Employment Land Study

Bristol City Council

November 2019



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1 Introduction

1.1 JLL has prepared this Employment Land Study on behalf of Bristol City Council (the Council).

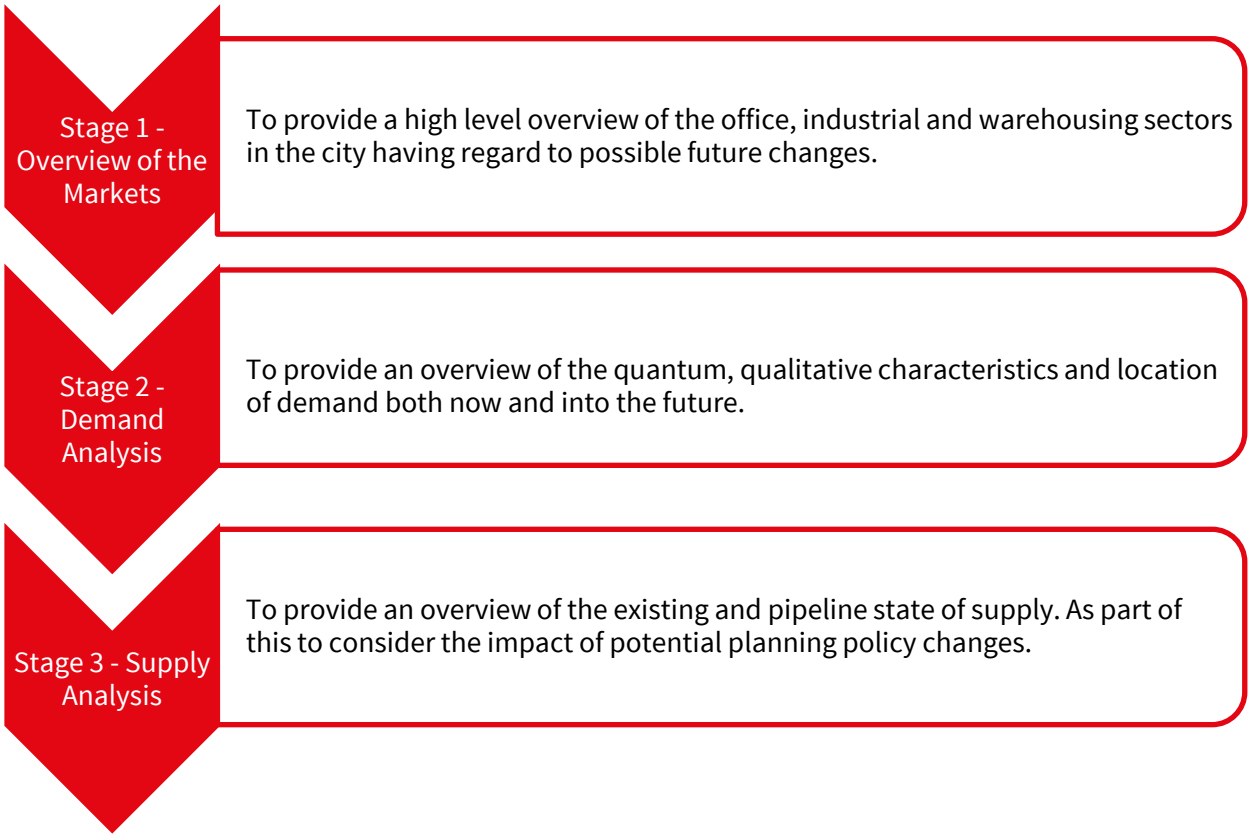
1.2 The purpose of this commission is to provide the Council with the necessary evidence on employment land demand and supply in the city to assist them prepare their development plan document. This is in line with the National Planning Policy Framework (NPPF) guidance for preparing planning policy.

1.3 Our work includes a robust review of the commercial market in the Greater Bristol area, focusing on B use classes only, albeit relevant trends across other sectors are highlighted.

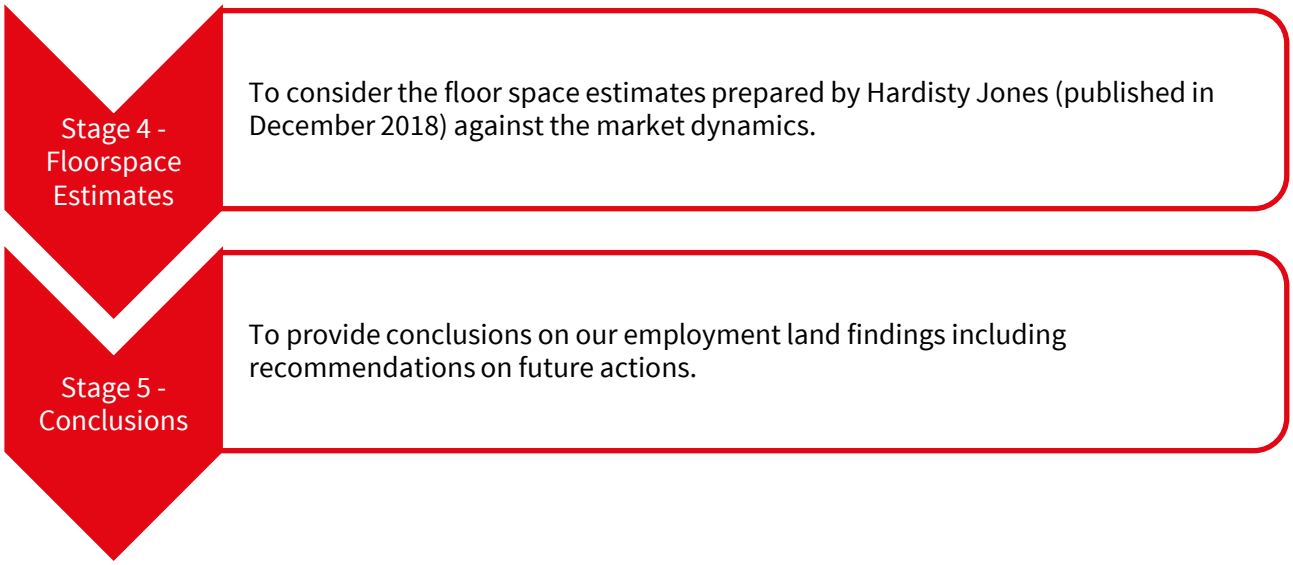
1.4 The Council are proactively involved in the delivery of two new planning documents that will guide development in the city between 2016 – 2036. These two documents are:

- The Joint Spatial Plan (JSP) – this is being prepared by the West of England Authorities (Bristol City, South Gloucestershire, North Somerset, Bath and North Somerset). It will provide the overarching policy to inform their respective local development plans.
- The New Local Plan – this is being prepared by the Council to guide development inside their administrative area. It will be developed in line with the proposals outlined in the JSP.

1.5 The Council's brief for this work outlined the following key workstreams:



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1.6 To inform this report JLL have relied on a range of information including data provided by the Council, industry databases, local agents and JLL's own market intelligence. Further detail of this is provided throughout the report.

1.7 Please be aware that this information is accurate at the time of writing. The market position is dynamic so will continue to change; therefore, we recommend that this report is regularly monitored and where appropriate updated.

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2 Planning Policy Framework

2.1 This Employment Land Study will form an important part of the Council's evidence base and will support the preparation of the New Local Plan. This section provides a high-level overview of the local planning policy context related to the delivery of commercial space. A summary of the planning policy position is provided at Appendix A.

Adopted Development Plan

2.2 The current Development Plan for Bristol comprises the Core Strategy (adopted 2011), the Site Allocations and Development Management Plan (adopted 2014) and the Central Area Plan (adopted 2015). The Core Strategy outlines the overarching principles and priorities for Bristol.

2.3 Policy BCS8 is the overarching employment policy. It outlines that the economic performance of the city will be strengthened by providing a sufficient and flexible supply of employment land, addressing barriers to employment, and promoting the city as a place to invest. It sets a number of targets for commercial space - these are outlined below. This policy outlines that Principal Industrial and Warehousing Areas (PIWAs) will be retained for industrial and warehousing uses. Employment land outside of these areas will be retained where it makes a valuable contribution to the economy and employment opportunities. New employment floorspace suitable for smaller businesses will be encouraged as part of mixed-use development.

2.4 The Site Allocations and Development Management Policies (SADMP) provide more detailed policies that seek to implement the overarching aims and objectives from the Core Strategy. Policies DM12 and DM13 provide a number of measures that seek to protect employment use, including on the PIWAs.

2.5 The SADMP document also includes specific site allocations. These are high-level allocations from an employment perspective as the majority are housing led. For the housing schemes the allocations specify the target quantum, however, in the vast majority of cases no quantum is specified for business/workspace.

2.6 There are also a number of policies provided in the Central Area Plan – these are only relevant to the city centre as defined on the proposals map. Policy BCAP7 relates to the loss of employment space. It states that employment sites in Old Market and The Dings, St. Paul's and Stokes Croft and other areas of inner east Bristol should be retained for employment uses – except in certain circumstances. Furthermore, in Bristol City Centre, where there are existing office buildings that are vacant or underused this policy states development involving the loss of existing office floorspace will be acceptable where it would contribute positively to the mix of uses in the area. Redevelopment or significant remodelling of the city centre's poorest quality office buildings will be encouraged.

2.7 As mentioned above, the Council set a number of targets as part of the adopted Development Plan. The table below sets out these targets.

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Use	Location	Core Strategy Target - Net Additional Space
Office	**South Bristol**	**60,000 sqm/646,000 sqft**
	City Centre	**150,000 sqm/1,614,600 sqft**
	Rest of Bristol	**26,000 sqm/280,000 sqft**
Industrial	**Avonmouth**	**N/A**
	Rest of Bristol	**10 ha/25 acres of space (South Bristol)**

2.8 Further information on the progress in achieving these targets is provided in the supply section of this report. In summary, although only partially through the Development Plan period there appears to have been limited progress in achieving these targets, particularly office space in the city centre and rest of Bristol – both of which have experienced a net loss. There are several reasons why there has been limited progress in achieving these targets, including for example the commercial market dynamics coupled with the increasing demand and viability of alternative uses, such as residential and student accommodation. A more detailed qualitative analysis is provided in Section 7 of this Report.

Emerging Local Plan Review

2.9 The four West of England Councils are in the process of preparing a Joint Spatial Plan that will cover the region up to 2036. Its purpose is to provide a strategic, overarching vision and framework to help deliver the required number of new homes, land for employment purposes and supporting infrastructure. The plan will sit above and guide each Council's own Local Plan. The plan was submitted for examination in April 2018. In August 2019 the Inspector wrote to the four West of England Authorities outlining that substantial changes were required to the proposed JSP. At the time of writing, the Authorities have not confirmed their approach moving forwards.

2.10 Bristol City Council are also in the process of preparing a New Local Plan for their administrative area, which will cover the period 2016 – 2036 (reflecting the JSP). This is at a relatively early stage; two Regulation 18 consultations have taken place – one in 2018 and a subsequent consultation took place between March and May 2019.

2.11 Section 8 of the consultation document outlines the relevant economic policies. It states that the employment land strategy for the local plan aims to support sustainable and inclusive economic growth across the city. It suggests that the approach to achieve this is through the development of new workspace as well as the retention of core commercial land.

2.12 In addition to the above, regard should be given to Section 4 of the consultation document. This outlines the key development locations, which are referred to as Areas of Growth and Regeneration (AGRs). These areas are the key focus for new development.

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2.13 JLL have reviewed the Local Plan Review consultation document and provide an initial assessment as to the strength of these policies in achieving their overarching ambition for sustainable and inclusive economic growth. This is provided at Section 7 of this Report.

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3 Overview of Bristol's Commercial Markets

3.1 This section provides a high-level overview of Bristol's commercial markets. It is based on information provided within the baseline market information issued in September 2018. A more detailed assessment is provided in subsequent sections.

3.2 The key market findings are summarised below. Please note these are based on market evidence as at September 2018:

	Industrial	Office
Annual Take Up	Approximately 276,000 sqm/ 2,974,000 sqft per annum (average between 2013 and 2017) – the majority of which has been focused around Avonmouth / Severnside.	Approximately 80,000 sqm/862,000 sqft per annum (average between 2008 and 2018) – the majority of which has been focused in the city centre (approximately 50,700 sqm/ 546,000 sqft on average).
Current Availability (on the market)	Approximately 249,000 sqm/ 2,680,000 sqft, which is less than one year of average take-up.	For the city centre it is approximately 56,000 sqm/ 604,000 sqft, which is in the order of one year of average take-up. This reflects a vacancy rate of circa 4%.
Rental Values	Driven by a lack of supply and strong demand for accommodation there has been an increase in rental values, for example secondary units less than 10,000 sqft have increased from circa £6 to £7.95 per sqft over the last 5 years. Further information on different sized units is provided later in this report.	Driven by a lack of supply and strong demand for accommodation there has been a sharp increase in rental values between 2016 and 2018. Grade A values are circa £33 to £35 per sqft (depending on whether it is new build). Secondary rents are just under £30 per sqft. Further detail is provided later in this report.
Size of Deals	The majority of deals were small units below 1,860 sqm/20,000 sqft – in 2017 this represented 78% of all transactions.	The vast majority of deals in the city centre have been less than 1,000 sqm/10,760 sqft – over 80% of all transactions since 2015.
Tenure	Leasehold transactions dominate and have consistently accounted for over 75% of total transactions since 2010 (based on number of transactions).	The vast majority of deals have been on a leasehold basis.
Type / Use	Typically, B8 transactions have dominated the market in recent years equating to between 69% to 77% of total transactional activity – albeit in the first half of 2018 this was tied with B1c space.	In the city centre average take-up of approximately 12,800 sqm/ 138,000 sqft has been Grade A space, which represents approximately 25% of the total amount – the remainder is secondary stock.

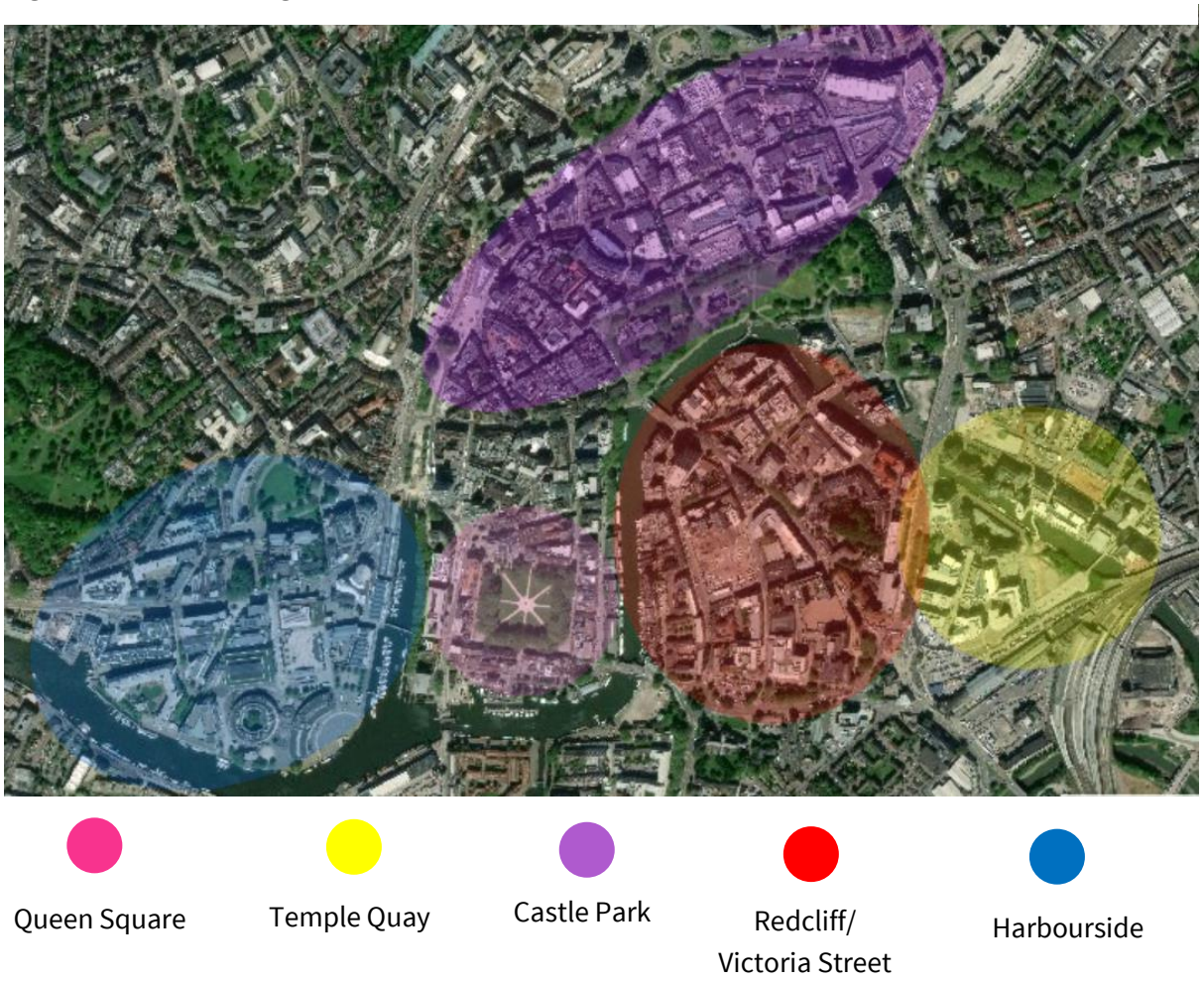
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3.3 The above is based on information obtained from the Industrial Agents Society (IAS) and JLL's internal data resources.

Office Market Overview

3.4 From an office perspective there are two core market areas – the city centre and out of town (particularly the north east fringe – part of which is located in the neighbouring authority of South Gloucestershire).

Figure 1: Map Showing Indicative Location of Core City Centre Office Markets



3.5 The city centre is the larger more active office market in comparison to the out of town areas. It can broadly be split into smaller sub-areas that include Queen Square, Harbourside, Redcliff/Victoria Street, Temple Quay and Castle Park (as shown on Figure 1).

3.6 There have been a broad range of transactions by sector within each of the market areas identified in the diagram above. The diverse nature of the market is beneficial as it increases resilience should there be changes to specific sectors.

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3.7 It is worth noting that rental values across the city centre are broadly comparable in the prime locations (mentioned above). For example, recent transactions at 2 College Square (Harbourside), 3 Temple Quay (Temple Quay), Hartwell House (Redcliff/Victoria Street) and 66 Queen Square (Queen Square) have all been between £32.50 - £33 per sqft. Rental values are informed by the quality of the accommodation in addition to the demand/supply position.

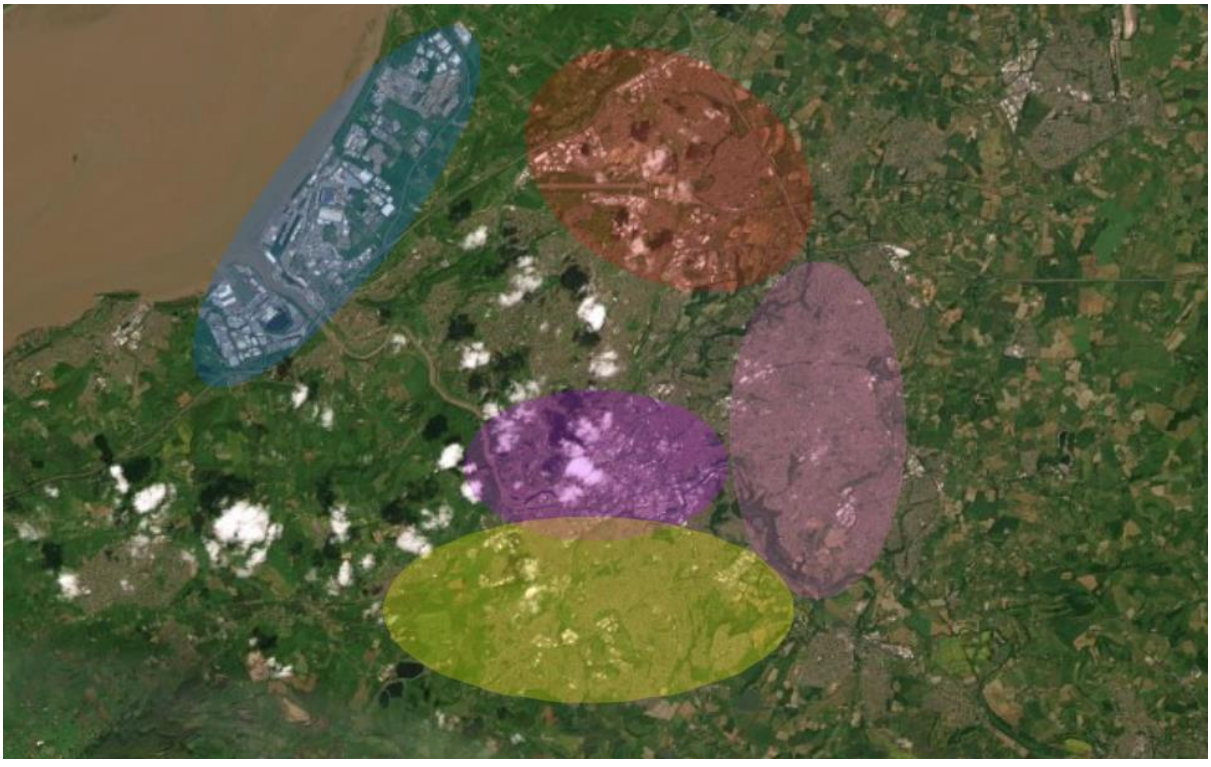
3.8 Outside the prime areas mentioned above, rental values for other parts of the city centre are lower, for example at the bottom of the M32 surrounding Cabot Circus, St Pauls and Clifton.

3.9 Further detail on the out of town office markets are provided elsewhere in this report. Nonetheless, most activity is focused around the established business parks on the north and east fringes, such as Aztec West and Emersons Green. There has been some activity outside these locations, including south Bristol but it has been more limited.

Industrial Market Overview

3.10 The industrial market is split into several sub-areas that have different characteristics. The core areas are shown on Figure 2.

Figure 2: Map Showing the Indicative Location of the Core Industrial Sub-Markets



- **North Bristol** is a mixed area that incorporates a number of estates around Aztec West and Horizon 38. The latter is a new build scheme that has recently been delivered. There are a mix of occupiers in this area. Based on the recent take-up information it appears to have experienced the lowest number of transactions in comparison to the other market areas. It includes land in both Bristol and South Gloucestershire's administrative areas.

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Central Bristol is an active industrial market. It includes estates in a number of areas such as St Philip's, Bedminster and Lawrence Hill. The units tend to be smaller scale (less than 4,645 sqm/50,000 sqft). There have been no new build schemes delivered in recent years.

South Bristol is an active industrial market. It includes a number of estates around Hengrove and Ashton. There has been limited new build activity.

Avonmouth is a mixed industrial area that has the highest concentration of distribution related businesses. This area is the most active in terms of historic take-up and new supply. This area includes land in both Bristol and South Gloucestershire's administrative areas.

East Bristol is a less established commercial location in comparison to areas such as Central Bristol or Avonmouth. Nonetheless, it has experienced a relatively high and consistent level of take-up in recent years (higher for example than the North Bristol market). This is likely to partially be a result of a small number of new schemes, for example at Vertex Park. The East Bristol industrial area includes land in both Bristol and South Gloucestershire's administrative areas.

Changing Market Dynamics

3.11 Looking to the future there are a number of emerging trends that are influencing both the industrial and office markets. These are important to consider as they could impact the nature of future demand. In summary these trends include:

Trend	Possible Implication
OFFICE MARKET	
Flexible Workspace	Increasing demand for space on a flexible basis, particularly offices. Demand likely to be focused in the central area. This is likely to result in an increase of co-working type facilities, which is already visible in Bristol, for example Runway East and Desklodge.
Smart Offices	Technology will increasingly improve the experience of office buildings. Due to the capital cost this is likely to be focused in the prime markets initially.
Quality and Experience	Increasing pressure for office buildings to provide amenity space, particularly in prime market locations.
Location	Increasing occupier demand for office space in central and accessible locations, particularly within a 15-minute walk of Temple Meads. This has been a focus for new office schemes in recent years, for example the Fire Station and the Distillery.
INDUSTRIAL MARKET	
Big Data	Big data could allow distribution businesses to be more responsive and reduce the amount of space required for stock. Likely to be focused initially in main distribution locations, for example Avonmouth.
Smart Warehouses	Technology will increasingly improve the efficiency of warehouse buildings. Due to the capital cost this is likely to be focused in the prime markets initially.
Automation	Could reduce the amount of space required by occupiers – both in terms of the physical warehouse accommodation and overall site area. Likely to be focused in core distribution

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Trend	Possible Implication
	locations such as Avonmouth. An example includes Amazon at Avonmouth which utilises robots.
Last Mile Logistics	Increasing demand for distribution space in urban locations to allow for quick distribution to housing areas.
Multi-Height Warehouses	Allowing commercial sites to be used more efficiently. Likely to be focused where commercial land values are high and where there is pressure from a range of higher value uses. This has been focused around London and the south east to date with an example including X2, Heathrow.
Uberisation	Increasingly businesses could share industrial / warehouse space, particularly if last mile logistics firms. Likely to be more focused in central locations.
Residential Above Industrial	Increasingly there could be demand for mixed-use developments including light industrial with residential above. B1c uses may be acceptable in residential areas however the type / nature of business who take space would need to be carefully considered to minimise any conflict. Likely to be more focused in higher value central locations where there is a demand from a range of users. There are current examples in London.

3.12 This section has provided a high-level overview of key market dynamics currently affecting the commercial sector alongside trends that could become increasingly visible. The findings discussed in this section are explored in further detail throughout this report.

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4 Analysis of Demand

There is very positive demand for commercial space (office, industrial and warehousing) within Bristol. This is demonstrated by the historic take-up levels coupled with known requirements. Given the dominance of the city as a core commercial location within the West of England and wider region, this demand is anticipated to continue (albeit it could slow over coming years depending on general market uncertainty).

From an office perspective the demand for accommodation is focused in the city centre. This is anticipated to continue and accelerate as occupiers increasingly seek space in accessible locations with a broad amenity offer.

Most office transactions over recent years were leasehold and increasingly on more flexible terms. This is becoming more important for occupiers who want the ability to more swiftly respond to their business needs. This is understood to be of particular importance to tech related sectors.

The majority of office transactions were for less than 1,000sqm/ 10,760 sqft, which is reflective of other major cities including Manchester and Birmingham. Nonetheless, there has been some larger transactions including for example EDF Energy letting approximately 7,540sqm/ 81,200 sqft of space at Bridgwater House (Finzels Reach) in 2016.

From an industrial perspective the most active market is Avonmouth and this is anticipated to remain a sought-after location, subject to infrastructure and recruitment related challenges being addressed.

The more urban industrial markets make an important contribution to the city and there is strong demand from a range of occupiers, including those who due to their operational and staff requirements need to be within these locations. There are a number of growing sector trends that will further increase demand within the more urban markets including last mile logistics.

The market is characterised by small industrial transactions, particularly in the central, east, south and north markets (outside of Avonmouth). Most deals in recent years have been for less than 1,858 sqm/ 20,000 sqft and it is anticipated that this will continue. The majority of take-up is on a leasehold basis, however, there is a growing demand from occupiers for freehold accommodation.

There are a number of emerging trends that are projected to impact the demand for commercial accommodation. These should be considered to ensure sufficient and suitable space is available to meet the needs of businesses into the future and enhance Bristol's economic resilience.

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4.1 This section of the report provides an assessment of the demand for employment space in the Greater Bristol area. It is based on market information as at September 2018. However, where appropriate, more recent anecdotal market commentary is included.

4.2 We identify what is currently happening in Bristol and what this could mean for employment space in the future.

4.3 We consider micro and macro factors as well as the changing trends occurring both in the city and nationally, to ensure that the study supports Bristol to continue to be as competitive as possible.

4.4 Lastly this section sets out a high-level overview of the needs of key growth sectors and the possible implications for property. This has been informed by JLL's market knowledge alongside conversation with business representatives and key stakeholders, including Invest in Bristol and Bath (IBB).

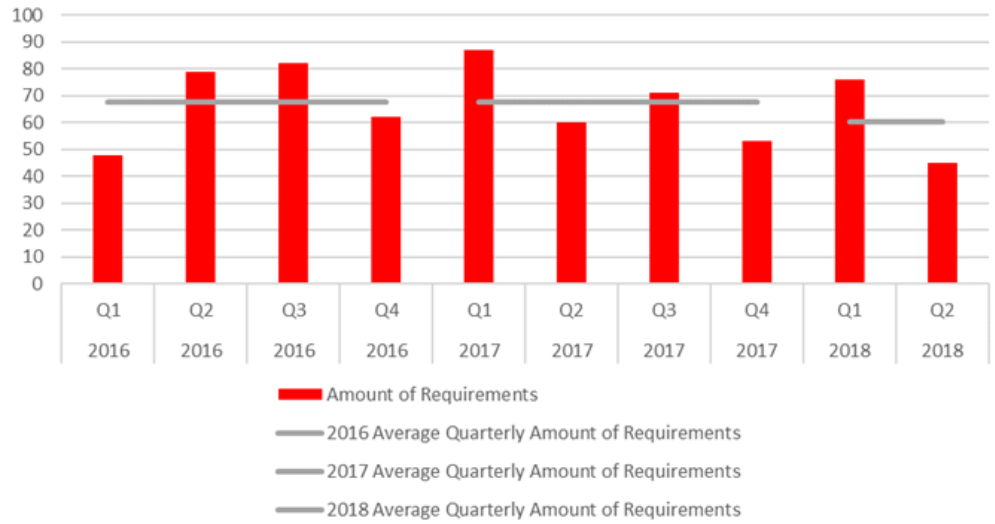
Overview of Commercial Activity in Bristol

Office Demand

4.5 Bristol is the largest and most active office location in the south west.

4.6 The office market is split into two core areas – the city centre and out of town. It is important to note that most of the established business parks that form part of the out of town market are located outside Bristol City Council's administrative area.

Figure 3: No. of Requirements Received by JLL since 2016 for the Greater Bristol Area



4.7 Based on JLL's information, the city centre is the more active and larger market extending to roughly 1,254,000 sqm/ 13,500,000 sqft of existing stock. The out of town market comprises approximately 465,000 sqm/ 5,000,000 sqft of accommodation.

4.8 Although office demand in the city generally remains good, with a healthy number of live requirements, there has been a modest recent downturn as shown on Figure 3. Please note that

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Figure 3 includes all requirements JLL received direct by occupiers and their agents; it should be considered as approximate as there is a risk that some live requirements are not captured or may be double counted. The reduction in demand is largely due to economic and political challenges affecting market confidence. This uncertainty has meant for the first time in several years, during the first half of 2018 there were an increasing number of occupiers pulling out of transactions that were close to exchange.

4.9 Despite the current uncertainty in the market there are a number of live requirements for new space, including in the growth sectors identified by Invest in Bristol and Bath (IBB), which include advanced engineering and manufacturing, low carbon, creative industries, professional services and high tech. These are picked up in the following section.

4.10 Based on JLL's knowledge, demand for new space is focused in the city centre, particularly within an approximate 15-minute walk of Temple Meads. This is due to occupiers increasingly looking for space in accessible and central locations – further detail of this is provided later in this report.

4.11 In addition to known current requirements, historic trends provide a helpful insight into possible future demand. Over the previous 10 years take-up has on average been circa 80,000 sqm/ 862,000 sqft per annum, which is less than the other Big 6 cities (Manchester, Birmingham, Leeds, Glasgow and Edinburgh).

4.12 Appendix B outlines that Bristol has experienced one of the lower levels of take-up of all the Big 6 cities between 2015 – 2018. For example, Bristol's transactional market share was approximately 12% between 2015 and 2017 (compared to Manchester over the same period at circa 25%). There are several factors that influence the quantum of take-up in the different Big 6 markets, including the overall size of the market. Manchester is the largest of all the Big 6 markets in terms of built stock and therefore typically achieves the highest level of take-up each year.

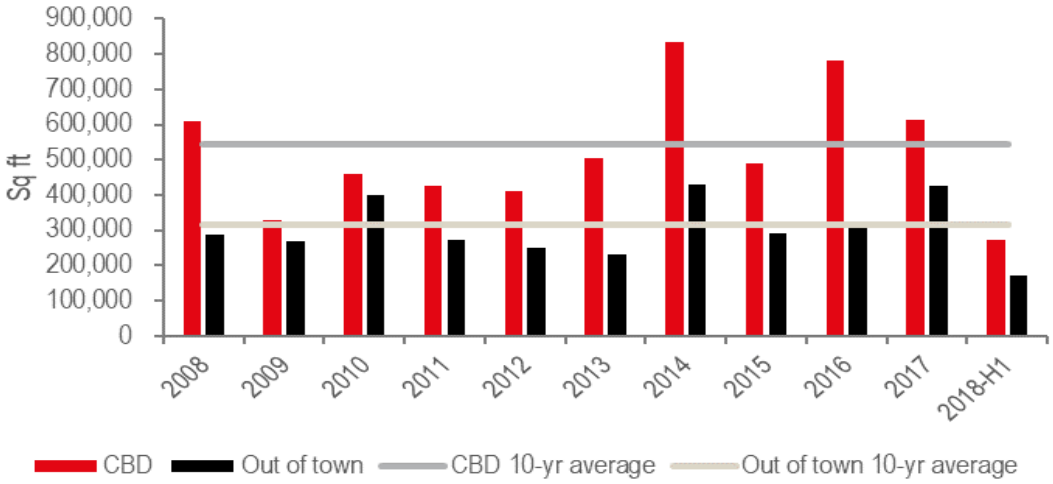
4.13 The majority of Bristol's take-up has been focused in the city centre as shown in Figure 4. This is due to the size of the market being larger than out of town, as well as the increasing preference from occupiers to be in the city centre.

4.14 As shown by Figure 4, in 2016 and 2017, the city centre has outperformed in comparison to the average 10 year take up level. This is mainly due to a small number of larger deals – for example there were 12 deals over 1,000 sqm/10,760 sqft in 2016 and 15 deals in 2017. There were three particularly large deals in 2016: HMRC signing a pre-let at 3 Glass Wharf totalling 9,940sqm/ 107,000 sqft, EDF taking 7,540 sqm/ 81,200 sq ft at Bridgewater House (Grade A space and the largest leasehold deal for standing stock for 10 years) and Direct Line Insurance purchasing 5,860 sqm/ 63,000 sqft of office space at The Core.

4.15 More recent transactions of notable scale include AON taking circa 965sqm/ 10,400 sqft in July 2019 at One Redcliffe Street, as well as, the recent extension of the government lease on Temple Quay House, which totals 14,300sqm/ 154,000 sqft.

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Figure 4: Annual Office Take-Up 2008-2018 (source: JLL's internal data as at September 2018)



4.16 Regarding the out of town market, take up also appears to have fluctuated. Nonetheless, on average it has been approximately 29,400 sqm/ 317,000 sqft per annum over the last 10 years. In the more recent years the market has achieved around 27,175 sqm/290,000 sqft to 39,900 sqm/ 430,000 sqft. Geographically take-up has been focussed around the North Bristol Business Parks, including Aztec West.

4.17 In terms of quality of space, the average annual trends for the previous 10-year period suggest take up of Grade A space in the city centre has been approximately 12,800 sqm/ 138,000 sqft per annum, which represents in the region of 25% of the total amount. The percentages have remained consistent but in line with the spikes in take up in 2014, 2016 and 2017.

4.18 Over the past 4 years Bristol has consistently had the lowest Grade A vacancy rate of the all the Big 6 markets. This is partially a result of limited delivery of Grade A space in comparison to other cities. Nonetheless, the delivery of Assembly in the city centre, which has recently started construction, will provide 18,580 sqm/ 200,000 sqft of Grade A space when completed.

4.19 The lack of space (including Grade A) has limited inward investment into the city by reducing relative choice for potential occupiers. It is however difficult to quantify. JLL's data at December 2019 suggest Bristol received:

- Six inward investor transactions between 2014 – 2018. This is substantially below Manchester and Birmingham who collectively secured 22 transactions.
- Four regional mover transactions between 2014 – 2018. Again, this is significantly below Birmingham and Manchester who collectively experienced 19 transactions during the same time period.

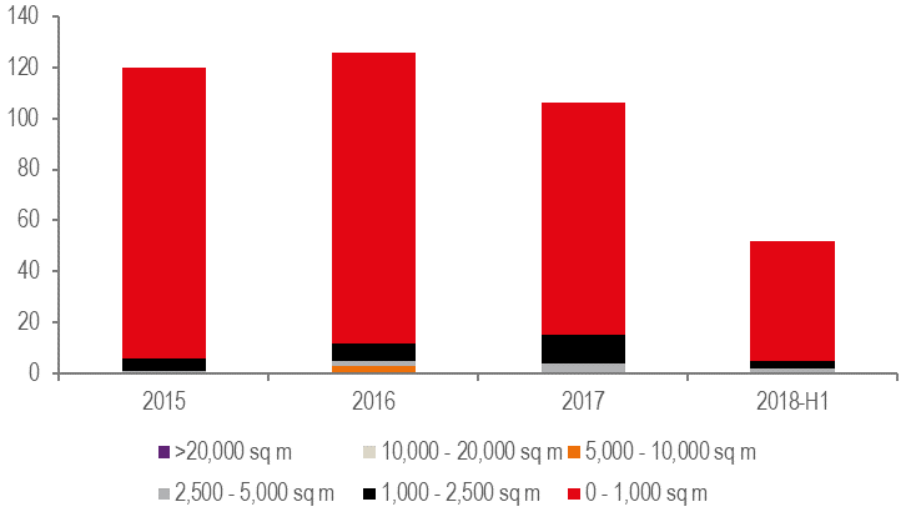
4.20 It is anticipated that should additional accommodation be delivered there would be positive demand depending on the quality, location and scale of the product. As mentioned above, Axa and Bellhammer are currently delivering Assembly which provides 18,580sqm/ 200,000 sqft of offices in

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close proximity to Temple Quay. There has been interest from the market in this space and it is understood that a single occupier is considering taking the whole building.

4.21 The Grade A take-up in the out of town markets has been considerably less at approximately 3,345 sqm/36,000 sq ft per annum. This represents approximately 13% of the overall take-up activity. A key reason for this being the lack of available Grade A supply on the market as well as the nature of the occupiers and their space requirements.

Figure 5: Number of Office Deals by Size Band in the City Centre (source: JLL's internal data as at September 2018)



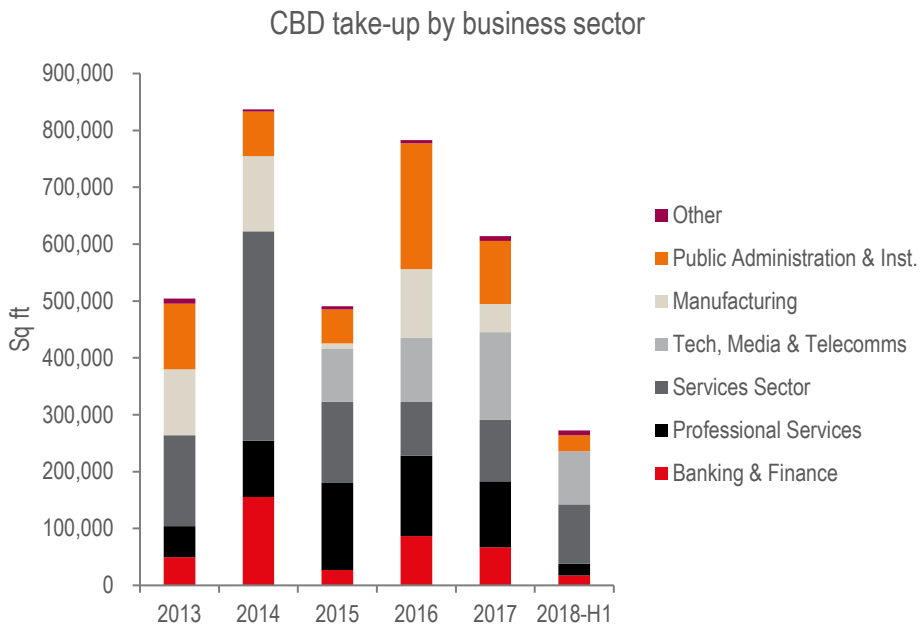
4.22 Figure 5 shows that the majority of space transacted in the city centre is below approximately 1,000 sqm / 10,760 sqft. JLL further understands that a significant proportion of take-up is actually below 465 sqm/ 5,000 sqft (capable of accommodating roughly 50 employees) and of these deals circa 80% are below 290 sqm / 3,000 sqft (typically up to 30 employees). The preference for take-up of smaller units is reflective of several Big 6 cities as detailed in Appendix B.

4.23 The size of deal is a consistent theme in the Bristol office market due to the nature of the business economy. Furthermore, this is reflective of a notable market trend that businesses are increasingly looking to acquire less overall space but of a higher quality. This is partially a result of trends such as agile working that mean less space is required. Examples in Bristol include a professional services firm who recently moved from circa 2,230sqm/ 24,000 sqft of accommodation in Hartwell House to 1,570 sqm/16,900 sqft at 2 Glass Wharf in 2017. Their move recognised the changing pattern of their workforce including home working and site visits. It is understood that they considered reduced space but of a higher quality space would assist with attracting/retaining talent and support overall productivity.

4.24 The average size of deals in the out of town market is also small. In general, the market is categorised by a large number of smaller deals, which are underpinned by a couple of larger deals which boost annual take up.

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Figure 6: Take-Up by Sector in the City Centre Office Market 2013-2018 (source: JLL's internal data as at September 2018)



4.25 Figure 6 shows the take-up by different sector in the city centre. It demonstrates that the market is diverse and therefore also likely to be resilient to individual sector shocks. Notwithstanding, it is worth noting that there has been an increasing prominence of Technology, Media and Telecommunications (TMT) occupiers taking space within the city centre. A recent report by Tech Nation (2018) acknowledged Bristol as being one of the most productive tech clusters in the UK, comprising a larger tech cluster than London and Oxford. Further detail on this is provided in the following sections.

4.26 It is also worth noting that Bristol's take-up in the TMT sector is one of the highest of the Big 6. Further detail is again provided at Appendix B, but it appears to equate to circa 19% of the total take-up in this sector (across the Big 6 markets) based on the 3 year average between 2015 and 2018. It is second only to Edinburgh which experienced 21% of transaction activity.

4.27 The out of town market is also relatively diverse. Albeit there is a greater cluster of aerospace firms with the likes of GKN and Airbus having campuses on the northern fringe. It is anticipated that this sector may have an increasing demand for office space in the city centre. A reason being that occupiers want to provide space that is accessible and with a strong amenity offer, helping them attract and retain staff.

Industrial Demand

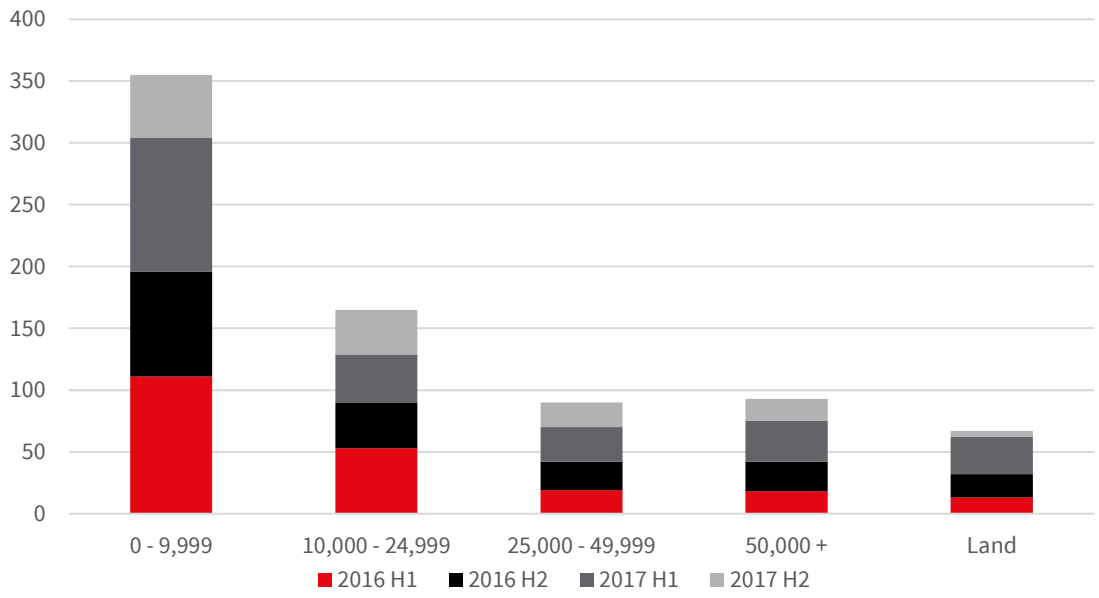
4.28 Industrial activity in the city has increased in recent years. The Greater Bristol area is the largest industrial market in the South West and hosts a range of blue-chip as well as SME businesses.

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4.29 The enquiries for new industrial space on both a leasehold and freehold basis remain strong and it is anticipated the positivity in the sector will continue, which is reiterated by market feedback which suggests changes in the retail market and shift to online purchases has benefitted the industrial sector with increasing demand for last mile logistics.

4.30 Despite the general positivity, it is important to note that there is increasing uncertainty due to wider macro factors, for example Brexit. This is reiterated by Figure 7, which demonstrates that enquiries (for all size bands) received by JLL were down in the most recently recorded quarter. Please be aware this includes all requirements JLL received direct from occupiers and their agents; therefore, it should be considered as approximate and there is a risk that some live requirements are not captured or may be double counted.

Figure 7: Industrial Requirements Received by JLL since 2016



4.31 Notwithstanding the dip in the most recently recorded data, the number of enquires across the different size bands has remained broadly similar. There was a drop in interest for space below 929 sqm/10,000 sqft in the second half of 2017; however, JLL do not believe this represents an actual shift in the market (although it should be monitored).

4.32 The historic take-up trends provide useful insight into the industrial market. As shown in the table below take-up of industrial and warehouse space has been relatively consistent for both freehold and leasehold space in the wider Bristol market. There was however a peak in 2016 when approximately 426,000sqm/ 4,583,000 sqft was transacted. This is partially a result of two large occupier led acquisitions at Avonmouth, namely The Range (11,4800sqm/ 1,200,000 sqft) and Lidl (55,700sqm/ 600,000 sqft).

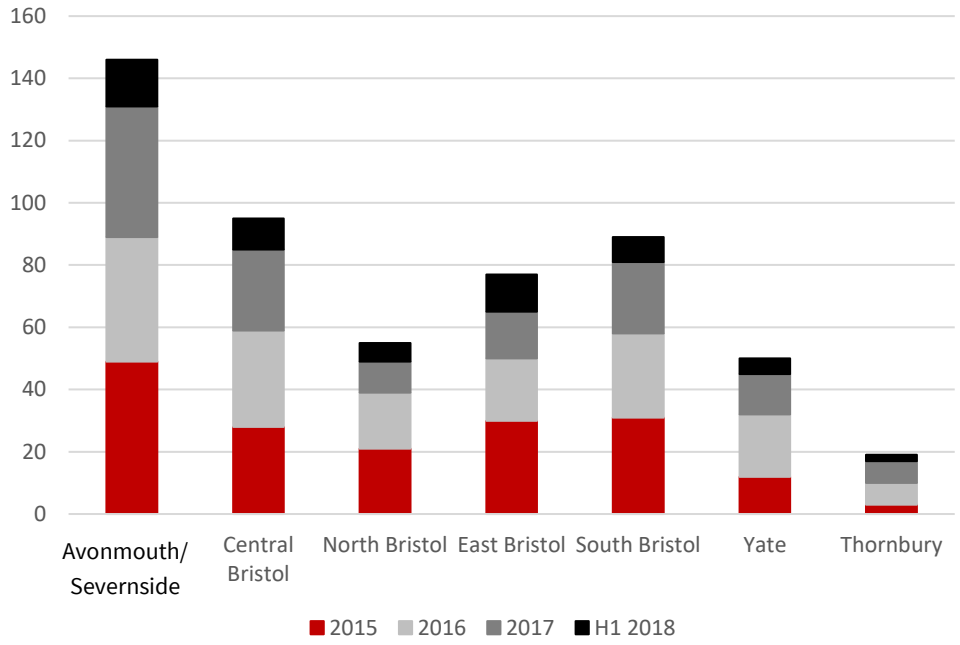
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Year	2015	2016	2017	H1 2018
Annual Take Up*	2,693,100 sqft 250,200 sqm	4,583,500 sqft 425,820 sqm	2,902,000 sqft 269,600 sqm	1,606,200 sqft 149,200 sqm
Number of Transactions	199	207	166	173
Average Deal Size*	13,500 sqm 1,260 sqm	22,140 sqft 2,060 sqm	17,480 sqft 1,620 sqm	9,280 sqft 860 sqm

*Please note all above areas are rounded for ease.

4.33 From a location perspective, the take-up has been distributed across the core sub-markets as shown in Figure 8; however, the majority has been focused around Avonmouth/Severnside. This is largely due to the nature of this market being more diverse than other locations.

Figure 8: Location of Take Up by Number of Transactions (Based on IAS Data as at September 2018)



4.34 The previous section highlighted that there are a number of different sub-markets. The key characteristics of these are:

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Avonmouth/ Severnside	• This area has seen the highest level of take-up as shown in Figure 8. • In recent years it has seen rapid expansion with a number of logistics companies locating their regional distribution centres in the area. There is also a mix of light industrial, heavy industrial, storage and distribution, trade counter, offices, showrooms, leisure and retail in the area. Therefore, the size of deals in this area is varied. • There is likely to be continued demand for space in this area.
Central Bristol	• This area has seen the second highest level of take-up. Based on transactional evidence this is focused at a number of estates including St Philip's Marsh and Lawrence Hill. • The majority of occupiers fall in use class B1c and B8. • Likely to be continued demand into the future, particularly from occupiers who due to their workforce or operational needs require to be in the area. • The majority of units are small scale, typically below 4,645sqm/ 50,000 sq ft.
South Bristol	• This has seen the third highest rate of take-up of the sub-markets. Based on the transactional activity popular estates include Brislington, Ashton and Hengrove. • The majority of occupiers fall within use class B1c and B8. There is an increasing trend for airport related uses to locate in south Bristol. • Likely to be continued demand into the future, particularly from occupiers who due to their workforce or operational needs require to be in the area.
East Bristol	• East Bristol has also seen a steady amount of take-up over recent years despite it being a secondary market. This is partially driven by the transactions at Vertex Park, former Amcor facility in Warmley as well as established estates around Fishponds. • The area has a mix of occupiers with the majority falling in use class B1c and B8. • Likely to be continued demand into the future, particularly from occupiers who due to their workforce or operational needs require to be in the area.
North Bristol	• This has seen the lowest level of transactional activity of the sub-markets. • This is partially due to a lack of available space. • The lack of supply has been addressed in part through the delivery of Horizon 38 which is a new build scheme in Filton. • There are a mix of occupiers including those related to aerospace and advanced engineering.

4.35 The majority of take-up has been on a leasehold basis – over 75% in recent years as shown in the table below. Nonetheless, there is a continuing demand for occupiers to acquire space on a freehold or long leasehold basis. This is particularly prevalent if their operation requires a large amount of fit

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out and capital expenditure. This was reiterated by IBB particularly in relation to the advanced engineering and manufacturing sector. Further detail on this is provided in the next section.

Year	2015	2016	2017	H1 2018
Leasehold	79%	73%	76%	82%
Long Leasehold	3%	5%	10%	2%
Freehold	18%	22%	23%	16%

4.36 It is understood that the preference for freehold space has resulted in many transactions at recent developments being on this basis, for example at Apollo Park in Yate (which is outside Bristol City Council's administrative area).

4.37 The majority of take-up (by number of transactions) is for smaller units, for example in 2017 78% of all transactions were below 1,858 sqm/ 20,000 sqft. Business rates relief for smaller units with a rateable value below £12,000 has assisted in keeping occupier costs down.

4.38 In considering demand it is important to note the rise in requirements from the leisure sector, specifically uses that due to their operational requirements, including size or noise generated, increasingly are located on commercial estates. Initially landlords considered these occupiers a risk due to the additional consents required, including planning, and that the majority of occupiers had little / no trading history or covenant strength. Nonetheless, following the trampoline park operator, Air Hop, taking 5,575 sqm/ 60,000 sqft at Patchway Trading Estate in 2014 there has been an increasing number of deals done on industrial estates to leisure users, including for example 7 – 11 Knapps Lane which let to Absolutely Karting in 2016.

4.39 Some leisure operators have sought more 'industrial' style premises as they are comparatively cheaper than other buildings. They also provide sufficient space for uses such as go-karting and trampoline parks with adequate car parking provision. Market factors have also played a part. Following the last recession, with landlords facing longer void periods, they were more open to considering change of use in order to secure a tenant. Whilst this additional stream of demand has proved fruitful to landlords, it does come with disadvantages. Leisure users occupying smaller units on multi let industrial estates have brought problems with parking and safety, with large numbers of pedestrians and children conflicting with the day to day operations of an industrial estate. Furthermore, the rise in these requirements puts increasing pressure on available industrial stock.

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Feedback from the Commercial Market

4.40 To inform this commission, JLL have engaged with a range of developers, agents and occupiers who have experience in both the office and industrial market. The purpose was to provide further detail on the local market including insight on the ability to secure new space in the city, including any possible challenges. The following section summarises the key findings from these discussions. The feedback received has also been embedded throughout this report.

Key Feedback from the Office Market	
Developer	Recently delivered new space in the city centre and have appetite to deliver more. Very limited appetite for out of town locations. Would look to deliver a mix of offices including traditional leases and more flexible space. The design of buildings in Bristol has lagged behind other places and there is an opportunity for 'smart' new developments. An obstacle for delivering future office space is the competition from other high value uses in the city centre.
Property Agent	There is good demand for space in the city centre but a lack of existing supply to satisfy this – supply is lower than other big cities. Flexibility within leases is becoming increasingly important to occupiers, which has resulted in a rise of co-working space. This sector is likely to further grow its market share. Tech is increasing its market share, which is likely to continue. Developers are looking at delivering more creative space, for example the offices currently under construction at Wapping Wharf.
Professional Services Occupier	Recently relocated to a new office - both new and previous sites were in the city centre. Acquired less space than the previous office due to changing working habits that meant less space was required. Preferences of the workforce was a key reason for their location in the city centre. They did consider out of town, specifically Aztec West, but due to accessibility challenges discounted it. Lack of appropriately sized Grade A or lower spec space available in the city centre. Improving the quality of their commercial environment was a key aim for the new office to overcome the lack of amenity in the surrounding area.
Co-Worker Developer	Recently acquired space in the city centre. Lack of available stock, particularly at the desired price.

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Key Feedback from the Office Market	
	Accessibility to Temple Meads was key due to the preference of occupiers. Strong demand from potential occupiers. Demand from both operators and occupiers for this type of space is likely to continue.

Key Feedback from the Industrial Market	
Developer	Have recently delivered space at Avonmouth/Severnside and are keen to develop more space. They anticipate there is good occupational demand - industrial property has benefitted from the changes to the retail sector. There are however challenges to delivery. There is increasing concern about the potential staffing challenges in parts of this location. Improved accessibility from residential areas is therefore important to ensure continued growth. Improved amenities such as hotel etc. could support the growth of the area. Planning can be a challenge due to the timescales for securing consent.
Property Agent	Supply of available land in Avonmouth has reduced significantly. There is also increasing concerns over the ability for existing and future occupiers to recruit. Demand for industrial space in the city centre remains strong. There is anticipated to be good demand for new build multi let units - albeit there is no land available to facilitate this. There is limited incentive for some occupiers of long leasehold units in places like Brislington Trading Estate to refurbish their properties due to their diminishing leasehold interest - in some cases the public sector is the freeholder.
Avonmouth/ Severnside Occupier	Recently delivered a new regional distribution centre at Avonmouth/Severnside. The site was delivered under the extant permission meaning that the planning process is relatively straightforward. The extant permission means there is a live consent for certain B uses so a full planning application is not required – unless it deviates from the existing consent. A challenge facing their future operation relates to their ability to recruit and retain staff – despite being proactive. This is an issue that is understood to be faced by a number of employers based at Avonmouth/Severnside. Improved accessibility from residential areas is therefore important to ensure continued growth.

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Macro and Micro Market Considerations

4.41 In considering demand it is important to have regard to both macro and micro factors that can impact the market. The implications of these factors vary and while some could create a more challenging and uncertain market for occupiers, specifically the uncertain nature of the political scene, others provide opportunities to expand the economy.

4.42 The full extent of the impact is difficult to determine and they should all be monitored. It is important to note that there could be factors that arise in future, for example due to legislative or policy changes, that have not been identified below but that may impact the market. This underpins the need to regularly monitor employment land demand and supply going forward. Appendix C provides a more detailed overview of key macro and micro factors, which are summarised below:



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Overview of Growth Sectors

4.43 Below we highlight and assess the impact that core growth sectors may have on the industrial and office markets, specifically what the implications are for the type, amount, size and location of commercial space.

4.44 The growth trends explored are those identified by IBB as key opportunities for the West of England. As explained in more detail below, some of these sectors are very established within Bristol's commercial landscape, whereas others are becoming increasingly prominent. The West of England Industrial Strategy identifies a number of these growth areas as opportunities for cross sector innovation and reiterates their importance to the local economy.

4.45 IBB have sector specialists for each area who we have engaged with to inform this piece of work. The information provided below is therefore based on their professional expertise alongside specialist market knowledge.

Aerospace and Advanced Engineering

4.46 Aerospace and Advanced Engineering is well-established in the West of England region with a number of recognised firms based in the area. Airbus, BAE Systems, Rolls Royce and GKN have established facilities on the north fringe of the city (straddling Bristol and South Gloucestershire Council's administrative areas). Based on information available from the West of England Local Enterprise Partnership (LEP) it is the understood that the region is the largest aerospace and defence cluster in the UK.

4.47 This sector has grown around the dominance of the primaries listed above. As a result, there are circa 26,600 direct jobs in this sector within the region (not just Bristol), which is the highest in comparison to other areas across the UK (based on information contained the Industrial Strategy Aerospace Sector Deal (December 2018)).

4.48 Looking to the future it is anticipated that this sector will continue to grow both nationally and locally. This is supported by the Aerospace Sector Deal announced by Government (December 2018), which forms part of the wider Industrial Strategy. It proposes several measures, including considerable capital investment.

4.49 It is anticipated that the sector will grow in the Greater Bristol Area. This is supported by the announcement that The Global Technology Centre will be established in Filton. It is understood that the facility, which is partially funded by GKN and partially by Government, is expected to open in 2020. Based on a press release from the University of Bristol (6th December 2018) it is understood that this facility will extend to approximately 10,000 sqm/108,000 sqft of accommodation and include collaborative space for research and development with the universities, the UK's CATAPULT network and GKN Aerospace's UK supply chain.

4.50 The growth within the local area is further reiterated by the West of England Industrial Strategy. This identifies Aerospace and advanced manufacturing as a key sector in the south west that has the potential to collaborate with and support other core sectors, such as Tech.

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4.51 Information provided by IBB sets out that of the 15 requirements from businesses in the aerospace and advanced engineering sector received since the start of 2014, 40% were for the north east Bristol fringe. Please note that the majority of these businesses were also considering other locations. These are requirements received by IBB specifically and therefore does not capture all potential market demand.

4.52 Increasingly there is interest from these occupiers to consider other locations due to changing workforce demands and pressure on existing stock, including Bristol City Centre for new office space. A key driver being employee demands for a central and accessible location near a range of amenities. Again, based on information provided by IBB, over the last year they have received two requirements from aerospace and advanced engineering firms for office space in the city centre.

4.53 In addition to the above, there is increasing demand for manufacturing space at Avonmouth and Severnside. This is due to the quantum and scale of land available in comparison to other locations where it is more constrained. Information provided by IBB suggests that there have been approximately three requirements for space in this area since the start of 2014. They have also considered alternative locations. Furthermore, GKN have their relatively modern composite wings facility on Western Approach. IBB understand the requirements for this type of space is typically on a freehold basis.

4.54 There are challenges to seeing the realisation of the growth of this sector, including for example Brexit and skills shortages.

High Tech

4.55 Bristol is an established tech hub. This is partially due to the history of the region and its role in producing specialist microprocessors and silicon chips for approximately 30 years. Today, the sector plays an important role in the local economy with turnover from tech businesses in 2017 at £7.9 billion based on the Tech Nation's Report (2018).

4.56 The Tech Nation Report suggests that Bristol has one of the highest concentrations of tech firms in comparison to other cities, including Oxford, London and Cambridge. It estimates that approximately 226 new tech businesses were established in 2017. It assessed Bristol as having a balanced tech market with a strong mix of start-up, scale-up and mature businesses, which overall suggests a healthy ecosystem.

4.57 The Report also acknowledged the city as being one of the most productive tech clusters in the UK. There was limited mention of Bath, but when combined the strength of this sector in the West of England region is further enhanced.

4.58 A key reason for Bristol's strength is understood to be access to business support. This is due to the range of facilities, including accelerators and incubators for start-up businesses – a number of which are targeted at tech enterprises, such as Set Squared in Engine Shed. This is followed by the general appeal of the wider area as Bristol is regularly recognised from a national perspective as being one of the best places to live in the country.

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4.59 Nationally the tech sector is likely to grow in importance. This is due to a number of factors, including for example the Industrial Strategy that has sector deals for Life Sciences, Artificial Intelligence and the Creative Industries – all of which provide support and possible investment for further digital and tech initiatives. The aim being to put the UK at the forefront of AI and tech work globally.

4.60 It is likely that the sector will also grow in importance from a local perspective. The delivery of the new Temple Quarter Enterprise Campus (TQEC) by the University of Bristol will further strengthen this sector. A key deliverable of the new Campus is to improve connections with the community and local businesses as well as existing incubators such as at Engine Shed. Fintech is also an area of particular potential growth due to the number of existing financial firms.

4.61 From a property perspective this is likely to mean growth in the city centre, which has been a core focus for previous requirements based on information provided by IBB and supported by JLL's market knowledge.

4.62 Based on information provided by IBB it is understood that the requirements received have mainly been for office space since the start of 2018. The reason for this being most tech work can be carried out in standard B1a office accommodation. Occupiers typically care a lot about the quality of the space.

4.63 It is also important to note that a number of high-tech occupiers look to cluster with other similar firms, for example in co-working facilities. These types of environments partially reflect the accelerator / incubator spaces that many of the businesses were originally set up in. Furthermore, it supports the potential for creative collaborations.

4.64 There are however challenges to the continued growth of this sector, specifically around the uncertainty surrounding Brexit and the skills gaps. The Tech Nation report (2018) also highlighted that for Bristol the lack of funding is a key challenge for the future growth of this sector.

Creative Industries

4.65 Bristol and Bath is an established creative hub with circa 17,000 jobs within this sector based on the Council's State of Bristol Key Facts (April 2018). It is worth noting that this sector links closely with High Tech (discussed above).

4.66 Information suggests that 14 BAFTAs and six Oscars have gone to companies based in the region. Furthermore, 40% of all wildlife films are linked to Bristol's studios. This reiterates the important contribution the local economy makes to this sector nationally.

4.67 Firms located in the region include the BBC, Aardman Animations, Bolex Brothers, IMDb and Future Publishing. It has also recently been announced that Bristol has attracted Channel 4 to set up a regional creative hub at Finzels Reach. This will further strengthen the creative role of the local economy.

4.68 The Universities contribute to the strength of the creative sector locally. For example, the University of the West of England has recently invested in their Bower Ashton Campus and delivery of the Design

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Studios which provide workshops, studios and office accommodation. Furthermore, they have led a successful bid to become one of eight Arts and Humanities Research Council creative clusters – a partnership aiming to improve the performance of the creative industries in the region, bringing together the four universities and industry partners to develop understanding about user engagement with new platforms including 5G connectivity, virtual and augmented reality.

4.69 Looking to the future it is anticipated that the sector will grow. There has been a recent central government announcement that there will be an investment of circa £1.3 million into the creative industries in the West of England region. In addition, the Local Industrial Strategy identifies the creative sector as having significant opportunity to develop the relationship with traditional industries in the area, including aerospace and advanced engineering.

4.70 Further to the above, it is worth noting that the West of England Combined Authority are understood to have secured funding from the Department for Digital, Culture, Media, and Sport to pilot a two-year Creative Scale-Up programme that aims to help creative firms access finance through an intensive business readiness support programme that will commence in autumn 2019.

4.71 From a property perspective a number of the existing established firms are located within the city centre area, including for example the BBC and Aardman Animations. It is anticipated that this trend will continue with the majority seeking space in the Enterprise Zone. Exceptions include where businesses have links to the Future Spaces Robotics Lab at UWE, as it is likely that they would require space along the north east fringe.

4.72 In terms of tenure it is anticipated that increasing flexibility will be important for occupiers, and therefore co-working facilities will be attractive to them. This is also reflective of the enquiries registered with IBB.

Low Carbon

4.73 Bristol was named as the European Green Capital for 2015. This was due to the city being able to successfully demonstrate a track record of achieving environmental gains, alongside a commitment to ongoing and ambitious goals for further environmental improvement and sustainable development.

4.74 The low carbon sector plays an important part in the economy. It is understood that a broad spectrum of low carbon innovation is present in the region from research to execution and delivery. This is due to the strong engineering and tech sectors established in the region, as well as links to major energy developments such as Hinkley Nuclear Power Station. Major firms located in the region that have links to the green energy/low carbon sector include Arup, Atkins, Buro Happold, Bristol Energy and EDF Energy.

4.75 Looking to the future it is likely that the role of the low carbon sector will grow nationally. This is a result of increasing pressure for more sustainable practices, which has been reiterated by the Industrial Strategy. It recognises that one of the main challenges is to encourage clean growth through the development, manufacture and use of low carbon technologies, systems and services.

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4.76 From a Bristol perspective it is anticipated that the sector will grow, particularly as a result of Hinkley and potentially Oldbury Power stations. For example, EDF took 7,618 sqm/ 82,000 sqft at Bridgewater House to service their work in the region, including delivery of Hinkley Point. The accessibility and amenity offer plus access to a skilled workforce are likely to have been key drivers that made Bristol city centre an attractive location.

4.77 From a property perspective it is likely that the office requirements generated as a result of the growth in the low carbon sector will be focused around the city centre, which has been reflected in recent requirements IBB have received. There is also likely to be demand for some industrial space, focused around Avonmouth/Severnside as well as the city centre based on recent IBB requirements.

4.78 There are challenges to achieving the growth plans within this sector, including skills shortages, as well as companies needing flexible facilities with the ability to expand and contract quickly in response to workload.

Professional and Business Services

4.79 Financial and related professional services account for 7.7% of the South West region's GVA, ranking it fourth nationwide based on TheCityUK's report published in July 2018. Please note that this does include a large area encompassing Exeter, Swindon and Gloucester. Nonetheless, this research finds that Bristol is the region's largest financial centre, with approximately 33,500 employed.

4.80 Bristol has a history of specialising in insurance, legal and banking, and has developed into one of the main UK finance hubs. Businesses located in the city linked to this sector include Burgess Salmon, Lloyds Bank, Hargreaves Lansdown and Axa.

4.81 Due to the historic dominance of this sector and number of established businesses, it is anticipated that this sector will continue to play an important role in Bristol's commercial market, particularly as a number of businesses are diversifying and looking at opportunities with tech-based initiatives, for example NatWest's Centre of Excellence.

4.82 This sector typically occupies office buildings on corporate leases and is predominantly clustered around the city centre. In the future the IBB Sector Specialist anticipates this trend to continue, which has been reflected in the majority of requirements they have received since the start of 2014, as well as a number of recent deals, for example Sun Life took circa 1,340sqm/ 15,000 sqft in the city centre during 2016.

4.83 Nonetheless, it is anticipated that there will be an increasing trend for this sector to take office floorspace on a more flexible basis, including for example in a co-working hub as opposed to traditional corporate leases. This again has been reflected in a number of enquiries that IBB have received since the start of 2014.

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Growth Sectors – Impacts on Property and Location

4.84 The table below provides an overview of the potential property and location impacts of the above sectors.

Sector	Property Implications	Location Implications
Aerospace and Advanced Engineering	The tenure by which the property is procured is likely to vary with increasing demand for more flexible office space. Industrial space is anticipated to be sought on a freehold basis due to the considerable capital investment and bespoke machinery required.	The north east fringe of Bristol is likely to remain the focus, reinforced by the proposed delivery of the Global Technology Centre at Filton. It is anticipated that there will be increasing demand for office space in the city centre (in part due to staffing), and more industrial space at Avonmouth/Severnside due to availability of land/accessibility.
High Tech	The demand is likely to be focused on office accommodation as most tech work takes place in these facilities. It is anticipated that this will be sought on a more flexible basis in clusters, for example co-working facilities.	The city centre is anticipated to be the focus for this sector moving forward. This is due to the accessibility and amenities on offer that make it a more attractive working environment.
Creative Industries	There is likely to be increasing demand for office space, particularly on a more flexible basis, for example in co-working facilities.	The city centre is anticipated to be the focus for this sector moving forward, except where there are links to specific catalysts such as the Future Spaces Robotics Lab at UWE, which is likely to result in some demand along the northern fringe.
Low Carbon	It is likely the majority of demand will be for office stock, increasingly on a more flexible basis to allow the business to better respond to changing business conditions. There is also likely to be some demand for industrial stock.	It is anticipated that demand for office accommodation will be focused in the city centre; whereas, industrial space is likely to be sought in the city as well as Avonmouth.
Professional and Business Services	These occupiers will continue to demand office stock; however, it is likely to increasingly be on a more flexible basis with a reduction of corporate style leases. Furthermore, it is anticipated that due to changing working environments these firms may take less space but of a better quality.	The city centre has been a focus for these businesses, and it is anticipated that this will continue, particularly for commercial stock within an approximate 15-minute walk from Temple Meads.

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Emerging trends that could affect demand

4.85 The following section provides a high-level overview of the potential impact that emerging property trends could have on the commercial industrial and office markets. This is an important consideration as their increasing presence could influence the type, amount and location of space demanded by occupiers, developers and investors.

4.86 The potential trends for office and industrial/warehousing markets are considered separately below. This section should be read alongside Appendix D which provides a more detailed analysis of these trends, including case study examples.

4.87 Please note that while some of the trends assessed below are increasingly visible in the market, others are likely to be realised in the longer term due to market and technological requirements.

Office Market

4.88 The core emerging trends from an office perspective are:

- Flexible workspace (including co-working) – Flexibility in leases is becoming increasingly important for occupiers globally, which has resulted in a rise in more flexible working spaces. There are numerous drivers behind this but ultimately it is underpinned by changes in how, when and where people work. There are varying degrees of flexibility that a building can provide from lettable offices to co-working pay by the hour facilities. The growth of the flexible workspace market is increasingly a hybrid offering, which caters not only to freelancers, start-ups and SMEs, but also, increasingly, larger organisations. There are a number of flexible workspaces established in Bristol, including Regus, Runway East and Desklodge.
- 'Smart' buildings and connectivity – Smart buildings are increasingly gaining momentum in the office market due to technological and connectivity improvements that allow for better management, use and enjoyment of space. There is however a considerable capital cost associated with providing this technology; therefore, landlords and investors will want to be confident that there is sufficient return.
- Quality and experience – The quality of a building is becoming increasingly important from an occupier perspective. This is encouraging landlords to invest in communal amenity space in buildings – this is visible in some office buildings across Bristol. It is also likely to result in occupiers including amenity/breakout provision as part of their fit out resulting in less traditional desk space.
- Location – There is increasing demand from occupiers to be located in the city centre, particularly a 15-minute walk from the railway station. There are several drivers for this, including accessibility, amenity provision and workforce demands.

4.89 The following table provides an overview of the potential impact emerging trends could have on the office market. Strategies for how the Council could facilitate and encourage these trends are discussed later in this report.

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	Property Implication	Location Implication
Flexible Workspace	There will be increasing demand for existing buildings (e.g. secondary office stock) to deliver co-working and flexible workspace. There may be viability challenges with the new build delivery of this type of space dependent on the nature of the proposed scheme.	The market is likely to deliver this space where occupiers want to locate, particularly in the central area. This was highlighted in conversations with both Runway East and Desklodge. There is also likely to be demand from occupiers in other parts of the city, however, the focus will still be the city centre.
Smart Offices	There will be increasing demand from occupiers for landlords to provide smart technology in buildings. This will allow businesses to be more efficient in their use of a building and could reduce environmental impacts. It is likely this will be focused in Grade A space.	Focussed on Grade A space in the city centre. It is understood that Halo, which is being delivered by Cubex, will include 'smart' technologies.
Quality and Experience	There will be an increasing demand for improved amenity provision as part of office buildings. It is likely that some businesses will increasingly incorporate more collaborative space as part of their fit out.	This trends links to increasing demand from occupiers to be in a central location.
Location	Widespread evidence that demand will be focussed in central areas (both Grade A and secondary stock).	Developers and investors are likely to respond to the increasing demand from occupiers to locate centrally. It is anticipated that the delivery of new office space will be focused within a circa 15-minute walk from Temple Meads in at least the short to medium term. A mixed-use developer active in the commercial market reiterated that this was the radius in which they would seek to deliver new space.

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Industrial Market

4.90 From an industrial perspective the following emerging trends are pertinent:

- Big Data – This could have a considerable impact on warehouse space by facilitating a shift from production-led supply chain management to consumer-centric demand chain management. As more data is captured, digested and shared, the way supply chains and warehouses are managed is improving. The end goal being to become more efficient with both moving and storing stock. This should allow for a more accurate and timely picture of demand that cuts the amount of inventory being held on site and therefore overall space required.
- Automation – Technology is increasingly being utilised within the industrial sector. As more robots join the warehouse floor it is changing the way that buildings themselves are planned and designed. This is not just rearranging the existing floor plan, but the introduction of new technology brings new space requirements that warehouses increasingly need to take into account.
- Last Mile Logistics – Last mile logistics involves the delivery of items to an end user. It encompasses the concept of mix box hubs and last mile/omni channel facilities. Demand for this type of space has increased considerably over recent years in line with the rise in mobile apps that have improved the ability to monitor purchases in real-time. From a space perspective it means businesses want to be closer to residential areas to allow for ease of delivery.
- Multi-height warehouses – Vertical multi-storey warehouses are common in Asia and are starting to be seen in higher value areas in the UK. The challenge in urban areas being land supply and pressure from competing higher value uses. Whereas, for larger fulfilment hubs the scale of space required is extensive and so if provided over a single storey the relative cost of the land value would be significant. They allow occupiers to utilise a smaller footprint to deliver their necessary space.
- Smart Warehouses – The move towards smart warehouses is being facilitated by technological improvements, including the Internet of Things, cloud computing, additive manufacturing, robotics and big data – all of which are beginning to change the way manufacturing and logistics companies operate and use real estate. This trend is likely to result in high quality buildings that have secure wireless access.
- Uberisation – This technology has the potential to match demand and supply across a range of logistics services, for example to enable warehouse or transport capacity to be shared. It is also known as Warehouse as a Service (WaaS). There is potential for this to grow more significantly in the future to deliver 'ad hoc' warehouse space on demand. This would enable businesses to flex their warehouse capacity more effectively to meet variations in demand.

4.91 The following table provides an overview of the potential impact emerging trends could have on industrial property.

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	Property Implication	Location Implication
Big Data	Big data offers businesses more knowledge of their customer, allowing them to be more responsive in their inventory and operation. It may therefore reduce the amount of space required by businesses.	This is likely to have the biggest impact at the core distribution locations such as Avonmouth, Severnside and the north-east fringe. It is anticipated that areas with a higher number of small and medium sized distribution firms are likely to take longer to change due to the cost of implementing this technology.
Automation	Increasing automation is likely to result in reducing size requirements for industrial space – both in terms of the physical warehouse based on efficiencies and also the overall site size given less need for parking.	Again, likely to have the biggest impact at the core distribution locations such as Avonmouth, Severnside and the north-east fringe. It is anticipated that industrial areas with a higher number of small and medium sized distribution firms are likely to take longer to change due to the cost of implementing this technology.
Last mile logistics	This is likely to result in increasing demand for distribution space in more urban locations.	The aim for last mile logistics is to be close to the consumer for quick efficient deliveries. Demand is anticipated to be in the central markets in close proximity to housing, for example Lawrence Hill, Bedminster and St Philip's Marsh etc. This would allow easy access to the consumer base.
Multi-height warehouses	Multi-height warehouses allow commercial sites to be used more efficiently. Less land is required to accommodate the necessary floorspace as the building footprint is smaller.	Multi-storey warehouses are likely to become increasingly common in more central locations where there is increasing pressure from a range of higher value uses; or, alternatively where there are large distribution centres such as at Avonmouth or Severnside and the scale of space required is significant. There has been limited delivery of this space in the UK, particularly in the south west. This is partly a result of the build cost not being offset by the end value. It is likely that changes in the market will be required before this is seen on a large scale in Bristol.

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	Property Implication	Location Implication
Smart Warehouses	There will be an increasing need for property to provide sufficient connectivity to allow for smart warehouses to develop. From a manufacturing perspective it will link heavily to increasing use of automation, which is discussed in more detail above.	This trend is less driven by location and therefore the impacts are limited.
Uberisation	The impact on the building will depend on the basis it is offered, for example a shared space or single occupation. Should it be a shared space there could be additional security requirements for the buildings.	Research by JLL (April 2017) anticipates that this could have a considerable impact on last mile fulfilment facilities. It is likely to have biggest demand in more central locations in closer proximity to the consumer.

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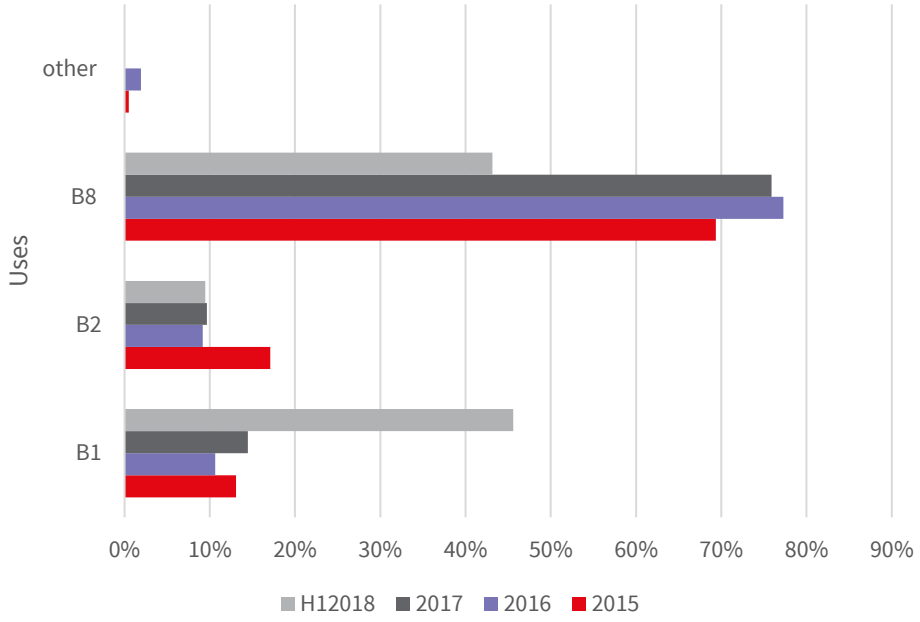
Overview of Declining Markets

4.92 It is important to note the impact of any declining market sectors.

4.93 Based on market knowledge coupled with conversations with local property agents there are no identifiable declining office sectors that are having a material impact on vacancy rates.

4.94 The position is similar for the industrial market. Nonetheless, the information from Hardisty Jones provided at Appendix E suggests that there could be a net reduction in the number of manufacturing-based roles.

Figure 9: Take-Up in Different Industrial Use Classes



4.95 There has been a demise of heavy manufacturing/chemical (B2) in recent years. However, the take-up of space in this sector has been generally consistent over recent years as shown in figure 9.

4.96 Notwithstanding the above, both the office and industrial sectors should continue to be monitored.

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Summary Comments on Demand

4.97 This section provides a summary on the demand for employment space within the Greater Bristol area.

4.98 **Quantum of demand** – The evidence demonstrates that there is good demand for commercial space (both office and industrial) within Bristol. This is demonstrated by the known requirements coupled with the levels of take-up in recent years. Given the dominance of the city as a core commercial location in the south west this demand is likely to continue, albeit this could slow slightly over the coming years depending on the general market uncertainty.

4.99 **Qualitive characteristics of demand** – The office sector is dominated by demand for smaller units of less than 465 sqm/ 5,000 sqft. This is reflective of other Big 6 Cities and is anticipated to continue. This is due to the nature of businesses in the city, coupled with the increase of agile working meaning employers require less space. Furthermore, it is increasingly being sought on a more flexible basis, which has seen a reduction in corporate leases coupled with a rise in co-working facilities. Again, this is likely to continue.

4.100 Regarding industrial space the market is characterised by smaller deals, particularly in the central, east, south and north markets (outside of Avonmouth). This is demonstrated by the fact most deals in recent years have been for less than 1,858 sqm/ 20,000 sqft. It is anticipated that this will continue, particularly in the more urban markets. The majority of take-up is on a leasehold basis, however, there is a growing demand from both big and small occupiers for freehold accommodation.

4.101 **Locational demand for space** – For office accommodation the increasing demand is to be within the city centre. This is due to the accessibility and amenity benefits, which assist employers in attracting and retaining staff. It is anticipated that this trend will continue.

4.102 From an industrial perspective the most active market is Avonmouth which is anticipated to remain a sought-after location subject to infrastructure and recruitment related challenges being addressed.

4.103 The more urban industrial markets, particularly the central (such as Bedminster, Lawrence Hill etc.) and south (for example Brislington, Ashton, Hengrove etc.) make an important contribution to the city. They cater for a mix of businesses, including those who due to operation and staffing requirements need to be within these locations. The demand for this space is likely to continue. Furthermore, it may increase alongside the growth in last mile logistics.

4.104 **Impact of growth / emerging markets on delivery** – Several trends have been highlighted in this section of the report that are anticipated to have an increasing impact on both the office and industrial market. Some of the trends are already visible in the city, for example the increasing delivery of co-working flexible space.

4.105 From an office perspective these trends are likely to be focused in the city centre. Whereas for industrial accommodation the demand is likely to be more diverse.

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4.106 Even though some of these trends have already been delivered in the city there are a number of other potential trends where delivery is more challenging given the local market, for example new build co-working / flexible space, multi-height urban warehouses and residential above industrial. A key reason being the viability challenges and market uncertainty; therefore, if delivery in line with these trends is to be accelerated it may be necessary for the public sector to take a more pro-active role, particularly in the shorter term. This may be beneficial as it could relieve pressure on urban industrial sites where there is an increasing pressure for alternative uses.

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5 Supply analysis

Bristol is characterised by a lack of existing and pipeline commercial supply. The constrained supply position could considerably affect the ability for businesses to grow, expand and prosper in line with the national and local planning policy ambitions.

From an office perspective the average availability in the city centre is circa 56,085 sqm/ 603,000 sqft based on JLL's information, approximately one year of take-up (based on information available as at September 2018). It is one of the lowest in comparison to the other Big 6 Cities. No substantial new office floorspace has been delivered in the city centre in recent years. However, two exciting schemes are currently on site due for completion in 2020 - Assembly, which will provide 18,580 sqm/200,000 sqft of Grade A space, and The Distillery, which will extend to approximately 8,515 sqm/ 92,000 sqft of high-quality space.

There is approximately 165,000 sqm/1,776,000 sq ft of net gain office space based on information provided by the Council. This is space with planning permission or that has completed since the start of 2016. It comprises approximately 370,000 sqm/ 3,980,000 sq ft of potential gains and gross losses of circa 20,400sqm/ 2,200,000 sqft. Considerably more of the losses have been completed when compared against the gains. This highlights the current market dynamics, specifically the pressure from alternative uses reducing office supply, which is not being replaced as quickly. Most of the new office accommodation is being delivered in the Temple Quarter Enterprise Zone.

In regard to the industrial and warehousing market, the existing supply is estimated to be circa 249,000 sqm/ 2,683,000 sqft based on JLL's information, which falls slightly below the average annual take-up. There is new build space in Avonmouth and the north east Bristol fringe, which includes Horizon 38 and Access 18.

In addition to these schemes, there is approximately 105,570 sqm / 1,136,000 sqft net gains of industrial space in use classes B1b, B1c, B2 and B8. This is space either with planning permission or having been completed since the start of 2016. Most of this space is to be delivered at Avonmouth with a lesser amount in South Bristol. All other markets are anticipated to experience a loss of space due to pressure from alternative higher value uses. This is concerning due to the activity these markets have experienced and anticipated ongoing demand.

The Council are currently preparing their Local Plan Review. The Regulation 18 Consultation included a number of policies related to the local economy. The aim of these policies is to deliver inclusive and sustainable economic growth. In order to ensure this is achieved the proposed policies should provide adequate protection for existing accommodation and strengthen the requirement to deliver new space in sought after market locations. Failure to include these conditions could worsen the existing constrained supply position and jeopardise Bristol's economic resilience.

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Overview of Existing Supply

5.1 This section of the Employment Land Study provides an overview of the supply of commercial stock within the Bristol market. Later in this report this information is compared alongside the demand information (discussed in the previous section) to provide recommendations for the commercial market both now and into the future.

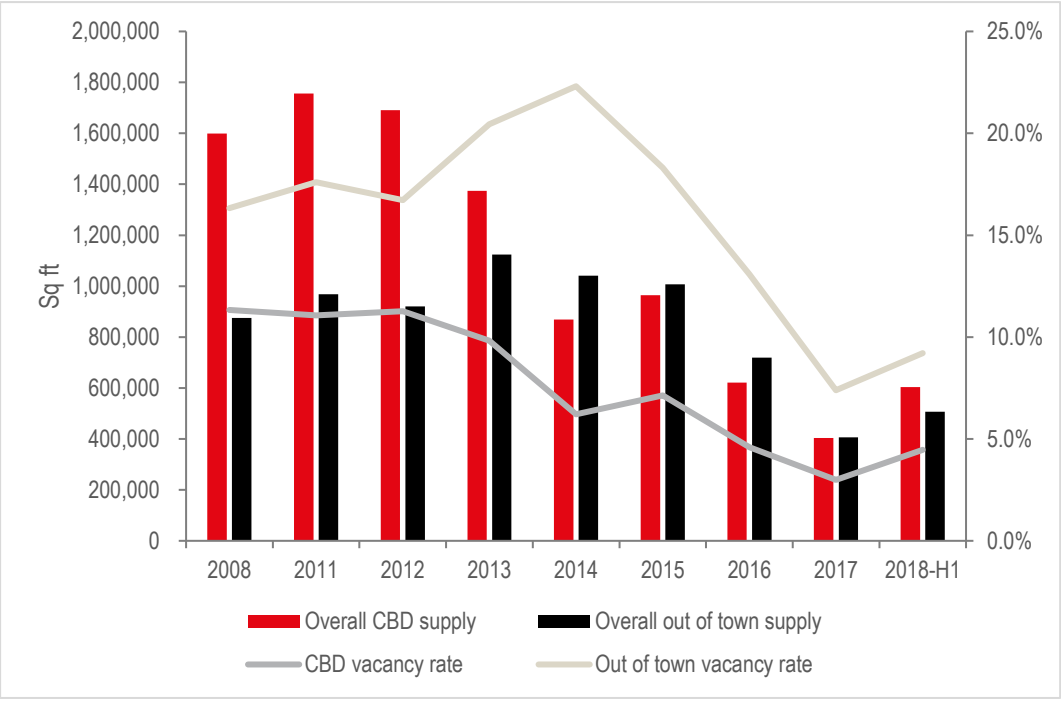
5.2 To ensure a robust assessment, this section considers both the supply in existing buildings and that proposed or committed through the planning process. Regard is also given to the proposed planning policy changes under the Council's emerging Local Plan Review published for consultation in early 2019.

Office Market

5.3 JLL estimate that the total supply of office space in the city centre is approximately 1,254,000 sqm/ 13,500,000 sqft, with an additional circa 465,000 sqm/ 5,000,000 sqft out of town.

5.4 The existing supply for both markets has dropped over previous years as shown in Figure 10, with 2017 representing the lowest availability (vacancy) at circa 3% in town and circa 8% out of town. This is due to several factors including the impact of permitted development rights, which is discussed later in this report.

Figure 10: Supply and Vacancy Rate of Office Stock (based on JLL's internal data at September 2018)



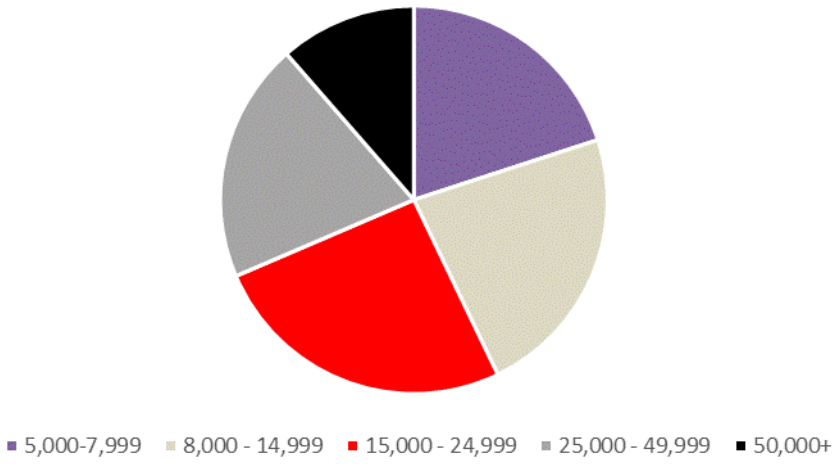
*Please note that CBD refers to the city centre.

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5.5 For the city centre market, the current overall available supply is understood to be approximately 56,085 sqm/ 603,000 sqft. This is based on JLL's internal information as at September 2018 (please note that this information only records buildings over 465 sqm/5,000 sqft). Given that the 10-year annual average take-up is approximately 50,700 sqm/ 546,000 sqft, current supply equates to just over one year of demand and is a key indicator that the market is undersupplied.

5.6 Of the space available in the city centre it is understood that circa 11,300 sqm/ 122,000 sqft is new build or comprehensively refurbished Grade A space, typically in larger floorplates, such as Aurora and Temple Point where floors extend to approximately 1,490 sqm/ 16,000 sqft. In relation to traditional office space, larger floors plates of between 929 sqm/ 10,000 sqft to 1,860 sqm/ 20,000 sqft appear to be preferred by developers / investors as it allows flexibility to respond to occupier requirements, particularly in light of the fact that the majority of transactions are for space below 1,000 sqm/ 10,760 sqft.

Figure 11: Total Availability in Units by Size (based on JLL's internal data at September 2018)



5.7 As shown in Figure 11 the overall split of space available in the city centre is relatively evenly distributed across the size bands. The majority of transactions in Bristol have been below 929 sqm/ 10,000 sqft, which has equated to between 85% to 95% of the total number of deals in 2015, 2016 and 2017.

5.8 Regarding the out of town market, based on JLL's internal information there is circa 47,000 sqm/ 506,000 sqft of available space recorded over 370sqm/ 4,000 sqft as at September 2018. Of this 6,780 sqm/ 73,000 sqft is new build/refurbished and the remainder comprises secondary space. This is predominantly provided in existing larger multi-let buildings and typically reflects space less than 929 sqm/ 10,000 sqft.

5.9 There are also a number of office schemes in the pipeline that are discussed later in this report.

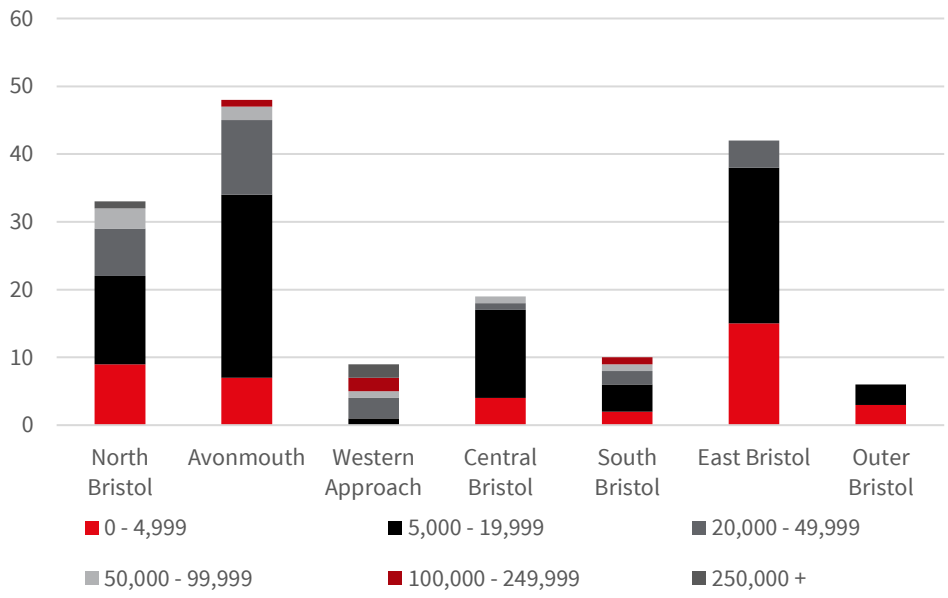
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Industrial Market

5.10 As highlighted earlier in this report, the current leasehold and freehold availability for Bristol is understood to be approximately 249,000sqm/2,683,000 sqft. This is based on JLL's internal market information as at September 2018.

5.11 The average annual take-up between 2013 and 2017 has been approximately 276,000sqm / 2,974,000 sqft; this is distorted slightly by 2016 when take-up exceeded 452,820 sqm/4,583,000 sqft. Most recent years have seen take-up between 250,200 sqm/ 2,693,100 sqft and 269,600 sqm/ 2,902,000 sqft; therefore, the existing supply is broadly equivalent to one year of take-up.

Figure 12: Total Available Stock by Sub-Market (based on JLL internal information September 2018)



5.12 Figure 12 shows the distribution of available space within the core submarkets (highlighted earlier in this report). Most available units are focused around Avonmouth and the north and eastern peripheries of Bristol with limited current availability in the south and central areas. Please be aware that this covers space outside Bristol's administrative area, for example Emersons Green and Severnside.

5.13 The lack of supply available in the central and south markets is particularly concerning given that these locations are both active with continued demand from occupiers. It is likely that this has resulted in businesses being unable to expand or having to relocate elsewhere, including out of the Council's administrative area.

5.14 In relation to the sizing, the most commonly available unit appears to be below 1,858 sqm/ 20,000 sqft and therefore reflects demand as the majority of historic take-up is for smaller units, for example in 2017 78% of all transactions were below 20,000 sq ft.

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5.15 The greatest mix in terms of the size of units is at Avonmouth. This is due to the nature of the area and land availability, which provides more opportunity for larger units in comparison to the central areas. There is greater demand for larger distribution premises in Avonmouth due to good accessibility including proximity to the motorway and port.

5.16 The continued supply shortages alongside strong demand have resulted in rental price increases across the city. As a result, for certain parts of Bristol the gap between new build and secondary rents is limited, particularly for units under 929 sqm/10,000 sqft. For example, at Aztec West the difference in rental values between new and second hand industrial/warehousing space is understood to be just £0.50 per sqft.

5.17 In addition to the existing supply, there is additional space available in the pipeline, including design and build units, which are discussed later in this report.

Pipeline supply

5.18 Alongside the existing supply it is important to consider the pipeline opportunities that may be delivered, thereby impacting the overall supply of commercial stock. The Council have provided a schedule in this regard to align with the start of the Local Plan period (2016). It includes completions since 2016, planning permissions that have been approved prior to March 2018, as well as allocated development opportunities. Please note that this information relates only to land/property within Bristol City Council's administrative area. Please note that this information informs the work undertaken by Hardisty Jones Associates as part of both this commission and the Joint Spatial Plan (JSP). Hardisty Jones Associates' work in relation to this commission is summarised in the following section and is included in full at Appendix E.

5.19 The information provided by the Council breaks down the permissions by location. These are reflective of the areas included in the Economic Development Needs Assessment prepared as part of the JSP evidence base, which are:

- Avonmouth
- Temple Quarter Enterprise Zone
- Temple Quarter Enterprise Zone extension
- City Centre (outside Enterprise Zone)
- South Bristol
- Other areas of Bristol – this is all areas excluding the above.

5.20 The information provided includes planning permissions for both new commercial space and the loss of existing. It is important to consider both to ensure a robust understanding of the office and industrial supply in future.

5.21 A number of the planning permissions considered in this report formed part of the previous Economic Development Needs Assessment work undertaken as part of the JSP. A small number of these

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permissions are now under construction or completed. They are included in the calculation of future supply as they are understood to have commenced after 2016, which is the start date for the New Local Plan.

5.22 JLL have relied on the information provided by the Council to estimate supply in the planning pipeline.

5.23 A high-level assessment of the 'major' planning permissions is provided in Appendix F. This includes a comment on any anticipated risk associated with the delivery of the specific sites. This is based on our understanding of the current market conditions and developer appetite. We have not engaged specifically with the landowners / developers in respect of these sites. If necessary, this should be explored as part of a later phase of work.

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Office Market

5.24 Based on the planning permission information provided by the Council there is anticipated to be a net gain of over 165,000 sqm/1,776,000 sq ft of office space. This is space with planning permission or that has completed since the start of 2016. It comprises approximately 370,000 sqm/ 3,980,000 sq ft of potential gains of which less than 2% have been completed. The total potential losses are circa 205,000 sqm/2,208,000 sq ft and it appears that 45% of these losses have been completed. This highlights the market dynamics, specifically the pressure from alternative uses taking out office supply which is not being replaced as quickly. The net potential pipeline supply reflects less than two years of take-up based on the 10-year average.

5.25 Geographically the distribution of space is split with a dominance of new stock being delivered in the Temple Quarter Enterprise Zone. This is not surprising due to the increasing demand from occupiers to be in central and accessible locations alongside the potential rates relief for occupiers. It is also worth noting that there is a net gain of space at Avonmouth; however, this is likely to be office space that is ancillary to a wider industrial/warehousing scheme. Further information is provided below.

5.26 There is some risk associated with the office space estimates. Further detail is provided at Appendix F but to summarise the key risks are the scale of commercial development committed on certain sites. For example, the plots at Cabot Circus have had permission for several years without being delivered. This is likely to be in part a result of the scale of development as it exceeds 17,000 sqm / 180,000 sqft whereas the preference from the market is to deliver office schemes of approximately 9,290 sqm/ 100,000 sqft as per The Distillery and Silverthorne Lane (excluding Plot 1 which is to be occupied by the University of Bristol in connection with the Temple Quarter Enterprise Campus). This is coupled with the nature of the location which is not currently in the core business area. Overall, it is probable that an element of commercial space would be delivered on site but not of the scale currently estimated and it is likely to be in the medium to longer term.

5.27 Another risk to the supply estimates is the method of calculation. For example, a number are allocated under the adopted Development Plan and in these cases the Council have adopted a blanket approach to estimating how much commercial space could be achieved. While in some cases it is likely that office space would be provided on site there is a risk that the quantum suggested is not achieved given this high-level approach and likely competition from other uses. This risk is increased where the public sector does not have a controlling stake in the land.

5.28 There is estimated to be 73,400 sqm/790,000 sqft of office space that could be delivered in the short to medium term. Please note this reflects land deemed to have a low delivery risk in accordance with Appendix F. A significant proportion of this comprises the permitted accommodation at Finzels Reach, which is underway.

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Enterprise Zone (including extension)	• Based on information provided by the Council there is a circa 267,000 sqm/ 2,873,000 sqft net gain of office space but there do not appear to be any losses. • The majority of this space is delivered through larger schemes delivering over 4,645 sqm/ 50,000 sqft, including for example Finzels Reach, the Former Temple Way House and Glassfields. • Notwithstanding the above there is a considerable risk that the quantum of space permitted is not delivered, particularly as a number of the sites identified do not have planning permission but are instead allocated under the Temple Quarter policy.
City Centre	• There is an estimated net loss of circa 40,500 sqm/ 436,000 sq ft of space. This is concerning due to the potential strong demand from occupiers. • The estimated supply is on the basis of an additional 79,100 sqm/ 851,000 sqft of new space – of which it appears that the majority is sites with planning permission (albeit still with risk attached). • This is in comparison to losses in the region of 119,500sqm/ 1,287,000 sq ft, a number of which have already taken place. The space appears to have been redeveloped for a number of non-employment uses, particularly residential and student accommodation. The relatively recent changes to permitted development rights also appears to have had a considerable impact.
South Bristol	• There appears to be an overall net loss of space in the order of 23,000 sqm/ 249,600 sqft. This is largely a result of some significant office buildings securing consent for change of use to residential – albiet the majority of these schemes do not appear to have completed, including Regent and Consort Houses as well as Parkview Office Campus. • The impact of permitted development rights is visible in south Bristol. • There is estimated to be approximately 17,000 sqm/ 183,000 sq ft of additional supply – the majority is minor schemes below 929 sqm/ 10,000 sq ft. The only permission above this scale is 16 – 20 South Liberty Lane as part of the Baileys Caravan redevelopment (some of which is existing commercial space). • The overriding loss of space highlights the pressure within this area from alternative higher value uses.
Avonmouth	• This is not a traditional office location and therefore there is very limited activity. • Based on information provided there appears to be a net gain of approximately 3,270 sqm/ 35,300 sq ft of space. This is based on two permissions - both of which form part of wider redevelopment proposals, including for example the erection of a 11MWe bioenergy facility. It is anticipated that the majority of this space is ancillary to the main use and therefore could not be occupied independtly but this should be confirmed.

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Other parts of the city

- Broadly the permissions are focused around Clifton, Easton and Fishponds.
- There appears to be a net loss of circa 41,500 sqm/ 446,600 sqft of space based on approximately 3,900 sqm/ 42,000 sqft of additional supply set against a loss of circa 45,400 sqm / 488,700 sq ft - the majority comprising sites with permission as opposed to completions.
- The majority of new supply is small scale, below 372 sqm/ 4,000 sqft and forms part of larger developments, for example on the ground floor with residential above. There is a risk with this type of space that it is not taken up by occupiers and is converted to alternative uses.
- The most significant permission that results in the loss of circa 29,300 sqm / 316,000 sq ft is at Airbus as part of their campus redevelopment.
- The other losses are relatively minor in scale and often include conversion to residential, particularly in Clifton.

Industrial Market

5.29 Based on the planning permission information provided by the Council, there is an estimated pipeline supply of approximately 232,700 sqm / 2,500,000 sqft of industrial space in use classes B1b, B1c, B2 and B8. This is space either with planning permission or having been completed since the start of 2016. Based on the available information approximately 30% of this has completed. This is in comparison to approximately 127,200 sqm/1,370,000 sqft of losses estimated over the same period of which approximately 30% appears to be completed, again based on planning permission data. Therefore, overall there is currently estimated to be circa 105,570 sqm / 1,136,000 sqft. This is significantly less than the average annual industrial take-up per annum between 2013 and 2017.

5.30 The estimated supply can be broken down into the different use classes as follows:

Use Class	Total Sq m	Total Sq ft
Gain		
B1b	350	3,800
B1c	6,260	67,000
B2	48,000	529,200
B8	177,800	1,913,000
Total Gain	232,700	2,500,000
Loss		
B1b	5,400	58,000
B1c	7,800	84,000
B2	70,100	755,000
B8	43,900	473,000
Total Loss	127,200	1,370,000

5.31 Please note the above is based on the Council's information on supply. There is of course a risk that some of the gains and losses set out are not delivered.

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5.32 Geographically the activity is distributed across the various city markets. Please note these differ to JLL's interpretation of the submarket areas.

5.33 Despite the transaction activity being distributed across the city there is a clear focus for new space to be delivered at Avonmouth. This is understandable given this is the most active market (as highlighted in the previous section).

5.34 Based on the available information, most other locations (excluding south Bristol) are anticipated to experience a net loss of space – this is despite these locations having considerable activity in recent years, which is anticipated to continue. The loss of space in these markets is likely to put pressure on economic activity and businesses operating in these locations.

5.35 The estimates of supply assume that all permissions will be delivered. JLL have assessed the planning permissions for the delivery of major (over 1,000 sqm/10,760 sqft) new commercial space. There is anticipated to be some risk associated with the delivery of certain schemes. Further detail on this can be found at Appendix F. This is partially due to certain permissions having lapsed; therefore, it will be necessary for them to be renewed – given the current market dynamics there could be pressure from alternative higher value (non-employment generating) uses.

5.36 Overall the risk to the pipeline industrial and warehousing supply is considered low to medium as many of the proposals are underway. However, there are a few schemes, for example 7 – 11 Knapps Lane that are unlikely to come forward as they have been delivered for alternative uses, specifically in this case a go-karting track.

5.37 The planning permission information should be regularly monitored to ensure an accurate understanding of supply. There is estimated to be approximately 99,000sqm/ 1,100,000 sqft of industrial and warehousing space deliverable in the short to medium term. This includes permissions for mixed B uses. This reflects all sites considered to be a low risk as set out in Appendix F (largely because they are under construction). It is not possible to forecast the delivery of the remaining permissions without engaging with the landowners.

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Enterprise Zone and Extension	• There is permission for a net loss of circa 12,000 sqm/ 130,000 sqft despite the general industrial market activity in this area. The loss of space will put pressure on existing and potential industrial businesses. • The loss of space is largely a result of a small number of major applications / completions, including Phase 4 of the Paintworks and land at Bath Road – both of which are residential led redevelopment proposals. As above this is a result of increasing market pressure from various alternative uses. • There is only one scheme that would result in a minor gain of circa 510 sqm/ 5,500 sqft of space, which is at Fowlers of Bristol.
Other parts of the city	• The majority of permissions are focused around Fishponds, Lawrence Hill and Easton - all of which are key industrial markets. • There is permission for a net loss of circa 47,800 sqm/ 515,000 sqft of commercial space. There are some larger schemes of note, for example to the south of Deep Pit Lane that resulted in the loss of 4,180 sqm/ 45,000 sqft of B8 space; Riverwood International Packaging which results in the loss of approximately 27,000 sqm / 290,000 sq ft of B2 space and the Former Chocolate Factory that proposes the loss of circa 8,175 sqm/ 88,000 sqft of B2 space – all the proposals for these sites permit residential led redevelopment. • In terms of use classes it is worth noting that B1b, B2 and B8 all experience a net loss, however, B2 is the most significant. The only use class to experience a net gain is B1c but this is relatively minor. One possible reason for this being the fact that B1c is more acceptable in residential areas.
Avonmouth	• There is circa 157,000 sqm/ 1,696,000,000 sq ft of potential net additional space based on approximately 170,000 sqm/ 1,830,000 sqft of gains and 12,400 sqm/134,000 sqft of losses. Approximately two thirds of this is sites with planning permission. • The new space is predominantly in use class B2 and B8. • It is made up of a small number of larger schemes, for example Access 18. • There appears to have been very limited proposals for the loss of B use class space - the two applications listed replace the existing with alternative forms of commercial space. • The lack of development for non B use classes is likely due to the limited market appetite given the established commercial nature of the area. Albeit there are understood to be proposals for more amenity provision, including a petrol station at Central Park.

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South Bristol	• There is circa 16,500 sqm/ 178,000 sqft of potential net additional floor space. This is on the basis of 37,400 sqm/ 403,000 sqft of gains and 20,900 sqm/ 225,000 sqft of losses. Of the additional supply approximately 85% is land with permission with the remainder completions. • The supply is largely a result of two major schemes delivering in the region of 9,290 sqm/ 100,000 sqft at Winterstoke Road and South Liberty Lane. • It is relatively evenly split between use classes B2 and B8. • The losses in this area have been for a mix of uses, including residential for example at Argus Road and Malago House both in Bedminster. This demonstrates the increasing pressure from alternative higher value uses.
City Centre (outside the EZ and extension)	• There appears to be an overall net loss of space in the region of 7,600 sqm/82,000 sqft - this is despite the activity in the central market over recent years. The loss of space will continue to put pressure on the commercial market in this area. • The losses are a result of sites with planning permission as well as those completed – the majority of losses already having been completed. A number of these sites for example Huller and Cheese Warehouse, Dean Street and Harris and Co Warehouse have been redeveloped to provide residential led uses. • The loss of space is a result of the increasing demand from other higher value uses to be within the central area which puts pressure on lower value commercial sites.

5.38 The above does not include sui generis industrial uses, including for example waste treatment facilities. Based on the planning permission information there is permission for a net loss of circa 14,800 sqm/ 160,000 sqft of sui generis accommodation. It is worth noting that although there is a net loss overall there are a number of permissions for new space, which are predominantly focused around Avonmouth. A principal reason for the overall net loss is the permissions for Temple Island that results in the loss of space – albeit we understand that the site was vacant for a number of years prior to the permitted consent. It is very unlikely that the permitted scheme will come forward; however, it is anticipated the site will come forward for other non industrial / warehousing uses.

Mixed B Uses

5.39 The final sector for consideration is the mixed B use classes. Based on the information provided by the Council there is approximately 25,100 sqm/ 270,000 sqft of net additional supply. This is based on approximately 34,000 sqm/ 367,000 sq ft of new space set against 8,950 sqm/96,000 sqft of losses. The losses appear to all have completed, whereas, the majority of additional supply is through planning permissions.

5.40 We further note that the majority of schemes falling within the mixed B category are proposals for B1c, B2 and B8 schemes, therefore are industrial in nature. The additional supply is made up of a

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small number of large schemes mainly located in Avonmouth and Fishponds, for example land at Access 18 that has planning permission for over 9,290 sqm/100,000 sqft of new space.

5.41 Similar to the office and industrial supply discussed above there is a risk that it is not delivered. For the additional supply there are two main schemes that could pose a risk, which are the land at Foundry Lane and Knapps Lane – both of which are discussed in Appendix F. This is principally due to their recent occupation for alternative uses that mean in the short to medium term it is unlikely either site would be redeveloped to provide additional supply.

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Emerging Planning Policy Approach

5.42 The Council are in the process of preparing their new Local Plan. The Regulation 18 Draft was published for consultation between March and May 2019.

5.43 Section 8 of the draft Local Plan Review relates to the economy and draft policies include:

- E1 – Inclusive Economic Development
- E2 – Employment Land Strategy
- E3 – Location of Office Development
- E4 – Industry and Warehousing Areas
- E5 – Avonmouth Industrial Area and Bristol Port
- E6 – Protecting Living Conditions in Avonmouth Village
- E7 – New Workspace Within Mixed Use Development
- E8 – Digital Connectivity and Inclusion

5.44 In addition to the above there are a number of policies that could impact the supply of commercial floorspace, specifically those related to the proposed Areas of Growth and Regeneration (AGRs).

5.45 The emerging policy does not include any job or commercial floorspace targets, which differs considerably to the adopted policy detailed earlier in this report. Nonetheless, we understand it is the aim of the Council to include target numbers in the adopted version of the New Local Plan. We would strongly endorse this.

5.46 The approach to allocations in the emerging plan is similar to that which is adopted. There are three allocations for new industrial and warehousing accommodation at Western Drive, Avonmouth and Former Gasworks. Furthermore, there are a number of residential led allocations that allow for an element of work/business space. These are spread across the city. Further detail is provided elsewhere in this report.

5.47 The Brief for this commission requires an assessment of the Principal Industrial and Warehousing Areas (PIWAs). There are currently circa 70 PIWAs (in addition to Avonmouth) – some of which are being retained as Industrial and Distribution Areas (IDAs). The policy position for the remainder is shifting as a number are in development areas – either allocated individually or as part of the AGRs.

5.48 In line with the Brief an assessment of the proposed IDAs and former PIWAs (not retained) has been undertaken. This considers their commercial contribution to the market as well as the possible implications of the emerging policy on the appropriate provision of employment land for Bristol. Only the policies applicable to these industrial locations have been considered in this report.

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Proposed Policy for Industrial and Distribution Areas

5.49 The emerging Local Plan Review proposes 35 IDAs – many of which were previously designated as PIWAs. There are also a small number of new areas. The proposed IDAs include:

Ashley Hill	City Business Park	Liberty Industrial Park	Novers Hill	Western Drive
Ashton Vale Road	East of Kingsland Road	Lodge Causeway (west)	Roman Farm Road	Whitby Road (north)
Barton Hill Trading Estate	East of Midland Road	Malago Vale Estate	South Liberty Lane	Whitby Road (south)
Brislington Trading Estate	Eastpark Trading Estate	Montpelier Central	St Anne's Road (north)	Whitby Road (west)
Bush Industrial Estate	Feeder Road	Netham Road/ Blackswarth	St Anne's Road (south)	Whitehall Trading Estate
Cater Road	Fishponds Trading Estate	New Gatton Way	St Gabriel's Business Park	Winterstoke Road
Central Road	Hawkfield Business park	New Station Way	Vale Lane	Woodland Way

5.50 Based on discussion with the Council it is understood that reasons for designating these sites included their strategic scale coupled with their industrial and distribution function as well as the nature of existing occupiers.

5.51 Draft Policy E2 states that *'Industry and Distribution Areas will be reserved for industrial, distribution and related uses.'*

5.52 Further detail is provided in draft Policy E4, which states that: '*Industry and Distribution Areas are reserved for the continued use, development of or redevelopment for industrial and distribution premises (Use Classes B1b B1c B2 and B8 and sui generis uses of a similar nature).*

In addition to industry and distribution and related uses, the following uses are also likely to be acceptable on Industry and Distribution Areas subject to other relevant development plan policies:

- *Industrial or commercial training facilities;*
- *Community facilities;*
- *Specialised leisure uses which cannot be accommodated in centres because of their scale and/or operational impacts;*
- *Essential public utilities development; and*

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- *Ancillary facilities and services which support the functioning of the Industry and Distribution Area including childcare facilities, small-scale retail uses, sandwich shops and cafés*

Development involving the loss of industrial and distribution floorspace/land within the Industry and Distribution Areas will not be permitted unless:

I. The development is for a use referred to above; and

II. Uses are compatible with the industrial character of the areas and would not adversely impact on the viability and continued operation of existing industrial uses.

All proposals for development on Industry and Distribution Areas will be encouraged to make efficient use of land. Developments for new forms of workspace, start-ups, micro businesses and space for social enterprises will be encouraged within Industry and Distribution Areas where they fall within Use Classes B1b, B1c, B2 and B8.

5.53 The above will replace the relevant adopted policies, which include BCS8 and DM13. The latter outlines the detailed approach to the PIWAs.

5.54 Unlike the adopted policy, the emerging wording encourages the delivery of additional B1b, B1c, B2 and B8 floorspace at the IDAs. This is positive as it could in theory increase the supply of accommodation – albeit this is dependent on whether there is undeveloped land or capacity via inefficient layout onsite. It would also need to be of sufficient scale in order to attract private market investment. It is our understanding that the majority of developers seek a minimum site area of circa 0.8 ha/2 acres.

5.55 The delivery of non-B uses onsite reflects the wording of adopted policy DM13. In theory these uses should not compromise the commercial role of the protected areas. However, given the constrained nature of the market the delivery of space for alternative uses could increase market pressures. Therefore, regard should be given to re-wording the policy to require any building/site to be openly marketed prior to any change of use (to those listed above).

5.56 A caveat in the emerging policy is that uses will only be permitted if they are compatible with the industrial nature and would not impact the viability of continued industrial operation. We recommend this policy is made clearer so that this impact is considered both in terms of short- and long-term impacts.

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Proposed Policy for Former PIWAs not to be retained as IDAs

5.57 There is approximately 32 former PIWAs that are not being retained for purely industrial and warehousing related uses – alone this equates to circa 179 ha / 444 acres and when combined with the space removed from retained IDAs through boundary revisions the total increases to approximately 195 ha/480 acres, equivalent to 45% of the existing PIWA land (excluding Avonmouth).

5.58 Based on the emerging policy there are three groups of former PIWAs not being retained as IDAs:

Group 1
Former PIWAs that form part of the AGRs.

Group 2
Former PIWAs with emerging site specific allocations.

Group 3
Sites with no specific development aspirations.

5.59 There are understood to be a number of reasons why these sites are not proposed to be retained as IDAs, including their scale, the presence of non-B class uses and the aspirations for redevelopment – either individually or as part of the Areas of Growth and Regeneration (AGRs).

5.60 Based on conversations with the Local Planning Authority it is understood that sites with a high presence of trade uses have not been considered for IDA protection, for example Malago Road (north) and Eastcourt/Winterstoke Road. Typically trade units are permitted B1c, B2 and B8 with permission for a limited amount of retail – either a proportion of floorspace or annual turnover. The fact these are predominantly industrial units by both use class and physical structure indicates in our opinion they should not be discounted as possible IDAs on this basis.

5.61 It is also understood that sites with a high proportion of car show rooms have been excluded. Whilst these are not B use class employment, they are commonly found on industrial and warehousing sites – typically on a prominent road frontage. Should these sites become vacant in future they offer the opportunity for additional stock to be delivered – subject to viability. Roadside units would be attractive to a range of industrial and warehousing occupiers, including trade users.

5.62 We therefore consider that the removal of PIWAs due to the presence of trade or car showroom units should be reconsidered.

5.63 The policy approach for the three groups (identified above) is discussed separately below.

Areas of Growth and Regeneration (AGRs)

5.64 The Local Plan Review identifies AGRs as significant opportunities for new homes and other supporting uses. The emerging policy only incorporates targets for the quantum of residential (including student bed spaces).

5.65 The AGRs proposed in the plan are:

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Growth and Regen Area	Housing Targets	Employment Targets	Any Former PIWAs included?
Temple Quarter	No development targets set but policy suggests it will be provided.	No development targets but policy suggests that high quality office and flexible workspace will be provided.	Temple Quarter Distribution Park.
St Philip's Marsh	No development targets set but policy suggests it will be provided.	No development targets set but policy suggests that high quality office, flexible workspace, industry and distribution premises will be provided.	St Philip's Marsh.
Western Harbour	Proposed for 2,500 new homes and 500 student bed spaces.	No development targets but policy suggests that a mix of workspace will be provided.	Clift House Road /Coronation Road – East and West.
Frome Gateway	Proposed for 1,000 new homes and 500 student bed spaces.	No development targets but policy suggests that workspace will be provided for a range of employment uses.	Pennywell Road.
Lawrence Hill*	Proposed for 2,500 new homes.	No development targets but policy suggests that high quality workspace will be provided.	Barrow Road, Berkeley Court/Earl Russell Way, Jane Street/Russell Town Avenue and Lawrence Hill Industrial Estate.
Central Fishponds*	Proposed for 1,500 new homes.	No development targets but policy suggests that high quality workspace will be provided.	Lodge Causeway/ Goodneston Road and Filwood Road (East).
Central Bedminster*	Proposed for 2,500 new homes and 1,000 student bed spaces.	No development target but policy suggests that high quality workspace will be provided.	Sheene Road (East), Malago Road (North), Bedminster – both East and West.
Brislington*	Proposed for 350 new homes.	No development target but policy suggests that high quality workspace will be provided.	Hungerford Road/ Yelverton Road and Flowers Hill Trading Estate.
Lockleaze*	Proposed for 1,200 new homes.	No development target but policy suggests that high quality workspace will be provided.	Dovercourt Road, Muller Road, Petheridge Road and Romney Avenue.

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Growth and Regen Area	Housing Targets	Employment Targets	Any Former PIWAs included?
Central Southmead	Proposed for 350 new homes.	Proposed policy does not suggest that workspace will be delivered onsite.	None.

5.66 JLL estimate that approximately 21 of the former PIWAs (not being retained as IDAs) are located within the AGRs. This extends to circa 132 ha/326 ha (including St Philip's Marsh).

5.67 JLL have not been provided with any details on the development proposals for the AGRs, for example indicative drawings. Therefore, it is unclear how the quantum of development proposed will be accommodated. However, it is anticipated that a considerable amount will be delivered on the former PIWAs (not retained as IDAs) for the following reasons:

- They tend to include a number of large plots in single ownership (subject to leases).
- The existing commercial land values are lower than residential (including student); therefore, redevelopment is more likely to be viable from a private sector perspective – subject to site specific abnormal costs.
- The sites are typically of sufficient scale to accommodate substantial development.
- Due to the nature of the existing commercial use any residential led redevelopment would increase density onsite.
- In the majority of the AGRs there are no/very limited alternative plots of sufficient scale that could accommodate substantial new development.

5.68 The proposed AGR policy does not discourage development on the former PIWAs and so the impact on the industrial and warehousing market could be considerable. JLL have undertaken a high-level assessment of the Lawrence Hill AGR that suggests between 12.5 ha/31 acres to 20 ha/ 50 acres of land is required to accommodate the 2 ,500 new homes proposed. This reflects the supporting text for the emerging policy that encourages a residential density of between 120 – 200 dwellings per hectare (dph).

5.69 The proposed AGR policy does not require exceptional circumstances to be demonstrated prior to development, for example lack of commercial demand. This is despite the active industrial and warehousing market in these locations.

5.70 Furthermore, the emerging policy does not suggest a phased approach to the redevelopment of sites. This would help minimise the impact on the supply of industrial and warehousing stock both onsite and in the wider market. The policy for the AGRs should encourage the preparation of a masterplan/design brief for all locations which includes consideration of phasing and retention/inclusion of a defined amount and type of employment space.

5.71 In some cases, the AGR policy outlines that where sites are currently or have recently been used for business purposes, development will be expected to provide for an appropriate form and amount of

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new workspace. This wording is only included for the AGRs identified with an asterisk above. The current policy wording could have a considerable impact on the industrial and warehousing market for the following reasons:

Challenge	Reasoning for Concern
The policy does not set a floorspace target.	The failure to set a commercial target – even one that at least replaces the existing space – is likely to put considerable strain on the existing market as existing space is likely to be lost to accommodate the proposed level of housing.
The policy does not state the type of commercial space to be delivered onsite.	The failure to stipulate the type of employment required onsite could mean that industrial and warehousing space is not delivered, particularly as higher density forms of employment require less floorspace to deliver an equivalent number of jobs. From a market perspective the delivery of higher density employment is likely to be favoured as it provides a larger development area for non-employment uses.
The policy does not state the timescales for the delivery of the workspace element.	As mentioned above, phasing of any future development will be important. In order to minimise the impact on the industrial and warehousing market any workspace should be delivered prior to the loss of any existing space to alternative uses. This should ensure there is sufficient supply and existing tenants are not displaced or businesses forced to cease trading.

5.72 As a minimum the Local Planning Authority should include a target for commercial floorspace. The target should take account of the quantum of existing space coupled with the potential market appetite for higher density forms of employment, such as offices and flexible workspace. These targets will therefore need to be considered on an individual site basis.

5.73 JLL appreciate that the Council are under increasing pressure to deliver additional housing and that this could in part be achieved through densification of existing underutilised employment sites. It is anticipated that in most cases housing could be delivered alongside a more efficient industrial/warehousing scheme that reflects at least the existing floorspace on the AGRs. However, it is unlikely the quantum of housing would reflect the targets in the emerging policy. This should be investigated further.

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5.74 Using Lawrence Hill GRA as an example, there are limited opportunities to deliver substantial redevelopment in line with the emerging policy. The Council have suggested that the Lawrence Hill roundabout could be reconfigured to provide development land, but this is unlikely to be of significant scale and could require external funding in order to unlock. On this basis it is anticipated that most new homes will be delivered on the former PIWAs within the Lawrence Hill AGR.

5.75 A number of the PIWAs that form part of the AGR are underutilised; therefore, there is potential that the existing commercial floorspace could be delivered more efficiently and on a smaller land area. Based on Valuation Office Agency information coupled with Google (July 2019) the existing commercial floorspace is estimated to be approximately 33,800 sqm/365,000 sqft. This is provided on a site of approximately 11.7 ha. Please note this is based on a high-level calculation that would need to be verified. It does not include the Bus Depot or office buildings to the west of the site.

5.76 Small unit urban industrial and warehousing schemes can achieve a site coverage of approximately 50% to 60%. For example, Apollo Park in Yate recently delivered by Chancerygate. It comprises a scheme of 10 small light industrial units of between 3,500 sqft and 5,600 sqft. These were provided across two terraces with central parking and servicing areas.

5.77 Assuming that a 60% site coverage could be achieved for replacement industrial and warehousing uses in Lawrence Hill, then an area of approximately 5.6 ha would be required to accommodate the existing commercial floorspace. This could therefore unlock in the region of 6 ha for redevelopment to alternative uses. This exercise could be undertaken for all the AGRs to determine whether the existing commercial floorspace could be delivered more efficiently. Please note that this may not be appropriate in all circumstances as some occupiers require high levels of external space.

5.78 In addition, there could be potential to provide higher density forms of employment on certain AGRs. The proposed policy for all the AGRs encourages the delivery of this type of space. However, based on market dynamics there is only likely to be appetite in certain locations. This would include Lawrence Hill, Western Harbour, Frome Gateway and Bedminster. The market differs between these locations and therefore the quantum of higher density floorspace appropriate at these sites should be assessed on an individual basis.

Site Specific Allocations

5.79 A small number of PIWAs are being released to accommodate new development through individual site allocations. This includes:

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Marsh Road Proposed allocation: BDA0302 Existing PIWA - 1.3 ha	Crews Hole Road Proposed allocation: BDA2701 Existing PIWA - 1.1 ha
• The policy proposes a mixed use scheme that includes sports, leisure, offices, hotel and residential. It forms part of the wider Ashton Gate Stadium expansion plans. • The emerging allocation does not specify the quantum of individual uses to be delivered onsite.	• The policy proposes a residential led scheme providing 70 dwellings alongside a mix of uses, including flexible workspace. • The emerging policy does not provide a target for the commercial floorspace.

5.80 The proposed allocation for Marsh Road encourages a range of office and other employment generating uses – it does not propose industrial and warehousing accommodation. The site is currently occupied and so the delivery for alternative uses would result in the loss of space in an already constrained market. It is anticipated that there could be demand from office occupiers for B1a space in this location.

5.81 In comparison the proposed allocation for Crews Hole Road does not specify the quantum or type of employment space to be delivered on site – except that it is flexible. Further clarity is required as to whether this is flexible in terms of tenure or use. Nonetheless, in order to accommodate the scale of development proposed it is anticipated that the majority of existing industrial and warehousing floorspace will be lost – despite the fact it is largely occupied. This could significantly impact the local market, particularly when considered against the wider proposals for this area.

5.82 To minimise the impact on the local industrial and warehousing markets the Council should consider amending the proposed allocation to require a lack of demand to be demonstrated prior to releasing either site for development. This should be based on the existing buildings and land.

Former PIWAs not Proposed for Development

5.83 There are a small number of sites that are proposed to be released from PIWA protection which do not form part of the proposed AGRs or a site-specific allocation. These are listed below.

Bath Road/Sandy Park Road	Aerospace Industries (south of Filton Aifield)	Castle Court	Eastcourt/Winter-stoke Road
Glenfrome Road (south)	Netham Road/ Blackswarth Road (north 1 and 2)	Whitchurch Lane	Jarvis Street

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5.84 Draft policy E2 states '*new workspace will be provided where industrial and distribution premises are redeveloped for mixed uses at the Areas of Growth and Regeneration and other locations.'*

5.85 Proposed policy E7 applies to all sites of 0.1 hectares or more that are currently within use classes B1 (b or c), B2 and B8 or similar sui generis uses. It states that *'proposals for the redevelopment of sites and premises currently or recently used for business, industry or distribution should include provision for new workspace as part of mixed-use developments'*

5.86 The emerging policy differs considerably to the current approach outlined in adopted policy DM12, which states: *'employment sites should be retained for employment use unless it can be demonstrated that:*

I. There is no demand for employment uses; or,

II. Continued employment use would have an unacceptable impact on the environmental quality of the surrounding area; or,

III. A net reduction in floorspace is necessary to improve existing premises; or,

IV. It is to be used for industrial or commercial training purposes.'

5.87 The current policy position is a lot stronger than that proposed as it only permits the loss of commercial sites in exceptional circumstances.

5.88 Based on the wording of the current policy there is a risk that landowners will progress schemes for higher value uses, such as residential or retail. This could result in the loss of important industrial and warehousing space in an already constrained market. The Local Planning Authority should therefore consider amending the emerging policy to reflect that which is adopted.

5.89 JLL understand the pressure the Council are under to deliver new homes; however, this needs to be balanced with the demands for commercial space.

5.90 The supporting text for the proposed policy E7 raises additional concern as to the possible impact on the supply of industrial and warehousing space:

Supporting Text	Reasoning for Concern
It states that the workspace element should be proportionate to the proposal's scale and location having regard to the employment intensity of the most recent use.	Reference to employment intensity could encourage higher density forms of employment – less space being required to deliver similar number of jobs.
It states that workspace should provide B1a – B1c space.	Many of the former PIWAs will be B1c, B2 and B8. The restrictions on use will mean there is a loss of industrial and warehousing space.

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5.91 In order to minimise the impact on the industrial and warehousing market the Local Planning Authority should consider amending the policy to resist the loss of existing space – except in exceptional circumstances.

5.92 It is important to note that a site-specific approach could be taken to a small number of the abovementioned sites, for example Whitchurch Lane and the land south of Filton Airfield. This is discussed in more detail later in this report.

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Assessment of the Proposed Planning Policy Changes on the Industrial and Warehousing Market

5.93 The following sections provides an overview of the industrial and warehousing submarkets, including: the north, central, east and south markets.

5.94 In line with the Brief the assessment considers the possible implications that changes to the planning policy framework could have on the market position. Therefore, regard is given to the proposed Industry and Distribution Areas (IDAs) (formerly known as PIWAs) and other industrial areas where PIWA designation will no longer apply.

5.95 The overall health of each market is assessed considering the current market dynamics, including transaction activity.

5.96 An assessment of the proposed IDAs has been undertaken to determine their commercial contribution to the market – both now and in the future. To ensure a robust assessment of the IDAs each have been considered individually. A summary of this is provided on the following pages with a more detailed assessment provided at Appendix G. The individual site assessment has been undertaken based on information obtained on site and through desk-based sources, including for example transactional evidence, details provided by the Council and research into emerging / growth sectors.

5.97 The proposed IDAs have been assessed having regard to:

Heading	Reason
Appetite for Commercial	To determine the likely demand from commercial occupiers both now and into the future. Green = Good, Amber = Medium and Red = Poor.
Site Coverage	To determine whether there are opportunities to provide additional space through better site efficiencies and utilisation. Green = High density, Amber = Medium density and Red = Low density.
Occupancy	This links to the potential demand from commercial occupiers. Green = Well occupied, Amber = Some vacancies, Red = High vacancies.
Appetite for Alternative Uses	To identify whether there could be pressure on the continued commercial role of an area. Green = Good, Amber = Medium and Red = Poor.

5.98 The need for any intervention by the Council and/or other public sector organisations to ensure the effectiveness of the proposed IDAs both now and into the longer term has also been considered.

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5.99 An assessment of the former PIWAs (not to be retained as IDAs) has been undertaken. Like the proposed IDAs a detailed assessment of their commercial contribution has been undertaken. A summary of this is provided on the following pages and a more detailed assessment is provided at Appendix H.

5.100 The former PIWAs are assessed having regard to:

	Reason
Demand for Commercial	To determine the likely demand from commercial occupiers both now and into the future. Green = Good, Amber = Medium and Red = Poor.
Demand for Alternative	To identify whether there could be pressure on the continued commercial role of an area. Green = Good, Amber = Medium and Red = Poor.

5.101 A comment is provided as to sites that should be considered for retention.

5.102 In addition to the above an assessment of any industrial and warehousing allocations has been undertaken.

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Central Market

5.103 This is an active commercial market that is made up of a number of established estates. Please note this assessment reflects the market's interpretation of the central area and not the boundaries suggested in either the adopted or emerging planning policy. The assessment therefore includes parts of Lawrence Hill, St Philip's, Bedminster and St Anne's.

5.104 The map below shows the proposed IDAs and former PIWAs included in the central market.

Yellow – outline of the proposed AGRs
Blue = former PIWA proposed as an IDA
Red = former PIWA not to be retained
Pink = new site proposed as an IDA



5.105 Based on the adopted planning policy there are 29 PIWAs, which extends to circa 185 ha/457 acres.

5.106 The emerging policy proposes 15 IDAs, which includes two new estates: New Gatton Road and St Gabriel's Business Park. Overall the quantum of proposed IDA land equates to 68 ha/168 acres.

5.107 The former PIWA land not to be retained as IDAs extends to approximately 120.5 ha /298 acres. Most of these form part of the proposed Lawrence Hill, Central Bedminster, St Philip's Marsh and Temple Quarter AGRs. Only three of the former PIWAs not to be retained do not form part of the AGRs, which

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includes Castle Court, Jarvis Street and Glenfrome Road (South). It is therefore anticipated that a substantial amount of this land will come forward for alternative uses.

5.108 There is one proposed allocation for additional industrial and warehousing land, which is the Former Gas Works at Glenfrome Road.

5.109 The central market is characterised by small/medium sized units (below 4,645 sqm/ 50,000 sqft).

5.110 It is attractive for occupiers who due to their operational and workforce demands need to locate in this area. It is likely this demand will continue into the future – for both existing buildings as well as land that becomes available. Furthermore, the demand for space could increase with the potential growth in last mile logistics, which seeks space in easily accessible locations close to both businesses and homes. There are already these types of businesses located within the central area, for example City Sprint who are situated on George Jones Road (East of Midland Road IDA).

5.111 In addition to the above, there could also be demand for higher density employment uses in certain parts of the central market, particularly those within a 15-minute walk of Temple Meads including for example parts of St Philip's Marsh. Nonetheless, due to the existing land supply in the established office locations (for example Temple Quay) it is unlikely this would be delivered by the market in the short term; therefore, the Council may need to take a more proactive role in delivery. Further detail on St Philip's Marsh is provided elsewhere in this report.

5.112 There could be demand over the medium to long term for higher density employment uses in other parts of the central market, for example Bedminster and Lawrence Hill. These locations benefit from existing train connections however it is anticipated that infrastructure upgrades would be required in order to materially change the market perception and increase appetite. If the Council wish to see the delivery of higher density employment in the shorter term, they may need to take a more proactive role.

5.113 Having regard to the above, it is clear that there is a good demand for B1c, B2 and B8 uses both now and into the future. There may also be the opportunity to deliver higher density forms of employment in certain locations; however, this should not be at the expense of the industrial and warehousing market. Therefore, this must be at the forefront of the planning policy preparation process.

Proposed Industrial and Warehousing Areas

5.114 The table below provides a high-level assessment as to the appropriateness of the proposed IDAs:

	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative
Ashley Hill				
Barton Hill Trading Estate				

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	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative
City Business Park				
East of Midland Road				
East of Kingsland Road				
Feeder Road				
Malago Vale Estate				
Montpelier Station				
New Gatton Way				
St Anne's Road (north)				
St Anne's Road (south)				
St Gabriel's Business Park				
Whitby Road (north)				
Whitby Road (south)				
Whitby Road (west)				

5.115 The above clearly demonstrates that there is likely to be good commercial demand for all proposed IDAs into the future. The only potential exception to this is Barton Hill Trading Estate where there is continued pressure from alternative uses particularly on the periphery. The access into the site is also constrained as it is via a dense residential area; therefore, it may become increasingly unsuitable for certain types of business, for example last mile logistics. This should be monitored.

5.116 The site coverage for the majority of proposed IDAs is relatively good and so there is limited opportunity to increase the density without substantial redevelopment. There are some exceptions to this that should be explored in more detail to determine if new space is deliverable. These include:

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- New Gatton Way – the rear of the site appears to be low density so could offer the potential for future densification.
- St Gabriel's Business Park – the land to the north has low density development that did not appear to be occupied (based on a visual site inspection only). This could therefore potentially be redeveloped to provide additional space.
- Whitby Road (South) – the Network Rail land is being excluded from the designated area. This should be included as it offers potential for future densification of commercial uses (where it becomes surplus to operational requirements).
- Whitby Road (West) – there are two occupiers onsite that have a low site coverage including a substantial amount of external storage. There is the potential for future densification subject to these parcels becoming vacant.

5.117 Regarding occupancy, all of the IDAs appear to be well let. The only exception being St Anne's (North) where, at the time of inspection, the former Palmer and Harvey building was vacant. This is a substantial building that appeared in a relatively good condition. We understand that it became vacant following the business entering administration in 2017.

5.118 Based on the above the protection of the sites as IDAs is supported – the only potential exception being Barton Hill Trading Estate. If a number of the sites were not protected there is likely to be pressure from alternative higher values uses, such as residential or student accommodation. The exceptions to this are sites that form part of larger industrial areas, such as Feeder Road, Whitby Road, Midland Road and Kingsland Road. Any demand for alternative higher value uses would require a substantial shift in the nature of the area therefore is unlikely to happen in the short to medium term. Regardless, a strong policy protection against the delivery of alternative uses is encouraged as it minimises the risk that any sites are delivered for alternative uses.

5.119 Despite the clear commercial demand from industrial and warehousing occupiers there are certain interventions that would support the long-term role of certain IDAs. These include:

Reinvestment/Redevelopment

There are dated buildings on several sites, including for example East of Midland Road IDA. Some of these fall within the Council's ownership. Therefore, the Council may consider reinvesting in them to provide new purpose-built stock (subject to tenure position). Where buildings are not within the Council's ownership, they should encourage redevelopment through the emerging planning policy. The Council should strongly resist the loss of any buildings in a poor condition to alternative uses.

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Protection of Commercial Role

A number of the IDAs are located in mixed use areas where substantial new development is taking place. For example, Malago Vale Estate is situated near the Bedminster AGR. It will be crucial to ensure any new development does not impose operational limitations on the existing commercial businesses. Alongside this the Council should re-assess the boundaries for the proposed IDAs to ensure only industrial and warehouse related uses are included. For example, Whitby Road (North) where an office building has recently been delivered for residential inside the protected IDA boundary.

Access Improvements

The Council should consider highways initiatives that ensure adequate access to commercial sites. For example, as previously mentioned the long-term potential of Barton Hill Trading Estate could be constrained by its poor access. To safeguard the commercial future access arrangements, specifically the on street residential parking, should be considered.

Planning Policy

The planning policy should restrict the loss of commercial space within the defined IDAs. This should limit the pressure from alternative uses.

Encourage Efficient Development

In some cases, the Council own underutilised land in a range of uses. They should undertake a detailed assessment of their land ownership to identify sites that could be delivered for industrial and warehousing accommodation.

Extension of Long Leases

In some cases, tenants are unable to invest in their property due to a diminishing long leasehold interest. Again, in some circumstances the Council are the freehold owner. The Council should undertake an assessment of their property portfolio to identify long leasehold interests which are too short to encourage major investment including consideration of acquiring leases to reinvest themselves or negotiating extensions. Early discussions with occupiers are encouraged to understand their aspirations for the future.

Former PIWAs (not proposed to be retained as IDAs)

5.120 A number of former PIWAs are not proposed to be retained as IDAs. A high-level overview of these is provided below:

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	Demand for Commercial	Demand for Alternative
Barrow Road		
Bedminster (east)		
Bedminster (west)		
Berkeley Court/ Earl Russell Way		
Castle Court		
Clift House Road (east)		
Clift House Road (west)		
Glenfrome Road		*
Jane Street/ Russell Town Av		
Jarvis Street		
Lawrence Hill Industrial Park		
Malago Road (north)		
Pennywell Road		
Sheene Road (east)		
Temple Gate Distribution		

*Depends on whether there are any implications from the existing use, specifically electrical sub-station that could impact the developable potential.

5.121 Based on the above it is clear that the vast majority of former PIWAs are anticipated to have good demand for commercial use – both now and into the future. The principle exceptions to this are Clift House Road (East and West). This is due to the existing buildings onsite, some of which are listed. Due

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to the bespoke nature of these buildings coupled with the increased restrictions associated with listing there may be limited commercial appetite for continued use.

5.122 The implications of the proposed planning policy changes need to be thoroughly considered. As detailed in the previous section, the current drafting is likely to put pressure on the local industrial and warehousing market as sites come forward for alternative higher value uses, such as residential. Without the delivery of enough replacement accommodation, it would reduce the supply of B1c, B2 and B8 space giving rise to resultant pressure on businesses and the economy. This could compromise the principles of the NPPF which seeks to build a strong and competitive environment and requires planning frameworks to create the conditions in which businesses can invest, expand, and adapt.

5.123 To minimise this risk, the Council should consider amendments to the policy outlined in the previous section, including requiring as a minimum the existing quantum of industrial and warehousing floorspace to be accommodated on a redeveloped site – in some cases a slightly lesser amount could be appropriate depending on the appropriateness of delivering higher density employment uses.

5.124 If the abovementioned approach is not adopted the Council should consider increasing the number of IDAs. Possible sites to consider include:

- Lawrence Hill Industrial Estate – this successful commercial estate has seen a number of transactions in recent years. Parts of the site have a low coverage and therefore offer the opportunity for densification. The delivery of additional industrial and warehousing space would help alleviate market pressure.
- Bedminster (East) – this is a mixed estate that does offer the opportunity for densification. The protection of the site and delivery of additional space would help alleviate market pressure.

5.125 Both above sites form part of the AGRs and therefore their retention for industrial and warehousing uses is likely to conflict with wider development aspirations.

5.126 The previous section detailed uses that should be considered for inclusion within the IDAs, specifically car showrooms and trade uses. On this basis, the retention of a number of sites should be considered, including for example Malago Road (North) which is a well performing trade counter scheme located off a prominent road in Bedminster. Please note this site does form part of the Central Bedminster AGR so its retention may conflict with the wider development aspirations.

Proposed Site Allocations

5.127 The Local Plan Review incorporates one site allocation for additional industrial and warehousing space in the central market. This is the former Gasworks, Glenfrome Road (proposed allocation: BDA2403) which extends to circa 0.9 ha/2.2 acres.

5.128 Based on our market knowledge, the scale of this site is likely to be attractive to private sector developers who typically seek a minimum site of 0.8 ha/ 2 acres to deliver a modern light industrial scheme.

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5.129 Despite the above, there could be challenges with the delivery of the site, particularly due to its historic use which could mean there is contamination present. This could render a future scheme unviable. This should be assessed in further detail.

5.130 The Glenfrome Road (South) former PIWA which is not to be retained is located immediately south of the emerging allocation. To strengthen the commercial role of the area the Council should consider retaining this site as an IDA.

Concluding Comment on the Central Market

5.131 This section has demonstrated that there is a good demand for industrial and warehousing accommodation – both now and into the future. Nonetheless, there are a number of interventions that would further strengthen the commercial role of the location.

5.132 The health of this market could be negatively affected if the emerging policies are not strengthened, specifically those relevant to the former PIWAs that are proposed to be not retained as IDAs.

5.133 The inclusion of the proposed site allocation for new industrial and warehousing accommodation is positive as it could deliver much needed new space; however, it is less than 1 ha and so not of sufficient scale to alleviate the issues discussed above. The Council should consider further site allocations, including for example within their property portfolio.

5.134 There could be potential to deliver higher density forms of employment on certain sites, for example parts of Bedminster and Lawrence Hill. However, this will be subject to infrastructure improvements and may require public intervention to encourage delivery.

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North Market

5.135 This market has seen relatively steady levels of take-up, particularly around the northern business parks located in South Gloucestershire Council's administrative area.

5.136 The map below shows the former PIWAs included in the north market.

Yellow = boundary of proposed AGRs.

Red = former PIWAs not to be retained as IDAs.



5.137 Based on the adopted policy there are five PIWAs in the north market. The total land area extends to approximately 30.1 ha/74 acres. Based on the emerging Local Plan Review none of the sites are to be retained as IDAs. Instead the majority form part of the Lockleaze GRA. The one exception is the land south of Filton Airfield. There are no emerging allocations for new industrial and warehousing land.

5.138 This submarket has been active in recent years. Furthermore, there is anticipated to be continued demand into the future for buildings and land in appropriate, accessible locations. This is demonstrated by the recent delivery of Horizon 38.

5.139 The demand for industrial space is likely to continue, particularly linked to last mile logistics and advanced / engineering and aerospace. The latter being a core growth sector.

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Former PIWAs not retained as IDAs

5.140 The table below provides a high-level assessment of the former PIWAs:

	Demand for Commercial	Demand for Alternative
Aerospace industries, south of Filton Airfield		
Dovercourt Road		
Muller Road		
Petherbridge Way		
Romney Avenue		

5.141 The table demonstrates that there is likely to be commercial demand for industrial and warehousing accommodation at two sites. This is due to their location, accessibility and quality of existing provision.

5.142 The commercial demand for the remaining sites is likely to be more limited due to:

- Dovercourt Road – the site is located to the rear of residential properties. There is very limited nearby commercial activity and therefore it is unlikely to appeal to industrial and warehousing occupiers in future.
- Muller Road – part of the site has been delivered for a budget supermarket and the remainder has planning permission for a retail use. Due to the existing consent the value aspiration from the landowner is likely to make it unaffordable to for potential industrial and warehousing use.
- Romney Avenue – the site is located to the rear of residential properties and is currently dominated by an electricity substation. It has relatively poor road access. For these reasons it is unlikely to appeal to industrial and warehousing occupiers.

5.143 Please note that the above reflects the site-specific characteristics as opposed to the wider market demand. Should appropriate industrial and warehousing accommodation be provided elsewhere within the north market there is anticipated to be good interest.

5.144 The table above clearly demonstrates that all the sites are likely to be attractive for alternative uses. Due to the nature of the location it is likely most demand would be from residential uses – the potential exception being Muller Road due to the existing consent for retail.

5.145 The demand from higher density forms of employment is likely to be limited across all sites due to the nature of the location. The only potential exception being the land south of Filton Airfield due to

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the proximity to several the established advanced engineering and aerospace firms. Many of these occupiers are however seeking office workspace in the city centre due to their workforce demands.

5.146 Based on the current drafting of the emerging policies relevant to the former PIWAs (not to be retained as IDAs) there is a risk to the supply of industrial and warehousing space in the market. This again is likely to result in further pressure on businesses and the economy. This report has identified that in Aztec West there is approximately £0.50 difference in rents for new and second-hand stock. A reduction in supply could exasperate this position. It is possible that any business who relocates may be pushed into South Gloucestershire. Avonmouth may be a suitable alternative location due to proximity but this would depend on individual business requirements. Furthermore, there are several challenges facing the expansion of Avonmouth, which are discussed elsewhere in this report.

5.147 Details have been provided elsewhere in this report as to how the proposed policies could be strengthened to minimise any impact. In addition, the Local Planning Authority should consider retaining Petherbridge Road as an IDA. This is a well performing site that comprises several small well let units alongside the Ford Repair Centre. The latter has a low site coverage so offers the potential to deliver additional new build stock.

5.148 The approach to the land south of Filton Airfield also needs to be considered. The existing buildings on site could be utilised by an occupier or otherwise it offers potential to be redeveloped to provide new build space. Due to the proximity to established commercial parks, including Horizon 38, it is likely to be attractive to commercial occupiers, developers and investors.

5.149 It is understood that the principle reason the land south of Filton Airfield is not being retained as an IDA is due to the historic occupancy coupled with the aspirations to accommodate the proposed Bristol Arena – the latter is being promoted by the landowner. If this site is not delivered for this use it should be retained for commercial uses as an IDA. This should be stipulated in any emerging allocation.

- Concluding Comments on the North Market

5.150 The north submarket straddles Bristol City and South Gloucestershire Council boundaries. It is an active market with demand anticipated to continue.

5.151 The emerging policy does not propose any IDAs within this market despite the continued activity. The majority of the former PIWAs not to be retained as IDAs are in the Lockleaze AGR. The only exception being the land south of Filton Airfield. Whilst the approach to some of these sites is understandable, the shift in policy position will put pressure on the local industrial and warehousing market.

5.152 To minimise the potential impact the Council should consider increasing the number of IDAs. In addition, they should explore the potential to allocate new sites. This should include a review of their property portfolio to identify any suitable locations.

5.153 Based on the current market dynamics it is unlikely that higher density employment uses would be attractive outside the core business parks – all of which are in South Gloucestershire Council's administrative area.

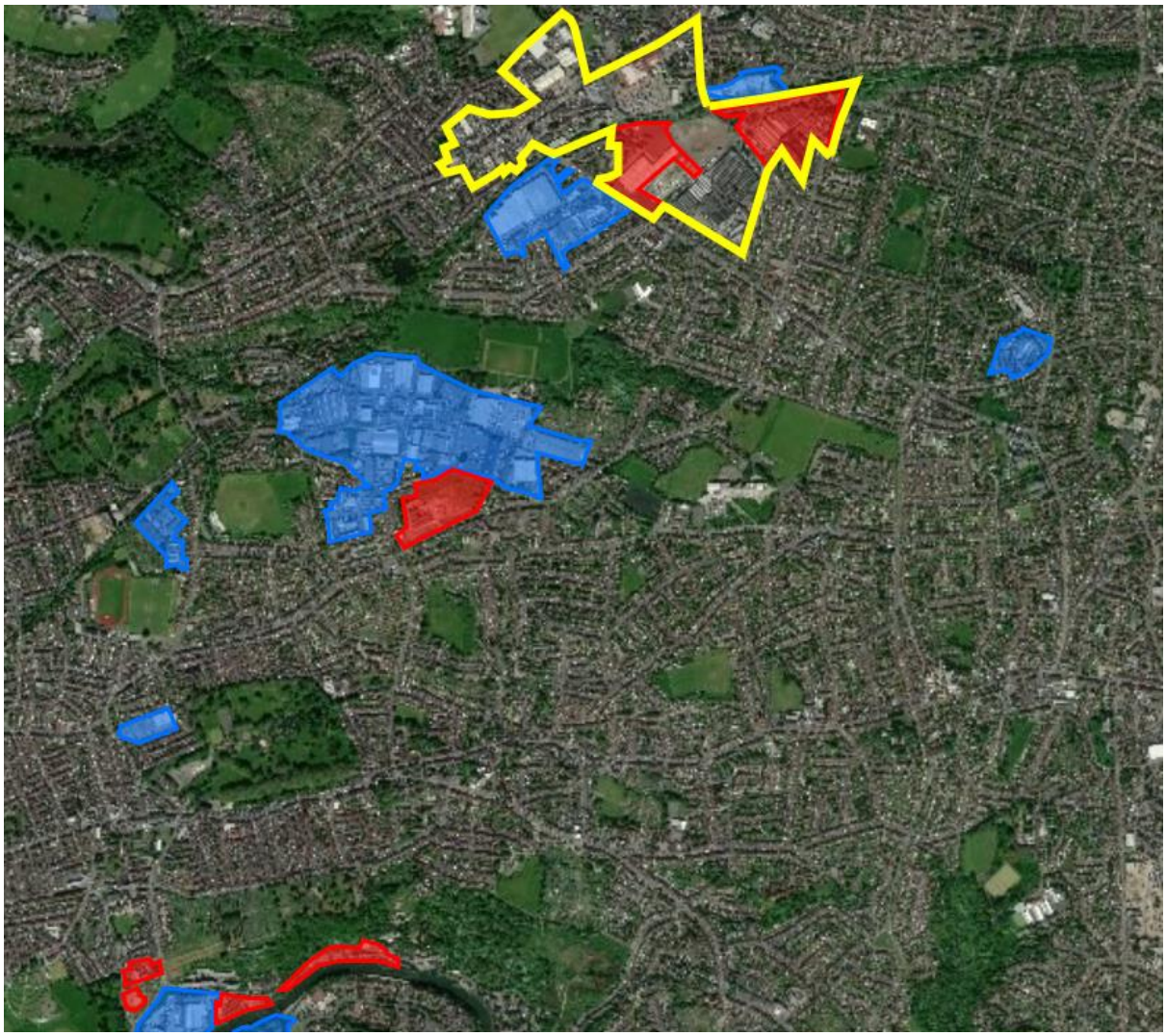
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East Market

5.154 The east market has seen a relatively good level of take-up in recent years. This includes areas such as Fishponds, Whitehall and parts of St Anne's (reflecting the market interpretation of the boundaries).

5.155 The map below shows the proposed IDAs and former PIWAs included in the east market.

Yellow = proposed boundary of the AGR.
Blue = former PIWA proposed as an IDA
Red = former PIWA not to be retained.



5.156 Based on the adopted planning policy there are approximately 13 existing PIWAs, which equates to approximately 54.3 ha/134 acres.

5.157 The emerging Local Plan Review propose eight IDAs extending to circa 40.3 ha/100 acres. Therefore, five former PIWAs are not being retained, which equates to 13 ha/35 acres. Two of these sites form part of the Central Fishponds AGR.

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5.158 Of the remaining sites (former PIWAs) Crews Hole Road has an emerging allocation for residential led uses. The remaining sites (former PIWAs) are not allocated for development.

5.159 Despite recent new build activity there are no emerging allocations for additional industrial and warehousing space in the east market. New build stock has been delivered at Vertex Park, Emersons Green and Warmley Business Park. Both schemes were delivered by Chancerygate and provide a mix of units between circa 4,000 sqft and 35,000 sqft (located outside Bristol's administrative area).

5.160 The east Bristol market is attractive to occupiers who due to operational and workforce demands need to locate in this area – this is particularly applicable to the land within Bristol's administrative area. Parts of South Gloucestershire, for example around Vertex Park, are near the M4 so may appeal to a greater mix of occupiers.

5.161 It is anticipated that demand for industrial and warehousing space will continue – for both existing buildings as well as any land that is available. Furthermore, due to the urban nature of the market it is likely that demand could increase with the potential growth of certain trends, for example last mile logistics.

5.162 The demand for higher density employment uses in this area is likely to be limited. This is due to the nature of the market. This report has identified that office-based occupiers (including those within flexible workspace) typically seek space in accessible locations. While there are public transport connections around east Bristol, they are unlikely to be currently sufficient. In order to increase appetite in a material way it would be necessary to substantially improve accessibility, for example through the delivery of a trainline connection with central Bristol.

Proposed Industrial and Warehousing Areas

5.163 The table below provides a summary of the contribution the proposed IDAs make to the area.

	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative
Bush Industrial Estate				
Eastpark Trading Estate				
Fishponds Trading Estate				
Lodge Causeway				
Netham Road/ Blackswarth				

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	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative
New Station Way				
Whitehall				
Woodland Way				

5.164 As discussed above there is anticipated to be good demand for commercial uses both now and in the future on all the proposed IDAs.

5.165 The vast majority of proposed IDAs have a good site coverage therefore there is limited opportunity to increase the density of buildings on site without substantial redevelopment. There are two main exceptions to this, which are:

- Fishponds Industrial Estate – the former Stranchan and Henshaw building occupies a large plot with a low site density. A fire destroyed much of the building in summer 2019. It offers potential for redevelopment to provide additional accommodation.
- Netham Road/Blackswarth – part of the site is occupied by Carbase who have extensive external space (currently used for car parking). Should the unit become vacant this could provide the opportunity for additional development.

5.166 The estates are relatively well let. There are exceptions, specifically at Eastpark Trading Estate where the units formerly occupied by Kingsdown appeared vacant at the time of inspection. Based on an external visual inspection only they appeared to be in good condition.

5.167 There also appeared to be vacancies at Woodland Way. This site is formed of two parts – one of which appears to be a relatively well performing industrial area with good quality small units. The remainder appears to include a large dated industrial building that appeared to have vacancies. It is possible that the vacancies reflect the quality of the unit. It is anticipated if the site was redeveloped to provide new purpose-built accommodation there would be demand.

5.168 Most of the sites are in urban environments surrounded by a mix of uses; therefore, there would be pressure from a range of alternative uses, particularly residential.

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5.169 Based on the above all the proposed IDAs make an important contribution to the commercial market in east Bristol. There are however interventions that may be required to support the commercial role of the area. These include:

Reinvestment/ Redevelopment

There are dated buildings on several sites, including for example Fishponds. Some of these fall within the Council's ownership. Therefore, the Council may consider reinvesting in them to provide new purpose build stock (subject to tenure position). Where buildings are not within the Council's ownership, they should encourage redevelopment through the emerging planning policy. The Council should strongly resist the loss of any buildings in a poor condition to alternative uses.

Extension of Long Leases

In some cases, tenants are unable to invest in their property due to a diminishing long leasehold interest. Again, in some circumstances the Council are the freehold owner. The Council should undertake an assessment of their property portfolio to identify long leasehold interests which are too short to encourage major investment including consideration of acquiring leases to reinvest themselves or negotiate an extension. Early discussions with occupiers are encouraged to understand their aspirations for the future.

Protection of Commercial Role

Several of the IDAs are located in mixed use areas where new development is taking place. The boundaries of the proposed IDAs should reflect the former PIWAs – except where they include non-employment uses. Changes to the boundaries to allocate sites for alternative uses should be discouraged as it could compromise the operation of the nearby businesses. For example, land at Netham Road/ Blackswarth.

Encourage efficient development

In some cases, the Council own underutilised land in a range of uses. They should undertake a detailed assessment of their land ownership to identify sites that could be delivered for industrial and warehousing accommodation. For example, part of Netham Road/ Blackswarth IDA (mentioned above) is within the Council's ownership; therefore, they should consider providing additional development onsite (subject to tenancies). On land outside the Council's ownership this should be encouraged through the planning policy framework.

Planning Policy

The planning policy should restrict the loss of commercial space within the defined IDAs. This should limit the pressure from alternative uses.

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Former PIWAs not to be retained as IDAs

5.170 The table below provides an overview of the former PIWAs not to be retained as IDAs:

	Demand for Commercial	Demand for Alternative
Crews Hole Road		
Filwood Road (east)		
Lodge Causeway / Goodneston Road (north)		
Netham Road / Blackswarth Road (north 1)		
Netham Road / Blackswarth Road (north 2)		

5.171 The table above identifies two sites that are likely to have good demand for continued commercial use. This is due to their location, accessibility and quality of existing accommodation.

5.172 The commercial demand at the following locations is likely to be more limited for the following reasons:

- Crews Hole Road – the site is well occupied however poor accessibility via the adjoining highways network may limited interest from industrial and warehousing users requiring HGV movements. This should be tested in more detail.
- Netham Road (North 1 and 2) – some of the existing units are poor quality and their scale individually is limited so they are unlikely to appeal to a developer. It is unlikely these sites could be combined to provide a large plot as existing development separates them.

5.173 Please note the above is a result of the specific site characteristics and does not reflect wider market demand. Should appropriate space be provided elsewhere in the market there is likely to be strong demand.

5.174 Based on the current wording of the emerging policy there could be increasing pressure on the industrial and warehousing markets. The table above identifies that there is likely to be demand from a range of alternative uses, particularly residential due to the nature of the wider area. There will be a reduction in the amount of industrial and warehousing supply if sites are delivered for alternative uses without adequate re-provision in east Bristol. This could result in a more limited choice of space for businesses, which conflicts with the principles of the NPPF. It is probable that businesses who relocate will be pushed into South Gloucestershire, particularly estates around Emersons Green,

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Warmley and Yate. The ability to relocate will depend on specific operational and workforce demands.

5.175 The previous section provides recommendations on how the emerging policy could be strengthened to minimise this risk. In addition, the Council should consider increasing the number of protected IDAs. The most appropriate sites for IDA protection are listed below – albeit we are aware this would conflict with their location in the proposed Central Fishponds AGR.

Lodge Causeway / Goodneston Road (North)

This is a relatively large site with limited site coverage. There is a significant relatively modern building fronting Lodge Causeway. Due to the limited site coverage and appetite in the market it could provide potential for additional new build B1c, B2 and B8 accommodation.

Filwood Road (East)

This is a well performing industrial area. The quality of the units appear mixed and some may require investment. The site coverage is relatively high with limited opportunity for substantial densification without significant redevelopment.

5.176 Unlike a number of the other submarkets, there are no specific sites that should be considered for retention due to the presence of certain uses, for example trade units. This is due to the limited commercial appetite outside the two identified sites.

Concluding Comments on the East Bristol Market

5.177 The east market is active and there is likely to be continued demand from industrial and warehousing users.

5.178 The proposed policy proposes a number of IDAs. However, a small number of former PIWAs are not being retained. These sites are well let and so the change in policy position is likely to impact the market. Whilst the approach to some of the sites is understandable, further regard should be given to the contribution that Lodge Causeway/Goodneston Road (North) and Filwood Road (East) could make to the supply of space in an already constrained market.

5.179 The Council should therefore consider revising the emerging policy (as detailed in the previous section). Other strategies to protect the local market could include increasing the number of IDAs and progressing new allocations for industrial and warehousing uses.

5.180 Due to the location and nature of the market there is likely to be relatively limited demand for higher density employment uses.

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South Bristol

5.181 This is an active market with relatively good take-up in recent years. As mentioned above, the boundary for this area reflects the market as opposed to planning policy. It therefore includes parts of Ashton, Brislington and Hengrove. Please note that Bedminster is considered part of the central market so has been considered above.

5.182 The map below shows the proposed IDAs and former PIWAs included in the south market.

Yellow = proposed boundary of the AGRs.
Blue = former PIWA proposed as an IDA
Red = former PIWA not to be retained



5.183 Based on the adopted planning policy there are 18 PIWAs, which extends to circa 156 ha/385 acres.

5.184 The emerging Local Plan Review proposes 12 IDAs, which equates to 126 ha/311 acres. Therefore, approximately six are being released extending to 30.3 ha/75 acres. Of these only two form part of the Brislington AGR and one has an emerging site-specific allocation.

5.185 There is one new allocation proposed at Western Drive.

5.186 There is good demand for space – typically from occupiers who operate in the local market. The recent improvements to the South Bristol Link Road have further enhanced the operation and appeal of this area. We consider that demand – for both land and buildings – will continue into the future.

5.187 Furthermore, demand for the area could increase as emerging trends advance, particularly in last mile logistics. The expansion of Bristol Airport could further increase demand from certain occupiers where space cannot be provided onsite.

5.188 The demand for higher density uses is likely to be limited. This report has demonstrated that most office occupiers (including flexible workspace) seek accommodation in central and accessible

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locations. There are public transport connections in South Bristol, including the new Metro Bus. However, these are unlikely to be sufficient to materially increase demand in the short to medium term.

5.189 The only potential exception is the land around Ashton Gate where the Stadium are progressing substantial redevelopment plans to include an element of offices. These proposals are at a relatively early stage and therefore should be monitored.

Proposed Industrial and Warehousing Areas

5.190 The table below provides a summary of the contribution the proposed IDAs make to the area:

	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative
Ashton Vale Road				
Brislington Trading Estate				
Cater Road				
Central Park				
Hawkfield Business Park				
Liberty Industrial Park				
Novers Hill				
Roman Farm Road				
South Liberty Lane				
Vale Lane				
Western Drive				
Winterstoke Road				

5.191 As detailed above, all the proposed IDAs have demand for continued commercial uses.

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5.192 Approximately half of the proposed IDAs have a good site coverage with limited opportunity for densification without significant redevelopment. The exceptions are:

- Ashton Vale Road – Manheim Bristol Auction occupies a substantial plot to the rear of the site. It includes extensive car parking with limited buildings. If/when they vacate this provides an opportunity for densification.
- Cater Road – There are some larger units on the outskirts of the site that are currently used for car parking and external storage yards. These provide the potential for densification.
- Central Park – Generally the site coverage is high but there are opportunities for densification, for example the plot that has recently secured planning permission for new build units.
- Novers Hill – Adjacent is the Carbase site and Community Bus Depot. Both are currently included in the PIWA boundary however are proposed to be removed under the Local Plan Review. These have a low site density so if they became available in future, they offer the potential for additional development.
- Roman Farm Road – To the east of the site is the First Bus Depot. This is currently included within the PIWA boundary however the Local Plan Review proposes to remove it. If this site is retained within the boundary it offers the potential for densification should it become available.
- Vale Lane – The land to the rear of the plot appears to be relatively low density so offers the opportunity for densification.
- Winterstoke Road – A large proportion of the Baileys Caravans site is low density with potential for densification if it became available.

5.193 There could be the potential to deliver additional space at the abovementioned sites assuming policy protection and a proactive approach. Further investigation is necessary to determine the timescales for this. In most cases it is likely to be the medium/longer term due to existing occupation.

5.194 Most of the sites are well occupied. The only exception being Cater Road where there are a few vacancies. This is likely in part to be a result of the poor quality of some of the buildings. Should these be redeveloped to provide purpose new build stock we anticipate that there would be demand.

5.195 Several of the sites are located in urban locations surrounded by a mix of uses. It is anticipated that there would be pressure from other higher value uses, particularly residential. The exceptions are largely commercial locations, such as Ashton Vale and Brislington, where wholescale change would happen over the longer term. Regardless, a strong policy protection that resists the loss of industrial and warehousing space is encouraged.

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5.196 In order to protect the commercial nature of the abovementioned sites it may be necessary for the Council to intervene in order to support the role of the areas into the future. Possible interventions include:

Reinvestment/Redevelopment

There are dated buildings on several sites, including for example in Brislington. Some of these are within the Council's ownership. Therefore, the Council may consider reinvesting in them to provide new purpose-built stock (subject to tenure position). Where buildings are not within the Council's ownership, they should encourage redevelopment through the emerging planning policy framework. The Council should strongly resist the loss of any buildings in a poor condition to alternative uses.

Extension of Long Leases

In some cases, tenants are unable to invest in their property due to a diminishing long leasehold interest. Again, in some circumstances the Council are the freehold owner. The Council should undertake an assessment of their property portfolio to identify long leasehold interests which are too short to encourage major investment, including consideration of acquiring leases to reinvest themselves or negotiating extensions. Early discussions with occupiers are encouraged to understand their aspirations for the future.

Encourage Efficient Development

In some cases, the Council own underutilised land in a range of uses. They should undertake a detailed assessment of their land ownership to identify sites that could be delivered for industrial and warehousing accommodation. For example, parts of Cater Road IDA are within the Council's ownership; therefore, they should consider providing additional development onsite (subject to tenancies). On land outside the Council's ownership this should be encouraged through the planning policy framework.

Accessibility

Based on conversations with occupiers it is understood that Brislington suffers from congestion that can limit business operation. An extension of South Bristol Link Road could alleviate this issue. This should be explored in further detail.

Protection of Commercial Role

Several of the IDAs are located in mixed use areas where new development is taking place. The boundaries of the proposed IDAs should reflect the former PIWAs – except where they include non-employment uses. Changes to the boundaries to allocate sites for alternative uses should be discouraged as it could compromise the operation of the nearby businesses. For example, the Motorzone and Bus Depot site which have been removed from the IDA – these in our view should be reincluded. Furthermore, the Council should consider extending some of the proposed IDAs to include nearby industrial and warehousing land. For example, the extension of Roman Farm Road to include Filwood Green Business Park should be considered.

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Planning Policy

The planning policy should restrict the loss of commercial space within the defined IDAs. This should limit the pressure from alternative uses.

Proposed PIWAs not to be retained as IDAs

5.197 The table below provides an overview of the former PIWAs.

	Demand for Commercial	Demand for Alternative
Bath Road / Sandy Park Road		
Eastcourt / Winterstoke Road		
Flowers Hill Trading Estate / Bath Road (south)		
Hungerford Road / Yelverton Road		
Marsh Road / Winterstoke		
Whitchurch Lane		

5.198 The above demonstrates that there is likely to be continued demand from industrial and warehousing occupiers at all the former PIWA sites. This is due to the strength of the market coupled with site-specific factors such as location, accessibility and quality of existing space.

5.199 The table does identify that there is also likely to be demand from alternative uses, such as residential. Based on the emerging planning policy there is a risk that the pressure from alternative uses reduces the supply of industrial and warehousing space in south Bristol. This would limit choice for business and therefore conflicts with the NPPF. Depending on the specific business they may be forced to locate outside Bristol's administrative area. It is highly unlikely that established businesses

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in the south market would be able to relocate for example to Avonmouth due to the accessibility challenges.

5.200 As detailed above the emerging planning policy could put considerable pressure on the local market. In addition to the policy changes suggested in the previous section, the Council should consider increasing the number of IDAs. Possible sites to consider include:

Eastcourt/Winterstoke Road

The majority of units onsite are occupied by industrial/warehousing users, which includes trade occupiers. There is likely to be demand from occupiers into the future. The site occupied as the Ford Car Showroom offers the potential for future densification should it become vacant in future.

Flowers Hill Trading Estate

This is a well performing estate located in a popular market. There is a range of existing units on site and there could be potential to densify.

5.201 In addition, the approach towards Whitchurch Lane should be considered. The proposed policy shift is understood to reflect the current use not falling within use class B1c, B2 or B8. However, there are a small number of industrial and warehousing units on site (not associated with Bottlyard Studios). Furthermore, should Bottleyard Studios relocate the site offers the potential for new commercial space in an attractive market location.

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Proposed Allocation

5.202 The emerging Local Plan proposes one new allocation in the south market, which is 0.3 ha/ 0.75 acres at Western Drive. Most commercial developers currently seek a minimum site of 0.8 ha/2 acres. The proposed allocation falls significantly below this and therefore is unlikely to appeal to the general developer market.

5.203 Nonetheless, there could be interest from an owner occupier or one of the neighbouring businesses that require expansion land. This would need to be tested in more detail.

5.204 The Council appear to have an ownership interest in the site; therefore, have increased control on the delivery of the site.

Concluding Comments on the South Market

5.205 The south market is active, and this is anticipated to continue into the future.

5.206 The emerging Local Plan Review proposes to retain a considerable number of the existing PIWAs as IDAs. Nonetheless, the loss of existing space is likely to put pressure on the industrial and warehousing market, particularly considering the current wording of the relevant emerging policies.

5.207 The proposed allocation of additional industrial and warehousing land is positive; however, the scale is minimal, and it will not alleviate the wider pressures the market is experiencing.

5.208 There is likely to be demand for higher density employment uses around Ashton Gate. However, elsewhere in this market area the appetite is likely to be more limited in the short to medium term.

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Approach to St Philip's Marsh

5.209 In line with the Brief, this section of the Report provides an assessment of the market in St Philip's Marsh. It is currently an adopted Principal Industrial and Warehousing Area (PIWA) extending to approximately 63.11ha/156 acres and comprises a key industrial and warehousing area in the central Bristol market.

5.210 The emerging allocation covers an area of 69ha/170 acres which is slightly larger than the PIWA.

5.211 The current PIWA makes a significant contribution to the quantum of protected industrial and warehousing land in central Bristol – approximately 33%.

5.212 Figure 13 shows the approximate red line boundary of St Philip's Marsh.

Figure 13: Approximate Red Line Boundary of St Philip's Marsh



5.213 To inform the approach to St Philip's Marsh we need to understand the commercial contribution it makes to the industrial market; therefore, the possible implications of its loss. This must be

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considered alongside the potential suitability for alternative uses, including higher density employment.

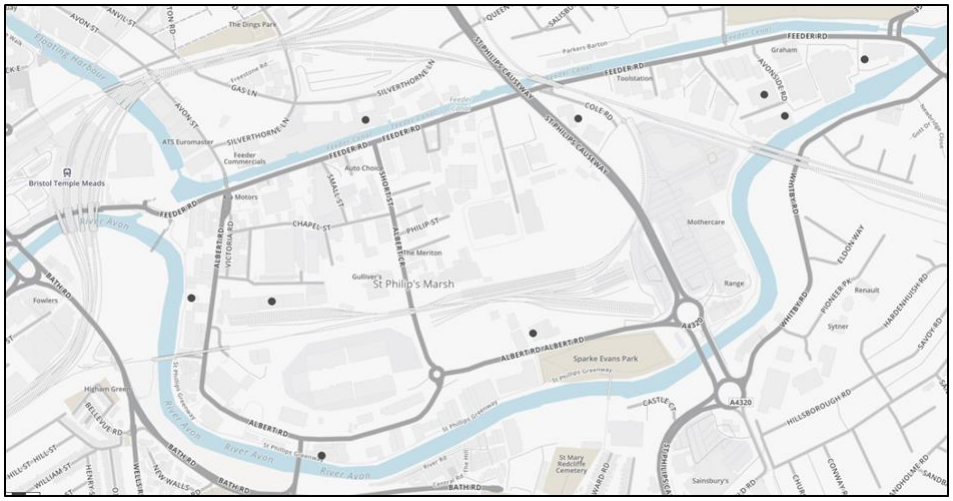
Market Dynamics

5.214 The commercial market in St Philip's Marsh is currently dominated by industrial and warehousing uses. As mentioned above it forms a significant part of the central Bristol industrial market. The central Bristol industrial market has seen the second highest amount of take-up since the start of 2015 based on JLL's internal data – this includes a number of transactions in St Philip's Marsh itself.

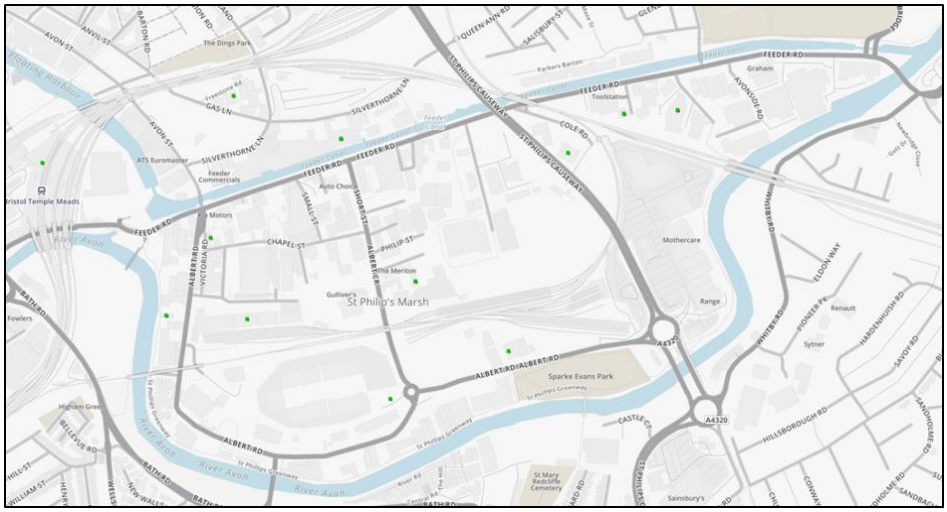
5.215 The diagrams below provide further detail on the current market in St Philip's Marsh:

Transaction information

Leasehold Evidence



Freehold Evidence



The map shows the transaction activity in St Philip's Marsh since 2015. There has been activity across the estate – both for commercial uses, such as the letting on St Philip's Central as well as freehold development schemes. There is no available information on lease events within the next 5 years.

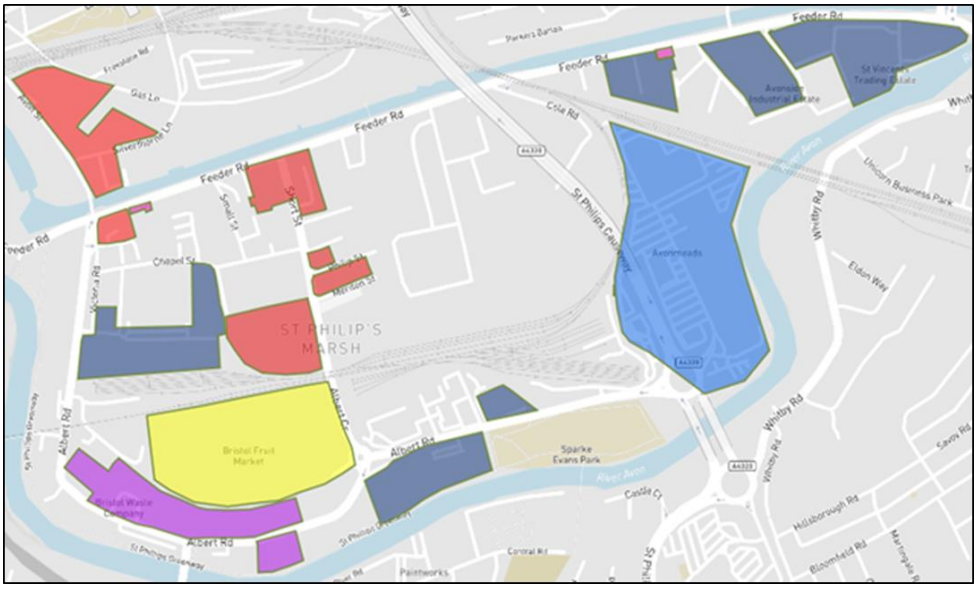
Leasehold evidence – black dots are transactions.

Freehold evidence – multi coloured dots are transactions.

Further detail can be provided if necessary.

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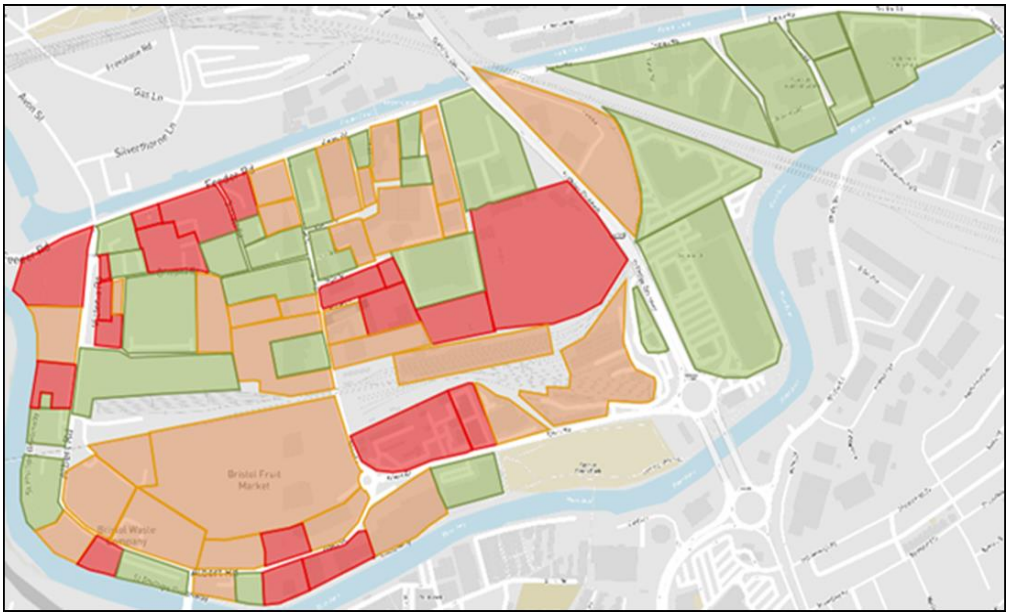
Commercial cluster information



The map shows that there are several existing commercial clusters, specifically
Yellow: Fruit Sales;
Light Blue: Retail;
Purple: Waste
Red: Car Sales and Hire
Dark Blue: Trade Occupiers.

Should some of these anchor uses relocate it is probable that related clusters, for example waste, may relocate.

Quality of units



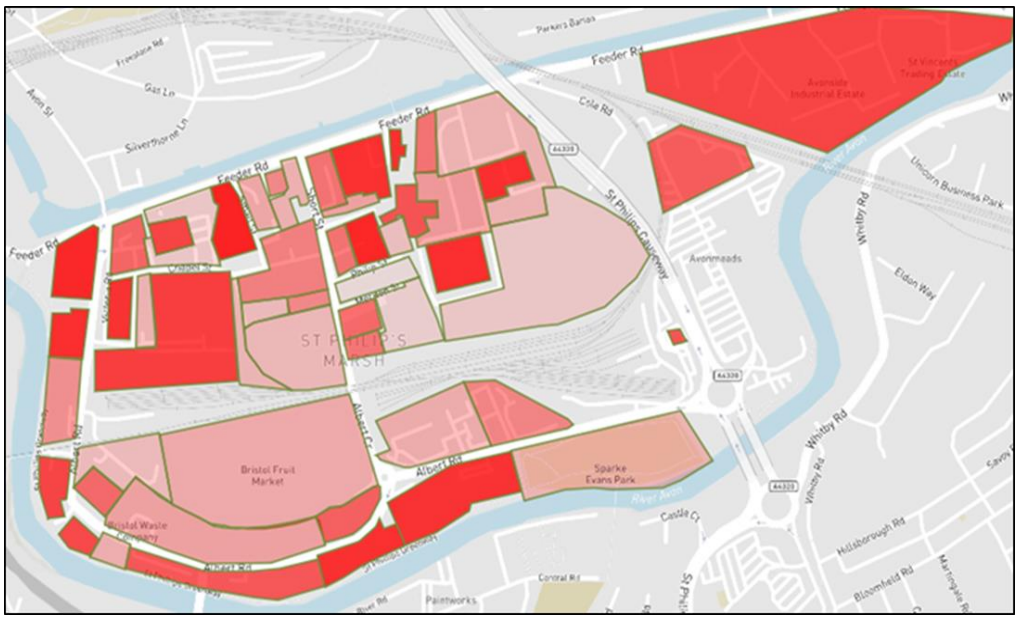
Quality is subjective but based on a high-level visual review it appears mixed.

Green = good, amber = medium and red = poor.

Areas of relatively poor quality appear to be the Fruit Market and waste related users – albeit these are likely to be fit for purpose.

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Density of units



Based on a high-level visual review only. The darker shades of red highlight relatively more dense areas, which are particularly clustered to the west nearer the city centre. Lower density sites are to the north of Albert Road and east of Albert Crescent due to the nature of uses, including waste and WPD.

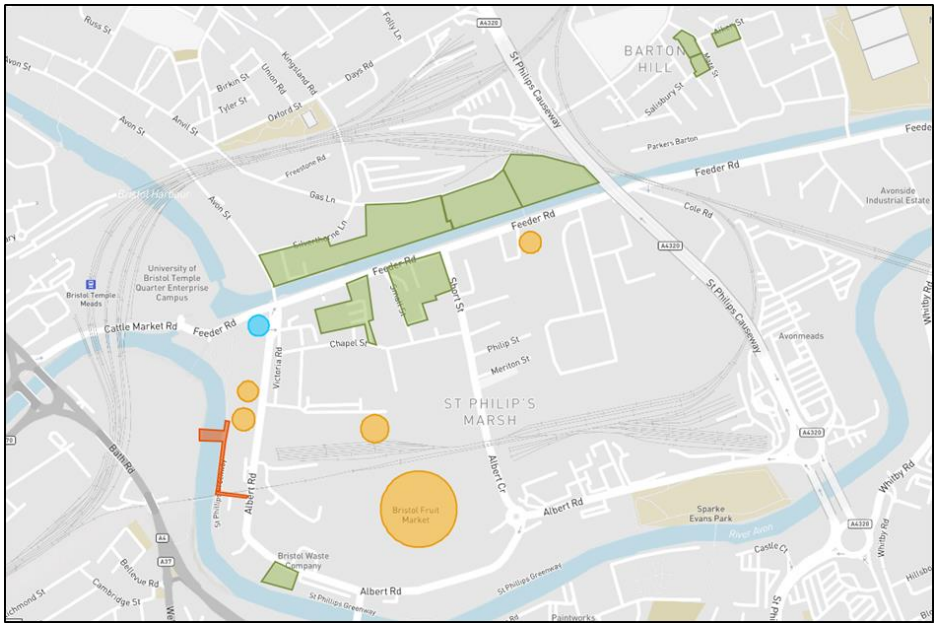
5.216 Having regard to the above, it is clear that the area is characterised by units of varying quality. There are some well-planned and let estates, for example St Philip's Central. There is also more dated stock, particularly the waste related users along Albert Road. Notwithstanding the latter appear occupied.

5.217 Due to the activity in the market it is anticipated there will be continued demand from industrial and warehousing occupiers into the future. A number of the existing uses will want to remain, as well as new uses that will become increasingly common, for example last mile logistic hubs – further details on the potential suitability for emerging trends is summarised below.

5.218 In addition to commercial demand there is increasing interest from developers. The diagram below shows the location of recent planning applications for redevelopment and further details are provided at Appendix I.

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Planning applications



The map adjacent shows the planning proposals for redevelopment to non-industrial uses. To date these have been focused between Feeder and Albert Road with a number of sites progressing pre-application and planning applications. The majority are for residential or student accommodation. Please note that yellow indicates call for sites and green a more formal application.

5.219 Looking to the future the demand from alternative uses is likely to increase. It is anticipated that any redevelopment is likely to be focused on the land west of Albert Close, which is closest to the proposed new University Campus and is within an approximate 15-minute walk of Temple Meads. In terms of timescales for delivery it is anticipated that the University Campus and potentially the proposed Silverthorne Lane development will complete around 2021/2022. This is likely to be necessary before St Philip's Marsh is bought forward in a material way by the market, and therefore, it is unlikely that any substantial development in St Philip's will take place in the short term without public intervention.

5.220 Based on emerging market dynamics there is demand for a mix of residential and student related uses. There has been less interest for the delivery of commercial space, which is demonstrated through the planning information that highlights none of the current schemes incorporate a significant amount of employment / office space. If the Council wishes to see this as part of an early phase it may be necessary to take a more proactive role, particularly on land within its ownership (for example Temple Island).

Need and importance to retain and/or protect any employment use

5.221 Due to the location of St Philip's Marsh and wider market activity, it will increasingly suit redevelopment to alternative uses, including higher density employment and various forms of residential, particularly in those parts located in relative proximity to the railway station/University Campus. However, the scale of the space released will need to be carefully considered to minimise

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the impact on the central Bristol market. This will need to be considered alongside the proposals for areas such as Bedminster and Lawrence Hill – both of which also make an important contribution to the central Bristol market.

5.222 Some of the existing uses accommodated onsite will more easily be able to relocate provided a suitable alternative site is available, for example those whose customer base is not city centre focussed. However, there is a risk that the redevelopment of all / part of the site could result in other businesses being put under significant pressure.

5.223 The emerging Local Plan Review policy DBS3 does identify that industrial and warehousing premises will be delivered onsite; however, it does not specify the quantum of this space to be delivered. This is likely to put pressure on the existing and industrial market. The Council should therefore clarify the policy position.

5.224 The potential risks include:

- The pressure for redevelopment is likely to mean that over time a number of industrial sites are released so there is less supply within the central Bristol market.
- Some existing businesses will be forced to relocate to alternative premises, which could be outside the city centre due to the proposed loss of space in the wider area.
- This decrease in supply could result in rental increases for remaining commercial space in the city centre.
- Relocation of businesses could result in labour force issues. For example, it is anticipated that a number of the employees based in the central industrial locations will live in the nearby city centre and south Bristol wards. These are some of the most deprived in the city. Residents in these areas may not have the means to travel further for work.
- Based on the Local Plan Review the majority of additional industrial and warehousing space is proposed at Avonmouth. This will not suit businesses whose customer base is the city centre; therefore, this is unlikely to relieve pressure on businesses in the city centre.
- Furthermore, Avonmouth faces challenges of its own, particularly in relation to labour force accessibility as highlighted by a number of businesses interviewed as part of our Employment Land Study. Delivery of additional commercial space without the necessary infrastructure may exasperate this problem.

5.225 Based on the Local Plan Review there is one new allocation for industrial and warehousing uses in the central market, which is the former Gasworks, Glenfrome Road (North). It is proposed for 0.9 ha/2.2 acres. Whilst of an appropriate size for the developer market there are likely to be challenges that affect deliverability, specifically contamination from its former use that could render a scheme unviable. Furthermore, the size is relatively minor and will not alleviate the pressures being experienced in the wider market.

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5.226 To minimise the above there could be potential to incorporate certain types of industrial space into new development proposals – further details on this is provided below. In addition, retaining part of St Philip's Marsh as a protected industrial site, particularly land to the east.

Likely commercial role over the short, medium and long term

5.227 St Philip's Marsh at present operates almost wholly as an industrial and warehousing area and is not currently considered an office destination.

5.228 As highlighted above, it currently plays a very important commercial role in the central Bristol industrial market. Most units are well let and in relatively good condition. It is likely that demand from industrial occupiers will continue – particularly those whose customer base is located in the city centre, for example food distributors or last mile logistics operators.

5.229 Nonetheless, with the increasing development interest in the area, it is probable that there could be demand for higher density employment, specifically offices and flexi-workspace. There is a growing trend of a range of businesses seeking well-connected, sustainable city-centre locations where facilities are available for staff and there is enhanced infrastructure including national connectivity via public transport.

5.230 The market has increasingly seen occupiers in Bristol looking for premises within an approximate 15-minute walk from Bristol Temple Meads station. Parts of St Philip's are within this radius, particularly if the new access is delivered to the east of the station as proposed as part of the new University Campus.

5.231 If the proposed access improvements are provided it is likely there would be demand for office / flexible workspace in St Philip's. However, this is likely to be in the medium to longer term and in part subject to the delivery of the new University Campus. For example, it is understood that the University intends to support up to approximately 400 businesses on site. The delivery of existing development sites in more established and attractive commercial locations, for example Assembly and the Fire Station, are likely to be delivered first. As a result, it is unlikely that any substantial office development would take place until after 2021 / 2022 when the new Campus and Silverthorne Lane are likely to have completed.

5.232 Due to the fact St Philip's Marsh is not yet an established office location it may be necessary for the public sector to take a more proactive role in unlocking a first phase of office/flexible accommodation, particularly if it is to be delivered in the short term. For example sharing risk with the private sector to help change the perception of the area as a successful higher density employment location.

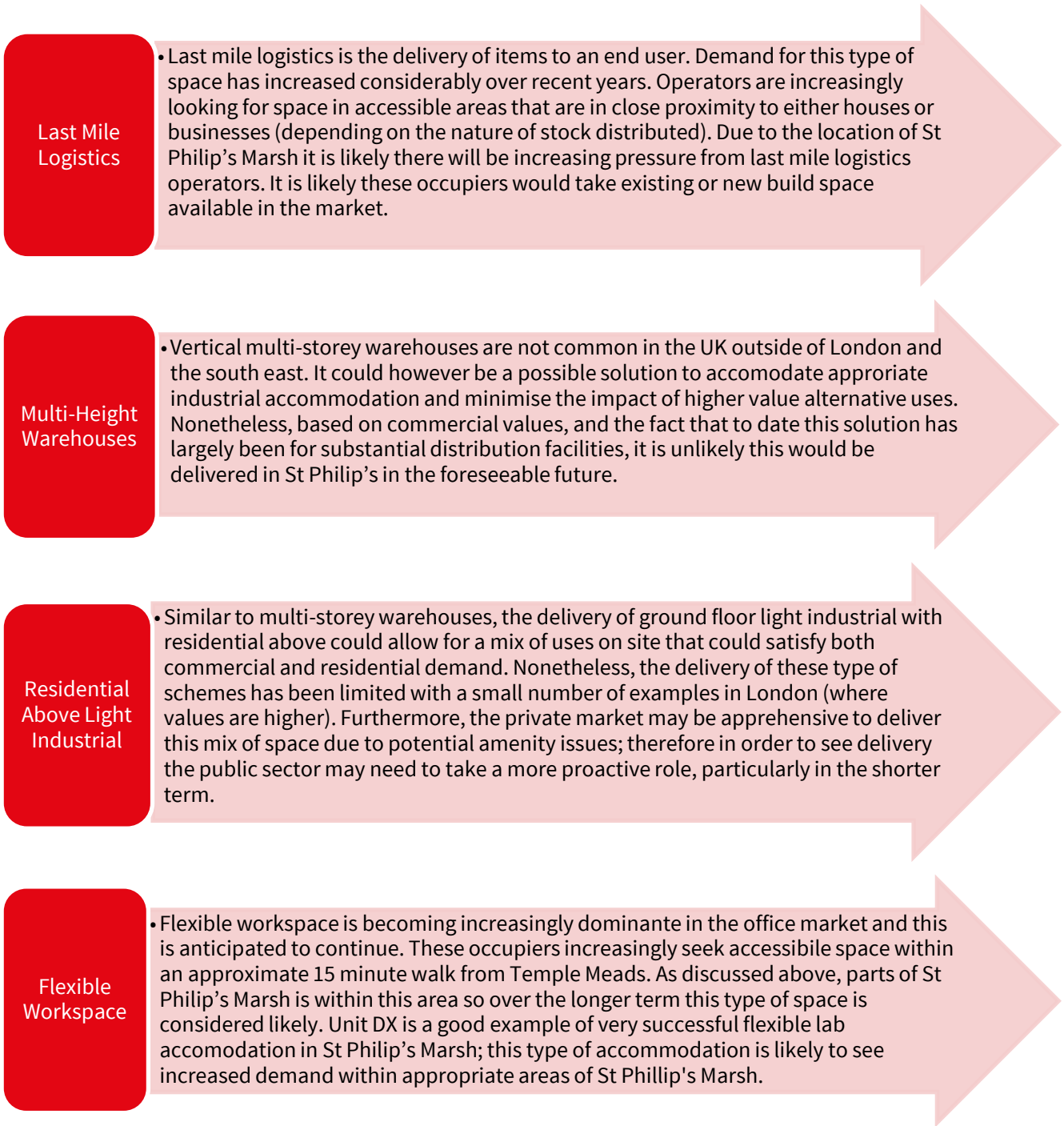
5.233 It is however important to note that delivery of a substantial amount of office space is likely to take a number of years. For comparison it is understood that the first unit completed at Temple Quay in 1991 (Trinity Quay) and in the 28 years following approximately 1,500,000 sqft of space has been delivered. Temple Quay is a more attractive office location.

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Potential impact of emerging, declining and key sector requirements

5.234 The previous part of this Report highlighted the potential impact that emerging and growth sectors will have on the commercial market. St Philip's Marsh has potential to accommodate a number of these trends – related to both office and industrial accommodation.

5.235 Further detail is provided in the following diagram:



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5.236 As highlighted above the public sector may need to take a more proactive role in delivering new appropriate types of workspace, particularly if part of any early phase. The progress of the above should be monitored to see how the market changes and whether there is more appetite for private sector delivery overtime.

Further implications of change

5.237 The increasing pressure for redevelopment will not come without its challenges, with possible implications onsite and elsewhere.

5.238 As highlighted above, we consider that it is very important to consider St Philip's Marsh alongside the approach to areas such as Bedminster and Lawrence Hill. The previous section outlined that the Council is proposing to allocate a number of existing PIWAs for redevelopment. Whilst the associated policy does suggest that employment uses will be delivered, it lacks clarity and poses a significant risk to the industrial and warehousing market. Careful consideration will need to be given to the impact of proposed policies on the overall central industrial market.

5.239 Notwithstanding the above, appropriate redevelopment could allow for a new mixed-use quarter that delivers a range of office and possible flexible workspace, which would provide much needed supply to the city. Furthermore, due to the scale of the area, overtime it may also offer potential for new commercial accommodation of a significant scale that provides opportunities for large occupiers to relocate (for example headquarter premises), which is very limited in the city centre currently.

5.240 Onsite the implications of change could be challenging from an operational perspective. Careful consideration will need to be given as part of any masterplan to both the mix of uses and phasing. This will minimise the impact of possible bad neighbour uses, specifically heavy industrial and waste related processes.

Interventions

5.241 St Philip's Marsh is increasingly being looked at for development to alternative non-industrial and warehousing uses. Depending on the Council's aspirations for the area including timescale, it is likely to be necessary for the public sector to intervene.

5.242 If the focus of the site is to support the commercial market, the following interventions may be necessary:

Topic	Public Sector Action
Uses	Retain part of the site as a protected industrial / warehousing area, for example the land east of Albert Crescent. Encourage the delivery of higher density employment such as offices / workshop space in the area to be redeveloped.
Masterplan	Identify zones for commercial development that could guide future development and encourage delivery.

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Topic	Public Sector Action
	Identify phasing having regard to landowner / occupier plans. This could minimise the impact on the commercial market as there would be a more structured approach to delivery – as opposed to sites coming forward on an ad-hoc basis. This would also help minimise the impact of bad neighbour uses, for example waste.
Landownership	Consider acquisition of sites that would increase the Council's control over delivery. Ensure an appropriate level and type of commercial space (offices / industrial) is delivered on land within the Council's ownership. Work with other public sector bodies to encourage delivery of appropriate commercial space on their land.
Delivery	Take a more proactive role in delivering different forms of industrial, for example multi-height warehouses or light industrial with residential above. This could provide market confidence to encourage private sector delivery. This could assist in protecting the industrial market in the central area. Take a proactive role in delivering a first phase of office or flexible workspace / lab accommodation, particularly in the shorter term. Consider delivering meanwhile uses on underused plots, for example Temple Island, while development proposals are being progressed. This would help establish the market in certain areas.

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Avonmouth

5.243 Avonmouth is the most active industrial and warehousing market in Bristol.

5.244 Emerging policy E2 outlines the employment strategy for Bristol. It identifies that land for additional industrial and warehousing space will be allocated at Avonmouth. Emerging policy E5 provides further details outlining that the area is '*designated for the retention, development and redevelopment of existing industrial land for industrial, distribution, energy and port related uses, including large scale wind turbines.*

5.245 *Around 60 ha/148 acres of greenfield land adjacent to the existing industrial areas will provide allocations for the development of industrial and distribution uses. The following development allocations are proposed:*

- *Land at Kings Weston Lane, south of Access 18*
- *Land east of Chittening Road*
- *Land east of Packgate Road*
- *Land south of Seabank Power Station*

5.246 *Development will require appropriate mitigation to ensure that the risk of flooding is appropriately addressed and does not add to flood risk elsewhere. Detailed development considerations for these sites, including the approach to transport and access, will be included in a future version of this local plan.*

5.247 The delivery of much needed new industrial and warehousing accommodation is supported, particularly given the strength of this market. Nonetheless, it is unlikely to substantially alleviate the supply pressures being experienced elsewhere in the city as some businesses will not be able to relocate due to their operational and workforce requirements.

5.248 Regard should however be given to the deliverability of the various allocations, specifically:

Landownership – several of the proposed allocations are held within private ownership. Therefore, there could be a risk these are not delivered in a timely manner; however, this is anticipated to be limited as it appears that a scoping opinion has already been submitted for a site.

Accessibility – it will be essential to ensure that appropriate access can be secured to all plots.

Workforce accessibility – a number of the existing businesses at Avonmouth are struggling to recruit and retain staff. This is partially a result of the limited affordable transport options. Developers will only deliver space where they are confident it will be let; therefore, without this issue being addressed there could be a risk to delivery.

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Mix of amenity uses – there is increasing demand from occupiers for amenity space to be provided on business parks. Typically uses include food and beverage. There is limited existing provision at Avonmouth. Therefore, the delivery of appropriate new space should be encouraged for example through the planning policy.

5.249 In addition to the above, the Council should consider other actions to support the ongoing commercial role of the area. These include:

Protection of the Commercial Role	Redevelopment/ Reinvesment	Extension of Long Leaseholds
• Emerging policy E6 seeks to protect the living conditions of residents in Avonmouth Village. • Whilst the principle of this policy is strongly supported, care should be taken not to limit the operation of nearby businesses.	• The Council own a considerable amount of land and buildings at Avonmouth, including in the emerging allocations. • They should review their estate to identify: • 1. Sites that could be redeveloped; • 2. Sites that could benefit from investment. • Creating a clear action plan for the delivery of underutilsied land within the Council's ownership would increase supply.	• In some cases tenants are unable to invest in their property due to a diminishing long leasehold interest – in some cases the Council are the freehold owner. • The Council should consider buying in the leases (to reinvest/redevelop themselves) or negotiatie an extension to encourage private sector investment. • Early discussions with occupiers are encouraged to understand their aspirations for the future.

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Additional supply related challenges

5.250 There are a number of challenges to supply over and above those mentioned on the previous pages. These are important to consider as they could impact both the existing and potential supply of commercial stock in the city; therefore, impacting the economic resilience of Bristol.

5.251 These challenges include the historic rate of completing new space, the increasing pressure for alternative uses, the existing planning context and market uncertainty. There are possible strategies that could assist in overcoming most of these challenges and could incentivise additional delivery. Further detail is provided below.

Pressure from Alternative Uses

5.252 There is increasing pressure generally for land to come forward for a mix of uses, which is reinforced by the considerable amount of space that has permission for change of use or has been delivered for alternative uses over recent years.

5.253 It is understood that between April 2006 and April 2016 there has been a loss of approximately 618,000 sqm/ 6,650,000 sqft of B use class space (office and industrial) in Bristol based on information provided by Hardisty Jones (December 2018).

5.254 These losses are more pronounced in certain locations, with Avonmouth being the only area to have seen an overall net gain in B use class space over this period (equating to circa 242,000 sqm/ 2,500,000 sqft). This is likely due to the fact it is an established industrial location with limited pressure for alternative uses due to the amenity issues associated with the existing industrial activity. The positive position in Avonmouth is not replicated in other parts of the city.

5.255 The south, inner east, Northern Arc, city centre and other areas of the city have all seen a net loss of industrial and warehousing space over this period (in the region of 190,000 sqm/ 2,050,000 sqft). Please note these descriptors of the commercial areas are based on the Council's terminology, which aligns with information in the Hardisty Jones report (Appendix E). This is largely a result of pressure from higher value uses due to the nature of these locations – many of which are mixed and include residential, retail etc.

5.256 In terms of offices, the city centre, south Bristol and Avonmouth / Severnside are the only areas that have seen a net gain in office space (approximately 41,400 sqm/ 445,600 sq ft) over this 10-year period – albeit the majority is focused in the city centre, again based on information provided by Hardisty Jones.

5.257 It is important to note that the loss of commercial space is despite the current planning policy context that requires lack of commercial demand to be demonstrated under Development Plan policies DM12 and BCAP7 prior to redevelopment. This approach applies to a range of commercial sites, including PIWAs and unprotected sites. The emerging planning policy proposes a shift from the adopted policy.

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5.258 As detailed in the previous section, the emerging policy for the IDAs limits the loss of existing space except in exceptional circumstances – these do not include lack of demand. Therefore, in theory the emerging policy for the IDAs is likely to be stronger than that currently adopted and is strongly encouraged.

5.259 In contrast, the policy applicable to the former PIWAs not retained as IDAs could have a negative impact on the supply of space in use classes B1c, B2 and B8. Whilst the proposed policy does encourage the delivery of employment space as part of any future redevelopment, it lacks clarity as to the quantum of space, type of space and phasing of delivery – all of which mean there is less planning policy control over what is delivered on site. This could lead to a loss of industrial and warehousing supply to alternative higher value uses. Suggestions are made elsewhere in this report on how the emerging policy could be strengthened to minimise the potential impact.

5.260 In terms of new supply, to minimise the pressure from alternative uses the Council could consider specific site allocations through the New Local Plan. The extent and detail in these policies should be investigated in further detail – as a minimum we recommend it requires an 'office / industrial led development'.

5.261 Under the current Development Plan the commercial allocations are limited and very high level. This is in comparison to other cities, for example Edinburgh and Birmingham which have more detailed specific site allocations.

5.262 In addition to a purely planning policy approach, the Council could utilise land within their ownership to reduce pressure on commercial delivery. This could be through bringing forward sites for specific commercial uses – whether it be offices or industrial. Further investigation is necessary to identify possible opportunities; it will be important to ensure they are in commercially attractive locations.

Permitted Development Rights

5.263 Notwithstanding the planning policy context that restricted the loss of commercial space there were considerable changes to Permitted Development Rights between 2006 – 2016. In May 2013 Permitted Development Rights were introduced (originally temporarily) that allowed the conversion of existing office space (subject to prior approval).

5.264 This has had a considerable impact on commercial space, particularly offices, both nationally and locally. In Bristol, between May 2013 and March 2018 approximately 1,233 dwellings were either completed or under construction having secured prior approval to be converted from office to residential, including for example Wilder House, Southey House and Alexandra House. Furthermore, 317 are understood to have permission but have not started on site. In total approximately 82,000 sqm/ 880,000 sqft of offices have been lost under Permitted Development Rights based on information provided by the Council. This is part of the reason for the lack of supply experienced in 2016 when the vacancy levels were below 3%. Permitted Development Rights have had a significant impact on the office market and now they have been made permanent could continue to impact the levels of stock. Nonetheless, more recently there has been a shift in the market with more pressure

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to retain existing stock and deliver new space in part based on rental increases. However, the ongoing impact of Permitted Development Rights on Bristol's office stock should be closely monitored.

5.265 Permitted Development Rights have also been introduced in 2016 which allow the change of use of light industrial units to residential dwellings (subject to prior approval). Based on the information provided there does not appear to be any examples of this in Bristol, which is likely due to the nature of industrial buildings and fact the Permitted Development Rights do not appear to allow external changes; therefore, there are limited properties that would be suitable.

5.266 The Council should continue to monitor the impact of PDR on the supply position.

Historic Rate of Completion

5.267 The rate of new build completions is important to consider as it provides clarity on whether the proposed supply is realistic. Further detail of this is provided in the following section of this Report. In terms of new build space delivered between 2006 and 2016 the information provided by Hardisty Jones (December 2018) suggests there has been:

Completion between 2006 – 2016		
Office	242,500 sq m / 2,610,000 sq ft	Focused in the city centre
Industrial	393,200 sq m / 4,230,000 sq ft	Focused at Avonmouth / Severnside
Mixed B	44,900 sq m / 483,000 sq ft	Focused at Avonmouth / Severnside

5.268 The historic rate of completion is greater than the supply estimates (discussed in the following section) suggesting that the predicted delivery of space should be achievable based on past performance. To deliver more space over and above the annual average, the public sector may need to take a more proactive role in delivery.

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Concluding Comments on Supply

5.269 The previous pages have assessed the commercial supply in line with the requirements of our Brief. This has included reviewing the existing and potential pipeline supply alongside the impact that possible policy changes could have on the levels of commercial stock.

5.270 To summarise, there is a lack of existing office and industrial space as both have less than one year worth of annual take-up. This means that there is already pressure on the commercial market. Given the lack of current availability, coupled with the pressure from alternative uses, protection of the existing stock is strongly encouraged. Permitted Development Rights are a considerable risk to the supply of office stock and have had a substantial impact in the past; therefore, the adoption of a geographically targeted Article 4 direction should also be considered to minimise any future impact.

5.271 There are new sites that are under construction that could help relieve this pressure, which includes the Distillery and Assembly – the latter has recently been announced and together will help deliver much needed new office space. However, they are not enough to overcome the supply challenges.

5.272 There are a number of pipeline office and industrial schemes that could assist in delivering new space – albeit there is anticipated to be a considerable amount of risk with a number of these sites, particularly from an office perspective. This is partially due to some of these permissions having lapsed and ongoing pressure from alternative uses. To minimise the risk that these are not delivered, possible allocation of certain office or office led sites should be considered and explored in more detail.

5.273 It is also worth noting that the pipeline supply does not appear to be appropriately spread across the city, which is a particular concern from an industrial perspective. Most of the additional space is to be delivered at Avonmouth; whereas, other active markets in the central area and eastern areas are expected to see a considerable loss, which could have a significant impact on existing businesses and economic growth in these areas. This contradicts the suggestion in the NPPF Para 80 and 82, which state planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt taking into account locational requirements of various business sectors.

5.274 From an industrial perspective it is anticipated that this will be worsened as a result of the proposed shift in planning policy. Many of the sites proposed to be de-allocated are in the Areas of Growth and Regeneration (AGRs) so are likely to be redeveloped. Due to the activity and demand in these markets it is likely that any loss of space could have a considerable impact on existing and potential businesses. Whilst the emerging policies for these areas do encourage the delivery of workspace it should be clearer – as a minimum to limit the impact on the industrial and warehousing market the Council should consider incorporating floorspace targets, which take account of the existing space on site coupled with the potential for higher density uses.

5.275 Although the allocation of additional space at Avonmouth is encouraged, it is unlikely to substantially relieve the pressure on the central and eastern markets. To minimise the possible risk to these areas, additional sites should be considered for protection under the New Local Plan. This should be

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alongside a requirement that proposals are only bought forward on sites where there is no demand (building and land).

5.276 The supply position should be continually monitored throughout the lifetime of the New Local plan.

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6 Estimated Floorspace Requirements

The draft Joint Spatial Plan (JSP) provides an overall employment target for the West of England Combined Authorities. This target has been used to inform this work. It should be continually monitored subject to the outcome on how/whether to progress with the JSP following the Inspectors comments in Summer 2019.

Hardisty Jones Associates have calculated the jobs target for Bristol based on a medium-high and high growth scenario, which suggest a target of between 25,900 and 33,000 jobs up to 2036. This suggests that approximately 30% of new jobs across the West of England will be delivered in Bristol.

Based on the suggested jobs target, the floorspace requirements for office, industrial and warehousing uses have been identified. In calculating this, regard has been given to both the net additional requirement associated with sectoral employment changes, in addition to the replacement requirement to ensure the continual upgrading of the existing employment property stock.

Hardisty Jones Associates utilise the planning permission information to determine that the quantum of space currently permitted/allocated should form the requirement for the city. In all cases this falls below the rate of historic completions; therefore, suggesting it is achievable.

Adopting the pipeline supply as the requirement is reactive and does not represent a proactive approach to providing the conditions for positive and inclusive economic growth. There is a risk that it does not adequately encourage developers to incorporate enough commercial space into their schemes.

Furthermore, it falls below the total amount required to deliver the net additional and replacement floorspace estimated by Hardisty Jones Associates; therefore, indicating that there could be continued supply challenges across the commercial markets in the future. There is also an element of risk associated with some of the sites that form part of the supply calculations. This could further worsen the supply position.

The emerging draft of the Local Plan Review did not incorporate a target for either jobs or employment floorspace. However, it is anticipated that the inclusion of a robust and ambitious commercial target in the emerging policy will support sustainable and inclusive economic growth – in line with the Local Authority's objectives.

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6.1 This section provides an overview of the potential commercial floor space requirements for Bristol over the New Local Plan period between 2016 – 2036. It is informed by work carried out by Hardisty Jones Associates who were commissioned to provide an analysis of forecast future requirements for B Use Class sites and premises across the City Council's administrative area.

6.2 To calculate the potential floor space required over the plan period, the forecasting information provided by Hardisty Jones has been assessed against an understanding of market dynamics, in addition to the possible implications of emerging New Local Plan policy.

Findings of the Economic Forecasting

6.3 Hardisty Jones have produced a report that estimates Bristol's share of the West of England forecast employment growth, alongside, the city's share of B Use Class sites and premises requirements. Their draft report was published in December 2018 and is provided at Appendix E.

6.4 The work undertaken by Hardisty Jones relates closely to the Joint Spatial Plan (JSP). They have been involved in informing the employment policy contained in the JSP. This will underpin the economic policy for all four authorities within the West of England Partnership (South Gloucestershire Council, Bath and North East Somerset Council, North Somerset Council and Bristol City Council).

6.5 Having regard to JSP Policy 4, the stated ambition is to deliver 82,500 jobs across the West of England between 2016 and 2036. This is based on medium-high economic forecasts prepared by Oxford Economics (2015 release) with a 1.1% uplift applied to bring them inline with the ambitions set out within the West of England Strategic Economic Plan.

6.6 Hardisty Jones have forecast commercial space on both medium-high and high growth scenarios. This is in line with the previous work carried out to support the JSP. Please note that their estimation draws on the Oxford Economics data as at 2015.

6.7 Based on the medium-high growth scenario (82,500 additional jobs in the West of England) they estimate a growth of 25,900 jobs in Bristol between 2016 and 2036. This reflects 32% of the total new jobs across the West of England area. This is understood to be a reduction from 2016 when Bristol's share was estimated to be circa 42%. Careful consideration should be given as to whether this is appropriate given the commercial importance of Bristol as an economic hub for the region.

6.8 Based on a high growth scenario (100,000 additional jobs in the West of England) they estimate a growth of 33,095 jobs in Bristol between 2016 and 2036. Similarly, this equates to 33% of the West of England total forecast growth, which is again a reduction of Bristol's share of jobs in 2016.

6.9 Having regard to the above, Hardisty Jones have estimated the net additional land and floor space requirements for Bristol between 2016 and 2036 as follows:

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	Office	Industrial and Warehousing
Medium-High Scenario	207,000 sq m / 2,230,000 sq ft	117,000 sq m / 1,260,000 sq ft
High Scenario	250,000 sq m / 2,691,000 sq ft	189,100 sq m / 2,035,000 sq ft

6.10 Please note that the above assumes that 63% to 65% of the additional jobs will require B use class sites and premises. Hardisty Jones state that whilst there is no best practice this is at the upper end so anticipate this could overestimate the amount of space required from a purely forecasting perspective.

6.11 As part of their work Hardisty Jones have also had regard to historic completions for office, industrial and warehousing space in the city between 2006 and 2016. This provides more detail on market dynamics and an indication of possible future trends.

6.12 The overall figures suggest:

	Office	Industrial and Warehousing	Mixed B Use
Gain	242,500 sq m	393,200 sq m	44,900 sq m
Loss	211,200 sq m	302,800 sq m	103,900 sq m
Net Position	31,300 sq m	90,400 sq m	-59,000 sq m

6.13 Hardisty Jones have utilised the above figures to estimate annual completions. The table above suggests that between 2006 and 2016 Bristol has seen an increase in most commercial space provided (except mixed B use classes). However, this is marginal and not reflective in all parts of the city. Most areas have seen a net decrease of office, industrial and mixed B use class space. It is the activity in Avonmouth from an industrial perspective and the city centre from an office perspective that have driven positive results for Bristol.

6.14 South Bristol has also made a positive contribution to the office gain – this is partially a result of a number of significant schemes, for example Paintworks, Imperial Tobacco and Filwood Green Business Park.

6.15 Having regard to the evidence above, it appears that the office and industrial supply estimates have historically been delivered by the market. This therefore suggests that the estimated supply is achievable over the 20-year plan period (other things being equal); however, it is important to note this does not take account of any losses to commercial space that need to be replaced.

6.16 Hardisty Jones have estimated the replacement requirement for both office and industrial stock over the new Local Plan Period. It works on the basis that there is a need to replace 1% to 2% of existing commercial stock per annum. It estimates the replacement requirement between 2016 and 2036 to be as follows:

- 225,000 – 450,000 sq m of office accommodation;

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- 494,000 – 988,000 sq m of industrial and warehousing space.

6.17 The inclusion of the above replacement requirement increases the quantum of floor space required over the plan period as detailed below:

	Oxford Economics Medium – High Growth Scenario (82,500 new jobs)		Oxford Economics High Growth Scenario (100,000 new jobs)	
	Office	Industrial	Office	Industrial
Net Additional	207,000 sq m	117,000 sq m	250,500 sq m	189,100 sq m
Replacement	225,000 – 450,000 sq m	494,000 – 988,000 sq m	225,000 – 450,000 sq m	494,000 – 988,000 sq m
Sub Total	432,200 – 657,000 sq m	611,000 – 1,105,000 sq m 153 – 275 ha	475,700 – 700,900 sq m	638,100 – 1,177,100 sq m 171 – 294 ha
Historic Completions	485,000 sq m	876,100 sq m 219 ha	485,000 sq m	876,100 sq m 219 ha

6.18 The analysis by Hardisty Jones shows that historic completions for both office and industrial would effectively achieve the low point of the floorspace required but not the mid or higher end.

6.19 On this basis the conclusion of the sub-regional analysis was a need for each UA to deliver its identified employment sites and premises supply in its entirety to avoid constraining the health of the West of England economy. The supply analysis, which was founded on data provided by officers at the Council, identified the following:

- 357,000sq m of capacity for office floorspace (60% of the West of England total)
- 88.6ha of industrial and warehouse land (22% of the West of England total)
- 5.8ha of mixed B Use Class land (i.e. potential for office and industrial uses) (2% of the West of England total)

6.20 Based on Hardisty Jones recommendations these supply figures have become the implied requirement for Bristol. Their suggestion is that this form the basis for the commercial targets in the New Local Plan.

Forecast adjustment to reflect the market

6.21 The information provided by Hardisty Jones is helpful as it provides useful insight into the estimated floorspace requirements. However, it must be considered along current and emerging market dynamics to ensure the findings / recommendations are not only deliverable but will continue to support the important commercial role of Bristol in the West of England and beyond.

6.22 High level observations are provided in the diagram below:

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Adopting the identified supply as the defacto requirement for the Plan period up to 2036

- Bristol is the main commercial hub in the south west and adopting the known supply as the commercial requirement is unlikely to encourage continued growth. This is because it does not put pressure on developers to incorporate commercial space into their schemes. There are also challenges based on the fact that the supply requirement is less than the replacement and net additional space required. Furthermore, some of the sites included in the pipeline supply calculations are unlikely to be delivered as per the permission.

Risk that the identified pipeline schemes are not delivered

- There is a considerable risk that certain schemes which contribute to the known pipeline will not be delivered. This is covered in detail in the previous section. There is anticipated to be a particular risk associated with office schemes. If these sites are not delivered it could put further pressure on the already constrained market by worsening the supply position. Taking a more proactive role by allocating additional sites or delivering schemes could minimise this risk.

Replacement estimates

- The replacement figure is based on the previous 10 years where for the most part there was a strong policy protection that resisted the loss of both office and industrial commercial space under the adopted Development Plan. It therefore only partially takes account of the Permitted Development Rights that have signifcantly impacted the supply of office space. Equally it does not take account of the emerging policy. The current drafting of the policy could worsen the supply position as there is increasing pressure from higher value uses. The previous section identified possible changes that would stregthen the policy minimising this risk.

Historic Completions

- Based on the historic completions information it appears that the market has been able to successfully deliver a level of commercial floorspace equivalent to the identified supply, which suggests that these requirements are achievable - albeit concerns remain as to the deliverability of a number of the identified sites (as highlighted above). If the supply requirement increased over and above the rate of historic completions the public sector may be required to take a more proactive role for the requirements to be realised.

Mix of Uses

- The forecasting information suggests that there will be a substantial growth in office jobs - estimating that there could be an increase of in the region of 9,000 - 10,000 jobs in professional, scientific and technical activities (based on a medium to high growth scenario). This would support the growth sectors highlighted in the previous section of this report. Less growth is anticipated in the industrial sector - in fact the data suggests there could be a net loss of manufactoring jobs. As mentioned earlier in this report, this does not reflect the market evidence as this sector has continued to see steady take-up.

Location of Development

- Relying on the known supply to underpin the New Local Plan will mean that supply of new space, particularly industrial is not spread across the city. The majority of pipeline supply is focused around Avonmouth with substantial losses permitted in the central markets. The central market has been active in recent years, which is anticipated to continue, particularly as a result of emerging trends such as last mile logistics. Failure to deliver appropriate space across the city will continue to put pressure on businesses and inclusive economic growth.

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Floorspace Estimates

6.23 Having regard to the analysis above, relying on the pipeline supply as the requirement is not considered to reflect a proactive approach to delivery of sustainable and inclusive economic growth in line with the Council's aspirations.

6.24 To ensure Bristol continues to be an important commercial centre, robust and ambitious targets should underpin the New Local Plan.

6.25 The adopted Development Plan policy incorporates floorspace targets for the various B uses, including for specific parts of the city. The emerging policy does not incorporate targets - we would strongly encourage their inclusion. Further investigation should be undertaken to determine the appropriate office, industrial and warehousing requirements that take account of the JSP targets as well as the emerging planning policy. For example, the approach towards the former PIWAs will need to be fully considered in determining the appropriate targets. The previous section of the report provides a suggestion as to a possible approach that would support the delivery of more efficient industrial and warehousing schemes that may allow parts of these sites to come forward for alternative uses.

6.26 By increasing the amount of commercial space required – over and above the permitted/allocated sites – it is likely to put pressure on the city not only to protect the quantum of existing land but also to support the delivery of more space to allow Bristol to continue to be an important commercial centre.

6.27 To achieve an increase in supply the Council should consider the following key strategic actions:

1. Allocate additional floorspace for commercial use across the city. It should be delivered in all market areas taking account of the submarket appetite as well as the growth aspirations. The delivery of commercial space near new homes aligns with the NPPF objectives. Possible sites for consideration include for example Hengrove, Brislington Park and Ride, South Liberty Lane.

2. Allocate riskier sites that contribute towards the pipeline supply. The risk will be that they are not delivered for commercial due to pressure from higher value uses. The allocations should clearly state the quantum of commercial sought, which should reflect market appetite. Possible sites to consider include for example Dove Lane or plots at Cabot Circus.

3. Consider playing a proactive role in the delivery of certain schemes that have historically stalled or are unattractive to the market, for example Dove Lane or the plots at Cabot Circus. Working with the private sector to bring these sites forward would increase the amount of actual built supply.

4. Consider playing a proactive role in the delivery of new types of commercial space that are not yet visible in Bristol, for example residential above light industrial. Working in partnership with the private sector this could increase the quantum of built supply. Furthermore, it could increase commercial confidence that certain trends are deliverable in Bristol.

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6.28 The above are initial suggestions that could assist in achieving the employment floorspace and land requirements. They should be explored in more detail to determine if they are appropriate and achievable.

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7 Recommendations and Conclusions

7.1 JLL have prepared this Employment Land Study on behalf of Bristol City Council. It provides an overview of the commercial market in the Greater Bristol area as instructed. It focuses on B use classes only, albeit trends in other sectors are considered where appropriate.

7.2 The purpose of this commission is to provide the Council with a sufficient and proportionate evidence base in regard to employment land to inform the emerging Local Plan (which in turn will guide development in the city between 2016 – 2036).

7.3 Whilst the report is being commissioned solely in respect of the Council's New Local Plan it could have implications for other emerging policy documents, including for example the Joint Spatial Plan (JSP) which the West of England Authorities are considering how to progress following the Inspectors feedback in August 2019.

7.4 Bristol is the largest and most active commercial hub in the south west for both office and industrial space. The role the city plays into the future will depend on the vision for sustainable economic growth balanced against the increasing pressure from alternative land uses, particularly residential.

7.5 The key findings of the report are summarised below:

Demand

7.6 There are good levels of demand for both office and industrial/warehouse space which we anticipate will continue; albeit there may be some short-term impact as a result of the economic and political market uncertainty created by Brexit.

7.7 The office sector in recent years has been dominated by demand for smaller units of less than 1,000 sqm/ 10,760 sqft, which is reflective of the other Big 6 Cities outside of London including Manchester and Birmingham. This is partially a result of changing work practices and technological advances that allow people to work in an increasingly agile way. From a business perspective this means less space is required.

7.8 The office market is dominated by leasehold deals. Occupiers are increasingly seeking space on more flexible terms as it allows them to better respond to their business needs. This has resulted in a rise of co-working / flexible hubs. Examples in Bristol include Runway East, Regus and Desklodge. The trend for flexibility is projected to continue.

7.9 The focus for office accommodation is increasingly the city centre due to the accessibility and amenity benefits, which assist employers in attracting and retaining staff. The current concentration of activity is to the north and west of Temple Meads, approximately within a 15-minute walk. Over the longer-term lifetime of the Plan, other areas of the city centre, in particular to the south and east of Temple Meads may see activity, particularly given the emerging planning policy context.

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7.10 Within the industrial / warehousing sector, the market demand is predominantly for smaller units below 1,858 sqm/20,000 sq ft as reflected in the historic take-up information. We anticipate these trends to continue. Like the office sector, the industrial/distribution market is also characterised by leasehold deals and whilst there is demand for freehold accommodation it is constrained by supply.

7.11 From a distribution perspective there are a number of active submarkets. Avonmouth/Severnside has experienced the highest amount of take-up in recent years dominated by some very large distribution and warehouse facilities built for the Range, Amazon and Lidl etc. This is likely to continue to be a sought-after location, subject to infrastructure and recruitment related challenges being overcome.

7.12 The more urban industrial / warehouse markets, particularly the central areas (such as St Philip's, Bedminster, Lawrence Hill etc.) and south of the city (for example Brislington, Ashton, Hengrove etc.) make a very important contribution to the city. They cater for a mix of businesses, offering proximity to staff and customers. The rise in last mile logistics will create further demand for these areas.

7.13 In addition to the existing market position, regard must also be given to the emerging / growth sectors, for example last mile logistics and flexible / co-working facilities. Ensuring the supply of appropriate land/premises is crucial to allow growth sectors to become more established in the city and increase overall economic competitiveness, prosperity and resilience.

7.14 In addition, there are other trends which have been seen elsewhere but not in Bristol for example multi-height urban warehouses and residential above industrial. In order to encourage delivery, it may be necessary for the public sector to take a more pro-active role in the delivery of these types of innovative spaces, particularly in the short term due to market uncertainty and viability challenges.

Supply

7.15 Despite good demand for office and industrial/distribution space in Bristol there is a lack of existing supply available to meet this, with currently approximately one years' worth of annual take-up available.

7.16 From an office perspective, there are several new office buildings under construction that could help relieve this pressure in the short term, which includes the Distillery and Assembly (both of which are in the city centre). There are also a number of pipeline office sites that could assist in delivering new space. However, there is risk in terms of delivery, particularly due to the market pressures from competing land uses including student accommodation and residential (private, PRS and BTR). It is worth noting that these pipeline schemes underpin Hardisty Jones Associates conclusion on Bristol's share of the West of England employment land provision.

7.17 Permitted Development Rights present a further risk to the supply of existing office stock, in particular 'affordable' space needed by growing SME businesses and flexible office operators.

7.18 In terms of industrial/distribution, schemes are under construction at Cabot Park and Access 18 in Avonmouth. Further schemes are being delivered in South Gloucestershire at Warmley, Emersons Green and at Severnside – these are outside the Bristol city boundary.

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7.19 The delivery of these schemes will provide much needed stock to the market. However, a large proportion of the new supply is focused in one location – Avonmouth/Severnside – despite the continued activity in other more urban locations.

7.20 The supply challenges from an industrial/distribution perspective could be exacerbated by the emerging policy, particularly in relation to the former PIWAs not to be retained as IDAs. These areas fall into three categories:

1. Former PIWAs that form part of the Areas of Growth and Regeneration AGRs).
2. Former PIWAs allocated for new development.
3. Former PIWAs that are not explicitly allocated for future redevelopment.

7.21 Whilst the emerging policy does encourage the delivery of workspace, there is limited clarity as to the quantum, type (use class) or phasing. It is essential that these matters are stated in the policy to minimise any potential impact on the health of the market.

7.22 Intensification of industrial and warehousing floorspace should be encouraged, providing equivalent modern floorspace to that lost for development by other uses.

7.23 The proposed allocations for industrial and warehousing space are supported; however, will not alleviate the market pressure resulting from the emerging policy approach to the former PIWAs not to be retained, particularly if the suggested policy changes are not made. Most space is proposed at Avonmouth with only 1.2 ha/3 acres suggested elsewhere. A number of businesses will be unable to relocate to Avonmouth due to their operational and workforce needs.

Forecasting

7.24 Hardisty Jones Associates have provided forecasting estimates that suggests the following:

	Oxford Economics Medium – High Growth Scenario (82,500 new jobs)		Oxford Economics High Growth Scenario (100,000 new jobs)	
	Office	Industrial	Office	Industrial
Net Additional	207,000 sq m	117,000 sq m	250,500 sq m	189,100 sq m
Replacement	225,000 – 450,000 sq m	494,000 – 988,000 sq m	225,000 – 450,000 sq m	494,000 – 988,000 sq m
Sub Total	432,200 – 657,000 sq m	611,000 – 1,105,000 sq m 153 – 275 ha	475,000 – 700,900 sq m	638,100 – 1,177,100 sq m 171 – 294 ha
Historic Completions	485,000 sq m	876,100 sq m 219 ha	485,000 sq m	876,100 sq m 219 ha

7.25 Pipeline planning permission estimates are used to determine that the supply should be:

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- 357,000sq m of capacity for office floorspace (60% of the West of England total)
- 88.6ha of industrial and warehouse land (22% of the West of England total)
- 5.8ha of mixed B Use Class land (i.e. potential for office and industrial uses) (2% of the West of England total)

7.26 Adopting the pipeline supply as the commercial requirement for the city is unlikely to encourage continued economic growth and falls significantly below the total amount required to deliver the net additional and replacement floorspace requirement identified above. The result is likely to be a continued shortage of supply, with continued competition from other land uses putting further pressure on businesses.

7.27 The Brief identified that the Council's aspiration is to deliver '*inclusive and sustainable economic growth*'; however, based on the findings of this report there are a number of challenges to be overcome to achieve this. The table below provides an overview of the potential challenges alongside interventions that could be progressed by the public sector in order to achieve the Council's overarching ambition.

7.28 For both the office and industrial sectors the interventions are categorised into 6 key areas specifically:

Planning Policy	• Adopt a floorspace target for the city and core market areas, including the Areas of Growth and Regeneration (AGRs). • Allocate sites for the delivery of new accomodation (either standalone or part of a mix of uses). • Require a masterplan for the Areas of Growth and Regeneration to include appropriate employment provision. • Consider a targetted Article 4 to restrict Permitted Development Rights for office to residential. • Monitor the supply position through the Annual Monitoring Report (AMR) to enable swift response if the supply position remains challenging.

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Council's Landownership	• Undertake a Land Utilisation Study to identify surplus sites for delivery of new employment space - either by the public or private sector. • Review property portfolio to identify opportunities to negotiate extensions with existing long leaseholders, or, buy-in existing assets to encourage appropriate investment.
Partnership Working	• Work with public sector stakeholders (including the One Public Estate programme) to protect existing commercial sites and encourage the delivery of new space, for example through allocation of sites (standalone or part of a mixed use scheme).
Strategic Acquisition	• Acquire strategic sites to provide greater control over the delivery of commercial space. The Council could directly deliver these sites. Alternatively, they could be disposed of to the private sector (with approptiate control) to ensure delivery.
Direct Delivery	• Explore the delivery of commercial space, particularly in untested markets or innovative workspace solutions (for example multi-height warehousing).
Infastructure Upgrades	• Upgrade infastructure to unlock untested commercial locations; in addition, works to support the continued expansion of established commercial locations should be supported.
Funding	• Explore funding opportunities to undertake infastructure upgrades or helpf unlock additional commercial space.

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7.29 This table should be read alongside Appendix J which provides further justification for the proposed actions.

No.	Challenge	Interventions
OFFICE MARKET		
1	**Proactively encourage supply over the Plan Period –** Bristol's office market supports a range of sectors. The delivery of new housing should be balanced alongside the requirement to deliver an adequate supply of office accommodation over the lifetime of the Plan to ensure sustainable and inclusive economic growth.	1. Re-assess the floorspace requirements that underpin the New Local Plan based on a high growth scenario. 2. Adopt a city-wide target floorspace requirement for office space as part of the New Local Plan policy. 3. Utilise the Council and wider public sector property portfolio to protect existing office accommodation and deliver additional space.
2	**Proactively encourage supply in the City Centre** – The vast majority of office activity is focused in the city centre due to increasing occupier demand for accessible, well-connected locations close to amenities for staff. In the city centre there is a significant demand from other competing uses, such as student accommodation and housing.	1. Adopt a floorspace target in the new Local Plan for office accommodation in the city centre. 2. The Council should undertake a Land Utilisation Study of their assets to identify sites in their ownership that could be allocated for office development – either standalone or mixed use. A minimum quantum of floorspace is encouraged. 3. Engage with One Public Estate stakeholders to identify sites to be allocated for future office space – either on a standalone basis or as part of a mix use scheme. Inclusion of a realistic minimum quantum of floorspace should be stated. 4. Allocate sites in the city centre for the delivery of office development – whether standalone or part of a mixed-use proposal. This could include for example permissions that contribute to the identified supply estimates/pipeline. A realistic minimum quantum of floorspace should be stated. 5. Explore the delivery of a first phase of office / flexible space within untested markets where the private sector will not currently deliver, for example St Philip's Marsh. 6. Acquire strategic sites in untested locations for the delivery of office / flexible workspace. 7. The Council should require a proportion of office space to be delivered on their sites that are disposed of for development. The disposal route should

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No.	Challenge	Interventions
OFFICE MARKET		
		provide the Council with sufficient control that it will be delivered/retained. 8. Explore potential funding streams to allow the public sector to take a more proactive role.
3	**Proactively encourage supply in Secondary Markets** – Accessibility is a key consideration for office occupiers. Improvements in transport connectivity in particular proximity to a train station with an appropriate frequency of service could make secondary locations more attractive to office occupiers. A small number of the proposed Areas of Growth and Regeneration (AGRs) are located in accessible locations such as Frome Gateway, Bedminster and Lawrence Hill.	1. Set a target for office space for some of the Areas of Growth and Regeneration (AGRs), specifically: Lawrence Hill, Bedminster and Frome Gateway. 2. Prepare a masterplan for all the Areas of Growth and Regeneration (AGRs) that states a minimum quantum of office and industrial/distribution floorspace to encourage supply. 3. A Land Utilisation Study should be undertaken that considers the Council's assets across the city and identifies sites outside the central area that could accommodate office development. These sites should be allocated in the Plan either on a standalone basis or as part of a mixed-use scheme. A minimum quantum of floorspace should be stated. 4. The Council should require a proportion of office space to be delivered on their sites that are disposed of for development. The disposal route should provide the Council with sufficient control that it will be delivered/retained. 5. Engage with the One Public Estate stakeholders to identify surplus sites across the city to allocate for office uses. Suitable sites should be allocated in the Plan – either on a standalone basis or as part of a mix use allocation. A minimum quantum of office floorspace should be stated. 6. Acquire strategic sites for the delivery of new office space in untested markets where the private sector is unlikely to deliver. 7. Consider the potential infrastructure improvements that might change market perception of locations like Lawrence Hill and Bedminster for office accommodation. 8. Explore potential funding streams to allow the public sector to take a more proactive role in delivering both infrastructure improvements and workspace.

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No.	Challenge	Interventions
OFFICE MARKET		
4	**Protect the supply of existing Grade A space** – The current supply of Grade A office space falls below annual take-up. This restricts the ability for the city to attract new businesses or support exist business expansion.	1. Consider progressing an Article 4 direction to resist the loss of office space to residential. This could be either a blanket Article 4 or focused on specific locations. 2. The Council should review its existing property portfolio to identify suitable opportunities to negotiate lease extensions with existing long leaseholders on office buildings to encourage investment. 3. The Council should identify potential opportunities to buy in long leasehold interests to either invest in themselves or to offer on a new long lease. 4. The supply position should be regularly monitored (for example through the Annual Monitoring Report (AMR)). If the supply position remains challenging the Council should respond with appropriate interventions.
5	**Protect the supply of existing secondary space** – The secondary market in Bristol provides important lower cost accommodation for a range of businesses in particular SME's. However, existing supply equates to approximately one year's average annual take up. This restricts the ability to attract new businesses to the city and for existing companies to expand. Affordable accommodation is also essential to a number of growth sectors.	1. Consider progressing an Article 4 direction to resist the loss of office space to residential. This could be either a blanket approach or focused on specific locations. 2. The Council should review their property portfolio to identify suitable opportunities to negotiate lease extensions with existing long leaseholders to encourage investment in upgrading office stock. 3. The Council should identify opportunities to buy in long leasehold interests to either invest in themselves or to offer on a new long lease to unlock investment. 4. The supply position should be regularly monitored (for example through the Annual Monitoring Report (AMR)). If the supply position remains challenging the Council should respond with appropriate interventions.

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No.	Challenge	Intervention
Industrial Market		
1	**Proactively encourage the supply of Industrial/ Warehousing space** – The industrial/warehouse market in Bristol is active with good levels of demand, which is anticipated to continue into the future. The delivery of new development (such as housing) should be balanced alongside the requirement to deliver an adequate supply of new industrial / warehousing space over the lifetime of the Plan to ensure sustainable and inclusive economic growth.	1. Re-assess the floorspace requirements that will underpin the New Local Plan based on a high growth scenario. 2. Adopt a target for industrial and warehousing space as part of the New Local Plan policy. 3. Effectively utilise the public sector property portfolio to protect existing industrial/warehousing accommodation and deliver new space.
2	**Protect and enhance urban Industrial/Warehousing sites** – The existing central urban markets make an important contribution to the local economy. These areas support businesses who are unable to relocate to Avonmouth due to workforce or operational requirements. There is increasing pressure that these areas are redeveloped to provide alternative uses, particularly housing. This could compromise the ability to achieve sustainable economic growth.	1. Increase the number of Industrial and Distribution Areas (IDAs) to be included in the New Local Plan to include uses such as trade counter, car showroom and roadside uses. 2. Require a lack of demand to be robustly demonstrated prior to redeveloping industrial and warehousing sites for alternative uses. This should be stipulated in the emerging Planning Policy. It should be marketed on the basis of the existing building or a commercial development site for a minimum period of six months. 3. Include an industrial and warehousing floorspace target in the Planning Policy for all Areas of Growth and Regeneration (AGRs) that include existing principal industrial and warehousing areas (PIWA's) that are no longer protected in the proposed new Local Plan. The target should deliver the quantum of space already existing on a modern replacement basis. 4. Require the preparation of a masterplan for all Areas of Growth and Regeneration (AGRs). 5. Consider adopting an industrial/warehousing floorspace target in the Planning Policy for all former Principal Industrial and Warehousing Areas

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No.	Challenge	Intervention
Industrial Market		
		allocated for redevelopment. This should reflect the existing footprint. Where this is not reflected in Planning Policy there should be a requirement to demonstrate lack of demand (for the building and land) prior to redevelopment. 6. Require a phased approach to the redevelopment of the Areas of Growth and Regeneration (AGRs) that retains part of the sites as Industrial Distribution Areas (IDA) – at least in the short / medium term. This could be reassessed as part of a future Local Plan review. The area retained as an IDA should be incorporated into the Local Plan policy. 7. The Council should consider delivering a more efficient industrial / higher density B use class employment scheme – including for example a multi-height warehouse or industrial below residential, particularly within Areas of Growth and Regeneration (AGRs). 8. The Council should require an element of industrial/warehousing space to be delivered on their sites that are disposed of for development. The disposal route should provide the Council with sufficient control that it will be delivered/retained. 9. The Council should proactively identify within their property portfolio suitable opportunities to negotiate lease extensions with existing long leaseholders to unlock appropriate investment. 10. The Council should identify potential opportunities to buy in long leasehold interests to either invest in themselves or to offer on a new long lease. 11. Explore potential funding streams to allow the public sector to take a more proactive role in delivering both infrastructure improvements and the development of new space. 12. The supply position should be regularly monitored (for example through the Annual Monitoring Report (AMR)). If the supply position remains challenging the Council should respond with appropriate interventions.

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No.	Challenge	Intervention
Industrial Market		
3	**Proactively encourage the expansion of Industrial/ Warehousing markets outside of Avonmouth** – Encourage the expansion of the more urban industrial markets to reflect increasing occupier demand, for example from last mile logistics firms. These markets include south, central, north and east parts of the city. This is particularly important given the policy proposed in the emerging Local Plan Review.	1. Consider allocating the former Principal Industrial Warehousing Areas (not allocated/part of the Areas of Growth and Regeneration (AGRs)) for additional industrial/warehousing space. 2. Allocate new sites (not in commercial use) in the Planning Policy for additional industrial and warehouses accommodation. Possible examples include the land at Brislington Park and Ride, Hengrove Park or land alongside the South Bristol Link Road. 3. Explore and invest in infrastructure improvements that are required to support continued growth at commercial locations. 4. Explore potential funding streams to allow the public sector to take a more proactive role in delivering both infrastructure improvements and development.
4	**Protect and Expand Avonmouth** – Seek to support the ongoing expansion of Avonmouth as a strategic distribution hub for the south west.	1. Encourage a mix of employment generating amenity uses at Avonmouth via the emerging Planning Policy. 2. The Council should identify suitable opportunities for the negotiation of lease extensions with existing long leaseholders to unlock appropriate investment. 3. The Council should identify potential opportunities to buy in long leasehold interests to either invest in themselves or to offer on a new long lease. 4. Explore and invest in opportunities to improve public connectivity to Avonmouth from the residential areas of Bristol, including public transport. 5. Explore potential funding streams to allow the public sector to take a more proactive role in delivering both infrastructure improvements and development.

7.30 The above are high level recommendations focused around the following key themes, which are:

- Ensure a protective and supportive planning policy context (including a potential Article 4).

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- Proactively explore and unlock infrastructure upgrades aimed at encouraging workspace delivery, particularly around accessibility.
- Undertake a Land Utilisation Study to include a clear strategy for using the Council's property estate to unlock inclusive and sustainable economic growth (including influencing other One Public Estate partners).
- Delivery of quality/innovative commercial workspace solutions to demonstrate deliverability to the private market.
- Maximise the Council's access to funding steams to allow them to take a more proactive approach.

7.31 In addition to the above it will be crucial for the Council to continue to regularly monitor the market and update this work on a regular basis.

7.32 Bristol is widely regarded as one of the best places to live in the country. This is due to a number of factors, including the attractive environment, leisure provision and employment opportunities. This is putting increasing pressure on the city for new homes and supporting infrastructure as the population continues to grow. This should not be at the expense of the local economy and provision of space for all businesses – both office and industrial. To remain competitive with other leading cities it is therefore essential to take a proactive approach to protect the existing commercial space as well as delivering new, alongside residential and community uses. This aligns with the Council's aspiration for inclusive and sustainable growth.

7.33 JLL welcome the opportunity to discuss the findings of this report with the Council in further detail.

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Appendix A – Overview of Planning Policy Position

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National Planning Policy Framework (NPPF)

1.1 The revised National Planning Policy Framework (NPPF) was updated on 19th February 2019. It sets out the government's planning policies for England that will be applied at a local level. The revised Framework replaces the previous NPPF published in March 2012.

1.2 The document outlines that achieving sustainable development means that the planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways (so that opportunities can be taken to secure net gains across each of the different objectives). These are:

- **An economic objective** – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure;
- **A social objective** – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being; and
- **An environmental objective** – to contribute to protecting and enhancing our natural, built and historic environment; including making effective use of land, helping to improve biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy.

1.3 The NPPF requires a presumption in favour of sustainable development, which should run through both plan making and decision taking.

1.4 From a plan making perspective, local authorities are required to positively seek opportunities to meet the development needs of the area whilst being sufficiently adaptable to rapid change. In addition, they are required to include strategic policies as part of the development plan. These should address the priorities for the development and use of land in its area. Strategic policies should set out an overall strategy for the pattern, scale and quality of development making sufficient provision for a range of uses, including employment.

1.5 Furthermore, the preparation and review of all policies should be underpinned by proportionate evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned taking into account relevant market signals.

1.6 Section 6 of the NPPF is focused on building a strong and competitive environment. It outlines that planning policies and decisions should help create the conditions in which businesses can invest, expand, and adapt. Significant weight should be placed on the need to support economic growth and productivity, considering local business needs and wider opportunities for development.

1.7 The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future.

1.8 The NPPF outlines that planning policies should:

- Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;
- Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and
- Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices, and to enable a rapid response to changes in economic circumstances.

1.9 Furthermore, planning policies should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative, or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.

1.10 In addition to the above, the NPPF does encourage local authorities to promote an effective use of land in order to meet development needs. This includes redeveloping brownfield land, maximising density for under-utilised land/buildings and utilising the airspace above existing residential and commercial premises (particularly for housing).

1.11 Further to the above, it encourages authorities to take a positive approach to applications for alternative uses of land, which is currently developed but not allocated for a specific purpose, where it would help meet identified development needs. This includes utilising employment land for housing where it would not undermine the key economic sectors or sites.

<u>Emerging Joint Spatial Plan</u>

1.12 The four West of England Councils (Bath and North East Somerset, Bristol City, North Somerset, and South Gloucestershire) are in the process of preparing a Joint Spatial Plan that will cover the region up to 2036. Its purpose is to provide a strategic, overarching vision and framework to help deliver the required number of new homes, land for employment purposes and supporting infrastructure. The plan will sit above and guide each Council's own Local Plan.

1.13 The plan was submitted for examination in April 2018. In August 2019 the Inspector wrote to the four West of England Authorities outlining that substantial changes were required to the proposed JSP. At the time of writing the Authorities have not confirmed their approach moving forwards.

1.14 Policy 4 of the emerging plan relates to employment land. It states that the JSP will support the delivery of up to 82,500 additional jobs over the plan period. With the objective to ensure this is in

accessible locations in order to underpin opportunity for all, the plan seeks to focus commercial space in the following core locations:

- Existing city and strategic town centres (including Bristol)
- Enterprise zones and areas (including Temple Quarter, Avonmouth and Severnside, Filton and Emersons Green)
- Key strategic infrastructure and employment locations (including the Port and the Airport).
- Strategic development locations
- Other sites in town, district or local centres

1.15 There are two strategic development locations within the Greater Bristol area, which includes land within Bath and North East Somerset Council's administrative area. This includes the land south of Brislington and land at Whitchurch – both of which are allocated for residential led development with no requirement for B use class development. The quantum of residential is 750 and 2,500 dwellings respectably.

Adopted Development Plan

1.16 The current Development Plan for Bristol comprises the Core Strategy (adopted 2011), the Site Allocations and Development Management Plan (adopted 2014) and the Central Area Plan (adopted 2015). The relevant employment policies from these plans are summarised below.

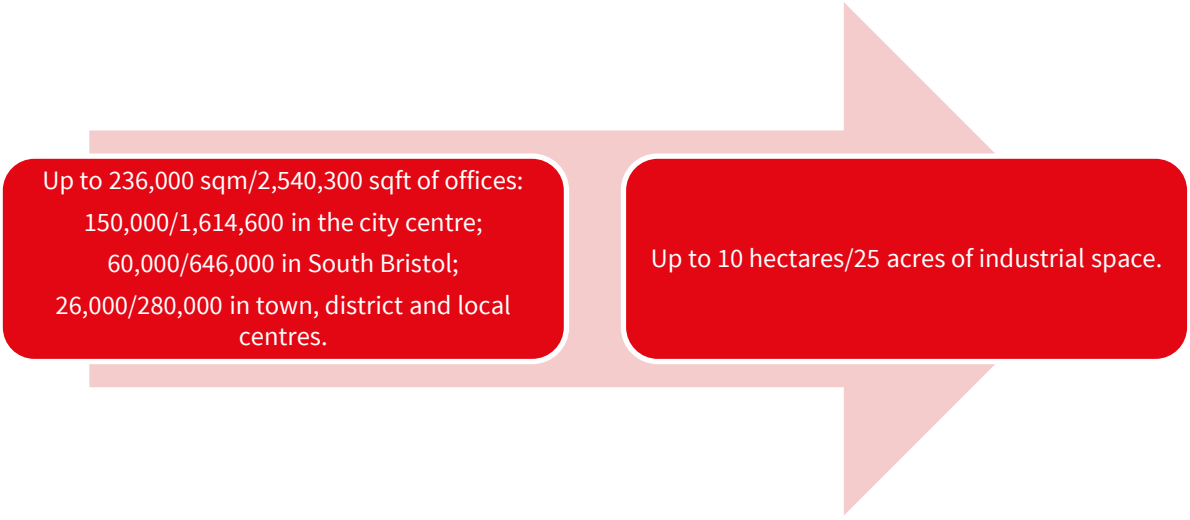
1.17 The Core Strategy outlines the overarching principles and priorities for Bristol. Policy BCS1 relates to South Bristol and outlines that around 60,000 sqm/646,000 sqft of net additional office floorspace and up to 10 ha/25 acres of new industrial and warehousing land will be delivered – to be focused at Knowle West and Hengrove Park.

1.18 Policy BCS2 relates to the city centre and outlines that Bristol's role as a regional hub will be promoted and strengthened. This will be through mixed-use development to include offices, residential and retail. This will include the delivery of up to 150,000 sqm/1,614,600 sqft of offices.

1.19 Policy BCS4 outlines that Avonmouth is identified as a priority area for industrial and warehousing development and renewal. The policy also states that Principal Industrial and Warehousing Areas (PIWAs) will be retained for these uses.

1.20 Policy BCS7 states that retail development, offices, leisure and entertainment, arts, culture and tourism use will be primarily located within or, where appropriate, adjoining the centres in the identified network and hierarchy serving Bristol.

1.21 Policy BCS8 is the overarching employment policy. It outlines that the economic performance of the city will be strengthened by providing a sufficient and flexible supply of employment land, addressing barriers to employment, and promoting the city as a place to invest. In summary new employment will be provided in the period 2006-2026, including:



1.22 The policy outlines that PIWAs will be retained for industrial and warehousing uses. Employment land outside of these areas will be retained where it makes a valuable contribution to the economy and employment opportunities. New employment floorspace suitable for smaller businesses will be encouraged as part of mixed-use development.

1.23 The Site Allocations and Development Management Policies provide more detailed policies that seek to implement the overarching aims and objectives from the Core Strategy. Policy DM7 relates to town centre uses, which offices is classified as. It encourages these uses to be in the city and other centres (as defined on the policies map). Where there are no suitable sites to meet the needs for such uses in centres, edge of centre locations may be appropriate, provided that the proposal would support the role of the centre and would be of a scale and intensity proportionate to the centre's position in the identified hierarchy. Out of centre development of town centre uses will only be acceptable where:

- No centre or edge of centre sites are available, and the proposal would be in a location readily accessible on foot, by cycle and by public transport, or
- The proposal is of a small scale and aimed at providing for local needs
- In assessing the availability of centre and edge of centre sites, alternative formats for the proposed uses should be considered.

1.24 This policy outlines that schemes will not secure permission where they would have a significant impact on the vitality, viability and diversity of defined centres or would impact on committed/planned investment.

1.25 Policy DM12 outlines that employment sites (B1–B8) should be retained for employment use unless it can be demonstrated that:

- There is no demand for employment uses
- It would have an unacceptable impact on the surrounding area
- A net reduction in floorspace is necessary to improve the existing premises
- It is used as a commercial/industrial training facility

1.26 Policy DM13 relates to PIWAs and outlines the mix of uses that would be acceptable on site. It outlines that development involving the loss of industrial and warehousing floorspace within these areas will not be permitted unless:

- It is demonstrated that there is no demand for:
  - The use of the existing site / premises for industry or warehousing; or
  - The redevelopment of the site for new industrial or warehousing premises; and,
- The proposal will not prejudice the function or viability of the rest of the PIWA.

1.27 This document also includes specific site allocations. For the vast majority the quantum of housing is explicitly stated. However, only a select number of allocations include business/workspace and very few stipulate the minimum quantum of business/workspace to be delivered.

1.28 The Central Area covers only the city centre as defined on the proposals map. Policy BCAP6 relates to commercial space. It outlines that development will include at least 100,000 sqm/1,076,000 sqft of net additional high-quality office and flexible workspace within Bristol Temple Quarter; and continued office and flexible workspace development as part of the wider mix of uses in:

- The Redcliffe Way area, if sought through the neighbourhood planning process; and,
- The North Redcliffe area.

1.29 The policy outlines that elsewhere within the plan boundary, development will be encouraged to include a proportion of office or other employment floorspace of a scale and type appropriate to the site and its context, except where land is allocated or designated specifically for other uses. In Old Market & The Dings, St. Paul's and Stokes Croft, and other areas of inner east Bristol the emphasis will be on the provision of small-scale flexible workspace suitable for a wide range of employment uses.

1.30 Policy BCAP7 relates to the loss of employment space. It states that employment sites in Old Market and The Dings, St. Paul's and Stokes Croft and other areas of inner east Bristol should be retained for employment use unless it can be demonstrated that:

- There is no demand for employment uses
- It would have an unacceptable impact on the surrounding area
- A net reduction in floorspace is necessary to improve the existing premises
- It is used as a commercial/industrial training facility

1.31 Furthermore, in Bristol City Centre, where there are existing office buildings that are vacant or underused, by reason of their location or ability to meeting business needs (notably in and around the Nelson Street and Lewins Mead area), the policy states development involving the loss of existing office floorspace will be acceptable where it would contribute positively to the mix of uses in the area. Redevelopment or significant remodelling of the city centre's poorest quality office buildings will be encouraged.

1.32 The Central Area Plan does identify key development areas. From a commercial perspective the most significant is Bristol Temple Quarter (policy BCAP35) which is identified for a range of uses, including 100,000 sqm/1,076,000 sqft net of office space. Other areas are identified for delivering office space, such as Redcliffe Way; however, the quantum of space is not specified.

1.33 The table below provides an overview of the commercial targets stated in the adopted plan:

Use	Location	Core Strategy Target Net Additional Space
Office	**South Bristol**	**60,000 sqm/646,000 sqft**
	City Centre	**150,000 sqm/1,614,600 sqft**
	Rest of Bristol	**26,000 sqm/278,000 sqft**
Industrial	**Avonmouth**	**N/A**
	Rest of Bristol	**10 ha/25 acres of space (South Bristol)**

Emerging Local Plan Review

1.34 The Council are in the process of preparing a New Local Plan, which will cover the period 2016 – 2036 (reflecting the JSP). This is at a relatively early stage. The Council have consulted on draft proposals, including a Regulation 18 consultation that took place between March and May 2019 as well as an early Regulation 18 consultation in 2018.

1.35 Section 8 of the consultation document outlines the relevant economic policies. It states that the employment land strategy for the local plan aims to support sustainable and inclusive economic growth across the city. It suggests that the approach to achieve this is through the development of new workspace as well as the retention of core commercial land.

1.36 In addition to the above, regard should be given to Section 4 of the consultation document. This outlines the key development locations, which are referred to as Areas of Growth and Regeneration (AGRs). These areas are the focus for new development.

Regeneration Frameworks

1.37 The Council have regeneration frameworks to stimulate growth in specific locations, including Knowle West. This is a 20-year plan for meeting community aspirations for the area, including making improvements to: housing, infrastructure, jobs, transport connections, community facilities and public open spaces.

Appendix B – Bristol in the Context of the Big 6 Office Markets

Appendix B – Bristol in the Context of the Big 6 Office Markets

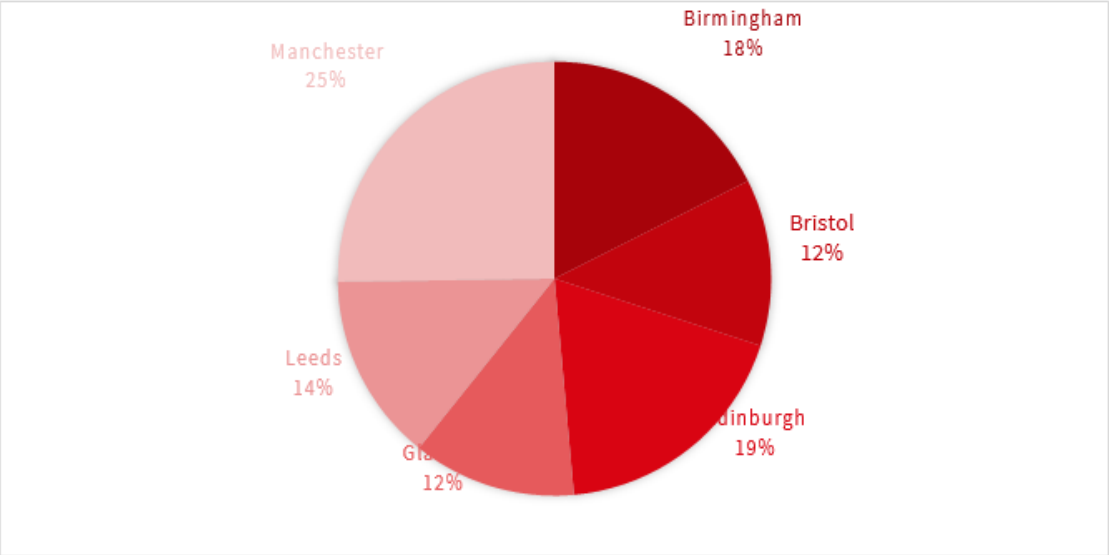
1.1 This Appendix provides an overview of the office market in Bristol in comparison to the other major Big 6 Cities in the UK (outside of London). The aim is to provide more detail on where Bristol sites in the commercial context of the UK.

1.2 JLL interpret the Big 6 Cities (outside of London) to be Birmingham, Leeds, Manchester, Glasgow, Bristol, and Edinburgh. These are classed as the Big 6 Cities due to the contribution they make to the overall office-based economy.

1.3 London has not been considered as a direct competitor due to the difference in terms of scale, presence, and nature of the market.

1.4 Figure 1 shows that between 2015 and 2017 the highest take-up across the Big 6 Cities was in Manchester, which equated to approximately a quarter of all floor space transacted. In comparison, Bristol saw one of the lowest levels of take-up at 12%, tied with Glasgow. This is likely to have been driven by a number of factors, including the overall scale of the markets. Manchester is the largest of all the Big 6 markets in terms of built stock and therefore by default typically achieves the highest level of take-up each year.

Figure 1: Total Take-Up Across the Big 6 Cities Between 2015 – 2017 (source: JLL internal, December 2018)



1.5 Furthermore, as mentioned in our Report, the Bristol market has been suffering from an undersupply of stock in the city centre in recent years. The city also did not benefit from a Government Property Unit (GPU) Hub move like the other main Big 6 Cities.

1.6 It is worth noting that based on JLL's information (at December 2018) for Quarter 1 to 3 of 2018, Manchester remains the strongest market for take-up; however, there has been some significant activity in the other cities. For example, Glasgow has increased from the lowest overall take-up in previous years to almost doubling in 2018. This is due to a number of larger deals, including 470,000 sqft to

Barclays, a 187,000 sqft pre-let to the GPU and a 111,000 sqft pre-let to Clydesdale Bank. Take-up in Bristol was the lowest of all Big 6 Cities at the start of 2018.

1.7 The number and size of deals have a considerable impact on take-up. Based on JLL's information (December 2018) the vast majority of deals were sub 1,000 sqm (an average of 91% across the Big 6 Cities). The total number of deals in each city does broadly reflect the take-up data as Manchester experienced the highest number of deals between 2015-2017. This was followed by Edinburgh, Leeds, and Birmingham. Whereas Glasgow and Bristol experienced the lowest number of deals, typically between 110-120 transactions per annum.

1.8 Based on the take-up information it appears that certain cities have more dominant sectors. The table below is based on JLL information (December 2018) and details the three-year average take-up based on % of market share:

	Birmingham	Bristol	Edinburgh	Glasgow	Leeds	Manchester
Banking & Financial	15%	10%	19%	20%	9%	15%
Professional Services	26%	22%	11%	27%	24%	30%
Service Industries	21%	18%	14%	16%	23%	22%
TMT	8%	19%	21%	9%	13%	16%
Manufacturing	6%	9%	5%	4%	2%	5%
Public Administration	24%	21%	26%	22%	27%	10%
Other	1%	1%	3%	1%	2%	1%
Total	100%	100%	100%	100%	100%	100%

1.9 Based on the above it is clear that the most dominant sectors in Bristol are Professional Services (22% of all take up), Public Administration (21%) and TMT (19%) when looked at across the Big 6 Cities. Given the sectoral strengths of the city discussed elsewhere in this Report, this is not surprising with long established Professional Services occupiers remaining committed to the city and the burgeoning tech sector going from strength to strength. Public Administration covers a broad range of occupiers from local government to charities, healthcare and education – for example, recent office acquisitions by the University of Bristol will be included in this figure. When compared to the other regional cities, Bristol's strength in the TMT sector is particularly apparent, with only Edinburgh having a greater market share. Further detail on the strength of this market is detailed in the section related to Growth Trends.

1.10 As shown by the table below, headline prime office rents in Bristol are currently the most expensive of all the Big 6 markets at £35.00 per sqft. This is a recent change in the rental hierarchy. Until Q2 2018 Manchester was the most expensive market but competition for the limited Grade A space in Bristol saw

a hike in prime rents during Q3 2018. To put this cost into context, prime rental levels in Central London (West End) are £115.00 psf.

City	£ per sqft
Bristol	£35.00
Birmingham	£33.00
Edinburgh	£34.00
Glasgow	£32.50
Leeds	£29.00
Manchester	£34.00
London – West End	£115.00

Appendix C – Macro and Micro Considerations

Appendix C – Macro and Micro Considerations

1.1 This Appendix provides a high-level overview of potential macro and micro factors that may impact the commercial market of Bristol in the future. The implications of the factors could vary and while some could create a more challenging and uncertain market for businesses, specifically the uncertain nature of the political market, others provide opportunities to expand the economy.

1.2 It is important to note that the full extent of the impact is difficult to determine and so they should all be monitored closely. It is important to note that there could be factors that arise in future, for example due to legislative or policy changes that have not been identified below but that will impact the market. This underpins the need to regularly monitor employment land demand and supply going forwards.

1.3 The key macro and micro factors are discussed on the following pages:

MACRO FACTORS	
UK Political Landscape	Brexit and the general uncertainty in the political landscape has affected confidence in the UK market. A number of sources, including PWC, predict that growth for 2018 and 2019 will remain modest in terms of GDP and consumer spending. This will be influenced by the deal (or no deal) agreed as part of the UK's exit from the European Union. This should be considered alongside the potential for future rises in interest rates.
EPC Sustainability Requirements	The Minimum Energy Efficiency Standards mean that, from April 2018, landlords of privately rented domestic and non-domestic property in England or Wales must ensure that their properties reach at least an Energy Performance Certificate (EPC) rating E before granting a new tenancy to new or existing tenants. This could therefore affect older stock requiring landlords to make necessary improvements to a building before it can be let. It may result in an increase of landlords inserting mandatory sustainability clauses into leases, which require occupiers' cooperation with any retrospective energy efficiency works carried out on a property.
Industrial Strategy	The Government have published the Industrial Strategy with the aim of boosting productivity across the country. With the Fourth Industrial Revolution underway, the UK is undergoing enormous change, particularly as a result of new technologies. A key driver for the Industrial Strategy was due to the UK's productivity being behind the average for the G7. The Industrial Strategy identifies five foundations of productivity: Become the best place to start and grow a business; Become the world's most innovative economy; Upgrade the UK's infrastructure network; Ensure prosperous communities across the UK; Create good jobs and greater earning power.

MICRO FACTORS	
Low emission zones	There is increasing political pressure to improve air quality, particularly as Bristol has a long standing problem with parts of the city having nitrogen dioxide pollution levels higher the EU Limit Value and UK Objective. The Council have been directed by Government to develop plans to achieve compliance in the shortest possible time. They are in the process of considering possible options to do this, which could include setting a clean air vehicle charging zone.
The University of Bristol	The University of Bristol is consistently ranked in the world's top 100 and UK's top ten universities in league tables that draw on information about both research and teaching excellence. It is a significant contributor to the local economy in terms of both job opportunities and providing graduates. It is understood that approximately 19% of graduates in the most recent cohort remained in the Bristol area, which has increased steadily from 15% in 2014 / 2015; however, a larger proportion of graduates are understood to relocate to London. The university proactively works with students to help them find work following graduation. The students are understood to go into a range of professions. The most popular being health and social work, which reflected approximately 19.1% of the graduates in 2016 / 2017, then education and finance / insurance at 8.4%. The companies these graduates go into range from large corporates to SME firms with a small number also setting up on their own. The university supports these students to set up through the Centre for Innovation and Entrepreneurship as well as the linkages with Engine Shed (discussed in more detail below). Looking to the future, the university are in the process of delivering a new £300m campus that will bring significant benefits to the city and beyond. The University already makes an important contribution to the regional economy, supporting a total of 13,000 jobs in the area. It is estimated that the jobs and expenditure associated with the proposed new campus development would generate over £400m (gross value added, GVA) for the West of England economy between 2019-2034. The new campus will also strengthen the linkages between businesses and the students – so it is likely from a purely place perspective that it will increasingly attract businesses to locate nearby in the Temple Meads and St Philips areas.
University of the West of England	The University of West England (UWE) has three campuses: Bower Ashton, Glenside and Frenchay, which are located across both Bristol City and South Gloucestershire Council areas. It is a significant contributor to the local economy and key provider of graduates for employment in Bristol and the West of England – a significant proportion of the graduates are understood to be employed within the city region. It is understood graduates are in a mix of roles, including health and social work, education, architectural, engineering, manufacturing and communications. The University provides considerable support to graduates to find roles, including for example careers fair with potential employers. As a result, it is understood that former students work for a range of firms from large corporates to small start-up firms. There is

MICRO FACTORS	
	also a small proportion of students who set up on their own. Looking to the future it is possible that this proportion could grow, particularly as a result of specialist entrepreneurial courses and the University Enterprise Zone. The University has invested heavily in their campus with the opening of a new business school. Looking to the future they are in the process of preparing a strategy covering 2020 to 2030 that will focus on growing the university. From a property perspective this is likely to mean investment will be focused on site to include the delivery of smarter buildings through better space utilisation. This is alongside new commercial space at the Hewlett Packard site that is understood to be targeted at businesses focused around defence and engineering.
Start-Up and Incubator Support	Bristol was ranked the 2nd best place to start up a business in the UK in 2017 based on the Start-up Cities Index 2017. It is second only to Edinburgh. This is due to a range of factors including skilled workforce, transportation links and access to business support. There are a number of accelerators and incubators within Bristol targeted at different sectors, including Unit DX, which is focused around the sciences; Pervasive Media Studio, which is focused around art, creativity and technology; Future Spaces, targeted at tech and robotics; and SetSquared located at the Engine Shed. The latter has been awarded the global no.1 business incubator and enterprise partnership. A number of these enterprises are looking to expand, for example Engine Shed are in the process of delivering the second facility in the city.
Bristol Airport	Bristol Airport is the 3rd largest airport outside of London and 9th overall in the UK based on passenger numbers. It does not provide cargo travel. In 2018 it catered for approximately 8.6 million passengers and it is understood that the number of travellers has increased. Although it is located within North Somerset Council's administrative boundary, it is a significant contributor and benefit to Bristol's economy. Evidence suggests within the West of England in 2018, the airport's economic footprint supported around 4,900 FTEs and around £430 million of GVA as a baseline – not included tourism roles. Based on conversations with the Airport it is understood they have major long-term growth plans (looking towards 2050). The aim is to more than double passenger numbers assuming the following increase: 12 million passengers by 2025, 15 million passengers by mid 2030s and 20 million passengers by 2040s. It is important to note that there is planning permission for expansion to 10 million passengers already and planning permission pending consideration for the expansion to 12 million passengers. The expansion of the airport has had knock on effects as airlines have taken additional space. This has resulted in a small number of supply chain businesses having to locate off site, for example Gate Gourmet have recently taken space at South Liberty Lane. The driver for this being the accessibility to the airport, as many operators look to be within a 20-minute drive.

MICRO FACTORS	
	Looking to the future the Airport consider that they have sufficient land to expand. Nonetheless, there are challenges to this as the site is located within the green belt. Nonetheless, North Somerset's draft new Development Plan is exploring options to release land from the green belt to facilitate the future growth.
Bristol Port	Bristol Port Company's land assets currently total 2,600 acres divided between land in Bristol City and North Somerset Councils' administrative areas. It imports and exports cargo both in the UK, for example linked to the construction at Hinkley Port, and globally. It is a significant employer as it directly employs 550 people, although the total number employed within the dock estate is in the region of 9,000 including the tenants currently onsite. It is estimated that over 85% of the Port's employees live in the Greater Bristol region; therefore, demonstrating the significant contribution it makes to the local economy. In terms of future expansion, it is understood that the Port currently has sufficient land to accommodate short term growth and have recently reconfigured part of the site to facilitate the expansion of an established tenant. This is strengthened by the recent acquisition of land in North Somerset's administrative area. Nonetheless, moving to the future it is probable that additional land may be required, particularly if they are to expand car related operations. There is also potential for a Deep Sea Container. This £800 million project would broaden the range of ships capable of calling at Bristol; however, market conditions are not favourable at this time and the project is on hold for the next 3–5 years. Overall it is clear that the Port is likely to continue to make a significant contribution to the commercial market in Bristol. It is possible with the proposed schemes, such as the Deep Sea Terminal, this could increase in the future.

1.4 As previously highlighted, the abovementioned political, economic and environmental factors could all have a significant impact on the market and therefore, should be monitored into the future.

Appendix D – Overview of Emerging Trends That Could Impact Commercial Demand

Appendix D – Overview of Emerging Trends That Could Impact Commercial Demand

OFFICE MARKET

Flexible workspaces including co-working

1.1 Flexibility in leases is becoming increasingly important for occupiers globally. Research by JLL (2018) found that in 2017 alone, the total amount of flexible space in the top 20 largest flex markets globally grew by 30%, which was equivalent to circa 1 million sq m.

1.2 There are numerous drivers behind the rapid expansion of flexible office space, but ultimately it is underpinned by evolutionary changes in how, when and where people work, alongside shifts in lifestyle. Technological improvements, such as cloud computing, VPNs, super-fast Wi-Fi and 4G (soon 5G) connectivity means that office-type work can be carried out anywhere and at any time.

1.3 There are varying degrees of flexibility that a building can provide from lettable offices to co-working pay by the hour spaces. The growth of the flexible space market is increasingly coming from a hybrid offering, which caters not only for freelancers, start-ups and SMEs, but also, increasingly, larger organisations. The rationale for targeting larger companies is clear – this sector has the potential to offer flex space operators more resilient revenue streams and a much larger and stable marketplace, particularly if they can secure relationships at a regional or global scale.

1.4 Flexible workspace is becoming increasingly dominant in the Bristol market with a number of established facilities including Runway East, Desklodge, Regus and Orega. Furthermore, a recent publication identified that the three largest deals in the city centre office market in 2019 were flexible workspace providers, including Landmark who have recently taken circa 929 sqm/ 10,000 sqft at One Temple Quay.

1.5 Moving into the future, research by JLL (2018) estimates that Europe's stock of flexible space is set to grow by an average of 25% to30% per annum over the next five years. It is anticipated the quantum of flexible floor space in Bristol will increase, reinforced by the fact that there are a number of operators looking for space in the city.

1.6 Research by JLL (2018) has found that globally investors and developers are increasingly adapting by introducing their own concepts or partnering with existing providers. For example, Legal and General have just launched their 'Capsule' Concept which offers occupiers flexible leasing opportunities in traditional leasehold buildings. Buildings with a high percentage of flexible space are increasingly seen as viable investment propositions. Nonetheless, in Bristol the viability challenges mean developers are currently still targeting secondary buildings.

1.7 Based on our understanding of the market, including feedback from flexible workspace providers, the current prime rental levels mean it is not viable to take space in Grade A buildings. It is also worth noting that to date there has been very little new build activity due to the associated risk profile.

CASE STUDY: Runway East, Victoria Street

Runway East have two facilities in Bristol providing dedicated desks or private office options. Based on conversation with the operator, it is understood that there was good demand for the space supported by the fact that one of their buildings sold out within 3 months of opening.

Occupiers who took space in the building include Immersive Labs. Based on JLL's market knowledge they are understood to have taken circa 100 memberships due to the flexibility their business required. A conventional letting would not offer this flexibility.

It is understood from conversations with Runway East that when looking for space there were a limited number of buildings in Bristol that were suitable for their proposed use given their operational requirements, including rental point.

Smart buildings including connectivity

1.8 Smart buildings are increasingly gaining momentum in the office market due to technological and connectivity improvements. Research by JLL (April 2018) is finding that as technology becomes more sophisticated and prevalent it will change workspaces.

1.9 There is currently technology that allows building sub-systems to become connected to a common network that enables easier monitoring, better facilities management and new user experiences. As a result, some buildings are being upgraded so sensors can detect which areas of an office are in use and feed into an app that allows someone to find the nearest empty meeting room. Whereas, other apps might adjust temperature in line with the preferences of different workgroups.

1.10 Research by JLL (April 2018) predicts that the increase in smart technology could allow buildings to respond to user preferences, for example allowing projection, audio and video equipment to more quickly link to personal technology, which would ultimately improve productivity.

1.11 Although these technologies are becoming increasingly common, they are a considerable investment, which will limit the types of buildings which are upgraded. Landlords and investors will want to see a sufficient return from their investment.

CASE STUDY: 22 Bishopsgate, London

22 Bishopsgate provides approximately 118,450 sqm/1,275,000 sq ft of high specification office space, arranged across four office zones: lower, mid, upper and top. The new build space is understood to have a number of benefits to occupiers, including smart lobby check in utilising facial recognition.

Quality and experience

1.12 Similar to the above, the quality of a building is becoming increasingly important from an occupier perspective. Research by JLL (July 2017) suggests that there is increasing evidence that a workplace can influence professional happiness.

1.13 In a recent global survey, roughly 70% of employees said that happiness at work is the best ingredient for a unique work experience – happiness being defined as 'a pleasurable or satisfying experience'. It identifies three key attractions for occupiers: communal spaces, spaces dedicated to health and wellbeing and spaces operated by well-known retailers.

1.14 This trend has started to encourage landlords to invest in their buildings to provide more amenity space to attract employees. For example, Friska recently opened at Bath Road Studios. Furthermore, it is likely to result in occupiers including this space as part of their fit out resulting in less traditional desk space and more collaborative / communal space.

CASE STUDY : Grant Thornton, 2 Glass Wharf

Grant Thornton

Grant Thornton have recently taken space at 2 Glass Wharf in Bristol city centre. It is understood that a driver for the location was the preference of the workforce and location of competitors. They were previously in approximately 2,230 sqm/ 24,000 sqft of space, however, took only 1,485 sqm/16,000 sqft at their new building. A key reason for this was the improved specification of their new space, which included more provision for staff, such as a large break out area for collaborative working, lunch etc. They also appreciated the rise in home/off site working and adapted to this.

Location

1.15 There is increasing demand from occupiers to be in the city centre. There are several drivers for this, which are centred around accessibility, amenity provision and workforce demands. Research by JLL (January 2018) suggests this is a trend not just experienced in Bristol, and instead these reasons are increasingly cited globally as being integral to business's real estate decisions.

1.16 The report elaborates further on the reasons highlighted above. A number of them overlap, for example workforce demand good amenity provision and accessibility to underpin a good working environment. The war for talent means businesses are having to focus more on employees in order to attract staff.

1.17 From an occupier perspective accessibility is a priority – both for their workforce and clients. Therefore, the presence of residential nearby is beneficial but of greater priority is good public transport links. It is

understood that the preference from businesses is to be within a circa 15 minute walk from Temple Meads train station.

1.18 With the above in mind it is likely that the city centre, particularly near the station, will become an increasing focus for occupiers and the delivery of new space. This is reiterated by research from JLL (2017) that finds infrastructure projects and associated improvements in connectivity have great potential to stimulate office development. Within this radius it is also likely there will become a greater requirement to retain secondary office space in its existing use.

1.19 It is worth noting that parts of the retail centre are within an approximate 15 minute walk from Temple Meads. Given structural change taking place in town and city centres there is potential for some retail spaces to be converted to provide offices. Based on our conversations with co-working operators this is something that they are starting to consider – albeit to date it has only been delivered on a limited scale.

INDUSTRIAL MARKET

Big Data

1.20 Big data could have a considerable impact on warehouse space by facilitating a shift from production-led supply chain management to consumer-centric demand chain management.

1.21 As more data is captured, digested and shared, the way supply chains and warehouses are managed is improving. The end goal being to become more efficient with both moving and storing stock. This should allow for a more accurate picture of demand that cuts the amount of inventory being held on site.

1.22 Increasingly data on customers is being used to assist businesses, particularly in logistics and distribution, to respond better to their consumer needs. Research by JLL (November 2018) identifies six key ways that increasing data could impact the supply chain and therefore property requirements. These are:

- Enhancing predictions and planning through the use of algorithms to ensure businesses are more responsive to demand.
- Greater certainty through track and trace systems that will create more certainty along the entire supply chain.
- Big data can inform businesses on potential future demand trends, helping them to identify the right size and location of warehouse.
- Being able to improve scheduling and routing of deliveries.
- Global supply chains are increasingly using big data to monitor and protect from external factors, such as weather and industrial action.
- Increasing connectivity allows for new 3D digital tools to be used within the warehouse, which can boost the efficiency of operations as well as possible energy performance.

1.23 Having regard to the above it is anticipated that improvements to data, and therefore knowledge of the consumer, could enable significant reductions in inventory onsite; therefore, reduce the overall workspace requirements for some distributors. It is important to note that bigger businesses are more likely to invest

and utilise big data early. Whereas the cost for small to medium sized businesses is likely to be relatively prohibitive so take-up from these types of businesses will likely be longer term.

CASE STUDY: PepsiCo (internationally)

PepsiCo relies on huge volumes of data for efficient management of its supply chain. It is understood that the company is committed to ensuring they replenish the retailers' shelves with appropriate volumes and types of products.

Automation

1.24 Technology is increasingly being utilised within the industrial sector. As more robots join the warehouse floor it is changing the way that buildings themselves are planned and designed. This is not just rearranging the existing floor plan, but the introduction of new technology brings new space requirements that warehouses increasingly need to take into account.

1.25 Research by JLL (August 2018) has identified how increasing automation will impact the design of industrial buildings and highlight the following key trends:

- Warehouses benefitting from automation are likely to shrink in comparison to their manual counterparts because occupiers will be able to utilise their space more intensively.
- Structures will need to support higher loads than standard mezzanine installations and provide greater stability. Furthermore, floors need to be "super-flat" to allow robots to move around smoothly.
- Land requirements will decrease as a result of having fewer human workers and therefore fewer parking requirements.
- Better connectivity to the energy grid is required to allow for increased use of automation.

1.26 The above factors are likely to become increasingly important in the design of new buildings. It is worth noting that given the bespoke requirements from different occupiers it might be challenging for this type of space to be delivered on a speculative basis; furthermore, there are concerns as to the flexibility of the building once the original occupier vacates.

1.27 JLL do not anticipate that this trend will mean older buildings will become obsolete as it may be possible to improve their efficiency by retrofitting modular automated solutions that can be customised and fitted into a wide range of warehouse buildings.

1.28 It is important to note that the requirement for smaller warehouses could open up new commercial locations in more urban locations. This would however need to be balanced against the cost of being in a more urban area.

1.29 Due to the cost of adopting these technologies it is likely to be taken up in the shorter term by larger businesses. The cost for small to medium sized companies is likely to be prohibitive so take-up from these types of businesses will likely take longer.

CASE STUDY: Amazon, Bristol BS11 0YH

Amazon recently opened a new fulfilment centre at Western Approach on the outskirts of Bristol. This was a new build facility of circa 116,000 sqm/ 1,250,000 sqft delivered on a footprint of 51,000 sqm/ 550,000 sq ft. The building is understood to be operated by circa 1,000 employees and robots. We understand the warehouse was fitted with advanced Amazon robotic technology – these robots follow QR codes and locate/transport goods across the fulfilment centre.

Last Mile Logistics

1.30 Last mile logistics involves the delivery of items to an end user. It encompasses the concept of mix box hubs and last mile/omni channel facilities.

1.31 Demand for this type of space has increased considerably over recent years in line with the rise in mobile apps that have improved the ability to monitor purchases in real-time. As a result, consumer expectations are becoming more demanding.

1.32 Research by JLL (February 2016) believes that the demand for space to provide last mile logistics hubs will increase further, particularly alongside the growth of e-commerce and online retail.

1.33 The rising demand for quicker deliveries is likely to result in increasing numbers of occupiers seeking space in urban locations close to consumers providing the ability to respond to customers in a quicker more efficient manner.

1.34 This will also fuel demand for additional parcel / postal facilities and local distribution depots in major cities. Some businesses are already exploring this, for example Amazon in the UK has already acquired a

number of buildings in London and Birmingham to service its 'Prime Now' delivery option, while Argos has become the first high street retailer to provide a nationwide same-day service ('Fast Track') using its distribution and store network.

1.35 As part of the above, regard should be given to the distribution method for space. There are greater possibilities for multimodal logistics platforms in urban areas as multi-modal transport, involving rail and water especially, can help to relieve road congestion and reduce emissions.

Multi-Height Warehouses

1.36 Vertical multi-storey warehouses are common in Asia and are starting to be seen in higher value areas in the UK, such as Heathrow Airport and London. Research by JLL (April 2018) suggests that with increasing e-commerce and consumer expectations for quicker deliveries there is likely to be increasing demand for facilities in urban areas or larger regional distribution / fulfilment hubs.

1.37 The challenge in urban areas being land supply and pressure from competing higher value uses. For larger fulfilment hubs, such as Amazon's new facility at Western Approach, the scale of space required is extensive and so if provided over a single storey the cost of the land value would be significant.

1.38 Multi-height warehouses are a direct response to this by allowing occupiers to utilise a smaller footprint to deliver their necessary space. A key reason for the limited delivery in the UK is the cost of building upwards not yet being offset by the land value efficiencies.

1.39 It is important to note that multi-storey facilities are likely to be better suited for certain operations, such as distribution, as opposed to manufacturing; however, this will be driven by the occupier.

CASE STUDY: X2, Heathrow
Built in 2008, the X2 development next to Heathrow Airport provides around 21,775 sqm / 234,000 sqft on ground and one upper level divided into four units per floor. It was designed to be multi-occupied. The building is understood to have taken some time to reach full occupation.

Smart Warehouses

1.40 JLL define smart warehouses as facilities where various business processes can be interconnected via the cyber network, and the system is intelligent enough to adapt and learn from different business situations and run the entire business operation with minimal human intervention.

1.41 The move towards smart warehouses is being facilitated by technological improvements, including the Internet of Things, cloud computing, additive manufacturing, robotics and big data (the latter two both discussed separately above) – all of which are beginning to change the way manufacturing and logistics companies operate and use real estate.

1.42 JLL's research (February 2016) sets out that from a manufacturing perspective, it has the potential to enhance operations by providing advanced information on machines that might malfunction, therefore allowing early action, for example maintenance, that would avoid disrupting production. Overall this will

result in high quality buildings that have very secure wireless access. The benefits from a supply chain perspective are discussed in more detail under the 'big data' section above.

1.43 It is important to note that due to the considerable technology investment throughout the supply chain, the cost may prove prohibitive for small to medium sized businesses; therefore, in the shorter term, at least, it is likely to be progressed by larger companies.

CASE STUDY: Stanley Black and Decker, Reynosa, Mexico

Power tool manufacturer Black & Decker approached Cisco to deliver an 'Internet of things' (IoT) with the aim of increasing visibility and decreasing manufacturing complexity within its manufacturing plant in Reynosa, Mexico. Cisco was instructed to provide wireless connectivity, whilst Aeroscout Industrial was also brought on board to provide enterprise visibility solutions. The Wi-Fi-enabled solution is understood to have increased information sharing, driven operational efficiency for Reynosa, and provided details to maximise operational efficiency.

Uberisation

1.44 'Uberisation' refers to the use of technology platforms (the Internet and apps) by people and businesses to directly access goods or services. The apps match demand with supply to provide an on-demand solution.

1.45 This technology has the potential to match demand and supply across a range of logistics services, for example to enable warehouse or transport capacity to be shared. It is also known as Warehouse as a Service (WaaS). JLL research (February 2016) identifies that there is potential for this to grow more significantly in the future to deliver 'ad hoc' warehouse space on demand. This would enable businesses to flex their warehouse capacity more effectively to meet variations in demand.

1.46 A number of providers already seek to promote 'WaaS' in which warehousing is offered on a short term, shared basis to meet demand. Research by JLL (April 2017) identifies that Stowga already operate in the UK and offer properties on a range of bases.

1.47 It is worth noting that the concept is not completely new as Fulfilment by Amazon (FBA) is the practice of on-demand warehousing. Companies that sell products on Amazon can choose to utilise FBA to fulfil those orders by sending their products there to be picked, packed and shipped.

Appendix E – Hardisty Jones Report

HARDISTY JONES ASSOCIATES
Economic Development Advisers



Future Employment Sites and Premises Requirements in Bristol

Draft Report

Prepared on behalf of Bristol City Council

December 2018

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1 Introduction

1.1.1 HJA has been instructed by Bristol City Council to provide analysis of forecast future requirements for B Use Class sites and premises across the Bristol Unitary Authority area to help inform preparation of its own Employment Land Study.

1.2 Context

1.2.1 The four Unitary Authorities (UAs) of the West of England: Bath & North East Somerset, Bristol, North Somerset and South Gloucestershire are working together to prepare the West of England Joint Spatial Plan (JSP).

1.2.2 Policy 4 of the JSP sets out an ambition deliver 82,500 jobs across the West of England within the JSP period 2016-36.

1.2.3 The 82,500 jobs figure is based on the 'medium-high' forecast scenario prepared by Oxford Economics (2015 release) with a 1.1% uplift applied to bring into line with the ambitions set out within the West of England Strategic Economic Plan.

1.2.4 Further employment evidence was prepared by Atkins on behalf of the four UAs and is published within the *West of England Economic Development Needs Assessment (EDNA), March 2016*.

1.2.5 HJA has recently prepared updated evidence to build on the EDNA on behalf of the four UAs. This is currently published for consultation as *West of England JSP: Updated Employment Evidence, Final Report (WED006), November 2018*[1].

1.2.6 The November 2018 update considers matters of supply and demand for B Use Class sites and premises across the West of England. It does not provide detailed commentary at UA level.

1.3 Required Outputs

1.3.1 The brief for this commission included the following required outputs:

- Bristol's share of West of England employment growth by sector on the basis of the Oxford Economics medium-high scenario which has underpinned JSP Policy 4 for 82,500 additional jobs across the West of England 2016-36.
- Bristol's share of West of England B Use Class sites and premises requirements arising from the above employment forecast.
- Consideration of the employment and B Use Class sites and premises implications of a higher employment scenario of 100,000 additional jobs across the West of England 2016-36. This will draw on the Oxford Economics medium-high and high scenarios which have informed the JSP evidence base and the LEP's Strategic Economic Plan.
- Bristol's share of West of England B Use Class sites and premises requirements to ensure sufficient replacement of employment property is provided 2016-36, in line with the JSP evidence base.
- A historic completions comparator for Bristol based on historic monitoring data, aligned to the JSP evidence base, with sub-area analysis where possible.

[1] https://www.jointplanningwofe.org.uk/gf2.ti/-/978402/43632549.1/PDF/-/WED_006_Updated_Employment_Evidence_Nov_2018.pdf

- Analysis of B for B on-site replacement activity based on historic monitoring records, aligned to the JSP evidence base, with additional commentary on any locational trends evident in the data.
- Accompanying commentary to ensure the context in which the analysis was prepared for the JSP, and implications for its interpretation, is made clear to the JLL team preparing the Bristol Employment Land Study to ensure broader alignment with the JSP evidence base.

1.3.2 In essence, this commission seeks to understand the Bristol UA level implications of the recently published West of England JSP: Updated Employment Evidence. The analysis contained within this report is fully aligned to the West of England wide analysis also prepared by HJA.

1.4 Report Structure

1.4.1 The remainder of this report is set out as follows:

- Chapter 2 sets out the relevant employment forecasts
- Chapter 3 considers the future sites and premises requirements
- Chapter 4 sets out analysis of historic completions
- Chapter 5 considers wider matters of interpretation and alignment with the JSP

2 Employment Forecasts

2.1.1 The West of England JSP Policy 4 is the overarching employment policy. This states an ambition to deliver 82,500 jobs across the West of England within the JSP period 2016-36.

2.1.2 The 82,500 jobs figure is based on forecasts prepared by Oxford Economics (2015 release) with a 1.1% uplift applied to bring into line with the ambitions set out within the West of England Strategic Economic Plan.

2.1.3 It is important to note that the EDNA did not apply the 1.1% uplift and is therefore based on the Oxford Economics medium-high scenario as originally prepared. This forecasts 81,600 net additional jobs across the West of England 2016-36.

2.1.4 It should also be noted that the EDNA utilises full time equivalent (FTE) figures, rather than total jobs. The EDNA table 6-37 therefore quotes a figure of 69,400 FTEs for the West of England(cf. 81,600 jobs). The situation is further complicated by the fact that the Atkins analysis within the EDNA estimated FTEs[2].

2.1.5 For these reasons there are some discrepancies between the various documents and care is required when cross referencing and making comparison.

2.1.6 The HJA Updated Employment Evidence report draws on the EDNA as the basis for consideration of net additional employment and the associated sites and premises requirements (see following chapter).

2.2 Oxford Economics Medium-High Scenario

Sectoral Employment Forecasts

2.2.1 Figure 2.1 below sets out the sectoral employment forecast (jobs) as published in the Oxford Economics medium-high scenario[3]. This indicates a forecast growth of 25,900 jobs for Bristol over the JSP period 2016-36. This equates to 32% of forecast growth across the West of England.

2.2.2 The Oxford Economics data indicates Bristol accommodating 43% of West of England jobs at 2016. The forecast therefore includes a slight reduction in the concentration of West of England jobs within Bristol, falling to 42% by 2036.

2.2.3 Figure 2.2 sets out the same data for FTEs. This draws on the Oxford Economics published FTE data. As noted above, this differs slightly from the FTE figures used by Atkins within the West of England EDNA. The EDNA does not provide sectoral level FTE data. This forecasts 21,755 additional FTEs over the JSP period, equivalent to 32% of the West of England total forecast growth. The same pattern in terms of Bristol accounting for a declining share of West of England total employment is evident within the FTE analysis.

[2] The Oxford Economics forecasts are now provided with FTE figures as well as jobs. However, these were not available when Atkins originally prepared the EDNA and so its own estimate of FTEs, converted from jobs, was utilised.
[3] http://westofenglandlep.co.uk/about-us/economic-intelligence/growth-forecasts

Figure 2.1 Oxford Economics Medium High Jobs Forecast

Sector	Bristol 2016 (Jobs)	Bristol 2036 (Jobs)	Bristol 2016-36 (Change in Jobs)	WoE 2016-36 (Change in Jobs)	Bristol Change in Jobs as a % of WoE
A : Agriculture, forestry and fishing	409	351	-57	-482	12%
B : Mining and quarrying	17	11	-6	-76	8%
C : Manufacturing	11,259	9,932	-1,327	-4,810	28%
D : Electricity, gas, steam and air conditioning supply	668	482	-186	-229	81%
E : Water supply; sewerage, waste management and remediation activities	991	885	-105	-449	24%
F : Construction	14,495	16,465	1,970	9,498	21%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	38,317	40,465	2,148	6,748	32%
H : Transportation and storage	12,117	14,143	2,026	4,664	43%
I : Accommodation and food service activities	17,436	18,212	776	4,161	19%
J : Information and communication	11,371	13,184	1,813	6,012	30%
K : Financial and insurance activities	18,454	18,130	-324	1,022	-
L : Real estate activities	5,447	6,880	1,434	4,107	35%
M : Professional, scientific and technical activities	31,769	41,558	9,789	21,951	45%
N : Administrative and support service activities	27,017	31,131	4,115	12,917	32%
O : Public administration and defence; compulsory social security	10,839	9,374	-1,465	-2,715	54%
P : Education	24,518	24,173	-345	960	-36%
Q : Human health and social work activities	40,292	42,267	1,976	9,382	21%
R : Arts, entertainment and recreation	7,392	9,364	1,972	4,832	41%
S : Other service activities	7,427	9,131	1,704	4,113	41%
Total	**280,232**	**306,137**	**25,906**	**81,607**	**32%**

Source: Oxford Economics

Figure 2.2 Oxford Economics Medium High FTE Forecast

Sector	Bristol 2016 (FTEs)	Bristol 2036 (FTEs)	Bristol 2016-36 (Change in FTEs)	WoE 2016-36 (Change in FTEs)	Bristol Change in FTEs as a % of WoE
A : Agriculture, forestry and fishing	380	325	-55	-427	13%
B : Mining and quarrying	16	10	-6	-75	8%
C : Manufacturing	10,791	9,523	-1,268	-4,636	27%
D : Electricity, gas, steam and air conditioning supply	664	478	-186	-228	81%
E : Water supply; sewerage, waste management and remediation activities	941	832	-109	-456	24%
F : Construction	13,698	15,513	1,815	8,894	20%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	31,936	33,704	1,769	5,590	32%
H : Transportation and storage	11,598	13,490	1,892	4,349	44%
I : Accommodation and food service activities	13,350	13,827	478	2,980	16%
J : Information and communication	10,675	12,385	1,710	5,719	30%
K : Financial and insurance activities	17,029	16,729	-299	967	-
L : Real estate activities	4,714	5,914	1,200	3,455	35%
M : Professional, scientific and technical activities	29,676	38,714	9,038	20,242	45%
N : Administrative and support service activities	23,016	26,368	3,352	10,483	32%
O : Public administration and defence; compulsory social security	9,274	7,808	-1,465	-2,839	52%
P : Education	20,128	19,818	-310	740	-42%
Q : Human health and social work activities	31,494	33,088	1,594	7,600	21%
R : Arts, entertainment and recreation	5,439	6,762	1,323	3,289	40%
S : Other service activities	5,669	6,951	1,282	3,179	40%
Total	**240,485**	**262,240**	**21,755**	**68,826**	**32%**

Source: Oxford Economics

Occupational Employment Forecasts

2.2.4 The published Oxford Economics forecasts do not include occupational analysis. The consultant team preparing the Temple Quarter Masterplan have requested whether this data can be provided.

2.2.5 HJA has estimated indicative occupational forecasts, set out at Figure 2.3 below. This analysis is based on the sectoral jobs forecasts, converted using 2011 Census data (Table WP6604EW) for Bristol.

Figure 2.3 Oxford Economics Medium High Scenario – Indicative Occupational Jobs Forecasts for Bristol

SOC Occupation	Bristol Jobs Change 2016–36	% change 2016–36
1. Managers, directors and senior officials	2,920	10%
2. Professional occupations	5,030	8%
3. Associate professional and technical occupations	5,195	12%
4. Administrative and secretarial occupations	4,051	11%
5. Skilled trades occupations	1,824	8%
6. Caring, leisure and other service occupations	1,392	6%
7. Sales and customer service occupations	1,852	8%
8. Process, plant and machine operatives	1,169	8%
9. Elementary occupations	2,473	9%
Total	25,906	9%

Source: HJA based on Oxford Economics and 2011 Census (Table WP6604EW)

2.3 Higher Growth Scenario

2.3.1 Section 5.3 of *West of England JSP: Updated Employment Evidence, Final Report (WED006), November 2018* considers the implications of a higher growth scenario, whereby 100,000 net additional jobs are delivered within the West of England over the JSP period. This level of growth was informed by labour force projections emerging from the *West of England Housing Target Update (ORS, 2018)*.

2.3.2 Oxford Economics prepared a 'high' scenario which forecast 115,121 additional jobs across the West of England. This was in excess of the labour supply driven scenario that was requested.

2.3.3 Detailed econometric forecasting was not prepared for a 100,000 jobs scenario. Rather the two available scenarios (medium-high and high) were used to derive a hybrid scenario forecast. This was not done at a sector by sector level as only high-level analysis was required and the focus was on employment land implications.

2.3.4 The high level analysis indicated that approximately 55% of the difference between the Oxford Economics high and medium-high scenarios would need to be achieved. Assuming an evenly spread adjusting effect across all sectors this would suggest an increase in Bristol based employment by 33,095 jobs or 28,110 FTEs. This equates to approximately 33% of West of England total forecast growth. Figures 2.4-2.6 provide sectoral and occupational breakdown of this analysis.

2.3.5 Chapter 3 of this report considers the employment land implications of this higher growth scenario.

Figure 2.4 100,000 West of England Jobs Scenario – Indicative Sectoral Jobs Forecast for Bristol

Sector	Bristol 2016 (Jobs)	Bristol 2036 (Jobs)	Bristol 2016-36 (Change in Jobs)	WoE 2016-36 (Change in Jobs)	Bristol Change in Jobs as a % of WoE
A : Agriculture, forestry and fishing	409	361	-47	-400	12%
B : Mining and quarrying	17	12	-4	-54	8%
C : Manufacturing	11,269	10,728	-541	-1,861	29%
D : Electricity, gas, steam and air conditioning supply	668	497	-171	-208	82%
E : Water supply; sewerage, waste management and remediation activities	991	901	-90	-386	23%
F : Construction	14,496	16,561	2,065	9,901	21%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	38,328	41,537	3,208	9,243	35%
H : Transportation and storage	12,121	14,580	2,458	5,643	44%
I : Accommodation and food service activities	17,441	18,662	1,222	5,334	23%
J : Information and communication	11,375	13,724	2,349	7,400	32%
K : Financial and insurance activities	18,456	18,406	-51	1,505	-3%
L : Real estate activities	5,448	7,036	1,588	4,520	35%
M : Professional, scientific and technical activities	31,780	43,045	11,265	25,057	45%
N : Administrative and support service activities	27,022	31,587	4,565	14,061	32%
O : Public administration and defence; compulsory social security	10,976	10,282	-693	-545	127%
P : Education	24,519	24,311	-208	1,287	-16%
Q : Human health and social work activities	40,293	42,419	2,126	9,729	22%
R : Arts, entertainment and recreation	7,394	9,606	2,212	5,370	41%
S : Other service activities	7,428	9,271	1,843	4,444	41%
Total	**280,431**	**313,527**	**33,095**	**100,040**	**33%**

Source: HJA based on Oxford Economics

Figure 2.5 100,000 West of England Jobs Scenario – Indicative Sectoral FTE Forecast for Bristol

Sector	Bristol 2016 (Jobs)	Bristol 2036 (Jobs)	Bristol 2016-36 (Change in Jobs)	WoE 2016-36 (Change in Jobs)	Bristol Change in FTEs as a % of WoE
A : Agriculture, forestry and fishing	380	334	-46	-360	13%
B : Mining and quarrying	16	12	-4	-54	8%
C : Manufacturing	10,800	10,286	-514	-1,777	29%
D : Electricity, gas, steam and air conditioning supply	664	493	-170	-208	82%
E : Water supply; sewerage, waste management and remediation activities	941	847	-94	-395	24%
F : Construction	13,700	15,604	1,905	9,275	21%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	31,945	34,604	2,659	7,616	35%
H : Transportation and storage	11,602	13,908	2,306	5,277	44%
I : Accommodation and food service activities	13,353	14,173	820	3,867	21%
J : Information and communication	10,679	12,893	2,214	7,031	31%
K : Financial and insurance activities	17,031	16,985	-46	1,412	-3%
L : Real estate activities	4,715	6,048	1,333	3,809	35%
M : Professional, scientific and technical activities	29,687	40,102	10,415	23,122	45%
N : Administrative and support service activities	23,020	26,758	3,738	11,422	33%
O : Public administration and defence; compulsory social security	9,391	8,567	-824	-967	85%
P : Education	20,129	19,935	-193	996	-19%
Q : Human health and social work activities	31,495	33,216	1,721	7,866	22%
R : Arts, entertainment and recreation	5,440	6,940	1,500	3,674	41%
S : Other service activities	5,670	7,060	1,391	3,435	40%
Total	**240,657**	**268,767**	**28,110**	**85,041**	**33%**

Source: HJA based on Oxford Economics

Figure 2.3 100,000 West of England Jobs Scenario – Indicative Occupational Jobs Forecasts for Bristol

SOC Occupation	Bristol Jobs Change 2016–36	% change 2016–36
1. Managers, directors and senior officials	3,159	13%
2. Professional occupations	5,527	11%
3. Associate professional and technical occupations	5,437	15%
4. Administrative and secretarial occupations	4,276	13%
5. Skilled trades occupations	2,081	10%
6. Caring, leisure and other service occupations	1,345	8%
7. Sales and customer service occupations	2,075	11%
8. Process, plant and machine operatives	1,495	11%
9. Elementary occupations	2,717	12%
Total	**28,110**	**12%**

Source: HJA based on Oxford Economics and 2011 Census (Table WP6604EW)

4 B Use Class Sites & Premises Requirements

4.1.1 The preceding chapter considered employment forecasts. This chapter considers the forecast requirements for B Use Class employment sites and premises. This analysis is fully aligned to the *West of England JSP: Updated Employment Evidence (November 2018)* report.

4.1.2 The assessment of future requirements is made up of the following requirements:

- Net additional requirement associated with sectoral employment changes
- Replacement requirement to ensure continual upgrading of the existing employment property stock.

4.2 Net Additional Requirements

Oxford Economics Medium High Scenario

4.2.1 The net additional requirement is drawn directly from the EDNA. Tables 6-6 and 6-7 of the EDNA (pages 98-99)[4] set out the relevant information for Bristol.

4.2.2 The EDNA sets out analysis for three categories: office, industrial and warehousing. The Updated Employment Evidence report combines industrial and warehousing into a single category.

4.2.3 The forecast net additional requirement for Bristol is 207,000sqm of office floorspace and 117,000sqm of industrial and warehousing floorspace[5]. This equates to 36% of the estimated West of England requirements for both office and industrial and warehousing floorspace.

Higher Growth (100,000 jobs) Scenario

4.2.4 In line with the approach used within the Updated Employment Evidence report[6] the requirement for net additional employment floorspace under the 100,000 jobs scenario for Bristol is 250,500sqm of office floorspace and 189,100sqm of industrial and warehouse floorspace. This equates to 37% of the West of England office floorspace requirement and 35% of the industrial and warehouse requirement.

4.3 Replacement Requirements

4.3.1 The Updated Employment Evidence report makes an assessment of replacement requirement on the basis of the need to replace 1-2% of existing stocks per annum. Full details of the underpinning rationale for this approach are set out at Appendix 2 to the Updated Employment Evidence report.

4.3.2 The same methodology has been used to estimate the element of the replacement requirement which is relevant to Bristol. The analysis indicates a requirement of 225,000sqm – 450,000sqm of office floorspace and 494,000sqm – 988,000sqm of industrial and warehousing floorspace.

[4] Note that there are also tables 6-6 and 6-7 on pages 94-95 but these relate to Bath & North East Somerset.
[5] It is noted at paragraph 5.3.5 of the West of England JSP: Updated Employment Evidence report that the EDNA estimates 63-65% of net additional FTE employment will require B Use Class sites and premises. Whilst there is no established best practice guidance for informing this estimate, HJA's typical assessment would suggest this is an upper estimate, and hence the quoted net additional floorspace figures could be considered an upper estimate for the given level of employment growth.
[6] Applying an uplift equivalent to 55% of the difference between the Oxford Economics medium-high and high scenarios

This equates to 57% of the West of England office floorspace replacement requirement and 45% of the industrial and warehousing replacement requirement. This reflects the existing distribution of floorspace across the West of England.

4.3.3 It should be noted that whether replacement takes place in the same location as the loss is a moot point. The West of England level analysis considers the issue sub-regionally and is not prescriptive as to whether replacement should be achieved on a pro rata basis by each UA.

4.4 Combined Position

4.4.1 Figures 3.1 and 3.2 summarise the overall requirement drawing together the components of the analysis. This is presented in the same format as the tables within the West of England JSP: Updated Employment Evidence. The figures relate to the total forecast level of development activity. This could take place on new sites, or through the redevelopment of existing sites.

4.4.2 The 'historic completions comparator' is based on analysis set out in the following chapter of this report. This provides a guide based on historic levels of activity to help interpret the data emerging from the forecasting exercise.

4.4.3 Figure 3.1 presents the analysis based on the Oxford Economics medium-high forecast and aligns to Policy 4 of the JSP. The Bristol office requirement of 432,200sqm – 657,000sqm equates to 44%-48% of the West of England total. The industrial and warehousing requirement of 153ha – 276ha equates to 43%-44% of the West of England total.

Figure 3.1 Future B Use Class Sites and Premises Requirement – Oxford Economics Medium High Scenario, 2016-36 (all figs sqm unless otherwise stated)

	Office	Industrial & Warehousing
Estimated Total Development Activity		
Net additional (A)	207,000	117,000
Replacement (B)	225,000 – 450,000	494,000 – 988,000
Sub Total (Estimated Gross Completions) (C=A+B)	432,200 – 657,000	611,000 – 1,105,000
Hectares (@40%[7])		153 ha – 276 ha
Historic Completions Comparator	*485,000*	*876,100[8] (219 ha)*

Source: HJA based on UA Completions Data, EDNA (Atkins) and own analysis

4.4.4 Figure 3.2 presents the analysis based on the 100,000 jobs hybrid scenario. The shares of the West of England total are unchanged from those stated for the Oxford Economics medium high scenario above.

[7] EDNA uses 40% for B1c/B2 and 50% for B8. Estimated hectarage should therefore be considered an upside estimate on the basis of a 40% assumption.
[8] This includes both industrial and warehousing and the small amount of mixed B Use Class completions.

Figure 3.2 Future B Use Class Sites and Premises Requirement – 100,000 Jobs Scenario, 2016-36 (all figs sqm unless otherwise stated)

	Office	Industrial & Warehousing
Estimated Total Development Activity		
Net additional (A)	250,500	189,100
Replacement (B)	225,000-450,000	494,000 – 988,000
Sub Total (Estimated Gross Completions) (C=A+B)	475,700 – 700,900	638,100 – 1,177,100
Hectares (@40%)		171ha – 294ha
Historic Completions Comparator	*485,000*	*876,100 (219 ha)*

Source: HJA based on UA Completions Data, EDNA (Atkins) and own analysis

5 Historic Completions

5.1.1 This chapter sets out analysis of historic B Use Class completions activity over the period Apr 2006-Apr 2016. This aligns to equivalent analysis within the West of England JSP: Updated Employment Evidence report.

5.1.2 Figure 4.1 sets out the analysis of gross completions, gross losses and the resulting net completions. This illustrates the importance of considering gross levels of activity to avoid the masking effect when considering only net analysis.

5.1.3 The completions analysis is presented for sub-areas within Bristol.

Figure 4.1 Historic Completions Analysis Apr 2006 – Apr 2016

	GAINS	LOSSES	NET
BCS1 - South Bristol			
OFFICE	24,200	14,300	9,900
INDUSTRIAL	15,600	110,200	(94,600)
MIXED B	17,300	15,500	1,800
TOTAL	57,100	140,000	(82,900)
BCS2 - Bristol City Centre			
OFFICE	190,900	174,000	16,900
INDUSTRIAL	1,700	65,800	(64,100)
MIXED B	-	5,200	(5,200)
TOTAL	192,500	245,000	(52,500)
BCS3 - Inner East			
OFFICE	2,000	4,300	(2,300)
INDUSTRIAL	6,300	19,300	(13,100)
MIXED B	4,800	4,300	500
TOTAL	13,100	27,900	(14,800)
BCS3 - Northern Arc			
OFFICE	900	2,300	(1,300)
INDUSTRIAL	39,000	39,600	(600)
MIXED B	-	0	0
TOTAL	39,900	41,900	(2,000)
BCS4 - Avonmouth & Bristol Port			
OFFICE	15,800	1,100	14,600
INDUSTRIAL	315,800	34,700	281,100
MIXED B	21,100	74,400	(53,300)
TOTAL	352,700	110,200	242,500
BCS5 - Other Areas of Bristol			
OFFICE	8,700	15,300	(6,500)
INDUSTRIAL	14,700	33,100	(18,400)
MIXED B	1,700	4,400	(2,700)
TOTAL	25,100	52,700	(27,600)
ALL OF BRISTOL			
OFFICE	242,500	211,200	31,300
INDUSTRIAL	393,200	302,800	90,400
MIXED B	44,900	103,900	(59,000)
TOTAL	680,500	617,800	62,700

5.1.4 On the basis of the figures above, a historic completions comparator can be calculated to cross check the emerging forecasts of future requirements. This is derived through taking the annual average from the 10-year data in Figure 4.1 and aggregating for the 20-year forecast period. For the purposes of deriving the historic completions comparator the gross level of completions are used and the small amount of 'mixed B' development is included within the industrial category.

5.1.5 The estimated historic completions comparator values are therefore:

- 485,000sqm of office floorspace; and
- 876,100sqm of industrial and warehouse floorspace. Converting on the basis of 4,000sqm of floorspace per hectare leads to a land based estimate of 219ha.

5.1.6 These calculated comparator values are included within Figures 3.1 and 3.2 as reference points.

5.1.7 Figure 4.2 considers the level of B for B activity. That is, those developments where new B Use Class floorspace has been delivered on sites previously occupied by B Use Class premises[9]. This shows substantial variation in the proportion of total completions which have been achieved on previously occupied B Use Class sites.

Figure 4.2 Historic B for B Completions Analysis Apr 2006 – Apr 2016

	B for B gains	% share of total gains
BCS1 - South Bristol	47,400	83%
BCS2 - Bristol City Centre	54,600	28%
BCS3 - Inner East	7,300	55%
BCS3 - Northern Arc	36,000	90%
BCS4 - Avonmouth & Bristol Port	21,400	7%
BCS5 - Other Areas of Bristol	16,700	67%
ALL OF BRISTOL	**183,400**	**27%**

[9] It is possible that these figures could be understated if the previous B Use Class premises had been demolished and the site cleared ahead of the relevant planning application.

6 Appropriate Interpretation of the Bristol Level Analysis

6.1.1 The analysis contained in this report seeks to identify the components of the sub-regional West of England analysis which are attributable to Bristol. When interpreting the data presented in this report it is essential that this is done in a manner which is cognisant of the way in which the West of England evidence has been prepared and is being used to support the JSP.

6.1.2 The West of England level analysis did not set out figures for each of the constituent UA areas. Equally, there was no attempt made to balance supply and demand at UA level. Rather, the analysis considered the headline balance of supply and demand at the sub-regional level. On this basis, one should not necessarily seek to ensure that there is a perfect balance at the Bristol level.

6.1.3 The West of England level analysis identified that there was sufficient supply to meet the requirements at both the low point in the range, and the point in the range aligned to the historic completions comparator[10]. However, it found insufficient supply to meet the upper end of the forecast requirement range. On this basis the conclusion of the sub-regional analysis was a need for each UA to deliver its identified employment sites and premises supply in its entirety to avoid constraining the health of the West of England economy.

6.1.4 The supply analysis, which was founded on data provided to HJA by officers of the respective UAs identified the following for Bristol:

- 357,000sqm of capacity for office floorspace (60% of the West of England total)
- 88.6ha of industrial and warehouse land[11] (22% of the West of England total)
- 5.8ha of mixed B Use Class land[12] (i.e. potential for office and industrial uses) (2% of the West of England total)

6.1.5 These supply figures become the defacto implied requirement for Bristol to deliver in order for the West of England to achieve overall balance.

6.1.6 Figure 5.1 sets out a schedule of the sites by sub-area which comprise this supply. This is extracted from Appendix 3 to the West of England JSP: Updated Employment Evidence report.

[10] Since publication of West of England JSP: Updated Employment Evidence it has been identified that there was an error in some of the data provided to HJA which underpinned the historic completions comparator. The implications of this error are being considered at the time of writing but are likely to reduce the West of England wide historic completions comparator.
[11] This is based on translating those figures quoted in sqm to hectares on the basis of 4,000sqm per hectare.
[12] This is based on translating those figures quoted in sqm to hectares on the basis of 4,000sqm per hectare.

Figure 5.1 Supply Schedule

	Office (Sqm)	Industrial & Warehousing (as stated)	Mixed B (as stated)
Temple Quarter EZ			
Paintworks Phase 3	5,886		
Glassfields	36,500		
The Island Site	32,130		
Former Petrol Filling Station, Bath Road	1,000		
Plot 3 Temple Quay, The Friary	5,250		
Bank Place/ Former Temple Way House, Temple Way	36,676		
Anvil Street Plot/4 Glass Wharf (ND9)	25,965		
3 Glass Wharf Plot (ND5)	14,316		
Former Petrol Station Site, Temple Gate	2,000		
Templegate Peugeot Site	7,000		
Bristol and Exeter Yard (TCN) Site	1,500		
Plot 6 Temple Quay, The Friary	5,000		
Fish Dock/Kwik-Fit Site	5,100		
Avon Riverside site, Bath Road	1,140		
Silverthorne Lane	21,000		
Arena Site	8,200		
Land to North of Paintworks (Phase 4)	1,752		
Land at Bath Road BS4 3EH	616		
Fowlers, 2-12 Bath Road		544sqm	
Wincombe Trading Estate Albert Road			740sqm
Finzel's Reach	35,011		
Redcliffe Way Corridor and Redcliffe Wharf	4,000		
Fire Station, Temple Back	10,000		
Unit 5 Avon Trading Estate			500sqm
Temple Quarter Total	**260,042sqm**	**544sqm**	**1,240sqm**
City Centre (Non EZ)			
Bristol City Centre outside EZ	**79,065sqm**	**-**	**-**
South Bristol			
Hengrove Park Allocation	4,515		
BSA1119 Hartcliffe Way South of Waste Depot		0.9ha	
BSA1305 NW Vale Lane		0.8ha	
Additonal Sites with Permissions	6,638	37,438sqm	
South Bristol Total	**11,153sqm**	**37,348sqm + 1.6ha**	**-**
Avonmouth and Severnside			
Access 18		8.8ha	
Cabot Park Popular Fields		4.0ha	
Proposed Allocation		30.0ha	
Additional Sites	3,277sqm	112,910sqm	13,894sqm
Total Avonmouth and Severnside	**3,277sqm**	**112,910sqm + 42.8ha**	**13,894sqm**
Other Areas of Bristol			
Other Areas of Bristol	**3,912sqm**	**25,554sqm**	**8,033sqm**
TOTAL BRISTOL	357,449sqm	176,446sqm + 44.5ha	23,167sqm

Appendix F – Assessment of Estimated Commercial Supply

Appendix F – Assessment of Estimated Commercial Supply

Address	Planning permission / Allocation	Approximate Amount of New Build Space*	Comment on Deliverability	Risk of Market Not Delivering
Land at Access 18	Planning permission secured under 17/04887/F	13,935 sqm / 150,000 sqft of space in use class B8.	Under construction.	Low
Albemarle Chemicals Smoke Lane	Planning permission secured under 16/02312/F	42,800 sqm / 460,000 sqft of space in use class B8.	Appears that subsequent applications have been submitted and site to be used by Mobile Mini UK.	Low
Land at Moorend, Packgate and Poplar Lawrence Weston Road	Planning permission secured under 17/06157/M	16,500 sqm /177,500 sqft of space in use class B8 and 800 sqm / 8,610 sqft of space in use class B2.	This application relates to Plot 1 of Phase 2 only (Kings Heavy Haulage). Based on the planning information the amount of built space proposed is substantially less than highlighted by the Council – less than 1,000 sqm / 10,000 sqft; as a result, there is a risk that the full amount estimated by BCC is not achievable.	High / medium
Plot 8 Cabot Park Parkgate Road	Planning permission secured under 17/02855/M	6,040 sqm / 65,000 sqft of space in use class B8.	Appears that subsequent applications have been submitted but further investigation required as to the developer intentions for delivery. Nonetheless, given the nature of the area likely to be demand.	Low / Medium
Land Adjoining Berth T And Graving Dock Royal Edward Dock	Planning permission secured under 16/05322/F	10,415 sqm / 112,000 sqft of space in use class B2 and 2,980 sqm / 32,000 sqft of space in use class B1a.	Based on BCC information this is understood to be under construction.	Low
Land Eastern Side of Chittening Trading Estate Greensplott Road Avonmouth	Planning permission secured under 14/03210/F	5,105 sqm / 55,000 sqft of space in use class B2 and 297 sqm / 3,200 sqft of space in use class B1a.	No activity on site.	Medium / High

*Please note these have been rounded (where appropriate).

Address	Planning permission / Allocation	Amount of New Build Space Estimated by BCC	Comment on Deliverability	Risk of Market Not Delivering
Surety House Third Way	Planning permission secured under 16/05537/F	1,830 sqm / 20,000 sqft of space in use class B8 and 890 sqm / 9,600 sqft of space in use class B2.	Understood to be under construction / complete.	Low
Former Columbian Chemicals (Sevalco) Severn Road	Planning permission secured under 09/03235/F	2,807 sqm / 30,000 sqft of space in sui generis industrial use class.	No activity on site.	Medium / High
Land at Access 18 Off Avonmouth Way/Kings Weston Lane	Planning permission secured under 16/04095/F	10,906 sqm / 117,000 sqft in mixed B use class.	Understood to be under construction / complete.	Low
Blocks 2-3 Chittening Industrial Estate	Planning permission secured under 16/04253/F	8,294 sqm / 90,000 sqft of space in mixed B use class.	Based on Council information it is understood this is under construction.	Low
Former Sevalco Site (North) Severn Road	Planning permission secured under 09/04470/F	28,794 sqm / 310,000 sqft of space in sui generis industrial type use.	Based on Council information it is understood this is under construction.	Low
ALD Automotive Oakwood Park Lodge Causeway	Planning permission secured under 17/02283/F	3,858 sqm / 41,500 sqft of space in use classes B1c, B2 and B8.	Understood to be under construction / completed.	Low
Airbus UK Golf Course Lane	Planning permission secured under 05/01044/P	6,388 sqm / 69,000 sqft of space in use class B8.	Understood to be under construction / completed.	Low
7 - 11 Knapps Lane	Planning permission secured under 15/02221/P	5,025 sqm / 54,000 sqft of space in mixed B use class.	The majority of this site has been converted to provide a go-kart track that is now operational; as a result, it is very unlikely to come forward for the estimated amount of space.	High

*Please note these have been rounded (where appropriate).

Address	Planning permission / Allocation	Amount of New Build Space Estimated by BCC	Comment on Deliverability	Risk of Market Not Delivering
Land to Rear of 12-16 Foundry Lane	Planning permission secured under 15/03295/F	2,497 sqm / 27,000 sqft of space in mixed a B use class.	Planning permission appears to have been obtained when the site was vacant; however, it has since been let for a period of 10 years. Further investigation is necessary to confirm if the building is to be delivered within the lease term, however, there is a risk that it will not be, particularly as the current tenants do not appear to have been involved in the planning process.	Medium / High
16-20 South Liberty Lane	Planning permission secured under 16/01699/P	9,614 sqm / 103,500 sqft net gain of B2 space alongside 3,100 sqm / 33,000 sqft of space in use class B1a.	This application is for the redevelopment of the Baileys Caravans site. They are understood to be investing in their site having recently completed the Replenishment Centre; therefore, the risk that this space is not delivered is considered to be low.	Low
Former Mercedes Garage Winterstoke Road	Planning permission secured under 17/01789/F	9,520 sqm / 102,500 sqft of space in use class B8.	Understood to be under construction / completed.	Low
Plots 12A & 12B Cabot Circus Land to Front Multi-storey Car Park	Planning permissions secured under 12/05085/F	17,294 sqm / 186,000 sqft of space in use class B1a.	Unlikely the site will come forward for this scale of commercial development, particularly without public intervention. Nonetheless, it is a relatively attractive location for offices so there is likely to be demand for a smaller scale scheme. Worth noting the site would also be attractive to a range of potentially higher value uses. If space is delivered it is likely to be over the medium / longer term.	Medium

*Please note these have been rounded (where appropriate).

Address	Planning permission / Allocation	Amount of New Build Space Estimated by BCC	Comment on Deliverability	Risk of Market Not Delivering
Land at Wapping Wharf Land Blocks D, E, F, G, H, J, K, L, M, N, P, Q and R	Planning permission originally secured under 16/02925/M and 11/01842/R, but more recent office permission.	1,608 sqm / 17,000 sqft of space in use class B1a.	Part of the site has recently secured reserved matters approval for over 22,000 sqft of space – larger than that estimated by BCC. The developers appear committed to delivery of this space so the risk it is not delivered is considered low.	Low
Land Surrounding Dove Lane St Pauls	Planning permission secured under 13/05896/X and 14/00623/M	7,176 / 77,000 sqft of space in use class B1a.	There are two parts to this site, which are Plot A that secured reserved matters permission in 2014 for circa 3,987 sqm / 43,000 sqft – based on the available information it does not appear that this has been progressed. There is likely to be demand for this scale of space within the area in the medium / longer term. The remainding plots appear to have secured permission for circa 1,218 sqm / 13,000 sqft of office space. This scheme is being delivered by Places for People as part of a wider residential led development. On the basis of the approved permissions it is unlikely that all the estimated floor space would be delivered.	Medium
Albert House 103 Temple Street & 111 Victoria Street	Planning permission secured under 12/01879/F	29,592 sqm / 318,500 sqft of space in use class B1a.	It is anticipated unlikely the site will come forward for this scale of commercial development, particularly given a planning application was submitted for a slight reduction in space.	Medium

*Please note these have been rounded (where appropriate).

Address	Planning permission / Allocation	Amount of New Build Space Estimated by BCC	Comment on Deliverability	Risk of Market Not Delivering
Land Bounded by Redcliff Street, St Thomas Street and Three Queens Lane	Planning permission secured under 16/02349/F	1,547 sqm / 16,650 sqft of space in use class B1a.	This is a large mixed-use development with works underway. Given the overall scale of development the risk that the office space is not delivered is considered low.	Low
31 - 32 Castle Gallery Broadmead	Planning permission secured under 17/05835/F	3,048 sqm / 32,000 sqft of space in use class B1a.	Since the original permission there has been subsequent approvals for the external works to facilitate the office use. This demonstrates commitment to delivery. Given the scale of development and location there is likely to be commercial demand. Overall the risk of delivery is considered low.	Low
Land and Buildings at Finzels Reach	Planning permission secured under 04/02177/F 15/02654/F	35,011 sqm / 380,000 sqft of space in use class B1a.	Understood to be under construction / complete.	Low
Former Temple Way House Temple Way (TQEZ)	Planning permission secured under reference: 16/06195/F	36,676 sqm / 395,000 sqft of space in use class B1a	Understood that the developer is committed to delivering the first phase. However, due to the scale of development there could be a risk that the full amount of estimated space is not delivered. If it is it will likely be over the medium / longer term.	Medium
Car park of former Guardian Royal Exchange (also known as Glassfields) (TQEZ)	Planning permission secured under 14/04959/P	25,300 sqm / 270,000 sqft of space in use class B1a.	The Distillery has started on site and will deliver circa 100,000 sqft. There is anticipated to be a risk with the remaining estimated commercial space, particularly as a new hotel is being delivered on part of the site that was previously identified to include some office space.	Medium

*Please note these have been rounded (where appropriate).

Address	Planning permission / Allocation	Amount of New Build Space Estimated by BCC	Comment on Deliverability	Risk of Market Not Delivering
Land to rear of Guardian Royal Exchange (also known as Glassfields) (TQEZ)	Planning permission secured under 15/05735/M	11,200 sqm / 120 sqft of space in use class B1a.	The Distillery has started on site and will deliver circa 100,000 sqft. There is anticipated to be a risk with the remaining estimated commercial space, particularly as a new hotel is being delivered on part of the site that was previously identified to include some office space.	Medium
4 Glass Wharf (Plot ND9) (TQEZ)	Planning permission secured under 17/04889/F	25,695 sqm / 275,000 sqft of space in use class B1a.	The site has dual consent for residential and commercial space. The latter is understood to have been secured for a specific occupier, which fell through. The site is in the process of being sold and so should be monitored given the likely suitability for a range of uses. As a result, there is a risk that this space is not delivered.	Medium / High
3 Glass Wharf (Plot ND5) (TQEZ)	Planning permission secured under 14/04758/F	14,316 sqm / 155,000 sqft of space in use class B1a.	Understood to be under construction / complete.	Low
Island Site Temple Way/Victoria Street (TQEZ)	Planning permission secured under 09/03587/F with new permission pending	12,753 sqm / 137,000 sqft of space in use class B1a	The specific consent forms a small part of the Island Site identified below. The historic permission does not appear to have been implemented; however, there is a new application that proposes 350,000 sqft of office space (of which approximately 60,000 sqft is Engine Shed 2). The Council are committed to delivering the latter, however the scale will be circa 50% less than previously approved. Therefore, there is a risk that the overall floor space estimated is not achieved.	Medium

*Please note these have been rounded (where appropriate).

Address	Planning permission / Allocation	Amount of New Build Space Estimated by BCC	Comment on Deliverability	Risk of Market Not Delivering
Former Diesel Depot Bath Road (TQEZ)	Planning permissions secured under 15/06070/P	8,200 sqm / 88,000 sqft of space in use class B1a.	This permission proposed a mixed use development including a new arena, commercial, residential and amenity uses. The decision has recently been made that the arena will not go to this site; therefore, this consent will not be implemented. Notwithstanding, given the location of the site it is anticipated that there would be future demand for offices but the quantum is unknown.	Medium
Land to North Paintworks (Phase 4) Bristol (TQEZ)	Planning permission secured under 15/04217/F	1,752 sqm / 19,000 sqft of space in use class B1a.	This is a residential led planning permission. The developer has built out the previous phases that incorporate an element of commercial space. Given the track record and overall scale the risk is anticipated to be low.	Low
Newfoundland Way	General area seems to be identified for change under the adopted Central Area Plan however the amount of commercial space does not appear to have been specified.	5,000 sqm / 54,000 sqft of space in use class B1a.	The site does not have planning permission so there is a risk that it is not delivered. It is however within the central area so could be attractive to commercial developers, occupiers and investors particularly in the medium / long term when the schemes located in closer proximity to the station have been completed. A large part of the site is within public sector ownership but there do appear to be tenants, including Office Outlet and Nisbets occupying the site. As a result, if delivered likely to be in the medium /	Medium

*Please note these have been rounded (where appropriate).

Address	Planning permission / Allocation	Amount of New Build Space Estimated by BCC	Comment on Deliverability	Risk of Market Not Delivering
Land at High Street / Wine Street (St Mary-Le-Port)	General area seems to be identified for change under the adopted Central Area Plan however the amount of commercial space does not appear to have been specified.	5,000 sqm / 54,000 sqft of space in use class B1a.	This site does not have planning permission so there is a risk that it is not delivered. Nonetheless, it is located in close proximity to the established business district so there is potential for an element of commercial use albeit there would likely be pressure from other uses as well. Land is within public sector ownership. Where delivered, likely to come forward in the medium / longer term.	Medium
McArthurs Warehouse, Gas Ferry Lane	Allocated under the adopted Central Area Plan however the amount of commercial space does not appear to have been specified. Nonetheless, planning permission has been approved for residential redevelopment to include 1,102 / 11,800 sqft of ground floor active uses.	1,644 sqm / 17,696 sqft of space in use class B1a.	Likely that less space will be delivered as planning permission recently obtained to deliver circa 1,102 / 11,800 sqft of ground floor active space that could include retail, café / restaurant or office workshop type space.	Medium / High
Land at Junction of Church Road and Heber Street, Redfield	Allocated under the adopted Site Allocations and Development Management Policies Plan for business use, but quantum of space not specified.	1,000 sqm / 11,000 sqft of space in use class B1a.	This site does not have planning permission so there is a risk that it is not delivered, particularly as it is outside the established commercial area of Bristol. It looks to be occupied. Therefore, if delivered likely to be in the medium / longer term.	Medium

*Please note these have been rounded (where appropriate).

Address	Planning permission / Allocation	Amount of New Build Space Estimated by BCC	Comment on Deliverability	Risk of Market Not Delivering
Hengrove Park	Allocated under the adopted Site Allocations and Development Management Policies Plan for a residential led development to include an element of offices, but the quantum of space not specified. There is a planning application pending consideration for the site that includes 4,515 sqm / 50,000 sqft of office space.	4,515 sqm / 50,000 sqft of space in use class B1a.	A planning permission is submitted for the site that includes the delivery of 50,000 sqft of office space. However, there is anticipated to be a risk to delivery, particularly in the current market where there is a clear focus for significant new office accommodation to be located in the city centre. Nonetheless, given the scale of development proposed this could change in the longer term. Should there be aspirations for this to be delivered quickly it is likely the public sector would need to play a role.	Medium
Land at Redcliffe Way	Allocated for delivery under the Central Area Plan to provide residential led development to include an element of commercial space, however the quantum of space is not confirmed.	4,000 sqm / 43,000 sqft of space in use class B1a.	The site does not appear to have planning permission for the redevelopment. The land is owned by the Council who are working with the community to determine future development strategy, including mix of uses. Nonetheless, when it comes to the market there is likely to be demand from office developers / investors given the location within the established business area.	Medium
Fire Station, Temple Back	Allocated for delivery under the Central Area Plan to provide residential led development to include an element of commercial space, however the quantum of space is not confirmed.	10,000 sqm / 110,000 sqft of space in use class B1a.	A developer is progressing this site and based on initial conversations are looking to deliver in the region of 100,000 sqft of commercial office space.	Low

*Please note these have been rounded (where appropriate).

Address	Planning permission / Allocation	Amount of New Build Space Estimated by BCC	Comment on Deliverability	Risk of Market Not Delivering
The Island Site	Allocated as part of the wider Temple Quarter under the adopted Central Area Plan to provide a mix of uses, including offices. There appears to be a planning application pending consideration for a large part of the site that would deliver 32,000 sqm / 353,000 sqft of office space (excluding Engine Shed 2).	32,130 sqm / 345,000 sqft of space in use class B1a.	An outline planning application is pending consideration for circa 353,000 sqm of office space. Due to the scale it is unlikely this would come forward in the short term. This is reinforced by the fact that part of the site is dependent on ongoing road works around Temple Meads. The public sector appears to own an interest in part of the site.	Medium
Former Petrol Filling Station, Bath Road	Allocated for development under the Site Allocations and Development Management Policies Plan for a mix of uses to include business. This does not prescribe the quantum of commercial space. Subsequent application submitted that includes 505 sqm / 5,400 sqft of office space.	1,000 sqm / 11,000 sqft of space in use class B1a.	The scale of development anticipated by the Council (circa 11,000 sqft) is unlikely to be achieved as planning application submitted for approximately half of this.	Medium / High
Plot 3 Temple Quay, The Friary	Allocated as part of the wider Temple Quarter under the adopted Central Area Plan to provide a mix of uses, including offices but the quantum of space is not specified. Does not appear to be any pertinent recent applications.	5,250 sqm / 55,000 sqft of space in use class B1a.	Understood that a pre-application enquiry has been submitted for the development of a hotel and therefore very limited likelihood this site will be delivered for the estimated commercial use.	Medium / High

*Please note these have been rounded (where appropriate).

Address	Planning permission / Allocation	Amount of New Build Space Estimated by BCC	Comment on Deliverability	Risk of Market Not Delivering
Former Petrol Station site, Temple Gate	Allocated as part of the wider Temple Quarter under the adopted Central Area Plan to provide a mix of uses including offices, but the quantum of space is not specified.	2,000 sqm / 22,000 sqft of space in use class B1a.	Unlikely to come forward for this quantum of development in short / medium term due to existing occupation on a long leasehold basis and potential contamination liability. Understood the public sector do have an ownership interest and possible that their intervention would be required to unlock delivery.	Medium / High
Templegate Peugeot site	Allocated as part of the wider Temple Quarter under the adopted Central Area Plan to provide a mix of uses including offices, but the quantum of space is not specified.	7,000 sqm / 75,000 sqft of space in use class B1a.	The site does not appear to have planning permission so there is a risk to delivery. It is also worth highlighting that the site is currently occupied, and it is anticipated they would need to find a suitable alternative premises before the site was released; therefore, it is unlikely to be in the short term. Also, there is likely to be pressure from a range of alternative uses.	Medium / High
Bristol and Exeter Yard (TCN) site	Allocated as part of the wider Temple Quarter under the adopted Central Area Plan to provide a mix of uses including offices, but the quantum of space is not specified. Appears to have been historic permission for development but unclear if implemented.	1,500 sqm / 16,000 sqft of space in use class B1a.	It is unclear if the historic permission for commercial development was implemented.	Medium

*Please note these have been rounded (where appropriate).

Address	Planning permission / Allocation	Amount of New Build Space Estimated by BCC	Comment on Deliverability	Risk of Market Not Delivering
Plot 6 Temple Quay, The Friary	Allocated as part of the wider Temple Quarter under the adopted Central Area Plan to provide a mix of uses including offices, but the quantum of space is not specified.	5,000 sqm / 54,000 sqft of space in use class B1a.	There does not appear to be planning permission so there is a risk to delivery. This is reiterated by the fact that the site is being considered for a transport interchange in which case it is likely that less or potential no office space is provided.	Medium / High
Fish Dock/ Kwik-Fit site	Allocated as part of the wider Temple Quarter under the adopted Central Area Plan to provide a mix of uses including offices, but the quantum of space is not specified.	5,100 sqm / 55,000 sqft of space in use class B1a.	There does not appear to be planning permission for the proposed development. Due to the nature of the area there is likely to be demand from a range of uses. Understood to be within public sector ownership.	Medium
Avon Riverside site, Bath Road	Assume this site is the Bath Road Open Space (west of Totterdown Bridge), which is allocated for development under the Site Allocations and Development Management Policies Plan to provide a mix of uses; however, it does not specify the quantum of uses.	1,140 sqm / 12,000 sqft of space in use class B1a.	There does not appear to be any planning permission so there is a risk to delivery. There are a number of sites being bought forward nearby, including the Former Petrol Filling Station, Bath Road. Therefore, likely that there could be market demand, but this would be for a range of uses. The land is within public sector ownership.	Medium
Silverthorne Lane	Allocated as part of the wider Temple Quarter under the adopted Central Area Plan to provide a mix of uses including offices, but the quantum of space is not specified.	21,000 sqm / 225,000 sqft of space in use class B1a.	It is unlikely that this scale of development will come forward as it is understood that an application has been submitted for approximately half the commercial space.	Medium / High

*Please note these have been rounded (where appropriate).

Address	Planning permission / Allocation	Amount of New Build Space Estimated by BCC	Comment on Deliverability	Risk of Market Not Delivering
Hartcliffe Way South of Waste Depot	Allocated for development under the Site Allocations and Development Management Policies Plan for industry and warehouse, specifically a household waste recycling facility. The exact quantum of space is not specified.	0.9 ha	There does not appear to have been a planning application submitted so there is a risk associated with the delivery, particularly as it has not historically come forward. Also, worth noting it is highlighted as a possible household waste recycling facility, which would likely be an extension to the facility located to the north. Therefore, it is unlikely to be space for the commercial market. Public sector appears to have an ownership interest in the site.	Medium
North West of Vale Lane	Allocated for development under the Site Allocations and Development Management Policies Plan for industry and warehouse.	0.8 ha	There does not appear to have been a planning application submitted so there is a risk associated with delivery, particularly as it has not historically come forward. Nonetheless, it appears to be a well-functioning commercial area so likely to be demand from occupiers. Public sector appears to have an ownership interest in the site.	Medium
Proposed allocation at Avonmouth	Proposed allocation under the emerging New Local Plan.	30 ha	There is likely to be occupier, developer and investor demand for space but there are challenges to the delivery of new space, particularly accessibility, flooding and access to staff that could hinder future delivery. If delivered likely to be longer term.	Medium

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Appendix G – Summary of the Proposed Industrial and Distribution Areas

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Industrial and Distribution Areas proposed in the Central Market

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Ashley Hill 2.9 ha					Well performing mixed estate with a number of good quality and relatively modern units of varying sizes. All units appear to be single storey. The site coverage is good with limited opportunity for densification. The site forms part of the St Werburghs industrial area that is considered part of the central Bristol market. There has been a good level of activity in this area and on site in recent years. Due to the activity in the market, minimal vacancy and general accessibility there is likely to be good demand for continued long term industrial / warehousing use of existing buildings or land. If released from protection there is likely to be demand from alternative uses, specifically residential.	Yes

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Montpelier Central/ Station Road 0.9 ha					Well performing estate that includes a number of relatively modern units. Occupiers vary and include some trade uses as well as Royal Mail. The site has a relatively high site coverage with limited opportunity for densification without substantial redevelopment. The site forms part of the wider central Bristol market where there has been high amounts of activity in recent years. Due to the accessibility and limited vacancy there is anticipated to be good demand for continued industrial / warehouses use of both the buildings or land. If the site were released from protection it is anticipated there would be pressure from alternative uses, specifically residential due to the context of the wider area.	Yes
Barton Hill Trading Estate 3.9 ha					Relatively well performing industrial area albeit the accessibility appears poor as it is through a residential area. The site forms part of the central Bristol industrial market where there has been a high amount of activity in previous years, particularly for smaller units below 10,000 sqft. A number of the units seem dated with some minor development for alternative uses, including residential space and music studios. There appeared to be some minor vacancies on site but generally well let. The site is relatively dense and includes a number of ad-hoc units. For these reasons the long term industrial/ warehousing potential of this area is considered to be questionable.	Query – potential for mix of uses. If retained, consider revising boundary to remove residential.

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
City Business Park 2.7 ha					Well performing industrial estate that consists of a number of relatively modern units. It is a well-planned estate with limited opportunity for densification. The site forms part of the central Bristol market. There have been a number of deals registered on site in recent years. The occupiers are mixed with IMI Precision Engineering occupying a number of units. Overall due to the limited vacancy levels, quality of the buildings, central location and good accessibility there is likely to be continued potential for industrial / warehousing use of buildings or land.	Yes
East of Kingsland Road 12.5 ha					Well performing industrial area with a mix of good quality and some more dated units. It forms part of the central Bristol market where there has been a number of transactions both on site and in the wider area. Generally, the site coverage is good with limited opportunity for densification without redevelopment. Due to the activity in the market, central location, good accessibility and overall quality of the units there is likely to be potential for long term industrial / warehouse use of the buildings or land. Some of the more dated units are likely to require investment. If released possible demand for alternative uses, particularly on the periphery.	Yes

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
East of Midland Road 8.4 ha					Well performing industrial area that is formed of two parts. These are characterised by larger more modern units to the north west and smaller slightly more dated units to the south. Generally, the site coverage is good with limited opportunity for densification without redevelopment. The site forms part of the central Bristol market where there has been a lot of activity in recent years. Overall due to the central location, good accessibility and overall quality of the units there is anticipated to be demand for continued industrial / warehouse use of the buildings and land. Some of the more dated units are likely to require investment. If released possible demand for alternative uses, particularly on the periphery.	Yes
Feeder Road 8.6 ha					Well performing estate that consists of a number of smaller commercial areas. The quality of units appears to generally be good across the estate and it is relatively dense with limited opportunity for better utilisation without substantial redevelopment. It forms part of the central Bristol market where there has been a lot of activity in recent years, including onsite. Overall due to the quality of units, limited vacancy, central location and accessibility there is anticipated to be demand for continued industrial / warehousing use into the future of both buildings and land.	Yes

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Malago Vale Estate 0.9 ha					Well performing industrial estate that includes a number of relatively modern units occupied by various commercial users including car repair. The site forms part of the Bedminster industrial area, which contributes to the wider central Bristol market. It appears to be a well-planned estate with limited opportunity for densification without substantial redevelopment. There has been activity on site and in the wider area over recent years. Due to the quality of units, accessibility and limited vacancy there is anticipated to be good demand for continued industrial / warehouses use of both buildings or land. If the site were released from protection it is anticipated there would be pressure from alternative uses, specifically residential due to the context of the wider area.	Yes
New Gatton Road 2.9 ha					Well performing estate with relatively modern units fronting the M32. The rear of the site appears to be low density so offers the potential for densification. There are a mix of occupiers. It is located within the central Bristol market, which has been active over recent years. Overall due to the limited vacancy, quality of the units and accessibility there is anticipated to be good demand for continued industrial/warehouses use of the existing buildings and land.	Yes

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
St Anne's Road (north) 4.2 ha					Relatively well performing industrial estate that appears to include a number of medium sized units. Generally, the units appear well let but it appears that the former Palmer and Harvey site is vacant – this is a large plot with external space that could be redeveloped to provide an increase in space – this would need to be verified. There is a relatively large area of shrubland to the east of the site that could be excluded from the boundary. The site forms part of the wider central Bristol market, which has been active over recent years. Overall due to the quality of units, central location and generally limited vacancy there is likely to be good demand for continued industrial / warehouse use of existing buildings or land.	Yes (potential to revise the boundary)
St Anne's Road (south) 2.5 ha					Relatively well performing industrial estate that provides relatively good quality units. The occupiers appear to be varied. The site forms part of the wider central Bristol market, which has been active over recent years. Part of the site is a former Council office building that has recently secured consent to be used as an emergency hostel. There is potential to consider revising the boundary to exclude this area. The remainder of the site appears to have a relatively high site coverage with limited potential for densification without substantial redevelopment. Aside from this it is anticipated that due to the quality of units, limited vacancy and accessibility there would be continued demand for industrial / warehouse use of the existing buildings and land.	Yes (potential to revise the boundary)

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
St Gabriel's Business Park 0.8 ha					Relatively well performing industrial area that is formed of two parts. Overall the units are relatively small and of a good quality. The parcel to the north appeared to have relatively low site coverage that could be increased if redeveloped. The site forms part of the Lawrence Hill industrial area and therefore the wider central Bristol market, which has been active in recent years. The occupiers are generally a mix. Overall due to the relatively good quality units, central location and limited vacancy there is anticipated to be continued demand for industrial / warehouse use of the existing buildings and land.	Yes

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Whitby Road (north) 6.5 ha					Well performing industrial estate that comprises two smaller commercial areas. The quality of units appears to be good and range in size. The occupiers are mixed with larger ones including Smith News and DS Packaging. Generally, the area is dense with limited opportunity for intensification without redevelopment. The site forms part of the larger city centre industrial market, and has been active in recent years. Overall, due to the quality of units, accessibility and limited vacancy there is anticipated to be good demand for continued industrial / warehousing use of the building and land. It is worth noting that one of the existing office buildings on site has been delivered for residential and therefore amending the boundary line to exclude this area should be considered, as the residential use could undermine the industrial and warehousing context.	Yes (potential to revise the boundary)

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Whitby Road (south) 7.8 ha reduced from 11 ha					Well performing estate that includes a mix of relatively modern buildings with limited vacancy. Part of the site appears to have a car showroom cluster, while the remainder includes a mix of occupiers. The site forms part of the larger central Bristol market, which has been active in recent years including the Whitby Road area. Overall due to the accessibility, quality of the units and limited vacancy this site is anticipated to have good potential for continued industrial / warehousing uses. It is important to note that the Network Rail land is being excluded from the designated area. It is recommended that this should be included as it offers potential for future densification of commercial uses should the land become surplus for railway use.	Yes (potential to revise the boundary)
Whitby Road (west) 2.1 ha					Well performing small commercial estate with two occupiers. It has a low site coverage so there is potential in future for densification. The site forms part of the larger central Bristol market, which has been active in recent years including the Whitby Road area. The wider area is commercial in nature and coupled with the accessibility links, it is anticipated the site will have good demand for future industrial / warehousing uses. Due to the scale of the site there is potential for it to be included as part of the other protected areas on Whitby Road (discussed above).	Yes

Industrial and Distribution Areas proposed in the East Market

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Bush Industrial Estate 0.9 ha					Well performing industrial estate with a number of good quality relatively modern units predominantly occupied by trade counter users. The site coverage is relatively high as it is a well-planned estate. The site lies in the east on the outskirts of the central Bristol market. There has been a good amount of activity in recent years particularly for units below 5,000 sq ft. Due to the limited vacancy, relatively good accessibility and quality of the units it is anticipated that the site has good potential for continued industrial / warehousing use of the buildings and land. If released there is likely to be risk that in the longer term it is delivered for alternative uses, specifically residential given the nature of the area.	Yes
Eastpark Trading Estate 1.8 ha					Relatively well performing industrial estate albeit there are some vacancies, specifically the units previously occupied by Kingsdown. The site coverage appears to be relatively high so there is limited opportunity for substantial densification. It appears to form part of the wider East Bristol market where there has been a good amount of activity in recent years. The quality of units appears to be generally good. For these reasons there is anticipated to be demand for continued industrial / warehousing use of buildings and land.	Yes

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Fishponds Trading Estate 22.7 ha reduced from 26 ha					Well performing large estate that comprises a number of smaller industrial locations. The quality of the units is mixed, and some are more dated. There are a mix of commercial occupiers on site including leisure uses, specifically a go-kart centre. The site forms part of the East Bristol market where there have been a number of transactions in recent years. Part of the site is proposed to be excluded from the protected commercial area, specifically a residential development site currently being built out. The general site coverage is high albeit there is opportunity to densify certain plots, for example the Stachan & Henshaw Building. Overall, due to the quality of units, accessibility and limited vacancy there is anticipated to be good potential for continued industrial and warehouse use of buildings and land. Some units may however require investment. If released it is anticipated that the site may start to come forward for alternative uses on the periphery, specifically residential.	Yes

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Lodge Causeway (west) 6.2 ha					Well performing industrial area that includes a number of smaller estates. These appear to provide good quality units of varying sizes. There are a range of commercial occupiers on site. Generally, the area appears to have a high site coverage with limited opportunity for densification without significant redevelopment. It forms part of the active Fishponds (East Bristol) market. Generally due to the quality of units, accessibility and limited vacancy there is anticipated to be good potential for continued industrial / warehouse uses of buildings and land. Nonetheless, a small part of the site (currently occupied by Travis Perkins) is accessed off Ridgeway Road, which is a residential street and so there could be challenges for this operationally in the future. This should be monitored. If the site was released there could be pressure to be bought forward for alternative uses, particularly residential on the periphery.	Yes

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Netham Road/ Blackswarth Road 5 ha reduced from 5.7 ha					Relatively well performing industrial estate that is formed of four distinct parts. Generally, the units appear to be of a good quality – except for the bus repair depot where they appear to be poorer and of a lower density, which therefore offers the opportunity for densification. The site forms part of the St Anne's industrial area to the east, which is on the edge of the central Bristol market. Based on previous transactions, accessibility, limited vacancy and general quality of the units it is anticipated that there would be demand for industrial / warehousing buildings and land. It is important to note that part of the site is proposed to be removed, specifically the land off Crews Hole Road – due to the current occupancy and anticipated demand it is recommended that these are included within the protected area, particularly considering other sites within the immediate area are proposed to be removed. If these areas were to be released it is anticipated there would be pressure from alternative uses, specifically residential due to the context of the wider area.	Yes (potential to revise the boundary)

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Whitehall Trading Estate 1 ha					Well performing commercial estate that appears to be well planned and consist of relatively modern units. The site has a relatively high site coverage with limited opportunity for densification unless redeveloped. The occupiers are a mix of commercial users. It forms part of the East Bristol market on the outskirts of the city centre. There have been a number of transactions on site in recent years. Overall, due to the good quality of the units, accessibility and limited vacancy there is anticipated to be good demand for continued use as an industrial / warehousing area.	Yes
New Station Way 1.2 ha					Well performing small estate located in the Fishponds area. The units appear to be good quality and predominantly occupied by trade counter users. The site is relatively dense with limited opportunity for densification without redevelopment. Due to the activity in the local market there is anticipated to be demand for the space; therefore, there is anticipated to be good potential for continued industrial / warehousing uses.	Yes

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Woodland Way 1.5 ha					There are two distinct parts of this site – one of which appears to be a relatively well performing industrial area with good quality small units. The remainder appears to include a large dated industrial building. There is potential that this could be redeveloped to provide purpose built new stock. Therefore, there is anticipated to be good demand for continued industrial / warehousing use, with potential for investment or redevelopment on part of the site.	Yes

Industrial and Distribution Areas proposed in South Bristol

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Ashton Vale Road 18.3 ha					Well performing mixed-use industrial area that incorporates a number of smaller estates. The site forms part of the Ashton industrial area, which is in the south on the outskirts of the central Bristol market. There have been a number of transactions on site and in this area in recent years. The quality of units varies but overall appears to be good. There is potential opportunity to increase densification if larger sites with low site coverage are released, specifically Manheim Bristol Auction. Overall due to the minimal vacancy, good accessibility and general quality of the units there is anticipated to be good demand for continued long term industrial / warehousing use of both the existing buildings and land. Worth noting that some of the buildings may require future investment to ensure they are attractive to the market.	Yes

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Brislington Trading Estate 30.1 ha reduced from 33.3 ha					This is a large industrial and warehousing site located in Brislington, which forms part of the active south market. There are a range of buildings on site – some of which are quite dated and would benefit from reinvestment to provide suitable stock. There are some vacancies on site; however, these are largely in the dated, poor quality buildings. It is likely there would be demand for these units if they were improved. The emerging policy proposes the removal of the frontage from the protected area. The frontage is proposed to form part of the Brislington Growth and Regeneration Area where a range of uses, including residential are proposed. The delivery of sensitive uses in close proximity could impact occupiers; therefore, the potential to revise the IDA boundary to reflect the existing PIWA status is encouraged.	Yes (potential to revise the boundary)

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Cater Road 15.3 ha					Relatively well performing industrial estate, however, there are some vacancies and poorer quality units particularly on the site borders. Furthermore, there are parts that could be densified in future, for example car parking and external storage yards. The site is located in the Hengrove industrial area and contributes to the south Bristol market. There has been a good level of activity on site and in this wider area in recent years. Overall due to the activity in the market, accessibility and general quality of the buildings, long term industrial / warehousing potential is considered good. Nonetheless, some dated units may require investment in the future.	Yes

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Central Park, Petherton Road 4 ha					Well performing industrial estate with a mix of units and recent planning approval for additional industrial space. Occupiers are mixed and include manufacturing and scaffolding, as well as music studios. Generally, the site coverage is high but there are opportunities for densification, for example the plot that has recently secured planning permission for new space. The site forms part of the Hengrove industrial area and wider south Bristol market. There have been a number of deals registered on site. Due to the limited vacancy coupled with the proposed new units there is likely to be long term industrial / warehousing potential. Nonetheless, some of the more dated units may require investment in future. If released there is likely to be risk that in the longer term it is delivered for alternative uses, specifically residential given the nature of the area.	Yes
Hawkfield Business Park 7.2 ha					Well performing estate with a small number of vacancies. It includes a number of relatively modern units. The occupiers appear to be mixed. It is a well-planned estate with limited opportunity for densification without substantial redevelopment. The site forms part of the Hengrove area in the south Bristol market. There have been a number of transactions in this area and on site in recent years. Overall, due to the quality of the units, limited vacancy and good accessibility there is anticipated to be good long term demand for continued industrial / warehousing use.	Yes

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Liberty Industrial Park 2.9 ha					Well performing estate that includes a number of modern units. These appear to be occupied by a range of occupiers, including a trampoline park. It is a well-planned estate with limited opportunity to increase site coverage without substantial redevelopment. The site forms part of the wider Ashton industrial area, which is on the outskirts of the central Bristol market. There has been a number of deals in this area over recent years, including on site. Overall due to the quality of the units, accessibility and limited vacancy there is anticipated to be good demand for continued industrial / warehouse use in the future.	Yes

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Novers Hill / Hartcliffe Way 7.7 ha reduced from 10.5 ha					Well performing large estate that consists of a number of smaller commercial areas. Generally, the units appear to be of a good quality albeit there look to be some that may require investment particularly in Honeyfield Business Park. There are a mix of occupiers. Part of the site is proposed to be released, specifically the Motorzone and Community Transport sites – these are both lower density and offer potential for densification; therefore, should be considered for inclusion in the designation. Overall, due to the quality of the units, accessibility and limited vacancy there is anticipated to be continued demand for industrial / warehousing uses. Some units may however require investment. If these areas were to be released it is anticipated there would be pressure from alternative uses, specifically residential or roadside due to the context of the wider area.	Yes (potential to revise the boundary)

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Roman Farm Road 4.8 ha reduced from 6.5 ha					Well performing industrial area that includes a number of industrial estates. All units appear to be of a good quality. The occupiers are mixed with a number of trade users fronting Hengrove Way. It is suggested that the Bus Depot will be removed from the boundary of the IDA. This is a low-density plot and so the retention of this is encouraged as it offers the potential for new built space (should it become vacant in future). The site forms part of the Hengrove industrial area that contributes to the wider south Bristol market, which has been active in recent years, including a number of transactions on site. Due to the quality of units, limited vacancy and good accessibility there is anticipated to be good future demand for industrial / warehouse use. Furthermore, there is the potential to extend the allocation to include Filwood Green Business Park, which provides industrial and warehousing accommodation.	Yes (potential to revise the boundary)

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
South Liberty Lane 12.4 ha					Well performing large industrial area that includes a number of units of varying sizes and quality – albeit overall they appear to be of a good standard. There are a mix of commercial occupiers. The site coverage is relatively high with limited potential for densification without substantial redevelopment. The site forms part of the Ashton industrial area and there have been a number of transactions on site. Due to the quality of the units, limited vacancy and good accessibility there is potential for a continued role in delivering industrial / warehouse space. Furthermore, there could also be potential to allocate some of the land to the north of Brookgate as an extension to the estate, which could relieve pressure on the city centre market, as there is a risk a number of these sites are lost to alternative uses.	Yes (potential to revise the boundary)
Vale Lane / Hartcliffe Way 9.2 ha					Well performing good quality estate with a mix of units, quality and sizing. There are also a range of commercial occupiers on site including those linked to trade. Overall due to the accessibility, limited vacancy and quality of the units there is anticipated to be continued demand for industrial / warehouse uses. Worth noting there is potential to extend the site and include the allocated industrial land adjacent as the emerging policy context supports the delivery of new space at the IDAs.	Yes (potential to revise the boundary)

Site Name	Appetite for Commercial	Site Coverage	Occupancy	Appetite for Alternative	Comment	Agree with Approach
Western Drive, Hengrove 5.1 ha reduced from 5.5 ha					Well performing good quality estate with a number of larger units. Due to the quality of the units, limited vacancy and good accessibility there is anticipated to be continued demand for industrial / warehouse uses. To enhance the commercial nature of the area, the potential to deliver an extension to this estate as part of the Hengrove Park development should be explored. This would also relieve pressure on the commercial market given the quantum of new homes being delivered coupled with the fact a number of protected commercial sites may come forward for alternative uses.	Yes (potential to revise the boundary)
Winterstoke Road 8.6 ha					Well performing large commercial estate that includes a number of relatively modern buildings. The occupiers on site typically occupy large plots, for example Baileys Caravans and Big Yellow Storage. A large proportion of the Baileys Caravans site is low density with potential for densification if it became available. The site forms part of the Ashton industrial area where there have been a number of transactions in recent years. Overall due to the quality of the units, accessibility and limited vacancy there is anticipated to be good demand for industrial / warehouse uses in the future.	Yes

Appendix H – Summary of the Former Principal Industrial and Warehousing Areas (PIWAs)

Appendix H – Summary of the Former Principal Industrial and Warehousing Areas (PIWAs)

Former PIWAs in the North Market

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Dovercourt Road 3.6 ha			Located to the rear of residential properties it has a low site coverage and is currently occupied by Network Rail. Due to the nature of the wider area it is anticipated that future commercial occupiers would likely not consider the site. If protection is removed there is likely to be appetite for residential led development (subject to viability).	No
Land south of Filton Airfield 20.6 ha			Relatively large site that is currently occupied for commercial uses. It is understood the reason the site is being released is to accommodate the proposed Bristol Arena, and on this basis it is recommended that the site be allocated for this use. If the site is not delivered for the Arena, it should be retained for commercial uses due to commercial demand in the wider area. It appears that to date a scoping letter has been submitted to the Council to determine whether an Environmental Impact Assessment would be required to support any future planning application for an arena. If this site was released there is likely to be pressure for redevelopment given the development proposals being progressed for the wider area.	Yes (if not released for the Arena)
Muller Road 1.6 ha			Not currently an industrial / warehousing site as it has partially been delivered for alternative uses, specifically a supermarket. The remainder has planning permission for development for alternative uses. Due to the nature of the wider area it has limited opportunity for industrial / warehousing uses and there is likely to be pressure from residential, student or retail occupiers.	No

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Petherbridge Way 0.9 ha			Relatively small site including the Ford Repair Centre, which has a relatively low site coverage. There are a handful of relatively small modern units. These are well let. Due to the quality of the units, accessibility and location there is anticipated to be future demand from industrial / warehousing occupiers. Therefore, it is recommended the site be retained. There is also scope for densification due to the low site coverage. If the site was released there is likely to be demand from alternative uses.	Yes
Romney Avenue 3.4 ha			Located to the rear of residential properties it has a low site coverage, is currently dominated by an electricity substation and has relatively poor road access. Due to the nature of the wider area it is anticipated that any future demand would be limited. If protection is removed there is likely to be appetite for residential led development (subject to viability).	No

Former PIWAs in the South Market

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Eastcourt / Winterstoke Road 2 ha			Well performing industrial estate within the Ashton area where there has been a lot of activity in recent years. The units appear to be of a general good quality. The occupiers are mixed, including trade counters as well as a car showroom. This is an active market so there is likely to be demand from industrial occupiers should the units / site become vacant. If this site was released there is anticipated to be pressure from alternative uses.	Yes
Whitchurch Lane 8.9 ha			Relatively large site located to the north of Whitchurch Lane occupied by two main users, which includes Bottleyard Studios and Mathew Clarke. The former is understood to be partially relocating to Hawkfield Business Park. The site forms part of the Hengrove industrial area where there have been a number of transactions in recent years. Should the units / site become vacant there is anticipated to be demand from industrial / warehousing users. If the site was released there would be pressure for alternative uses, particularly residential given the proximity to the Hengrove Park scheme.	Yes

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Bath Road / Sandy Park Road 2.3 ha			The site forms part of the south Bristol market and is currently occupied by the Council. It is located in an active industrial market, however, the existing buildings are listed which is likely to reduce the appetite from industrial and warehousing occupiers. The wider area is residential and it is located in close proximity to the successful Paintworks scheme. It is anticipated that over the longer term it could suit an amount of higher density workspace. If the site was released there would be pressure for alternative uses, particularly residential.	Yes – potential to include higher density forms of B use class employment, such as flexible office / workshop space
Flowers Hill Trading Estate / Bath Road (south) 6.4 ha			Relatively large site located in the active Brislington area. There are a mix of uses on site, including retail and a plot has recently secured planning permission for residential. This shows demand for alternative uses. Due to the activity in the market there is likely to be demand from industrial occupiers. Some units may require reinvestment / redevelopment to support continued use. If released there is likely to be pressure from alternative uses, including residential and retail. The site is located within the Brislington GRA.	Yes

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Marsh Road / Winterstoke 1.3 ha			The site forms part of the Ashton area where there has been a lot of activity in recent years. The site includes a mix of uses, including residential and offices. Due to the activity in the market there is likely to be demand from industrial occupiers. Over the longer term it could suit an amount of higher density workspace. If the site was released there would be pressure for alternative uses, particularly residential. There has been a recent scoping opinion for the redevelopment of part of the site to support the wider Ashton Gate expansion.	Yes – potential to include higher density forms of B use class employment, such as flexible office / workshop space
Hungerford Road / Yelverton Road 1.4 ha			This is a small site that has partly been released for residential led development. The existing buildings are occupied but once they become vacant there is likely to be limited demand from commercial occupiers due to the nature of the area. If protection is removed there is likely to be appetite for residential led development (subject to viability). The site forms part of the Brislington GRA.	No

Former PIWAs in the East Market

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Lodge Causeway / Goodneston Road (north) 3.4 ha			Relatively large site with limited site coverage. There is a large relatively modern building fronting Lodge Causeway. The site is located within the Fishponds area, which is active. It appears to currently be partially vacant but there is anticipated to be some demand from industrial occupiers. There is also scope for densification due to the low site coverage, which could relieve pressure on the wider market. If released there is likely to be demand for alternative uses, for example residential. The site forms part of the proposed Central Fishponds GRA.	Yes
Crew's Hole Road 1.1 ha			Relatively small industrial estate located in the St Anne's area on the periphery of the central Bristol market. Part of the site to the west is well occupied and includes good quality small industrial units. It is anticipated that there would be demand from industrial occupiers in the future. If released there is likely to be demand for alternative uses, for example residential.	Yes
Netham Road / Blackswarth Road (north 1) 0.7 ha			Relatively small industrial estate located in the St Anne's area. The units appear to be mixed in quality with some slightly dated. Due to the location near the central Bristol market there is anticipated to be future demand from industrial occupiers. If released there is likely to be demand for alternative uses, for example residential.	Yes
Netham Road / Blackswarth Road (north 2) 0.2 ha			Very small industrial site that appears to have only one occupier. It is located adjacent to the abovementioned site and it is recommended that any planning approach consider them as one.	Yes

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Filwood Road (east) 4.6 ha			Well performing industrial area with major occupiers including Nationwide and Drytac. The quality of the units appears mixed and externally it looks like some may require investment. The site coverage is relatively high with limited opportunity for substantial densification without significant redevelopment. The site forms part of the wider Fishponds commercial market which has been relatively active in recent years. Overall due to the limited vacancy and accessible location there is anticipated to be good potential for long term industrial / warehouse uses. If the site is released there is likely to be demand from other uses, specifically residential given the nature of the wider area. This site forms part of the proposed Central Fishponds GRA.	Yes

Former PIWAs in the Central Market

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Bedminster (east) 9.8 ha			Relatively large site located in the Bedminster area and wider central Bristol market, which has been very active over recent years. It includes a number of existing buildings, some of which are dated, and parts of the site have low coverage. Therefore, there is potential for densification. There are some vacancies on site. Nonetheless, it is anticipated that with increasing pressure on the central Bristol market there will be demand for investment in the industrial stock on site. Furthermore, over the longer term, it could suit an amount of higher density employment such as flexible office and workshop/lab space. If the site was released from protection there is likely to be demand from a range of alternative uses, including for example student and residential. The site forms part of the proposed Central Bedminster Growth and Regeneration Area.	Yes – potential to include higher density forms of B use class employment, such as flexible office and workshop space.
Bedminster (west) 2.9 ha			This site is located in Bedminster which forms part of the wider central Bristol market. There has been a large amount of activity in this area historically. The quality of stock on site is mixed with some more dated units. Nonetheless, it is anticipated that with increasing pressure on the central Bristol market there will be increasing demand for investment in the industrial stock on site. Furthermore, over the longer term, it could suit an amount of higher density employment such as flexible office and workshop/lab space. If the site was released from protection there is likely to be demand from a range of alternative uses, including for example student and residential. The site forms part of the proposed Central Bedminster Growth and Regeneration Area.	Yes – potential to include higher density forms of B use class employment, such as flexible office and workshop space.

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Castle Court 2.3 ha			Relatively small site located close to St Philips and therefore forming part of the central Bristol market. The site is currently dominated by car show rooms and related uses. If released there is likely to be some demand from industrial / warehousing uses. There could also be pressure from residential uses given that the Paintworks development is adjacent. Proximity to the Paintworks may result over the longer term in demand for an amount of higher density B use class development, for example flexible office/workshop space.	Yes – potential to include higher density forms of B use class employment, such as flexible office and workshop space.
Clift House Road/ Coronation Road (east) 2.6 ha			Relatively small site located in South Bristol but forming part of the central Bristol market. Part of the site is understood to be being progressed for residential development. Part of the remainder is understood to be listed, which could reduce the potential demand from industrial / warehouse occupiers due to the increased restrictions. Over the longer term, the site could suit an amount of higher density B use class development, for example flexible office/workshop space. If the site was released from protection there is likely to be demand from a range of alternative uses, including for example residential. The site forms part of the proposed Western Harbour Growth and Regeneration Area.	Yes – potential to include higher density forms of B use class employment, such as flexible office and workshop space.

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Clift House Road/ Coronation Road (west) 0.7 ha			Relatively small site located in South Bristol but forming part of the central Bristol market. A large part of the site is a listed bonded warehouse that is currently occupied for storage, which could limit the demand from industrial / warehouse occupiers due to the bespoke nature of the building and increased restrictions. Over the longer term the site could suit an amount of higher density B use class development, for example flexible office/workshop space. If the site was released from protection there is likely to be demand from a range of alternative uses, including for example residential. The site forms part of the Western Harbour Growth and Regeneration Area.	Yes – potential to include higher density forms of B use class employment, such as flexible office and workshop space.
Sheene Road (east) 1.9 ha			Well performing estate located in the Bedminster industrial area that forms part of the central Bristol market. This is a relatively small site that appears to include a number of relatively modern small units. They are occupied by a range of users, including trade counter operators. Due to the activity in the local market it is anticipated that there would be future demand from industrial / warehousing occupiers, particularly given the proposals to de-allocate a number of PIWAs in the surrounding area. If the site was released there is likely to be demand from alternative uses. The site forms part of the Central Bedminster Growth and Regeneration Area.	Yes

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Pennywell Road 6.9 ha			This is a large site that forms part of the central Bristol market. The units are mixed with some larger plots, particularly to the north of the estate. There appear to be some office units on site. The southern part of the site is allocated for residential led development and it is understood that planning is being progressed for a scheme that would deliver in the region of 500 – 700 new homes. Due to the accessibility and activity in the local market, there is likely to be continued demand for industrial / warehouse uses. Over the longer term the site could suit an amount of higher density B use class development, for example flexible office/workshop space – particularly that part of the site closest to the city centre. If the site was released from protection there is likely to be demand from a range of alternative uses, including for example residential. The site forms part of the proposed Frome Gateway Growth and Regeneration Area.	Yes – potential to include higher density forms of B use class employment, such as flexible office / workshop space.
Jarvis Street 0.4 ha			Relatively small well-presented industrial terrace that appears to be occupied. It is located in the active central Bristol market although the surrounding area is largely residential. It is near St Philips and Barton Hill Trading Estates; therefore, should be considered alongside these areas. Due to the accessibility and location there is likely to be continued demand for industrial / warehousing use. Over the longer term the site could suit an amount of higher density B use class development, for example flexible office/workshop space. If the site was released from protection there is likely to be demand from a range of alternative uses, including for example residential.	Yes – potential to include higher density forms of B use class employment, such as flexible office / workshop space

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Malago Road (north) 1.4 ha			Well performing small estate located in the Bedminster area which forms part of the wider central Bristol market. The units appear to be of a good quality and are predominantly occupied by trade counter uses. Due to the activity in the local market there is anticipated to be demand for this space in the future. Over the longer term the site could suit an amount of higher density B use class development, for example flexible office/workshop space. If the site was released from protection there is likely to be demand from a range of alternative uses, including for example residential. The site forms part of the proposed Central Bedminster Growth and Regeneration Area.	Yes – potential to include higher density forms of B use class employment, such as flexible office / workshop space
Temple Gate Distribution Centre 5.6 ha			Well performing industrial site with several good quality buildings. It has seen transaction activity over previous years and forms part of the wider central Bristol market. Due to the activity in the local market there is anticipated to be demand for this space in the future. Over the longer term the site could suit an amount of higher density B use class development, for example flexible office/workshop space. If the site was released from protection there is likely to be demand from a range of alternative uses, including for example residential. The site forms part of the Temple Quarter Growth and Regeneration Area.	Yes – potential to include higher density forms of B use class employment, such as flexible office / workshop space.

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Barrow Road 2.7 ha			This site is located off the St Philips Causeway, so forming part of the central Bristol market. It comprises a mix of units and uses. Those fronting St Philips Causeway are typically commercial whereas those to the rear include leisure uses, for example The Climbing Academy and Play Space. Some of the buildings are quite dated - the best quality appearing to be Safe Store. Due to the activity in the local market there is anticipated to be demand for this industrial space in the future. The site forms part of the proposed Lawrence Hill Growth and Regeneration Area.	Yes
Glenfrome Road (south) 8.2 ha		*Depends on whether there are any implications from the existing use, specifically electrical sub-station that could impact the developable potential.	Relatively large site located north of the city centre. There are a number of occupiers on site, however, IKEA appear to occupy a substantial plot. There is also a large area of utilities/plant infrastructure. The existing units appear to be of a relatively good quality. Should they become vacant it is anticipated that there would be demand from commercial occupiers for the site due to the general accessibility and quality of the space. Due to its low density there could be potential to intensify industrial development. If this site was released there is likely to be demand from alternative uses.	Yes

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Lawrence Hill Industrial Park 6.2 ha			Relatively large well performing site located in the Lawrence Hill area. This area has been active over previous years with a number of deals taking place. The quality of units on site are mixed but generally good. There is a low site coverage, particularly on the land occupied as the bus depot. Due to the activity in the market, scale of the site and general quality of the units there is likely to be continued demand for industrial space. Furthermore, due to the low density there could be potential to intensify development. If the site was released there is likely to be demand from alternative uses, particularly residential. The site forms part of the proposed Lawrence Hill Growth and Regeneration Area.	Yes
Berkeley Court and Depot, Earl Russell Way 1.7 ha			Relatively small site located in the Lawrence Hill area, which is active. It includes a number of smaller modern units. It is located adjacent to a Lidl store and in close proximity to the high street. If the units/land became vacant there is anticipated to be demand from industrial occupiers. Over the longer term the site could suit an amount of higher density B use class development, for example flexible office/workshop space. If the site was released from protection there is likely to be demand from a range of alternative uses, including for example residential. The site forms part of the proposed Lawrence Hill Growth and Regeneration Area.	Yes – potential to include higher density forms of B use class employment, such as flexible office / workshop space.

Site	Market Appetite for Commercial	Market Appetite for Change of Use	Comment	Consideration for retention
Jane Street / Russell Town Avenue 1.1 ha			Relatively small site located in the Lawrence Hill area, which is active. The units appear to be of a good quality albeit a large proportion is occupied by the City Academy. If the units/land became vacant there is anticipated to be demand from industrial occupiers. Over the longer term the site could suit an amount of higher density B use class development, for example flexible office/workshop space. If the site was released from protection there is likely to be demand from a range of alternative uses, including for example residential. The site forms part of the proposed Lawrence Hill Growth and Regeneration Area.	Yes – potential to include higher density forms of B use class employment, such as flexible office / workshop space

Appendix I – Overview of the Planning Status of a Number of Key Sites

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- 68 Chapel Street which has a planning application pending for mixed-use development to include offices, indoor entertainment/event venue and associated outdoor event space.

- 59-63 & 64-68 Feeder Road and Associated Land has a planning application pending for the delivery of 706 student apartments, 30 affordable dwellings and 1,200 sqm flexible workspace.

- 13 - 14 Feeder Road has had a pre-application enquiry submitted for the delivery of 695 dwellings and 840 sqm retail floorspace.

- Bristol Wholesale Fruit Centre submitted a Call for Sites application to redevelop the site, although it is understood they do not plan to relocate in the short term.

- 22 Albert Road submitted a Call for Sites for residential led mixed-use development stating that the site has potential for residential development with office, retail, sports/ leisure and general industrial floorspace for local provision.

- 72-75 & 78 Feeder Road submitted a Call for Sites which outlined that the site has potential for 400-450 C3 residential dwellings along with B1/A1/A2/A3/A5 active ground floor uses.

- St Philip's Central submitted a Call for Sites outlining the area had potential for 300-600 new homes.

- 1 & 2 Avon Trading Estate submitted a Call for Sites outlining it has potential for residential led mixed-use development.

- St Philips Gate - Full Planning for mixed-use space: Change of use of vacant warehouse (Class B8) and associated area of hard standing to a mixed-use space (Sui Generis) comprising offices, indoor entertainment/event venue and associated outdoor event space, with main vehicular access from Feeder Road, and secondary emergency/pedestrian access from Chapel Street.

- Units 1&2 Avon Trading Estate submitted a Call for Sites stating the site has potential for residential development with office, retail, sports/ leisure and general industrial floorspace for local provision.

- Silverthorne Lane planning application for residential led mixed-use regeneration comprising an 1,800 place secondary school residential (open market, PRS and affordable) purpose built student accommodation employment use, retail use together with listed building restoration, public realm.

- The Fruit Market has submitted a Call for Sites response.

Appendix J – BELS Recommendations

Intervention	Intervention	Reasoning
Office Market		
Planning Policy	Re-assess the office floor space requirements that underpin the New Local Plan based on a high growth scenario.	Relying on the existing pipeline supply as the de facto requirement for Bristol is not ambitious and does not proactively encourage growth. Furthermore, it provides a high risk of not delivering the quantum of floor space necessary to deliver the net additional and replacement requirements based on the medium – high growth economic scenario. Not achieving this could considerably impact an already constrained office market, which would conflict with the aspirations of the NPPF to create the conditions for businesses to invest, expand and adapt.
Planning Policy	Adopt a city-wide target floorspace requirement for office space as part of the New Local Plan policy.	An ambitious overall target would set the tone and encourage the delivery of appropriate office space in the city.
Planning Policy	Adopt a floorspace target in the new Local Plan for office accommodation in the city centre.	The city centre is a core focus for office requirements due to the amenity offer and accessibility. Therefore, the majority of new accommodation over the Plan period should be focused in this location. This accords with the NPPF aspiration to create the conditions in which businesses can expand, invest and adapt. This includes recognising and addressing the specific locational requirements of various sectors. Further analysis should be undertaken to identify appropriate sites to accommodate the target.

Intervention	Intervention	Reasoning
Office Market		
Planning Policy	Allocate sites in the city centre for the delivery of office development – whether standalone or part of a mixed-use proposal. This should include permissions that contribute to the identified supply estimates/pipeline, particularly in more challenging markets. A realistic minimum quantum of floorspace is encouraged.	This could help protect sites in core office locations and on its periphery from the pressure of alternative uses. It is particularly important for sites in edge of city centre locations, which could form part of the core office market in the medium/longer term, for example appropriate sites in St Philips Marsh. A number of other big cities have adopted a similar approach (for example Birmingham and Edinburgh). As a minimum the Council should consider this approach on land within their control and also encourage other public sector partners.
Planning Policy	The Council should undertake a Land Utilisation Study of their land interests to identify sites in their ownership that could be allocated for office development – either standalone or as part of a mix use scheme. A minimum quantum of floorspace is encouraged.	The Council have ownerships across the city, some in attractive commercial locations which could be allocated for office development to encourage their delivery over the lifetime of the plan. An example of a potential office site includes Redcliffe Way.
Planning Policy	Engage with One Public Estate stakeholders to identify sites to be allocated for future office space – either on a standalone basis or as part of a mix use allocation. A realistic minimum quantum of floorspace should be stated.	The public sector owns a number of sites across the city – some of which will be in attractive office locations. If these were allocated for commercial development it would help increase supply. A thorough review of the One Public Estate ownership is encouraged.

Intervention	Intervention	Reasoning
Office Market		
Planning Policy	Set an office floorspace target for some of the Areas of Growth and Regeneration, specifically: Lawrence Hill, Bedminster and Frome Gateway.	Lawrence Hill, Frome Gateway and Bedminster are located in accessible locations. Therefore, in future there could be demand from office occupiers for these locations subject for example to infrastructure improvements. These are currently largely untested office markets. A policy target should be adopted and a masterplan prepared for these Areas of Growth and Regeneration. The target should have regard to the need to retain all / a considerable proportion of the existing industrial and warehousing space at these sites.
Planning Policy	Preparation of a masterplan for all the Areas of Growth and Regeneration with a specific quantum of office and industrial/distribution floorspace to be delivered.	To maximise the likelihood that the Areas of Growth and Regeneration are delivered for a mix of uses, including appropriate employment, a masterplan should be prepared. If a proportion of commercial space is allowed for in the masterplan there is greater pressure for it to be delivered as part of a scheme, particularly if the masterplan is adopted as part of the Development Plan. The role and status of the masterplan document requires further consideration, but it could for example be adopted as a supplementary planning document. The masterplan should be prepared with stakeholder engagement through a consultation process.

Intervention	Intervention	Reasoning
Office Market		
Planning Policy	Consider progressing an Article 4 direction to resist the loss of office space to residential. This could be either a blanket Article 4 or focused on specific locations.	This will protect existing office accommodation (both Grade A and secondary) by requiring schemes that propose the loss of space to secure planning permission. This would likely reduce the amount of office space lost to alternative uses, which would relieve pressure on the already constrained market. It is worth noting that Manchester has historically and is currently progressing a similar approach.
Partnership Working	Utilise the Council and wider public sector property portfolio to protect existing office accommodation and deliver new space.	The public sector owns a considerable amount of land/property within Bristol. The Council should work alongside its public stakeholders to realise their aspirations for sustainable and inclusive growth by actively protecting sites to ensure they deliver office/flexible work space – the type will depend on the location, size etc.
Council's Land Ownership	The Council should review its existing property portfolio to identify suitable opportunities to negotiate lease extensions with existing long leaseholders on office buildings to encourage investment.	Some tenants are unable to invest in their property due to a diminishing long leasehold interest. To encourage the reinvestment and provision of good quality office accommodation, the Council should undertake a review to identify appropriate opportunities for lease extensions. This could allow long leaseholders to reinvest in the existing stock, which could ultimately increase the quantum of office accommodation (both Grade A and secondary).

Intervention	Intervention	Reasoning
Office Market		
Council's Land Ownership	The Council should identify potential opportunities to buy in long leasehold interests to either invest in themselves or to offer on a new long lease together with investment in the office space.	The Council own a considerable amount of property across the city. A considerable amount of which is let on a long leasehold basis. The Council should identify opportunities to buy back in long leasehold office interests for appropriate re-investment.
Council's Land Ownership	The Council should undertake a Land Utilisation Study to identify surplus sites that could suit an office use. If these are to be disposed of to the private sector, the Council should consider a procurement route that provides adequate control that office space will be delivered – this will need to be considered on a site by site basis.	Some of the Council's property holdings are located in attractive commercial locations and may suit an office use. To maximise the likelihood of them being delivered for this use it may be appropriate to adopt a disposal route that provides the Council with greater control, for example a Development Agreement. This will need to be considered on a site by site basis.
Strategic Acquisition	Acquire strategic sites for new office development (either standalone or as part of a mixed use scheme), particularly in secondary locations, such as St Philips Marsh, Lawrence Hill, Bedminster and Frome Gateway. The Council should explore both on and off market opportunities.	In untested office/flexible workspace markets the Council should consider acquiring sites for new office development, particularly in secondary locations where they do not currently have an ownership interest. Having an ownership interest would provide the Council greater control that office/flexible workspace would be delivered in these locations.

Intervention	Intervention	Reasoning
Office Market		
Direct Delivery	Explore the delivery of a first phase of an office / flexible workspace project within untested markets where the private sector will not currently deliver, for example St Philips Marsh.	It is likely over the medium / longer term in areas like Temple Quarter/St Philips there will be increasing demand for office/flexible workspace, particularly considering the wider regeneration of this area. This is currently an untested market; therefore, if the Council want to see delivery in the short / medium term they will need to take a more proactive approach. Once the market is established it is probable that developer appetite would increase, and the market would start to deliver this type of space without the need for Council intervention or assistance.
Infrastructure Upgrades	Consider the potential infrastructure improvements that might change market perception of secondary office locations, such as Lawrence Hill and Bedminster for office accommodation.	As mentioned above, accessibility is a key consideration for office occupiers. In order to deliver an element of higher density forms of commercial in Lawrence Hill and Bedminster (sought in emerging policy) it will be advantageous to improve connectivity between these locations and the city centre.
Funding	Explore potential funding streams to allow the public sector to take a more proactive role.	The public sector has the potential to access funding that could support the delivery of schemes that otherwise are unviable/marginally viable.
Monitoring	The supply position should be regularly monitored (for example through the Annual Monitoring Report (AMR)). If the supply position remains challenging the Council should respond with appropriate interventions.	Regularly monitoring the supply position would provide a clear understanding of the market. It should allow the Council to identify early when the market is becoming increasingly constrained. This will allow them to be more proactive in adopting interventions to safeguard the office sector.

Type of Intervention	Intervention	Reasoning
Industrial/Warehousing Market		
Planning Policy	Re-assess the floorspace requirements that will underpin the New Local Plan based on a high growth scenario.	Relying on the pipeline supply as the de facto requirement for Bristol is not ambitious and does not proactively encourage growth. Furthermore, it risks not delivering the quantum of floor space necessary to achieve the net additional and replacement requirements. Not achieving this could considerably impact the already constrained market and conflicts with the NPPF aspirations to ensure suitable space in the right locations to allow businesses to grow.
Planning Policy	Adopt a target for industrial and warehousing space as part of the New Local Plan policy.	An ambitious overall target would encourage the delivery of industrial and distribution space as it requires the Council/other stakeholders to consider how the target will be achieved – for example the contribution of specific sites.
Planning Policy	Increase the number of Industrial and Distribution Areas (IDAs) to be included in the New Local Plan to include some employment generating non B use classes for example trade counter, car showroom and roadside uses, particularly where they form part of large industrial estates like Brislington Trading Estate, but also on a standalone basis like Winterstoke Road.	The existing industrial market is constrained and the redevelopment of the quantum of sites removed from the highest level of protection (PIWA status) will exacerbate this. By protecting more sites in core commercial markets, even if those uses are currently non B use class, it would reduce the risk these are lost to alternative uses in the future and create the opportunity for those sites to remain in employment use and possibly revert to B use in the future. Examples include Brislington Trading Estate/Bath Road, Winterstoke Road and the Brabazon Hangar at Filton Airfield. Careful consideration will need to be given to the appropriate sites to protect.

Type of Intervention	Intervention	Reasoning
Industrial/Warehousing Market		
Planning Policy	Require a lack of demand to be robustly demonstrated prior to redeveloping industrial and warehousing sites for alternative uses. This requirement should be stipulated in the emerging Planning Policy. A property should be marketed for a minimum of six months and should not just need to demonstrate lack of demand for the existing buildings but also as a development site for continued employment or B use.	The urban industrial markets are already constrained due to a lack of supply. To ensure that land is only lost where there is no demand a robust marketing period and evidenced based approach should be incorporated into the policy to include redevelopment for continued employment use. This should not just be based on the existing buildings but the land itself. Failure to include this could result in industrial land being lost to alternative uses, which would further constrain the market.
Planning Policy	Include an industrial and warehousing floorspace target in the Planning Policy for all Areas of Growth and Regeneration that include existing principal industrial and warehousing areas (PIWA's) that are no longer identified as PIWA's in the proposed new Local Plan. The target should deliver the quantum of space already existing.	As mentioned above the industrial market is constrained. The loss of any industrial and warehousing space to allow for redevelopment will put further pressure on the market. Therefore, the policy should set a clear target for the existing floorspace to be retained. This would encourage landowners/developers to deliver more efficient industrial schemes. For example, an initial assessment of the Lawrence Hill AGR suggests that the existing accommodation is provided on 11.7ha; however, if redesigned reflecting a modern industrial scheme with higher site density, it could be accommodated on a site of approximately half the size. All the AGRs should be assessed to inform this approach.

Type of Intervention	Intervention	Reasoning
Industrial/Warehousing Market		
Planning Policy	Preparation of a masterplan for all the Areas of Growth and Regeneration with a specific quantum of office and industrial/distribution floorspace to be delivered.	To maximise the likelihood that the Areas of Growth and Regeneration are delivered for a mix of uses, including appropriate employment a masterplan should be prepared. If an element of commercial space is allowed for in the masterplan there is greater pressure for it to be delivered as part of a scheme, particularly if the masterplan is adopted as part of the Development Plan. The role and status of the masterplan document requires further consideration, but it could for example be adopted as a supplementary planning document. The masterplan should be prepared with stakeholder engagement through a consultation process.
Planning Policy	Consider adopting an industrial/warehousing floorspace target in the Planning Policy for all former principal industrial and warehousing areas allocated for redevelopment. This should reflect the existing footprint. Where this is not reflected in Planning Policy there should be a requirement to demonstrate lack of demand prior to redevelopment.	The industrial and warehousing market is constrained. This approach will therefore minimise the loss of accommodation in sought after market locations.

Type of Intervention	Intervention	Reasoning
Industrial/Warehousing Market		
Planning Policy	Require a phased approach to the redevelopment of the Areas of Growth and Regeneration that retains part of the sites as Industrial Distribution Area (IDA) – at least in the short / medium term. This could be reassessed as part of a future Local Plan review. The area retained as an IDA should be incorporated into the Local Plan policy.	This would limit the likelihood that there is a substantial loss of industrial and warehousing space in the short term (following the change in policy). The designation as IDAs for parts of the site could be reassessed as part of the next Local Plan Review process in 5 – 10 years.
Planning Policy	Consider allocating the former Principal Industrial Warehousing Areas (not allocated/part of the Areas of Growth and Regeneration) for additional industrial/warehousing space.	The New Local Plan currently proposed the vast majority of new industrial and warehousing land to be delivered at Avonmouth. This conflicts with demand which is for space across the city. There could be potential to deliver additional industrial and warehousing space on the former PIWAs not proposed for alternative uses. For example, an initial assessment of Eastcourt/Winterstoke Road suggests that it could accommodate around 6,000 sqm of additional space. This is based on a higher coverage of 60% density.
Planning Policy	Encourage a mix of employment generating amenity uses at Avonmouth through the emerging Planning Policy.	There is increasing demand for a range of amenity uses, for example café, restaurant and hotels to be delivered at modern commercial locations. There is a lack of this space at Avonmouth currently; therefore, to support the economic role of this area this should be considered.

Type of Intervention	Intervention	Reasoning
Industrial/Warehousing Market		
Planning Policy	Allocate new sites (not in commercial use) in the Planning Policy for additional industrial and warehouses space. Possible examples include the land at Brislington Park and Ride, Hengrove Park or land alongside the South Bristol Link Road.	The allocation of sites for industrial space will incentivise the market to deliver. The locations identified would provide the opportunity to deliver much needed new space in established urban markets – all of which are characterised by lack of supply. It could also ease the pressure in the areas where the New Local plan currently proposes to remove protection to facilitate alternative uses.
Partnership Working	Effectively utilise the public sector property portfolio to protect existing industrial/warehousing accommodation and deliver new space.	The public sector owns a considerable amount of land/property within Bristol. Therefore, the Council should work with their partners to utilise this to realise their aspirations for sustainable and inclusive growth by identifying sites for industrial/warehousing use/development.
Council's Land Ownership	As part of a Land Utilisation Study the Council should identify surplus assets to be disposed of that include existing industrial and warehousing space. Through the sale process the Council should require employment floorspace to be retained or the existing floorspace incorporated into a future redevelopment.	As mentioned, there is a shortage of industrial and warehousing space in the city. To relieve pressure the Council should ensure that no sites within their ownership are redeveloped for alternative uses – unless the existing space is re-provided.

Type of Intervention	Intervention	Reasoning
Industrial/Warehousing Market		
Council's Land Ownership	The Council should proactively identify within their property portfolio suitable opportunities to negotiate lease extensions with existing long leaseholders.	There are cases where tenants or long leaseholders are unable to invest in their property due to a diminishing long leasehold interest where the Council are the freehold owner. To encourage the reinvestment and provision of good quality industrial accommodation, the Council should undertake a property review to identify opportunities for lease extensions. This could allow long leaseholders to reinvest in the existing stock.
Council's Land Ownership	The Council should identify potential opportunities to buy in long leasehold interests to either invest in themselves or to offer on a new long lease together with investment in the existing industrial/warehouse space.	The Council should identify opportunities to buy back in long leasehold land/buildings to reinvest in the stock to provide additional quality industrial space.
Direct Delivery	The Council should consider delivering a more efficient industrial / higher density B use class employment scheme – including for example a multi-height warehouse.	Delivery of industrial/warehouse space by more efficiently utilising land would relieve pressure from a mix of uses. Delivery of multi-height warehouses would also give the private sector confidence that it is deliverable.

Type of Intervention	Intervention	Reasoning
Industrial/Warehousing Market		
Infrastructure Upgrades	Explore and invest in infrastructure improvements that are required to support continued growth at commercial locations.	Based on conversations with businesses the congestion challenges in a number of locations are creating operational issues for businesses. To support the continued commercial role of these areas improvements to the highways network are encouraged (subject to business case), particularly considering the proposals for substantial new development. An example might be improving the highways network to Brislington, potentially through the extension of the South Bristol link road.
Infrastructure Upgrades	Explore and invest in opportunities to improve public transport connectivity between Avonmouth and the residential areas of Bristol.	The staff resourcing issue is becoming an increasing challenge for occupiers at Avonmouth. A large new allocation of circa 60 ha is proposed as part of the New Local Plan. Addressing this issue is important to encourage timely delivery of this allocation.
Funding	Explore potential funding streams to allow the public sector to take a more proactive role in delivering both infrastructure improvements and development of new space.	The public sector has the potential to access funding that could support the delivery of schemes that otherwise are unviable/marginally viable.
Monitoring	The supply position should be regularly monitored (for example through the Annual Monitoring Report (AMR)). If the supply position remains challenging the Council should respond with appropriate interventions.	Regularly monitoring the supply position would provide a clear understanding of the market. It should allow the Council to identify early when the market is becoming increasingly constrained. This will allow them to be more proactive in adopting interventions to safeguard the industrial sector.

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