with ancillary office use. Agents consider that Needham Market is essentially a 'self-serving' employment zone, although it looks to Ipswich to a certain degree, with the majority of growth originating from within the Needham Market sphere of influence, rather than from outside the area.

**Figure 7 Industrial Units at Needham Market**



### *EYE*

- 3.60 The Business Park at Eye airfield stands alone as an employment location within the District. Agents comment that it has in total approximately 47,000 sq m (500,000 sq ft) of employment space and a significant amount of developable land. However the site has very poor road access from Ipswich on the A140 and then from the A140 on the B1117, and does not appear to have any strong links to other employment locations in the District. The uses found at Eye are heavy manufacturing uses which would require a significant amount of space, such as SpeedDeck which produces sheet metal products, and it may therefore be the cheaper rents which have attracted occupiers in the past. A number of agents have commented that the construction of a dual carriageway on the A140, and the associated increase in speed limit would increase the attractiveness of Eye as an employment location moving forwards.

## ST EDMUNDSBURY

### INTRODUCTION

- 3.61 As part of the overall employment land review of employment sites within St Edmundsbury, it is necessary to consider the role that commercial office and industrial sites and centres play in defining the “offer” of the Borough.
- 3.62 This section sets out an assessment of the commercial office and industrial markets within St Edmundsbury. We have looked at employment provision in St Edmundsbury by examining changes in total stock of floorspace, development activity, demand levels, stock availability and rental levels. It should be noted that this assessment is set in the relatively uncertain market conditions prevailing in late 2008 / early 2009, which are having a noticeable effect on short term demand. This is due to a reduction in investment and therefore demand for employment land. Over a longer period (more than ten years) it is expected that there will be a return to less volatile patterns of supply and demand and long term trends will remain.
- 3.63 To assess employment floorspace requirements we assess the quantitative need for new office floorspace, as well as using discussions with local agents to understand employment requirements within St Edmundsbury from a qualitative perspective. This combines with our economic projections to give overall employment land requirements in the Borough.

### MARKET COMMENTARY

#### OVERVIEW

- 3.64 Commercial and employment related activity within St Edmundsbury is very much concentrated within Bury St Edmunds in the centre of the Borough, and Haverhill, to the south of the Borough. Neither of these locations are viewed as strategic office sites within the wider region, with the majority of office based companies preferring to stay within the Cambridge triangle. Office use within Bury St Edmunds and Haverhill is therefore mostly limited to local firms or office use as an ancillary use to other uses.
- 3.65 There is, however, a strong industrial market in St Edmundsbury, particularly in Haverhill with a focus on distribution and logistics. A significant amount of flat, developable land across the District has leant itself to the development of warehousing and storage

distribution units, as well as some industrial and manufacturing uses such as the British Sugar plant at Bury St Edmunds.

- 3.66 The majority of rural employment sites situated outside of Haverhill and Bury St Edmunds in the Borough are small. There is a significant amount of single use owner occupied companies which have grown organically on the sites. Villages such as Clare and Chedburgh are characterised by small 'business park' type employment sites, although there appears to be an increase in retail uses on these parks rather than office or industrial.

## MAIN EMPLOYMENT CENTRES

### *BURY ST EDMUNDS*

- 3.67 Bury St Edmunds is located at the centre of the District on the A14 road which runs from Kettering through Cambridge to Felixstowe. There are a large number of independent relatively small businesses in Bury St Edmunds including Denny Brothers, a label printing firm, Glasswells Furniture and Sealey Tools & Equipment, which are the largest commercial employers in the town. Other commercial employers include The Greene King Brewery, EDF Energy, CML Innovative Technologies, which produce miniature lighting components and LED lighting solutions, and Vinten which provides camera support products.
- 3.68 Another significant employer in Bury St Edmunds is the British Sugar Factory, which plays an important role in the prosperity of the town as an employer and rate payer (approximately £750,000 is paid per annum in business rates), as well as a user of local services. The Factory employs a permanent workforce of 150 rising to 225 during the processing period which lasts, on average, 160 days when the factory is open 24 hours a day. Approximately 1.95 million tonnes of beet is processed annually and more than 660 lorry loads received daily.



**Figure 8 British Sugar Factory at Bury St Edmunds**



- 3.69 In terms of employment locations, Bury St Edmunds has a number of business parks. The Suffolk Business Park is the most prominent, and is located on the eastern edge of Bury St Edmunds adjacent to the A14. 68.28 hectares of land to the east of the business park is allocated as a General Employment Area, and we understand that proposals for this extension to the business park are likely to come forward in the near future, along with proposals for a link road from the A14 to allow for the expansion. Other significant business parks include Northern Way, Western Way and Eastern Way.
- 3.70 Besides employment uses, Bury St Edmunds has a healthy retail sector with potential for 'retail creep' evident on a number of employment sites. It is notable that in the web business survey (see Appendix 2), 32% of respondents from the St Edmundsbury area were from the 'Retail / Hotel' sector. The Old Cattle Market site, a 5.4 hectare brown field site in the centre of the town has been redeveloped to incorporate 36 new stores including Debenhams as an anchor store. The site, which was formerly the cattle market and latterly a car park, has been developed for residential use with 65 residential apartments above the retail element. This opened in March 2009 with pre-let levels of 85%.
- 3.71 Bury St Edmunds also has a University element with West Suffolk College becoming one of the new University Campus Suffolk sites.



### HAVERHILL

- 3.72 Haverhill is located in the south of the Borough close to the M11 corridor and Stansted Airport. It is the fastest growing town in Suffolk, which can be seen in the significant amount of recent and planned residential development in the area.
- 3.73 Haverhill's proximity to Cambridge has increased its economic prosperity, particularly in recent years with private sector investors such as HID Corporation developing in the town. The town has a strong business culture supported by the Chamber of Commerce and Haverhill Enterprise, as well as St Edmundsbury Borough Council which is investing in a £10 million ten year regeneration programme to re-brand the town centre.

**Figure 9 Industrial Development in Haverhill**



- 3.74 Haverhill's employment sites are dominated by manufacturing and storage, with the largest employers including Genzyme, a biotechnology company and The Herbert Group, which supplies weighting and labelling solutions for the food processing industry. There is also Axa Insurance, J Sainsbury's Plc and International Flavours & Fragrances which produce fine fragrances and toiletries.

- 3.75 The main business parks in Haverhill are located off the A1017 to the south of Haverhill. Major business parks include Homefield Road, The Haverhill Industrial Estate and Falconer Road.

## STOCK

### OFFICE

- 3.76 Our analysis shows that the type of office stock available in St Edmundsbury tends to be similar in both Bury St Edmunds and Haverhill, although Bury St Edmunds is more of an office location. Large employers tend to locate on business parks such as the Suffolk Business Park, with smaller employers locating within the town centres or in more rural sites. These smaller office units are occupied by professions serving the local area such as local firms of accountants and lawyers. There is also an element of office use as an ancillary use to retail uses on some of the industrial estates such as Northern Way in Bury St Edmunds, which has a number of car showrooms.
- 3.77 Table 17 sets out the amount of office floor space available in St Edmundsbury at 1998 and 2007. Whilst England and the East of England have seen moderate rates of increase in office space since 1998, St Edmundsbury has experienced a significant increase of 39% in total office stock. Agents consider that this is partly due to the significant growth of Haverhill as an employment location over the last 10 years, as well as growth in Bury St Edmunds.
- 3.78 The nature of the stock in St Edmundsbury is primarily related to age and location. Office units situated within town centres and rural locations tend to be of a secondary nature, particularly in Bury St Edmunds where residential units have been refurbished to allow for office use. In the business parks of Haverhill and Bury St Edmunds there is some new A-grade stock, particularly at the Suffolk Business Park in Bury St Edmunds, however the majority of the stock remains B-grade.

**Table 17 Office Stock in St Edmundsbury between 1998 and 2007**

Area	1998 (000 sq m)	2007 (000 sq m)	% Change
St Edmundsbury	100	139	39%
East of England	7,234	8,589	18.7%
England	78,973	96,700	22.4%

Source: Office of National Statistics

## INDUSTRIAL

- 3.79 Table 18 shows the total of industrial stock within St Edmundsbury. Industrial stock has increased by 16% from 1998 to 2007, compared to a 6% increase in industrial stock across the East of England and a 3.5% increase nationally.

**Table 18 Industrial Stock within St Edmundsbury 1998 - 2007**

Area	1998 (000 sq m)	2007 (000 sq m)	Change
St Edmundsbury	949	1,100	16%
East of England	33,738	35,704	6%
England	336,410	347,942	3.5%

Source: Office of National Statistics

- 3.80 Agents comment that industrial stock in the District is mostly secondary, particularly in the more rural towns such as Clare and Chedburgh. An exception to this is new industrial manufacturing and storage stock at the Haverhill employment sites which bound the A1017.

## DEVELOPMENT ACTIVITY

**Figure 10 Potential Development Land at Suffolk Business Park**



- 3.81 We understand that the second phase of the Suffolk Business Park in Bury St Edmunds will come forward for planning consent in 2009. Plans could include the provision of up to

an additional 68 hectares of employment space to the east of the town between the current Park and Rougham Trading Estate. We have been made aware that the development of this phase is, however, dependant on the building of a relief road from the A14 and achieving the agreement of landowners in the area. Agents comment that there is currently a shortage of employment land for development within the town despite the reasonable levels of demand.

- 3.82 In Haverhill the HID Corporation has recently completed c. 3,500 sq m (37,000 sq ft) of employment space including office, workshop and production space (though this is actually within Braintree District). In addition to this, Culina Logistic, part of Muller yoghurts, has built a new 1,765 sq m (19,000 sq ft) development.

## COMPLETIONS

- 3.83 Table 19 below sets out the amount of floor space developed for employment by type between 2006 and 2007.
- 3.84 This most recent data from the Annual Monitoring Report shows that the majority of development in Bury St Edmunds has been on brownfield sites in Haverhill, which supports agents' comments on significant development in the Haverhill area. There has been a notable lack of development on greenfield sites in the District, with only 260 sq m (2,800 sq ft) of employment floorspace development on greenfield sites within rural areas.

**Table 19 B1, B2 and B8 Completions (Sq M of Floorspace) in St Edmundsbury (2006-2007)**

Location	Greenfield Sites	Brownfield Sites	Total
Bury	0	7,865	7,865
Haverhill	0	19,401	19,041
Rural Service Centres	0	1,667	1,667
Remainder of Rural Areas	260	2,918	3,178
<b>Total</b>	<b>260</b>	<b>31,851</b>	<b>32,111</b>

*Source: St Edmundsbury Annual Monitoring Report (2006/2007)*

- 3.85 Table 20 below shows that the majority of completions in St Edmundsbury (2005-2006) have been for B1(a) office and B8 storage and distribution uses. This conforms to the more generic national picture that manufacturing is in decline, and also supports agents comments that in St Edmundsbury industrial uses are predominantly related to transport, storage and distribution.

**Table 20 Completions by Use Class in St Edmundsbury (2005-2006)**

Use Class	Completed Gross Internal Floor Space (Sq M)
B1(a)	2,514
B1(b)	0
B1(c)	0
B2	21
B8	273
<b>Total</b>	<b>2,818</b>

Source: St Edmundsbury Annual Monitoring Report (2006/2007)

## DEMAND

- 3.86 The current trend in St Edmundsbury according to local agents is a slowly increasing level of demand for both office and industrial space. In the web business survey (see Appendix 2), 87% of respondents across St Edmundsbury stated that their current premises met business needs. However, 44% said that they are due to be looking for new sites in the future, with most citing needing larger premises as the reason. Most of this demand is intra-District within St Edmundsbury and involves local businesses swapping premises between each other or expanding within the two main centres or to the other main centre (from Haverhill to Bury St Edmunds for example). This corresponds with the web business survey that indicated a strong desire (90% of respondents) to stay in the local district, even if they moved site. Agents consider that there is demand for all types and size of unit, however there is particular demand for larger units of 5,500 sq m (60,000 sq ft) or more which is currently unexploited.
- 3.87 Agents also comment that the Borough has had little success in attracting businesses away from the Cambridge area. Although Haverhill is located close to the M11 corridor and the Cambridge Triangle, agents state that businesses are reluctant to lose the 'Cambridge dial code' associated with employment sites further east of the Borough. Poor access from Cambridge via the A1037 is also a disincentive. Many comment that because of this, and despite cheaper rents, businesses, particularly office based ones, will not move east of Newmarket.
- 3.88 Local agents did also comment however that a shortage of employment land in Bury St Edmunds was restricting the market and creating a small backlog of demand from both industrial and office uses. This is likely to disintegrate in the short term given current market conditions but may well continue as a long term characteristic. It is notable that 32% of respondents to the web business survey (see Appendix 2) from St Edmundsbury said that availability of appropriate sites / premises was a major issue for the future

success of their business. This is not as high a figure as in Forest Heath (54%) or in Mid-Suffolk (44%), but it is still a significant proportion of respondents.

## TAKE-UP

### OFFICE

- 3.89 Table 21 shows the absolute take-up of office employment space in St Edmundsbury between 1998 and 2008 broken down into percentage of take-up per unit size. The table shows that with regard to office employment space, take-up is fairly equally spread across the floorspace ranges, suggesting that there is no particular size bracket of floor space which dominates in the Borough.

**Table 21 Absolute Office Space Take Up in St Edmundsbury (1998 – 2008)**

Floorspace Range	Absolute (Sq M)	Average Annual Take- Up (Sq M)	% Total
<185 sq m	3,431	312	24%
185 - 465 sq m	3,078	280	21%
465 - 1850 sq m	4,055	369	28%
1850 sq m +	4,014	365	28%
<b>Total</b>	<b>14,578</b>	<b>1,325</b>	<b>100%</b>

Source: EGI

- 3.90 Table 22 shows the number of deals that have involved the uptake of office units in St Edmundsbury between 1999 and 2008. Years where no deals took place have been removed. Between 1998 and 2004 there were very few office deals, ranging from zero to three deals a year. However between 2004 and 2005 there was a surge in the number of deals taking place, with 13 deals in 2005. Since 2005 the number of deals has remained at a similar level. In terms of size, the majority of office deals have involved units that are small (less than 185 sq m).

**Table 22 Number of Office Deals in St Edmundsbury between 1998 and 2008**

Floor Space Range	1999	2000	2001	2002	2004	2005	2006	2007	2008	Total
<185 sq m					2	11	5	10	10	38
185 - 465 sq m			1			1	4	4	2	12
465 – 1850 sq m	1	2		1	1	1	1			7
>1850 sq m		1							1	2
<b>Total</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>13</b>	<b>10</b>	<b>14</b>	<b>13</b>	<b>59</b>

Source: EGI

- 3.91 Table 23 sets out the absolute and average annual take up of industrial stock in St Edmundsbury over the last ten years. The percentage of each floorspace range is shown in the table, and, as would be expected, there has been a larger take-up of industrial units of more than 1,850 sq m than any other floorspace group. This is due to the large floorplates required by industrial uses, particularly the storage and distribution sectors.

**Table 23 Absolute and Average Annual Industrial Take Up in St Edmundsbury (1998-2008)**

Floor Space Range	Absolute ( sq m)	Average Annual Take up (sq m)	% Total
<185 sq m	4,209	383	3%
185 - 465 sq m	12,447	1,132	9%
465 - 1850 sq m	26,010	2,365	18%
1,850 sq m +	96,068	8,733	67%
<b>Total</b>	<b>142,886</b>	<b>12,990</b>	<b>100%</b>

Source: EGI

- 3.92 Table 24 shows the number of deals that have involved the take up of industrial space in St Edmundsbury between 1999 and 2008. Between 1998 and 2004 the number of industrial deals taking place was fairly low, ranging from zero to thirteen. Between 2004 and 2005 there was a significant increase in the number of deals taking place, with a total of 31 deals occurring in 2005. Since 2005 the number of deals has declined slightly, with 26 deals taking place in 2008. Between 1998 and 2008 there has been a significant number of deals in all of the four unit sizes, however there is a slight skew towards units which are between 185 sq m and 465 sq m.

**Table 24 Number of Industrial Deals in St Edmundsbury between 1998 and 2008**

Floor Space Range	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
<185 sq m	0		0	0	1	5	6	10	7	8	37
185 – 465 sq m	1	1	3	1	1	3	12	10	4	8	44
465 – 1850 sq m	2		3	1	1	3	9	5	1	9	34
1850 sq m	2		1	0	0	2	4	4	3	1	17
<b>Total</b>	<b>5</b>	<b>1</b>	<b>7</b>	<b>2</b>	<b>3</b>	<b>13</b>	<b>31</b>	<b>29</b>	<b>15</b>	<b>26</b>	<b>132</b>

Source: EGi

- 3.93 It should be noted that despite industrial space of more than 1,850 sq m representing 67% of average annual take up, there have only been 17 deals done with these units compared to higher figures for the other unit sizes. Agents comment that the lack of new and available, large, A-grade stock, particularly in employment sites such as the Suffolk Business Park, is detrimental to Bury St Edmunds employment market, and that if this stock was to become available it would be in good demand.

## AVAILABILITY

### OFFICE

- 3.94 Table 25 sets out office availability and take up in St Edmundsbury. Both availability and take up have been disaggregated by unit size as shown. A notional years supply of the unit sizes has been calculated.

**Table 25 Office Availability and Take-Up by Size in St Edmundsbury**

Floor Range	Space	Available Floor Space (Sq m)	Annual Average Take - Up (Sq m)	Notional Years Supply
<185 sq m		5,088	312	16
185 - 465 sq m		10,478	280	37
465 - 1,850 sq m		5,680	369	15
1,850 sq m +		82,629	365	226
<b>Total</b>		<b>103,875</b>	<b>1,325</b>	<b>78</b>

Source: Choose Suffolk, EGi and Focus

- 3.95 Table 25 shows that the highest notional years supply is for units of more than 1,850 sq m, with a substantial notional years supply of 226 years. Following this there is a notional



years supply of office space of 185 to 465 sq m of 37 years. The most constricted supply is for office units of less than 185 sq m (16 years) and those of 185 to 465 sq m (15 years).

- 3.96 Availability has been calculated in Table 25 using Choose Suffolk, EGi and Focus. Choose Suffolk is a comprehensive database of available properties but does not list deals. In order to ensure data consistency we also provide in Table 26 Take Up vs Availability for EGi only.

**Table 26 Office Availability and Take-Up by Size in St Edmundsbury**

Floor Range	Space	Available Floor Space (Sq m)	Annual Average Take - Up (Sq m)	Notional Years Supply
<185 sq m		563	312	2
185 - 465 sq m		2,055	280	7
465 - 1,850 sq m		1,858	369	5
1,850 sq m +		60,476	365	166
<b>Total</b>		<b>64,952</b>	<b>1325</b>	<b>49</b>

Source: EGi

- 3.97 Table 26 shows that the highest notional years supply is for units that are more than 1,850 sq m, with 166 years. All other unit sizes have low amounts of notional years supply, ranging from 7 to 2 years.

### *INDUSTRIAL*

- 3.98 Table 27 sets out availability of industrial floor space against annual average take up broken down into unit size. Using data from Choose Suffolk, EGi and Focus we have calculated that there is 37 notional years of supply of industrial units of more than 1,850 sq m. This is again a significant supply of larger industrial units.
- 3.99 There is an equal years supply for units of 185 to 465 sq m and units of 465 to 1,850 sq m (18 years). There is a still fairly significant 9 years of notional supply of units of less than 185 sq m.

**Table 27 Industrial Availability and Take-Up by Size in St Edmundsbury**

	Available Floor space (sq m)	Annual Take up (sq m)	Notional Years Supply
<185 sq m	3,490	383	9
185 -465 sq m	20,224	1,132	18
465 - 1,850 sq m	42,578	2,365	18
1,850 sq m +	320,059	8,733	37
<b>Total</b>	<b>386,351</b>	<b>12,990</b>	<b>30</b>

Source : Choose Suffolk, EGi and Focus

- 3.100 Again we have used EGi data only to allow for the lack of take up data in the Choose Suffolk data sets. Table 27 shows that the EGi data provides a similar pattern as shown in Table 26 but with lower numbers of notional years supply.
- 3.101 Table 28 provides a similar pattern as shown in Table 27 but with much smaller numbers of notional years. The highest notional years supply is for units of 1,850 sq m and over (16 years). There is an equal notional years supply for units that are between 185 and 465 sq m and 465 and 1,850 sq m (6 years) and a notional years supply of 2 years for units of less than 185 sq m.

**Table 28 Industrial Availability and Take-Up by Size in St Edmundsbury**

	Available Floor space (sq m)	Annual Take up (sq m)	Notional Years Supply
<185 sq m	882	383	2
185 -465 sq m	6,774	1,132	6
465 - 1,850 sq m	13,990	2,365	6
1,850 sq m +	139,382	8,733	16
<b>Total</b>	<b>161,028</b>	<b>12,990</b>	<b>12</b>

Source : EGi

- 3.102 Overall the large notional years supplies of both office and industrial units of more than 1,850 sq m appears to contrast with agents comments about the lack of more sizeable stock. We therefore assume that it is the grade and specification of the stock which is creating a significant extant floorspace supply.

## RENTS

### OFFICE

- 3.103 Table 29 shows rental values for 'A' grade office stock in the office locations of St Edmundsbury. Values range from £183 per sq m (£17 per sq ft) for stock in Haverhill and Bury St Edmunds to £86 per sq m (£8 per sq ft) in the more rural locations such as Great Wrating, Stanton and Clare.

**Table 29 Rental Values for 'A' Grade Office Stock in St Edmundsbury BC**

Location	Grade 'A' Stock (£ per sq m)	Grade 'A' Stock (£ per sq ft)
Bury St Edmunds	£172	£16
Haverhill	£172 - 183	£16-17
Chedburgh	£86 – 107	£8-10
Great Wrating	£86 – 107	£8-10
Clare	£86 – 107	£8-10
Stanton	£86 – 107	£8-10
Little Saxham / Risby	£161 – 172	£15-16

Source: EGI / Focus / Local Agents

### INDUSTRIAL

**Table 30 Rental Values for 'A' Grade Industrial Stock in St Edmundsbury BC**

Location	Grade 'A' Stock (£ per sq m)	Grade 'A' Stock (£ per sq ft)
Bury St Edmunds	£65 - 70	£6-6.50
Haverhill	£65 – 75	£6 – 7
Chedburgh	£32 - 43	£3 - 4
Great Wrating	£32 - 43	£3 – 4
Stanton	£32 - 53	£3 - 5
Clare	£32 – 43	£3 - 4
Little Saxham / Risby	£60 - 65	£5.5 – 6

Source: EGI / Focus / Local Agents

- 3.104 Table 30 above shows rental values for A-grade Industrial stock in the employment areas of St Edmundsbury.
- 3.105 The highest industrial rents of up to £75 per sq m (£7 per sq ft) are commanded in Haverhill. Marginally lower rents of up to £70 per sq m (£6.50 per sq ft) are commanded in

Bury St Edmunds, a decrease similar to that between office rents in the two centres. Agents consider that this is due to the superiority of the stock in Haverhill when compared to Bury St Edmunds.

- 3.106 Industrial rents in Little Saxham / Risby sit in between those of Haverhill / Bury St Edmunds and the remainder of the rural employment sites. Agents comment that the employment sites at Little Saxham / Risby are considered to be an extension of the peripheral employment sites of Bury St Edmunds, in much the same way as the Rougham Industrial Estate is also considered an extension of Bury St Edmunds.
- 3.107 Rents in the rural employment centres of Chedburgh, Stanton, Great Wrating and Clare can be up to £54 per sq m (£4 per sq ft) but can also fall away to only £32 per sq m (£3 per sq ft). Agents comment that some of the rural sites will have some kind of owner / occupier element, especially if the site is in single use, and therefore rents are hard to determine. The low rents in rural locations are contributing to the 'retail creep' becoming evident on business estates such as those in Clare.
- 3.108 The web business survey (see Appendix 2) revealed that in St Edmundsbury, the price of premises had been a major issue over the last two to three years for 26% of respondents, and it was anticipated to remain a major issue over the next two to three years by an increased 39% of responding businesses.

## CONCLUSION

- 3.109 St Edmundsbury Borough's office and industrial markets are primarily driven by the towns of Bury St Edmunds and Haverhill. Whilst there is a commercial presence in or near some of the larger villages such as Clare, Chedburgh and Stanton (Shepherd's Grove) it is not on the same scale as the two major towns.
- 3.110 The current stock of the Borough is decidedly mixed. The office commercial market exhibits a large range of size of stock, from less than 185 sq m to more than 1,850 sq m and a range of A-grade and B-grade units. The majority of the larger A-grade office stock can be found in Business Parks such as those bordering the A1017 in Haverhill and at the Suffolk Business Park. The potential for a 68 hectare extension at the Suffolk Business Park could provide additional A-grade units (which agents consider to be in the most demand in Bury St Edmunds), with a mixture of office and industrial uses. Agents consider that the lack of large, new stock (of up to 55,000 sq m / 60,000 sq ft) is a hindrance to Bury St Edmund's employment land offer, but that there is also a high level of demand for smaller, workspace units.

- 3.111 Agents comment that currently in Bury St Edmunds different business parks / industrial estates accommodate different requirements, for example the Northern Way Estate has a predominance of smaller units, whereas the Western Way Estate has larger units. Within Haverhill, agents consider that there is a mix of stock across the board. There are low vacancy rates within both the main employment centres.
- 3.112 Within the Borough Haverhill has performed more strongly in economic terms than Bury St Edmunds over the last 5 to 10 years. Agents comment that this may be due to the lack of development space in and around Bury St Edmunds. It has also benefited to some extent from its greater proximity to Cambridge, however agents consider that any attempt to draw new businesses from the Cambridge triangle would prove difficult due to the desirability of Cambridge itself and the poor connectivity to the A11 via the A1307.
- 3.113 Apart from a former WWII airfield of 92.5ha, Shepherd's Grove at Stanton in the northeast of the Borough, the rural employment sites in the Borough tend to be small and are often owner – occupied, self contained sites of single use. The majority of the sites are typified by poor access (mostly from B-roads) and are likely to have been developed in an organic way as businesses have progressed. There is no demand from large companies for these rural sites, which will continue to be occupied by small, low cost businesses. (Note: Having obtained detailed planning consent and completed a Section 106 agreement IKEA indicated in 2007 that they would not proceed with a large distribution centre at Shepherd's Grove. Planning permission currently remains valid for 115,000m<sup>2</sup> of storage and distribution floorspace on this site).

## FOREST HEATH

### INTRODUCTION

- 3.114 As part of the overall review of employment sites within Forest Heath, it is necessary to consider the role that commercial office and industrial sites and centres play in defining the “offer” of the District.
- 3.115 This section sets out an assessment of the commercial office and industrial markets within Forest Heath. We have looked at employment provision in Forest Heath by examining changes in total stock of floor space, development activity, demand levels, stock availability and rental levels. It should be noted that this assessment is set in the relatively uncertain market conditions prevailing in late 2008 / early 2009, which are having a noticeable effect on short term demand. This is due to a reduction in investment and therefore demand for employment land. Over a longer period (more than ten years) it is expected that there will be a return to less volatile patterns of supply and demand and long term trends will remain.
- 3.116 To assess employment floorspace requirements we assess the quantitative need for new office floorspace, as well as using discussions with local agents to understand employment land requirements within Forest Heath from a qualitative perspective.

### MARKET COMMENTARY

#### OVERVIEW

- 3.117 Forest Heath District is predominantly an industrial rather than office location. This is supported by responses to the web business survey (see Appendix 2) which showed 39% of respondents being from the manufacturing sector. There is some office stock in Newmarket but this is either used by local firms, such as local accountants / lawyers etc., which service the Newmarket area or small businesses which have moved from Cambridge due to the cheaper rents. We have spoken to local agents who consider that outside of Newmarket there is no notable office stock in the remainder of the District.

**Figure 11 Vacant Office Stock on Willie Snaith Road, Newmarket**



- 3.118 The horseracing industry is a major employer in Forest Heath. The industry is based in and around Newmarket which has two race courses hosting a range of events throughout the year. Linked to the race courses is a bio-science cluster which includes the Animal Health Trust, the National Stud and trainers and related industries.
- 3.119 Another major influence on employment in the District is the presence of two RAF bases which are used by the US Air Force as well as the RAF. The bases are in Mildenhall and Lakenheath, although Mildenhall appears to benefit more from employment spillovers than Lakenheath. The impact of RAF bases is also evident in Brandon which forms the Mildenhall / Lakenheath / Brandon triangle. Complimentary employment evident within the Triangle includes storage / distribution uses.

## MAIN EMPLOYMENT CENTRES

### *NEWMARKET*

- 3.120 Newmarket is situated 20 km west of Cambridge at the junction of the A14 and A11. It is a market town which has become well known because of its connection with race horses

and thoroughbred horse racing at Newmarket Racecourse. It is the largest racehorse training centre in Britain and home to several horseracing institutions. It is estimated that one in four jobs are connected to horseracing in some way.

- 3.121 Newmarket has a large amount of employment land at the northern edge of the town, which is home to a number of employment sites such as Kings Court, Studlands Park Industrial Estate, Newmarket Business Park, The Oaks Business Park, Laureate Paddocks Industrial Estate and Minton Business Park. These parks are predominantly industrial in use with some office (although much of this is ancillary to the industrial components).

**Figure 12 Industrial Uses on Willie Snaith Road in Newmarket**



- 3.122 Newmarket is on the Cambridge – Bury St Edmunds – Ipswich railway line, with connections to London Kings Cross, a journey time of approximately 1 hour and twenty minutes, and London Liverpool Street, a journey time of approximately 2 hours.



### *MILDENHALL*

- 3.123 Mildenhall is located just off the A11 approximately 18 kilometres north west of Bury St Edmunds and 30 km north east of Cambridge. The Royal Air Force Base, RAF Mildenhall, is located to the north of the town and is used by the US Air Force as the headquarters of its 100<sup>th</sup> Air Refuelling Wing and 352<sup>nd</sup> Special Operations Group.
- 3.124 Companies located in Mildenhall include Marshall Specialist Vehicles and Nestor Pharmaceuticals. There is a substantial business park / industrial estate at Mildenhall - The Mildenhall Industrial Estate - which is occupied by manufacturing, service and retail businesses. The size of the estate makes it a large and important part of Mildenhall's employment landscape and current occupiers include Groupe Hamlin, John Dickinson Stationery Ltd and Holborn Engineering.

**Figure 13 Industrial Stock at Mildenhall Industrial Estate**



## STOCK

### OFFICE

- 3.125 Table 31 sets out the amount of office floor space available in Forest Heath at 1998 and 2007. Between 1998 and 2007 there was a very small increase in the amount of office stock in Forest Heath (7.1%%). This is lower than the regional (16%) and national (22.4%) percentage increases in office stock.

**Table 31 Office Stock in Forest Heath between 1998 and 2007**

Area	1998 (000 Sq m)	2007 (000 Sq m)	% Change
Forest Heath	56	60	7.1%
East of England	7,234	8,589	16%
England	78,973	96,700	22.4%

Source: Office of National Statistics

- 3.126 The comparatively small increase in office stock compared to the East of England and England suggests that Forest Heath is not a fast growing office market.

### INDUSTRIAL

- 3.127 Table 32 below shows the change in industrial stock in Forest Heath between 1998 and 2007. Over the observed period there has been no increase in industrial stock within Forest Heath, with a 0% increase in total stock. This is in comparison with the East of England which has seen a 6% increase in total industrial stock, and England, which has seen a 3.5% increase in total industrial stock.

**Table 32 Industrial Stock within Forest Heath 1998 - 2007**

Area	1998 (000 Sq m)	2007 (000 Sq m)	Change
Forest Heath	425	425	0%
East of England	33,738	35,704	6%
England	336,410	34,7942	3.5%

Source: Office of National Statistics

## DEVELOPMENT ACTIVITY

- 3.128 We have had discussions with Forest Heath District Council who confirm that there has been limited employment land development activity in the District over the last year.
- 3.129 In April 2008 outline planning permission was granted for 12 small light industrial business units on Land North of Hundred Acre Way at the Kings Warren Business Park site in Red Lodge (Figure 14).

**Figure 14 Land North of Hundred Acre Way, Red Lodge**



- 3.130 In May 2008 the demolition and redevelopment of the former Friskies Pet Care was permitted. The scheme is a mixed used development which includes a minimum of 3,400 sq m (37,000 sq ft) of commercial floorspace (B1 office and light industrial), 92 residential properties, a care home and land for a village hall.

## COMPLETIONS

- 3.131 Table 33 below sets out the amount of floor space developed for employment use by type between 2005 and 2006 as set out in the Forest Heath Annual Monitoring Report. Table 33 indicates that in Forest Heath over the observed time period commercial development consisted of 4,807 sq m of solely office development (B1a).

**Table 33 Completions in Forest Heath**

Amount of Floor Space Developed for Employment by Type	Development Gained ( Sq m )
B1 a	4,807
B1 b &c	0
B2	0
B8	0
<b>Total</b>	<b>4,807</b>

*Source: Forest Heath Annual Monitoring Report (2005/2006)*

- 3.132 Forest Heath District Council was unable to monitor business and employment over the last three years and therefore a nil completion rate was reported for 2006/2007/2008.
- 3.133 It is interesting that the web business survey (see Appendix 2) found that a significant 54% of respondents from across Forest Heath stated that availability of appropriate sites / premises is a major issue for the future success of their business.
- 3.134 In terms of demand for employment space, in the web business survey (see Appendix 2), 62% of respondents across Forest Heath stated that their current premises met business needs. This is not as high as in other districts, suggesting more demand for space in Forest Heath than in the other districts. Furthermore, whilst respondents from the other districts largely expect to be trading from the same site in five years time, only 39% from Forest Heath expect the same, and a large 88% stated that whilst not actively looking for a new site now, they would be in the future. The most common reason (77% of responses from Forest Heath) for needing a new site was for it to be larger, again suggesting strong demand for employment land. Most of this demand is intra-District within Forest Heath and involves local businesses swapping premises between each other. This corresponds with the web business survey that indicated a strong desire (85% of respondents) to stay in the local district, even if they moved site.

## TAKE-UP

### OFFICE

- 3.135 Table 34 shows the absolute and average annual take up of office space in Forest Heath over the last ten years disaggregated into unit size. The most significant take up has been for units of 465 to 1,850 sq m at 54% of total take up. The remaining 46% of take up has been for units of 185 sq m or less. Although EGi does not represent all deals, hence the lack of deals for units of 185 to 465 sq m, the figures shown are indicative of an absence of demand particularly in mid-sized offices and larger offices.

**Table 34 Absolute and Annual Average Take-Up of office space in Forest Heath 1998 - 2008**

Floor Space Ranges	Absolute (Sq m)	Average annual take up	% total
<185 sq m	478	43	46%
185 - 465 sq m	0	0	0%
465 - 1850 sq m	571	52	54%
1850 sq m +	0	0	0%
<b>Total</b>	<b>1049</b>	<b>95</b>	<b>100%</b>

Source: EGi

- 3.136 Table 35 shows the number of deals which have involved the take up of office floor space in Forest Heath between 2004 and 2008. Again this shows the lack of demand in the office market as there have been very few deals in the District between 2004 and 2008, with only one deal listed per annum in 2004, 2006 and 2008.

**Table 35 Number of office deals in Forest Heath 2004 - 2008**

Floor Space Range	2004	2005	2006	2007	2008	Total
<185 sq m	1	1	1	2	1	6
185 - 465 sq m						0
465 - 1850 sq m		1				1
1850 sq m						0
<b>Total</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>7</b>

Source: EGi

**INDUSTRIAL**

- 3.137 Table 36 shows the absolute and average annual take up of industrial units in Forest Heath over the last ten years broken down by size of unit. Table 36 shows that the most significant take up of industrial space has been space accommodated in units of 1,850 sq m or more (53%). 18% of take up has been for 465 to 1,850 sq m units and 7% for 185 to 465 sq m units. As expected the least amount of take up has been for units of less than 185 sq m, which agents consider generally too small for industrial space.

**Table 36 Average Annual Industrial Take Up in Forest Heath 1998 - 2008**

Floor Space Range	Absolute (Sq m)	Average Annual Take up (Sq m)	% Total
<185 sq m	2,064	188	3%
185 - 465 sq m	4,549	414	7%
465 - 1850 sq m	11,766	1,070	18%
1850 sq m +	34,600	3,145	53%
<b>Total</b>	<b>52,979</b>	<b>4,817</b>	<b>100%</b>

Source: EGI

- 3.138 Table 37 demonstrates the number of deals that have involved the take up of industrial floor space in Forest Heath between 1998 and 2008. Years where there were no deals have been omitted from the table. Table 37 shows that between 1998 and 2006 there has been a steady increase in the number of deals involving industrial space, reaching a peak in 2006 with 14 deals, and that over the past two years there has been a slight decline. In terms of size, the majority of deals have been for medium sized industrial units, ranging from 185 to 1,850 sq m.

**Table 37 Number of industrial deals in Forest Heath between 1998 and 2008**

Floor Space Range	1998	2001	2002	2003	2004	2005	2006	2007	2008	Total
<185 sq m				1	3	2	4	3	3	16
185 - 465 sq m	1	2	1	1		3	5	1	3	17
465 - 1850 sq m	1	1	1	1	3	3	2	5	3	20
1850 sq m +	1	1				1	3	1		7
<b>Total</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>14</b>	<b>10</b>	<b>9</b>	<b>60</b>

Source: EGI

- 3.139 A total of 60 deals have been recorded for industrial stock since 1998, compared to only 7 deals for office stock over the same period. This again emphasises the secondary nature of Forest Heath's office market and the focus on industrial employment stock.

## AVAILABILITY

- 3.140 Table 38 below sets out overall commercial property vacancy levels within Forest Heath. Vacancy levels are 9%, equal to the average vacancy rate across the country, but slightly higher than the 8% vacancy rate in the East of England.

**Table 38 Commercial Property Vacancy Levels within Forest Heath**

Area	Vacancy Rate %
Forest Heath	9 %
East of England	8 %
England	9 %

Source: Office of National Statistics (2004 – 2005)

## OFFICE

- 3.141 Table 39 sets out office availability and take up in Forest Heath disaggregated by floor space range. The number of notional years of office accommodation by floor space range is also presented.
- 3.142 There is by far the greatest amount of notional years supply available for office units that are between 465 and 1,850 sq m (121 years). Following this there are 56 years of notional supply for units that are less than 185 sq m. For units that are between 185 and 465 sqm and greater than 1,850 sq m there is zero notional years supply.

**Table 39 Office Availability and Take-Up by Size in Forest Heath**

Floor Range	Space	Available Floor Space (Sq m)	Available Average Take Up (Sq m)	Notional Years Supply
<185 sq m		2,415	43	56
185 -465 sq m		6,320	0	0
465 -1,850 sq m		6,265	52	121
1,850 sq m+		30,939	0	0
<b>Total</b>		<b>45,939</b>	<b>95</b>	<b>482</b>

Source: Choose Suffolk, EGI and Focus

- 3.143 Availability has been calculated in Table 39 using Choose Suffolk, EGi and Focus. Choose Suffolk is a comprehensive database of available properties but does not list deals. In order to ensure data consistency we also provide in Table 40 Take Up vs Availability for EGi only.

**Table 40 Office Availability and Take-Up in Forest Heath Excluding Choose Suffolk Data**

Floor Range	Space	Available Floor Space (Sq m)	Available Average Take Up (Sq m)	Notional Years Supply
<185 sq m		364	43	8
185 - 465 sq m		1,441	0	0
465 -1,850 sq m		4,264	52	82
1,850 sq m+		28,113	0	0
<b>Total</b>		<b>34,182</b>	<b>95</b>	<b>358</b>

Source: EGI

- 3.144 Removing the Choose Suffolk data displays a similar pattern with a major over supply of larger offices (465 – 1,850 sq m) and a healthy supply of small offices. There is very weak demand and supply for 185 – 465 sq m office space and office space of 1,850 sq m or more.

## INDUSTRIAL

- 3.145 Table 41 sets out industrial availability and take up in Forest Heath disaggregated by floor space size. The number of notional years of industrial accommodation by floor space size is also presented.

**Table 41 Industrial Availability and Take-Up by Size in Forest Heath**

Floor Range	Space	Available Floor space ( Sq m)	Annual Take up (Sq m)	Notional Years Supply
<185 sq m		444	188	2
185 - 465 sq m		5,798	414	14
465 - 1,850 sq m		17,509	1,070	16
1,850 sq m +		80,016	3,145	25
<b>Total</b>		<b>103,767</b>	<b>4,817</b>	<b>22</b>

Source: Choose Suffolk, EGI and Focus

- 3.146 Table 41 shows that the highest quantity of notional years supply is for industrial units that are over 1,850 sq m in size, where there is a 25 year notional capacity. By contrast,



there is a restricted amount of notional years supply, 2 years, for units that are less than 185 sq m.

- 3.147 Again we have used EGi data only to allow for the lack of take up data in the Choose Suffolk data sets. Table 42 shows that the EGi data provides a similar pattern as shown in Table 41 but with lower numbers of notional years supply.

**Table 42 Industrial Availability and Take-Up in Forest Heath Excluding Choose Suffolk Data**

Floor Range	Space	Available Floor space ( Sq m)	Annual Take up (Sq m)	Notional Years Supply
<185 sq m		158	188	1
185 - 465 sq m		914	414	2
465 - 1,850 sq m		4,560	1070	4
1,850 sq m +		43,541	3145	14
<b>Total</b>		<b>49,173</b>	<b>4,817</b>	<b>10</b>

Source: EGI

## RENTS

- 3.148 The web business survey (see Appendix 2) revealed that in Forest Heath, the price of premises had been a major issue over the last two to three years for 31% of respondents, and it was anticipated to remain a major issue over the next two to three years by an increased 46% of responding businesses. This concern with affordability of premises is noticeably higher than in St Edmundsbury and Mid-Suffolk.

## OFFICE

- 3.149 As agents have commented on the absence of a recognised office market in the District apart from in Newmarket, we have only looked at rental values in Newmarket itself. Rental values within the town range from £65 per sq m (£6 per sq ft) for 'B' grade office stock and approximately £150 per sq m (£14 per sq ft) for 'A' grade office stock. As a comparator, 'A' grade office rents in Cambridge are approximately £300 per sq m (£28 per sq ft).

## INDUSTRIAL

- 3.150 Table 43 shows rental values for 'A' grade Industrial stock in the employment areas of Forest Heath.

**Table 43 Rental Values for 'A' grade Industrial Stock in Forest Heath**

Location	Grade 'A' Stock (£ per sq m)	Grade 'A' Stock (£ per sq ft)
Newmarket	£37 – 65	£3.50 - £6
Kentford	£24 - 48	£2.25 - 4.50
Red Lodge	£24 – 48	£2.25 – 4.50
Beck Row	£24 – 48	£2.25 – 4.50
Mildenhall	£22 - 38	£2-3.50
Lakenheath	£22 - 38	£2-3.50
Brandon	£22 - 38	£2-3.50

*Source: Focus / EGI / Local Agents*

- 3.151 The highest industrial rents of up to £65 per sq m (£6 per sq ft) are commanded in Newmarket for small, new units – of which agents comment that there are relatively few. Lower rents of up to £48 per sq m (£4.50 per sq ft) are commanded in areas within the Newmarket sphere of influence such as Kentford and Red Lodge.
- 3.152 Agents consider that there is no value difference between industrial rents in Mildenhall, Brandon and Lakenheath as the three areas all have similar stock and a localised market. Rents in the Mildenhall / Lakenheath / Brandon triangle are a maximum of £38 per sq m (£3.50 per sq ft).
- 3.153 There is generally a lack of new industrial stock in the District, although there are some employment development sites on the market such as Land at Newmarket Road in Red Lodge. Therefore what is considered grade 'A' stock (i.e. the best stock in the District) may differ to the specification of stock in other Districts / Boroughs.

## CONCLUSION

- 3.154 As a District Forest Heath is much more focused towards industrial employment than office employment. This has become evident through our availability and take up analysis, as well as through discussions with local agents and our own market assessment of the main employment areas. There are sizeable industrial areas in both

- Mildenhall and Brandon, supporting the notion that industrial use is prevalent in the District over office use.
- 3.155 The focus of Newmarket is clearly on the horseracing industry; however we consider that outside of the town the emphasis on horseracing in employment terms falls away. The horse-racing related employment companies geographically beyond Newmarket, such as C&T Harnesses and Gerry Reynolds Saddlery, tend to occupy small, secondary sites within the larger industrial estates of Mildenhall and Brandon.
- 3.156 It is evident that there is a presence of food related industries on many of the business parks and industrial estates which should be noted, for example coffee distributors. The strength of this sector could be built upon the traditional agricultural base of the region as a whole, as can be see in other Districts across Suffolk.

**Figure 15 Gerry Reynolds Saddlery Manufacturing Site**



- 3.157 Of the industrial stock in the Mildenhall / Lakenheath / Brandon Triangle, local agents comment that the industrial employment sites service the local area and needs with uses such as printing and metal works.
- 3.158 It is clear that in the Triangle there is an emphasis on employment uses associated with the presence of the air bases – for example manufacturing companies such as

Arrowpack in Brandon, which produces military services, and Marshall's in Mildenhall, which makes military vehicles. So called supporting industries, which have grown up around the air base, are also present in the District. EuroUSA storage and distribution and SafePAC International Movers are examples of this.

**Figure 16 EuroUSA: Worldwide Moving Specialists, Mildenhall Industrial Estate**



## SUMMARY

- 3.159 Market research was undertaken for Mid Suffolk, St Edmundsbury and Forest Heath Authorities as separate market areas. However we have also looked at the key similarities and differences between the Districts in order to further understand the market context of Western Suffolk as a whole.

## SIMILARITIES

- 3.160 Desk based research and discussions with local agents suggest that overall the strategic employment focus of all 3 Authorities is for industrial (storage, light industrial and distribution) rather than office use.
- 3.161 Agents comment that all of the Authorities have connectivity issues to a certain extent with regard to the road network across West Suffolk. In particular the A1307, A140 and

A134 have been identified as having capacity and speed restriction issues. Agents and stakeholders comment that the A14 has particular congestion / capacity problems around Bury St Edmunds and Red Lodge.

- 3.162 All three Local Authorities have a number of Self Contained Employment Locations in rural areas. Many of these are related to heavy industrial or food manufacturing uses, or have small business park type uses on them which are succumbing to retail creep.
- 3.163 Many of the Local Authorities main employment locations are located within the “hinterland” of an urban centre, such as Cambridge or Ipswich, or a hub of use activity, such as Felixstowe, which is outside of the Authority boundary. Exceptions to this are Bury St Edmunds, which agents comment in terms of employment space is in the most part independent from Cambridge and Ipswich / Felixstowe, and the Brandon-Lakenheath-Mildenhall Triangle in Forest Heath.
- 3.164 Mid Suffolk, St Edmundsbury and Forest Heath all have strongly growing centres in terms of population and past growth. These are Stowmarket, Haverhill and Red Lodge respectively.
- 3.165 Bury St Edmunds in St Edmundsbury and Stowmarket in Mid Suffolk both have a higher education presence. The University Campus Suffolk has opened its first training centre to provide local degree and post-graduate training in Stowmarket, and West Suffolk College now has a new University Campus Suffolk site in Bury St Edmunds. In addition to this in Forest Heath a training and technology college for engineers has been set up by the Air Base in Mildenhall.

## DIFFERENCES

- 3.166 It appears that the key difference between the 3 Authorities is the hub upon which employment space in Mid Suffolk, St Edmundsbury and Forest Heath is reliant on. Agents consider that Mid Suffolk looks very much to Felixstowe and Ipswich as its economic nucleus, St Edmundsbury to Bury St Edmunds and Forest Heath to Cambridge or the RAF / US Air Bases. The nature of air-base related industries in Forest Heath is particularly distinctive from the other Districts, and should Snoasis come forward in Mid Suffolk this will again encourage a different type of employment from the other Districts.
- 3.167 In order to illustrate the differences between the Authorities at a more detailed level we have tabulated our research, which is set out below:

OFFICE	Mid Suffolk	St Edmundsbury	Forest Heath
Stock Increase (1998 – 2007)	↑ 66.7%	↑ 39%	↑ 7.1%
Additional Rural Floorspace (2001 – 2007)	47,028 sq m	n/a	n/a
Absolute Annual Take-Up (1998 – 2008)	17,264 sq m	14,578 sq m	1,049 sq m
Average Annual Take-Up (1998 – 2008)	1,569 sq m	1,325 sq m	95 sq m
Predominant Size of Take-Up	+1,850 sq m	465 – 1,850 sq m and +1,850 sq m	465-1,850 sq m
Available Floorspace (1998 – 2008)	61,674 sq m	103,875 sq m	45,939 sq m
Notional Years Supply	39	78	482
Grade 'A' Rents	£64.50 - £172 per sq m	£86 - £183 per sq m	n/a*
INDUSTRIAL	Mid Suffolk	St Edmundsbury	Forest Heath
Stock Increase (1998 – 2007)	24%	16%	0%
Absolute Annual Take-Up (1998 – 2008)	18,660 sq m	142,886 sq m	65,887 sq m
Average Annual Take-Up (1998 – 2008)	1,696 sq m	12,990 sq m	5,990 sq m
Predominant Size of Take-Up	+1,850 sq m	+1,850 sq m	+1,850 sq m
Available Floorspace (1998 – 2008)	35,010 sq m	64,952 sq m	103,767 sq m
Notional Years Supply	21	30	22
Grade 'A' Rents	£29 - £64.50 per sq m	£32 - £75 per sq m	£21.50 - £64.50 per sq m

\* =No Grade A Stock in Forest Heath to make assertion

OFFICE & INDUSTRIAL	Mid Suffolk	St Edmundsbury	Forest Heath
Completions (2006 - 2008)	1.66 ha	3.2 ha	0.48 ha
Commercial Vacancy Levels	8%	n/a	9%



- 3.168 The Table shows the following main differences and similarities between the three Authorities:

## OFFICES

- 3.169 Mid Suffolk has the highest increase in stock (up 66.7%) and Forest Heath the lowest (up 7.1%). Our research also shows that Forest Heath has a significantly longer notional years supply of office employment space (482) compared to St Edmundsbury (78) and Mid Suffolk (39).
- 3.170 St Edmundsbury has the highest amount of available floorspace, and Forest Heath the lowest, at less than half of St Edmundsbury's available floorspace.
- 3.171 Forest Heath has the lowest level of take up, with only 95 sq m take up of office space annually compared to 1,325 sq m in St Edmundsbury and 1,569 sq m in Mid Suffolk.
- 3.172 Office rents are highest in St Edmundsbury, with no real evidence of any 'A' grade office rents in Forest Heath.

## INDUSTRIAL

- 3.173 Mid Suffolk again has the most significant increase in stock from 1998 – 2007 at 24% compared to 16% in St Edmundsbury and 0% in Forest Heath. It also, however, has the lowest available floorspace and the lowest average annual take-up compared to the two other Authorities. This suggests that Mid Suffolk started from a lower base, indicating a smaller original level of stock and significant growth in industrial floorspace over the given time frame.
- 3.174 The predominant size of take-up across the Districts has been for units of more than 1,850 sq m.
- 3.175 Highest industrial rents are found in St Edmundsbury, however industrial rents are broadly comparable across all three Authorities.
- 3.176 Commercial vacancies are also similar across the Authorities, although we have no data for St Edmundsbury.



## 4. EMPLOYMENT LAND SUPPLY ANALYSIS

### INTRODUCTION

4.1 This chapter presents the findings for employment land supply within Mid Suffolk, St Edmundsbury and Forest Heath. It is based on field surveys carried out by each local authority in summer/autumn 2008 and subsequently by GVA Grimley in winter 2008. Survey teams from the three local authorities and GVA Grimley undertook an audit of employment sites allocated in the Local Plan which analysed the following variables:

- Sustainability (including public transport accessibility and adjacent uses) – **By Local Authority**
- Local Access (including strategic road access and internal environment) – **By Local Authority**
- Market Factors (including local access and commercial viability) – **By Local Authority/GVA Grimley**

4.2 Together these provide a “snapshot” of current employment land conditions within the respective local authorities to allow an assessment of the current provisions “fitness for purpose” to satisfy employment land requirements through the LDF process.

4.3 In this Chapter each local authority’s employment areas are reviewed in turn to provide an assessment of employment land supply in each authority. Within each authority employment sites are clustered with results given for each cluster as opposed to individual sites.

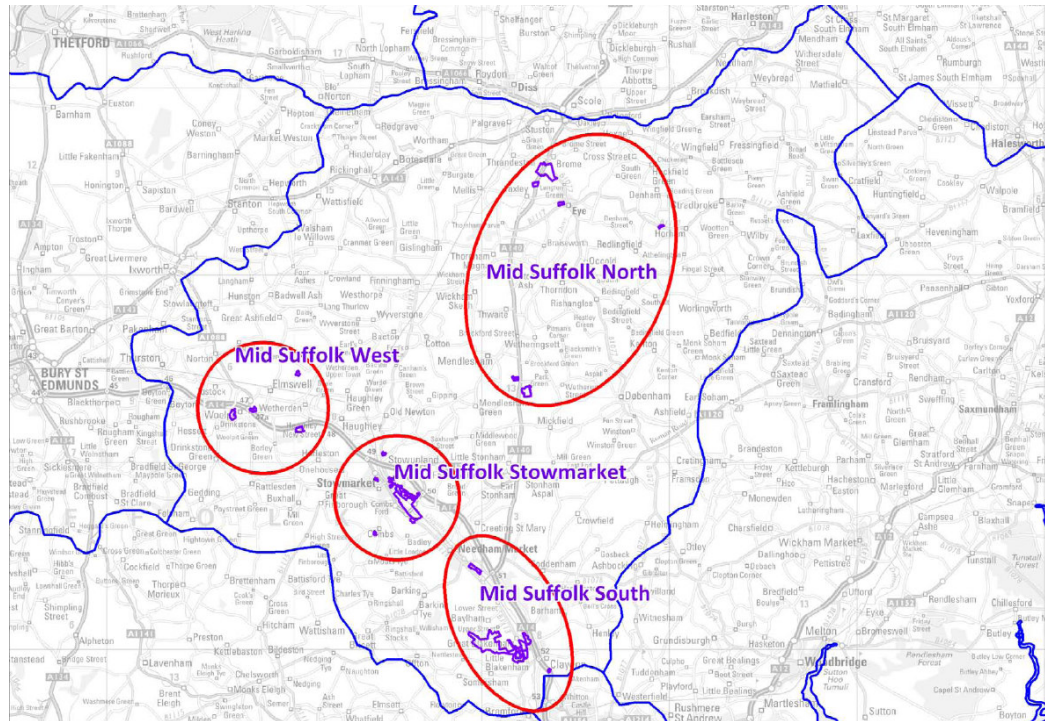
### BACKGROUND

4.4 All allocated employment land within the three authorities has been visited and assessed against an agreed set of criteria. For the purpose of this report employment sites in Mid Suffolk are reviewed, followed by St Edmundsbury and Forest Heath. The rationale for the clustering of employment sites is described for each authority followed by the results of the survey.

## MID SUFFOLK

- 4.5 The field survey agglomerated individual employment sites and buildings within Mid Suffolk. This equated to 25 employment sites, which served to organise the field survey. These are shown in Figure 17 below.

**Figure 17 Employment Sites and Clusters in Mid Suffolk District**



Source: GVA Grimley / Mid Suffolk DC

## MID SUFFOLK SOUTH

- 4.6 The area referred to as “Mid Suffolk South” contains the employment sites in the settlements of Claydon, Great Blakenham and Needham Market. It contains a mixture of industrial and office sites with a particular concentration of distribution/logistics firms serving the port at Felixstowe. Industrial estates in this area include Claydon Business Park, Orion Court and Lion Barns Industrial Estate. It is also the location of the proposed Snoasis development which is on a 145 ha site within Great Blakenham.

## MID SUFFOLK STOWMARKET

- 4.7 The area referred to as “Mid Suffolk Stowmarket” is the employment sites in and around Stowmarket. These sites are largely industrial and are clustered between the A14 and the

A1308, with the Riverside Industrial area the major employment location. Other sites include Tomo Industrial Estate and Stowmarket Business Park.

## MID SUFFOLK WEST

- 4.8 “Mid Suffolk West” consists of the employment sites in the villages of Elmswell and Woolpit. These include Grove Lane Industrial Estate and Woolpit Business Park. These sites tend to be bespoke to either B1 use or B8 use as opposed to traditional mixed use industrial estates.

## MID SUFFOLK NORTH

- 4.9 “Mid Suffolk North” contains the employment sites on the A140 near Mendlesham, namely the Mendlesham Industrial Estate and the employment sites around the town of Eye, the main location being Eye Airfield. Estates in this area tend to be focussed towards Industrial uses with less of a focus on office developments.
- 4.10 Our analysis shows that a total of 414 ha of employment land has been surveyed as shown in Table 44.

**Table 44 Total Employment Land by Area (Ha)**

Primary Use	Mid Suffolk North	Mid Suffolk South	Mid Suffolk Stowmarket	Mid Suffolk West	Grand Total
Industrial	2.2	12.9	113.93	3.2	132.23
Office		2.05	2.15	10.6	14.8
Other	7.3	145			152.3
Warehousing	80	30.1		5.3	115.4
<b>Grand Total</b>	<b>89.5</b>	<b>190.05</b>	<b>116.08</b>	<b>19.1</b>	<b>414.73</b>

*Figures may not total due to rounding*

Source: GVA Grimley

## EMPLOYMENT LAND AVAILABILITY

- 4.11 Our analysis shows that there is 23.6 Ha of vacant employment land in the District. 11.8 Ha of this is at a single site at the Stowmarket Development Area allocated as employment land in the Local Plan. Given the nature of the current stock in Stowmarket this land has been treated as part of the industrial supply rather than office use to calculate available land.

- 4.12 In Mid Suffolk North there is 6.9 Ha of vacant employment land, split between Mendlesham Industrial Estate and Eye Airfield. Mid Suffolk South and Mid Suffolk West have 2.4 Ha and 2.5 Ha of vacant employment land respectively.
- 4.13 The site quantity findings have been checked against information held by Mid Suffolk District Council in order to confirm the accuracy of the data. Results are shown in Table 45.

**Table 45 Land Supply – Vacant Employment Land (Ha)\***

Primary Use	Mid Suffolk North	Mid Suffolk South	Mid Suffolk Stowmarket	Mid Suffolk West	Grand Total
Industrial	1.4	1.4	11.8	2.5	17.1
Office		1	0	0	1
Other	0	0			0
Warehousing	5.5	0		0	5.5
<b>Grand Total</b>	<b>6.9</b>	<b>2.4</b>	<b>11.8</b>	<b>2.5</b>	<b>23.6</b>

Source: GVA Grimley. \*= Figures may not total due to rounding

## ANALYSIS

### SUSTAINABILITY

- 4.14 Public transport infrastructure is an important part of assessing the sustainability and adequacy of employment sites. In order to assess public transport provision each employment site has been surveyed to measure the quality of its bus route and its access to the rail network.
- 4.15 The quality of bus routes for each site is measured by the regularity of pre 9 am and post 5 pm connections.
- 4.16 The assessment of access to the rail network is based on the proximity of each site to the nearest train station. Using data collected by Mid Suffolk District Council we have assessed the quality of access to the rail network in the following way:
- Less than 1 mile: Good
  - More than 1 mile: Poor

### BUS ROUTE

- 4.17 The assessment of the quality of bus routes within Mid Suffolk (Table 46) shows that 14 out of the 25 sites surveyed are well served. Both Mid Suffolk South and Mid Suffolk Stowmarket are particularly well served by bus routes, with 6 out of 7 sites in Mid Suffolk South and 7 out of 10 sites in Mid Suffolk Stowmarket having good quality bus routes.
- 4.18 Reflecting their rural nature of only 1 site out of 5 in Mid Suffolk North qualifies as having good bus routes while no sites in Mid Suffolk West are judged to have good bus provision.

**Table 46 Assessment of Quality of Bus Route**

Area	Good	Poor	Total
Mid Suffolk North	1	4	5
Mid Suffolk South	6	1	7
Mid Suffolk Stowmarket	7	3	10
Mid Suffolk West		3	3
<b>Grand Total</b>	<b>14</b>	<b>11</b>	<b>25</b>

Source: GVA Grimley / Mid Suffolk DC

### TRAIN

- 4.19 Access to the rail network is not as strong as access to local bus services for the employment sites in Mid Suffolk. As shown in Table 47 a total out of 10 out of 25 sites are assessed as having good access to the rail network. Mid Suffolk Stowmarket is the area that has the strongest access to the rail network, with 6 out of the 10 sites surveyed judged to have good access. Mid Suffolk South and West have a small proportion of sites with good access to the rail network, while none of the sites surveyed in Mid Suffolk North had good access.

**Table 47 Assessment of Rail Network Provision**

Area	Good	Poor	Grand Total
Mid Suffolk North		5	5
Mid Suffolk South	3	4	7
Mid Suffolk Stowmarket	6	4	10
Mid Suffolk West	1	2	3
<b>Grand Total</b>	<b>10</b>	<b>15</b>	<b>25</b>

Source: GVA Grimley / Mid Suffolk DC

## LOCAL ACCESS

## STRATEGIC SERVICING

- 4.20 The adequacy of servicing considers how well employment sites are serviced at a strategic level by the road network. An effective employment location is well served by road infrastructure allowing employees ease of access to and from the site.
- 4.21 An assessment of strategic servicing is made by looking at the distance of each site from the nearest motorway and the nearest A-road.

### *DISTANCE FROM MOTORWAY JUNCTION*

- 4.22 The current road infrastructure in the District, with no motorway present, means that the employment sites in Mid Suffolk are a significant distance from the nearest motorway (M11 from London to Cambridge). Reflecting the geography of the major road infrastructure it is employment sites in Mid Suffolk West that are nearest the M11 but still some distance at an average of 51.2 km. This is shown in Table 48 below.

**Table 48 Average Distance to nearest Motorway Junction (km)**

Distance to Motorway Sub Area	Distance (km)
Mid Suffolk North	68.1
Mid Suffolk South	60.9
Mid Suffolk Stowmarket	56.1
Mid Suffolk West	51.2

Source: GVA Grimley

### *DISTANCE FROM A ROAD*

- 4.23 Table 49 details the employment clusters and their distance from the nearest A Road. Mid Suffolk South and Stowmarket are the shortest distance to the nearest A road, an average 0.4km away. Mid Suffolk West and North are further, an average of 0.7 km and 1.6 km respectively from the nearest A Road. This shows the improved accessibility to A Roads compared with the motorway network in Mid Suffolk.

**Table 49 Employment clusters and average distance from nearest A Road**

Sub Area	Distance to Strategic Road Network (km)
Mid Suffolk North	1.6
Mid Suffolk South	0.4
Mid Suffolk Stowmarket	0.4
Mid Suffolk West	0.7

Source: GVA Grimley

### LOCAL ROAD ACCESS

- 4.24 In addition to assessing strategic road access it is also pertinent to assess the adequacy of road access to employment site itself. For example, are the roads wide enough to accommodate HGV's within the site? This is another important factor in the quality of employment sites. Overall, in Mid Suffolk, the employment sites surveyed have good local road access. In fact, 20 out of 25 sites surveyed had good local road access, with Mid Suffolk North having the highest proportion of sites with "poor access."

**Table 50 Assessment of local road access**

Area	Good	Poor	Grand Total
Mid Suffolk North	3	2	5
Mid Suffolk South	6	1	7
Mid Suffolk Stowmarket	8	2	10
Mid Suffolk West	3		3
Grand Total	20	5	25

Source: GVA Grimley / Mid Suffolk DC

- 4.25 In the web business survey (see Appendix 2), it is notable that of the respondents from across Mid-Suffolk, 22% chose "good access links to the rest of Suffolk" and 33% chose "good access links to motorways / major roads". Whilst these are not high percentages, reflecting the deficiencies of the area, they still scored comparatively highly in the list of reasons for respondents choosing current premises.

### MARKET FACTORS

- 4.26 To assess the market viability of employment sites in Mid Suffolk an assessment of each sites "market readiness" is used. This is taken from the survey carried out by Mid Suffolk District Council and it is an assessment of a range of factors including whether the site is ready to develop straightaway and any barriers to further development such as contamination issues.

- 4.27 GVA Grimley has also visited each site and the qualitative assessment of each clusters market focus and future attractiveness is provided.
- 4.28 Overall, the majority of sites in Mid Suffolk are assessed as having no major constraints to further development. 21 out of the 25 sites surveyed had no major constraints to further development indicating a high level of market readiness for employment sites in Mid Suffolk. This is shown in Table 51 below.

**Table 51 Market Readiness of Employment Sites**

Area	Yes	No	Grand Total
Mid Suffolk North	4	1	5
Mid Suffolk South	6	1	7
Mid Suffolk Stowmarket	8	2	10
Mid Suffolk West	3		3
Grand Total	21	4	25

Source: GVA Grimley / Mid Suffolk DC

#### *MID SUFFOLK NORTH*

- 4.29 Mid Suffolk North has a strong industrial focus with a number of large employers such as Stramit Industries, a manufacturer of pre-decorated panels and Speed Deck Building Systems, a manufacturer of metal roofing and cladding systems.
- 4.30 From a commercial viewpoint this area's viability as an employment location relates to its location on the A140 which links it to both Ipswich and Norwich. However, local agents comment that the A140 speed limit of 50 mph and the single carriageway constrain employment activity in the area.
- 4.31 Mid Suffolk North is therefore not viewed as a strategically important employment location and current occupiers tend to be attracted by the availability of large amounts of space at relatively low rents. It is therefore doubtful that intensification of employment activity would attract clusters of employers to this area. However, it is likely that an improvement in the road network would increase its viability as an employment location in the future which would capitalise on the area's large amount of developable land. Given the clusters of food employers in the area it is possible that Mid Suffolk North can become a hub for food production in the future and build on the strong presence of food manufacturers in the area at present.



### *MID SUFFOLK SOUTH*

- 4.32 Mid Suffolk South is an extension of the Ipswich commercial market. It has a strong business focus with a number of good quality business parks such as the Claydon Business Park and Orion Court. There is a more concerted focus on office use in South Mid Suffolk than the rest of the District, but there are also industrial uses evident such as shipping storage / distribution facilities related to Felixstowe Port, and recycling companies.
- 4.33 Commercially the area is strong, with good links to the A14 and central Ipswich, and the highest employment rental values in the District. The area will also benefit from the improved transport links proposed as part of the Snoasis Development, including a new train station and road improvements.
- 4.34 The availability of developable land, forthcoming infrastructure improvements and superior rents make South Mid Suffolk a strategically important employment location within Mid Suffolk going forward. However the continuing commercial viability of Port of Felixstowe will be important to the ongoing viability of Mid Suffolk South, given the strong presence of port related employment in this part of the District and the expected growth of the Port in the future and the associated land requirements that this will generate.

### *MID SUFFOLK STOWMARKET*

- 4.35 The Mid Suffolk Stowmarket area consists of the employment sites within Stowmarket itself. Stowmarket has a strong industrial base, with a focus on manufacturing and storage / distribution uses rather than office uses. This has generated growth of the major employment sites within close proximity of the road network, between the A14 and the A1308.
- 4.36 There are a number of large employers, for example ICI paints, in Mid Suffolk Stowmarket as well as individual industrial estates. The stock of the industrial estates tends to be secondary in nature, particularly on estates such as The Charles Industrial Estate and the Tomo Industrial Estate.
- 4.37 Stowmarket is the fastest growing town in the District, which can be seen by the significant amount of residential development currently being undertaken. There appears to be a good amount of developable land in Stowmarket, however this land is close to residential development and agents comment that the awkward topography of the land is often a set back in terms of encouraging future development. The future commercial viability of the area is also dependant on the continuing commercial success of Felixstowe port, as set out at Paragraph 4.34.

### *MID SUFFOLK WEST*

- 4.38 Mid Suffolk West is located on A14 and includes the employment sites in the towns of Elmswell and Woolpit which are predominantly B2 and B8 uses. Companies such as Hudson Haulage and Leggett's Transport operate from rural single use sites and companies such as BASF operate from within the multi-occupied Woolpit Business Park.
- 4.39 Woolpit Business Park is a small business park to the south of Woolpit. There is evidence of high tech uses, though the majority of occupiers appear to be local firms servicing a local area. The stock is generally well maintained with more of an office use focus than other Parks in the District. There are some vacancies on the Park as well as land for future development.
- 4.40 The road access to the employment sites in Mid Suffolk West is poor, often being from complicated roundabout systems or B-roads with confusing signage. Despite the close proximity of the sites to the A14 it is local agents' view that the inferior access may be a constraint on the viability of development moving forwards.

### **SUMMARY**

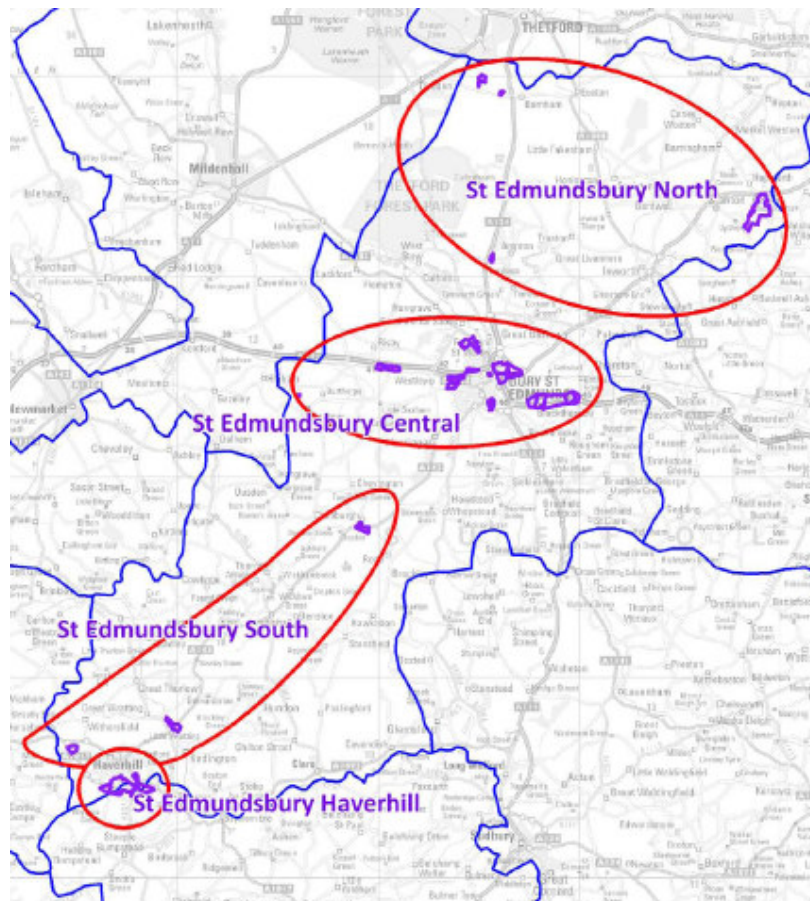
- 4.41 Employment sites in the southern clusters of the District (Mid Suffolk South and Mid Suffolk Stowmarket) are comparatively well served by public transport provision. It is evident that the employment sites in the northern areas of the District are poorly serviced by public transport provision.
- 4.42 Strategic servicing of employment sites in Mid Suffolk is relatively poor with the nearest motorway 50 km away. In particular, employment sites in Mid Suffolk North are a significant distance from the M11.
- 4.43 Mid Suffolk South and Mid Suffolk Stowmarket have relatively good links to A roads and the vast majority of sites within the Districts have no constraints on further development.
- 4.44 From a commercial perspective the stronger linkages to transport infrastructure and proximity to adjacent markets make the employment clusters of Mid Suffolk Stowmarket and Mid Suffolk South the most commercially sound locations within the District.



## ST EDMUNDSBURY

- 4.45 The field survey agglomerated individual employment sites and buildings within St Edmundsbury. This accounted for 31 employment sites, which served to organise the field survey. These are shown in Figure 18.

**Figure 18 Employment Sites and Clusters in St Edmundsbury Borough**



Source: GVA Grimley

## ST EDMUNDSBURY HAVERHILL

- 4.46 In St Edmundsbury, the area referred to as “St Edmundsbury Haverhill” contains the employment sites around the town of Haverhill which are primarily industrial/warehousing units. This includes the two major employment locations: - Haverhill Industrial Estate and Homefield Road.

## ST EDMUNDSBURY SOUTH

- 4.47 “St Edmundsbury South” contains the employment sites in Great Wratting and Chedburgh. Predominantly industrial stock, Great Wratting’s employment area is large at 18 ha with smaller areas in Chedburgh of around 9 ha.

## ST EDMUNDSBURY CENTRAL

- 4.48 “St Edmundsbury Central” is predominantly the employment sites in and around Bury St Edmunds but also includes employment sites in the towns of Risby and Rougham. Business parks such as Blenheim Park and Suffolk Business Park in Bury St Edmunds are included here, with the area being a mix between industrial and office locations.

## ST EDMUNDSBURY NORTH

- 4.49 “St Edmundsbury North” consists of the employment sites in the towns of Ingham, Barnham and Stanton. The nature of the stock in Barnham is industrial with Ingham and Stanton more focussed on warehousing uses.
- 4.50 Our analysis shows that a total of 526 ha of employment land in St Edmundsbury has been surveyed as shown in Table 44.

**Table 52 Total Employment Land by Area (ha)**

Primary Use	St Edmundsbury Central	St Edmundsbury Haverhill	St Edmundsbury North	St Edmundsbury South	Grand Total
Industrial	194.11	106.6	11.41	29.98	342.1
Office	17.82				17.82
Other	38.47				38.47
Residential	3.62				3.62
Warehousing		26.7	97.74		124.44
Grand Total	254.02	133.3	109.15	29.98	526.45

*Figures may not total due to rounding*

Source: GVA Grimley/ St Edmundsbury BC

## EMPLOYMENT LAND AVAILABILITY

- 4.51 The survey showed that there is 98 Ha of vacant employment land in the Borough. The majority of this land is at the Suffolk Business Park extension which will provide an

additional 70 Ha of employment land in itself when it is developed. For the purpose of this analysis we have treated this land as industrial at this stage. Haverhill also has around 25 Ha of vacant allocated employment land at two sites:- Bumpstead Road and Hanchett End. For the purpose of this analysis we treat the Bumpstead Road site as industrial and that Hanchett End will be split into 70% of office land and 30% of industrial land, in line with its allocation in the Local Plan.

- 4.52 At this stage site quantity findings have to be checked against information held by St Edmundsbury Borough Council in order to confirm the accuracy of the data. Results are shown in Table 45.

**Table 53 Land Supply – Vacant Employment Land (Ha)\***

Primary Use	St Edmundsbury Central	St Edmundsbury Haverhill	St Edmundsbury North	St Edmundsbury South	Grand Total
Industrial	61.9				61.9
Office	11.2				11.2
Other	0.0				0.0
Residential	0.0				0.0
Warehousing		24.7	32.5		24.7
Grand Total	73.1	24.7	0.0	0.0	97.8

Source: GVA Grimley. \*= Figures may not total due to rounding

## SUSTAINABILITY

- 4.53 Public transport infrastructure is an important part of assessing the sustainability and adequacy of employment sites. In order to assess public transport provision each employment site has been surveyed to measure the quality of its bus route and its access to the rail network.
- 4.54 The quality of bus routes for each site is measured by the regularity of pre 9 am and post 5 pm connections.
- 4.55 The assessment of access to the rail network is based on whether the proximity of each site to the nearest train station. Using data collected by St Edmundsbury Borough Council we have assessed the quality of access to the rail network in the following way:
- Less than 1 mile: Good
  - More than 1 mile: Poor

**BUS ROUTE**

- 4.56 The assessment of the quality of bus routes within St Edmundsbury (Table 54) shows that only 6 out of the 31 sites surveyed are well served. Both St Edmundsbury Central and St Edmundsbury Haverhill are particularly poorly served by bus routes, with 3 out of 18 sites in St Edmundsbury Central and all 6 sites in St Edmundsbury Haverhill having poor quality bus routes. This is a particular issue given that both of these clusters are the main employment locations within the Borough.

**Table 54 Assessment of Quality of Bus Route**

Area	Good	Poor	Total
St Edmundsbury Central	3	15	18
St Edmundsbury Haverhill		6	6
St Edmundsbury North	2	2	4
St Edmundsbury South	1	2	3
Grand Total	6	25	31

Source: GVA Grimley / St Edmundsbury BC

**TRAIN**

- 4.57 Access to the rail network is also poor within St Edmundsbury reflecting the poor access of employment sites to public transport within the Borough. As shown in Table 55 a total of 4 out of 31 sites are assessed as having good access to the rail network. St Edmundsbury Central is the area with the strongest access to the rail network with 4 out of 18 sites assessed as having good access. None of the other areas surveyed were assessed as having good access to the rail network.

**Table 55 Assessment of Rail Network Provision**

Area	Good	Poor	Grand Total
St Edmundsbury Central	4	14	18
St Edmundsbury Haverhill		6	6
St Edmundsbury North		4	4
St Edmundsbury South		3	3
Grand Total	4	27	31

Source: GVA Grimley / St Edmundsbury BC

## LOCAL ACCESS

## STRATEGIC SERVICING

- 4.58 The adequacy of servicing considers how well employment sites are serviced at a strategic level by the road network. An effective employment location is well served by road infrastructure allowing employees ease of access to and from the site.

### *DISTANCE FROM MOTORWAY JUNCTION*

- 4.59 The current road infrastructure in the District, with no motorway present, means that most employment sites in St Edmundsbury are a significant distance from the nearest motorway (M11). Reflecting the geography of the major road infrastructure it is St Edmundsbury Haverhill that is nearest the motorway at an average of 16.5 km (from the M11). This partly explains its attractiveness as a distribution location compared to elsewhere in the Borough. This is shown in Table 56 below.

**Table 56 Average Distance to nearest Motorway Junction (km)**

Distance to Motorway	Distance
Sub Area	(km)
St Edmundsbury Central	39.9
St Edmundsbury Haverhill	16.5
St Edmundsbury North	48.3
St Edmundsbury South	22.8

Source: GVA Grimley

### *DISTANCE FROM A ROAD*

- 4.60 Table 57 details the employment clusters and their distance from the nearest A Road. Employment sites in St Edmundsbury are well linked to the strategic road network, particularly the south of the Borough. Both St Edmundsbury Haverhill and St Edmundsbury South are directly on A Roads highlighting the strong road infrastructure in these areas. St Edmundsbury Central is also 0.1km on average from the nearest A road and St Edmundsbury North is 0.4km demonstrating the good linkages to A Roads in the Borough.



**Table 57 Employment clusters and average distance from nearest A Road**

Sub Area	Distance to Strategic Road Network (km)
St Edmundsbury Central	0.1
St Edmundsbury Haverhill	0.0
St Edmundsbury North	0.4
St Edmundsbury South	0.0

Source: GVA Grimley

## LOCAL ROAD ACCESS

- 4.61 In addition to assessing strategic road access it is also pertinent to assess the adequacy of road access to employment sites. For example, are the roads wide enough to accommodate HGV's within the site? This is another important factor in the quality of employment sites. Overall, in St Edmundsbury, the employment sites surveyed have good local road access. In fact, 27 out of 31 sites surveyed had good local road access as shown in Table 58.

**Table 58 Assessment of local road access**

Area	Good	Poor	Grand Total
St Edmundsbury Central	17	1	18
St Edmundsbury Haverhill	5	1	6
St Edmundsbury North	3	1	4
St Edmundsbury South	2	1	3
Grand Total	27	4	31

Source: GVA Grimley / St Edmundsbury BC

- 4.62 In the web business survey (see Appendix 2), it is notable that of the respondents from across St Edmundsbury, 26% chose "good access links to the rest of Suffolk" and 39% chose "good access links to motorways / major roads". These are higher percentages than recorded for Mid-Suffolk and they scored highly in the list of reasons for choosing the current premises.

## MARKET FACTORS

- 4.63 To assess the market viability of employment sites in St Edmundsbury the assessment of the sites "market readiness" is used. This is taken from the survey carried out by St Edmundsbury Borough Council and it is an assessment of factors including whether the

site is immediately developable and any barriers to further development such as contamination issues.

- 4.64 GVA Grimley has also visited each site and made an assessment of each cluster's market focus and viability as an employment location.
- 4.65 Overall, the majority of sites in St Edmundsbury are assessed as having no major constraints to further development. 29 out of the 31 sites surveyed had no major constraints to further development indicating a high level of market readiness in St Edmundsbury. This is shown in Table 51 below.

**Table 59 Market Readiness of Employment Sites**

Area	Yes	No	Grand Total
St Edmundsbury Central	17	1	18
St Edmundsbury Haverhill	5	1	6
St Edmundsbury North	4		4
St Edmundsbury South	3		3
Grand Total	29	2	31

Source: GVA Grimley / St Edmundsbury BC

### **ST EDMUNDSBURY CENTRAL**

- 4.66 St Edmundsbury Central includes the employment sites in and around Bury St Edmunds as well as the employment sites in the town of Risby / Saxham to the west and Rougham to the east, which are effectively an extension of the Bury St Edmunds employment area. The St Edmundsbury Central employment area is self-serving, rather than being strongly linked to an external influence such as Felixstowe Port.
- 4.67 The employment sites in St Edmundsbury Central are clustered within Business Parks and Industrial Estates such as the Suffolk Business Park, Northern Way, Eastern Way and Western Way. There is a considerable difference in quality of stock across St Edmundsbury Central, with large new units at the Suffolk Business Park and smaller, secondary units at Western Way and the Rougham Industrial Estate. There is a mixture of office and industrial use across the area.
- 4.68 Agents consider that the principal constraints for employment site growth in the St Edmundsbury Central area are a lack of available development land and the significant presence of secondary stock in some of the industrial estates. Developer interest

demonstrates that this area is a commercially viable employment location but also suggests that it is in fact the quality of the stock that is the issue. It is agents view that the extension of the Suffolk Business Park will satisfy some demand in the short term, however in the long term more development land may need to be brought forward, or infilling of employment sites take place, to satisfy the range of demand in the area.

#### *ST EDMUNDSBURY HAVERHILL*

- 4.69 St Edmundsbury Haverhill consists of the employment sites around the town of Haverhill. These sites are all contained within Business Parks and Industrial Estates adjacent to the A1017 such as the Haverhill Industrial Estate, Homefield Road and the Falconer Road Industrial Estate. The majority of the employment sites are dedicated to distribution and manufacturing storage uses.
- 4.70 Haverhill's growth over the last 5 to 10 years has exceeded that of other centres such as Bury St Edmunds. The increase in residential population has been reflected by an increase in commercial activity which is evident from the amount of new stock at the business parks. There is a significant amount of developable land available, for example at Bumpstead Road, which will help to enable growth in future years.
- 4.71 Although Haverhill has benefited to a certain extent from its proximity to Cambridge and the M11, it is evident that attempts to draw "high-tech" companies from Cambridge to the area will prove difficult due to their preference for the Cambridge dialling code and the poor access quality of the A1037.

#### *ST EDMUNDSBURY NORTH*

- 4.72 St Edmundsbury North consists of employment sites in the villages of Ingham, Barnham and Stanton in the north of the Borough. The stock in Barnham is mainly industrial in nature, whilst the stock in Ingham and Stanton consists of mainly warehousing units.
- 4.73 Ingham and Barnham are both located on the A134 which runs from Bury St Edmunds north to Thetford. Stanton is on the A143. Access is fairly poor to all the employment sites in St Edmundsbury North, with the Barnham sites the least conveniently located – particularly the Barnham Gorse site.
- 4.74 These sites are self contained and are unlikely to experience any significant employment related growth over the next 15 to 20 years. (unless the IKEA site referred to in paragraph 3.113 above is developed at Stanton).

### *ST EDMUNDSBURY SOUTH*

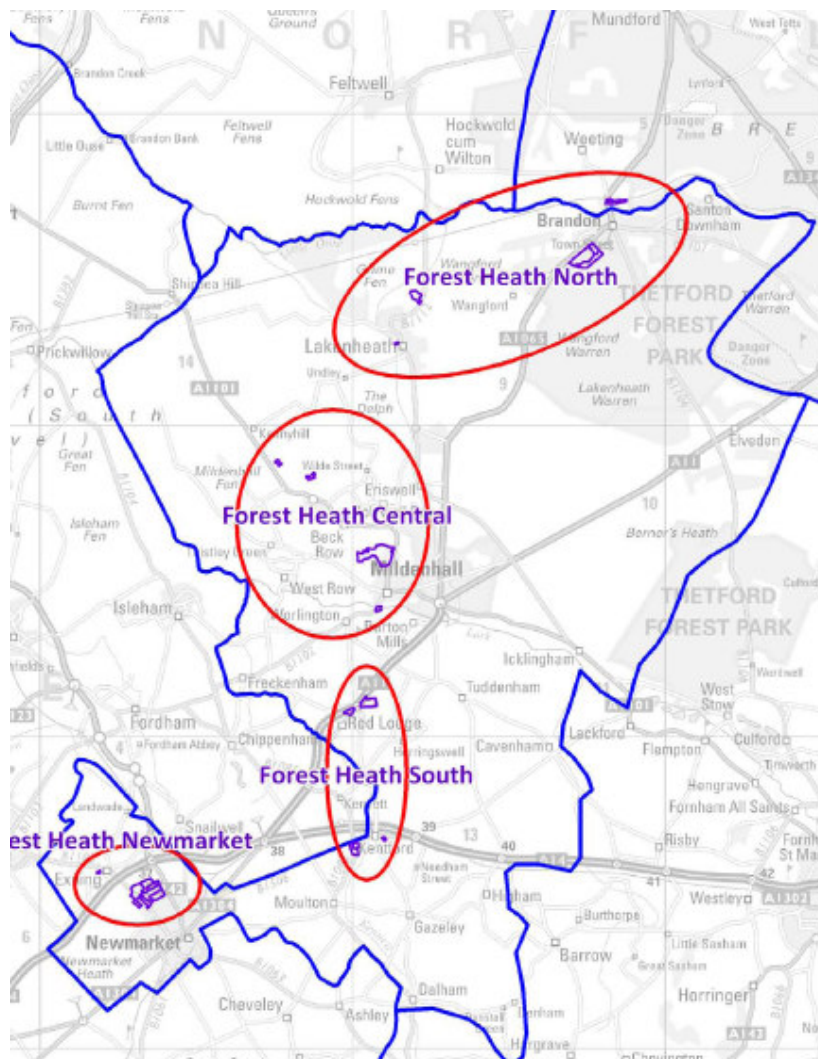
- 4.75 The area referred to as St Edmundsbury South contains the employment sites in Chedburgh and Great Wrating. Great Wrating has a large 18ha employment area and Chedburgh a 9ha employment area. Both sites are located with access off the A143.
- 4.76 The employment sites in St Edmundsbury South predominantly consist of large units accommodating B2 and B8 uses, with some development still occurring at Chedburgh. The sites are close to residential units and are in somewhat rural locations. Some retail creep is evident in Chedburgh where there are a number of car sales courts on the employment sites. Other uses include a gas works and a grain store.
- 4.77 The uses and companies in St Edmundsbury South are self contained and unlikely to undergo significant growth due to the inferior access.

### **SUMMARY**

- 4.78 Employment sites in St Edmundsbury are poorly served by both bus and rail provisions. St Edmundsbury Central, incorporating the main employment location of Bury St Edmunds, is best served by rail provision but only 4 out of the 14 sites are less than 1 mile from the nearest train station.
- 4.79 Strategic servicing of employment sites in St Edmundsbury is comparatively strong, particularly around Haverhill and St Edmundsbury South.
- 4.80 There are no major barriers to development among the employment sites in St Edmundsbury and there are large amounts of developable employment land available. From a market perspective the strong strategic links in the southern parts of the Borough make it a commercially strong employment location, particularly for distribution uses.

### **FOREST HEATH**

- 4.81 The field survey agglomerated individual employment sites and buildings within Forest Heath. This accounted for 19 employment sites, which served to organise the field survey. These are shown in Figure 19.

**Figure 19 Employment Sites and Clusters in Forest Heath District**

Source: GVA Grimley

## FOREST HEATH NEWMARKET

- 4.82 “Forest Heath Newmarket” contains the employment sites in Newmarket and Exning. A mix of office and industrial stock it contains the Studlands Park Industrial Estate and the Exning Road Industrial Estate.

## FOREST HEATH SOUTH

- 4.83 “Forest Heath South” contains the employment sites in the settlements of Kentford and Red Lodge. Employment land in Kentford is focussed on office with the main location

being Kennett Park. Employment land in Red Lodge is, at present, largely undeveloped with one major occupier Oxford / Hamelins Paperbrands.

## FOREST HEATH CENTRAL

- 4.84 “Forest Heath Central” consists of the Mildenhall Industrial Estate, which is predominantly industrial stock and a small piece of industrial land in the neighbouring town of Beck Row.

## FOREST HEATH NORTH

- 4.85 “Forest Heath North” consists of employment sites in Brandon and Lakenheath. The main employment location is the Brandon Industrial Estate which is mainly focussed on industrial stock.
- 4.86 Our analysis shows that a total of 182 ha of employment land has been surveyed as shown in Table 60.

**Table 60 Total Employment Land by Area (ha)**

Primary Use	Forest Heath Central	Forest Heath Newmarket	Forest Heath North	Forest Heath South	Grand Total
Industrial	44.44	21.5	44.8		110.74
Office		31.1		27.08	58.18
Other	3.2		10.2		13.4
Grand Total	47.64	52.6	55	27.08	182.32

Source: GVA Grimley/ Forest Heath District Council. \*= Figures may not total due to rounding

## EMPLOYMENT LAND AVAILABILITY

- 4.87 Our survey showed that there is 39 Ha of vacant employment land in the District. This is mainly at Red Lodge which has a total of 18.5 Ha of vacant employment land (which is treated as office stock in this analysis), and at Brandon which has a total of 12 Ha of this at a single site in London Road. Given the nature of the current stock this land has been treated as part of the industrial supply rather than office.
- 4.88 At this stage site quantity findings have to be checked against information held by Forest Heath District Council in order to confirm the accuracy of the data. Results are shown in Table 61.

**Table 61 Land Supply – Vacant Employment Land (m<sup>2</sup>)\***

Primary Use	Forest Heath Central	Forest Heath Newmarket	Forest Heath North	Forest Heath South	Grand Total
Industrial	0.0	0.0	12.0		12.0
Office		8.1		18.5	26.6
Other	0.0		0.0		0.0
Grand Total	0.0	8.1	12.0	18.5	38.6

Source: GVA Grimley/ Forest Heath District Council. \*= Figures may not total due to rounding

## SUSTAINABILITY

- 4.89 Public transport infrastructure is an important part of assessing the sustainability and adequacy of employment sites. In order to assess public transport provision each employment site has been surveyed to measure the quality of its bus route and its access to the rail network.
- 4.90 The quality of bus routes for each site is measured by the regularity of pre 9 am and post 5 pm connections.
- 4.91 The assessment of access to the rail network is based on whether the proximity of each site to the nearest train station. Using data collected by Forest Heath District Council we have assessed the quality of access to the rail network in the following way:
- Less than 1 mile: Good
  - More than 1 mile: Poor

### BUS ROUTE

- 4.92 The assessment of the quality of bus routes within Forest Heath (Table 62) shows that all of the 19 sites surveyed are well served. This indicates strong levels of public transport accessibility within the District.

**Table 62 Assessment of Quality of Bus Route**

Area	Good	Total
Forest Heath Central	2	2
Forest Heath Newmarket	7	7
Forest Heath North	5	5
Forest Heath South	5	5
Grand Total	19	19

Source: GVA Grimley / Forest Heath DC

## TRAIN

- 4.93 In contrast to bus accessibility, access to the rail network is relatively poor within Forest Heath. As shown in Table 63 a total of 3 out of 19 sites are assessed as having good access to the rail network. Forest Heath North is the area with the strongest access to the rail network with 2 out of 3 sites assessed as having good access. Forest Heath South was the only other area where sites were assessed as having good access to the rail network.

**Table 63 Assessment of Rail Network Provision**

Area	Good	Poor	Grand Total
Forest Heath Central		2	2
Forest Heath Newmarket		7	7
Forest Heath North	2	3	5
Forest Heath South	1	4	5
Grand Total	3	16	19

Source: GVA Grimley / Forest Heath DC

## LOCAL ACCESS

## STRATEGIC SERVICING

- 4.94 The adequacy of servicing considers how well employment sites are serviced at a strategic level by the road network. An effective employment location is well served by road infrastructure allowing employees ease of access to and from the site.



### *DISTANCE FROM MOTORWAY JUNCTION*

- 4.95 The current road infrastructure in the District, with no motorway present, means that most employment sites in Forest Heath are a significant distance from the nearest motorway (M11). Reflecting the geography of the major road infrastructure it is the western edge of the District, in particular Newmarket that is nearest the motorway at an average of 21.8 km (from the M11). The other employment areas are not as well served by the motorway network with Forest Heath North in particular on average 42.1 km from the nearest motorway. This is shown in Table 64 below.

**Table 64 Average Distance to nearest Motorway Junction (km)**

Distance to Motorway Sub Area	Distance (km)
Forest Heath Central	31.7
Forest Heath Newmarket	21.8
Forest Heath North	42.1
Forest Heath South	29.5

Source: GVA Grimley

### *DISTANCE FROM A ROAD*

- 4.96 Table 65 details the employment clusters and their distance from the nearest A Road. Employment sites in Forest Heath have strong links to the A-road network in comparison to the motorway, particularly the south of the District. Forest Heath South, Forest Heath Central and Forest Heath Newmarket are all less than 0.5 km from the nearest A-road. Forest Heath North is further away at 0.9 km from the nearest A Road.

**Table 65 Employment clusters and average distance from nearest A Road**

Sub Area	Distance to Strategic Road Network (km)
Forest Heath Central	0.3
Forest Heath Newmarket	0.4
Forest Heath North	0.9
Forest Heath South	0.2

Source: GVA Grimley

### *LOCAL ROAD ACCESS*

- 4.97 In addition to assessing strategic road access it is also pertinent to assess the adequacy of road access to the employment site itself. For example, are the roads wide enough to

accommodate HGV's within the site? This is another important factor in the quality of employment sites. Overall, in Forest Heath, the employment sites surveyed have good local road access. All but one site surveyed was assessed as having good access as shown in Table 66.

**Table 66 Assessment of local road access**

Area	Good	Poor	Grand Total
Forest Heath Central	2		2
Forest Heath Newmarket	7		7
Forest Heath North	4	1	5
Forest Heath South	5		5
Grand Total	18	1	19

Source: GVA Grimley / Forest Heath DC

- 4.98 In the web business survey (see Appendix 2), it is notable that of the respondents from across Forest Heath, only 8% chose “good access links to the rest of Suffolk” and only 8% chose “good access links to motorways / major roads”. These are far lower figures than recorded for Mid-Suffolk and particularly for St Edmundsbury in terms of selecting reasons for choosing current premises. Further questions in the web survey suggest that the respondents from Forest Heath believe the need for better transport links will be a major issue in the next 2 to 3 years.

## MARKET FACTORS

- 4.99 To assess the market viability of employment sites in Forest Heath the assessment of the sites “market readiness” is used. This is taken from the survey carried out by Forest Heath District Council and it is an assessment of factors including whether the site is immediately developable and any barriers to further development such as contamination issues.
- 4.100 GVA Grimley has also visited each site and made an assessment of each clusters market focus and viability as an employment location.
- 4.101 Overall, the majority of sites in Forest Heath are assessed as having no major constraints to further development. All but one of the sites surveyed had no major constraints to further development indicating a high level of market readiness in The District. This is shown in Table 67below.

**Table 67 Market Readiness of Employment Sites**

Area		Yes	No	Grand Total
Forest Central	Heath	2		2
Forest Newmarket	Heath	7		7
Forest Heath North		4	1	5
Forest Heath South		5		5
Grand Total		18	1	19

Source: GVA Grimley / Forest Heath BC

### *FOREST HEATH CENTRAL*

- 4.102 The Forest Heath Central Area consists of the Mildenhall Industrial Estate and a small area of employment land in the neighbouring town of Beck Row. Employment in the area is concentrated in the Mildenhall Industrial Estate which covers 44 ha (109 acres) and has both office and industrial uses on it.
- 4.103 The Industrial Estate benefits from its close proximity to the A11 and A1065, as well as from the presence of RAF Mildenhall and the US Air Force. The positive economic effect of the Air Base is evident through the presence of complimentary uses such as storage companies, however the Estate also has uses such as printers and metal works which service the local Mildenhall area.
- 4.104 The nature of the stock in Forest Heath Central is mixed, with some primary and secondary specification units. There is potential for in-filling of employment plots to be undertaken within the Industrial Estate moving forwards. While not being influenced by wider market areas there is potential to continue to support the Air Force operations in the area though large quantum's of employment development is unlikely due to a lack of developable land.

### *FOREST HEATH NEWMARKET*

- 4.105 The employment sites in Newmarket and Exning are contained within the Forest Heath Newmarket area. There is a mix of office and commercial stock within this area, which is mostly contained in the Willie Snaith Road area in Newmarket. Industrial / Business Parks in the area include the Studlands Park Industrial Estate, The Newmarket Business Park, The Oaks Business Park and Minton Business Park.
- 4.106 The type of unit in the Forest Heath Newmarket area ranges from large industrial units, of both primary and secondary specification to sizeable office developments. It is evident that there is potential for the growth of the strategic office market in Newmarket, which is

supported by the presence of a number of high tech industries. The area also benefits from a post code which can encourage firms which would not move out of Cambridge to base themselves in Newmarket. The links to the horse racing industry will continue to generate employment uses within this market area.

#### *FOREST HEATH NORTH*

- 4.107 The employment sites of Brandon and Lakenheath are included within the Forest Heath North area. Brandon and Lakenheath are also part of the Brandon / Lakenheath / Mildenhall Triangle. Employment stock is similar across Brandon and Lakenheath, with a lack of new stock across the area.
- 4.108 The main employment location in Forest Heath North is the Brandon Industrial Estate, which is based around industrial uses such as metal works and plastics production. The majority of the stock is 1970s / 1980s medium sized industrial units. Constraints to future development could be the forest land to the east of the site and the potential for contamination due to previous uses, however there is also potential for in filling within the estate. The lack of a wider market influence means employment development is likely to be related to intensification around the US Air Force operations in the area.

#### *FOREST HEATH SOUTH*

- 4.109 Forest Heath South contains the employment sites in the settlements of Kentford and Red Lodge. Employment land in Kentford is office based, particularly within the main location of Kennett Park. The employment land in Red Lodge is currently mostly undeveloped apart from the one major occupier Oxford / Hamelins Paperbrands.
- 4.110 The developable land at Red Lodge totals 15.8 ha (39 acres) and benefits from good access to the A11. There are areas of protected trees on one of the sites and both sites are located close to residential development.
- 4.111 The availability of developable land and good infrastructure could make Forest Heath South a strategic employment location in the future. However the continuing commercial viability of Newmarket and the influence of the Cambridge market as a whole will be important to the viability of this area.

## SUMMARY

- 4.112 Employment sites in Forest Heath District are well served by bus services which indicate good public transport provision. However, rail access to all employment clusters is poor with only 3 out of 16 employment sites judged to have good access.
- 4.113 Strategic servicing of employment sites is relatively poor particularly in the north of the District, which is over 40 miles away from the nearest motorway and 0.9km away from the nearest A road.
- 4.114 Local road access is good for employment sites in Forest Heath and from a commercial viewpoint it is the south of the District that has stronger links to the road network indicating its potential for future employment development in comparison to northern parts of the District.

## 5. EMPLOYMENT FLOORSPACE PROJECTIONS

- 5.1 This chapter provides an overview of the methodology used to forecast future additional land and premises requirements within each local authority area based on a number of future demand scenarios from the major economic drivers in each local authority area. It then provides a detailed breakdown of the results of the forecasting exercise.

### APPROACH

- 5.2 In order to establish the future gross employment floorspace requirements in the three local authority areas to 2026 a four step approach is applied:

- 1) Allowance for Economic Growth
- 2) Contingency Allowance
- 3) Allowance for Churn
- 4) Allowance for Economic Development Aspirations

- 5.3 Each of these steps is described in more detail below.

### ALLOWANCE FOR ECONOMIC GROWTH

- 5.4 The allowance for economic growth takes into account the projected employment changes presented in the Oxford Economics RSS growth forecast model using the baseline scenario. This is viewed as a robust indication of future employment growth as it takes into account housing, population and past sectoral trends into account. It also considers the job target for the “Rest of Suffolk” area of 18,000 jobs as set out in the East of England Plan. The forecast assesses 28 economic sectors. Employment in the 28 sectors is converted into employment floorspace in four use types as follows:

- **Office (B1a):** pure office space, not including office space in shopping areas such as banks, estate agents and betting shops (A2 office space)
- **Other Business Space (B1b/c, B2):** including premises for research and development of products or processes, light industry and general industry.
- **Warehousing (B8):** premises used for storage or distribution centres.
- **Non-B-Use-Class:** any other premises in which employment might occur such as shops, health and medical centres, schools, hotels, restaurants and leisure facilities, etc.

- 5.5 For the conversion of employment by economic sectors into the floorspace use types, a conversion matrix has been used. This matrix is based on the ODPM Employment Land Review Guidance and ratios. Additional refinements based on 4-digit-SIC analysis of current employment in the relevant local authorities have been carried out. The conversion matrix assigns a proportion of the employees in each of the 30 economic sectors from the employment forecast, to one or more of the four floorspace use types.
- 5.6 As a next step employment in the three B-Use-Class floorspace types (office, other business space, warehousing) is converted into floorspace using the following employment densities. These are in line with the EEDA and ODPM Employment Land Review Guidance:
- Office 18 sq m per employee
  - Other business space 32 sq m per employee
  - Warehousing 55 sq m per employee<sup>2</sup>
- 5.7 At this stage we maintain our projections in floorspace (m<sup>2</sup>), however, as a final stage we transfer it into land in Chapter 6 (see paragraph 6.3).

## CONTINGENCY ALLOWANCE

- 5.8 In order for future employment forecasts to be based on more than an economic forecast and reflect the fluid nature of land allocations, we make a contingency allowance which takes into account the fact that a proportion of designated employment land will not be entirely used by B-Use-Class employment. Land uses such as recycling, waste management, combined heat and power plants and bus depots can, under certain circumstances and where appropriate, be located on employment land.
- 5.9 A significant part of the projected employment growth also arises from sectors which have traditionally not been located on employment land such as healthcare, education, hotels and leisure. Recent planning experience has shown that under specific circumstances and where appropriate such uses might be permitted on employment land. However this has to be monitored carefully to ensure there is enough available land for B-Use-Class employment on employment land.
- 5.10 Under specific circumstances and where appropriate, employment land might also be used as part of a more mixed-use scheme which would enable employment development to come forward on a proportion of it.

- 5.11 The need for a flexible supply of employment land takes the potential unexpected loss of employment land into account. An allowance also has to be made for a different range of space needs by the economy over the next 20 years.
- 5.12 To estimate the amount of land used in the contingency allowance, historic losses of employment land to other uses such as housing and leisure as reported in each local authority's Annual Monitoring Report (where available) have been used as a guideline. Where these are not available we have used internal local authority monitoring data.
- 5.13 While acknowledging that using this data from AMR's or internal monitoring data has its drawbacks, principally this information has only been collected in a coherent manner for around four years, it is still viewed as the most robust measure of losses to non employment uses. In particular, in a small District like Forest Heath one major loss can significantly skew the figures but this is considered and is viewed as the strongest measure of forecasting future demand. In the absence of any other reliable proxies we use this data with the proviso that it should be monitored each year to give a longer term projection of losses of employment land. The full results for this are shown in Appendix 3.

## ALLOWANCE FOR CHURN

- 5.14 As well as making an allowance for unexpected losses of employment land, we also make allowance for the fact that locational and premises needs of businesses change over time. This requires businesses to move. In other cases an existing business might cease its operations and a new business take over a site for redevelopment. For this to happen smoothly there is a need for certain level of available vacant land. This type of demand has been called 'churn' demand or 'frictional vacancy'.
- 5.15 It typically takes two years to achieve a planning consent, site preparation and construction after a site has changed hands. For these reasons we take the annual net take-up of employment floorspace and multiply it by two to estimate the churn demand. This is, in effect, an allowance for the necessary frictional vacancy to allow the market and relocation chains to operate.
- 5.16 This allowance for churn, coupled with the contingency allowance, allows the commercial property market realities to be added to the baseline economic forecast.

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<sup>2</sup> Warehousing employment densities typically range between 50 sq m for general warehousing and 80 sq m for large scale and high bay warehouses. As large parts of the sub-region are not suitable / attractive for large scale warehousing we have used an employment density only slightly higher than for general warehousing.



## ALLOWANCE FOR ECONOMIC DEVELOPMENT ASPIRATIONS

- 5.17 So far the employment land projection is based on macroeconomic forecasting. The model behind this forecast is driven by national and regional employment, housing and population trends, growth trends in specific sectors and takes into account the local sector distribution and performance. Macroeconomic models however do not take into account local economic development activities. In this step of the forecasting process the local economic development aspirations are considered to assess their quantitative and qualitative effect on future employment floorspace requirements.
- 5.18 At this stage other factors which might influence future employment floorspace demand, such as changes in working practice, are also considered.

## NEXT STEPS

- 5.19 In the remaining part of this Chapter the data for each of the steps of the employment floorspace demand forecast is presented. This provides demand based requirements for our “base case” in each District and for additional economic growth scenarios for each authority.
- 5.20 The final stage is a comparison of the current employment floorspace supply (taken from Stage A) with the projected gross demand. The resulting net demand is then translated from floorspace into land demand by use types (office, other business space, warehouses). The following plot ratios, which are in line with the ODPM 2004 Guidance on employment land reviews, are applied:
- Office: 1 Plot Ratio
  - Other Business Space: 0.4 Plot Ratio
  - Warehouse: 0.4 Plot Ratio

## EMPLOYMENT FORECAST RESULTS

- 5.21 Having set out our approach to employment land demand assessment we now present our results below. As a first step it is important to set economic growth in the context of the RSS jobs target of 18,000 for the Western Suffolk sub-region. Our forecast results are presented for the 2006 to 2026 timeframe which allows for additional employment land requirements to be identified throughout the planning period. However, the jobs target of 18,000 is for the period 2001 to 2021. We therefore use Oxford Economics data from 2001

to 2021 to give an approximation of the split of jobs between the local authorities in the Western Suffolk sub-region. This is shown in Table 68.

**Table 68 RSS Job split for Western Suffolk**

	Job Number 2001	Job Number 2021	Change	% of job growth
Mid Suffolk	42,295	42,002	-293	-1.5%
St Edmundsbury	55,503	69,721	14,218	72.9%
Forest Heath	28,830	34,407	5,577	28.6%
Total	126,628	146,130	19,502	100%

*Source: Oxford Economics / GVA Grimley 2006*

- 5.22 Table 69, which is based on the Oxford Economics baseline projections for the East of England, shows that the Western Suffolk sub-region is forecast for job growth of 19,502 between 2001 and 2021 which is around 1,500 higher than the RSS forecast. It also shows that St Edmundsbury is forecast to experience over 70% of that growth and Forest Heath over 27% of that growth. Mid Suffolk is forecast to account for -1.5% of that growth with job levels projected to decline within the District between 2001 and 2021. This outlines the differences between the local authorities in the sub-region and the differences in policy approach that may need to be applied. It is important to note that Table 68 deals with total job growth and our analysis in this chapter concentrates on B-Class job growth only.
- 5.23 We now present our analysis firstly for Mid Suffolk followed by St Edmundsbury and Forest Heath.

## ALLOWANCE FOR ECONOMIC GROWTH

### MID SUFFOLK

- 5.24 Using the baseline economic forecast from the RSS, growth by broad sector in Mid Suffolk is shown in Table 69 below:

**Table 69 Employment Increases between 2006 and 2026 in Mid Suffolk**

Sector	2006	2026	Absolute	%
Agriculture	2,183	2,277	94	4.3%
Mining / Utilities	173	276	103	59.8%
Manufacturing	5,509	3,288	-2,221	-40.3%
Construction	6,213	4,382	-1,831	-29.5%
Retail/Hotels	7,241	8,084	844	11.7%
Distribution	3,051	3,431	381	12.5%
Finance & Other Business Services	5,446	8,465	3,020	55.5%
Public Services	10,053	12,381	2,328	23.2%
<b>Total</b>	<b>39,867</b>	<b>42,585</b>	<b>2,718</b>	<b>6.8%</b>

Source: GVA Grimley / Oxford Economics

- 5.25 It shows that total employment is projected to grow by 6.8% between 2006 and 2026, which is reflective of the jobs decline in the District between 2001 and 2006. The growth sectors are in Financial & Other Business Services (55% employment growth between 2006 and 2026), Public Services (23%), Distribution (12.5%) and Retail / Hotels (11.7%). The Mining / Utilities sector is also forecast to grow strongly until 2026 however in absolute terms the numbers are relatively small. Employment is projected to fall between 2006 and 2026 in Manufacturing (-40.3%) and Construction (-29.5%).

### SECTOR STRENGTH

- 5.26 While the broad sector changes show overall changes in the nature of employment activity, it does not consider the specific sectoral strengths evident within Mid Suffolk. To identify these strong sectors in Mid Suffolk we use location quotients compared to the East of England.
- 5.27 Location quotients (LQs) compare the relative size of a sector in one area against relevant comparator areas (in this case the East of England). A location quotient above 1 indicates that the sector contributes more to the total employment in Mid Suffolk than to the East of England. This is an indicator that the District might provide a locational advantage for this specific sector. A quotient of below 1 indicates a relatively lower contribution to the total employment of a sector in Mid Suffolk compared to the East of England.
- 5.28 An analysis of sector strength in Mid Suffolk at a two digit (62 sector) level is shown in Table 70 below:

**Table 70 Sectors with strong Location Quotients in Mid Suffolk**

Sector	Location Quotient
Forestry, logging and related service activities	5.47
Manufacturing of food and beverages	3.79
Other mining and quarry	3.67
Agriculture, hunting and related service activities	3.24
Manufacture basic metals	2.68
Manufacture of chemicals and chemical products	2.48
Construction	1.91
Sewage and refuse disposal, sanitation and similar activities	1.72
Manufacture of fabricated metal products, except machinery and equipment	1.70
Supporting and auxiliary transport activities; activities of travel agencies	1.65
Land transport; transport via pipelines	1.60
Electricity, gas, steam and hot water supply	1.56
Manufacture of machinery and equipment not elsewhere classified	1.55
Renting of machinery and equipment without operator and of personal and household goods	1.49
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	1.39
Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	1.30
Manufacture of wearing apparel; dressing and dyeing of fur	1.27
Manufacture of transport equipment	1.24
Manufacture of pulp, paper and paper products	1.13
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.13
Real estate activities	1.08
Wholesale trade and commission trade, except of motor vehicles and motorcycles	1.06
Other service activities	1.05

Source: ABI 2007

- 5.29 Table 70 demonstrates Mid Suffolk holds a locational advantage in a number of sectors compared to the East of England. In particular, a number of specific manufacturing sectors are strongly represented in Mid Suffolk. These include manufacturing of food and beverages, manufacturing of basic metals and manufacturing of chemicals. In addition, there is evidence of the prominence of transport activity, most likely in relation to the Port of Felixstowe with the strong presence of the land transport sector and the manufacture of transport equipment.

### POTENTIAL GROWTH SECTORS

- 5.30 To further refine this analysis and identify those sectors which have the strongest growth potential within the District we combine the sectors with strong location quotients with those with strong growth rates since 1998, to give an indication of those sectors that are most likely to prosper in the future. This is shown in Table 71.

**Table 71 Sectors with future growth potential in Mid Suffolk**

Sector	LQ	Growth 98 -07	Current Number of Employees
Forestry, logging and related service activities	5.47	100%	78
Other mining and quarry	3.67	232%	73
Manufacture basic metals	2.68	10%	88
Construction	1.91	43%	3,350
Sewage and refuse disposal, sanitation and similar activities	1.72	9%	209
Supporting and auxiliary transport activities; activities of travel agencies	1.65	57%	1,017
Electricity, gas, steam and hot water supply	1.56	11%	200
Renting of machinery and equipment without operator and of personal and household goods	1.49	140%	322
Manufacture of transport equipment	1.24	4433%	136
Manufacture of pulp, paper and paper products	1.13	105%	82
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.13	48%	111
Real estate activities	1.08	13%	581
Wholesale trade and commission trade, except of motor vehicles and motorcycles	1.06	11%	1,624
Other service activities	1.05	26%	431

Source: ABI 2007

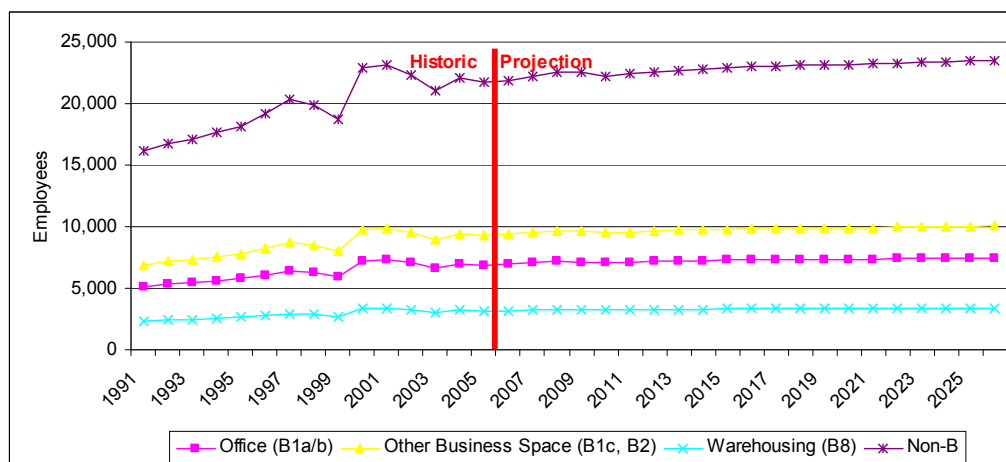
- 5.31 Table 71 again shows a strong representation of manufacturing with relative strength in LQ's and recent growth since 1998 in the following sectors:

- Manufacture of basic metals
- Manufacture of transport equipment
- Manufacture of pulp, paper and paper products
- Manufacture of wood

- 5.32 However, it must be noted the absolute employee numbers in each of these sectors is not significant ranging between 82 and 136, suggesting a niche advantage rather than employment creators on a large scale in the future.
- 5.33 The strength of the transport activities sector in the District is further evidenced through this analysis with the transport activities sector recording a location quotient of 1.65, a growth rate of 57% and employees in excess of 1,000. This is a strong indication of the influence of Felixstowe on Mid Suffolk and suggests this sector will be a key driver of Mid Suffolk in the future.
- 5.34 Other strong sectors include construction, wholesale trade (ranging from food and beverages to machinery) and real estate activities.
- 5.35 It is notable that, despite current recessionary pressures, 77% of respondents to the web business survey (see Appendix 2) from Mid-Suffolk stated that they felt confident of growth over the next five years, although 44% felt that there would be 'a little' growth as opposed to the 33% who anticipated 'a lot' of growth.

#### *TRANSLATING EMPLOYMENT GROWTH INTO FLOORSPACE*

- 5.36 Aggregating the employment changes into employee numbers and then floorspace type shows that the highest numbers of employees are currently, and will continue to be, in the Non-B-Class land use sectors. Non B-Class land use sectors include healthcare, education and retail which, while generating employment is not on traditional employment land as defined by the TCPA Use Classes Order.
- 5.37 Employment in Office space is significantly below the numbers employed in Non-B-Class sectors, although is projected to increase in the years up to 2026. The number of employees in Other Business Space and in Warehousing is set to remain steady. This is shown in Figure 20 below:

**Figure 20 Employee numbers by use type and projections in Mid Suffolk until 2026**

Source: GVA Grimley / Experian Business Services

- 5.38 As a next step the employment growth from the B-Use-Class employment types (Office, Other Business Space and Warehouses) is translated into floorspace demand using standard employment densities. The demand for Non-B-Use-Class employment is not quantified as it is not the focus of this study, although it is clearly the major driver of employment growth in the future.
- 5.39 Demand for employment floorspace resulting from economic growth is projected to increase by 43,435 square metres between 2006 and 2026. This can be separated into the various floorspace types in Table 72 below.

**Table 72 Changes in Floorspace in Mid Suffolk 2006 to 2026**

	Employee Change 06 – 26	Employment Density m <sup>2</sup> per employee	Floorspace Change 06 -26 m <sup>2</sup>
Office	518	18	9,318
Other Business Space	697	32	22,302
Warehouse	236	50	11,815
<b>Total</b>	<b>3,081</b>		<b>43,435</b>

Source: GVA Grimley/Oxford Economics (2006)

- 5.40 Of the three different floorspace use types, Other Business Space floorspace demand is projected to grow the most between 2006 and 2026. This is followed by demand for warehouse floorspace, and then for office space.

### ST EDMUNDSBURY

- 5.41 Using the baseline economic forecast from the RSS, growth by broad sector in St Edmundsbury is shown in Table 73 below:

**Table 73 Employment Increases between 2006 and 2026 in St Edmundsbury**

Sector	2006	2026	Absolute	%
Agriculture	1,008	775	-233	-23.1%
Mining / Utilities	284	300	17	5.8%
Manufacturing	9,859	7,508	-2,351	-23.8%
Construction	4,383	5,412	1,029	23.5%
Retail/Hotels	14,365	16,333	1,969	13.7%
Distribution	2,166	2,706	540	24.9%
Finance & Other Business Services	8,134	15,295	7,161	88.0%
Public Services	20,219	25,475	5,256	26.0%
<b>Total</b>	<b>60,417</b>	<b>73,805</b>	<b>13,387</b>	<b>22.2%</b>

Source: GVA Grimley / Oxford Economics

- 5.42 Table 73 shows that total employment is projected to grow by 22.2% between 2006 and 2026. The growth sectors are in Financial & Other Business Services (88% employment growth between 2006 and 2026), Public Services (26%), Distribution (24.9%), Construction (23.5%), Retail / Hotels (13.7%). The Mining / Utilities sector is also forecast to grow until 2026 however in absolute terms the numbers are relatively small. Employment is projected to fall between 2006 and 2026 in Agriculture (-23.1%) and Manufacturing (-23.8%).

### SECTOR STRENGTH

- 5.43 While the broad sector changes show indicative overall changes in employment activity, there are of course specific sector strengths evident in St Edmundsbury. Using location quotients we again identify those sectors with a locational advantage in St Edmundsbury compared to the East of England. This is shown in Table 74 below:



**Table 74 Sectors with strong Location Quotients in St Edmundsbury**

Sector	LQ
Manufacturing of food and beverages	4.17
Manufacture of chemicals and chemical products	3.09
Forestry, logging and related service activities	2.29
Manufacture of electrical machinery and apparatus not elsewhere classified	2.21
Electricity, gas, steam and hot water supply	1.89
Manufacture of furniture; manufacturing not elsewhere classified	1.83
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.78
Public administration and defence; compulsory social security	1.44
Publishing, printing and reproduction of recorded media	1.39
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	1.35
Health and social work	1.27
Agriculture, hunting and related service activities	1.18
Manufacture of textiles	1.16
Manufacture of machinery and equipment not elsewhere classified	1.13
Manufacture of radio, television and communication equipment and apparatus	1.06
Manufacture of fabricated metal products, except machinery and equipment	1.06
Wholesale trade and commission trade, except of motor vehicles and motorcycles	1.03
Recreational, cultural and sporting activities	1.03
Other service activities	1.02

Source: ABI 2007

5.44 In common with Mid Suffolk, St Edmundsbury has a strong representation of manufacturing within the Borough. It shows that the following manufacturing sub-sectors hold a locational advantage compared to the East of England:

- Manufacturing of food and beverages (4.17)
- Manufacturing of chemicals (3.09)
- Manufacturing of electrical machinery (2.21).

5.45 Reflecting the position of Bury St Edmunds as an administrative centre with its associated services, public administration and health and social work have a high LQ within the Borough.

### POTENTIAL GROWTH SECTORS

5.46 To further refine this analysis and identify those sectors which have the strongest growth potential within the Borough we combine the sectors with strong location quotients with

those with strong growth rates since 1998, to give an indication of those sectors that are most likely to prosper in the future. This is shown in Table 75.

**Table 75 Potential Growth Sectors in St Edmundsbury**

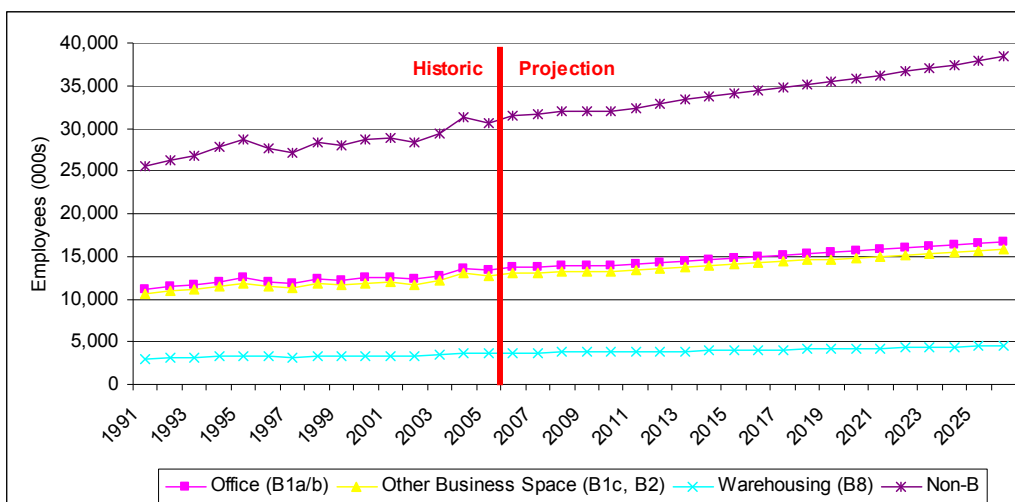
Sector	LQ	Growth 98 - 07	Current Number of Employees
Manufacture of chemicals and chemical products	3.09	25%	1,062
Forestry, logging and related service activities	2.29	1200%	52
Electricity, gas, steam and hot water supply	1.89	30%	386
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.78	190%	278
Publishing, printing and reproduction of recorded media	1.39	2%	864
Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	1.35	6%	1,731
Health and social work	1.27	7%	7,202
Manufacture of textiles	1.16	7%	58
Recreational, cultural and sporting activities	1.03	77%	1,290
Other service activities	1.02	19%	670

Source: ABI 2007

- 5.47 Table 75 shows that the manufacturing of chemicals sector is particularly strong in St Edmundsbury with a location quotient of 3.09, growth of 25% since 1998 and 847 employees. This sector is typified by high value activity and indicates the strong links that the Borough has with Cambridge, and the potential this sector has in the future. For example, Genzyme Ltd currently has bases in Cambridge and in Haverhill where they manufacture pharmaceuticals and also distribute Genzyme products throughout Europe. More links such as this in the future will build on these links and increase the quality of employment in the Borough.
- 5.48 Table 75 also shows the position of Bury St Edmunds as a Key Centre for Development and Change in the East of England means it is strong in utilities, public services recreational activities, as well as in retail sales.
- 5.49 Aggregating the employment changes into employee numbers and then floorspace type shows that the highest numbers of employees are currently, and will continue to be, in the Non-B-Class land use sectors.
- 5.50 Employment in Office space is significantly below the numbers employed in Non-B-Class sectors, although this is projected to increase in the years up to 2026 as are the number of

employees in Other Business Space. Employment levels in Warehousing are set to remain steady. This is shown in Figure 21 below:

**Figure 21 Employee numbers by use type and projections in St Edmundsbury until 2026**



Source: GVA Grimley / Oxford Economics

- 5.51 As a next step the employment growth from the B-Use-Class employment types (Office, Other Business Space and Warehouses) is translated into floorspace demand using standard employment densities. The demand for Non-B-Use-Class employment is not quantified as it is not the focus of this study.
- 5.52 Demand for employment floorspace resulting from baseline economic growth is projected to increase by 186,358 square metres between 2006 and 2026 in St Edmundsbury. This can be delineated into the various floorspace types in Table 76 below.

**Table 76 Changes in Floorspace in St Edmundsbury 2006 to 2026**

	Employee Change 06 – 26	Employment Density m <sup>2</sup> per employee	Floorspace Change 06 -26 m <sup>2</sup>
Office	3,009	18	54,157
Other Business Space	2,864	32	91,661
Warehouse	811	50	40,540
<b>Total</b>	<b>13,605</b>		<b>186,358</b>

Source: GVA Grimley/ Oxford Economics (2006)

- 5.53 Of the three different floorspace use types, Other Business Space floorspace demand is projected to grow the most between 2006 and 2026. This is followed by demand for Office floorspace, and then for Warehouse space.

- 5.54 It is notable that, despite current recessionary pressures, 80% of respondents to the web business survey (see Appendix 2) from St Edmundsbury stated that they felt confident of growth over the next five years, although 61% felt that there would be 'a little' growth as opposed to the 19% who anticipated 'a lot' of growth.

### FOREST HEATH

- 5.55 Using the baseline economic forecast from the RSS, growth by broad sector in Forest Heath is shown in Table 69 below:

**Table 77 Employment Increases between 2006 and 2026 in Forest Heath**

Sector	2006	2026	Absolute	%
Agriculture	738	728	-10	-1.4%
Mining / Utilities	20	14	-6	-28.8%
Manufacturing	3,297	1,969	-1,328	-40.3%
Construction	1,843	2,297	454	24.6%
Retail/Hotels	8,037	10,809	2,771	34.5%
Distribution	1,162	1,436	274	23.6%
Finance & Other Business Services	4,701	8,128	3,427	72.9%
Public Services	9,605	11,326	1,722	17.9%
<b>Total</b>	<b>29,402</b>	<b>36,706</b>	<b>7,304</b>	<b>24.8%</b>

Source: GVA Grimley / Oxford Economics

- 5.56 It shows that total employment is projected to grow by 24.8% between 2006 and 2026. The growth sectors are in Financial & Other Business Services (72.9% employment growth between 2006 and 2026), Retail / Hotels (34.5%), Construction (24.6%), Distribution (23.6%) and Public Services (17.9%). Employment is projected to fall between 2006 and 2026 in and Manufacturing (-40.3%), Mining / Utilities (-28.8%) and Agriculture (-1.4%).

### SECTOR STRENGTH

- 5.57 While the broad sector changes show indicative overall changes in employment activity, there are specific sector strengths evident in Forest Heath. Using location quotients we now identify those sectors with a locational advantage in Forest Heath compared to the East of England. This is shown in Table 78 below:

**Table 78 Sectors with strong Location Quotients in Forest Heath**

Sector	LQ
Forestry, logging and related service activities	13.19
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	5.11
Recreational, cultural and sporting activities	3.91
Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	3.50
Manufacture of furniture; manufacturing not elsewhere classified	3.15
Manufacture of electrical machinery and apparatus not elsewhere classified	2.95
Manufacture of fabricated metal products, except machinery and equipment	2.41
Manufacture of pulp, paper and paper products	2.32
Hotels and restaurants	2.07
Public administration and defence; compulsory social security	1.52
Agriculture, hunting and related service activities	1.46
Other service activities	1.40
Manufacture of textiles	1.32
Recycling	1.29
Manufacture of other non-metallic mineral products	1.28
Renting of machinery and equipment without operator and of personal and household goods	1.25
Real estate activities	1.11
Manufacture of radio, television and communication equipment and apparatus	1.11
Other mining and quarry	1.08

Source: GVA Grimley / ABI 2007

5.58 Manufacturing again features prominently among the high LQ sectors in Forest Heath compared to the East of England, with the following sectors proving particularly well represented:

- Manufacture of wood and wood products
- Manufacture of furniture
- Manufacture of electrical machinery
- Manufacture of fabricated metal products
- Manufacture of pulp, paper products

5.59 The influence of the horse racing industry is evident through this analysis with the high LQ of the sporting activities sector, the tanning and saddlery sector and the agriculture sector. The strength of tourism is also apparent due to the presence of hotels and restaurants shown in Table 78.

### POTENTIAL GROWTH SECTORS

- 5.60 To further refine this analysis and identify those sectors which have the strongest growth potential within the District we combine the sectors with strong location quotients with those with strong growth rates since 1998, to give an indication of those sectors that are most likely to prosper in the future. This is shown in Table 79 below:

**Table 79 Potential Growth Sectors in Forest Heath**

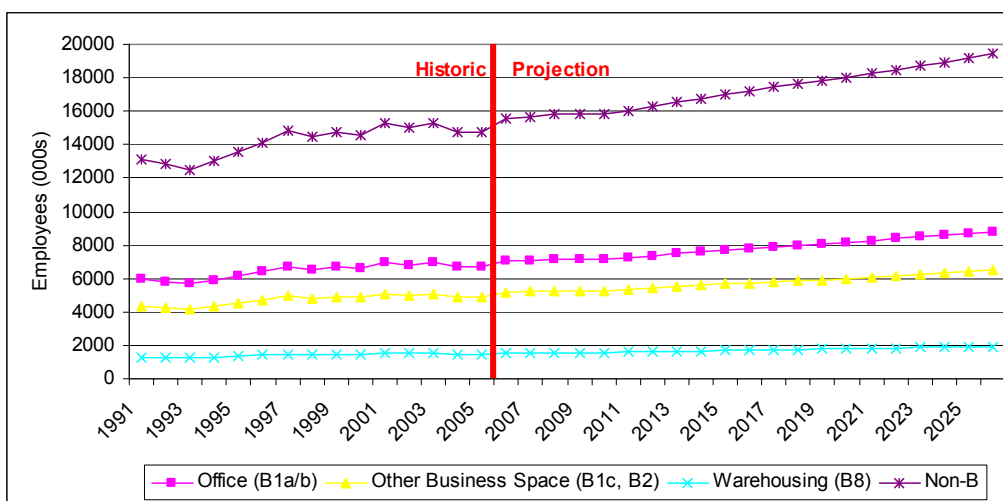
Sector	LQ	% Change	Number of Employees
Forestry, logging and related service activities	13.19	112%	140
Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	5.11	65%	374
Recreational, cultural and sporting activities	3.91	18%	2284
Hotels and restaurants	2.07	14%	2533
Public administration and defence; compulsory social security	1.52	33%	1199
Agriculture, hunting and related service activities	1.46	287%	472
Other service activities	1.40	15%	429
Renting of machinery and equipment without operator and of personal and household goods	1.25	67%	200
Real estate activities	1.11	94%	444
Other mining and quarry	1.08	23%	16

Source: ABI / GVA Grimley 2007

- 5.61 Using the analysis in Table 79 it is clear that the sectors with highest future potential in Forest Heath are strongly related to the horse racing industry. The recreational and cultural sector has a strong location quotient (3.91), has shown strong growth since 1998 and is a large employer in itself with over 2,200 employees. This is clearly a sector with a strong future in the District with a number of related activities attracted by the horse racing cluster.
- 5.62 In addition, the presence of the hotels and restaurants sector with its strong representation indicates its potential in the future. Traditional B-Class sectors that are represented within Forest Heath include the manufacturing of wood sector and the other service activities sector.
- 5.63 Aggregating the employment changes into employee numbers and then floorspace type shows that the highest numbers of employees are currently, and will continue to be, in the Non-B-Class land use sectors.

- 5.64 Employment in Office space is significantly below the numbers employed in Non-B-Class sectors, although it is projected to increase in the years up to 2026 as are the number of employees in Other Business Space. Employment levels in Warehousing are set to remain steady. This is shown in Figure 22 below:

**Figure 22 Employee numbers by use type and projections in Forest Heath until 2026**



Source: GVA Grimley / Oxford Economics

- 5.65 As a next step the employment growth from the B-Use-Class employment types (Office, Other Business Space and Warehouses) is translated into floorspace demand using standard employment densities. The demand for Non-B-Use-Class employment is not quantified as it is not the focus of this study.
- 5.66 Demand for employment floorspace resulting from baseline economic growth is projected to increase by 92,157 square metres between 2006 and 2026. This can be separated into the various floorspace types in Table 80 below.

**Table 80 Changes in Floorspace in Forest Heath 2006 to 2026**

	Employee Change 06 – 26	Employment Density m <sup>2</sup> per employee	Floorspace Change 06 -26 m <sup>2</sup>
Office	1,755	18	31,596
Other Business Space	1,289	32	41,263
Warehouse	386	50	19,297
<b>Total</b>	<b>3,430</b>		<b>92,157</b>

Source: GVA Grimley/Oxford Economics (2006)

- 5.67 Of the three different floorspace use types, Other Business Space floorspace demand is projected to grow the most between 2006 and 2026. This is followed by demand for office floorspace, and then for warehouse space.
- 5.68 It is notable that, despite current recessionary pressures, 77% of respondents to the web business survey (see Appendix 2) from Forest Heath stated that they felt confident of growth over the next five years. Unlike the respondents from Mid-Suffolk and St Edmundsbury (who tempered their confidence of growth with the majority expecting 'a little' rather than 'a lot'), 54% of the respondents from Forest Heath anticipate 'a lot' of growth as opposed to the 23% who anticipate 'a little'.
- 5.69 So far future employment floorspace demand resulting from economic growth has been considered. As a next step the allowance for unexpected losses is taken into account for each local authority area.

## ALLOWANCE FOR UNEXPECTED LOSSES

- 5.70 The allowance for unexpected losses takes into consideration the fact that for various reasons under specific circumstances some employment land might be used for other purposes (see methodology, paragraph 5.8). To estimate future losses, reference to historic losses has been made and projected forward throughout the planning period. As previously stated this approach has its drawbacks, principally because the information has only been collated for four previous years. We still use this data, however, with the proviso that it should be monitored each year and new figures considered to give a longer term projection of losses of employment land. This could have a considerable effect on future employment land needs, depending on employment land losses in each year.

### MID SUFFOLK

- 5.71 According to the Annual Monitoring Reports (AMR) for Mid Suffolk, which are available from 2004/5 to 2007/8 the amount of employment land lost to non employment use is shown in Table 81:



**Table 81 Unexpected losses in Mid Suffolk District 2004/5 – 2007/8 (m<sup>2</sup> floorspace)**

Year	Office (m <sup>2</sup> )	Other Business Space (m <sup>2</sup> )	Warehouse (m <sup>2</sup> )
2004/5	0	0	0
2005/6	151	396	304
2006/7	60	158	121
2007/8	936	2,460	1,886
Median Loss	105	277	213
<b>Total Unexpected Loss</b>	<b>2,109</b>	<b>5,545</b>	<b>4,252</b>

Source: Mid Suffolk District Council Annual Monitoring Reports

- 5.72 Taking the median loss of the past three years and multiplying this by 20 years (the planning period) an estimated 2,109 m<sup>2</sup> of Office employment floorspace, 5,545m<sup>2</sup> of Other Business Space and 4,252 m<sup>2</sup> of Warehousing floorspace might be lost to other uses between 2006 and 2026.

#### ST EDMUNDSBURY

- 5.73 According to the Annual Monitoring Reports (AMR) for St Edmundsbury, which are available from 2005/6 to 2007/8 the amount of employment land lost to non employment use is shown in Table 82:

**Table 82 Unexpected losses in St Edmundsbury Borough 2005/6 – 2007/8 (m<sup>2</sup> floorspace)**

Year	Office (m <sup>2</sup> )	Other Business Space (m <sup>2</sup> )	Warehouse (m <sup>2</sup> )
2005/6	0	0	0
2006/7	0	0	0
2007/8	4,600	7,995	6,565
Average Loss*	1,533	2,665	2,188
<b>Total Unexpected Loss</b>	<b>30,665</b>	<b>53,299</b>	<b>43,769</b>

Source: St Edmundsbury Borough Council Annual Monitoring Reports

\*= As the Median loss is 0 we have taken the average loss in St Edmundsbury

- 5.74 In order to avoid a zero return we take the average loss of the past three years and multiply this by 20 years (the planning period). While acknowledging that this is not consistent with the approach taken in Mid Suffolk it is necessary to ensure a comparable figure. This results in an estimated 30,665 m<sup>2</sup> of Office employment floorspace, 53,299 m<sup>2</sup> of Other Business Space and 43,769 m<sup>2</sup> of Warehousing floorspace that might be lost to other uses between 2006 and 2026.

### FOREST HEATH

- 5.75 Due to the lack of AMR data in Forest Heath we use in house internal monitoring as a proxy for estimating unexpected losses in Forest Heath. According to internal monitoring data from Forest Heath District Council the amount of employment land lost to non employment use is shown in Table 83:

**Table 83 Unexpected losses in Forest Heath District 2004/5 – 2007/8 (m<sup>2</sup> floorspace)**

Year	Office (m <sup>2</sup> )	Other Business Space (m <sup>2</sup> )	Warehouse (m <sup>2</sup> )
2003	57	103	58
2004	1,173	2,127	1,196
2005	276	500	281
2006	2,598	4,711	2,650
2007	31,143	7,007	22,212
Median Loss	1173	2127	1196
<b>Total Loss</b>	<b>23,456</b>	<b>42,533</b>	<b>23,925</b>

Source: Forest Heath District Council Internal Monitoring

- 5.76 Taking the median loss of the past three years and multiplying this by 20 years (the planning period) an estimated 23,456 m<sup>2</sup> of Office employment land, 42,533 m<sup>2</sup> of Other Business Space and 23,925 m<sup>2</sup> of Warehousing land might be lost to other uses between 2006 and 2026.

### ALLOWANCE FOR CHURN

- 5.77 The allowance for churn (or frictional vacancy) takes into account the fact that a certain amount of vacant floorspace at any given point in time is required for the commercial property market to work effectively. To estimate the churn demand we have taken the annual net take-up of employment floorspace as a guide.

### MID SUFFOLK

- 5.78 The most recent AMR's, available from 2004 to 2008, show that the amount of commercial floorspace developed on previously developed land in Mid Suffolk is shown in Table 84:

**Table 84 Allowance For Churn by Use Class in Mid Suffolk (m<sup>2</sup> floorspace)**

Year	Office (m <sup>2</sup> )	Other Business Space (m <sup>2</sup> )	Warehouse (m <sup>2</sup> )
04/05	255	1,675	1,284
05/06	1,158	3,043	2,334
06/07	0	0	0
07/08	0	0	0
Median Loss	471	1,675	1,284
<b>Total Unexpected Loss</b>	<b>942</b>	<b>3,350</b>	<b>2,568</b>

Source: Mid Suffolk District Council Annual Monitoring Reports

- 5.79 Taking the median of developed floorspace on previously developed land for the past three years and multiplying it by two, results in an allowance for churn for employment floorspace of 942 m<sup>2</sup> of Office floorspace, 3,350 m<sup>2</sup> of Other Business Space floorspace, 2,568 m<sup>2</sup> of Warehouse floorspace.

#### ST EDMUNDSBURY

- 5.80 The most recent AMR's, available from 2005 to 2008, show that the amount of commercial floorspace developed on previously developed land in St Edmundsbury is shown in Table 85 below:

**Table 85 Allowance for Churn by Use Class in St Edmundsbury (m<sup>2</sup> floorspace)**

Year	B1 (m <sup>2</sup> )	B2 (m <sup>2</sup> )	B8 (m <sup>2</sup> )
05/06	1,089	0	0
06/07	16,935	7,224	4,464
07/08	982	50	802
Median Loss	1,089	21	273
<b>Total Unexpected Loss</b>	<b>2,178</b>	<b>42</b>	<b>546</b>

Source: St Edmundsbury Borough Council Annual Monitoring Reports

- 5.81 Taking the median of developed floorspace on previously developed land for the past three years and multiplying it by two, results in an allowance for churn for Office floorspace of 2,178 m<sup>2</sup>, 42 m<sup>2</sup> of Other Business Space floorspace and 546 m<sup>2</sup> of Warehousing floorspace.

### FOREST HEATH

- 5.82 As the AMR's are not available for Forest Heath District, we again use in house internal monitoring as a proxy for estimating churn in Forest Heath District, which is available from 2005 to 2008. This is shown in Table 86 below:

**Table 86 Allowance for Churn by Use Class in Forest Heath (m<sup>2</sup> floorspace)**

Year	B1 (m <sup>2</sup> )	B2 (m <sup>2</sup> )	B8 (m <sup>2</sup> )
05/06	730	1,324	744
06/07	0	0	0
07/08	334	606	341
Median Loss	355	606	341
<b>Total Unexpected Loss</b>	<b>709</b>	<b>1,211</b>	<b>681</b>

Source: Forest Heath District Council Annual Monitoring Reports / internal monitoring data

- 5.83 Taking the median of developed floorspace on previously developed land for the past three years and multiplying it by two, results in an allowance for churn for Office floorspace of 709 m<sup>2</sup>, 1,211 m<sup>2</sup> of Other Business Space floorspace and 681 m<sup>2</sup> of Warehousing floorspace.

### ALLOWANCE FOR ECONOMIC GROWTH ASPIRATIONS

- 5.84 In addition to employment projections based on economic forecasts, unexpected losses and churn demand it is important to consider the impact that economic growth aspirations may have on employment floorspace requirements within each local authority area throughout the planning period. As outlined, our demand analysis is based on economic forecasts which do not consider significant growth outside of that based on past trends and forecast housing and population growth.
- 5.85 We therefore outline future employment growth scenarios for each local authority based on the evidence gathered through this study, in particular the economic drivers within each local authority, to allow a number of future growth options to be explored.

### MID SUFFOLK

- 5.86 Our analysis so far has identified the **Felixstowe A14 Corridor** as the major external economic driver of employment growth in Mid Suffolk District. Other major influences on employment growth in Mid Suffolk are Ipswich and the Snoasis development. However, in

order to focus our analysis we deal solely with the Port of Felixstowe at this stage. It is our view that the effect of Ipswich on Mid Suffolk District should form part of a joint approach to employment land demand either through the Haven Gateway Employment Land Review or a separate study. Furthermore, given the non B-class focus of the Snoasis development, we focus on port related growth scenarios at this stage.

- 5.87 Based on this we derive a scenario of high growth from the Felixstowe South Reconfiguration and apply any additional employment land demand to our baseline for the District.
- 5.88 The recent Felixstowe Port Logistics Study<sup>3</sup> assesses the likely future demand for employment land arising from port related activity at Felixstowe. We therefore use this document as a basis for estimating potential additional land demand in Mid Suffolk arising from the Port of Felixstowe.
- 5.89 The Study outlines a number of potential growth scenarios for the future of the Port of Felixstowe but does not make any recommendation on which is the most likely scenario. We therefore use the “Optimistic Scenario,” which assumes that the growth in container shipments remains constant until 2023 and the “Business As Usual” Scenario, which assumes a continuing decline of 1.8% per annum.

### *RATIONALE*

- 5.90 In order to apportion growth from the Port of Felixstowe to Mid Suffolk District we use the short list of potential sites that can accommodate port related uses, as defined in the Study. These are:
- Shepherd’s Grove, Stanton – St Edmundsbury Borough
  - British Sugar site, Sproughton – Babergh District
  - Cuckoo Farm, A12, Colchester – Colchester Borough
  - Trinity 2000, Felixstowe – Suffolk Coastal District
  - Suffolk Business Park, Bury St Edmunds – St Edmundsbury Borough
  - Orion Court, Great Blakenham – Mid Suffolk District
  - Land at Innocence Farm, A14, Felixstowe – Suffolk Coastal District
  - Land at Fagbury Cliff, Felixstowe – Suffolk Coastal District
  - Land off Mill Lane, Stowmarket – Mid Suffolk District

5.91 This list of sites allows us to define the local authorities within which future growth from the Port of Felixstowe is most likely to occur. Based on our work through this study we have identified that the Port of Felixstowe influence does not stretch as far as the Borough of St Edmundsbury at present. However, the Port Logistics Study does consider that this may in the future form part of growth from the Port of Felixstowe, so we include it here as part of our analysis. This results in the following authorities considered for future growth at the Port of Felixstowe:

- Suffolk Coastal District
- Mid Suffolk District
- Babergh District
- Colchester Borough
- St Edmundsbury Borough

5.92 We then define the sectors that “port related” activity relates to. This is not specified within the Port Logistics Study (it refers to Open Storage, Warehousing and Ancillary Uses) but using our 4-Digit Sector Matrix we define those sub sectors which form the “Land and Other Transport” sector. The Matrix also allows us to apportion each sub sector to Office, Industrial and Non B-Class employment. An analysis of the “Land and Other Transport” sector shows that it incorporates the following sub-sectors (and associated land use classes):

- 6010 : Transport via railways (Non B Class)
- 6021 : Other scheduled passenger land transport (Non B Class)
- 6022 : Taxi operation (Non B Class)
- 6023 : Other passenger land transport (Non B Class)
- 6024 : Freight transport by road (Non B Class)
- 6030 : Transport via pipelines(Non B Class)
- 6311 : Cargo handling (Warehousing)
- 6312 : Storage and warehousing (Warehousing)
- 6321 : Other supporting land transport activities (Non B Class)
- 6330 : Activities of travel agencies and tour operators; tourist assistance activities not elsewhere classified (Non B Class)

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<sup>3</sup> GHK Consulting, Royal Haskoning (2008), Felixstowe Port Logistics Study

- 6340 : Activities of other transport agencies (Office)

5.93 The next step is to analyse the current split of employees within the Land and Other Transport Sector in both Office and Warehousing use types in each of the relevant local authorities to provide an estimate of the division of future employment in each of the local authorities. This is shown in Table 87 below:

**Table 87 Current Employment Split in Land and Other Transport Sector in Port of Felixstowe Local Authority Areas**

	Office (B1a)		Warehouse (B8)	
	Employees	% of Total	Employees	% of Total
Suffolk Coastal	1,501	71.6%	222	16.8%
Babergh	82	3.9%	121	9.1%
Colchester	261	12.5%	61	4.6%
Mid Suffolk	188	9.0%	735	55.5%
St Eds	64	3.1%	186	14.0%
<b>Total</b>	<b>2,096</b>	<b>100%</b>	<b>1,325</b>	<b>100%</b>

Source: GVA Grimley / ABI 2007

5.94 Table 87 shows that Mid Suffolk currently accounts for 9% of the Office related employment in the local authorities related to the Port of Felixstowe, and 55% of the Warehousing related employment. Using this as a basis for the nature of future growth from the Port of Felixstowe we apply this to two future growth scenarios set out in the Felixstowe Port Logistics Study.

#### **SCENARIO A – HIGH GROWTH FROM THE PORT OF FELIXSTOWE**

5.95 This Scenario assumes that Felixstowe will retain its current market share of 40% until new competitors come into operation. It forecasts that a total of 114.5 Ha of additional land demand will be created by the Felixstowe South Reconfiguration by 2023. In order to marry this analysis with the timeframe of our study we firstly carry this projection forward to 2026. To do this we calculate the growth trend of land requirements from the Port of Felixstowe between 2020 and 2023. This shows that the rate of growth is forecast to decline by 1% each year between 2020 and 2023 on average. We therefore assume that between 2023 and 2026 land requirement growth will be 7%, 6% and 5% respectively. This results in a total additional land demand until 2026 of 136.4 Ha. This is shown in Table 88 below:

**Table 88 Growth in Land Demand from the Port of Felixstowe 2018 - 2026**

	2018	2019	2020	2021	2022	2023	2024*	2025*	2026*
<b>Total Land Requirement (ha)</b>	71.1	79.8	88.5	97.1	105.9	114.5	122.5	129.9	136.4
<b>Annual Growth Rate (%)</b>		12.2	10.9	9.7	9.1	8.1	7	6	5

Source: GVA Grimley based on GHK estimates \* = Projected Growth

- 5.96 We then apply the additional land demand from the Felixstowe South Reconfiguration to the current proportion of Warehousing and Office employment in the Land and Other Transport sector in Mid Suffolk (as shown in Table 87), and the results are shown in Table 100 later in this Chapter.

#### **SCENARIO B – STEADY GROWTH AT THE PORT OF FELIXSTOWE**

- 5.97 This Scenario assumes that the current trends at the Port of Felixstowe i.e. a decline of 1.8% per annum over the last five years will continue. This scenario forecasts that a total of 43.7 Ha of additional land demand will be created by the Felixstowe South Reconfiguration by 2023. In order to carry this projection forward to 2026 (the timeframe of our study) we calculate the growth trend between 2020 and 2023. This shows that the rate of growth is forecast to decline by 1.7% each year between 2020 and 2023 on average. We therefore assume that between 2023 and 2026 land requirement growth will be 6.2%, 4.5% and 2.8% respectively. This results in a total additional land demand until 2026 of 50.2 Ha and is shown in Table 89 below:

**Table 89 Growth in Land Demand from the Port of Felixstowe 2018 - 2026**

	2018	2019	2020	2021	2022	2023	2024*	2025*	2026*
<b>Total Land Requirement (Ha)</b>	26.2	30	33.6	37.2	40.5	43.7	46.8	48.9	50.2
<b>Annual Growth Rate (%)</b>		14.5%	12.0%	10.7%	8.9%	7.9%	6.2%	4.5%	2.8%

Source: GVA Grimley based on GHK estimates \* = Estimated Growth

- 5.98 Applying this to the current proportion of Warehousing and Office employment in the Land and Other Transport sector in Mid Suffolk (shown in Table 87) the results are shown in Table 101 later in this Chapter.



### *ST EDMUNDSBURY*

- 5.99 Our commercial market analysis and detailed stakeholder consultations have identified growth from the Greater Cambridge sub-region as the major external economic driver for St Edmundsbury Borough. In particular, we have identified the strong links between Haverhill and Cambridge in both employment and commuting terms.
- 5.100 The links between St Edmundsbury, in particular Haverhill, and Cambridge are also recognised through the “Economic Interventions for the Greater Cambridge Sub-region” Report.<sup>4</sup> This report outlines the interventions required in order to meet the planned job target of 75,000 in the Greater Cambridge sub-region. Of particular relevance to St Edmundsbury the Report outlines the key role High Value Manufacturing (HVM) will play in the future of the sub-region set out in the East of England Plan. It identifies that the Cambridge hinterland is key in providing land for these uses. The Report suggests possible locations for the provision of such space. In particular, it suggests that Haverhill is one of three possible locations which have the potential to be a “Hi – Tech Product Development and Manufacturing Campus.” The Report also suggests Haverhill has the potential to provide non-university related R&D activity workspace.
- 5.101 Using the future aspirations for the Cambridge hinterland as expressed in the Economic Interventions Report and through our own survey and stakeholder consultation work, we develop two possible scenarios for future growth in St Edmundsbury as follows:
- Growth in High Value Manufacturing (HVM) from the Cambridge sub-region
  - Growth in Research & Development activity from the Cambridge sub-region
- 5.102 We now explain the method used in each Scenario to determine the additional land demand arising from growth in the Cambridge sub-region in the Borough of St Edmundsbury.

### *SCENARIO A: GROWTH IN HIGH VALUE MANUFACTURING*

#### *RATIONALE*

- 5.103 In order to measure the potential impact of growth in HVM in St Edmundsbury from the Greater Cambridge sub-region we firstly define those sectors that constitute HVM. To do this we take the appropriate sub-sectors from the ABI 4-digit classification. As ABI sector forecasts are not available at this level we then have to apportion these sub-sectors to the correct Oxford Economics defined sector in order to assess future growth. We show

examples of the relevant sub-sectors from ABI contained within the Oxford Economics definitions in Table 90 below:

**Table 90 Sectors Considered as High Value Manufacturing**

Example of Relevant Sub-Sectors (ABI)	Oxford Economics Sector
2852 : General mechanical engineering	Manufacturing - Metals and Engineering
2413 : Manufacture of other inorganic basic chemicals	Manufacturing - Chemical and Engineering
2414 : Manufacture of other organic chemicals	Manufacturing - Chemical and Engineering
2415 : Manufacture of fertilisers and nitrogen compounds	Manufacturing - Chemical and Engineering
2441 : Manufacture of basic pharmaceuticals	Manufacturing - Chemical and Engineering
2442 : Manufacture of pharmaceutical preparations	Manufacturing - Chemical and Engineering
3161 : Manufacture of electrical equipment for engines and vehicles not elsewhere classified	Manufacturing - Other & Recycling
3340 : Manufacture of optical instruments and photographic equipment	Manufacturing - Other & Recycling

Source: GVA Grimley / ABI / Oxford Economics

5.104 As Table 90 shows the three sectors we use as a proxy for HVM based on Oxford Economics categorisation are as follows:

- Manufacturing – Metals & Engineering
- Manufacturing – Chemical & Engineering
- Manufacturing – Other & Recycling

5.105 The next step is to measure the growth rates of HVM in the local authorities of Cambridgeshire between 2006 and 2026 to assess the potential level of future growth that could occur within the Borough of St Edmundsbury. Current (2006) employment levels and projected growth rates up until 2026 are shown in Table 91 below:

<sup>4</sup> Roger Tym & Partners, GVA Grimley (2006): Economic Interventions for the Greater Cambridge Sub-Region

**Table 91 Current Employee Numbers and Growth Rates of HVM in Cambridgeshire**

High Value Manufacturing	Employees	% Change
	2006	06 - 26
Cambridge	2,150	-40%
East Cambridgeshire	2,152	-15%
Fenland	2,287	-13%
Huntingdonshire	8,112	-27%
South Cambridgeshire	8,711	-27%
Cambridgeshire County	23,412	-26%
St Edmundsbury	5,507	-31%

Source: Oxford Economics

- 5.106 As Table 91 shows, HVM is forecast to decline in each of the local authorities within Cambridgeshire as well as St Edmundsbury. However, the decline is less severe in many of the local authorities within Cambridgeshire.
- 5.107 For the purpose of this scenario we assume that HVM declines at the lesser rate of East Cambridgeshire as an indication of what may occur in St Edmundsbury if it begins to realise growth related to Cambridge. This is a realistic assumption based on the aspirations of the Greater Cambridge sub-region to incorporate growth in the Cambridge hinterland. This will, of course, have the effect of increasing the overall requirements for Other Business Space floorspace within the Borough.
- 5.108 We therefore assume that HVM will decline by 15% in St Edmundsbury, as opposed to the baseline forecast of 31% decline, which has the effect of increasing the total requirement for HVM employees by 988 between 2006 and 2026 (see Table 92 below).

**Table 92 Additional Employment in HVM in St Edmundsbury using East Cambridgeshire percentage change**

Area	Baseline Change Rate	Baseline Employment Numbers	Scenario Change Rate	Scenario Employment Numbers	Additional HVM Employment
	06 -26	2026	06 - 26	2026	
St Edmundsbury	-31%	3,801	-15%	4,789	988

Source: Oxford Economics / GVA Grimley

- 5.109 Using our 4-digit sector conversion matrix we apportion each sub sector within the HVM sectors (defined at paragraph 5.104) to Office, Other Business Space or Warehousing. This analysis shows that all sectors within HVM relate to Other Business Space floorspace, so this Scenario only has an effect on floorspace requirements of this type. The results of this are shown in Table 103 later in this Chapter.

### SCENARIO B: GROWTH IN RESEARCH & DEVELOPMENT IN ST EDMUNDSBURY

- 5.110 In order to measure the potential impact of growth in Research & Development employment in St Edmundsbury from the Greater Cambridge sub-region, we use a similar method as our previous scenario, growth in HVM.
- 5.111 We firstly define those sectors that constitute Research & Development. To do this we take the appropriate sub-sectors from the ABI 4-digit classification. Again, ABI sector forecasts are not available at this level so we apportion these sub-sectors to the correct Oxford Economics defined sector in order to assess future growth. We show examples of the relevant sub-sectors from ABI contained within the Oxford Economics definitions in Table 93 below:

**Table 93 Sectors Considered as Research & Development**

Relevant Sub-Sectors (ABI)	Oxford Economics Sector
7210 : Hardware consultancy	Business Services - Computer Related
7221 : Publishing of software	Business Services - Computer Related
7222 : Other software consultancy and supply	Business Services - Computer Related
7230 : Data processing	Business Services - Computer Related
7310 : Research and experimental development on natural sciences and engineering	Business Services - Research & Development, Technical Testing
7320 : Research and experimental development on social sciences and humanities	Business Services - Research & Development, Technical Testing
7430 : Technical testing and analysis	Business Services - Research & Development, Technical Testing

Source: GVA Grimley / ABI / Oxford Economics

- 5.112 As Table 93 shows the two sectors we use as a proxy for Research & Development are as follows:
- Business Services – Computer Related
  - Business Services – Research & Development, Technical Testing
- 5.113 The next step is to measure the growth rates of Research & Development in the local authorities of Cambridgeshire between 2006 and 2026 to assess the potential level of future growth that could occur within the Borough of St Edmundsbury. Current (2006) employment levels and projected growth rates up until 2026 are shown in Table 94 below:

**Table 94 Current Employee Numbers and Growth Rates of R&D Employment in Cambridgeshire / St Edmundsbury**

R & D	Employees	% Change
	2006	06 - 26
Cambridge	7,382	61%
East Cambridgeshire	743	117%
Fenland	369	31%
Huntingdonshire	2,935	45%
South Cambridgeshire	8,159	71%
Cambridgeshire County	19,588	64%
St Edmundsbury	887	100%

Source: Oxford Economics

- 5.114 As Table 94 shows R&D is forecast to grow significantly in each of the local authorities within Cambridgeshire as well as St Edmundsbury. As in Scenario A, we again assume that the R&D sectors grow at the higher rate of East Cambridgeshire as an indication of what may occur in St Edmundsbury if it begins to realise growth related to Cambridge. This will, of course, have the effect of increasing the overall requirements for floorspace within the Borough.
- 5.115 Assuming that the R&D sectors increase by 117% in St Edmundsbury has the effect of increasing the total requirement for R&D employees by 1,038 in St Edmundsbury between 2006 and 2026. This is shown in Table 95 below:

**Table 95 Additional Employment in R&D in St Edmundsbury using East Cambridgeshire Growth Rate**

Area	Baseline Change Rate	Baseline Employment Numbers	Scenario B Change Rate	Scenario B Employment Numbers	Additional R&D Employment
	06 -26	2026	06 - 26	2026	
St Edmundsbury	100%	887	117%	1,925	1,038

Source: Oxford Economics / GVA Grimley

- 5.116 Using our 4-digit sector conversion matrix we apportion each sub sector within the R&D sectors (defined at paragraph 5.112) to Office, Other Business Space or Warehousing. This analysis shows that 99% of the sectors within HVM relate to Office floorspace, and the remaining 1% is in Other Business Space floorspace. The results for this Scenario are shown in Table 104 later in this Chapter.

### *FOREST HEATH*

- 5.117 Our analysis of the major economic drivers for Forest Heath District again shows that it is growth in the Greater Cambridge sub-region that is likely to be the strongest driver for future growth in the District.
- 5.118 In common with the links between Cambridgeshire and St Edmundsbury, defined through the “Economic Interventions for the Greater Cambridge Sub-region” report.<sup>5</sup>, Forest Heath has similarly strong links. Forest Heath is part of the Cambridge hinterland viewed as key in providing land for HVM uses. The report identifies Mildenhall / Newmarket as one of three possible locations which have the potential to be a Hi – Tech Product Development and Manufacturing Campus.
- 5.119 Given that Forest Heath has similar links as St Edmundsbury to Cambridge we apply the HVM scenario developed for St Edmundsbury and apply it to Forest Heath. Given that Forest Heath District is not mentioned as a possible location for non university R&D and that the projected growth rates in R&D employment in Forest Heath in fact exceed those within Cambridgeshire, we exclude this scenario at this stage.
- 5.120 This results in the following scenario results for Forest Heath District.

### *SCENARIO A - GROWTH IN HIGH VALUE MANUFACTURING IN FOREST HEATH*

#### *RATIONALE*

- 5.121 Using the same methodology as developed for St Edmundsbury we compare growth rates in HVM in Forest Heath with those in Cambridgeshire. Current (2006) employment levels and projected growth rates up until 2026 are shown in Table 96 below:

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<sup>5</sup> Roger Tym & Partners, GVA Grimley (2006): Economic Interventions for the Greater Cambridge Sub-Region

**Table 96 Current Employee Numbers and Growth Rates of HVM in Cambridgeshire**

High Value Manufacturing	Employees	% Change
	2006	06 - 26
Cambridge	2,150	-40%
East Cambridgeshire	2,152	-15%
Fenland	2,287	-13%
Huntingdonshire	8,112	-27%
South Cambridgeshire	8,711	-27%
Cambridgeshire County	23,412	-26%
Forest Heath	2,687	-32%

Source: Oxford Economics

- 5.122 As Table 96 shows HVM is forecast to decline in each of the local authorities within Cambridgeshire as well as Forest Heath. We again assume that HVM declines at the lesser rate of East Cambridgeshire as an indication of what may occur in Forest Heath if it begins to realise growth related to Cambridge. This is a realistic assumption based on the aspirations of the Greater Cambridge sub-region. This will have the effect of increasing the overall requirements for floorspace within the District.
- 5.123 We now assume that HVM will decline by 15% in Forest Heath which has the effect of increasing the total requirement for HVM employees by 576 in Forest Heath between 2006 and 2026.

**Table 97 Additional Employment in HVM in Forest Heath using East Cambridgeshire percentage change**

Area	Baseline Change Rate	Baseline Employment Numbers	Scenario Change Rate	Scenario Employment Numbers	Additional HVM Employment
	06 -26	2026	06 - 26	2026	
Forest Heath	-32%	2,112	-15%	2,687	576

Source: Oxford Economics / GVA Grimley/Forest Heath BC

- 5.124 Using our 4-digit sector conversion matrix we have apportioned each sub sector within the HVM sectors (defined at paragraph 5.104) to Office, Other Business Space or Warehousing. This analysis shows that all sectors within HVM relate to Other Business Space floorspace. The results of this Scenario are shown in Table 106 later in this Chapter.

## ASSESSMENT OF CHANGING WORKING PRACTICES

- 5.125 The issue of changing work practices and their effect on the space needed per employee in the future is a much debated topic. The theory is that the increase in home working, hot-desking and cost pressures on employers to use space more cost effectively results in higher employee densities per sq m.
- 5.126 A recent study<sup>6</sup> asserted that there was some evidence to support changing practices, with big employers such as BP and IBM requesting lower employment densities for their offices. Anecdotal evidence suggests they were encouraging more hot-desking and flexible working patterns within their organisations. However, a quantitative study of the South East<sup>7</sup> concluded that employment densities were not changing overall in the region and did not make any strong conclusions on changing work practice.
- 5.127 While there is no quantifiable evidence to suggest that employment densities are changing, the view that they will alter in the future is supported by a recent report by the Chartered Management Institute<sup>8</sup>. They predict that the workplace will undergo significant change by 2018. They cite pressures to reduce carbon footprint and an ageing population which will require more time looking after elderly relatives as key reasons for this change. This will result in more work from home and possibly an alteration in the number of days that an individual works per week.
- 5.128 While there is a strong consensus that working practices will change, there is a lack of detailed quantitative studies to give an idea of what it will mean for employment density requirements in the future.

## CONCLUSION

- 5.129 In summary, we have based employment floorspace requirements in each local authority on forecasts from Oxford Economics which give an indication of employment needs into the future. We have made allowances for unexpected losses of employment land and for churn demand. The allowances for both factors are based on past trends of the preceding four years. Both churn requirements and unexpected losses have been apportioned to the different floorspace use types according to their current size.
- 5.130 We now present the synthesis demand forecast for each local authority.

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<sup>6</sup> Roger Tym & Partners, Ramidus Consulting & King Sturge (2006), The Use of Business Space in London

<sup>7</sup> DTZ Pleda (2004) Use of Business Space and Changing Working Practices in the South East

<sup>8</sup> Chartered Management Institute (March 2008): Management Futures – The World in 2018



### MID SUFFOLK

- 5.131 A synthesis forecast that combines all of the considered factors is shown for Mid Suffolk in Table 98. We have also included the current Valuation Office Agency (VOA) Rateable Value statistics to give an indication of the current split in the District of Office, Other Business Space and Warehousing floorspace..

**Table 98 Synthesis Employment Land Requirements of Mid Suffolk 2006 -2026**

	VOA Stock 2007	% of Total Stock	Floorspace Demand 2006 - 2026	Allowance for windfall losses	Allowance for Churn	Change in floorspace
	m <sup>2</sup>	%	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>
Office	75,000	8%	9,318	2,109	942	12,369
Other Business Space	493,000	52%	22,302	5,545	3,350	31,197
Warehouse	378,000	40%	11,815	4,252	2,568	18,635
<b>Total</b>	<b>946,000</b>	<b>100%</b>	<b>43,435</b>	<b>11,905</b>	<b>6,860</b>	<b>62,200</b>

Source: GVA Grimley / Oxford Economics

### IPSWICH POLICY AREA

- 5.132 In order to estimate demand for future employment land within the Ipswich Policy Area parishes of Mid Suffolk we take account of the current proportion of B Class jobs in the parishes compared to the District overall.
- 5.133 The six parishes are Akenham, Claydon, Barham, Great Blakenham, Whitton and Bramford and the current proportions of B-Class jobs compared to Mid Suffolk are:
- Office: 9.3%
  - Other Business Space: 4%
  - Warehousing: 3.5%
- 5.134 Taking these proportions into consideration our estimate of the total base case requirements for employment land in the Ipswich Policy Area is shown in Table 99 below:

**Table 99 Employment Land Requirements in the Ipswich Policy Area of Mid Suffolk**

	Change in floorspace for Mid Suffolk District	Current proportion of total stock in Ipswich Policy Area	Total Requirement in Ipswich Policy Area
	m <sup>2</sup>	%	m <sup>2</sup>
Office	12,369	9.3	1,149
Other Business Space	31,197	4	1,261
Warehouse	18,635	3.5	659
<b>Total</b>	<b>62,200</b>		<b>3,070</b>

Source: GVA Grimley/ ABI

## SCENARIOS FOR MID SUFFOLK DISTRICT

- 5.135 The two scenarios relating to future development at the Port of Felixstowe are now considered in turn to assess the effect of these on employment demand levels within Mid Suffolk District. This provides options within the final balance of supply and demand and allows for flexibility when planning future employment land policies.

### SCENARIO A – HIGH GROWTH AT THE PORT OF FELIXSTOWE

- 5.136 Table 100 shows the result of this analysis are that Mid Suffolk District has additional land demand of 67.4 Ha under the high growth scenario from the Port of Felixstowe. Scenario A, which assesses the impact of high growth from the Port of Felixstowe on Mid Suffolk District shows that Mid Suffolk District has additional land demand of 67.4 Ha. This is shown in Table 100 below:

**Table 100 Estimated Additional Demand in Mid Suffolk from Scenario A**

Optimistic Scenario	Land Requirement (Ha)	Current Mid Suffolk Proportion (%)	Mid Suffolk Additional Land Requirement (Ha)	Mid Suffolk Additional Floorspace Requirement (m <sup>2</sup> )
Open Storage	37.2	55.5	20.6	82,400
Warehousing	81.5	55.5	45.2	180,800
Total Warehousing	118.6	55.5	65.8	263,200
Ancillary*	17.7	9	1.6	16,000
<b>Total</b>	<b>136.4</b>		<b>67.4</b>	<b>279,200</b>

Source: GVA Grimley based on GHK Estimates \* = we assume ancillary uses to be office use in this calculation

### SCENARIO B – STEADY GROWTH AT THE PORT OF FELIXSTOWE

- 5.137 Scenario B, which assumes that growth from port-related activities will follow similar patterns to recent years, gives an estimated future land demand of 24.6 ha in the District. This is shown in Table 101 below:

**Table 101 Estimated Additional Land Demand in Mid Suffolk from Scenario B**

Business As Usual Scenario	Land Requirement (Ha)	Current Mid Suffolk Proportion (%)	Mid Suffolk Additional Land Requirement (Ha)	Mid Suffolk Additional Land Requirement (m <sup>2</sup> )
Open Storage	13.6	55.5	7.5	30,000
Warehousing	29.8	55.5	16.5	66,000
Total Warehousing	43.4	55.5	24	96,000
Ancillary*	6.5	9	0.6	6,000
<b>Total</b>	<b>50.2</b>		<b>24.6</b>	<b>102,000</b>

Source: GVA Grimley based on GHK Estimates \* = we assume ancillary uses to be office use in this calculation

### ST EDMUNDSBURY

- 5.138 A synthesis forecast that combines all of the considered factors is shown for St Edmundsbury in Table 102. We have also included the current Valuation Office Agency (VOA) Rateable Value statistics to give an indication of the current split in the District of Office, Other Business Space and Warehousing floorspace.

**Table 102 Synthesis Employment Land Requirements of St Edmundsbury 2006-2026**

	VOA Stock 2007	% of Total Stock	Floorspace Demand 2006 - 2026	Allowance for windfall losses	Allowance for Churn	Change in floorspace
	m <sup>2</sup>	%	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>
Office	139,000	11%	54,157	30,665	2,178	87,000
Other Business Space	604,000	49%	91,661	53,299	42	145,002
Warehouse	496,000	40%	40,540	43,769	546	84,855
<b>Total</b>	<b>1,239,000</b>	<b>100%</b>	<b>186,358</b>	<b>127,732</b>	<b>2,766</b>	<b>316,856</b>

Source: GVA Grimley / Oxford Economics

### SCENARIOS FOR ST EDMUNDSBURY BOROUGH

- 5.139 The two scenarios relating to future growth from the Greater Cambridge sub-region are now considered in turn to assess the effect of these on employment demand levels within

St Edmundsbury Borough. This provides options within the final balance of supply and demand and allows for flexibility when planning future employment land policies.

#### SCENARIO A: GROWTH IN HIGH VALUE MANUFACTURING

- 5.140 This Scenario assesses future growth in HVM in St Edmundsbury from growth in the Greater Cambridge sub-region. Using our standard employment densities this results in an increase in Other Business Floorspace Requirements of 31,616 m<sup>2</sup> between 2006 and 2026, as shown in Table 103 below.

**Table 103 Additional Floorspace Requirement in St Edmundsbury from Scenario A**

	Employee Change 06 – 26	Employment Density m <sup>2</sup> per employee	Floorspace Change 06 -26 m <sup>2</sup>
Office	0	18	0
Other Business Space	988	32	31,616
Warehouse	0	50	0
<b>Total</b>	<b>988</b>		<b>31,616</b>

Source: Oxford Economics / GVA Grimley

#### SCENARIO B: GROWTH IN RESEARCH & DEVELOPMENT IN ST EDMUNDSBURY

- 5.141 Using our 4-digit sector conversion matrix we apportion each sub sector within the R&D sectors (defined at paragraph 5.112) to Office, Other Business Space or Warehousing. This analysis shows that 99% of the sectors within HVM relate to Office floorspace, and the remaining 1% is in Other Business Space floorspace. This results in an increase in office floorspace requirements of 18,498m<sup>2</sup> and of Other Business Space floorspace of 332m<sup>2</sup>.

**Table 104 Additional Floorspace Requirement in St Edmundsbury from Scenario B**

	Employee Change 06 -26	Employment Density m <sup>2</sup> per employee	Floorspace Change 06 -26 m <sup>2</sup>
Office	1,028	18	18,498
Other Business Space	10	32	332
Warehousing	0	50	
<b>Total</b>	<b>1,038</b>		<b>18,830</b>

Source: Oxford Economics / GVA Grimley

### FOREST HEATH

- 5.142 A synthesis forecast that combines all of the considered factors is shown for Forest Heath in Table 105. We have also included the current Valuation Office Agency (VOA) Rateable Value statistics to give an indication of the current split in the District of Office, Other Business Space and Warehousing floorspace.

**Table 105 Synthesis Employment Land Requirements of Forest Heath 2006 -2026**

	VOA Stock 2007	% of Total Stock	Floorspace Demand 2006 - 2026	Allowance for windfall losses	Allowance for Churn	Change in floorspace
	m <sup>2</sup>	%	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>
Office	60,000	12%	31,596	23,456	709	55,761
Other Business Space	272,000	56%	41,263	42,533	1,211	85,007
Warehouse	153,000	32%	19,297	23,925	681	43,903
<b>Total</b>	<b>485,000</b>	<b>100%</b>	<b>92,157</b>	<b>89,913</b>	<b>2,602</b>	<b>184,672</b>

Source: GVA Grimley / Oxford Economics

### SCENARIOS FOR FOREST HEATH DISTRICT

- 5.143 The scenario relating to future growth from the Greater Cambridge sub-region is now considered to assess its affect on employment demand levels within Forest Heath District. This provides options within the final balance of supply and demand and allows for flexibility when planning future employment land policies.

#### SCENARIO A - GROWTH IN HIGH VALUE MANUFACTURING IN FOREST HEATH

- 5.144 This scenario, the same as that developed for St Edmundsbury results in an increase in Other Business Floorspace Requirements of 18,419 m<sup>2</sup> between 2006 and 2026. Using our standard employment densities as shown in Table 106 below.

**Table 106 Additional Floorspace Requirement in Forest Heath from Scenario A**

	Employee Change 06 – 26	Employment Density m <sup>2</sup> per employee	Floorspace Change 06 -26 m <sup>2</sup>
Office	0	18	0
Other Business Space	576	32	18,419
Warehouse	0	50	0
<b>Total</b>	<b>576</b>		<b>18,419</b>

Source: Oxford Economics / GVA Grimley

## 6. BALANCING DEMAND AND SUPPLY

### INTRODUCTION

- 6.1 The final step of the Employment Land Review is to balance future employment land demand with available supply in order to assess the overall requirement for employment land in each local authority area. This leads to a series of conclusions that inform spatial policy making within each authority and inform the forthcoming Local Development Framework and other Local Development Documents.

### THE MARKET BALANCE

- 6.2 The base case employment land demand and economic development scenarios are set out in Chapter 5. We now combine this demand analysis with the employment land supply estimates set out in Chapter 4 to provide an assessment of future employment land requirements in each local authority. The final stage is to transfer employment floorspace requirements in square metres into employment land requirements in hectares.
- 6.3 At this stage we also combine Other Business Space and Warehousing requirements into a single category. The locational needs of these uses are generally the same, as are the applicable plot ratios. We do this under the following plot ratio assumptions, which are generally regarded as standard in published employment land literature
- Office: 1
  - Industrial: 0.4
- 6.4 We now provide the supply and demand balance for each local authority in order to prepare for future employment land requirements.

#### *MID SUFFOLK*

- 6.5 Overall employment land requirements for Mid Suffolk up to 2026, including the base case and our two Scenarios, are shown in Table 107 below:

**Table 107 Requirements for B Class Employment Land Compared with Supply in Mid Suffolk 2006 – 2026**

Demand				
	Demand		Supply	Land Surplus /Deficit
Base Case	Floorspace (m <sup>2</sup> )	Land (Ha)	Land (Ha)	Ha
Office	12,369	1.2	1	-0.2
Industrial	49,832	12.5	22.6	10.1
Total	62,200	13.7	23.6	9.9
<b>Scenario A</b>				
Office	28,285	3	1	-1.8
Industrial	313,022	78	22.6	-55.7
Total	403,507	81	23.6	-57.5
<b>Scenario B</b>				
Office	18,202	2	1	-0.8
Industrial	146,026	37	22.6	-13.9
Total	226,428	38	23.6	-14.7

Source: GVA Grimley / Oxford Economics

### BASE CASE

- 6.6 Our base case scenario suggests an oversupply of approximately 9.9 Ha of employment land in Mid Suffolk District for the period to 2006 to 2026. This translates to an undersupply of office land of approximately 0.2 Ha and an oversupply of industrial land of 10.1 Ha.

### SCENARIO A

- 6.7 Scenario A, high growth from the Port of Felixstowe, suggests that there is an under supply of around 57.5 Ha of employment land between 2006 and 2026. This translates to an undersupply of office land of approximately 1.8 ha and an undersupply of industrial land of 55.7 Ha.

### SCENARIO B

- 6.8 Scenario B, moderate growth from the Port of Felixstowe, suggests that there is an undersupply of approximately 14.7 Ha of employment land in Mid Suffolk District. This translates to an undersupply of office land of around 0.8 Ha and an undersupply of industrial land of 13.9 Ha.

**ST EDMUNDSBURY**

6.9 Overall employment land requirements for St Edmundsbury are shown in Table 108 below:

**Table 108 Requirements for B Class Employment Land Compared with Supply in St Edmundsbury 2006 – 2026**

	Demand	Demand	Supply	Land Surplus /Deficit
Base Case	Floorspace (m <sup>2</sup> )	Land (Ha)	Land (Ha)	Ha
Office	87,000	9.7	11.2	1.5
Industrial	229,857	57.7	86.6	28.9
Total	316,856	67.5	97.8	30.3
<b>Scenario A</b>				
Office	87,000	9.7	11.2	1.5
Industrial	261,482	60.9	86.6	25.7
Total	348,482	70.6	97.8	27.2
<b>Scenario B</b>				
Office	105,498	11.5	11.2	-0.3
Industrial	230,189	57.8	86.6	28.8
Total	335,687	69.3	97.8	28.5

Source: GVA Grimley / Oxford Economics

**BASE CASE**

6.10 Our base case scenario suggests there is an oversupply of approximately 30 Ha of employment land in St Edmundsbury Borough for the period 2006 to 2026. This translates to an oversupply of office land of around 1.5 Ha and an oversupply of industrial land of around 28.9 Ha.

**SCENARIO A**

6.11 Scenario A, growth in High Value Manufacturing, suggests that there is an oversupply of approximately 27.2 Ha of employment land in the Borough between 2006 and 2026. There is no change to office requirements therefore the oversupply of office of 1.5 Ha remains. This scenario results in an oversupply of industrial land of around 25.7 Ha.



**SCENARIO B**

- 6.12 Scenario B, growth in R&D employment linked to Cambridgeshire, suggests there is an oversupply of around 28.5 Ha. This translates to an undersupply of 0.3 ha of office and an oversupply of 28.8 Ha of industrial land.

**FOREST HEATH**

- 6.13 Overall employment land requirements for Forest Heath are shown in Table 109 below:

**Table 109 Requirements for B Class Employment Land Compared with Supply in Forest Heath 2006 – 2026**

Base Case	Demand	Demand	Supply	Land Surplus /Deficit
	Floorspace (m <sup>2</sup> )	Land (Ha)	Land (Ha)	Ha
Office	55,761	6	27	21
Industrial	128,911	32	12	-20
Total	184,672	38	39	1
<b>Scenario A</b>				
Office	55,761	6	27	21
Industrial	147,329	37	12	-25
Total	203,090	42	39	-4

Source: GVA Grimley / Oxford Economics

**BASE CASE**

- 6.14 Our base case scenario suggests there is an oversupply of approximately 1 ha of employment land in Forest Heath District for the period 2006 to 2026. This translates to an oversupply of office land of around 21 Ha and an undersupply of industrial land of around 20 Ha.

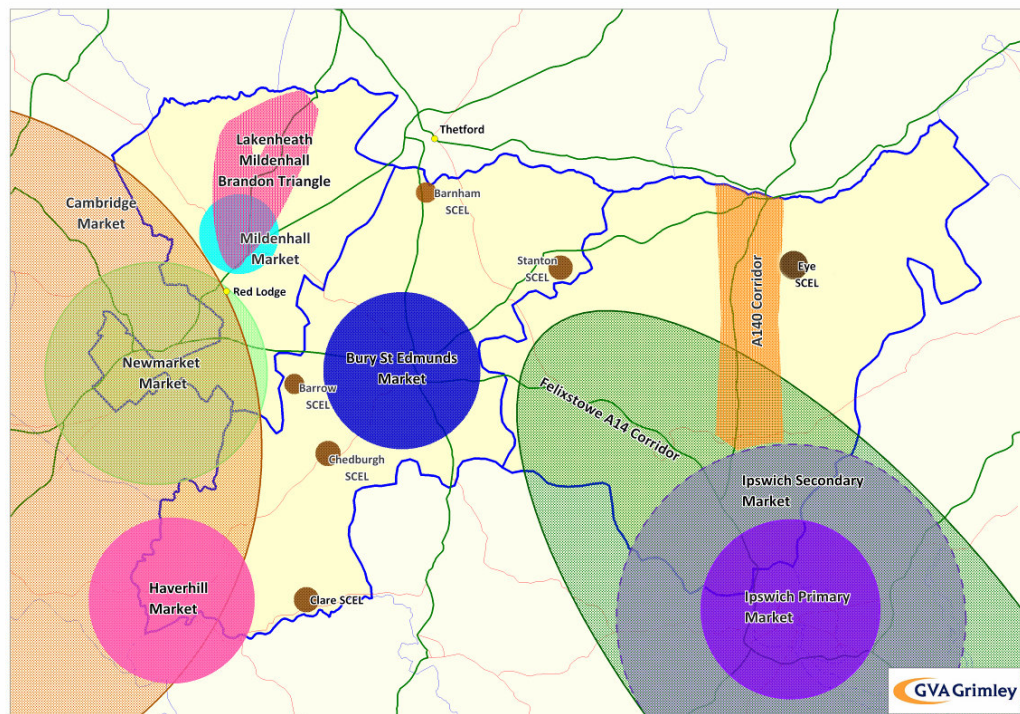
**SCENARIO A**

- 6.15 Scenario A, growth in High Value Manufacturing, suggests that there is an undersupply of employment land of approximately 4 Ha. This translates to an oversupply of office land of approximately 21 Ha and an undersupply of industrial land of approximately 25 Ha.

## 7. CONCLUSIONS AND RECOMMENDATIONS

### *EMPLOYMENT LAND BALANCE*

- 7.1 Our base case scenario shows that there is an oversupply of employment land in Mid Suffolk for the period 2006 to 2026. This equates to the adequate amount of land in the pipeline to meet expected demand.
- 7.2 Overall, our base case analysis of projected demand compared to planned supply shows that the Districts of Mid Suffolk and Forest Heath have the appropriate balance of employment land for the planning period until 2026. St Edmundsbury Borough has a significant oversupply of employment land compared to projected demand, principally due to the significant 70 Ha allocation of employment land as part of the Suffolk Business Park extension.
- 7.3 Our scenario analysis shows that potential growth from the Port of Felixstowe and Cambridgeshire means that both Mid Suffolk and Forest Heath must consider allocating more employment land in quantitative terms if this growth is realised. St Edmundsbury's large oversupply means that no more land needs to be allocated due to additional demand from Cambridgeshire.
- 7.4 While the quantitative balance of employment land is important, it is also important to have the correct qualitative balance to meet future demand in terms of type, quality, size, price and location of stock.
- 7.5 As an economic sub-region Western Suffolk demonstrates a number of distinct economic influences in different parts of the sub region.
- The Felixstowe A14 Corridor
  - Ipswich Primary & Secondary Market
  - The A 140 Corridor
  - Bury St Edmunds Market
  - Newmarket Market
  - Cambridge Market

**Figure 23 Strategic Drivers within Western Suffolk**

Source: GVA Grimley

## THE FELIXSTOWE A14 CORRIDOR

- 7.6 The Felixstowe A14 Corridor has an effect on the employment offer in the southern and western clusters of Mid Suffolk, specifically Mid Suffolk South, Mid Suffolk Stowmarket and Mid Suffolk West.
- 7.7 There is a high concentration of distribution related activities that are linked to shipping and sea freight in these areas.

## THE IPSWICH MARKET

- 7.8 The Ipswich market is both primary and secondary. The primary market contains the towns of Great Blakenham and Claydon, with strong links between Ipswich and these employment locations. The secondary market extends to incorporate the employment sites in Needham Market

## THE A 140 CORRIDOR

- 7.9 The employment sites in Mid Suffolk North in locations such as Eye are not strongly linked to any particular markets, the commonality being the presence of the A140 which is viewed as a significant arterial road for the movement of goods.

## BURY ST EDMUNDS MARKET

- 7.10 The Bury St Edmunds market is relatively self contained and serves the surrounding locality. There are links to Cambridge but the major market for businesses within this area is Bury St Edmunds.

## NEWMARKET MARKET

- 7.11 Newmarket is a defined employment location and has many employers within it which have a focus based around the town itself. This is particularly evident within the horse racing industry where a number of employers provide bespoke services to it.

## CAMBRIDGE MARKET

- 7.12 Cambridge has a strong influence on the southern parts of Forest Heath and St Edmundsbury, particularly distribution employment in Haverhill and the presence of some high-tech industries within Newmarket.

## LAKENHEATH / MILDENHALL / BRANDON TRIANGLE

- 7.13 Mildenhall in itself is a major employment location with a high concentration of employers in one location: - the Mildenhall Industrial Estate. The military activities of the US Air Force clearly have an impact on the employment offer in these areas with military vehicle manufacturers and a number of ancillary employers related to the presence of the US military.

## SELF CONTAINED EMPLOYMENT LOCATIONS

- 7.14 Across the three local authorities there are a number of self contained rural employment locations which operate with few linkages to outside markets and appear to serve the

surrounding vicinity. This is particularly noticeable in St Edmundsbury with villages such as Clare and Chedburgh.

- 7.15 The A14 is the key common influence across Western Suffolk as it runs through the sub-region linking the two major drivers of economic growth, Felixstowe and Cambridge. This, coupled with continued growth in logistics and port related employment from Felixstowe, the continuing growth of Bury St Edmunds as a Key Centre for Development and Change and growth in the Cambridge sub-region will be the key drivers of growth in the sub-region throughout the planning period.
- 7.16 Based on these findings, augmented with the findings of our survey of local businesses and consultation with key stakeholders we make recommendations for Western Suffolk as a whole and for each local authority area at both a strategic and site cluster level.

## RECOMMENDATIONS

### STRATEGIC

#### *R1: ENSURE JOINT WORKING BETWEEN LOCAL AUTHORITIES THROUGHOUT THE PLANNING PERIOD*

- 7.17 Given the key common influences within the sub-region including the A14, the effect of Ipswich, the Port of Felixstowe and Cambridge we recommend that Suffolk County Council, Forest Heath District Council, Mid Suffolk District Council and St Edmundsbury Borough Council continue to work together to develop coherent planning and economic policies for the planning period. This will ensure that future decisions that are made are informed by factors beyond local authority boundaries and reflect the economic climate within the wider area. In view of the influence of Ipswich on employment in the Claydon / Great Blakenham area of Mid Suffolk, consideration should be given to joint working between MSDC and Ipswich Borough should the Haven Gateway ELR recommend such an approach.

#### *R2: DEVELOP AN OVERARCHING INWARD INVESTMENT STRATEGY FOR SUFFOLK*

- 7.18 The Western Suffolk sub-region has a number of different economic drivers as we have shown in Figure 23. It is clear that Cambridgeshire is the major driver of the sub-region's western side and that the Port of Felixstowe and Ipswich are the major influences on its eastern side. In addition, Bury St Edmunds is a Key Centre for Development and Change

which will itself entail major employment growth. It also has clusters of aviation, equine and food related employment.

- 7.19 Given these different economic drivers in the sub-region we recommend that Suffolk County Council and Choose Suffolk develop an inward investment strategy for Suffolk which clearly defines the Western Suffolk sub-region within a regional and national context. This should detail the economic focus of the County and how each sub-region contributes to economic growth in the future. In addition it should outline the sectors Suffolk should attract and how it can retain those key sectors already present. Its final output should be the development of a defined proposition for Suffolk as an investment location.

### *R3: CONTINUE TO INVEST AND ENHANCE STRATEGIC TRANSPORT INFRASTRUCTURE*

- 7.20 A key theme of our survey of 99 businesses across Western Suffolk was the importance of 'good access links to rest of Suffolk' as a locational decision. A "requirement for better transport links" was also cited by 26% of respondents as a major issue over the last two or three years. Further interviews with key stakeholders and our own assessment of the commercial property market show that the A14 corridor is vital to the area's economic prosperity. We have identified that this road also has its problems with commercial property agents and stakeholders commenting that the A14 has congestion / capacity problems around Bury St Edmunds and Red Lodge. With this in mind we recommend that Suffolk County Council and the Highways Agency continue to maintain and improve the road network across West Suffolk. The actual delivery of these improvements will depend on funding, which at this moment is not readily available.
- 7.21 At a local authority level our Commercial Property Market Analysis in Chapter 2 and our stakeholder consultations have indicated that the A1307, which links Haverhill and Cambridge, has poor links with poor junction access and safety issues.
- 7.22 The A140, which links Ipswich and Norwich, also has issues with capacity and speed restrictions as identified through our site survey, stakeholder consultations and commercial property market assessment.
- 7.23 The employment site survey in Forest Heath District showed that rail access to all employment clusters was poor and the strategic servicing of employment sites was also relatively poor particularly in the north of the District. Furthermore, our business survey showed that a lower proportion of businesses in Forest Heath cited good access links as a reason for locating at their current site compared to the rest of Western Suffolk

7.24 We therefore make the following recommendations at a local authority level, acknowledging the need for the necessary funding to be in place for these to be implemented:

- **R4:** Given the condition of the A1307 we recommend that St Edmundsbury Borough Council along with Suffolk County Council, Cambridgeshire County Council and The Highways Agency undertake the necessary road improvements to promote the strong linkages between Haverhill and Cambridge further in the future.
- **R5:** Given the capacity issues we recommend that Mid Suffolk District Council, Suffolk County Council and The Highways Agency undertake the necessary improvements to the A140 which would better link Ipswich and Norwich and improve the strategic benefits of Eye as an employment location.
- **R6:** Given the weak transport links in Forest Heath we recommend that Forest Heath District Council, Suffolk County Council and The Highways Agency undertake the necessary improvements to the strategic road network particularly the A11 between Fiveways and Thetford and the A1065 between Mildenhall and Brandon.

***R7: DELIVER EMPLOYMENT IN A SUSTAINABLE MANNER***

7.25 The nature of the future employment projections, which are derived from past trends and estimated future housing and population growth, mean employment land has to be delivered in line with housing growth across the sub-region. This joint aspiration is central to delivering sustainable communities by providing the correct mix of housing and employment growth through the allocation of sites in the LDF process. We therefore recommend that employment land delivery is carefully reviewed and monitored through each local authority's Annual Monitoring Reports in conjunction with progress against housing targets to ensure the balance between employment growth and housing growth is successfully measured.

7.26 In particular, we recommend that the three local authorities:

- **R8:** Carry out a review of employment forecasts at 5 year intervals and link this with housing completions in the same period to ensure employment land requirements retain their validity.
- **R9:** Monitor key data on employment land lost to other uses and developed on Previously Developed Land and 3-5 year intervals to ensure the continued validity of future employment land requirements.

- *R10:* In line with the scenarios developed in Chapter 5, we recommend that each local authority monitors employment changes, both in quantitative and in sector terms, from the Port of Felixstowe and Cambridgeshire to ensure employment land requirements are in line with the increasing activity in each of these key areas.

#### *R11: PROMOTE HIGH QUALITY MIXED USE BUSINESS PARKS*

- 7.27 Our analysis shows that there are future requirements for a mix of both office and industrial uses to 2026<sup>9</sup> throughout Western Suffolk. In addition we have identified, through our commercial property market assessment, that there is a need to provide high quality mixed use stock to the market. Agents commented on the lack of choice in the commercial property market in general in Western Suffolk and cite the high presence of “B” grade stock in Bury St Edmunds as an example of this. Our business survey also showed a significant proportion of respondents who viewed the availability of appropriate premises as an issue. In addition there is a high presence of small firms (employing less than 25 employees) in Western Suffolk which means a need for smaller premises is also prevalent.
- 7.28 We therefore recommend that each local authority promote high quality mixed use business parks with a range of sizes and uses in order to meet future demand within each area and ensure the market provides the necessary stock to keep existing occupiers satisfied.

#### *R12: PROTECT SELF CONTAINED EMPLOYMENT LOCATIONS*

- 7.29 Through this study we have identified a number of Self Contained Rural Employment Locations (see Figure 2324). Each of these locations are self-contained and play an important role in serving a defined local market. They also act as important employment clusters in some cases; for example, Eye Airfield is home to a concentration of food production companies. We therefore recommend that these employment locations are protected and any loss to other land uses resisted.
- 7.30 We recommend that employment development should be based on serving the needs of local markets, given the presence of stronger strategic employment locations in each local authority.

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<sup>9</sup> See Table 107, Table 108 and Table 109



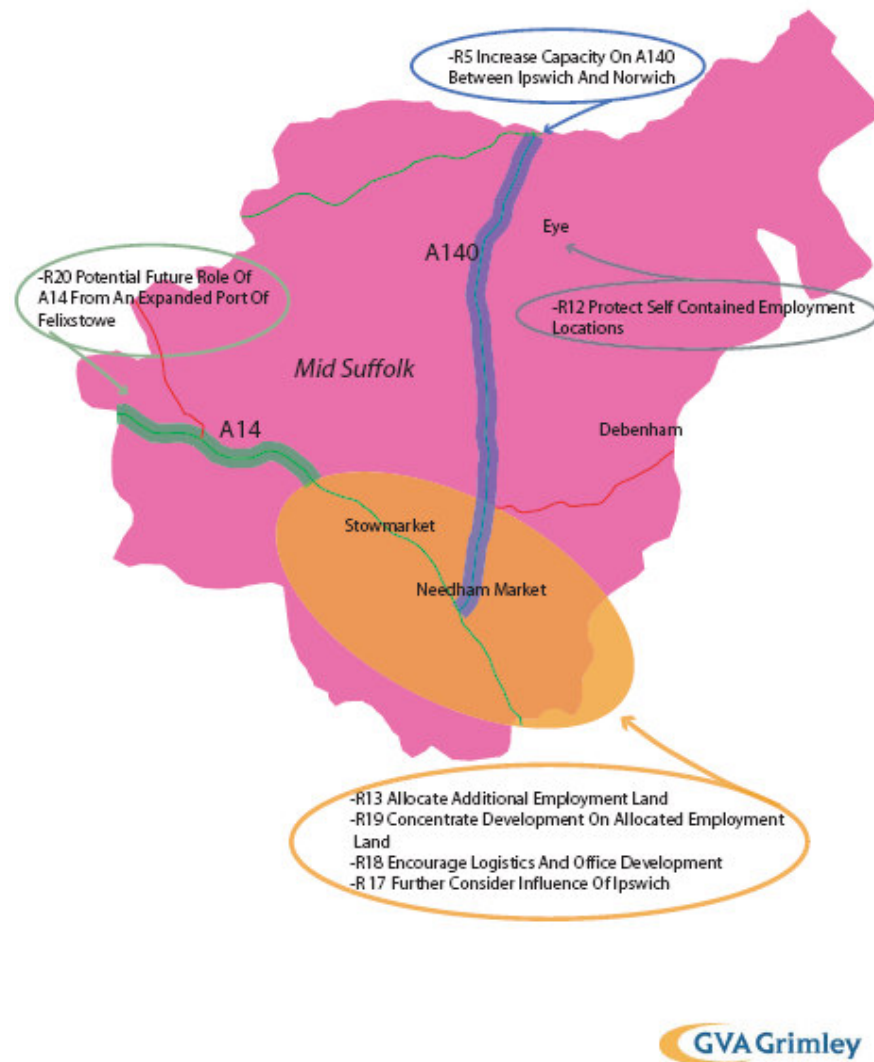
*R 13: ALLOCATE EMPLOYMENT LAND IN LINE WITH SCENARIOS IN MID SUFFOLK AND FOREST HEATH*

7.31 Given that the Scenarios developed for Mid Suffolk and Forest Heath indicate a total undersupply of employment land we therefore recommend that both local authorities identify appropriate sites for employment development and allocate these for employment uses. Specifically, we recommend that:

- *R14:* Mid Suffolk District considers appropriate sites for employment allocation in either Mid Suffolk Stowmarket or Mid Suffolk South given their proximity to the Port of Felixstowe where highest demand is expected to be in the future.
- *R15:* Forest Heath District Council consider appropriate sites for employment allocation in either Forest Heath South or Forest Heath Newmarket because of the strong strategic nature of these employment locations outlined in our supply analysis and their proximity to Cambridgeshire, the expected driver of additional demand.

## MID SUFFOLK

**Figure 24 Recommendations for Mid Suffolk District**



### *R16: MAINTAIN EXISTING EMPLOYMENT SITES MID SUFFOLK*

- 7.32 Our base case analysis shows that overall the future demand and allocated supply is balanced in Mid Suffolk District (see Table 107). Given the balance we recommend that existing allocated sites are retained in the District to provide sufficient land for future employment growth.

*R17: FURTHER CONSIDER THE INFLUENCE OF IPSWICH*

- 7.33 This report identifies the Port of Felixstowe as the most significant driver of additional employment land demand on strategic sites throughout the planning period, given the expected timeframe and scale of demand. However, it is clear that Ipswich will also have a potentially large impact on employment land requirements on the District, particularly the six Ipswich Policy Area Parishes.
- 7.34 Commercial agents comment in Chapter 2 on the trend of firms moving from Ipswich to Great Blakenham and Claydon. This has been confirmed through our own economic research and discussions with key stakeholders. However, given that the major driver of demand is from Ipswich itself we recommend that further work is carried out to identify the likely influence that employment increases in Ipswich will have on Mid Suffolk District. This should be covered in the forthcoming Haven Gateway Employment Land Review if possible using the same rationale as developed in this study.

**SITE LEVEL****MID SUFFOLK SOUTH***R18: ENCOURAGE DEVELOPMENT FOR LOGISTICS AND OFFICE USES*

- 7.35 Given future demand patterns for Mid Suffolk District which outline growth in office and industrial uses and the strong influence of Port of Felixstowe related employment outlined in Chapter 5 (See Table 71 as an example) we recommend that sites suitable for logistics and office uses are developed within Mid Suffolk South, particularly in the Ipswich Parish Areas. This is primarily due to the proximity to both the Port of Felixstowe and to Ipswich itself which are expected to be the key drivers of demand in the District in the future. This should be considered in conjunction with the findings of the Haven Gateway Employment Land Review to provide a comprehensive assessment of the future needs of the Port of Felixstowe.

## MID SUFFOLK STOWMARKET

### *R19: CONCENTRATE DEVELOPMENT ON ALLOCATED EMPLOYMENT LAND IN STOWMARKET*

- 7.36 Given its strong strategic score in the employment site survey and the attractiveness of Stowmarket as both an office and industrial location identified through or Commercial Property Market Assessment (as outlined in Chapter 2) we recommend that the current allocated employment land, known as Cedars Park, should be the main focus for employment development in Mid Suffolk Stowmarket. The site has good strategic transport links and is close to existing employment clusters making it a strong employment location in the future.

## MID SUFFOLK NORTH

### *R12: PROTECT SELF CONTAINED EMPLOYMENT LOCATIONS*

- 7.37 Through this study we have identified a number of Self Contained Rural Employment Locations (see Figure 23) Each of these locations are self-contained and play an important role in serving a defined local market. They also act as important employment clusters in some cases; for example, Eye is home to a concentration of food production companies. We therefore recommend that these employment locations are protected and any loss to other land uses resisted.
- 7.38 We recommend that employment development should occur if required by the local market and not actively sought, given the presence of stronger strategic employment locations in each local authority.

## MID SUFFOLK WEST

### *R12: PROTECT SELF CONTAINED EMPLOYMENT LOCATIONS*

- 7.39 Through this study we have identified a number of Self Contained Rural Employment Locations (see Figure 23) Each of these locations are self-contained and play an important role in serving a defined local market. They also act as important employment clusters in some cases; for example, Eye is home to a concentration of food production companies.

We therefore recommend that these employment locations are protected and any loss to other land uses resisted.

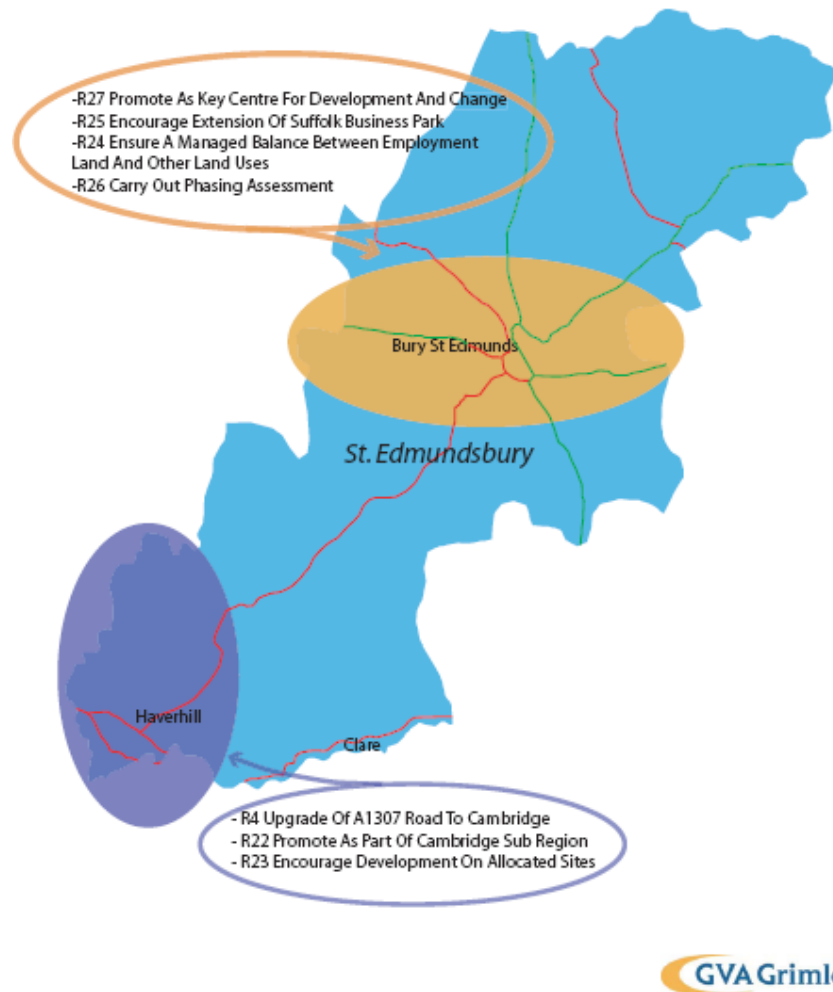
- 7.40 We recommend that employment development should only occur if required by the local market and not actively sought, given the presence of stronger strategic employment locations in each local authority.

*R20: POSSIBLE FUTURE ROLE TO SERVE GROWTH FROM FELIXSTOWE*

- 7.41 Given its strategic location on the A14 and the potential for growth from the Port of Felixstowe outlined in our Scenarios in Chapter 5 we recommend that Mid Suffolk District Council consider this area as a potential location for further employment development if growth from Felixstowe is significant enough in scale to justify it. This should be considered in conjunction with the findings of the Haven Gateway Employment Land Review to provide a robust assessment of future land requirements from the Port expansion.

## ST EDMUNDSBURY

**Figure 25 Recommendations for St Edmundsbury Borough**



***R21: MAINTAIN EXISTING EMPLOYMENT SITES WITH THE EXCEPTION OUTSIDE OF ST EDMUNDSBURY CENTRAL***

- 7.42 Our base case analysis shows that there is an oversupply of employment land when demand and allocated supply are compared (see Table 108). However, the disparity is largely due to the 70Ha Suffolk Business Park extension which skews the balance figures. We therefore recommend that existing employment sites are retained in the other parts of the Borough to provide sufficient land for future employment growth within the Borough.

## ST EDMUNDSBURY HAVERHILL

### *R 22: PROMOTE HAVERHILL AS A KEY LOCATION IN THE CAMBRIDGE SUB-REGION*

- 7.43 The scale and success of employment land development in Haverhill is a strong indication of the area's future potential to attract growth from the Cambridge sub-region. Our Commercial Property Market Analysis in Chapter 2 confirmed the links between the two areas. In addition, our stakeholder and scenario analysis highlighted the further links between Haverhill and Cambridge (See Paragraph 5.99 for a detailed explanation).
- 7.44 We therefore recommend that St Edmundsbury Borough Council continue to work with the Greater Cambridge Partnership and the local authorities of Cambridgeshire County to ensure that this relationship between continues for the benefit of St Edmundsbury Borough and the wider Western Suffolk sub-region.

### *R23: ENCOURAGE DEVELOPMENT ON ALLOCATED EMPLOYMENT LAND IN HAVERHILL*

- 7.45 Given Haverhill's strong strategic benefits as an employment location and the availability of allocated employment land that has not yet been developed we recommend that St Edmundsbury Borough Council promote continued development on these sites.

## ST EDMUNDSBURY CENTRAL

### *R24: ENSURE A BALANCED APPROACH TO LAND FOR EMPLOYMENT AND FOR OTHER USES*

- 7.46 Given the projected oversupply of employment land in the Borough outlined in Table 108 there is clearly a need to manage the process of bringing forward new employment land in the Borough to ensure the right balance of employment land and land for other uses. We therefore recommend that St Edmundsbury Borough Council consider a phased approach that would consider losing some of the existing poorer quality employment sites in Bury St Edmunds as high quality parcels of land become available at Suffolk Business Park.

### *R25: ENCOURAGE DEVELOPMENT OF SUFFOLK BUSINESS PARK EXTENSION*

- 7.47 Our strategic recommendations for the sub-region (R10) provide a rationale for the development of high quality mixed use business parks. The proposals for an extension to

the Suffolk Business Park are in line with this recommendation and we therefore recommend that St Edmundsbury Borough Council encourage the development of this 70 Ha extension. This will provide a consolidated high quality mixed use employment location (with direct links to the A14) that will allow Bury St Edmunds to fulfil its role as a Key centre for Development and Change in the East of England Region

***R26: CARRY OUT A PHASING ASSESSMENT FOR EMPLOYMENT LAND IN BURY ST EDMUNDS***

- 7.48 Employment land development on the scale proposed at Suffolk Business Park has to be carefully implemented to ensure the right balance of employment land is maintained within the Borough. It is clear that not all of the employment land in Bury St Edmunds will be needed throughout the planning period given the balance set out in Table 108. We therefore recommend that St Edmundsbury Borough Council carry out a detailed study to identify those employment locations that are of poorer quality in Bury St Edmunds and provide a strategy for phasing these out of employment and into other uses in conjunction with the developments at the Suffolk Business Park Extension.

***R27: PROMOTE BURY ST EDMUNDS AS A KEY CENTRE FOR DEVELOPMENT AND CHANGE***

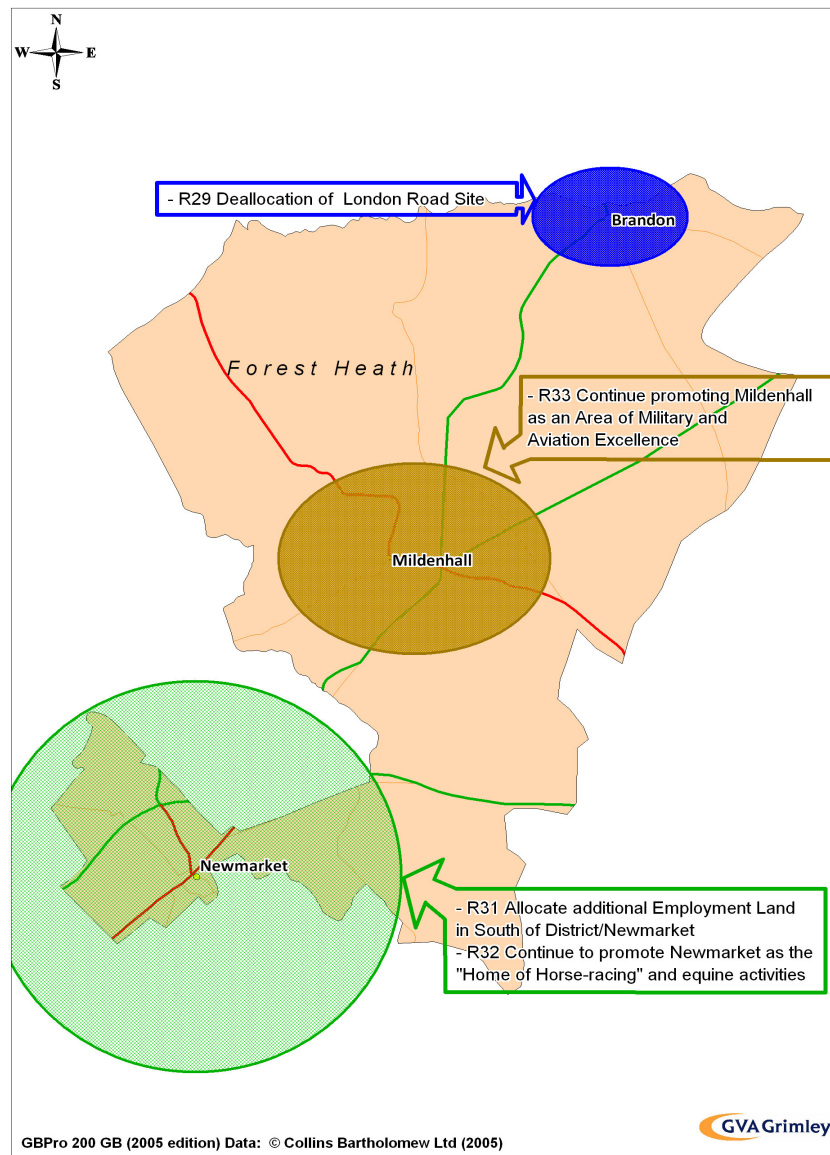
- 7.49 Bury St Edmunds is the sub-regional centre for Western Suffolk and as such is specified as one of the Key Centres For Development and Change (KCDC) in the East of England Plan. This requires major developments to happen in order for the town to meet this objective. The scale of development at Suffolk Business Park allows for Bury St Edmunds to meet its role as a KCDC. We therefore recommend that St Edmundsbury Borough Council promote Bury St Edmunds as a high quality employment location using the development at Suffolk Business Park as the centrepiece of its offer.



## FOREST HEATH

## STRATEGIC

Figure 26 Recommendations for Forest Heath District



**R28: MAINTAIN EXISTING EMPLOYMENT SITES WITH THE EXCEPTION OF LONDON ROAD**

7.50 Our base case analysis shows that future demand and allocated supply is balanced in Forest Heath (see Table 109). Given the balance we recommend that existing

employment sites are retained in the District to provide sufficient land for future employment growth with the exception of the London Road allocation.

*R 29 CONSIDER DE-ALLOCATION OF EMPLOYMENT LAND AT LONDON ROAD, BRANDON*

- 7.51 Employment land in Brandon is part of a Self Contained Rural Employment Location and in line with R11 it is not recommended that employment development is actively sought at such locations. In addition the London Road site has weak strategic road links and scored relatively poorly in our employment site survey in Chapter 4. It also has SSSI status and topographical constraints meaning employment development would be difficult on this site.

*R30: CONCENTRATE DEVELOPMENT WITHIN FOREST HEATH SOUTH AND FOREST HEATH NEWMARKET*

- 7.52 Our Commercial Property Market Analysis in Chapter 2 highlighted the attraction of Newmarket and the Southern parts of the District as employment locations given the comparatively strong access to the strategic transport network. Our scenario work and stakeholder consultation also indicates the likely future role that Red Lodge and Newmarket will have as future locations for growth from Cambridgeshire (see Paragraph 5.119). There are also significant parcels of land for development available at Red Lodge and at the George Lambton Playing Fields in Newmarket. Given these market factors we recommend that Forest Heath Newmarket and Forest Heath South are the primary locations for future employment land development in the District.

*R31: ALLOCATE ADDITIONAL EMPLOYMENT LAND IN FOREST HEATH SOUTH OR FOREST HEATH NEWMARKET*

- 7.53 As the employment land allocation at London Road in Brandon is not considered as a viable employment location there is a requirement for additional employment land allocations within the District. In line with our rationale at R29 we recommend that additional sites are sought in either Forest Heath South or Forest Heath Newmarket to satisfy expected additional demand in the District. Sites such as Hatchfield Farm have been proposed in the Core Strategy Issues & Options in the District and we recommend that sites such as this are considered for employment allocation.

## SITE LEVEL

### FOREST HEATH NEWMARKET

#### *R 32: CONTINUE TO PROMOTE THE AREA AS AN EQUINE INDUSTRY EMPLOYMENT LOCATION*

- 7.54 Our Commercial Property Market Assessment and stakeholder consultation have shown the strength of Newmarket's brand as the National "Home of Horseracing." The industry is based in and around Newmarket which has two race courses hosting a range of events throughout the year. Linked to the race courses is a bio-science cluster which includes the Animal Health Trust, the National Stud and trainers and related industries. This has wide ranging economic benefits for Forest Heath District and the sub-region as a whole.
- 7.55 Considering the industry's strengths we recommend that Forest Heath District Council continue to nurture Newmarket's reputation to ensure growth in equine related activities in the area.

### FOREST HEATH SOUTH

#### *R30: CONCENTRATE DEVELOPMENT WITHIN FOREST HEATH SOUTH AND FOREST HEATH NEWMARKET*

- 7.56 Our Commercial Property Market Analysis in Chapter 2 highlighted the attraction of Newmarket and the Southern parts of the District as employment locations given the comparatively strong access to the strategic transport network. Our scenario work and stakeholder consultation also indicates the likely future role that Red Lodge and Newmarket will have as future locations for growth from Cambridgeshire (see Paragraph 5.119). There are also significant parcels of land for development available at Red Lodge and at the George Lambton Playing Fields in Newmarket. Given these market factors we recommend that Forest Heath Newmarket and Forest Heath South are the primary locations for future employment land development in the District.

## FOREST HEATH CENTRAL

### *R 33: PROMOTE FUTURE AVIATION AND MILITARY RELATED USE*

- 7.57 Our Commercial Property Market Assessment and stakeholder consultation have shown the strength of Mildenhall as employment cluster in military and aviation related employment. This high value activity has strong potential for the future in the District. While acknowledging that over-reliance on one industry has its drawbacks, we recommend that Forest Heath District Council pursue the continued promotion of Forest Heath Central as a cluster for such activities. This would allow high value activity related to military employment to be retained and then attracted to the District.

## FOREST HEATH NORTH

### *R6. CONTINUE TO INVEST AND ENHANCE STRATEGIC TRANSPORT INFRASTRUCTURE*

- 7.58 Given the weak transport links in Forest Heath we recommend that Forest Heath District Council and Suffolk County Council undertake the necessary improvements to the strategic road network particularly the A11 between Fiveways and Thetford and the A1065 between Mildenhall and Brandon.



