

Dacorum and Three Rivers Councils

SW HERTFORDSHIRE EMPLOYMENT LAND UPDATE



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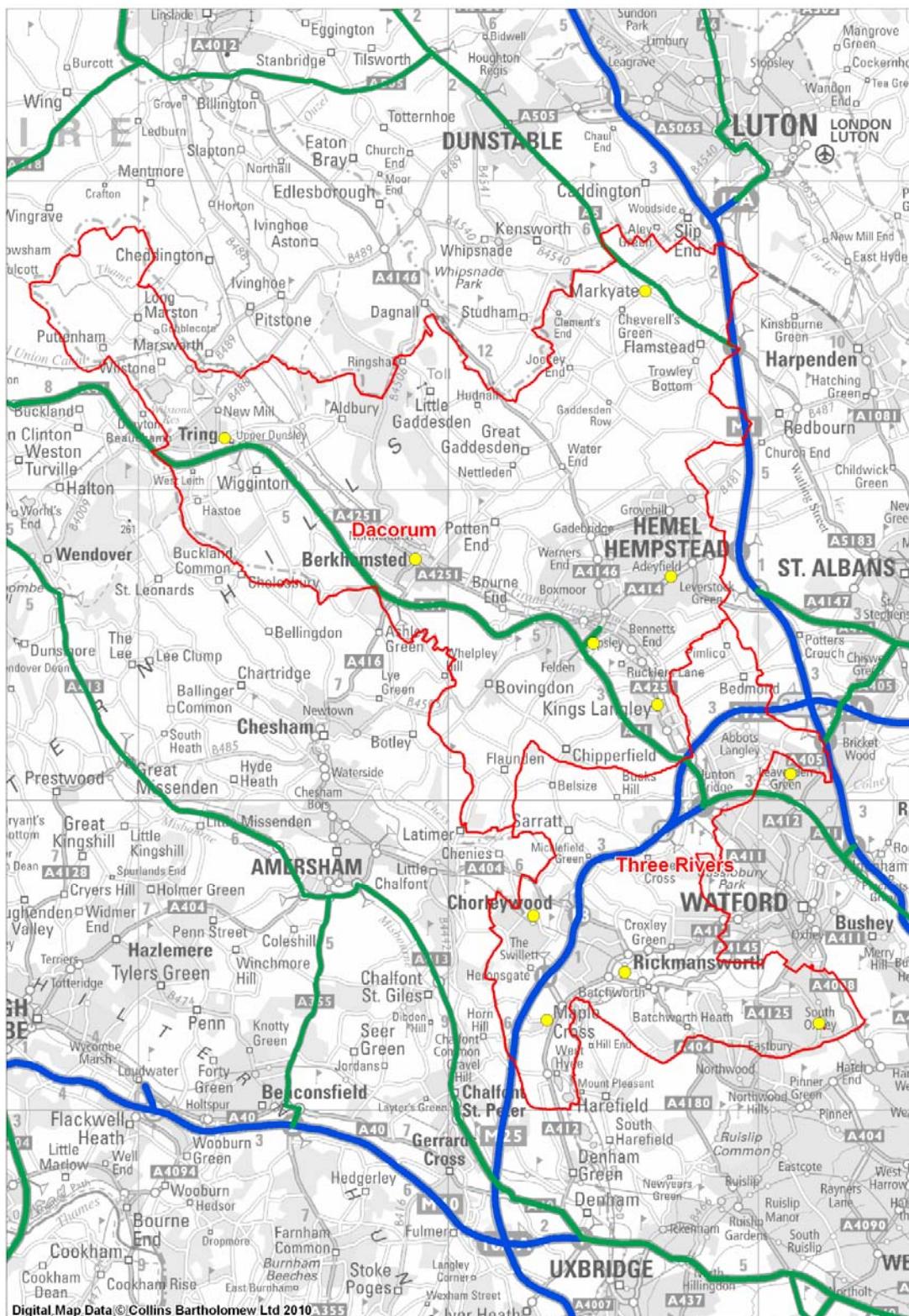
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1 INTRODUCTION

- 1.1 The purpose of this study, commissioned by Dacorum and Three Rivers Councils in January 2010, is to advise on employment land policies¹ that should be included in the Council's emerging development plans. In particular, the study considers the quantity, mix and geographical spread of employment land that should be provided, advising what new land (if any) should be identified for employment and what existing employment sites (if any) should be allowed to transfer to other uses?
- 1.2 The study builds on two earlier studies, also produced by Roger Tym & Partners (RTP):
 - It complements the sub-regional London Arc Job Growth and Employment Land Study, produced for seven district councils in March 2009. While the sub-regional study dealt with broad totals and a small number of major development sites, this study provides much more geographical detail, looking at all employment areas and individual sites.
 - In providing this detailed advice, this study updates the South West Hertfordshire Employment Space Study, produced for the districts of Dacorum, Three Rivers and Watford in January 2005. The update covers Dacorum and Three Rivers only; we understand that Watford is making other arrangements.
- 1.3 The update also incorporates the findings of a small study of the Sappi (Nash Mills) site which was produced by RTP for Dacorum Borough Council in late 2009 and collected some data on the demand and supply of employment space in the local area.
- 1.4 Following this Introduction:
 - The next three chapters review the present position, providing a baseline for the forward-looking analysis that follows. Chapter 2 sets out the policy background. Chapter 3 analyses the commercial property market in the study area, aiming to assess the demand for space and the current balance of the market. Chapter 4 assesses the land supply identified for future employment development.
 - The next two chapters look ahead to the long term. Chapter 5 proposes targets for the provision of employment land, compares these targets with the supply identified earlier and draws policy implications.
 - Finally Chapter 6 provides conclusions and recommendations.
- 1.5 For the avoidance of doubt, this study does not consider land needs other than for employment. Councils may decide to override these recommendations if they consider that other land uses have higher priority. For example, if it decides that in certain circumstances the need for housing overrides that for employment, it may decide to transfer to housing sites which we recommend be used for employment.

¹ This study relates to employment land uses as traditionally defined in planning, which comprise industry, warehousing and offices. These uses cover classes B1, B2 and B8 of the Use Classes Order and physically similar *sui generis* uses. They exclude other land uses that provide jobs, such as retail, leisure and most public services.

Figure 1.1 Dacorum and Three Rivers



2 POLICY CONTEXT

- 2.1 The 2009 London Arc report provided an overview of current policies relevant to employment land, summarising the higher-level policies that district councils would need to conform to and the current and emerging local policies on which the employment land study needs to advise. Below, we briefly update this analysis, so far as it bears on Dacorum and Three Rivers, to reflect new developments since the London Arc study.

National Policy: PPS4

Objectives

- 2.2 National policy on planning for employment has been comprehensively renewed through publication of Planning Policy Statement (PPS)4, Planning for Sustainable Economic Growth, in December 2009.
- 2.3 Prior to PPS4, national planning policy documents dealt separately with different kinds of economic land uses. Planning Policy Guidance (PPG)4 dealt with the traditional employment or B-class uses, comprising industry, warehousing and offices, while town centre uses, including retail and leisure, were covered by PPS6 and rural economies by PPS7. PPS4 marks a new approach, aiming to plan for the economy as a whole. Accordingly PPS4 covers all economic land uses ('economic development'), including the B-class uses, retail, leisure and public and community services. This whole-economy approach is a key feature of PPS4.
- 2.4 The central message of PPS4 is that the Government wants planning positively to support sustainable economic growth. To help achieve this, the document sets out specific objectives for planning, of which the most relevant to employment land uses are to:
- 'Build prosperous communities by improving the economic performance of cities, towns, regions, sub-regions and local areas, both urban and rural';
 - Promote regeneration and combat deprivation;
 - Deliver more sustainable patterns of development, reduce the need to travel, especially by car, and respond to climate change;
 - Promote the vitality and viability of town and other centres as important places for communities;
 - Promote thriving, inclusive and locally distinctive rural communities while continuing to protect the open countryside.

Development Plans

- 2.5 Policies EC2 and EC5 show how the above objectives should be delivered through regional and local development plans. Below, we summarise the key points from these policies, illustrating each with direct quotes.
- i) Planning should support economic growth by responding to market requirements (demand):

- '[Development plans should] set out a clear economic vision for their area which positively and proactively encourages sustainable economic growth'
 - '[They should] reflect the different location requirements of businesses, such as the size of site required, site quality, access and proximity to markets [and] the locally available workforce'.
 - ii) To this end, it should aim to predict future requirements, but also be flexible so it can respond to unexpected requirements:
 - '[Development plans should] where possible identify and plan for new or emerging sectors likely to locate in their areas, such as those producing low-carbon goods and services. However, policies should be flexible enough to accommodate sectors not anticipated in the plan and allow a quick response to changes in economic circumstances.'
 - iii) Planning should prioritise the land needs of certain sectors:
 - 'Development plans should] positively plan for... clusters or networks of knowledge-driven or high-technology industries.'
 - '[They should also] identify, protect and promote key distribution networks and locate developments which generate substantial transport movements in locations that are accessible.'
 - iv) Planning should pursue sustainability objectives that include regeneration of deprived areas, a high-quality environment, re-use of previously developed land, sustainable transport and efficient use of infrastructure, and support town centres.
 - '[Development plans should] identify priority areas with high levels of deprivation that should be prioritised for regeneration investment.'
 - '[They should] have regard to the character of the area and the need for a high-quality environment'
 - '[And] seek to make the most efficient and effective use of land, prioritising previously developed land which is suitable for re-use.'
 - '[Development plans should also] plan for the delivery of the sustainable transport and other infrastructure needed to support their planned economic and development.'
 - '[They should also] seek to make the most efficient and effective use of land, prioritising previously developed land which is suitable for reuse.'
 - 'Sites for main town centre uses [which include offices²], should be identified through a sequential approach [where town centres come first, followed by edge-of-centre sites and then out-of-centre sites, with preference given to those that are or will be well connected to the centre and well served by public transport]'
- 2.6 To summarise still further, the PPS sets out two broad sets of objectives that development plans should have regard to in providing employment land. Firstly, the plans should aim to *meet market demand* for land, both present and future. Secondly, they should pursue a

² Offices are classed as a town centre use as well as an employment (B-class) use.

range of *policy (or public interest) objectives*, relating to economic efficiency (e.g. promoting industry clusters), social well-being (e.g. investing deprived areas) and environmental sustainability (e.g. reducing travel to fight climate change).

Evidence Bases

- 2.7 PPS4 advises that development plans should be informed by robust evidence bases that 'understand both existing business needs and likely changes in the market'. In particular:
- At regional level, the evidence base should 'assess, in broad terms, the overall need for land or floorspace for economic development'.
 - At the local level, the evidence base should 'assess the detailed need for land or floorspace for economic development' and 'assess the existing and future supply of land available for economic development, ensuring that existing site allocations... are reassessed against the policies in this PPS'.

Employment Targets

- 2.8 As mentioned in the Introduction above, PPS4 requires Regional Spatial Strategies to set minimum job targets by local authority. Policy EC1.2b says that in assessing the need for office development 'authorities should take account of forecast employment levels', which by implication refers to these same employment targets.
- 2.9 With regard to the other employment uses, industry and warehousing, PPS4 is less precise. It merely says that planning evidence bases should 'assess the need for land or floorspace for economic development', without referring to employment numbers. Nevertheless, the fact that RSSs are required to set job targets does seem to imply that land provision should have regard to these job targets for all land uses, not just offices. But the Statement does not specify in detail how this should be done. More detail may be provided in supporting guidance if such guidance is produced in future (a guidance document has been published to accompany the PPS, but it deals with retail and town centres rather than employment uses).
- 2.10 With regard to the phasing of land supply, PPS4 advises that for town centre uses development plan documents should allocate sufficient sites to meet at least the first five years' identified need. This advice applies to offices, because they classed as a town centre use as well as an employment use, but there is no similar advice on the other employment uses, industry and warehousing.

Allocating and Safeguarding Sites

- 2.11 With regard to the allocation of new sites for economic uses, the Statement advises: 'The regional level should set criteria for, or identify the general location of, strategic sites, ensuring that major greenfield sites are not released unnecessarily through competition between local authority areas'.
- 2.12 On the safeguarding of existing sites, PPS4 says: '[Development plans should] at the local level, where necessary to safeguard land for other uses, identify a range of sites to facilitate a broad range of economic development,

including mixed use. Existing site allocations should not be carried forward from one version of the development plan to the next without evidence of need... If there is no reasonable prospect of a site being used for the allocated economic uses [during the plan period], the allocation should not be retained, and wider economic uses or alternative uses should be considered.'

- 2.13 This advice implies that within the stocks of land identified for employment uses there should be turnover, or 'churn', as some old sites are lost to the stock, possibly to be replaced by new sites.

Regional Policy

- 2.14 Since the change of Government, the requirement that local authorities conform to RSS targets has disappeared, and the RSS itself will shortly be abolished. Nevertheless, the East of England RSS is of interest, because it provided the current employment targets to which this study is working.
- 2.15 The 2009 London Arc report discussed the current Regional Spatial Strategy, the East of England Plan, highlighting policies which bear on employment land in the study area. As shown in the report, in the interests of sustainability the Plan aimed to concentrate growth and development in 21 Key Centres for Development and Change, of which Hemel Hempstead is one. Accordingly it set a high growth target for Dacorum, requiring provision for some 10,000 new dwellings in 2006-21, and 'substantial job growth', including through improvements to the town centre. To help make room for this growth, the Plan also proposed strategic reviews of the Green Belt in two places, one of which is around Hemel Hempstead.
- 2.16 Since publication of the London Arc report, there has been a successful legal challenge to part of the East of England Plan. One consequence of this challenge was deletion of those parts of the RSS that relate to a Green Belt review and significant housing growth at Hemel Hempstead. However, employment policies and jobs growth targets remained unaffected and were not to be reconsidered as part of the current 'repair' process.
- 2.17 However, the RSS was currently under review, and this review *was* expected to result in revised employment targets. Unlike in the current RSS, these were to be broken down to the individual district level. The East of England Regional Assembly submitted their proposed plan to Government in March 2010. It was then the responsibility of the newly established Regional Strategy Board (RSB) to decide whether to progress EERA's draft RSS or an amended version of it. This would then be subject to representations and examination before being passed to Government for approval or revision, prior to its adoption. However, with the abolition of the RSS, this process has ceased and there will be no new regional employment targets to be broken down to district level ones.

Local Policy

Dacorum

- 2.18 Dacorum published its emerging Core Strategy for consultation in June 2009. This sought feedback on the Council's proposed approach to employment provision, which in summary is as follows:
- The objectives of the Council's Economic Development Strategy 2009-2012 will be supported;
 - Employment development will continue to be directed to sustainable locations, which means that it will mostly be concentrated around the Borough's towns and large villages;
 - General Employment Areas (GEAs) will continue to be the main focus for local employment, along with town and local centres;
 - The redevelopment of a GEA site for housing or other uses will only be considered if the site is assessed to be poorly located in terms of meeting local employment needs and if compensatory employment space is provided elsewhere in the Borough;
 - A wide distribution of GEAs will be retained, both across the Borough and within individual towns, to encourage less travel;
 - Employment uses will not be encouraged in stand-alone rural locations unless the business supports the rural economy or there are special circumstances that mean the business needs to be in a particular location;
 - The current ceiling on the amount of office floorspace permissible in the Borough up to 2011 will be deleted;
 - The Council will support the anticipated increase in jobs in the Borough up to 2031 through the allocation of new employment land, predominantly at Hemel Hempstead.
- 2.19 The Emerging Core Strategy also refers to the need to update the South West Hertfordshire Employment Space Study (January 2005), with an additional focus on whether any redistribution of employment land is required in particular locations.
- 2.20 The Council intends to publish a draft Core Strategy for consultation in September 2010. This timetable is subject to the outcome of the RSS repair and review processes, and any Government advice that is issued in the interim.

Three Rivers

- 2.21 Three Rivers published its 'Core Strategy: Preferred Options' in February 2009. (Further Preferred Options were published November 2009 but only related to housing supply.) The document's economic objectives include:
- Sustain parts of the District as attractive areas for business location
 - Provide an appropriate number of jobs to meet strategic requirements
 - Promote skills and learning of the local workforce
 - Provide for a range of small, medium and large business premises

- Reinforce South West Herts' existing economic clusters, including film, printing and publishing, telecommunications and construction
- Further develop knowledge-based industries (including high-tech manufacturing, finance and business services, computing and Research & Development, communications and media industries)
- Align economic growth with housing growth in the area in order to balance the provision of homes and jobs and reduce out-commuting
- Retain overall levels of industrial and warehousing floorspace in the District and adopts a more flexible approach to the release of office floorspace for other uses
- Reduce the need to travel by promoting mixed-use development, including live-work units (where these can be demonstrated to be appropriate), and homeworking, whilst taking into account the need to protect existing residential amenities

2.22 The Preferred Options Core Strategy proposes to:

- Continue to focus employment use in the District's key employment areas: Leavesden Park, Croxley Business Park, Maple Cross/Maple Lodge, Kings Langley Employment Area, Carpenders Park East, Rickmansworth Town Centre
- Ensure that employment uses are accessible through a range of transport modes including by public transport
- Provide opportunities for the introduction of residential and other uses as part of mixed-use development at:
 - Leavesden Park - releasing about 8 hectares of land earmarked for offices north of the spine road for residential and community uses
 - Kings Langley Employment Area - through small-scale residential infilling where opportunities arise. Based on past rates of mixed-use development, this will result in the release of about 4 hectares of land by 2021
 - Delta Gain- retaining the existing employment activity but releasing a limited amount of underused land by the railway line (0.5ha) for mixed development including residential
- Expand business activity at Maple Cross- creating around an additional four hectares on the adjoining Maple Lodge site.

2.23 The position on employment will be updated when the Council publishes its Core Strategy in June 2010, followed by submission to Government in September. Site-specific allocations will be taken forward as part of the Site Allocations document, to be published in late 2010.

The balance of jobs and population

2.24 As shown in the London Arc study and the update above, strategic and local policy favour sustainable relationships between workers and jobs, so that journeys to work are minimised so far as possible. To see how far the study area measures up against this objective, in the table below we show estimated job densities for selected towns in the study area. The job density is the ratio of workplace jobs in each town to the economically active residents of that town. If the ratio is less than 100%, the town has a negative

balance of workers against jobs, as more of its residents commute out to jobs elsewhere than commute in from elsewhere to work in the town. Conversely, where the ratio is less than 100% the town's balance of workers and jobs is negative³.

- 2.25 As the table shows, the balance between employment and population varies widely between towns, depending on their role in the economy. We have to take this into account when assessing the balance in a particular area, rather than aiming for each one. For example, Hemel Hempstead has a positive balance, as would be expected in a KCDC with a range of higher order functions serving the surrounding area. Kings Langley has an even larger positive balance than Hemel Hempstead, which is surprising for a settlement of its size and character, but which may be explained by its inheritance of employment land along the canal - a former trunk transport route - and its proximity to the M25 - a current one. For the remaining towns shown (and in the rest of the study area) the balance is negative. Berkhamsted is the closest to balance, with a ratio of 86%. In Tring and Markyate the ratios are lower, at around 70%.

³ For simplicity, in this discussion we ignore the unemployedemployed. This does not make a significant difference to our analysis.

Table 2.1 Balance of jobs and population in Selected Towns in SW Herts

		Total Employment	Economically Active Population*	Employment / Econ Active Population	Average 2005-08
Berkhamstead	2005	7,585	8,862	86%	86%
	2007	7,896	8,945	88%	
	2008	7,676	9,066	85%	
Tring	2005	6,069	8,326	73%	71%
	2007	5,753	8,309	69%	
	2008	5,972	8,344	72%	
Markyate	2005	2,025	2,871	71%	69%
	2007	2,025	2,950	69%	
	2008	1,994	2,953	68%	
Kings Langley	2005	4,630	3,640	127%	129%
	2007	4,955	3,890	127%	
	2008	5,275	4,011	131%	
Hemel Hampstead	2005	50,300	42,933	117%	112%
	2007	46,270	42,690	108%	
	2008	46,975	42,829	110%	
Rest of Dacorum	2005	4,861	7,479	65%	65%
	2007	4,731	7,676	62%	
	2008	5,189	7,677	68%	
Rest of Three Rivers	2005	36,516	40,554	90%	89%
	2007	35,173	41,207	85%	
	2008	37,172	41,094	90%	

The economic activity rate of Dacorum district (85%) has been applied to calculate the economically active population in the settlements.

For Rest of Three Rivers, the economic activity rate of the district as a whole has been applied: 80%.

To allow for the self-employed, we have added 14% to the 'employees in employment' figures provided in the Annual Business Inquiry.

Source: ABI, Annual Population Survey, RTP

- 2.26 Job density ratios are bound to vary between places and no one would expect each town to show a perfect balance between workers and jobs. Nevertheless, other things being equal, the closer each settlement is to balance the more sustainable are travel-to-work patterns likely to be. In those settlements where the ratio is well below 100%, it seems generally advisable to maintain or even increase the job density ratio, so that residents who would like to work locally have opportunities to do so and the need to travel is reduced. Therefore, in small settlements such as in Tring and Markyate, provided that employment areas are well occupied there is a *prima facie* case for avoiding reductions in the stock of employment space and even increasing that stock.

3 LOCAL PROPERTY MARKETS

Introduction

- 3.1 In this chapter we look at current market conditions for industrial/warehouse space and offices, considering in turn the different local markets within Dacorum and Three Rivers. For each local market and type of land use, we first look at the demand for floorspace, to assess the area's main advantages and drawbacks as a business location, what kinds of businesses want to locate there and hence what kinds of employment sites and buildings are likely to be in demand. We then look at supply and the balance of the market, to see where there might be demand for additional space and hence a need for more land; and conversely where there might be an oversupply of space, suggesting that some existing employment sites could be released for other uses.
- 3.2 This property market analysis informs the consideration of employment sites and areas in Chapter 4 below. It also complements the long-term analysis of demand and supply in Chapter 5, providing qualitative information that is lacking from the long-term analysis but a much shorter-term perspective, since market data and market sentiment only tell us about the short term. To draw conclusions and make recommendations, we need both kinds of analysis.
- 3.3 The 2009 London Arc report (Chapters 4 and 5) has already reviewed the area's property market, addressing the same questions as this chapter, but dealing with the wider sub-region, comprising seven districts. This report does not revisit these broad-brush findings, but focuses down on the districts of Dacorum and Three Rivers and on individual local markets within each district. The analysis covers the years since 2005, which in our view is the most recent time when market conditions could be considered normal, prior to the Buncefield incident in December 2005, the period of higher-than-normal activity in 2006-7 and the market downturn that started in late 2007.
- 3.4 In the analysis below, the geographical definitions of local property markets is based on LSH's local knowledge and professional judgment. For Dacorum, the definitions are based on the main towns, and we consider in turn Hemel Hempstead, Berkhamsted and Tring. We go on to look at the village of Kings Langley, which straddles the boundary between Dacorum and Three Rivers but in market terms is close to Hemel Hempstead, although most of its employment land is in Three Rivers. Most of Three Rivers except Kings Langley is part of the 'greater Watford' property market and cannot be analysed separately from it, so we discuss this wider market next. The last local market we discuss is Rickmansworth, which, although closely related to Watford, does have a separate identity as an office market. Finally we comment briefly on the offices above shops in the smaller towns, a market sector on which the study brief asks specifically for advice.
- 3.5 Throughout the property market analysis, we provide the most detail about the larger markets, especially Hemel Hempstead. On smaller markets little information is available, so the analysis is more limited and more reliant on judgment rather than hard data.

Hemel Hempstead

- 3.6 Hemel Hempstead is strategically well located on Junction 8 of the M1 motorway in close proximity to the M25. The town centre is located in the Gade Valley and is distant from the motorway junction and mainline train station. Typical of New Towns at the time, when Hemel was built its employment space was located out of town, close to the motorway at Maylands.

Industry and Warehousing

Demand

- 3.7 Hemel Hempstead is very well placed in relation to the motorway network, being at the confluence of the main motorway serving the Midlands, the North and North West and the South East via the M25, which makes it extremely attractive to warehouse occupiers.
- 3.8 Industrial/warehousing employment in Hemel Hempstead is largely concentrated in the Maylands employment area close to the north-east of the town. Whilst parts of the estate date back to the 1960s, much of the older accommodation has now been redeveloped to provide purpose-built facilities and modern warehouse units, together with office accommodation.
- 3.9 The Buncefield incident in December 2005 had a dramatic effect on the market, leading to a lack of development activity while the future of the area remained unresolved. The overhang of the incident coincided with the credit crunch, which has had major adverse effects on the take-up of space (other than as a direct consequence of the incident) and the development of new units.
- 3.10 For 2008, the property market information system PROMIS estimates that the take-up of industrial/warehouse space in Hemel Hempstead was 39,304 sq m, in 36 transactions. In 2009, PROMIS shows a steep drop in take-up to 14,400 (Table 3.1) in only 28 transactions and a fall in average transaction size of over 50%.
- 3.11 As these statistics show, the industrial market was very subdued during 2009 in Hemel Hempstead, as it was in the rest of the UK. Activity was restricted to a handful of small to medium-sized deals, which tended to centre on a number of competing new-build schemes, including McDonald Business Park and Maxted Park within Maylands and the Chancerygate scheme at London Road. The largest transaction was F&C's Unit B Hemel Gateway on Boundary Way at 2,579 sq m.
- 3.12 Even in this depressed market, there is continuing interest in from B8 occupiers, particularly in food, internet retailing and third-party logistics, requiring large warehouses of several tens of thousand square metres. 2010 saw the disposal of Mistral 260, a 24,218 sq m warehouse. One of many large requirements was Arla Foods, which was recently interested in securing approximately 16 hectares for a major facility that would employ 1,000 people or thereabouts. This scheme was considered inappropriate for Maylands and Hemel Hempstead. Large-scale warehousing is often resisted on the grounds that it provides few jobs, but this is not always true. Many warehouses include a large office element, from which various services are provided. For example, a 9,290 sq m (100,000

sq ft) warehouse(Table 3.1) with 10% office content would include 929 sq m of offices, which is a significant office letting in its own right and at our assumed density of 18 sq m per worker (see Chapter 5 below)would support more than 50 white-collar jobs.

Table 3.1 Industrial/Warehouse data: Hemel Hempstead

000 sq m	Take-up	Industrial & Warehouse Stock	Warehouse Stock	Industrial Stock	Availability	Top Rent
2009	end-2007	end-2007	end-2007	2009	end-2009	
14.4	678	492	185	102	86	

Source: PROMIS

Supply

- 3.13 At the end of 2009 there was 102,100 sq m of available industrial/warehouse space in Hemel Hempstead. This represents a vacancy rate of 15% - well above the equilibrium rate indicating a balanced market, which is generally considered to be between 5-10%, and hence shows that the market is currently oversupplied. Against, the depressed take-up rate of 2009, the available space represents seven years supply, which points to an oversupplied market. But this high figure results from the very low take-up in 2009; if we assess availability against 2008 take-up - which was already affected by the recession, but still much better than 2009 - the figure falls to 2.6 years supply, which is closer to normal.
- 3.14 However, the total availability of 102,100 sq m is skewed by two large vacant buildings which together provide some 28,700 sq m. Without these buildings, the vacancy rata falls to 11%, the years supply ratio based on 2009 take-up to 3.8, and the same ratio based on 2008 to 1.9.
- 3.15 All these figure suggest that Hemel Hempstead's industrial/warehouse oversupply is a short-term situation, reflecting the recession and in particular the very low take-up in 2009.
- 3.16 Competition between buildings in an oversupplied market has led to significant rent reductions. Landlords are offering significant concessionary deals to retain existing tenants at break dates or lease ends, even though there may be limited alternative accommodation. Headline rents for new space in Hemel Hempstead are currently at £86 per sq m whilst good second hand space is at £73 per sq m. With the level of achievable rents development might be possible. But in the current market conditions, in general this can only be expected for pre-let/pre-sold transactions, because of the current oversupply in the market.
- 3.17 In future, however, provided that the economy recovers and the availability of ,finance improves, and given the pressures for release of the poorer industrial sites to residential development, we expect that the current over supply of vacant space will reduce and the market will become more in balance.
- 3.18 Turning to the mix of units, despite the general oversupply there are shortages in certain sections of the market. Thus, there are only two units available over 9,290 sq m (100,000 sq ft), of which one is specialised space with very high eaves. Between 1,860 and 9,290 sq m (20,000-100,000 sq ft) the availability of quality units is restricted.

- 3.19 As well as a shortage of larger units, Hemel Hempstead has a shortage of available sites on which such units could be provided (a 20,000 sq m unit, for example, needs a site area of around 5 hectares). A number of smaller sites are available, with asking prices typically in the region of £1.73 per ha for plots of 0.4-0.8 ha (1-2 acres). The only larger site recently sold is the former Mammoth development, which was destroyed by the Buncefield oil explosion in December 2005 (the unit is now being rebuilt). The 8-hectare site was sold for approximately £790,000 per ha (however development restrictions surrounding the Buncefield terminal restrict the site's net developable area). The employment allocation at Spencers Park (Three Cherry Trees Lane) is now likely to be released for other uses, except for some three hectares, which are affected by the Buncefield development constraints and likely to be used for B8 or open storage.
- 3.20 A potential site that could accommodate larger B8 units is the substantial area to the east of Buncefield, which could form a natural extension to Maylands up to the M1. The area is part of St Albans district and not currently allocated for employment.

Conclusions

- 3.21 Hemel Hempstead, and in particular the Maylands area, is a very attractive location for warehousing, because of its proximity to the M1 and M25. Industrial/warehouse take-up has been subdued in recent years, first due to the Buncefield explosion and then the recession. Consequently the market is generally oversupplied at present and speculative development is unlikely in the short term. However we expect this oversupply to disappear as the economy recovers, the availability of development finance improves and there is continuing pressure to release the poorer industrial sites for housing.
- 3.22 One market sector where supply falls short of market demand, even in the recession, is larger quality units, above 20,000 sq m or so. Nor are there any available sites on which such large units could be built. One area which could accommodate them in future is the land between Buncefield and the M1, which would form a natural extension to the Maylands employment area. But this land is not currently allocated for employment and administratively it is part of St Albans rather than Dacorum.

Offices

Demand

- 3.23 Hemel Hempstead is in intense competition for office development with the very attractive and commercially successful regional centres around Heathrow and the Thames Valley to the south, Milton Keynes to the north and Hatfield to the east. At sub-regional level, Watford and St Albans are also important competing centres.
- 3.24 Against these competitors, Hemel Hempstead has disadvantages. Maylands, where much of the area's office stock is located, has poor amenities and much of its office accommodation is set in an industrial/warehousing environment. The town centre is unattractive to many office occupiers, due to the quality of its retail/leisure facilities and general environment. It is also relatively inaccessible, being some 3 km from the mainline railway station. The County Council's town centre parking standard of one place per 100 sq m (which at our assumed densities means about six workers) also puts Hemel

Hempstead at a disadvantage against other centres, because the town's railway station is much more remote and therefore there is a greater reliance on the car for commuters. Moreover the town centre office stock is generally of poor quality. In the centre there is only one Grade A office block - One Park Lane, a 1990s-built 8,361 sq m unit, which is substantially let. Other office buildings are not attractive to potential occupiers, as much because of the standard of the buildings and fit-out as their size and configuration, accessibility, parking and general ambience.

- 3.25 Due to these factors, Hemel Hempstead as an office location is typically considered by footloose office occupiers to be less attractive than Watford or St Albans. This relative disadvantage may be increasing, as occupiers increasingly look for good public transport and ready access to urban amenities.
- 3.26 Hemel Hempstead's office market was particularly active during 2005, with floorspace take-up of circa 23,000 sq m. Two main events underpinned this high take-up. Firstly, Hertfordshire County Council relocated to office buildings at Meadowside and Network House, Apsley. Secondly, the 16,200 sq m Kodak Tower was sold for mixed-use redevelopment; Kodak moved to a 3,200 sq m unit at Hemel One, Boundary Way, and other Kodak House tenants also relocated, including in one case to the Peoplebuilding in Maylands Avenue - the first letting at the town's only new Grade A office building, which had been vacant for 3½ years.
- 3.27 The Buncefield Oil Depot incident in December 2005 caused an 'artificial' upsurge in demand, with a number of forced relocations including 3 Com and Northgate Information Solutions, both of which moved into the Peoplebuilding. (Stanhope and Morley have planning consents for the remainder of the land at the corner of Maylands Avenue and Breakspear Way.)
- 3.28 The blast clearly had a major effect on the office market in Hemel Hempstead. More than 40 buildings were damaged, causing occupiers to adopt a more cautious approach to their location decisions. Only 3,344 sq m of space was transacted in 2006 which was non-blast related.
- 3.29 During 2007 and 2008 letting progress in Hemel Hempstead was slow. The total take-up figure for 2007 was 5,574 sq m. In 2008, 7,396 sq m was let or sold in 26 transactions. Only four of these transactions were over 465 sq m in size.
- 3.30 In 2009 Hemel Hempstead saw a significant increase in take-up. The year's total is estimated at 14,960 sq m by PROMIS and 13,506 sq m by LSH's own figures, so it was on a par with 2007 and 2008 combined. But in 2009 there were a mere 10 transactions in total, while in 2008 there were 29.
- 3.31 A key feature of office take-up in recent years is the lack of "new blood" entering the office market in Hemel Hempstead. Most of the space let has represented a shuffling of the town's existing occupier base. There have been few significant inward investments, of which one, Visilink, located at Maylands and all the others - comprising Boston Scientific, Regus, BAM and Consort Medical - at Breakspear Park. Breakspear Park is a high-quality out-of-town development close to Junction 8 of the M1. It has always been marketed as a

motorway location, with particular emphasis on its proximity to the 'all-important' M1/M25 junction, rather than as part of Hemel Hempstead.

- 3.32 Little progress has been made with smaller office suites. Landlords are looking to limit their exposure to the vacant office market and significant incentive packages are being offered. The demand for the smallest units, in particular for tertiary units, including those above shops, has been falling as more people work at home or in serviced offices.
- 3.33 The take-up figures we have discussed are of course gross figures: they measure the floorspace that businesses have moved into, without deducting the floorspace that businesses (often the same businesses) have vacated. While there are no statistics on floorspace vacated and hence on net take-up (net absorption), it is clear that major corporate occupiers have been retrenching or moving out of Hemel Hempstead. BT vacated 17,372 sq m at Doolittle Meadow (they also propose to vacate 9,290 sq m at Leavesden in neighbouring Three Rivers), while DSGI, Kodak, 3Com and Northgate all dramatically reduced the space they occupied in the town. Possible causes include globalisation, technological change, changes in working practices and outsourcing.

Supply

Table 3.2 Offices Data: Hemel Hempstead

	Take-up 000 sq m	Stock 2009	Completions 2009	Availability 2009
	14.96	353.00	4.55	46.54

Source: PROMIS

- 3.34 PROMIS estimates that in 2006 there was 46,540 sq m of available office space in Hemel Hempstead, representing a vacancy rate of 13%. Again, this is much above the 'natural' vacancy rate of 5-10% which is generally considered typical of a healthy market, suggesting that the market is oversupplied. Against the 2009 take-up of 14,960 sq m, the available space represents more than three years supply, which similarly points to an oversupplied market. Moreover, as we have seen, take-up in 2009 was untypically high; if it were measured against the average take-up of recent years, and discounting the Buncefield effect, the years supply figure would be even higher.
- 3.35 LSH estimates that by the first quarter of 2010 the total available space had increased to 60,390 sq m. Three large buildings accounted for 59% of the total: Breakspear Park, which can accommodate lettings from 600 sq m up to 7,000 sq m; the Campus in Maylands Avenue, where 8,175 sq m is available in three buildings; and the former BT building, comprising 12,263 sq m at Doolittle Meadows, London Road. These and other available buildings offer a wide range of unit sizes and quality standards, capable of satisfying most occupier requirements.
- 3.36 In the current supply position, headline rent levels have dropped back slightly with new units at £215 per sq m and good second hand at £183-£193 per sq m across Hemel Hempstead. These rents would normally support the development of new schemes, but in practice they are subject to substantial occupier incentives, including up to three years rent-free for leases of more than 10 years. For office development to be viable on these

terms, landowners would have to dispose of land at discounted prices, which they are unwilling to do.

- 3.37 Due to these viability problems and the level of oversupply, together with the restricted availability of development finance, office development in Hemel Hempstead is unlikely to happen for at least the next three to five years, either speculatively or for pre-let/pre-sold units - unless it is to meet specialist bespoke requirements, which are difficult to predict.
- 3.38 In the longer term, to attract significant office development Hemel Hempstead would have to offer defined office locations that provide easy access to the main highway network, main line rail services, public transport and a range of local amenities. At present no such locations are available. The major sites currently available for office development are at Maylands Avenue and Breakspear Way, which as discussed earlier do not currently meet these criteria; some of these sites, such as Peoplebuilding, have been marketed unsuccessfully for several years.

Conclusions

- 3.39 As an office location, Hemel Hempstead is currently viewed as a poor relation in comparison with the competing centres of Watford and St Albans. At present the office market is oversupplied across all sectors, the viability of development is undermined by substantial occupier incentives, and new office development in the town is unlikely for the next three to five years.
- 3.40 In the longer term, to change the market perception of Hemel Hempstead would require the town to offer defined office locations that provide easy access to the main highway network, mainline rail services, public transport and a range of local amenities. This would require new sites to be identified for office development, or where development could include an office component. As well as the town centre, possibilities include a 'gateway' development on the A414 at Two Waters and Hemel Hempstead railway station. To achieve this will require more investment, both from the public and private sectors, than in competing centres.

Berkhamsted

- 3.41 Berkhamsted is an affluent town situated to the west of Hemel Hempstead. The town centre lies approximately 1.6 km (one mile) from the A416 junction to the A41. A mainline station lies just to the north of the centre. The town has developed along the river Bulbourne, the route of the Grand Union canal, the west coast mainline railway and the A4251, a former main road to London and the Midlands. These linear routes are concentrated in a narrow band in the valley, which is where the commercial and employment space is concentrated.
- 3.42 Berkhamsted's commercial sector generally serves the needs of the local community and its hinterland, rather than wider areas. The town has a successful local office market and a smaller industrial/warehouse sector.

- 3.43 As we showed in the last chapter (Table 2.1), Berkhamsted has considerably fewer workplaces than economically active residents, so there is a case on sustainability grounds for maintaining the current levels of employment in the town.

Industry and Warehousing

- 3.44 Berkhamsted caters to businesses serving the local and sub-regional markets. Units are generally modern with some more dated units which are mostly in the range 232-929 sq m (2,500-10,000 sq ft). Occupancy is high; according to Focus total availability is 3,334 sq m, of which 54% is at unit 8, Billet Lane. This is no more than might be expected. There is a reasonable mix of units available, both for sale and to rent.
- 3.45 There has been a healthy level of transactions, with rents varying from £54 per sq m but mostly above £75 per sq m. Several units have been sold to occupiers, including 859 sq m at Site 3 Northbridge Road at £825,000 to the Light Corporation Ltd and Link House at 481 sq m on Northbridge Road sold for £500,000.
- 3.46 In summary, therefore, so far as we can tell the local industrial/warehouse market is healthy, with a reasonable balance of demand and supply. This suggests that if the occupier demand for space is to be met existing land should be protected from transfer to other uses, except of course for any sites are no longer commercially attractive or suitable for industry/warehousing.

Offices

- 3.47 Berkhamsted offices are located throughout the town centre and provide a variety of often smaller units in bespoke and converted space. Units are mostly small, in the 45-140 sq m (500-1,500 sq ft) range, located throughout the town centre, generally to the south of the High Street. Smaller units on easy terms are provided at Audley House and Northbridge House, whilst larger spaces are provided in the Grade II converted mansion house, Ashlyns Hall, Chesham Road, situated on the southern fringe of the built area of the town. In general, occupiers serve the local market, provide specialist services, or both.
- 3.48 According to Focus, there is 505 sq m of available office space in Berkhamsted, none of which is ground floor accommodation. Almost half of the total space available is in 29-33 Lower Kings Road, which has been on the market for more than two years. From the limited information available, it would appear there is little vacant space on the market and no quality accommodation more than 250 sq m is available, certainly none that includes ground floor space.
- 3.49 Notwithstanding the vagaries of the general economic climate, there were several transactions in the period 2007 to 2009. Most were of the smaller units, such as managed suites at Audley House, which were letting at £264 per sq m. But Ashlyns Hall saw two lettings totalling 893 sq m to separate companies at rents up to £188 per sq m. Most disposals for the better quality space, including units above other uses, saw rents in the range £160 to £190 per sq m.
- 3.50 The level of rents and activity in the market would indicate an established and successful market. But at current rent levels it would be difficult to justify new development of Grade

A space, other than perhaps on a pre-let/pre-sale basis. We do not think there is significant demand for new office accommodation at present.

- 3.51 In summary, Berkhamsted is a small office market and it seems to be in good health, with no evidence of oversupply. This suggests that, for as long as this remains the case, if demand is to be met existing offices should generally be safeguarded, provided that they are still attractive and suitable.

Tring

- 3.52 Tring is a former market town on the edge of Dacorum, situated off the A41 approximately 13 km (eight miles) from Aylesbury. A mainline railway station lies approximately 2.5 km (1½ miles) outside of the centre. Tring's businesses serve the town's local residents and some of the nearby villages, but the town's residents look to Aylesbury, Hemel Hempstead and wider afield for some of their jobs and for higher-order services.
- 3.53 Aylesbury is promoting a substantial employment area off the Aston Clinton Road which will attract occupiers from far afield and will compete with Tring for business occupiers. But Aston Clinton will take several years to reach fruition.
- 3.54 As we showed in the last chapter (Table 2.1), Tring has considerably fewer workplaces than economically active residents, so there is a case on sustainability grounds for maintaining the current levels of employment in the town.

Industry and Warehousing

- 3.55 Tring is not a major location for industrial and warehouse occupiers even though it benefits from good access to the A41. However, it has developed a successful estate at Icknield Way, which provides a mix of accommodation to businesses serving both the local market and wider areas.
- 3.56 According to Focus there is 2,177 sq m of industrial and warehouse space on the market, of which 1,260 sq m is in two units at Icknield Way. There is also available space at Akeman Street, which has been on the market for up to 18 months.
- 3.57 Asking rents for the available property range from £43 sq m for an older mid size warehouse unit to £75 sq m for a relatively new larger unit at Icknield Way. The higher of these rents might support the development of new space, but given the state of the wider property market at present development is only likely on a pre-let/pre-sold basis.
- 3.58 On the information available to us, we are not aware of any particular imbalances in the local market.

Offices

- 3.59 Office space in Tring is dispersed throughout the town with no one location being prominent. There is 560 sq m of available space in Tring of which 284 sq m is at Akeman Street. The accommodation is nearly all first floor or above and much of it comprises small suites, available individually or together. Most units have not been on the market for any length of time, the main exceptions being a part unit on Akeman Street and a unit at Icknield Way.

- 3.60 Office rents range from £75 to £160 per sq m, with a few lettings achieved in the 64-68 Akeman Street property since its purchase in July 2005. Mixed-use space is available at £54 per sq m. These rents are generally reasonable, though not sufficient to justify the development of Grade A space.
- 3.61 In our opinion, the Tring office market is much smaller than Berkhamsted. On the information available to us, it appears to be broadly in balance, with no known significant unsatisfied demand and no general oversupply. However, it would appear there may be an oversupply of smaller office space in the town centre.

Kings Langley

- 3.62 The village of Kings Langley straddles the boundary between Dacorum and Three Rivers and the study brief asks us to consider it as an undivided whole. Most of King Langley's employment space is in Three Rivers, but in market terms it is closer to Hemel Hempstead than the centres in Three Rivers.
- 3.63 Kings Langley is an affluent settlement with historic roots. It has a limited centre, whose local population relies on amenities in Hemel Hempstead and Watford. The boundary between Dacorum and Three Rivers follows the Grand Union canal, with the mainline railway running parallel. To the west, in Dacorum, is the A4251 which links to Apsley and the wider Hemel Hempstead to the north, with the A41 and junction 20 to the M25 motorway to the south.

Industry and Warehousing

- 3.64 Kings Langley industrial/warehouse stock mostly comprises older mid-size units, for example at Langley Wharf and elsewhere off Primrose Hill. But there are also modern developments, as at Kingley Park and Abbotts Business Park. Occupiers include firms serving the local market, logistics operators serving wider areas and some national businesses.
- 3.65 Current availability is limited: Focus quotes a total of 2,693 sq m in nine units, including a 1,016 sq m unit at Kingley Park. Five of the nine units available have been so for more than two years and four of these long-term vacant units are at Abbotts Business Park, suggesting that there is a difficulty with this particular development rather than general oversupply in the local market.
- 3.66 We believe that there is a current oversupply of the smallest units in Kings Langley, but there is occupier interest for larger spaces, particularly if they were available on a freehold basis. In particular, the development of units in the range 278-929 sq m (3,000-10,000 sq ft) in our opinion would prove of interest to occupiers.
- 3.67 The availability of older, larger units with yards is also restricted. If occupier demand is to be met, the sites that provide this kind of space should be protected from redevelopment for housing, at least until they can be replaced elsewhere in the Borough, perhaps by releasing more land on the other side of Hemel Hempstead, at Buncefield.
- 3.68 Asking rents range from £80 to £135 sq m and in our opinion achievable rents are sufficient to sustain new development, provided of course that the occupier demand is

there. As well as rental transactions there have been a number of freehold acquisitions recently, particularly at Kingley Park, but these transactions are confidential and we therefore we cannot advise about the values achieved.

- 3.69 In summary, although demand at one particular scheme, Abbotts Business Park, has been disappointing, there are no signs of general oversupply in Kings Langley industrial/warehouse market, and in some sectors there is potential demand for new development. On the face of it, this suggests that if demand is to be met the planning system should generally safeguard existing sites, and perhaps provide land for new development.

Offices

- 3.70 Kings Langley is not recognised as a major office location, although there are several significant developments there, including Home Park Mill Link Road, and Abbotts Business Park, Primrose Hill. We do not have detailed information on this small market and therefore our comments are brief.
- 3.71 The current availability of office accommodation, according to Focus, amounts to 955 sq m, all of which is at Abbotts Business Park, with available units ranging from 66 sq m to 237 sq m. Where there have been lettings at Abbotts Business Park, they have achieved less than half the asking rent of £160 per sq m. This development, in hindsight, has been too much of one type of accommodation built at the wrong time in a very difficult economic climate.
- 3.72 There is no larger modern accommodation available in Kings Langley but we cannot confirm that there would be demand if such space were available. Current rent levels would not support the development of Grade A space, but a lesser quality might be viable although this would only be likely on a pre-let/pre-sale basis. We are not aware of any sites available for new development.
- 3.73 In summary, Kings Langley is not a major office market and little information is available about it. There is no evidence of major imbalances in the local market and we expect little or no demand for office sites in the town.

The Greater Watford Area

Industry and Warehousing

- 3.74 As noted earlier, Three Rivers does not have a separate identity as an industrial/warehouse market. The district's industrial/warehouse stock is concentrated in two areas: Kings Langley, which has been analysed earlier and is closely associated with Hemel Hempstead, and Tolpits Lane, which in effect is part of the wider Watford market.
- 3.75 Availability in the Watford area is estimated at 35,000 sq m. Against the area's stock of 455,000 sq m this represents a vacancy rate of 8%, which on its own would indicate a balanced market. But against the 2009 floorspace take-up of 5,600 sq m the available represents six years supply, which is a high number, suggesting the market is oversupplied. Taken together, the figures suggest that the market is oversupplied in the

current recession but not in the long term, so as the economy improves one would expect it to make a good recovery.

Table 3.3 Industrial and warehouse market key information - Greater Watford

000 sq m	Take-up	Industrial & Warehouse Stock	Warehouse Stock	Industrial Stock	Availability	Top Rent
		2009	end-2007	end-2007	2009	end-2009
	5.6	455	269	185	35	86

Source: PROMIS

- 3.76 The market has a reasonable supply of all unit types, with the exception of large units, above 4,645 sq m (50,000 sq ft). But there is no particular reason to believe that demand for these units has to be met specifically in Three Rivers, as opposed to the rest of the wider Watford area.
- 3.77 Dependent on age and condition, rents in the Watford area are commonly being quoted from £65 per sq m to £86 per sq m for space in excess of 929 sq m with a 10 to 15% office content. In reality, it is possible to obtain a lease on a modern, good-quality unit at around £75 per sq m and on the basis of a 5 year minimum term with a rental incentive of up to 6 months rent free. At these rents, it is difficult to develop new space in Three Rivers close to Watford itself, because land prices are prohibitively high in comparison with other industrial/warehouse areas, so new development is unlikely in the short term. In the Three Rivers section of the area, there is little land available for development, and newer schemes have been redevelopments of previous employment premises.
- 3.78 To conclude, insofar as it is possible to determine and looking beyond the recession, we believe that the wider Watford market is generally in balance, except for the largest units, above 9,290 sq m (100,000 sq m), where supply falls short of demand. It may be difficult to provide new units in this category because the large sites they require are not readily available: near Watford land is too expensive, and in the Three Rivers part of the area there is little new land available; most recent industrial/warehouse development has been on recycled land, which does not provide large plots.

Offices

- 3.79 As mentioned earlier, Three Rivers is part of the wider Watford office market. Two of Three Rivers' main office areas are Croxley Green Business Park, which adjoins the Watford district boundary and Watford Business Park, and Leavesden Park, of which part is actually in Watford district.
- 3.80 The Watford area is in stiff competition with very attractive and commercially successful centres around Heathrow and the Thames Valley to the south, Milton Keynes to the north and St Albans and Hatfield to the east. Within the area, Watford itself dominates the market.

Table 3.4 Office market key information: Watford

000 sq m	Take-up 2009	Stock 2009	Completions 2009	Availability 2009
5.57	390.00		5.20	51.37

Source: PROMIS

- 3.81 In 2009, according to the PROMIS data in Table 3.4 the area had 390,180 sq m of available space. This represents a vacancy rate of 13% and, against the 2009 take-up of 5,750 sq m, over nine years supply. LSH's own research for Watford indicates even higher availability at 57,134 sq m as at the end of 2009 rising to 74,320 sq m in the first quarter of 2010. These figures suggest that the market is seriously oversupplied overall. There is a full range of accommodation available both in terms of size and quality, with no known shortages.
- 3.82 Reflecting the current oversupply, there is no speculative office development under construction and office rents have dropped back slightly, with asking rents for new units for Watford at £215 per sq m. These rents are enough to make development viable and there is land available for development, particularly at Leavesden and Maple Cross. But, given the prevailing oversupply, development is unlikely to occur until the available space is much reduced, or a major pre-let/pre-sale is agreed.

Rickmansworth

- 3.83 Rickmansworth is the main urban area within Three Rivers and the administrative centre for the district. The town is situated inside the M25 between junctions 17 and 18 and benefits from a mainline railway station and London Underground (Metropolitan Line) service. The town centre is defined by a ring road on three sides, with the River Colne and Grand Union canal to the east.
- 3.84 The local employment market is almost exclusively office-based, with no industrial or warehouse accommodation of note.

Offices

- 3.85 There is no defined employment quarter in the town although most larger units are situated on the ring road near to the railway station with occupiers including Comet and VocaLINK. The Council offices are located in this northern sector.
- 3.86 Occupier interest in the town is varied with some national operations such as Comet with others that are more regional and locally orientated. Occupiers are attracted by the quality of the town, its environs and amenities, good access to the M25 and rail and underground links.
- 3.87 Available space in Rickmansworth, according to Focus, totals 19,089 sq m, of which 11,675 sq m is located in three modern buildings at Denham Way, Maple Cross. Two other buildings comprise 3,877 sq m with 14 others making up the rest. From the above it would appear there is a reasonable mix of available units both in terms of size and quality. We do not believe there is a shortage of space in any sector of the market.

- 3.88 Rents vary with one unit at £135 sq m and two of the Denham Way units with asking rents of more than £250 per sq m; most units are in the range £170 to £205 per sq m. We believe that quality accommodation in Rickmansworth can achieve £235 per sq m. These levels of rent would not prove a hindrance to development. However, we believe development in the current market conditions will not occur without take-up of available space and/or on the basis of a pre-let/pre-sale.

Offices above Shops

- 3.89 The study asks whether office units above shops should be safeguarded against conversion to other uses in the smaller towns of Berkhamsted, Tring and Rickmansworth. We have not undertaken a survey of such units, so our comments below are based on more general understanding of the kind of demand that such units meet.
- 3.90 In general, as mentioned earlier in the discussion of Hemel Hempstead, it is our view that the demand for the smallest and lowest-quality units, below some 50 sq m, has been falling. Some, though not all, of these small tertiary units are above shops. Offices above shops are also difficult to let if they do not have separate and visible access, which occupiers need for security, image and convenience.
- 3.91 So some offices above shops if they fall vacant would likely not be re-occupied, which suggests they should be allowed to shift to other uses. But larger units with separate access may be in demand, depending on the market balance in particular centres. In Tring, for example, there seems to be an oversupply of the smallest units in the town centre, suggesting that if units above shops shifted to other uses there would still be accommodation elsewhere to satisfy the same demand. But in Berkhamsted and Rickmansworth the market for small units seems more in balance; so for as long as this remains the case, if occupier demand is to be met, planning policy should safeguard such units, especially given that new development to meet the same demand is unlikely to be viable.
- 3.92 Such differences in market conditions between towns are difficult to measure or predict and may be short-lived, so it would not be practical to have different policies for different places depending on these differences. If the objective is to ensure that enough office supply is available to meet demand, then a more robust policy stance would be to treat applications for change of use on their individual merits. The policy might say that office units above shops that are larger than 50 sq m should be protected as employment uses unless the owner can prove a lack of demand.

Conclusions

Industry and Warehousing

- 3.93 Across the local centres in Dacorum and Three Rivers, industrial/warehouse markets are affected by the recession, so in the short term space is generally oversupplied and new development is unlikely. But this is not the case in all market sectors: large quality units tend to be undersupplied even in the recession. Assuming that the economy recovers and the availability of finance improves, the current oversupply is likely to disappear and in

some places and market sectors supply will fall short of demand. In particular, it will be difficult to supply larger units, because there is little on which such space can be provided. In later chapters of this report we consider how this land supply can be improved.

- 3.94 More generally, in most local markets the existing industrial/warehouse stock remains reasonably well occupied even in the recession. This suggests that if demand is to be met existing industrial/warehouse sites should generally be safeguarded against redevelopment for other uses, unless they are no longer attractive and suitable, in which case they should generally be replaced. Like all the findings of the market analysis, this conclusion of course relates to the short term, looking ahead perhaps 2-3 years. For a view of likely demand in the longer term, market analysis is less helpful and we need to look to economic forecasts - which are discussed in Chapter 5 below.

Offices

- 3.95 The position for offices is quite different. The study area's main office markets, Hemel Hempstead and greater Watford (which includes the main office areas in Three Rivers), are chronically oversupplied, irrespective of the recession, and in our opinion are unlikely to see significant new development for at least the next 3-5 years. Part of the problem is that Hemel Hempstead in particular is relatively unattractive to office occupiers: the main employment area at Maylands is currently far from amenities, ill-served by public transport and largely industrial in character, while the town centre provides a poor environment and is beyond walking distance from the railway station - a problem compounded by restrictive parking standards. We believe that improvements to correct these problems would attract some office demand to the area, but we cannot tell on what scale.
- 3.96 In smaller centres such as Berkhamsted and Tring, where demand is local and the stock largely secondary, the office market seems more balanced, although the centre of Tring does suffer from an oversupply of small units. Again we do not expect any new office development in the short to medium term, but the existing stock seems well occupied, suggesting that if occupier demand is to be met that stock for the time being should be generally safeguarded against transfer to other uses.

4 EMPLOYMENT SITES AND AREAS

Introduction

- 4.1 In this chapter we provide quantitative and qualitative assessments of employment sites and areas in Dacorum and Three Rivers and first-draft proposals on the future uses of these sites and areas. Supporting information, providing more detailed and more formal assessments, is in Appendices 2 - 5 at the end of the report. At this stage, our initial proposals are bottom-up: they are based on our qualitative assessments, together with the short-term analysis of local markets in the last chapter. In Chapter 5 below, we will test these bottom-up proposals against a top-down view of each local authority's land requirements.
- 4.2 The analysis below covers both areas currently in employment use ('*existing employment areas*') and sites which may be developed for employment in future ('*development sites*'). Development sites in turn are of two kinds: *commitments*, which comprise outstanding planning permissions and allocations, and *potential sites*, which are proposed or being considered for development but are not yet formally identified by the planning system.
- 4.3 The appraisal of existing employment areas is broad-brush, relating to whole estates, town centres etc, while in appraising development sites we focus on smaller land areas, as proposed for individual development schemes. Therefore the two kinds of areas may overlap, where a specific site within a wider employment area is committed or proposed for redevelopment. One example is the 'greater Maylands' area in Hemel Hempstead, where there are several development sites, such as Spencers Park and Maylands Gateway.
- 4.4 Below, for each district we first discuss employment sites and areas in turn, and then summarise our initial proposals in a supply schedule which quantifies the gains and losses of employment space implied by these proposals. In Chapter 5 below we will compare these proposed supply-side changes with long-term demand forecasts and provision targets, to arrive at final recommendations on how demand and supply may be balanced over the plan period.

Dacorum

Hemel Hempstead Town Centre

Assessment

- 4.5 This is the main urban area in Dacorum as well as its administrative and commercial centre. Public buildings including the Council offices and West Herts College are located to the north of the commercial centre with office and mixed use development in the area known as Paradise to the east. The town centre has recently undergone a major extension with the development of The Riverside and the ongoing refurbishment of the Kodak Building.

- 4.6 The Borough Council has promoted the redevelopment of the northern part of the town centre to create new council offices, college facilities, amenity uses and new retail and commercial development. This was based on a masterplan developed jointly with a development partner. That partner has gone into administration and therefore the scheme is unlikely to be implemented in its current form.
- 4.7 The masterplan boundary was based on the area of the developer's scheme. The wider town centre, in particular, the area to the east known as Paradise, a mix of modern offices and other uses in varying quality of units to the rear was not included. Nor was the General Hospital. With the recent closure of the A&E service and changes within the PCT of services generally, the future of the hospital is under consideration. Slightly further afield but within the town centre, is the Corner Hall site currently used as a car wash with car sales adjoining and mixed uses to the rear off Lawn Lane.

Initial Proposals

- 4.8 As our market analysis in Chapter 3 above has shown, at present there is no proven demand for more office space in the town centre. However, anticipating slightly on the analysis in the next chapter, we must bear in mind that long-term forecasts and planning targets show large amounts of office growth in Dacorum, which in practice means in and around Hemel Hempstead. If this growth does come about, some of it should be in the town centre, for two reasons: to comply with strategic and local policies that promote sustainability and to provide an element of choice for occupiers wanting a town centre location for its amenities, which are currently lacking at Maylands. Even if the Maylands masterplan's proposals for introducing amenities are implemented, Maylands will not offer the same range of amenities as a town centre.
- 4.9 In a wider perspective, if Hemel Hempstead town centre is to provide the quality of retail and leisure offer and general amenity that would be expected in a town of its size it requires major new investment. An initial step in this would be to make a new masterplan, incorporating the hospital site, Paradise and Corner Hall location. The plan would aim to create new focal areas for retail, public services, culture and leisure and it should also incorporate leisure development.
- 4.10 The plan should include a review of the Council's restrictive car parking policy, together with public transport provision and the proposals contained in the Hemel Hempstead Urban Transport Plan which seeks to promote access to the remote main line railway station and to Maylands. This will also help define the potential and deliverability of a new office quarter within the centre.
- 4.11 The centre can become more attractive as an office location if the masterplan vision provides a focus for new development where the parking limitations do not apply. The Hertfordshire County Council town centre standard of one space per 100 square metres is unduly restrictive in Hemel Hempstead Town Centre because the railway station is distant from the centre. If a standard closer to the 'business park' 1 place per 30 square metres cannot be achieved, provision of shared parking, which can also provide long term parking for the town centre, has the potential to overcome the parking constraints.

- 4.12 To create a credible business quarter new offices should be focused around the proposed new civic and college buildings. This would create a critical mass of similar uses which will make it possible to provide a focus for improved public transport provision and shared parking. Given the uncertainty over demand, the quantum of offices which could be provided over the plan period, is, in our opinion, of the order of 9-12,000 square metres. Although the quantum is modest it would be competing with the Maylands Gateway, and is in line with our recommendation to reduce the amount of office space proposed for the Maylands Gateway below the 141,000 square metres in the development brief (see below). In our supply calculations, therefore, we have allowed for 10,000 sq m of office space in the town centre over the plan period.
- 4.13 As part of this plan there should be a review of accommodation above retail units. In general, this is more likely to be found above older units than modern purpose built shops. Therefore, the area with most units that are likely to have separately accessible space will be in the area north of Bridge Street.

Greater Maylands

Assessment

- 4.14 Greater Maylands was laid out and developed as part of the Hemel Hempstead New Town vision. It is well located to the motorway network and local roads. There is a lack of public transport and local amenities and the local infrastructure is tired and in some instances inadequate. Notwithstanding, our view is that the estate as a whole will remain the main employment area for the Borough, as it is of regional significance and an attractive location for many occupiers particularly those requiring easy access to the motorway network.
- 4.15 Greater Maylands comprises the employment areas of Maylands, Maylands Avenue, Swallowdale, Breakspear Park and Buncefield. These, to varying degrees, cater to different sectors of the employment market. It also includes Maylands Gateway, fronting Breakspear Way, where the Council has issued a development brief proposing up to 141,000 square metres of prestigious B1 office and research facilities.
- 4.16 The area is in continuous transition. In the industrial/warehouse sector, with older smaller units are giving way to large modern units; with a move from industrial production to assembly and warehousing. In the office sector, the transition is from major corporate head offices to smaller regional units or managed and serviced offices. Corporate occupiers have been downsizing, in response to both local factors and the wider forces of globalisation and technical and organisational change. Thus BP vacated Breakspear Park, which it had originally developed at its European HQ. More recently, DSGI, Epson and others have shed significant amount of space in the last 2-3 years. BT at Dolittle Meadows in South Hemel has also downsized. This situation is reflected in the number of unimplemented office permissions on sites in Maylands Avenue.
- 4.17 The Buncefield incident in December 2005 also changed perception of the estate with potential inward investors concerned by the negative press and ongoing uncertainty. This has fed through to existing occupiers and, along with the above influences and the credit

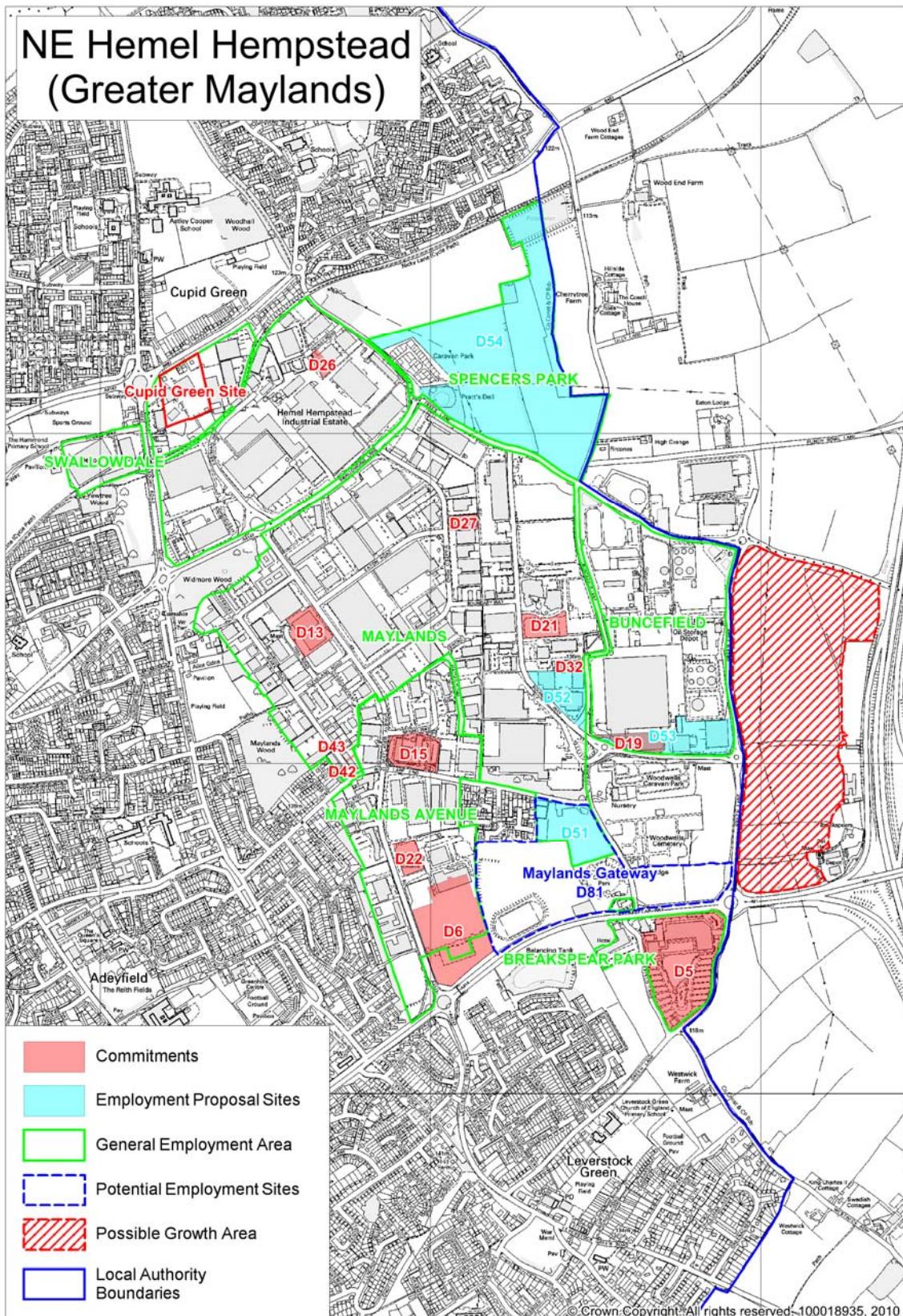
crisis, has led to reduced employment in the area and reduction in new investment in the immediate aftermath.

- 4.18 We have been informed that the Council is considering relocating the Cupid Green Council Depot and Recycling Centre away from Maylands as the site is too small.

Initial Proposals

- 4.19 As discussed elsewhere in this report, current policies and targets favour large-scale growth in Hemel Hempstead in general and Maylands in particular, especially in the office sector. But our market analysis suggests that it may be very difficult to achieve this growth in practice. If Maylands is to have a better chance of attracting office development, the recommendations in the Maylands Masterplan in 2007 should be implemented: in particular the public transport proposals and the provision of improved local amenities. This would help retain businesses and encourage new occupiers, particularly in the B1 and B2 classes, and so encourage new development when general market improves. But in our opinion the amenities proposed in the masterplan are excessive for the level of demand that is likely to be generated by an employment area, and the proposals should therefore be scaled back.
- 4.20 The reduction in demand for traditional offices and the level of unimplemented office permissions in Maylands Avenue, described earlier, suggest that the Council should adopt a more flexible approach types of B-class use in Maylands Avenue. This is reinforced by the continuing occupier interest in the area for B8 uses, as described in Chapter 3 above. So the Council should also allow some B2/B8 development on Maylands Avenue to better reflect demand. We appreciate the aspirations of the Council to see a quality street scene in this gateway location. We believe this can be achieved by allowing only B2/B8 schemes that have higher than normal office content and requiring them to present that aspect to the main frontage.
- 4.21 Similarly we suggest a more flexible approach in Maylands Gateway. In our opinion, unless B2/B8 uses are permitted as well as the B1 currently proposed, the timeframe for development is likely to be significantly beyond the plan period, even for the Breakspear Way frontage.
- 4.22 In line with our view that flexibility is needed, in our supply schedules we have counted as potential development sites two lapsed permissions in Maylands - the former Maylands House and Golden West Food sites - as potential gains of 3,300 square metres of industrial/warehouse space and 440 square metres of offices.
- 4.23 With regard to Maylands Gateway, the back land to the Development Brief area should be re-allocated for wider B uses with an emphasis on the quality of development. For the purposes of estimating land supply changes we have notionally allocated half the area for B1 development (70,600 square metres on three floors) on the Breakspear Way frontage, with the remainder for other B-class uses (23,500 square metres - single floor only).

Figure 4.1 Greater Maylands Employment Sites



- 4.24 Our estimate of the employment generation potential of our recommendations for Maylands Gateway is as follows:
- The employment potential of Maylands Gateway of development for B1 office only is about 7,800 jobs.
 - If only half the area is allocated for B1, with the remainder large scale B8, the employment potential is about 4,700 jobs, 3,100 fewer than for the 100% office option
 - Even with only 50% of the Gateway developed for B1, there are a range of possible employment levels higher than 4,700 depending on:
 - The extent of B2 activities rather than B8
 - The extent to which B2/B8 occupiers require a high office content - for example a warehouse with a logistics management function - which would increase the number of jobs per site.
- 4.25 The land around the Buncefield Depot which is subject to development restrictions should be used to accommodate otherwise poor neighbour type uses, including those requiring yards. There may be some scope for relocating businesses displaced from areas such as Kings Langley here.
- 4.26 If proposals for relocation of the Cupid Green Depot and Recycling Centre are implemented, the site should continue to be used for employment purposes, as it is surrounded on three sides by such uses and non-conforming uses will result in potential conflict.

South Hemel

Assessment

- 4.27 South Hemel is the area along the A4251 and includes Apsley and the area up to the Hemel Hempstead mainline railway station.
- 4.28 It can be split between the area to the east, which is dominated by large offices; the mid area, which focuses on retail development; and the western section, which comprises smaller older mixed employment uses interspersed with new development and gasometers.
- 4.29 The area to the east benefits from proximity to Apsley railway station but suffers from a poor road system. The A4251 is narrow in part, constrained further with some on-street parking, whilst being heavily used in both directions for local and service traffic, so that there can be significant delays at rush hour. Public transport is available but has to negotiate this poor road network. Notwithstanding, we assess the area as a reasonable employment area focusing more on B1 uses.
- 4.30 In the mid and western sections there is poorer quality accommodation. Because they are closer to the junction with A414, Two Waters Way and therefore the A41, the traffic is less of an issue. However, there are instances where local constraints might restrict an individual site's potential. Frogmore Road is a typical example where the canal bridge provides a local pinch point in the traffic, and this, along with the proximity of overlooking

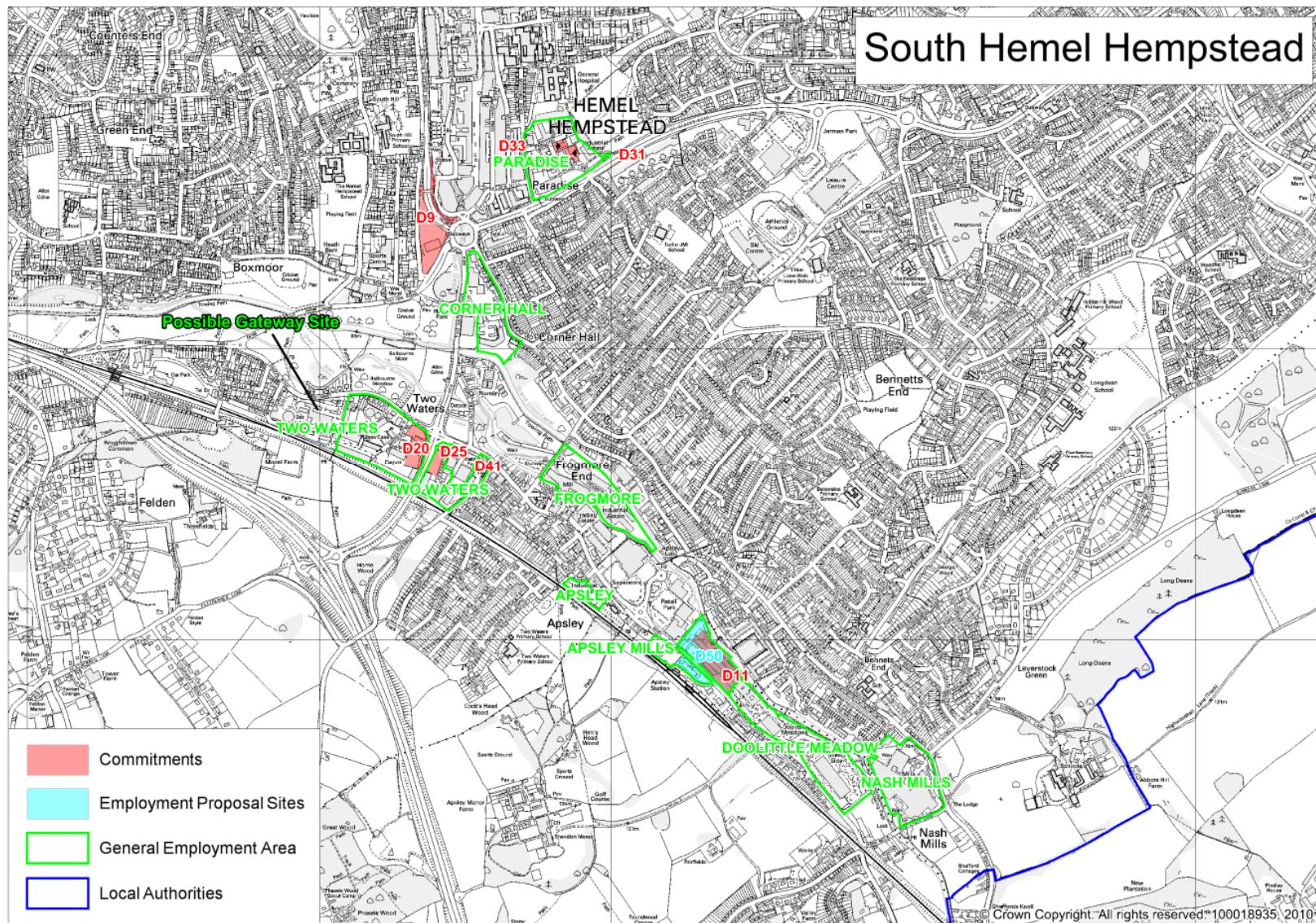
nearby residential development off Ebbers Road, might restrict the redevelopment potential of this site.

- 4.31 The sites either side of the A414 are the most prominent and visible sites as you approach the town centre, and have the greatest potential for transformational impact on the presentation of the town. They are close enough to the centre to benefit from the amenities therein. However, they are not currently the quality gateway entrance to the town that is required, even though they may be relatively successful mixed use locations.
- 4.32 The 'Pilling Motors' site and surrounding land up to Stratford Way could be considered suitable for a comprehensive gateway redevelopment at some point in the future.
- 4.33 The site surrounding the mainline railway station is being proposed for mixed use development. At the time of writing this report, Dacorum has started the process of commissioning a masterplan for this area, which might include employment provision as part of a wider scheme focusing on improving the station approach and facilities.
- 4.34 However, should the proposals for these two areas include a quantum of office accommodation, these might compete with the limited expansion of office space proposed for the town centre. It could also have an adverse impact on other more fragile locations such as around Apsley station and if substantial then also Maylands Gateway. On the other hand, they would also improve the marketability of Hemel Hempstead as an office location.

Initial Proposals

- 4.35 The Frogmore site should be released for alternative development. For the purposes of estimating land supply changes we have notionally assumed a loss of 16,400 square metres of industrial/warehouse space.
- 4.36 The sites either side of Two Waters Way, including the Pilling site, should be considered for redevelopment to provide for the quality 'iconic' schemes the location warrants. In our supply schedule we have notionally assumed an office content of 3,454 square metres, half the area of the recent lapsed permission.
- 4.37 Given the possible competitive impact of office provision at Two Waters, and the importance of regenerating the Hemel town centre, the latter should be given priority until the Town Centre Masterplan has been prepared and implemented.

Figure 4.2 South Hemel Employment Sites



Berkhamsted

- 4.38 The town's employment areas are of good quality, and as we have seen they are well occupied. We see no reason, therefore, why existing employment land should be released for other uses.

Tring

Assessment

- 4.39 The main employment space for Tring is on the edge of the town at Icknield Way, close to an A41 junction. This purpose built estate comprises a mix of generally modern units with a core comprising an older warehouse and adjoining accommodation. There are new warehouse/production units as well as B1 offices. The units are generally well occupied with little vacancy. Williams Court which comprises small warehouse/production units of 185-370 square metres has been developed and sold to occupiers at approximately £1,292 per square metre.
- 4.40 The site provides good quality access to the A41 and will be attractive to occupiers seeking to serve similar markets to Aylesbury and the successful more local development at Browns Hedge, Pitstone. Our assessment is that the site should be protected and expanded, as it will be attractive both to businesses displaced from town centre sites and to other occupiers.
- 4.41 There are two employment areas in the town centre: the Akeman Street and Brook Street sites, which comprise a total of 1.6 hectares.
- 4.42 The site off Akeman Street is a mixed B use development comprising a former complex which runs through to Langdon Street. This is now sub-divided providing space to several mixed use occupiers. Vacant offices front Akeman Street. There is a separate haulage yard off Langdon Street. This site lies within a wider Conservation Area. The streets are narrow with on street parking serving the local residential areas. The movement of traffic in this sensitive locale is problematic and would put off some potential occupiers. However, it does provide low cost accommodation to local businesses, which is not otherwise readily available elsewhere.
- 4.43 The site off Brook Street is situated within a converted historic listed mill surrounded by residential development. Access from Brook Street is very poor, at a pinch point in the traffic where, because of on street parking, traffic is limited to one way movement at any one time. Although providing reasonable employment space continuing use is likely to be limited because of the access problem described above.
- 4.44 There is space available at both Akeman Street and at Brook Street.
- 4.45 Elsewhere in the town centre there are only a few offices. There are some very small units in premises on the High Street and Akeman Street.
- 4.46 Our assessment is that the Akeman Street and Brook Street sites suffer from poor access which limits their suitability for some employment uses. The long term future of these sites for significant employment use must be in doubt as rent levels would not justify

redevelopment and any significant vacancies will prejudice ongoing viability. If they are developed for alternative uses, it may be possible to include an element of offices/studios as part of a scheme.

- 4.47 With regard to the specific issue of live/work units in Tring, our views as set out in our recent report on Nash Mills⁴ remain unchanged. We consider that the co-location of employment space in a mixed use development would achieve the same employment objectives with fewer compromises and less risk. This is reflected in our suggestions for the Akeman Street site set out below.
- 4.48 The displaced occupiers, if the sites were re-designated, could be accommodated at an extension to Icknield Way.

Initial Proposals

- 4.49 The main Akeman Street site should be considered for release to alternative uses with a small element of new offices/studios as part of any scheme. Some of the newer offices on Akeman Street should be retained.
- 4.50 The main building at Brook Street may be capable of conversion to residential use: sympathetic employment accommodation could possibly be retained elsewhere on site.
- 4.51 Icknield Way should be protected and may be expanded to cater for businesses relocating from the other sites in the town and inward investors. We have not reviewed the quantum of space required but there is a natural extension of approximately 2.6 hectares by extending the rear boundary in a straight line up to the boundary with the AONB and to the Icknield Way frontage.
- 4.52 For the purposes of estimating land supply changes we have notionally assumed a loss of 6,400 square metres of industrial/warehouse space at Akeman Street and Brook Street; and a gain of 7,800 square metres of industrial/warehouse space and 2,600 square metres of Office at Icknield Way.

Markyate

- 4.53 Markyate is a village situated off the historic A5 Watling Street, approximately three miles from junction 9 to the M1 motorway. The village has limited facilities sufficient to serve the immediate needs of the local community but little else.
- 4.54 Markyate's employment density is 69% (see Table 2.1 above) which implies that there is a case for maintaining, or even increasing employment opportunities in the village.
- 4.55 The employment provision at Markyate is focused on the Hicks Road site, which has direct access to the A5. The accommodation is generally old 1950s and '60s space with three-storey brick-built offices, and a mix of industrial and storage units. The southern section benefits from newer more useable space off Sharose Court. Although this is a high-density employment area with housing/town centre uses on three sides, the estate

⁴ Roger Tym & Partners (2009) *The Redevelopment of Nash Mills* for Dacorum Borough Council. Paras 2.35 - 2.37 refer.

provides a useful source of cheap local employment accommodation for several long standing occupiers. The site owner is considering applying for planning consent to redevelop the site for residential and associated purposes.

- 4.56 We consider the site to the north of Hicks Road, which comprises an office block and larger units, might be considered for redevelopment for alternative uses, as it is unlikely to be relet in its current form. The southern part of the site remains suitable for employment and should continue to be protected. Displaced businesses are unlikely to be able to relocate to existing premises in Markyate and therefore their only option might be to move out of the area. This may not be feasible if their trade is mostly local. These businesses could therefore face closure unless the land lost is replaced.
- 4.57 One option for replacement would be a new greenfield employment site at Markyate. As an alternative, avoiding the need to do this, the loss of employment space could be replaced in part by new premises on the southern part of site and in part by development opportunities elsewhere off the A5 nearer to the motorway junction, including the Calafaw site. This latter opportunity is longer term and may not be viable for all existing occupiers, as the investment will require significantly higher levels of rent which existing occupiers could not probably afford, unless rents were subsidised for them.
- 4.58 In our calculations, we have notionally assumed a loss of 1,600 square metres of industrial/warehouse space at Markyate.

Dacorum Summary

- 4.59 Below, we provide a quantitative summary of our initial proposals for sites in Dacorum, in three tables. Table 4.1 shows proposals for the possible release of some existing employment sites for alternative uses. Table 4.2 shows our proposals regarding development sites, where we suggest changes to existing plans and Table 4.3 shows the total changes implied by our proposals. In all these tables, we estimate the impact of our proposals in terms of gains and losses of employment space over and above the 'status quo' represented by planning commitments current at our survey date, 1st March 2009.
- 4.60 In summary, our suggestions for releasing existing employment sites produce a loss of some 30,000 sq m of industrial/warehouse space and a small gain of some 1,600 sq m of office space. (This includes 5,560 sq m of industrial/warehouse space at Sunderlands Yard in Kings Langley, which is discussed in the Three Rivers section below).

Table 4.1 Dacorum existing sites: proposed changes over and above current commitments

Sq m	I&W gain	I&W loss	Net change	Office Gain	Office Loss	Net change
Frogmore		-16,400	-16,400			
Akeman Street		-3,200	-3,200			
Brook Street		-3,200	-3,200			
Markyate Industrial Area (Hicks Road)		-1,600	-1,600		-1,600	-1,600
Sunderland Yard		-5,560	-5,560			
Hemel Hempstead TC				10,000		10,000
Sub -Total	0	-29,960	-29,960	10,000	-1,600	8,400

Source: Dacorum BC, LSH, RTP

Table 4.2 Dacorum development sites: proposed changes over and above current commitments

	I&W gain	I&W loss	Net change	Office Gain	Office Loss	Net change
Maylands House site	1,347		1,347	444		444
Pilling Motor Group site				3,454		3,454
Golden West Foods Site	1,952		1,952			
Maylands Gateway	23,500		23,500	70,600		70,600
Ickneild Way Extn	7,800		7,800	2,600		2,600
Sub -Total	34,599	0	34,599	77,098	0	77,098

Source: Dacorum BC, LSH, RTP

- 4.61 Our suggestions for development sites add up to gains of 35,000 sq m of industrial/warehouse space and 77,000 sq m of office space. The main component of these changes is the proposed development of Maylands Gateway (Maylands Gateway is classed as a potential site, not yet a planning commitment). The proposed industrial/warehouse gains do not include any contribution from land east of Buncefield as we consider that the prospects of this land being allocated for employment use are currently too speculative for it to be classified as a potential site. For the same reason, office gains do not include any contribution from the Hemel Hempstead station area.
- 4.62 Table 4.3 below sums the proposed changes. In Chapter 5 these feed into planned land supply for Dacorum in order to test the balance between forecast demand and supply.

Table 4.3 Sum of proposed changes

I&W Gain	I&W Loss	Net Change	Office Gain	Office Loss	Net Change
34,599	-29,960	4,639	87,098	-1,600	85,498

Three Rivers

Rickmansworth

- 4.63 The findings of our market review in Chapter 3 above led to the conclusion that in general office sites in Rickmansworth should be protected.

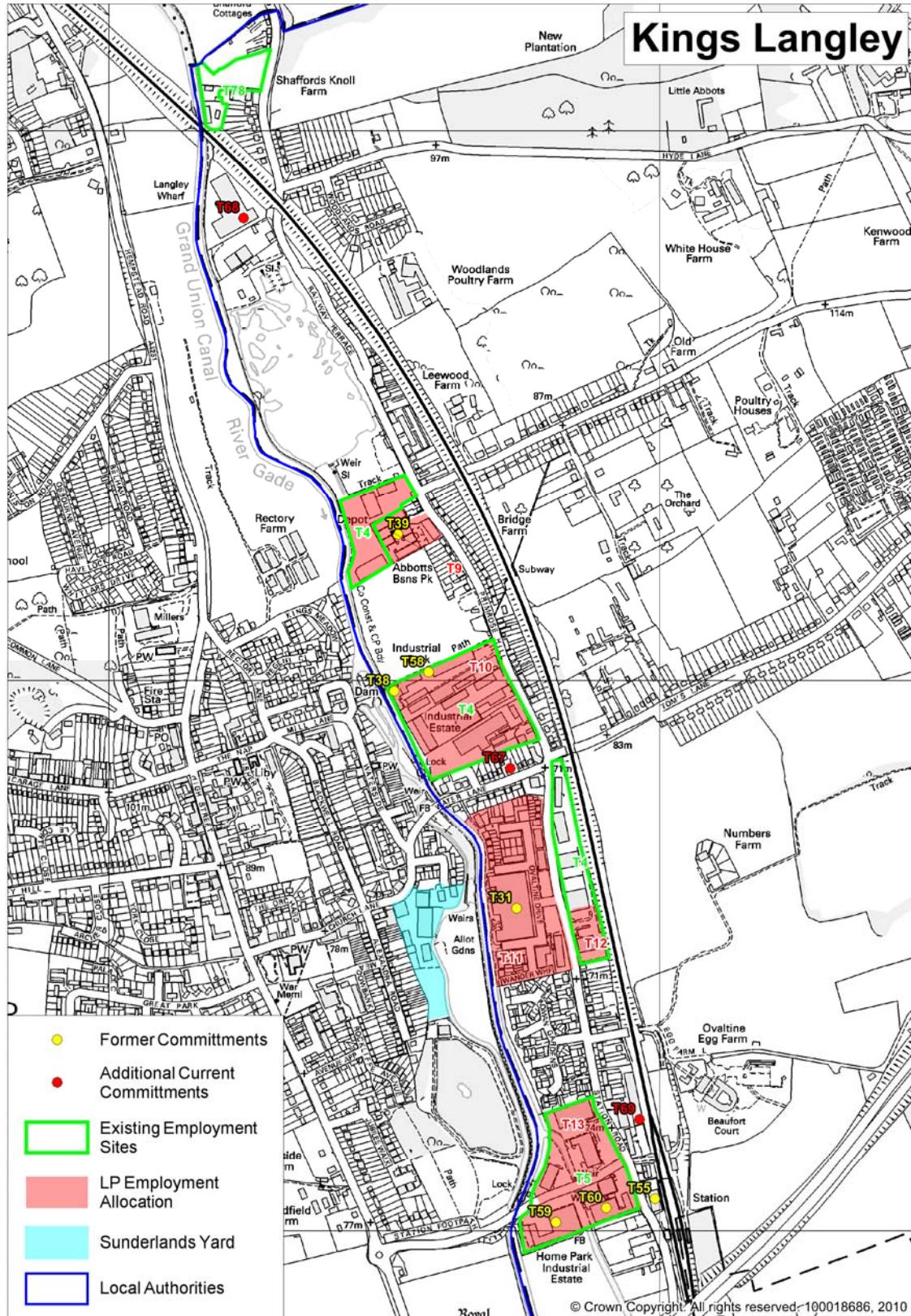
- 4.64 We only identify one site, which because of poor access might not be re-occupied if it became vacant and which we suggest should be considered for release to other uses. This is Beesons Yard situated off Bury Lane, a one way street. This site is in multiple occupation and its long term future is expected to be limited due to the poor access and the fact that it is surrounded by residential uses.
- 4.65 There may be other similar sites which, if they cannot be let or sold, should be considered for release based on their individual merits.
- 4.66 With regard to offices above shops, we suggest that the possible policy of protection for units that are larger than 50 sq m should apply to Rickmansworth.

Kings Langley

- 4.67 The employment area in Kings Langley comprises three defined blocks (see Fig 4.3 on the page after next). Although generally considered as an area of B2 and B8 uses there are some significant B1 units. There are also some sites with reasonable sized yards, which are a rare commodity in both Three Rivers and Dacorum.
- 4.68 To the south, in the vicinity of the railway station, is a well located modern development off Home Park Mill Link Road. This employment space has a long term future.
- 4.69 In the mid-section there are two areas. One is Kingley Park, an estate of newly built units, opposite the former Ovaltine factory which has been recently converted to residential. The second, further north, is to the west of Primrose Hill. It is an area developed over the years by separate owners as relatively long and narrow schemes running from Primrose Hill to the canal to the rear. The units are a mix of older and more modern units, and are generally well occupied, providing a good source of local employment. They should therefore be protected. Over time the area would benefit as an employment area from rationalisation to provide an improved layout and limit access points on to the congested Primrose Hill.
- 4.70 The northern section, can be further sub-divided, either side of the lake off Railway Terrace. The southern portion of it has been recently redeveloped, with residential to the front and small business units to the rear. A successful transport depot and similar uses adjoin this site. Consideration should be given to allowing redevelopment for other B-uses.
- 4.71 The northern-most area, which is not formally designated as an employment area, is generally in three main blocks. Part is a former scrap yard and is now underused; a Hertfordshire County Council depot; and Langley Wharf, a former mill, now in separate multi occupancy uses. Because of the poor local road referred to above the future of these sites may be in doubt. Langley Wharf is reasonably well occupied and provides local employment opportunities, but access to the site is very poor with the adjoining the railway bridge restricting visibility.
- 4.72 Office premises in Kings Langley include Emtex House and Monaco House, Station Road; Langley Waters, Pinnacle House and Enterprise House Business Centre, all off Home Park Mill Link Road; and newly built units at Abbotts Business Park.

- 4.73 Sunderlands Yard in Dacorum, although not identified as a general employment area, provides a mix of older mid size units with a large yard area, which is uncommon. Access to the site is via a constrained road. The site provides a useful source of employment but it is recognised this might be under threat in the future because of the access and conflicting pressures from the adjoining residences.
- 4.74 Land has been lost to residential in the recent past. Three Rivers has granted consent to several major residential schemes involving the redevelopment of former employment areas. These include the former Ovaltine premises, Station Road. Dacorum Council has similarly consented to the redevelopment of Nash Mills and adjoining mills to the north of the area, close to the administrative boundary.
- 4.75 Because of the level of demand in Kings Langley we suggest that the majority of these sites continue to be protected for employment use. The exceptions to this are Langley Wharf and adjoining sites either side of the railway bridge; and Sunderlands Yard; all of which we suggest could be considered for release in the long term because of poor access and, in the case of Sunderlands Yard, the proximity of residential uses.
- 4.76 Our reason for suggesting release of these sites in the long term only is that they include yards, which are an element of secondary employment space in short supply. There is a high risk that jobs in businesses displaced from yards will be lost because they cannot find sites to which to relocate. Our recommendation that part of the area adjacent to Buncefield should be made available to these types of businesses would provide some alternative accommodation. This might include space for the Hertfordshire County Council depot adjacent to Langley Wharf.
- 4.77 New employment space at Maple Cross (see below) would not be a direct replacement to space lost in Kings Langley, because it would be unlikely to include yards and rents would be too high for occupiers of secondary space.
- 4.78 To compensate for the possible loss of employment land in Kings Langley, land to the south of Home Park Mill Link Road, although within the green belt, should be considered for designation as employment use.

Figure 4.3 Kings Langley Employment Sites



Leavesden

- 4.79 Leavesden has been identified as a major employment area, being strategically located near to junctions 19 and 20 to the M25 motorway to the north of Watford. In the London Arc Study its proposed capacity was given as a further 90,000 square metres of B1 office. MEPC, the site owners, have developed several speculative units, which have only been let in part.
- 4.80 The site is in a residential suburb with few facilities and amenities. Public transport is limited. Because of these deficiencies the site's potential has not materialised.
- 4.81 Other factors are the competitiveness of other locations and major changes in corporate occupancy trends which have militated against them taking on large scale long term property commitments. An example of this is the downsizing by BT where they are seeking to vacate their 9,290qm unit at Leavesden.
- 4.82 The current position is that:
- Three Rivers are considering reallocating two-thirds of the 14 hectares still undeveloped with offices (indicative area shown in purple in Fig 4.4 on the next page) to housing, leaving about 4.5 hectares for employment space. This implies a reduction in the capacity of the Leavesden for B1 offices from the 90,000 sqm shown in the Arc report to 30,000 sqm
 - Warner Studios have recently made a planning application for a major visitor attraction adjacent to their studios. We consider that this would increase the attractiveness of the site overall.
- 4.83 Because of the factors outlined above, our assessment is that Leavesden does not have potential as a large-scale office park and a range of uses should be permitted on of the remaining employment land:
- If the Warner Brothers application is approved, we consider that the opportunity should be created for uses attracted by it to be developed, so A3 and C1 uses complementary to it should be permitted.
 - As the site has not been successful at attracting office uses there should be flexibility over which B-uses should be permitted.
- 4.84 For the purposes of estimating land supply changes we suggest allocating one-third of the remaining land for continued office use; one-third for other B-class uses and one-third for A3 and C1 uses. We have estimated the resulting distribution of space as follows.

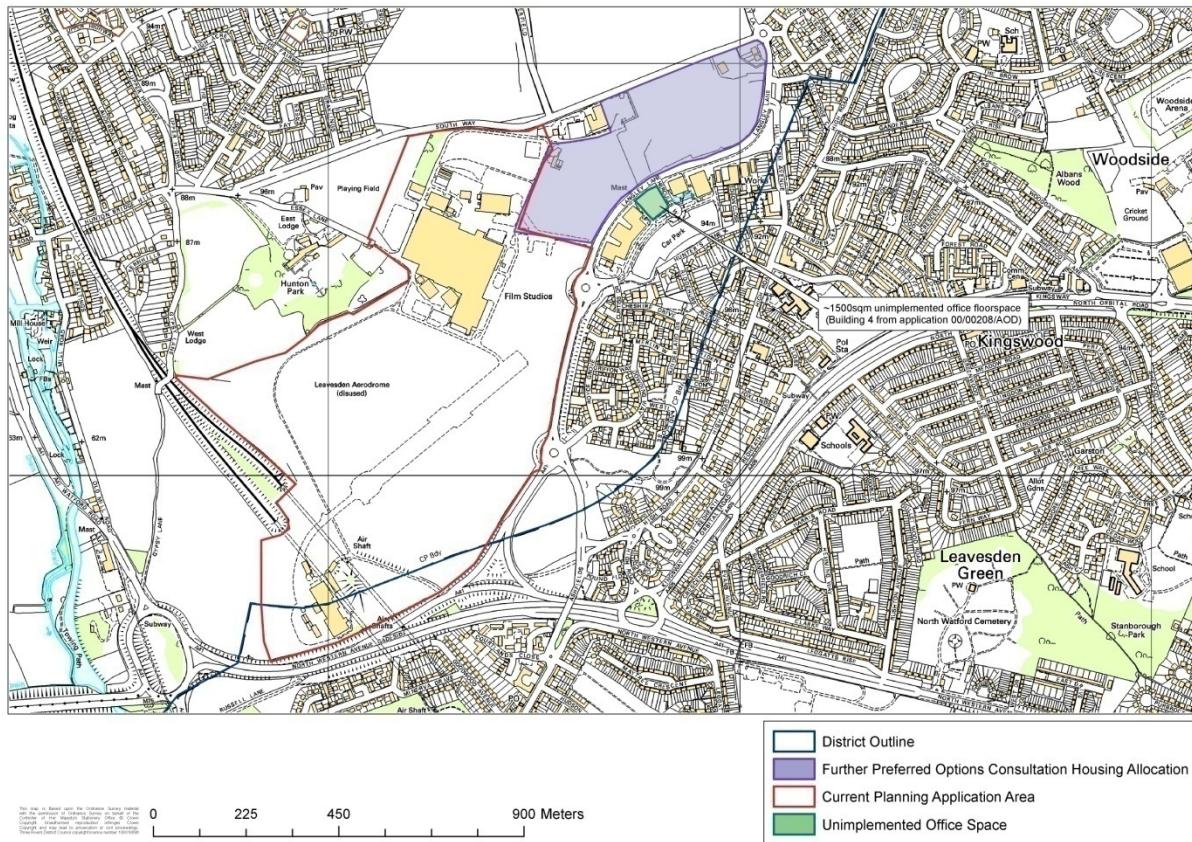
Table 4.4 Suggested allocation of space at Leavesden

Use Class	Area sqm
B1 Office	10,000
B2/B8	6,000
A3/C1	6,000
Total	22,000

Source RTP, LSH

- 1.6 The larger area for B1 Offices than the other uses results from an office plot ratio of 0.66, as opposed to a ratio of 0.4 for the other uses.

Fig 4.4 Leavesden



South Oxhey

- 4.85 South Oxhey is the subject of a separate study by Three Rivers.
- 4.86 The centre is dominated by a large number of small retail units with separately accessed residential accommodation above. It is being considered for a comprehensive redevelopment to provide a more customer focused retail offer, new housing and other public facilities and amenities.
- 4.87 The council will need to commission a separate masterplan to determine the extent and content of the scheme, which may incorporate an element of employment provision, which would be helpful in addressing employment needs in the area. Our view is that this employment element will not be significant.

Carpenters Park

- 4.88 Our assessment of the adjoining Carpenters Park employment area is that existing employment space should be retained for employment in view of the limited quantum of employment space in the area. However, traffic would need to negotiate residential streets which might not make potential development sufficiently attractive to warrant necessary investment in new employment development. Therefore there should be flexibility for alternative uses including residential particularly on the vacant land to the north of the site.

Croxley/Tolpits

- 4.89 Croxley Business Park and the nearby Tolpits Lane employment area are more closely associated with Watford, although on the Three Rivers side of the administrative boundary. These employment areas are successful, and they provide a significant source of local employment that will be enhanced by the extension of the Metropolitan line and the provision of a new local station to the north of the area, should that scheme be implemented.
- 4.90 Croxley Business Park is largely offices, while Three Rivers industrial/warehouse developments are focused at Tolpits Lane. It is substantially built out.
- 4.91 As both these sites are successful and form a major component of Office and Industrial/Warehouse space in the district respectively we recommend that they are protected as employment locations.

Maple Cross

- 4.92 Maple Cross is well located to the south east of Rickmansworth, close to junction 17 of the M25 motorway.
- 4.93 The existing development includes 5,574 sq m of available B1 space. Planning consent has been granted for a further 9,290 sq m.
- 4.94 The Council are proposing a possible extension to the current employment area with an additional 4 hectares to the east for B uses. Although the site is away from any population centres its proximity to the motorway network will be attractive for possible B8 occupiers in particular. Other B class uses, including smaller units may also be suitable and helpful in addressing employment needs in the area.
- 4.95 Maple Cross has potential to see inward investment in the plan period, particularly once the market has improved.
- 4.96 We therefore recommend that:
- The existing employment area continue to be protected
 - The proposed extension be brought forward for B2/B8 use as soon as possible.

Three Rivers Summary

- 4.97 The presentation of these changes follows the same pattern as for Dacorum sites.
- 4.98 Below, we provide a quantitative summary of our initial proposals for sites in Three Rivers, in three tables. Table 4.5 shows proposals for the possible release of some existing employment sites for alternative uses. Table 4.6 shows our proposals regarding development sites, where we suggest changes to existing plans and Table 4.7 shows the total changes implied by our proposals. In all these tables, we estimate the impact of our proposals in terms of gains and losses of employment space over and above the 'status quo' represented by planning commitments current at our survey date, 1st March 2009.

- 4.99 In summary, our suggestions for releasing existing employment sites produce a loss of 18,700 square metres of Industrial/Warehouse space and about 600 square metres of Office.

Table 4.5 Three Rivers existing sites: proposed changes over and above current commitments

Sq m	I&W Gain	I&W Loss	Net Change	Office Gain	Office Loss	Net Change
Kings Langley N		-16,800	-16,800			
Rickmansworth TC		-1,920	-1,920		-640	-640
Sub -Total	0	-18,720	-18,720	0	-640	-640

Source: Three River District Council, LSH, RTP

Table 4.6 Three Rivers development sites: proposed changes over and above current commitments

Sq m	I&W Gain	I&W Loss	Net Change	Office Gain	Office Loss	Net Change
Leavesden	6,000		6,000		-20,000	-20,000
Maple Cross	16,000		16,000			
Sub -Total	22,000	0	22,000	0	-20,000	-20,000

Source: Three Rivers DC, LSH, RTP

- 4.100 Our suggestions for development sites add up to gains of 22,000 sq m of industrial/warehouse space and losses of 20,000 sq m of office space. The components of change are:

- Our suggestion that the remaining allocation of employment space at Leavesden be changed from 100% office to a mix of office, other B-uses and other uses.
- Our suggestion that the proposed extension to the Maple Cross employment area be brought forward for industrial/warehouse space.

- 4.101 Table 4.7 below sums the proposed changes, which feed into Chapter 5.

Table 4.7 Sum of proposed changes

I&W gain	I&W loss	Net change	Office Gain	Office Loss	Net change
22,000	-18,720	3,280	0	-20,640	-20,640

Conclusions

- 4.102 In this chapter we have arrived at initial proposals for future land provision, based on bottom-up analysis of local markets and individual sites. In Chapter 5 below, we will test these proposals against a top-down view of each authority's land requirements, based on long-term forecasts and targets.

5 THE DEMAND AND SUPPLY OF EMPLOYMENT LAND 2006-2031

Introduction

- 5.1 In this chapter, we compare future requirements for employment land over the plan period 2006-31 with the land supply currently identified by the planning system.
- 5.2 In this comparison, land requirements (demand) are based on two alternative scenarios:
- The first scenario is the *London Arc targets* and, as its name indicates, is taken from the London Arc Study. To produce these provision targets, that study started from employment forecasts produced by Oxford Economics for the region in spring 2008, which it translated into demand for land. It then redistributed this land requirement across the London Arc sub-region to align the geography of future development with land availability and current spatial policies. We have projected the Arc targets forward to 2031.
 - The second scenario is based on a newer Oxford Economics employment forecast, autumn 2009, translated into land requirements.
- 5.3 There is a fundamental difference between the two scenarios. The London Arc scenario represents a sub-regional employment land strategy. It shows *policy-on* demand. It does not simply provide land where (according to the forecast) the market will want to put development. Rather, it aims to steer demand to places which are policy-preferable, so far as is consistent with the market reality of where occupiers and developers are prepared to go. In contrast, the Oxford Economics 2009 scenario is *policy-off*, simply showing the forecasters' best estimate of where demand will be.
- 5.4 Below, we first look at future employment scenarios, then translate them into future demand for employment land and then compare that demand with the planned land supply currently identified in current planning commitment and proposed in Chapter 4 above. Finally, we test our suggestions for changes to supply by comparing demand and supply and identify the implications. In Chapter 6 we formalise these as recommendations.

Employment scenarios

Total Employment

- 5.5 In Table 5.1 below, as well as the London Arc targets and OE spring 2009 forecasts, we also show the OE spring 2008 forecasts on which the London Arc targets were based.
- 5.6 In Dacorum, approximately 10,700 additional jobs are forecast over the period of 2006-2026 in the new autumn 09 forecasts - a figure very similar to the Arc target increase, and approximately 3,000 jobs lower than the spring 08 target. The increase to 2031 is roughly a further 2,000 jobs (Arc target) and 4,700 jobs (autumn 09) so the latter forecasts faster growth in the last five years of the plan period than the former.

- 5.7 In Three Rivers we have amended the Arc Target employment growth forecast to 2026 from the 5,771 shown in Table 7.14 of the London Arc report to 1,287 in Table 5.1 below. This takes account of the reduction in the projected quantum of office space at Leavesden from the 90,000 sqm envisaged in the Arc report to the 10,000 sqm proposed in the Leavesden section of Chapter 4 above (para 4.79 onwards).
- 5.8 Total employment in Three Rivers is forecast to increase by around 3,600 jobs (9%) over the period 2006-2026 according to the autumn 09 forecasts: over 2,000 jobs more than the 1,300 growth according to the Arc target modified as described above. The increase to 2031 is roughly a further 350 jobs (Arc target) and 1,000 jobs (autumn 09).

Table 5.1 Total Employment, Dacorum and Three Rivers, 2006-26 & 2006-31

	2006			2026			Change 2006-26			London		
	London			London			London			Arc		
	Spring 08	Target	Arc	Spring 08	Target	Arc	Spring 08	Target	Arc	Spring 08	Target	Arc
Dacorum	68,866	68,866	68,588	82,146	79,647	79,272	13,280	10,781	10,684	19%	16%	16%
Three Rivers	38,584	38,584	38,742	40,962	39,871	42,301	2,378	1,287	3,559	6%	3%	9%
2006			2031			Change 2006-31			London			
London			London			London			Arc			
Spring 08	Target	Arc	Spring 08	Target	Arc	Spring 08	Target	Arc	Spring 08	Target	Arc	
Dacorum	68,866	68,866	68,588	87,014	81,550	83,978	18,148	12,684	15,390	26%	18%	22%
Three Rivers	38,584	38,584	38,742	41,246	40,227	43,282	2,662	1,643	4,540	7%	4%	12%

Source: Oxford Economics; RTP

B-Space Employment

- 5.9 Our next step is to identify those jobs which are likely to occupy B-class space, comprising offices, factories, workshops and warehouses. We will then multiply these forecasts of B-space employment by standard floorspace/worker ratios to arrive at estimates of the change required in floorspace. To identify B-space jobs, we use the same method as the London Arc study, broadly assuming that:
- Industrial/warehouse space is occupied by Manufacturing, plus certain parts of the Construction, Motor Repairs/Maintenance and Sewage/Refuse Disposal.
 - Warehousing is occupied by a variety of transport and distribution activities which are widely spread across the Standard Industrial Classification.
 - Office sectors are as defined by the ODPM in 2004 as part of research on town centres, plus selected parts of Public Administration and Defence and an adjustment for Labour Recruitment and Provision of Personnel⁵.

5 SIC 74.5 covers people employed in temporary jobs via agencies. It is excluded from the ODPM definition of town centre offices. In our definitions, we distribute the industry's jobs across all types of space in proportion to the shares of each type of space in the economy as a whole (excluding SIC 74.5 itself). Thus, we assume that some of the industry's jobs are based in offices, factories and warehouses while others are in non-B including shops, hospitals and so forth.

Table 5.2 Industrial Jobs, Dacorum and Three Rivers, 2006-26 & 2006-31

	2006				2026				Change 2006-26								
	London			Arc	London			Arc	London			Arc	London			Arc	
	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target
Dacorum	7,074	7,074	7,005	4,931	4,942	4,734	-2,143	-2,132	-2,270	-30%	-30%	-32%					
Three Rivers	3,778	3,778	3,716	3,573	3,242	3,420	-205	-536	-296	-5%	-14%	-8%					
2006				2031				Change 2006-31								London	
London			Arc	London			Arc	London			Arc	London			Arc	London	
Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09
Dacorum	7,074	7,074	7,005	4,817	4,805	4,966	-2,257	-2,269	-2,039	-32%	-32%	-29%					
Three Rivers	3,778	3,778	3,716	3,485	3,207	3,293	-293	-571	-422	-8%	-15%	-11%					

Source: Oxford Economics; RTP

- 5.10 The number of Industrial jobs in Dacorum is forecast to fall by around 30% by 2026, with very little further fall in the period to 2031. There are no significant differences between scenarios. The decline is much smaller in Three Rivers to 2026: around 14% according to the Arc Target and 8% according to the autumn 09 forecasts. Again, there is relatively little additional fall in industrial employment by 2031.

Table 5.3 Warehousing Jobs, Dacorum and Three Rivers, 2006-26 & 2006-31

	2006				2026				Change 2006-26								
	London			Arc	London			Arc	London			Arc	London			Arc	
	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target
Dacorum	8,235	8,235	7,541	7,813	7,829	7,861	-422	-405	320	-5%	-5%	4%					
Three Rivers	3,305	3,305	2,440	3,229	2,930	3,429	-76	-375	989	-2%	-11%	41%					
2006				2031				Change 2006-31								London	
London			Arc	London			Arc	London			Arc	London			Arc	London	
Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09	Spring 08	Target	Autumn 09
Dacorum	8,235	8,235	7,541	7,910	7,892	7,913	-325	-343	373	-4%	-4%	5%					
Three Rivers	3,305	3,305	2,440	3,202	2,946	3,433	-103	-359	994	-3%	-11%	41%					

Source: Oxford Economics; RTP

- 5.11 The Arc Target scenario shows falls in the number of Warehousing jobs in Dacorum and Three Rivers in the period 2006-2026. In contrast Autumn 09 shows increases in both areas: in the case of Three Rivers this is a substantial increase of nearly 1,000 jobs (41%).
- 5.12 The forecasts show relatively little further change in warehousing employment between 2026 and 2031.
- 5.13 The main reason why the autumn 09 forecasts show more warehousing jobs is due to employment in wholesaling. In Dacorum, employment in wholesaling increases by 1,800 over the study period. However, this considerable growth is offset by a decline in jobs land transport and other transport (-700) and post and courier activities (-900). Hence, the cumulative impact on warehousing jobs is marginal.
- 5.14 On the other hand, in Three Rivers, an additional 800 wholesaling jobs are expected. This is not offset by any other warehousing employment decline. As will be discussed later, this growth greatly affects the demand for warehousing space in the district.

Table 5.4 Office Jobs, Dacorum and Three Rivers, 2006-26 & 2006-31

2006-26	2006			2026			Change 2006-26								
	<i>Spring 08</i>		<i>London Arc Target</i>	<i>Autumn 09</i>	<i>Spring 08</i>		<i>London Arc Target</i>	<i>Autumn 09</i>	<i>Spring 08</i>		<i>London Arc Target</i>	<i>Autumn 09</i>	<i>Spring 08</i>	<i>London Arc Target</i>	<i>Autumn 09</i>
	Dacorum	14,454	14,454	15,754	23,752	21,227	20,476	9,298	6,773	4,722	64%	47%	30%		
Three Rivers	7,615	7,615	7,862	9,463	9,003	9,414	1,849	1,388	1,552	24%	18%	20%			
2006-31	2006			2031			Change 2006-31								
	<i>Spring 08</i>		<i>London Arc Target</i>	<i>Autumn 09</i>	<i>Spring 08</i>		<i>London Arc Target</i>	<i>Autumn 09</i>	<i>Spring 08</i>		<i>London Arc Target</i>	<i>Autumn 09</i>	<i>Spring 08</i>	<i>London Arc Target</i>	<i>Autumn 09</i>
	Dacorum	14,454	14,454	15,754	26,826	21,391	21,495	12,372	6,937	5,741	86%	48%	36%		
Three Rivers	7,615	7,615	7,862	9,910	9,027	10,069	2,295	1,412	2,207	30%	19%	28%			

Source: Oxford Economics; RTP

- 5.15 As noted above, the Arc Target forecast to 2026 for Three Rivers in Table 5.4 above differs from that in the London Arc report because for this report we have taken into account the reduction in the quantum of office space forecast for Leavesden from 90,000 square metres in the Arc report to 10,000 square metres in this one.
- 5.16 In Dacorum the Arc targets forecast office jobs increasing by 6,800 jobs (47%) by 2026, and by only a further 150 by 2031. The autumn 08 forecasts show a smaller increase, of 4,700 jobs to 2026, but a further 1,000 jobs by 2031.
- 5.17 In Three Rivers there is an increase in office employment forecast between 2006 and 2026 by both the Arc targets (1,400) and autumn 09 (1,600). Between 2026 and 2031 the Arc targets forecast no significant increase, while autumn 09 forecasts a further increase of 650.

Non-B employment

- 5.18 Non-B jobs - those that are not based in factories, warehouses or offices ('employment space') increase by 8,000 in Dacorum and 1,300 in Three Rivers based on the new forecasts between 2006 and 2026. This growth is higher for both districts relative to the previous forecasts. Substantial increases in Non-B employment are forecast for the period 2026-2031, particularly in Dacorum, where the number of these jobs is forecast to increase by 1,800 and 3,500 in these five years (spring 08 and autumn 09 respectively).
- 5.19 In terms of sectors, the greatest increase is Hotels and Catering in Dacorum (+3,000 jobs). Health, non-B Construction, Other Personal Services and Education are other key sectors demonstrating growth over the period and cumulatively adding nearly 5,000 jobs. In Three Rivers, Health provides the most additional jobs (+600 jobs). This is followed by Non-B Construction, Education and Non-B wholesale and Distribution (collectively adding 1,200 jobs). These are offset by declines in Transport and Communication in Dacorum and in Retailing in Three Rivers.
- 5.20 Forecasts of Non-B employment are sensitive to changes in population forecasts. This is because jobs in education, health and a wide range of personal services are directly related to population. As described in para 7.5 of the Arc Report this is recognised in OE's methodology for district forecasts which reflects this by using a ratio of employment per head of resident population to forecast employment in personal and community services. The implication of this is that changes in forecasts of growth in housing

numbers will impact, via changes in population forecasts, on the forecasts for Non-B jobs. In the specific context of the Study Area, if, following the abolition of the RSS housing targets for Dacorum and Three Rivers, the locally-set housing targets are lower than the RSS ones, the main impact on employment forecasts will be to reduce forecast Non-B jobs. The impact on B jobs, forecasts of which are based on projecting forward the districts' past share of the region's total, will not be significant.

Table 5.5 Non-B Employment Change, Dacorum and Three Rivers, 2006 -26 & 2006-31

Jobs	2006-26				2006-31			
	Dacorum		Three Rivers		Dacorum		Three Rivers	
	Spring 08	Autumn 09	Spring 08	Autumn 09	Spring 08	Autumn 09	Spring 08	Autumn 09
Agriculture & Extraction	-141	-92	-54	20	-169	-100	-68	20
Utilities	-71	-75	-54	278	-75	-75	-64	322
Non B Construction	909	1,234	375	479	1,213	1,765	443	699
Non B Wholesale & Distribution	-137	442	-132	380	-157	476	-154	366
Retailing	-353	558	-104	-1,265	-483	1,248	-158	-1,237
Hotels & Catering	1,776	2,964	109	226	2,196	3,644	119	232
Transport & Communication	-631	-1,410	315	261	-667	-1,571	334	312
Non B Space Business Services	2,155	730	98	133	2,781	1,220	100	179
Non B Public Administration	36	29	314	-58	41	26	829	-60
Education	1,239	805	293	349	1,566	937	334	341
Health	1,871	1,491	165	608	2,309	2,179	157	771
Other Personal Services - Misc	-107	1,238	-516	-187	-198	1,568	-712	-281
Residual	-	-	-	90	-	-	-	97
Total	6,546	7,913	810	1,314	8,358	11,315	1,161	1,762

Source: Oxford Economics; RTP

Note: Residual relates to HM forces (which are not included in either employees in employment or in self-employment).

The demand for employment space

Method

- 5.21 This update of employment land adopts the same method to convert jobs into floorspace as was done in the London Arc Study. Assumed floorspace per worker is 18 sq m in offices and 32 sq m in industrial space. For warehousing, as explained in the London Arc report we assume that floorspace per worker rises gradually from 54 sq m in 2006 to 70 sq m in 2026, and stays fixed thereafter.

Industry & Warehousing

Table 5.6 Industrial & Warehousing Land Demand, Dacorum and Three Rivers, 2006-26 & 2006-31

Net floorspace change

Sq m	I & W	
	London Arc Targets	Autumn 09
2006-26		
Dacorum	26,904	62,840
Three Rivers	6,298	96,375
2006-31		
Dacorum	27,688	73,944
Three Rivers	5,104	92,636

Source: Oxford Economics; RTP

- 5.22 In Dacorum, the London Arc targets show demand for some 27,000 sq m of net additional space. This is an insignificant increase, some 4% of the Borough's stock. In the autumn 2009 scenario the demand more than doubles to 63,000 sq m, which is still only 8% of the stock.
- 5.23 In Three Rivers, the London Arc targets show demand for an additional 6,000 sq m - in effect no change. The spring 2009 scenario for reasons explained earlier shows much greater demand at 96,000 sq m, which is just over 60% of the stock - a large and hard-to-believe increase.
- 5.24 The large increase in forecast warehousing jobs in Three Rivers in the autumn 09 forecasts compared with the Arc targets explain why the demand for industrial and warehouse floorspace to 2026 is significantly higher in the latter: up by 90,000 square metres in Three Rivers.
- 5.25 For the same reason there is also an increase of 36,000 square metres in Dacorum between the Arc targets and 09 forecasts. The pattern of difference between the two forecasts is broadly similar over the period 2006-2031.

Offices

Table 5.7 Office Land Demand, Dacorum and Three Rivers, 2006-2026 & 2006-2031

Net floorspace change

Sq m	Offices	
	London Arc Targets	Autumn 09
2006-26		
Dacorum	121,906	84,992
Three Rivers	24,980	27,930
2006-31		
Dacorum	124,872	103,346
Three Rivers	25,417	39,720

Source: Oxford Economics; RTP

- 5.26 According the autumn 09, the demand for office floorspace in Dacorum is expected to increase by approximately 85,000 square metres over 2006-2026. This figure is much lower than the London Arc targets, which forecast demand for 122,000 square metres over the period. For Three Rivers, over the same period both forecasts have a broadly similar increase in the range 26-28,000 square metres.
- 5.27 While the Arc targets forecast only a small increase in the demand for office space between 2026 and 2031, autumn 09's is much larger: nearly 20,000 square metres in Dacorum and 12,000 in Three Rivers, albeit from a much lower base in the case of Dacorum.

Planned Land Supply

Introduction

- 5.28 This is made up of a combination of net changes to committed supply (completions since 2006 and development sites); and our suggestions for changes to existing sites and development sites.

Completions since 2006

- 5.29 We include completions as part of supply in this update report as the employment forecasts cover the period from 2006 to 2026/2031. We need to include completions as these now form part of the supply available to meet the employment growth scenarios.

Development sites

- 5.30 These are made up of commitments (sites under construction, outstanding permissions not yet started and outstanding allocations not yet permitted), and potential sites. Potential sites comprise those where development is proposed but the sites are not yet formally committed; and lapsed permissions over 1,500 sqm, which we review to see if the former permission is the most appropriate use for the site, or whether an alternative is preferable. Because potential sites are not yet formally part of supply, we include them among our suggestions, with our view on how they should be developed.

Our suggestions

- 5.31 These comprise our tentative recommendations to changes from the status quo which arise from our qualitative assessments. They comprise the following:
- Suggestions that some existing sites may be released from their existing uses
 - Changes to development sites, comprising suggestions for changing both the overall scale of development and the distribution of space between different use classes.

Supply Tables

- 5.32 The tables below summarise the supply position for industrial/warehousing and office land. Lists of the sites making up the Completions and Commitments will be found in

Appendices 3 and 4. The potential site totals are derived from the tables in Section 4 above which list the potential sites and the recommendations, in terms of suggested gains and losses of employment space arising from the qualitative assessment.

- 5.33 As in the Arc Study, we categorise land according to its planned or proposed use as office, comprising B1(a) and B1(b) space, and industrial and warehousing, comprising B1(c), B2 and B8 space. In a study of this nature, it is not possible to draw hard and fast lines between different types of industrial and warehousing space.

Dacorum Supply

Table 5.8 Planned Employment Land Supply to 2026/ 2031, Dacorum Net floorspace change

Sq m	I & W			Office		
	Gain (+)	Loss (-)	Net +/-	Gain (+)	Loss (-)	Net +/-
Committed Supply						
Existing sites -completions 2006-09	62,126	-17,664	44,462	18,305	-31,552	-13,247
Development sites						
- Outstanding permissions 2009	27,857	-22,310	5,547	60,416	-8,328	52,088
- Outstanding Allocations 2009	15,200	-7,330	7,870	0	0	0
Total Committed Supply	105,183	-47,304	57,879	78,721	-39,880	38,841
Our suggestions						
Changes to existing sites	0	-29,960	-29,960	10,000	-1,600	8,400
Changes to development sites						
- Commitments	0	0	0	0	0	0
- Potential sites (including lapsed permissions)	34,599	0	34,599	77,098	0	77,098
Total suggested changes	34,599	-29,960	4,639	87,098	-1,600	85,498
Total Potential Supply (committed supply + suggested changes)	139,782	-77,264	62,518	165,819	-41,480	124,339

Source: Dacorum, RTP & LSH

Industrial & Warehousing

- 5.34 A net potential increase of 63,000 square metres of industrial and warehousing floorspace is forecast over the period in Dacorum, based on the committed supply, potential changes arising from our recommendations and the inclusion of potential sites.

Offices

- 5.35 Total potential supply of office floorspace is also positive in Dacorum, where there is a net gain of approximately 124,000 square metres over the period. A significant portion of this gain arises from the change in outstanding permissions, contributing to an increase in total committed supply of 39,000 square metres. Changes arising from our suggestions add a further 84,000 square metres of floorspace. The major contributor to the growth in overall potential supply of office floorspace in Dacorum arises from our recommendations for potential sites (77,000 square metres). The main component of this is Maylands Gateway.

Three Rivers

Table 5.9 Planned Employment Land Supply to 2026/ 2031, Three Rivers

Net floorspace change

Sq m	I & W			Office		
	Gain (+)	Loss (-)	Net +/-	Gain (+)	Loss (-)	Net +/-
Committed Supply						
Existing sites -completions 2006-09	2,427	-6,725	-4,298	6,302	-1,514	4,788
Development sites						
- Outstanding permissions 2009	1,371	-7,820	-6,449	17,306	-8,560	8,746
- Outstanding Allocations 2009	0	0	0	30,000	0	30,000
Total Committed Supply	3,798	-14,545	-10,747	53,608	-10,074	43,534
Our suggestions						
Changes to existing sites	0	-18,720	-18,720	0	0	0
Changes to development sites						
- Commitments	6,000	0	6,000	0	-20,000	-20,000
- Potential sites (including lapsed permissions)	16,000	0	16,000	0	0	0
Total suggested changes	22,000	-18,720	3,280	0	-20,000	-20,000
Total Potential Supply						
(committed supply + suggested changes)	25,798	-33,265	-7,467	53,608	-30,074	23,534

Source: Three Rivers, RTP & LSH

Industrial & Warehousing

- 5.36 In Three Rivers, there is a net loss of industrial and warehousing floorspace of about 7,500 square metres. This is made up of losses of 11,000 sqm from existing sites and commitments, partially offset by our suggested gains of 3,000 sqm -the major positive contribution to this being 16,000 sqm at Maple Cross.

Offices

- 5.37 Office floorspace, on the other hand, is anticipated to increase by about 24,000 square metres over the period. In contrast to its previous significance Leavesden contributes only 10,000 square metres to this, although it is a high proportion of total gains.
- 5.38 There are no potential sites identified for offices in Three Rivers at this moment.

Market Balance

- 5.39 Having discussed the demand for employment land as well as the outstanding supply over 2006-2026, we now turn to comparing the two in order to obtain a market balance. We give more consideration to the balance to 2026 than to 2031 as the forecasts to the latter date will be less reliable than the former, and by 2026 there will have been revised forecasts covering the period to 2031.

Dacorum

Table 5.10 Dacorum Market Balance, 2006-2026 Net floorspace change

Sq M	I&W	Office
Forecast Demand		
London Arc Targets	26,904	121,906
Autumn2009 Forecasts	62,840	84,992
Total Potential Supply	62,518	124,339
Market Balance		
Supply less London Arc Targets	35,614	2,433
Supply less Autumn 2009 Forecast	-322	39,347

Table 5.11 Dacorum Market Balance, 2006-2031 net floorspace change

Sq M	I&W	Office
Forecast Demand		
London Arc Targets	27,688	124,872
Autumn2009 Forecasts	73,944	103,346
Total Potential Supply	62,518	124,339
Market Balance		
Supply less London Arc Targets	34,830	-533
Supply less Autumn 2009 Forecast	-11,426	20,993

Source: RTP

Industrial & Warehousing

- 5.40 Relative to the London Arc targets there is a surplus of about 35,000 sq m of industrial/warehousing space to both 2026 and 2031. This amounts to just 5% of the floorspace stock. Considered over a period of 20-25 years, this is an insignificant imbalance. In effect, the market is in balance. The same applies to the OE 09 scenario. These figures are based on the assumptions that all the changes shown in the table happen, and that there are no further gains or losses of industrial/warehouse land beyond those we have identified. They suggest that existing planning commitments, as amended by the further changes we proposed in Chapter 4 above, collectively deliver a quantity of land in line with the London Arc and 2009 scenarios.
- 5.41 For existing employment sites, and assuming that the Council wants to plan to either of these scenarios, the policy implication that, if there are any losses of existing sites over and above the ones we have identified, the land lost should be replaced. In practice, we suggest the following policy stance:
- Where an existing site come forward for redevelopment for other uses:
 - If we have recommended the site for release, the Council should release it.
 - Otherwise the site should be retained in its existing use, unless the applicant can demonstrate that there is no demand for it in its existing use and no reasonable likelihood of this changing in the longer term.

- If a site we have not recommended for release is in fact released, other things being equal it should be replaced by finding development land over and above the sites we have identified (for example, it may be that the masterplanned redevelopment of the town centre results in losses of industrial/warehouse space in areas such as Paradise).
 - As an exception to the above, additional land could be released and not replaced if some of the losses we have recommended do not happen in practice.
- 5.42 It will be especially important that the Council monitor future windfall losses, which Table 5.8 shows have been recently running at nearly 9,000 square metres per year, so that it can identify whether the supply demand balance is deteriorating.
- 5.43 For development sites, the policy implication is that existing planning commitments, together with our further recommendations, provide a total land supply in line with both the London Arc targets and the 09 forecast. This suggests that the sites we have identified should be carried forward into the local development plan, and if any fail to come forward they should be replaced.
- Offices*
- 5.44 Relative to the London Arc targets the office market is virtually in balance to both 2026 and 2031. Relative to the 09 forecast there is a modest surplus of office space to both 2026 and 2031. Again, these findings assume that the changes shown in our supply schedules come about and there are no other windfall gains or losses of office sites in the Plan period.
- 5.45 The policy implication is that, if the Council wishes to conform to the London Arc target, it should identify for office development all the sites we have listed; and it should not allow significant loss of existing office sites unless it can be shown there is no demand for these sites, in which case they should be replaced. If the Council prefers the more conservative 09 forecast however, not all the land identified will be needed.
- 5.46 In the light of our market analysis in Chapter 3 above, both office growth scenarios seem over-optimistic. The London Arc, based on broader-brush market assessment, came to the same conclusion. Because planning should not constrain economic growth, because office expansion in Dacorum serves current policy objectives, and because it takes a long time to create major new office areas, it is right in our opinion that the development plan should identify land to accommodate these scenarios, at least indicatively. But planning should also allow for the possibility that the forecast demand may not materialise. So the release should be carefully phased, to avoid counterproductive competition between sites and areas, development and market conditions should be monitored and plans reviewed periodically, perhaps every 3-5 years, in the light of this monitoring. The new plans for Leavesden, discussed earlier, provide a good example of planning reacting flexibly to circumstances.
- 5.47 Leavesden forms part of the overall supply of office space for the London Arc. As demand for office space in the Arc has not translated into demand for space at Leavesden, that demand will be diverted elsewhere - within the Arc or beyond it. Within the limitations of this study we cannot say how much of this demand will manifest itself as

demand for offices in Dacorum, although the proximity of Leavesden to Dacorum, and the lack of evidence of strong demand for offices in Dacorum, at least in the short term, is not encouraging.

Three Rivers

Table 5.12 Three Rivers Market Balance, 2006-2026 net floorspace change

Sq M	I&W	Office
Forecast Demand		
London Arc Targets	6,298	24,980
Autumn2009 Forecasts	96,375	27,930
Total Potential Supply	-7,467	23,534
Market Balance		
Supply less London Arc Targets	-13,765	-1,446
Supply less Autumn 2009 Forecast	-103,842	-4,396

Table 5.13 Three Rivers Market Balance, 2006-2031 net floorspace change

Sq M	I&W	Office
Forecast Demand		
London Arc Targets	5,104	25,417
Autumn2009 Forecasts	92,636	39,720
Total Potential Supply	-7,467	23,534
Market Balance		
Supply less London Arc Targets	-12,571	-1,883
Supply less Autumn 2009 Forecast	-100,103	-16,186

Source: RTP

Industrial & Warehousing

- 5.48 Relative to the Arc targets there is a small shortfall in supply of 13-14,000 sq m to both 2026 and 2031. This deficit amounts to some 10% of Three Rivers' small floorspace stock and it would need just 3.5 hectares to correct it. The balance relative to the Autumn 09 forecast is sharply different, showing a shortfall of 100,000 sq m to both 2026 and 2031. As already noted, we find this scenario hard to believe.
- 5.49 This suggests that, if it wishes to meet the London Arc target, Three Rivers should:
 - Resist loss of industrial/warehouse land over and above the sites we have identified, subject to market testing as described earlier in relation to Dacorum;
 - Where such sites are lost, seek to replace them;
 - Encourage development of the one potential site we have identified, the proposed expansion to Maple Cross;
- 5.50 A partial alternative to the above would be to look for additional industrial/warehouse development opportunities over and above our schedule, including to consider a southerly extension of the Home Park industrial area into the Green Belt. Another partial alternative would be to try and 'export' some industrial/warehouse demand to neighbouring areas.

Offices

- 5.51 Based on the Arc targets, the land supply we have identified falls short of demand by some 2-3,000 sq m, which in effect means zero: the market is in balance over the plan period. Based on the 09 forecast, the shortfall is larger, but still not significant. Again, this suggests that our supply schedule provides the right amount of land, so if it wants to conform to the targets the Council should control losses and identify land for development as shown in our schedules.
- 5.52 As noted in relation to Dacorum, based on our market analysis we cannot be certain that the forecast demand will materialise in practice, so plans should be flexible and reviewed at 3-5-year intervals.

6 SUMMARY OF RECOMMENDATIONS

Borough-wide provision targets

- 6.1 Our recommendations below are based on the London Arc land provision targets, which are policy-driven targets, based on a sub-regional strategy that steers demand to policy-preferable places, while staying consistent with market realities. In contrast, the autumn 2009 OE scenario is market-driven, comprising district-by-district forecasts which make no attempt to apply a sub-regional spatial strategy. Moreover, the 09 forecasts show some radical changes from earlier figures which we cannot assess, and which do not appear to relate to realities on the ground or such matters as constraints on land supply.
- 6.2 Therefore, until the RSS has been finally agreed and new employment targets produced based on the agreed levels and distribution of population growth we consider that you should continue to use the London Arc targets, rather than later ones which have no basis in policy. But, given the economic climate and our market analysis, you should recognise that these forecasts may be over-optimistic especially as regards office growth, and therefore plan flexibly.

Dacorum

Industry and Warehousing

- 6.3 For existing employment sites, if the Council wants to plan to either the London Arc or the OE 09 demand scenario, if there are any losses of existing sites over and above the ones we have identified, the land lost should be replaced. In practice, we suggest the following policy stance:
- Where an existing site come forward for redevelopment for other uses:
 - If we have recommended the site for release, the Council should release it.
 - Otherwise the site should be retained in its existing use, unless the applicant can demonstrate that there is no demand for it in its existing use and no reasonable likelihood of this changing in the longer term.
 - If a site we have not recommended for release is in fact released, other things being equal it should be replaced by finding development land over and above the sites we have identified (for example, it may be that the masterplanned redevelopment of the town centre results in losses of industrial/warehouse space in areas such as Paradise).
 - As an exception to the above, additional land could be released and not replaced if some of the losses we have recommended do not happen in practice.
- 6.4 It will be especially important that the Council monitor future losses, which Table 5.8 shows have been recently running at nearly 9,000 square metres per year, so that it can identify whether the supply demand balance is deteriorating.
- 6.5 For development sites, existing planning commitments, together with our further recommendations, provide a total land supply in line with both the London Arc targets and

the 09 forecast. This suggests that the sites we have identified should be carried forward into the local development plan, and if any fail to come forward they should be replaced. Specifically, this means:

- Adoption of our suggestion for use of the backland at Maylands Gateway for a wider range of B-uses than B1
- Bringing forward the Icknield Way extension (for which there is a case in its own right to meet local demand at Tring)
- Further consideration to release of the land East of Buncefield for B2/B8 development.

Offices

- 6.6 If the Council wishes to conform to the London Arc target, it should identify for office development all the sites we have listed; and it should not allow significant loss of existing office sites unless it can be shown there is no demand for these sites, in which case they should be replaced. If the Council prefers the more conservative 09 forecast, however, not all the land identified will be needed.
- 6.7 In the light of our market analysis in Chapter 3 above, both office growth scenarios seem over-optimistic. The London Arc, based on broader-brush market assessment, came to the same conclusion. Because planning should not constrain economic growth, because office expansion in Dacorum serves current policy objectives, and because it takes a long time to create major new office areas, it is right in our opinion that the development plan should identify land to accommodate these scenarios, at least indicatively. But planning should also allow for the possibility that the forecast demand may not materialise. So the release should be carefully phased, to avoid counterproductive competition between sites and areas, development and market conditions should be monitored and plans reviewed periodically, perhaps every 3-5 years, in the light of this monitoring. The new plans for Leavesden, discussed earlier, provide a good example of planning reacting flexibly to circumstances.
- 6.8 In terms of specific sites and areas, we recommend:
- Providing development land at the sites we have listed, including Maylands Gateway and the town centre.
 - Measures to improve the attractiveness of Greater Maylands and the town centre to office occupiers will have to be implemented.
 - The possibility of some office development at the Two Waters 'gateway site' or at the station towards the end of the plan period.

Three Rivers

Industry and Warehousing

- 6.9 if it wishes to meet the London Arc target, Three Rivers should:
- Resist loss of industrial/warehouse land over and above the sites we have identified, subject to market testing as described earlier in relation to Dacorum;
 - Where such sites are lost, seek to replace them;

- Encourage development of the one potential site we have identified, the proposed expansion to Maple Cross;
- 6.10 A partial alternative to the above would be to look for additional industrial/warehouse development opportunities over and above our schedule. In terms of specific sites and areas, we recommend:
- Minimising the loss of employment land at Kings Langley beyond what we have identified
 - Considering a southerly extension of the Home Park industrial area into the Green Belt
 - Allowing some B2/B8 land at Leavesden, in line with our recommendation
 - Bringing forward the Maple Cross extension.

Offices

- 6.11 Again, our calculations suggest that, if it wants to conform to the London Arc targets, the Council should control losses and identify land for development as shown in our schedules. However, as noted in relation to Dacorum, based on our market analysis we cannot be certain that the forecast demand will materialise in practice, so plans should be flexible and reviewed at 3-5-year intervals.
- 6.12 In terms of specific sites and areas, we recommend:
- Minimising loss for office land at Rickmansworth.
 - Promoting the limited office provision remaining at Leavesden on the back of improved facilities linked to Warner Brothers proposals.

APPENDIX 1

Assessment Method and Criteria

Site Assessment Method and Criteria

Introduction

1. The qualitative site appraisals are made from a market perspective by Lambert Smith Hampton (LSH), based on their professional expertise and market experience.
2. Their site assessments build on our earlier employment land studies. The 2005 South West Hertfordshire study provided a full assessment of all sites. The 2009 London Arc study only updated qualitative assessments for major development sites. This study fully updates the qualitative assessments for all sites.
3. The appraisals cover two kinds of sites and areas:
 - *Existing employment sites*, which are currently in employment use;
 - *Development sites*, which are identified or proposed for employment (B-class) development, including redevelopment.
4. The main purpose of the qualitative audit is to appraise sites' market potential, or commercial attractiveness. The key question for the appraisal is:

If the site is offered for employment uses, and assuming that the wider market is reasonably in balance, is the site likely to be brought into employment use within a reasonable time?
5. With regard to existing employment sites, we are asking whether, in the event of the site falling vacant, it would be likely to be re-occupied for employment, either through re-occupation of existing buildings or redevelopment to provide new buildings. With regard to development sites, we are asking if the sites are likely to be taken up for their proposed employment use.

The Sites

6. For existing employment areas our appraisal covers:
 - Areas identified for employment in current Local Plans
 - Other established employment areas that the client group asked us to consider, such as selected town centres.
7. For those sites which were appraised for the London Arc Study less than two years ago, we have not carried out a complete re-appraisal. LSH have reviewed the existing appraisals and amended them where they consider that changing circumstances, or new information justify an amendment. As would be expected with the relatively slow rate of development during the recession, there are few major changes to the assessments.
8. As regards development sites, the total supply of development land comprises two categories, planning commitments - which are formally identified for employment development - and potential sites - which are proposed or being considered for such development but not yet formally identified as such. We have classified this total supply as follows (all data relate to the survey date, 31 March 2009).

Planning commitments

- Sites under construction
- Outstanding planning permissions (not yet started)
- Outstanding planning allocations (not yet permitted).

Potential sites

- Emerging proposals as agreed with client group, including emerging masterplan/AAP areas and suggested new allocations;
 - Lapsed permissions for developments above our threshold of 0.4 hectares/1,500 square metres (see below) to assess whether these are suitable for the lapsed uses, or whether other ones are more suitable.
9. The quantitative supply analysis in Section 5 below will take account of all these sites. But in the qualitative appraisal below we are more selective, focusing on sites of significant size and those on which there are policy decisions to be made. Accordingly, we only appraise sites that measure more than 0.4 ha or more or are expected to provide more than 1,500 sq m of employment floorspace. Sites under construction are excluded from the qualitative appraisal, as are most outstanding permissions - because the Council cannot withdraw permissions once they have been granted, and we assume that developments once permitted are highly likely to go ahead. The exception to this is significant lapsed permissions as described above.
10. The appraisal of existing employment areas is broad-brush, relating to whole estates, town centres etc, while in appraising development sites we focus on smaller land areas, as proposed for individual development schemes. Therefore the two kinds of areas may overlap, where a specific site within a wider employment area is committed or proposed for redevelopment. One example is the 'greater Maylands' area in Hemel Hempstead, where there are several development sites, such as NE Hemel Hempstead and Maylands Gateway.

Assessment Criteria

11. The appraisals, which are summarised in Chapter 4 and shown in full in Appendix 2 and 5 below, consider the five main factors which determine a site's market potential.

Strategic access

12. A site assessed as good for this criterion will have easy access to the principal road network. Connectivity by road is an important consideration (though not the sole consideration) when assessing a site's accessibility to labour markets and the ease with which goods can be distributed to and from manufacturing and distribution facilities. In office markets, sites which are readily accessible to labour will have greater appeal than more isolated opportunities.
13. In terms of public transport, a site assessed as good for this criterion will have a train station or bus stop in easy walking distance, with frequent services throughout the day and serving

a large area. The range and frequency of services are important factors, particularly for activities that employ large numbers of people.

Local access

14. Local access can be critical to the success of a site for a particular use. The key factors are:
 - The quality of immediate access to the estate and estate roads
 - The suitability of the roads linking the site to the main distributor roads and sub-regional and national network.

External environment

15. A site assessed as good on this criterion will have similar and compatible neighbours. Proximity to facilities - shopping, restaurants, banks etc - is also important. Generally, the quality of the external environment has a different bearing in office than industrial markets. Attractive outlooks and freedom from noise and other disturbances are pre-requisites of a good quality office scheme. Industrial uses benefit from being isolated from residential developments where restrictions on noise and hours of use might apply.

Internal environment

16. A site assessed as good under this criterion will be flat and regular-shaped and it will not be at risk of flooding or ground contamination/movement. Larger sites, and those destined for higher-value uses, will be visually prominent. For developed sites, the quality and layout of existing buildings and infrastructure is also an important factor. Where existing buildings are obsolete or derelict, so that they cannot be re-occupied unless they are redeveloped or substantially refurbished, other things being equal this will detract from the internal environment, because it will add to the costs of bringing the site back into use should it fall vacant.

Local market conditions

17. This criterion relates to market conditions in the particular market sector and micro-location of each site. A site assessed as good under this criterion will be in a buoyant market, where demand is high relative to supply, so vacancy is low, any space that becomes available is quickly taken up, and rents may be comparatively high.
18. This last criterion is different from the others: while accessibility and the environment are factors that influence market potential, under the last criterion we appraise market potential more directly. The last criterion can also override the others. Thus in many places secondary industrial estates, which rate poorly in terms of accessibility and environment, are popular and well occupied, because low-cost space for low-value activities is in short supply. Such estates rate highly under the fifth criterion and their overall market potential is high, because if any space there becomes vacant it will be quickly re-occupied. Conversely, office sites of the highest quality, in the most accessible locations, sometimes have poor market potential because the local market for the product they offer is over-supplied.

Market potential

19. The five criteria and overall market potential are scored on a scale of 1-5 as follows:
 - 1 Excellent
 - 2 Good
 - 3 Average
 - 4 Poor
 - 5 Inadequate
20. In terms of overall market potential:
 - Sites rated excellent or good (1-2), if offered to the market for employment uses, under any reasonable likely market conditions are likely to be taken up during the plan period
 - Sites rated average (3) may or may not be taken up, depending on market conditions at the time, the availability of competing sites and other circumstances
 - Poor and inadequate sites (4-5) are generally unsuitable for employment use, and if offered to the market would be unlikely to be taken up
21. The appraisal of overall market potential is not derived mechanically as the average of the five criteria. Rather, it represents LSH's considered judgment, taking account of the criteria.
22. A site cannot be assessed in absolute terms, but only in relation to a particular type of development and use, because different uses have different requirements. In this study, the appraisal of existing employment areas relates to their current use. The appraisal of development sites relates to their future use according to current proposals. Where these proposals are quite advanced - as in the emerging masterplan and development brief for Maylands - we comment on them in some detail.
23. For each area or site, we make an initial recommendation. For existing employment sites, we advise that, should the site come forward for redevelopment, it should be safeguarded for its existing employment use or transferred to another use (which may be another employment use) or to mixed use. Similarly for development sites, we advise on whether they should be safeguarded for the use currently proposed or identified for another use or mix of uses. As noted earlier, the initial proposals made at this stage take no account of the long-term demand-supply analysis in Chapter 5 below and will be revised in the light of that analysis.
24. The details of assessments are in appendices to this report.

APPENDIX 2

Existing Site Assessment

Note: Full details of the appraisal method and criteria are set out in Appendix 1

EXISTING EMPLOYMENT SITES/AREAS														
FACTUAL					MARKET POTENTIAL FOR EXISTING USE - CRITERIA					OVERALL	NARRATIVE			
ID	Name	Local authority	Town	Main current use	Site area ha	Strategic access	Local access	External environment	Internal environment	Local market conditions	Average Score	Recommendation	Recommendation Specify	Comments
D77	Billet Lane	Dacorum	Berkhamstead	Gen industrial	1.4	3	3	2	2	2	2.4	Safeguard for current use (e.g. gen industrial, offices)		Currently in use as a timber yard. This site has good road access and prominence onto the High Street. It is separate from the Northbridge road estate by the canal and river Bulbourne runs through the site, constraining development of larger units. May be at risk of loss to housing owing to canalside and riverside location. Suitable for small and medium units like River Park Considered with the following two locations as one area which is the main general employment location in Berkhamsted purposes.
D75	Northbridge Road	Dacorum	Berkhamstead	Gen industrial	6.7	3	3	2	2	2	2.4	Safeguard for current use (e.g. gen industrial, offices)		Best employment area in Berkhamsted, mixed linear industrial estate sandwiched between the canal and the railway line. Local access is reasonable and low potential for disturbance arising from employment uses, suitable for full range of uses in small/medium sized units. See above.
D76	River Park	Dacorum	Berkhamstead	Gen industrial	1.1	3	3	2	3	1	2.4	Safeguard for current use (e.g. gen industrial, offices)		Good local access. Site rather narrow so only suitable for small units. Modern development fully occupied. Although modern there will be pressure to release this site for residential use.
D66	Breakspear Park	Dacorum	Hemel Hempstead	Offices	7.8	1	1	1	1	1	1	Safeguard for current use (e.g. gen industrial, offices)		Modern HQ office campus. Excellent strategic and local access, although currently car dependent. Limited conflict with neighbouring uses, possible park and ride on adjoining land and extension to the residential area to the south and west. Suitable for multiple occupancy B1 uses, with a reduced market for single occupation.
D69	Buncefield	Dacorum	Hemel Hempstead	Industrial	26.1	1	1	1	3	3	1.8	Safeguard for current use (e.g. gen industrial, offices)		Currently an oil depot but suitable for a full range of employment uses. Being on periphery of the urban area makes it most suited to distribution/noisy uses. New warehouse 5.95ha, 31,738 sqm u/c.
D70	Maylands	Dacorum	Hemel Hempstead	Mixed employment	59.1	1	2	1	2	3	1.8	Safeguard for current use (e.g. gen industrial, offices)		Currently a mixed employment area comprising office campuses, B8 units and industrial uses. Uses coexist and access is good, less congested than Maylands Avenue but may be due to vacancy of large sites e.g. part 3Com office, Marchmont Gate and Dexion site. 3 COM 2.29ha, pp for 9,831 B1 gain but affected by Buncefield explosion.
D68	Maylands Avenue	Dacorum	Hemel Hempstead	Offices	26.9	1	2	1	2	3	1.8	Consider transfer to other use (B or non-B), specify		Office avenue with mixture of ages. Road congested despite vacancies of former Epson unit and Peoplebuilding. Further intensification of uses may cause stress to the area without investment in infrastructure and public transport. Lack of supporting uses (e.g. food and drink, retail). 22 B2/B8 units u/c at Dupont Works. PeopleBuilding 4.6ha, pp for 31,480sqm B1.
D72	Swallowdale	Dacorum	Hemel Hempstead	Gen industrial	40.6	1	2	1	2	2	1.6	Safeguard for current use (e.g. gen industrial, offices)		Rear of the main Hemel employment area, that is mainly industrial in character. Local access more restricted due to local congestion on wider estate. Part new B8, part older B2/B8. Suited to smaller B1/B2 uses. Horizon Point - pp for 2.8ha/14,901sqm B-space gain. Site built out.
D73	Paradise	Dacorum	Hemel Hempstead	Offices	3.8	2	4	3	4	3	3.2	Safeguard for current use (e.g. gen industrial, offices)		Local access poorer than other areas but well related to the town centre. Good location for town centre, existing uses in area include smaller offices and light industrial/workshop uses. Low level of vacancy in the area. Potential for a scheme involving the town centre and hospital but needs to be considered as part of a wider area masterplan and will for the Council to assist/facilitate the outcome.
D62	Apsley Mills	Dacorum	Hemel Hempstead	Offices	3.3	3	3	3	2	2	2.6	Safeguard for current use (e.g. gen industrial, offices)		Suitable for smaller offices or light industrial uses. The character of the surrounding area has changed substantially, and is now dominated by retail and new housing development, local highways congested and wrong side of town for B8 uses therefore B2/B8 not suitable here.
D80	Corner Hall	Dacorum	Hemel Hempstead	Offices	2.6	2	2	2	3	2	2.2	Safeguard for current use (e.g. gen industrial, offices)		This is a mixed use area, incorporating offices, retail and motor trade uses. Its location close to the town centre makes it suitable for B1 uses and such uses would relate well with the adjoining residential area. The site should be included as part of a wider area town centre masterplan.
D64	Doolittle Meadow	Dacorum	Hemel Hempstead	Offices	6.2	2	3	3	3	4	3	Safeguard for current use (e.g. gen industrial, offices)		this site is currently occupied by a substantial 1980's HQ office development, much of which has remains vacant despite recent letting to Epson. There is an oversupply of such space in the market. The local environment means that this area is only suitable for B1 employment uses, being adjacent to existing residential development, the canal and within a landscape development area. The property has reasonable public transport links, being close to Apsley Train station, but is otherwise peripheral and the local highway congestion may be a constraint on development.
D79	Frogmore	Dacorum	Hemel Hempstead	Gen industrial	4.1	3	4	4	4	3	3.6	Consider transfer to other use (B or non-B), specify	To mixed use	The Frogmore industrial estate provides reasonable quality small to medium sized units, but the area as a whole is constrained by restricted access through Apsley town centre. The historic Frogmore Mill forms part of the Paper Trail heritage trail. The long term future of the site for employment uses is limited.
D65	Nash Mills	Dacorum	Hemel Hempstead	Gen industrial	0.2	3	4	2	4	4	3.4	Transfer to other use, specify		Planning consent granted for redevelopment to residential use with only 764sqm of employment space.
D62	Apsley Industrial Estate	Dacorum	Hemel Hempstead	Gen industrial	0.6	2	3	3	2	1	2.2	Safeguard for current use (e.g. gen industrial, offices)		Discreet estate of small industrial units accessed off London Road. Alongside railway line, some housing nearby but limited potential for conflict. High level of occupancy.
D59	Two Waters	Dacorum	Hemel Hempstead	Gen industrial	8.6	1	2	2	3	2	2	Safeguard for current use (e.g. gen industrial, offices)		This area is suitable for the full range of employment uses. It has good strategic access to the A41 and has good commercial prominence. There is also limited potential for conflict with neighbouring uses as it is surrounded largely by roads and the railway line.
D78	Ickneild Way	Dacorum	Tring	Gen industrial	6.2	1	2	1	2	2	1.6	Safeguard for current use (e.g. gen industrial, offices)		Best employment area in Tring. Good access, improved by the Aston Clinton bypass. Some ripe development land within the estate which should be protected for industrial development. Potential to extend area zoned for employment as part of a wider possible re-designation of green belt.
D58	Akeman Street	Dacorum	Tring	Gen industrial	0.8	2	4	4	4	3	3.4	Consider transfer to other use (B or non-B), specify		Long term review Access restricted via narrow, town centre streets, surrounded by housing and the site area/shape is constrained. Currently fully occupied and provides a useful source of small unit space in Tring. Transport depot potential for relocation and change of use.
D57	Brook Street	Dacorum	Tring	Gen industrial	0.8	2	4	4	4	3	3.40	Consider transfer to other use (B or non-B), specify		Long term review Local access is restricted with poor sightlines due to the built form. Small units within old factory buildings, high density site usage. Housing along western and southern boundary therefore some potential for conflict. Listed building imposes cost and usage constraints. Currently good level of occupancy. Could remain as an employment site but longer term conversion to residential more likely.
D74	Markyate Industrial Area (Hicks Road)	Dacorum	Markyate	Gen industrial	2.8	1	2	4	3	2	2.40	Transfer to other use, specify	North side only	Good strategic and local access to M1 via A5. High density estate with housing/town centre uses on three sides. North side potential for redevelopment for alternative uses whilst southern part should be retained for employment. Additional employment sites off A5 towards motorway junction could satisfy local need.
	Bourne End Mills	Dacorum	Greenbelt	Gen industrial	3.4	1	1	2	3	2	1.80	Safeguard for current use (e.g. gen industrial, offices)		Situated between Berkhamsted and Hemel just off the A41. The site has good strategic and local access directly off the A41 but not to the local community. On the edge of the village of Bourne End so limited potential for conflict. Planning consent for redevelopment of part.
	Bovingdon Brickworks	Dacorum	Greenbelt	Gen industrial	2.9	4	3	1	3	2	2.60	Safeguard for current use (e.g. gen industrial, offices)		Existing use as brickworks/builders merchants occupied by EH Smith Building Materials. Established use in rural area
D3	Newground Farm, Newground Road, Aldbury	Dacorum	Tring		0.5	3	3	3	4	2	3.00	Safeguard for current use (e.g. gen industrial, offices)		Adequate access via the B4251 with the site in a prominent location, but requires access along the Newground Road to reach the village centre. Any more traffic, or indeed commercial traffic, would compromise the amenity of the area and create traffic issues for local residents. Newground Road has pinchpoints being the canal and railway line. Outstanding pp for gain of 1,675sqm office.

APPENDIX 3

Schedule of Completions

DACORUM COMPLETIONS SINCE 1ST APRIL 2007

ID	Name	Local authority	Location	Site area ha	B1a,b Gains sq m	B1a, b Losses sq m	B1c, B2, B8 Gains sq m	B1c, B2, B8 Losses sq m	B0 Gains sq m	B0 Losses sq m	B0 Comments
F	31 High St	Dacorum	HH (Cent)			52					
F	283 High St	Dacorum	Berkhamstead			90					
F	23 High St	Dacorum	HH (Cent)			230					
F	76 Western Road	Dacorum	Tring	170							
F	20 Kings Road	Dacorum	Berkhamstead			185					
F	104A High Street	Dacorum	Tring			138					
F	R/O 6 Belton Road	Dacorum	Berkhamstead					357			
F	Adj Spectra House	Dacorum	HH (E)	541							
F	Castle Mill	Dacorum	Berkhamstead			936					
F	Harrow Yard, Akeman Street	Dacorum	Tring			596					
F	Goreside, Berkhamsted	Dacorum	Berkhamstead			330					
F	Twinmar Ltd	Dacorum	HH (E)			900					
F	Aviation House, Northbridge Road	Dacorum	Berkhamstead		550	650					
F	Park Lane	Dacorum	HH (Cent)	865	897						
F	Hertfordshire House	Dacorum	HH (Cent)	1,650	1,158						
F	Golden West Foods Ltd	Dacorum	HH (E)	1,952							
F	221-233 High Street	Dacorum	Berkhamstead		1,325						
F	Opp School House Farm	Dacorum	Markyate				560				
F	Kings Langley Riding School, Chipperfield Road	Dacorum	Kings Langley	325							
F	Primrose Engineering Co Ltd, Adeyfield Road	Dacorum	HH (Other)				1,100				
F	Spectra House, Boundary Way	Dacorum	HH (E)	2,412			1,858				
F	5 & 6, Maxted Road	Dacorum	HH (E)			2,744	2,290				
F	The Boxmoor Trust Centre, London Road	Dacorum	HH (S)	400	120						
F	The Mill Site, Wilstone	Dacorum	Rural		1,215						
F	Former Kodak Site, Leighton Buzzard Road	Dacorum	HH (Cent)		14,120						
F	Eeb Depot, Whitleaf Road	Dacorum	HH (S)		1,428						
F	Former Dupont Works, Maylands Avenue	Dacorum	HH (E)			10,104	5,499				
F	Horizon Point, Eastman Way	Dacorum	HH (E)			14,901					
F	Lucas Site, Maylands Avenue	Dacorum	HH (E)	10,160							
F	Stags End House, Gaddesden Row	Dacorum	HH (Other)		840						
F	Gossoms End/Stag Lane	Dacorum	Berkhamstead		7,572						
F	Land Off Stag Lane,	Dacorum	Berkhamstead				6,000				
Scheme complete but for B8 40,525 sqm. (B1 3,400 sqm)											
F	Buncefield Oil Terminal, Green Lane,	Dacorum	HH (E)		31,738						
F	Gist, Three Cherry Trees Lane	Dacorum	HH (E)		953						
F	Ashlyns Hall, Chesham Road	Dacorum	Berkhamstead		136						
Dacorum Sub-totals				18,305	31,552	62,126	17,664	-	-	-	

THREE RIVERS COMPLETIONS SINCE 1ST APRIL 2007

ID	Name	Local authority	Location	Site area ha	B1a,b Gains sq m	B1a, b Losses sq m	B1c, B2, B8 Gains sq m	B1c, B2, B8 Losses sq m	B0 Gains sq m	B0 Losses sq m	B0 Comments
T19	The Lodge	Three Rivers	Other			105					
T23	35 Church Street	Three Rivers	Rickmansworth			78					
T25	4 Norfolk Road	Three Rivers	Rickmansworth			56					
T32	134 Watford Road	Three Rivers	Other					400			
T39	Abbott House	Three Rivers	Kings Langley		3,528				6,200		
T47	Lakeside Management & Marketing Suite	Three Rivers	Croxley			74					
T40	Orbital 25 Business Park	Three Rivers	Tolpits		2,072						
T49	Petit Roque	Three Rivers	Other			262					
T51	1-3 Old Mill Road	Three Rivers	Kings Langley			241					
T54	Unit 12 Orbital 25 Business Park	Three Rivers	Tolpits		125					125	
T40	Orbital 25 Business Park	Three Rivers	Tolpits				2,427				
T59	Unit E , Home Park In Est	Three Rivers	Kings Langley				1,275				
Three Rivers sub-totals				6,302	1,514	2,427	6,600	-	125		
								plus B0			
								6,725			

APPENDIX 4

Schedule of Commitments and Allocations

COMMITMENTS AND ALLOCATIONS - DACORUM

D46	V P Autos, Unit 6, 559 London Road	Dacorum	Rural	Gen industrial	Gen industrial	Under construction	144	115
D15	Knoll House, Maylands Avenue	Dacorum	HH (E)	Other	Strategic warehousing	Outstanding permission	1,899	
D7	Paradise Farm, Potash Lane	Dacorum	Rural	Other	Gen industrial	Outstanding permission	285	
D34	Land At Old Beechwood, Cheverells Green	Dacorum	Rural	Other	Gen industrial	Outstanding permission	236	
D16	Dunsley Farm, London Road, Tring, Hp236ha	Dacorum	Tring	Other	Gen industrial	Outstanding permission	379	
D49	R/O 35 & 35a High Street	Dacorum	Tring	Gen industrial	Gen industrial	Outstanding permission	63	63
D38	Link House, Northbridge Road	Dacorum	Berkhamstead	Other	Gen industrial	Outstanding permission	514	
D25	Former Express Dairy, Riversend Road	Dacorum	HH (S)	Strategic warehousing	Strategic warehousing	Under construction	9,703	2,481
D27	11 & 12 Maxted Road	Dacorum	HH (E)	Other	Strategic warehousing	Outstanding permission	3,285	
D40	Unit A, Marchmont Farm, Piccots End Lane	Dacorum	Rural	Other	Gen industrial	Outstanding permission	187	187
	17 Manor Street, Berkhamsted	Dacorum	Berkhamstead	Offices	Other		118	
	Land At Craig Rowan, Chapelcroft, Chipperfield	Dacorum	Rural	Offices	Other		143	
	Stags End House, Gaddesden Row, Hemel Hempstead	Dacorum	Rural	Offices	Other		840	
	47 Maylands Avenue	Dacorum	HH (E)	Offices	Other		795	3,365
	22 Mcdonald Way, Hemel Hempstead	Dacorum	HH (E)	Offices	Other		172	394
	The Freight Yard, London Road, Hemel Hempstead	Dacorum	HH (S)	Offices	Other		750	
	34c Mark Road, Hemel Hempstead	Dacorum	HH (E)	Offices	Other		16	
	7 Mark Road, Hemel Hempstead	Dacorum	HH (E)	Offices	Other		118	
	16 Avebury Court, Hemel Hempstead	Dacorum	HH (E)	Offices	Other		160	
	45 High Street, Kings Langley	Dacorum	Rural	Offices	Other		280	
	The Old Chapel, 12 High Street, Tring	Dacorum	Tring	Offices	Other		190	
	Unit 5a, Icknield Way Industrial Estate, Tring	Dacorum	Tring	Offices	Other		191	
	64-68 Akeman Street, Tring	Dacorum	Tring	Offices	Other		824	
	40-41 High Street, Tring	Dacorum	Tring	Offices	Other		266	
	Lewins Farm, Chesham Road, Wiggington, Tring	Dacorum	Rural	Offices	Other		110	
	R&R House, Northbridge Road, Berkhamsted	Dacorum	Berkhamstead	Gen industrial	Other		225	
	The Paddocks (Western Road) And Access From Miswell Lane, Tring	Dacorum	Rural	Gen industrial	Other		325	
	Land At Meadow Farm, Bradden Lane, Gaddesden Row, Hemel Hempstead	Dacorum	Rural	Gen industrial	Other		315	
	190 St Agnells Lane, Hemel Hempstead	Dacorum	HH (E)	Gen industrial	Other		18	
	Rear Of 18-19 Henry Street, Tring	Dacorum	Tring	Gen industrial	Other		107	
	Dixons Wharf, Dixons Gap, Wilstone, Tring	Dacorum	Rural	Strategic warehousing	Other		2,267	

Commitments S/total	60,416	-8,328	27,857	-22,310	0	0
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		Dacorum	HH (S)	Gen industrial	Other	Outstanding allocation	-7,330	Whether this site ever comes forward for its allocated residential use is unclear. Left as a committed loss for now.
	GAS BOARD SITE							
D54	Spencers Park	Dacorum	HH (E)	Vacant - greenfield	Other	Outstanding allocation	3.00	12,000
D53	Boundary Way (N)	Dacorum	HH (E)	Other	Gen industrial	Outstanding allocation	0.84	Assume capacity of remainig site is in line with existing unimplemented permission (in previous table as Woodwells Farm)
D56	Miswell Lane, Tring	Dacorum	Tring	Vacant - greenfield	Gen industrial	Outstanding allocation	0.8	3,200
D81	Maylands Gateway	Dacorum	HH (E)	Vacant - greenfield	Offices	Emerging Proposal		Considered as a potential site- see App 4
	Hicks Rd Replacement	Dacorum	Markyate	Vacant - greenfield	Mixed employment	Emerging proposal		LSH advise it is not required - replacement space could be found.
D82	Icknield Way Extn	Dacorum	Tring	Vacant - greenfield	Gen industrial	Emerging proposal		Considered as a potential site- see App 4

Allocation etc S/total	0	0	15,200	-7,330	0	0
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Total	60,416	-8,328	43,057	-29,640	0	0
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COMMITMENTS AND ALLOCATIONS - THREE RIVERS

ID	Name	Local authority	Location	Main current use	Main proposed use	Planning status	Site area ha	B1a,b Gains sq m	B1a, b Losses sq m	B1c, B2, B8 Gains sq m	B1c, B2, B8 Losses sq m	B0 Gains sq m	B0 Losses sq m	B0 Comments
T20	Valency House	Three Rivers	Other	Offices	Other	Outstanding permission	865.0							
T21	45-47 Church Street	Three Rivers	Rickmansworth	Other	Other	Outstanding permission	243.0							
T24	19 Church Street	Three Rivers	Rickmansworth	Offices	Other	Outstanding permission	144.0							
T27	Imperial Machine Co Ltd	Three Rivers	Croxley Green	Gen industrial	Other	Outstanding permission				4,921.0				
T29	R/O & Inc 18-20 Ebury Road	Three Rivers	Rickmansworth	Gen industrial	Other	Outstanding permission				150.0				
T34	331 Uxbridge Road	Three Rivers	Rickmansworth	Gen industrial	Other	Outstanding permission				602.0				
T35	Junction Park	Three Rivers	Abbots Langley	Mixed employment	Offices	Under construction	111							
T36	Siskin House	Three Rivers	Croxley	Offices	Offices	Under construction	194	4,735						
T37	Wolsey Business Park	Three Rivers	Tolpits	Offices	Other	Outstanding permission	38							
T38	Happy Valley Industrial Estate	Three Rivers	Kings Langley	Gen industrial	Mixed employment	Outstanding permission				246				
T41	Land Adj 244 Prestwick Road	Three Rivers	South Oxhey	Offices		Lapsed permission								Treat as potential development site
T42	Witney Place	Three Rivers	Maple Cross	Vacant - brownfield	Offices	Outstanding permission	11,611							Treat as potential development site
T44	Adj Kebbell House, Delta Gain	Three Rivers	South Oxhey	Vacant - greenfield	Other	Lapsed permission								Going to Resi rather than B1
T45	R/O 115 New Road	Three Rivers	Other	Other	Offices	Outstanding permission	253							
T46	Wingfield Court, Hatters Lane	Three Rivers	Croxley	Other	Offices	Outstanding permission	495							
T48	1a Church Lane, Sarrat	Three Rivers	Other	Offices	Offices	Outstanding permission	289	218						
T50	Hilltop Farm, Kings Langley	Three Rivers	Other	Other	Offices	Outstanding permission	903							
T52	Rose Acre Barn, Bedmond Rd	Three Rivers	Other	Other	Offices	Outstanding permission	121							
T53	Old Pavilion, Micklefield Hall	Three Rivers	Other	Other	Offices	Under construction	89							
T55	Alpine Press, Station Road	Three Rivers	Kings Langley	Gen industrial	Gen industrial	Outstanding permission		256						
T56	Unit 5 Moor Park Industrial Estate	Three Rivers	Tolpits	Gen industrial	Gen industrial	Outstanding permission		397	397					B1c to B2 - no sig change
T58	Adj Unit 6 , Happy Valley Industrial Estate	Three Rivers	Kings Langley	Other	Gen industrial	Lapsed permission								
T60	Unit D, Home Park Ind Est	Three Rivers	Kings Langley	Other	Other	Lapsed permission								B1(b) gain
T61	143 Community Way, Croxley Green	Three Rivers	Other	Offices	Other	Outstanding permission	91							
T62	Elmcote House, The Green, Croxley	Three Rivers	Other	Offices	Other	Outstanding permission	0	432						Schedule says both loss of offices and B1(c) - assume offices
T63	Claremont House, Hatters Lane	Three Rivers	Croxley	Offices	Offices	Under construction	0	2,035						
T64	Wingfield Court, Hatters Lane	Three Rivers	Croxley	Offices	Offices	Outstanding permission	0	163						
T65	Building 9, Awberry Ct	Three Rivers	Croxley	Offices	Offices	Under construction	0	110						
T66	129-131 New Road	Three Rivers	Other	Offices	Other	Outstanding permission	0	266						
T45	R/O 175 New Road	Three Rivers	Other	Gen industrial	Other	Outstanding permission	0			122				
T67	Water Lane	Three Rivers	Kings Langley	Gen industrial	Other	Under construction	0			200				
T68	Unit 1 Langley Wharf	Three Rivers	Kings Langley	Gen industrial	Other	Under construction	0			1,278				
T69	Unit 6&7, Monaco Works, Station Rd	Three Rivers	Kings Langley	Gen industrial	Gen industrial	Outstanding permission	0			237				
T70	26 Ebury Rd	Three Rivers	Rickmansworth	Gen industrial	Other	Under construction	0			150				
T71	149a High St	Three Rivers	Rickmansworth	Offices	Other	Under construction	0			120				
T72	333a Uxbridge Rd	Three Rivers	Other	Offices	Other	Outstanding permission	0			293				
T73	Comet House Homestead Rd	Three Rivers	Rickmansworth	Offices	Offices	Outstanding permission	0	701						
T74	1 High St	Three Rivers	Rickmansworth	Offices	Other	Outstanding permission	0			1,115				
T75	Watford Timber	Three Rivers	Tolpits	Gen industrial	Gen industrial	Outstanding permission	0			235				
T76	Old Pavilion, Micklefield Hall	Three Rivers	Other	Other	Offices	Under construction	0.01	89						
T77	The Barn Great Sarratt Hall	Three Rivers	Other	Other	Gen industrial	Outstanding permission	0.1	142						
Commitments S/total							17,306	-8,560	1,125	-7,820	246	0		
							plus B0		1,371					
T43	Leavesden Aerodrome	Three Rivers	Leavesden	Gen industrial	Offices	Outstanding allocation	14.00	30,000						Development site. 3 Rivers' estimated balance after some re-allocation to housing is 4ham say 30k sqm. Is the Ind loss real?
	Maple Lodge Extn	Three Rivers	Maple Lodge	Vacant - greenfield	Mixed employment	Emerging proposal	4.00		16,000					Poss relocation site for KL. Space gain and type assuming industrial rather than office per 3 Rivers and 0.4 site coverage
	S Oxhey TC	Three Rivers	South Oxhey	Other	Other	Emerging proposal	8.60							LSH study area. Includes Delta Gain site. 3 Rivers estimate of developable area of 1 ha is Delta Gain site?. Space gain and type(s) subject to assessment
Allocation etc S/total							30,000		16,000	0				
Total							47,306	-8,560	17,125	-7,820	246	0		

Alternative net gain figure assuming only 30,000sqm B1 at Leavesden

APPENDIX 5

Development Site Assessments

Note: Full details of the appraisal method and criteria are set out in Appendix 1

DEVELOPMENT SITES

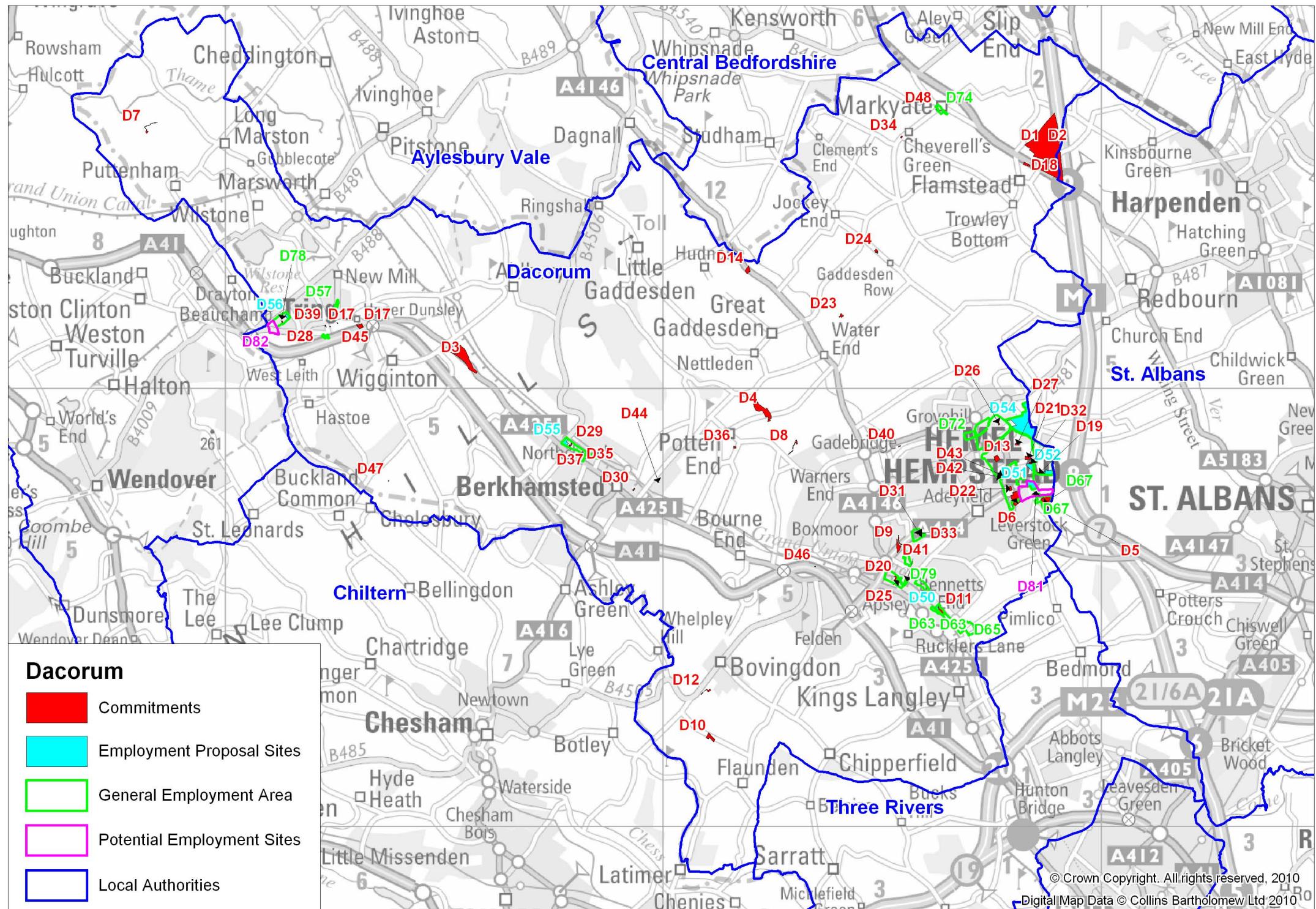
ID	Name	Local authority	Location	Main current use	Main proposed use	Planning status	Site area ha	B1a,b Gross sq m	B1a, b Leases sq m	B1c, B2, B6 Gross sq m	B1c, B2, B6 Leases sq m	B6 Gross sq m	B6 Leases sq m	MARKET POTENTIAL FOR STRATEGIC ACCESS	PROPOSED USE - CRITERIA	OVERALL AVERAGE SCORE	Market potential	NARRATIVE RECOMMENDATION(S)			
																		Recommendations Specify	Comments		
T41	Land Adj 244 Prestwick Road	Three Rivers	South Oxhey	Office	Lapsed permission		2,080								3	2	3	4	4	3.2	5 Inadequate
T44	Adj Kebbell House, Delta Gain	Three Rivers	South Oxhey	Vacant - greenfield	Office	Lapsed permission	2,110								4	4	3	3	3	3.4	4 Poor
T43	Leavesden Aerodrome	Three Rivers	Leavesden	Gen industrial	Office	Outstanding allocation	12.00	90,000		102,878					2	1	3	1	4	2.2	4 Poor
T79	Maple Lodge Extn	Three Rivers	Maple Lodge	Vacant - greenfield	Mixed employment	Emerging proposal	4.00		16,000						2	1	2	1	3	1.8	2 Good
																				Change proposals, specify	
																				Consider B1/B2 in short medium term and if no take up, reallocate to alternative use	
																				Advises existing employment space, poor vehicular access which might restrict employment use as opposed to residential	
																				Modern scheme which has suffered from lack of local amenities and public transport. Warner Bros studio investment proposed on part which could attract significant additional investment. Need to protect wider opportunity by reallocating wider use classes. Possible residential for part.	
D18	Lantern/Catflow site	Daconum	Rural	Gen industrial	Strategic warehousing	Lapsed permission		1,524	1,524											3 Average	Stay with current proposals
																				Site could be considered as a site capable of re-housing Hicks Road (North)	
																				Closed development site suitable for a variety of B uses. Main road frontage and excellent access to junction 8 M1. Within green belt	
																				Former Maylands Houses, Maylands Avenue	
		Daconum	HH (E)	Office	Office	Lapsed permission	3,696	1,900												Change proposals, specify	
																				Assess this site to be the Segro site on Maylands Avenue. Site is suitable for a variety of B uses.	
																				Potential development site for the future but variation in B use mix provided good elevations face the Maylands Avenue	
D20	Pilling Motor Group, London Road, Boxmoor	Daconum	HH (S)	Other	Office	Lapsed permission	6,908													2 Good	
																				Change proposals, specify	
																				Site could be considered as part of a larger scheme covering junction area and backland.	
D50	Former John Dickinson Site, Apsley (TWA7)	Daconum	HH (S)	Gen industrial	Office	Outstanding allocation	2.32	800		800.0										3 Average	
																				Change proposals, specify	
																				Use is incompatible with new adjoining alternative use. The adjoining land has been redeveloped in recent years to residential hotel and pub/restaurant use. The remaining employment space could be used for B1 use only but there is also justification to consider alternative uses.	
D78	Miswell Lane/Hornfeld Way	Daconum	Tring	Other	Office	Lapsed permission	3,200													3 Average	
																				Change proposals, specify	
																				Rotates as part of successful GEA	
																				Former Golden West Foods Site, Three Cherry Trees	
		Daconum	HH (E)	Other	Gen industrial	Lapsed permission		1,952												3 Average	
																				Stay with current proposals	
																				Potential development site for the future but variation in B use mix.	
D54	Spencers Park (E4)	Daconum	HH (E)	Other	Office	Outstanding allocation	16.60	68,400												4 Poor	
																				Change proposals, specify	
																				Potential development site. Due to be re-zoned but subject to improved local access. Larger plot for residential to the north.	
D53	Boundary Way (E3)	Daconum	HH (E)	Vacant - brownfield	Strategic warehousing	Outstanding allocation	2.90		11,600											3 Average	
																				Stay with current proposals	
																				Redevelopment for BB	
D56	Miswell Lane, Tring	Daconum	Tring	Vacant - greenfield	Gen industrial	Outstanding allocation	0.8		3,200											3 Average	
																				Protect as part of successful GEA	
																				Part of a well located estate on outskirts of a popular town. Consider overall potential of GEA	
D81	Maylands Gateway (Includes GEA E2 Buncield Lane/WKodak Sports Ground)	Daconum	HH (E)	Vacant - greenfield	Office	Emerging Proposal	141,200													3 Average	
																				Change proposals, specify	
																				Ambitious scheme with substantial new build offices when competing sites not attracting interest. Master plan needs to be considered in conjunction with Lucas, Lucas phase 2 and Kodak sports ground. Major improvements in amenity and transport / parking schemes will be required to generate occupier interest in B1(a) use	
																				Hicks Rd Replacement	
		Daconum	Markgate	Vacant - greenfield	Mixed employment	Emerging proposal														2 Average	
																				Change proposals, specify	
																				No site could be released for alternative development within local area could accommodate displaced and future development potential	
D82	Icknield Way Extn	Daconum	Tring	Vacant - greenfield	Gen industrial	Emerging proposal														3 Average	
																				Potential extension of Icknield Way to release business space from other Tring sites. Also has potential to attract inward investors	

1 Excellent
2 Good
3 Average
4 Poor
5 Inadequate

Stay with current proposals
Change proposals, specify

APPENDIX 6

Map of Dacorum



Dacorum

- Red box: Commitments
 - Cyan box: Employment Proposal Sites
 - Green box: General Employment Area
 - Magenta box: Potential Employment Sites
 - Blue box: Local Authorities

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APPENDIX 7

Map of Three Rivers

