

Employment Land Study Update Report 2017

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1 Introduction

- 1.1.1 This report provides an update to the Employment Land Study 2014 (ELS) to reflect changes to the baseline position and profile of the office and industry, storage and distribution sectors identified in the 2014 report together with a review of the recommended portfolio for each of these sectors on the Island. The report findings inform the Annual Monitoring Report 2017 (AMR) which monitors the effectiveness of the policies of the Island Development Plan 2016 (IDP).

2 Background

2.1 Policy context

- 2.1.1 The Strategic Land Use Plan (SLUP) directs that office uses should be focused within and around the Main Centres with some limited development within the Local Centres to contribute to their range of services and facilities and reinforce them as sustainable centres. Outside of the Centres, the SLUP directs the IDP to make provision for certain small-scale businesses, which have a justifiable need to be located Outside of the Centres based on the nature of operation or where there is difficulty in finding a suitable site within the Centres.
- 2.1.2 Guernsey's stock of office accommodation can be considered to comprise of three categories:
- Primary – recently developed or refurbished to modern standards
 - Secondary – older purpose-built offices that may or may not be capable of being refurbished or redeveloped to modern standards
 - Tertiary – existing offices resulting from the conversion of units of accommodation, retail, etc. that may never meet modern standards
- 2.1.3 The SLUP identifies that the office sector requirements can be met through a combination of primary offices (including large floorplate) on new sites focussed in the 'Main Centres' and at Admiral Park, together with the refurbishment and redevelopment of older office stock to create modern offices.
- 2.1.4 To reflect the strategic direction of the SLUP, the IDP's approach is to focus office use in the Main Centres, where there are existing clusters of offices, while recognising the need for large floorplate office space with the allocation of an Office Expansion Area at Admiral Park (for floorplates over 1000m²). The IDP also seeks to retain existing offices in Main Centres but allows for smaller premises under 250m² to change to alternate suitable uses, which would support the vitality and viability of the Main Centre and which provides flexibility and addresses an oversupply of, mainly tertiary, small office space. The change of use of larger substandard office premises to other uses, subject to demonstrating certain criteria, can be considered under the IDP policies.
- 2.1.5 New offices and changes to existing offices are also supported in Local Centres where they are of an appropriate scale for the Local Centre concerned and where scale and cumulative impact would not undermine the vitality and viability of the

Main Centres. Outside of the Centres, new office development is supported through conversion of redundant buildings only.

- 2.1.6 For industry, storage and distribution, the SLUP requires the IDP to make provision for a comprehensive range of land opportunities for employment uses maintaining the focus of these uses within and around the Main Centres of St. Peter Port and St. Sampson/Vale, specifically including Admiral Park and the Saltpans and recognising some opportunities may exist in Local Centres. The SLUP directs the IDP to also make provision for certain small-scale businesses outside the Main and Local Centres, typically those in the lower value industrial and service sectors, such as those requiring workshops, secure storage or open yards, who may have a justifiable need to be located Outside of the Centres based on the nature of operation or those which have difficulty in finding a suitable site in the Centres.
- 2.1.7 The IDP's approach to industry, storage and distribution reflects the findings of the Employment Land Study 2014 which indicated that the island is now over-provided with industrial, storage and distribution premises. In managing change in this sector it is recognised that there remains a need to specifically protect some land for industry, storage and distribution to ensure suitable land is available that can be readily developed for a range of industrial and storage/distribution purposes. The IDP, therefore, seeks to consolidate industry, storage and distribution uses on 4 designated Key Industrial Areas ("KIA") each with an identified expansion area known as Key Industrial Expansion Areas (KIEAs) located in and around the Main Centres. Longue Hougue KIA is reserved specifically to accommodate a range of heavy and specialist industrial development including waste facilities. There is also a KIEA located Outside of the Centres at La Villiaze to the north of the airport.
- 2.1.8 In addition, the IDP policies require particular criteria to be satisfied before allowing the loss of existing industrial, storage and distribution sites to other uses where these are located outside of the identified KIAs and are situated along the Inter-harbour route due to their good access.
- 2.1.9 The IDP policies direct industry, storage and distribution uses toward the KIAs and KIEAs, and also support industrial use (including creative industries) elsewhere within the Main Centres. Change of use between industry, storage and distribution uses is in principle supported. Existing sites within the KIA should be re-used and redeveloped before consideration is given to development within the KIEAs. Only where there is no suitable alternative site within any of the KIA or Main Centres will development be considered in the expansion areas and will be subject to the approval of a Development Framework to achieve the effective and efficient use of land. The KIEAs provide a buffer should the demand for employment floor space unexpectedly rise for industry, storage and distribution uses or should the needs of a particular use not be able to be accommodated. Within the Main Centres and Main Centre Outer Areas new industry and storage and distribution use is also possible through conversion of a redundant building. In addition, due to their particular nature, IDP policy supports provision of new creative industries in Main Centres.
- 2.1.10 In Local Centres new industrial, storage and distribution uses are also supported where they are of an appropriate scale for the Local Centre concerned, support them as sustainable centres and are not of a scale and cumulative impact that would undermine the vitality of the Main Centre. Outside of the Centres, these uses are supported in principle at the KIEA at La Villiaze, St Saviours, on redundant

glasshouse sites and brownfield sites under certain circumstances and providing certain criteria are met and through conversion of redundant buildings.

- 2.1.11 The IDP policies support, in principle, the continued use, extension, alteration and redevelopment of existing industrial and storage and distribution sites throughout the island and are generally supportive of change of use between these uses. The IDP policies are also generally supportive of change of use away from these uses outside of the KIAs, and where sites are not on the container route.

The Economic Development Strategy, 2018

- 2.1.12 The States' approved Economic Development Strategy¹ is to deliver a strong, sustainable and growing economy and seeks to achieve growth in the economy by focusing on 4 core areas:

- building on what we do well now (**maintain**);
- achieving diversification into new areas of economic activity to secure long-term prosperity e.g. digital industry (**diversify and grow**);
- Reaffirming that Guernsey is open for business through the actions we take (**open for business**); and
- More actively monitoring and reporting on our economy, and use those insights to inform our actions (**monitoring the economy**).

- 2.1.13 The strategy has identified key areas of work under each of these core headings, which the States hopes to pursue through the Committee *for* Economic Development (CfED) working alongside other States Committees and with external partners.

2.2 Guernsey Employment Land Study 2014

- 2.2.1 In 2014, in accordance with best practice, the Guernsey Employment Land Study (ELS, 2014)² was prepared as part of the evidence base to inform policy formulation on office, industrial and storage provision in the Island Development Plan.
- 2.2.2 The ELS (2014) presents an analysis of the characteristics (amount, location, size and trends) of office, industry, and storage & distribution accommodation on the Island. The base year for this profile data is 2012. The findings set the baseline position for each of these sectors and are referred to within this report (see sections 4 and 5).
- 2.2.3 Following on from this profiling and drawing from UK guidance, the employment land is classified into eight employment areas for the subject sectors; Mixed Use Historic Areas, Established Office Locations, High Quality Business Parks, Light Industrial Areas, General Industrial Areas, Specialist Industrial Areas, Stand Alone Sites and Micro-sites.

¹ Billet D'État XVIII 2018

² Available to download from www.gov.gg/planningpolicy

- 2.2.4 The ELS (2014) assessed and forecasted the future land requirements for offices, industry, storage and distribution over the 10 year life of the Island Development Plan as shown in [Figure 2.1](#) below.

	Existing land supply (m ²)	Gross additional land requirement (m ²)	Gross total land requirement (m ²)
Office	172,308	+30,000	202,308
Industry, Storage & Distribution	1,892,523	-22,600	1,869,923

Figure 2.1 Summary of employment land requirement by sector 2015-2025

- 2.2.5 The forecasts for future land requirements are not updated as part of this report.
- 2.2.6 Drawing from the three stages described below, the ELS (2014) concludes that the forecasted employment land requirements can be substantially delivered through the existing portfolio with some key proposed additions. The identified recommended portfolio is reviewed as part of this update report.

3 Methodology

- 3.1.1 Preparation of the ELS (2014) was in accordance with best practice and based on the methodology set out in the UK Department of Communities and Local Government's guidance on Employment Land Reviews: Guidance Note (2004). While this guidance has formed the basis of the methodology used in the ELS (2014), it has been adapted to suit the Guernsey pattern of land use, available data and the Guernsey planning system.
- 3.1.2 The ELS (2014) was carried out in three stages as follows:
- Stage 1: Establishing the baseline Position
 - Stage 2: Creating a Picture of Future Requirements
 - Stage 3: Identifying a Portfolio of Sites
- 3.1.3 This report provides an update to the ELS to reflect on changes to the baseline position and profile of the employment land identified in the 2014 report together with a review of the recommended portfolio for office, industrial and storage and distribution provision on the Island. The report findings inform the Annual Monitoring Report 2017 (AMR) which monitors the effectiveness of the policies of the Island Development Plan 2016 (IDP).
- 3.1.4 The first section of this report presents an update to the profile of each of the sectors and the changes over the last 5 years since the baseline position presented in the original study. The purpose of this stage is to understand:
- The profile of employment premises across the island in terms of the type of premises, location and size;
 - The current level of demand for premises and the factors that influence demand;
 - Trends in employment and how this might influence future demand;
 - The supply of new and upgraded premises through the planning system;

- The spatial distribution and character of different employment areas; and
 - Key changes to all of the above over the last 5 years.
- 3.1.5 To establish an update of the baseline position, information from property market audits and data on planning consents was collated and consultation was undertaken with property agents in March 2018 to capture their insights about the market and some qualitative input.
- 3.1.6 The next section of this report reviews the ELS (2014) recommended portfolio of existing and potential employment sites to ensure it continues to offer a comprehensive range of opportunities for employment use. To comply with the SLUP, this portfolio has to have regard to requirements for:
- Existing and refurbished office stock in the Main Centres;
 - New office development in Main Centres, including Admiral Park;
 - Industrial premises within or around the Main Centres, Salt pans Park and Admiral Park; and
 - Office and industrial premises within Local Centres if appropriate.
- 3.1.7 The portfolio of sites should be attractive to business in terms of location, size, accessibility and specification of premises. In assessment of this recommended portfolio, in accordance with strategic direction, the redevelopment of brownfield sites has been prioritised over greenfield sites and business requirements have been balanced against other objectives of the SLUP, such as enhancement of the built environment, protection of historic buildings and the efficient use of land. The review takes into account any changes to the recommended portfolio during 2017 and assesses whether planning policies are supporting the delivery of the recommended portfolio.

3.2 Consultation

- 3.2.1 A number of consultations have informed the preparation of this study, along with ongoing liaison with the Business, Innovation & Skills section of the Committee for Economic Development.
- 3.2.2 On the 6th of March 2018, the Planning Service together with Business Innovation & Skills hosted a workshop with representatives from commercial agents and commercial organisations on Island, to gain qualitative feedback on the performance and effectiveness of the IDP policies relating to the office, industry and storage/distribution sectors. The workshop examined the current data on these sectors, and discussed the drivers behind the changes and trends and views on the appropriateness of the employment land portfolio. Due to prior engagements conflicting with the workshop date, an interview was held in March 2018 with 1 of the Island's main commercial property letting agents.

4 Profile of Offices

4.1 Amount of office premises

- 4.1.1 Over the last 5 years, there has been a 5.28% decrease in the overall office stock in the Island with 360 premises providing 257,860m² of accommodation located on

171,695m² of land in December 2017. Unfortunately the data is not available to spatially analyse this decrease and therefore to gain understanding of the reasons behind the overall decrease in quantum of floorspace. Improvements to the capturing of data by the Planning Service from the Cadastre in 2018 will ensure these changes can be mapped spatially and therefore fully assessed moving forward. However, the key changes in relation to the size, number and location of premises is set out in the next sections below.

4.2 Size profile of offices

4.2.1 **Figure 4.1** shows that, based on the data between 2012 -2017, the majority of the Island's office premises remain small scale (under 250m²), with the number of this size of premises increasing 6% compared to the baseline position in 2012. The data in **Figure 4.3** below shows a slight increase in the floorspace of premises between 1000m² and 3000m². Overall, as **Figures 4.2 and 4.3** show, there is little change to the number of large scale premises (over 3,000m²), with that band still accounting for 40% of the Island total office floorspace.

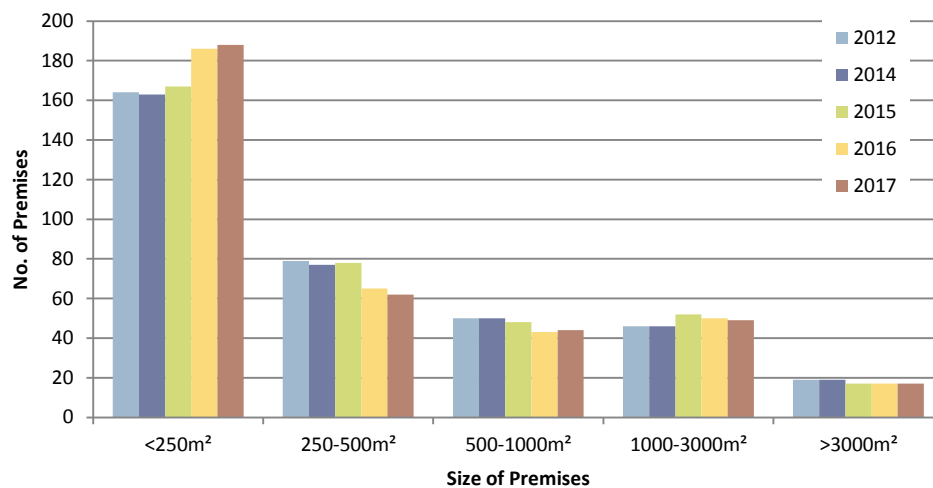
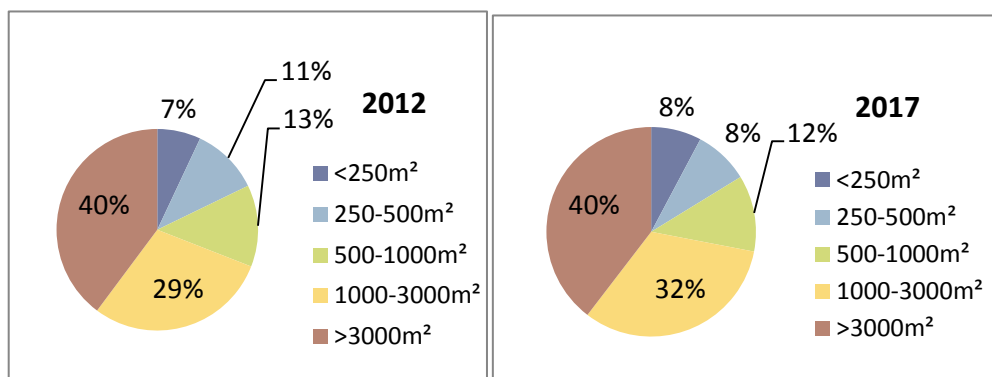


Figure 4.1 Number of office premises in each size category (2012 & 2017)



Figures 4.2 and 4.3 Area of office premises in each size category (2012 & 2017).

4.3 Location profile of offices

4.3.1 **Figure 4.4** shows that the parish of St Peter Port remains the primary location for offices (88%), with little change to the location of offices over the last 5 years. Office

uses are grouped in clusters and are predominantly located to both the north and south of the Town's Core Retail Area.

- 4.3.2 Admiral Park, located in the northern part of the St Peter Port Main Centre Outer Area, provides a further cluster of large floor plate, high specification, modern office premises in a business park environment.
- 4.3.3 Similar to the 2012 baseline position, the St. Sampson & the Vale parishes provide a greatly reduced level of accommodation in comparison and suggest the Bridge Main Centre continues to act as a minor office location. Of the few office premises in that Main Centre, three are high street banks and are primarily located on the harbour frontage. The largest offices are those of Guernsey Electricity located on the first floor of its premises on North Quay.
- 4.3.4 There remains very limited provision of offices outside the Main Centres. Going forward, this analysis will show provision according to the Main Centres, Local Centres & Outside of Centres.

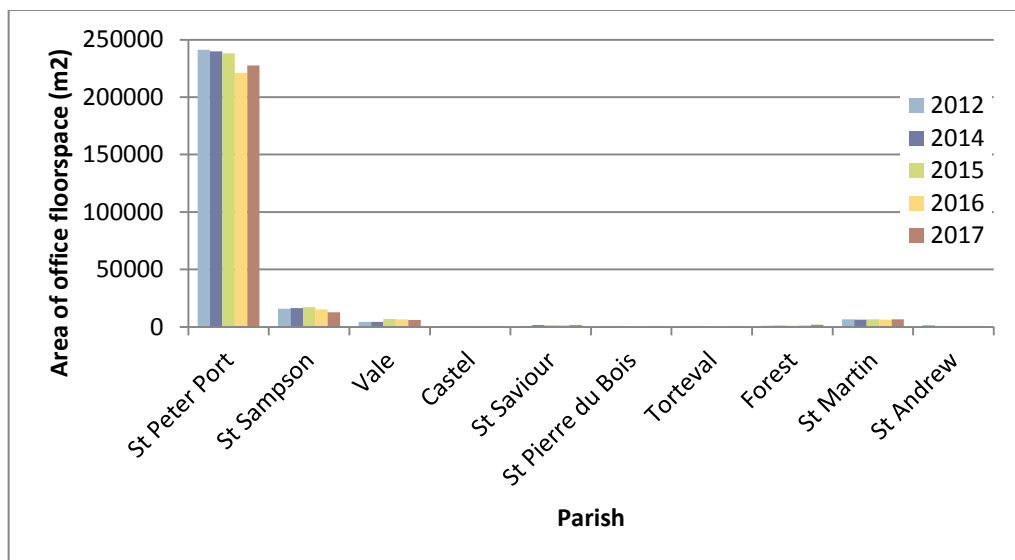


Figure 4.4 Area of office accommodation by Parish (2012)

4.4 Property market trends

- 4.4.1 Trends in the property market are a good indicator as to which types, size and locations of properties are most in demand. High levels of premises on the market can indicate a mismatch between supply and demand, or an overall drop in demand.
- 4.4.2 To establish key market trends this section draws on the findings of the Marketed Premises Audit 2017 and a workshop on 6th March held with representatives from commercial organisations and commercial property agents.
- 4.4.3 In December 2017, 88 office premises were available to let (20,420m²) and 9 office premises were available for purchase (7,058m²), making a total of 27,478m² of office accommodation available or an estimated 10.7% of the Island's total stock. This represents a slight decrease of 0.4% from the same time in 2012

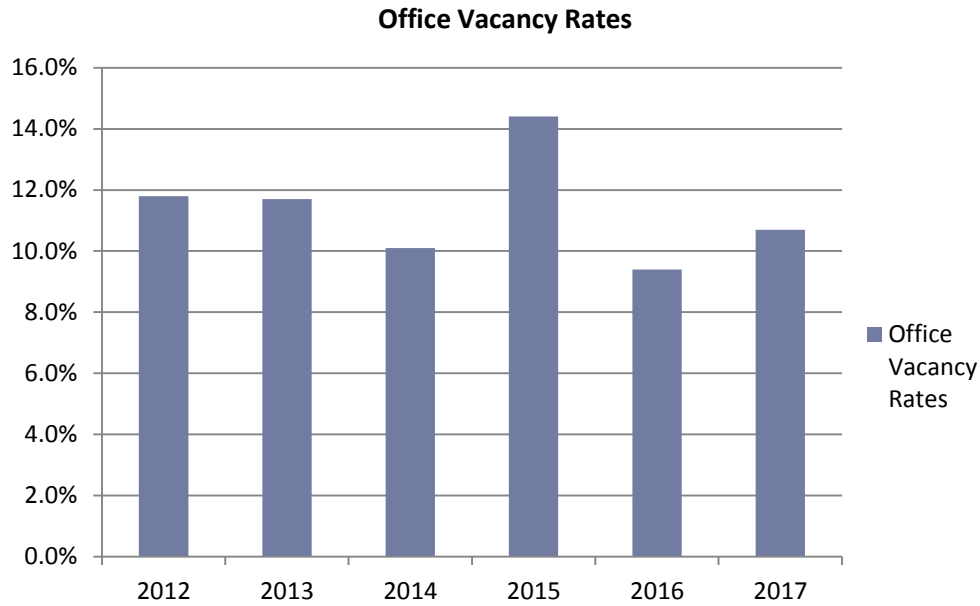
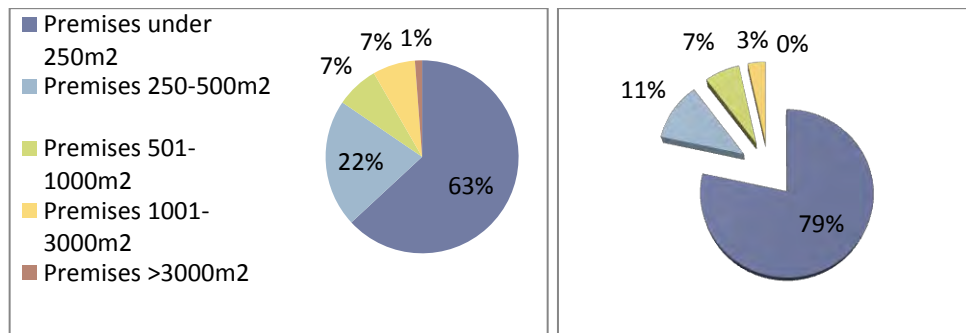


Figure 4.5 Percentage of office stock available since 2012

- 4.4.4 Figures 4.6 and 4.7 show that the majority of marketed office premises in 2017, similar to the baseline in 2012, were small scale units under 250m².



Figures 4.6 and 4.7 Offices available to let by size in 2012 and 2017

- 4.4.5 Of the 88 office premises to let, 62 had been marketed for more than 12 months. Of the premises being marketed for more than a year, 72.5% were small scale units under 250m².
- 4.4.6 Interestingly it is noted that a number of small scale premises that had been on the market for a number of years ceased being marketed in 2016 and 2017. Agent feedback suggests reducing rents combined with incentives from landlords increased the attractiveness of these units to the market resulting in their take up. To gain a further understanding of the market and the range of premises available to meet the sectors needs, future analysis will examine the length of time on the market, the size of the unit and its location for future update reports.
- 4.4.7 Overall, industry feedback indicates that 10% vacancy rates in the market is appropriate to allow enough room for businesses to move and to facilitate growth. The current position is tight in the market place, with no premises available over 3,000m² and a marked decrease in units available over 1,000m² and premises between 250-500m².

4.5 Supply of offices through the planning system

- 4.5.1 The area of floorspace given planning consent is an indicator of the demand for various uses. It should be noted however, that whilst the vast majority of planning permissions granted are implemented, for a variety of reasons there is a proportion that don't get built and the Authority does not currently monitor implementation rates.
- 4.5.2 As the ELS (2014) reported, planning permission has been given for a net increase of approximately 33,000m² across all types of office space between 2003 and 2012. Planning consent for office floorspace peaked in years when there were a few large office developments permitted as part of mixed use re-development schemes, such as Admiral Park in 2004 and Gategny Esplanade in 2003 and 2009.
- 4.5.3 As at December 2017, the overall pipeline supply of office accommodation in terms of planning permission granted remains at a healthy level. As shown in [Figure 4.8](#) below, the low level of activity during 2017 is linked to the erratic nature of supply, with significant gains linked to single large sites coming forward. Over the last 5 years, the supply of offices through the planning system amounts to c.17,880m². The nature and level of the current pipeline supply would appear consistent with previous trends. The most significant permission was granted in 2015 on a site which now falls within the Admiral Park Office Expansion Area in the IDP involving 13,800m² of new large floorplate office accommodation.

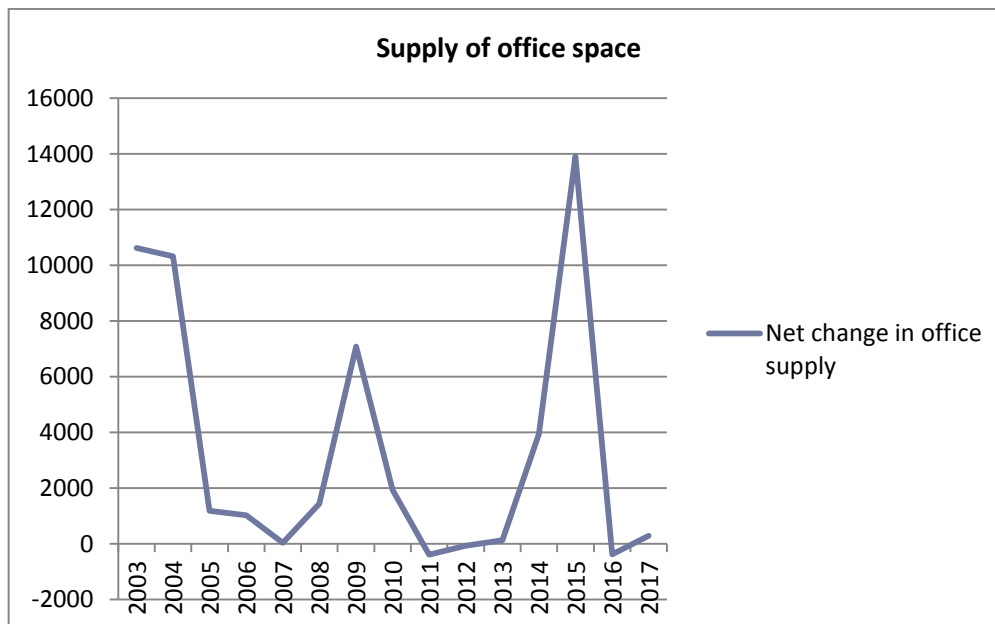


Figure 4.8: Supply of office accommodation through the planning system since 2003 (includes outline permissions)

- 4.5.4 [Figure 4.9](#) on page 10 shows a breakdown in the type of office accommodation within the planning supply since 2003. Over the last 5 years, there appears to be little demand for office for the temporary relocation in emergency (Use Class 17). There were some notable increases in offices for visiting members of the public between 2012-2014 but these gains have been countered by losses of this use during 2015-2017. The only significant increase in general office (Use Classes 16) relates to the site at Admiral Park.

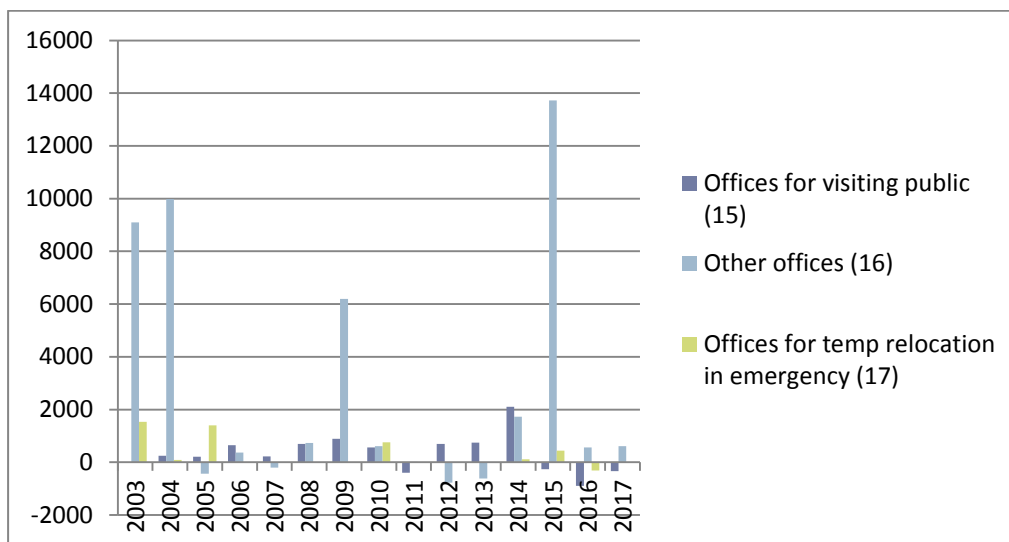


Figure 4.9 Type of office accommodation within the planning supply since 2003.

- 4.5.5 The review of applications raised questions over the changing nature of some business and the increasing blurred lines between uses. A planning permission granted resulted in the loss of primary office accommodation to a training facility within the St Peter Port Main Centre at a site off Grange Road contrary to Policy MC4(A). The proposal related to a business intrinsically tied to the financial sector, with an essential requirement to be located in close proximity to the existing financial core. The nature of the business also requires office-type accommodation, in a high profile building, to meet the requirements of national accreditation bodies. In this case, the alterations would be temporary and easily reversible and would not preclude future use of the premises for office use. It was demonstrated that there is little availability in the market to cater for the proposed business.
- 4.5.6 In light of the above, as an exception and with particular regard to the specific nature of the business involved, it was considered that the intended use would not have a significant impact on office stock and could therefore be considered as a minor departure from the Island Development Plan under section 12(2) of the Land Planning and Development (General Provisions) Ordinance, 2007. The use was limited to the operations of the applicant's business only, as set out within the application, and that when the business ceases to operate from the site the use would revert to general office use.
- 4.5.7 In the context of a growing business support sector and potentially more cases with activities similar to and supporting office use, close monitoring of these occurrences should continue and inform future discussions on whether any changes are needed to policy or legislation to take account of emerging business sectors .
- 4.5.8 With a longer term aim to maintain an appropriate portfolio of office stock within the Main Centres and facilitating economic growth, it is notable there has been no significant delivery of additional office accommodation to the portfolio to date. The delivery of significant new primary office accommodation is expected within the Office Expansion Area referred to above within the short to medium term.
- 4.5.9 In the medium to longer term, the IDP identifies the redevelopment of the Harbour Action Areas (HAAs) in Town and the Bridge together with the 5 identified

Regeneration Areas as opportunities to deliver new primary office accommodation. The risk of any delay to these areas coming forward or not delivering significant levels of new office accommodation poses a concern for meeting the needs of the sector over the life of the IDP.

4.6 Overview of Office Demand

- 4.6.1 Guernsey's finance sector is the central pillar of Guernsey's economy. This sector, together with the supporting business services and legal sectors, accounts for a quarter of all employment and contributes in the region of £1.2bn to the economy, equating to 44% of the island's economic output [source: Guernsey Facts & Figures, 2017]. These sectors are therefore the key driver for office accommodation on the island. Although the business services sector has experienced steady growth over the last 5 years, the finance sector has faced testing economic conditions in recent years. The 2008 global financial crisis has been followed by hostility in certain quarters to finance in general and offshore finance in particular. Over the last five years finance sector output has broadly stabilised.
- 4.6.2 In projecting demand for offices in the future, the ELS (2014) found that there will be a continued and growing demand for offices over the life of the IDP equating to an additional 30,000m². In response, the IDP designated c.3 hectares of land adjoining the existing office cluster at Admiral Park as an Office Expansion Area to accommodate the majority of the identified requirement for new offices. As noted above, planning permission is extant for office led development involving 13,800m² on part of this Office Expansion Area.
- 4.6.3 During the last 5 years, there was a noticeable increase in take up of office premises from the market during 2014 (6.3%), 2016 (11%) and 2017 (6.5%) as shown in [Figure 4.10](#) below. The agents confirmed there had been a recent increase in take up of offices. Some of the activity was attributable to take up of a few larger premises towards the end of 2017.

Offices take up rates 2012-2017					
Year	To let	% of stock	For sale	% of stock	Total take up rate
2012	15,132	0.5	6212	0.2	0.7
2013	75,124	2.6	9764	0.3	2.9
2014	165,075	5.7	19452	0.7	6.3
2015	58,779	2.0	6566	0.2	2.2
2016	161,120	5.9	139965	5.1	11.0
2017	92,663	3.3	87478	3.2	6.5

Figure 4.10 Take up rates for office accommodation over last 5 years

4.7 Factors influencing choice of premises

- 4.7.1 Agents' feedback confirmed the key specification requirements for offices remain unchanged from that previously reported in the ELS (2014); with businesses seeking locations within or around existing office clusters, with good access to parking and flexibility to accommodate changing requirements. New office space needs to have

built in flexibility to accommodate a company's changing needs and changes in technology. Agents did highlight the changing nature of the workforce, with increasing numbers working part-time making, in their view, access to nearby parking more critical.

- 4.7.2 Opinions from agents confirmed the size of space in greatest demand is still small units up to 140m², but there is also demand for medium sized premises of between 280m² – 470m². It is clear from [Figure 4.1](#) that the majority of the Island's office premises are under 250m², however, this space is often split over several floors with low floor to ceiling heights, making it less attractive and in many cases is not readily adaptable to changes in requirements and/or technology. The research indicates a decrease in the number units that are greater than 3,000m², but an overall increase in the number of larger scale units (>1,000m²) within the portfolio. Interestingly, the number of small scale units (<250m²) also increased markedly from 164 to 188 units together with an increase in floorspace within the mid-sized premises (250m² – 500m²). This trend may indicate redevelopment/subdivision of larger units to reflect the demand highlighted by the agents for floorplates of up to 140m² and units between 280m² to 470m². However, there appears to be contradiction between the changes to the stock over the past 5 years with changes to the premises available to the market and the indicated market demand. There is an overall increase in availability of small and mid-sized units (up to 500m²) and a decrease in the availability of larger scale units (over 1,000m²). This would warrant further investigation to understand the drivers behind the changes.
- 4.7.3 Feedback from the agents and research indicates little change in price or sources of demand since last reported on in the ELS (2014). Agents suggest that there is considered to be unmet demand for cheap, serviced office space with basic, modern specification and available on flexible terms that would suit business start ups and new investors.

4.8 Trends in office based employment

- 4.8.1 Moving forward, the SLUP direction focuses on the provision of larger floorplate office accommodation. The IDP policies seek to deliver new large floorplate accommodation within the designated Office Expansion Area at Admiral Park and within Harbour Action Areas and Regeneration Areas. According to industry feedback these types of units serve single large operators. The current demand in the market for this size and type of premises is generally coming from existing companies on the island seeking to grow rather than new firms relocating here. The driver for demand for this may be the growth in the business and support services sector on the island or an increasing number of acquisitions and mergers. Industry feedback stresses the importance of facilitating growth and placing the island in a position to respond to the market quickly and effectively. Therefore, the policies should continue to seek provision of larger floorplate accommodation. The key specification for new accommodation is flexibility/adaptability to subdivide or amalgamate to allow for business to scale up.
- 4.8.2 Overall it is noted that given the level of uncertainty around Brexit, it is difficult to predict the future requirements for office space.
- 4.8.3 Feedback from the agents suggests there is a need for improvement in the overall quality of Guernsey's office stock, to ensure that the office accommodation available

meets modern business needs. The construction of new, high quality office stock in the areas identified above would improve the offering. Linked to this point is the issue of defining quality raised by the agents. Further understanding and clarity on the assessment of what constitutes “quality” for the existing stock is sought by Agents. The SLUP outlines that Guernsey’s stock of office accommodation comprises the following three categories of quality:

- Primary – recently developed or refurbished to modern standards;
- Secondary – older purpose-built offices that may or may not be capable of being refurbished or redeveloped to modern standards; and
- Tertiary – existing offices resulting from the conversion of units of accommodation, retail, etc. that may never meet modern standards.

4.8.4 In light of the feedback, it would be useful to have a discussion and consultation on the criteria for ‘quality’ to expand on the above terms and reach a consensus to provide greater clarity to all. These criteria could then be used to map offices according to quality to provide clearer analysis of existing stock, what is happening in the sectors and what the requirements are.

4.7 Key messages for office accommodation

- 257,860m² office accommodation in 360 premises, located on 171,695m² of land. This represents approx. 5% decrease in office accommodation since 2012.
- Majority of premises are under 250m² (52%) – This represents a 6% increase from 2012. However, premises over 3000m² still represent 40% of accommodation.
- Majority of office accommodation remains located in St Peter Port (88%), with minor concentration in the Bridge.
- Business Services sector continues to grow, while finance sector is broadly stable over last 5 years.
- Slight decrease in office vacancy rates in 2017 - 10.6% compared to 11.1% of stock.
- Noticeable increase in take-up of offices premises from the market during 2014 (6.3%), 2016 (11%) and 2017 (6.5%), especially smaller units (<250m²) in 2016/2017.
- Of the stock available to the market, similar to 2012, the majority to let is under 250m² but there is noticeable decrease in the availability of larger scale units (>1,000m²)
- Supply of offices through the planning system over last 5 years amounts to c.17,880m² (including 13,800m² for site at Admiral Park).
- Key office requirements remain the same: locations within or around existing office clusters, with good access to parking and flexibility to accommodate changing requirements. New office space needs to have built in flexibility to accommodate a company’s changing needs and changes in technology.

Figure 4.11 Key Messages for office accommodation

5 Profile of industry, storage & distribution

5.1 Amount of industrial, storage & distribution premises

- 5.1.1 In 2017, there was a total of 226,168m² industrial floorspace in Guernsey in 459 premises, located on 1,579,433m² of land. This represents approx. 2.7% decrease in industrial premises since 2012 but represents a gain of 1.6% of industrial land.
- 5.1.2 Over the last 5 years, there has been an 8% increase in storage premises together with a notable gain of 21.6% of land in the Island with 249 premises providing 198,307m² of accommodation located on 411,132m² of land in December 2017.
- 5.1.3 The data is not available to spatially analyse the changes and therefore get an understanding of the reasons behind the overall decrease or increase in quantum of floorspace or land. Improvements to the capturing of data by the Planning Service from the Cadastre in 2018 will ensure these changes can be mapped spatially and therefore be fully assessed moving forward. However, the key changes in relation to the size, number and location of premises is set out in the next sections below.

5.2 Size profile of industrial, storage & distribution premises

- 5.2.1 Similar to the reported position established in the ELS (2014) report, [Figure 5.1](#) shows that the largest proportion (61%) of industrial premises in 2017 were less than 250m² in floorspace, accounting for 10% of the total area of industrial floorspace on the Island. Over the last 5 years, there has been a slight increase in the numbers of premises under 250m² and between 250-500m² with a slight decrease in the number premises in the remaining size categories.
- 5.2.2 The largest proportion (33%) of industrial space remains made up of premises between 1000m² and 3000m², with a further 31% made up of premises over 3000m² (see [Figure 5.2](#)).

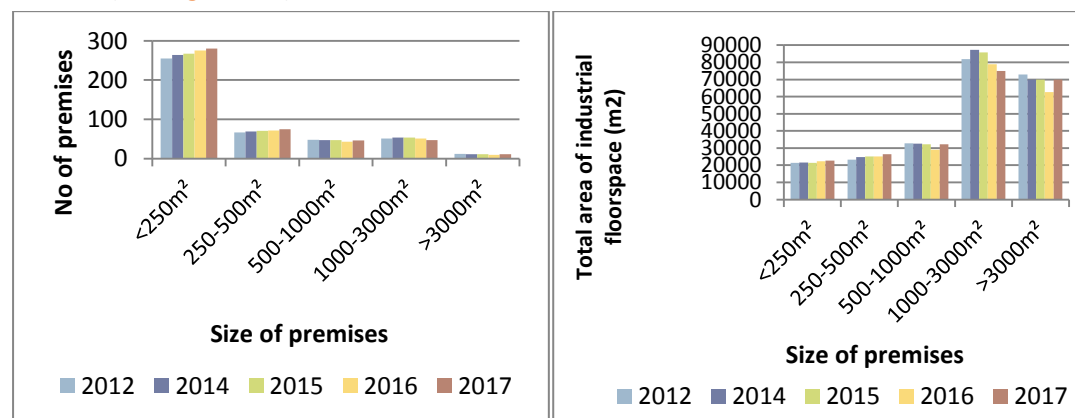
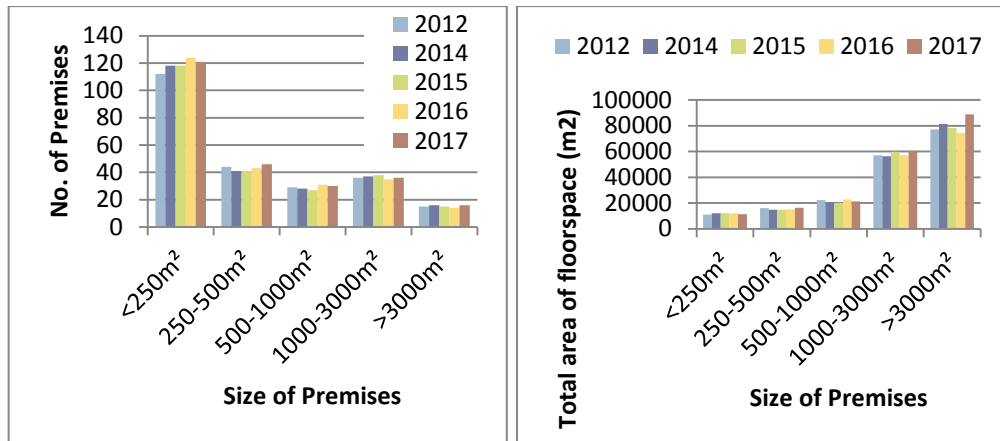


Figure 5.1 and 5.2 showing number of premises in each size category and area of industrial premises in each size category

- 5.2.3 Like industrial premises, there are a large number of small storage and distribution premises, with 49% of premises in 2017 being under 250m², but it is the fewer large premises, 6% of the stock, that account for most of the storage and distribution space on the Island, as illustrated by [Figure 5.3](#) and [Figure 5.4](#). Over the past 5 years

there has been an increase in the number of small and medium sized units (up to 500m²).



Figures 5.3 and 5.4 showing number of premises in each size category and area of storage and distribution premises in each size category.

5.3 Location profile of industrial, storage & distribution premises

- 5.3.1 Similar to 2014, the parish of St Peter Port still contains the most industrial floor space (and also has the largest number of industrial premises) followed by Vale and then St Sampson. Over the last 5 years, however, there has been a 2.3% decrease of industrial floor space in St Peter and Forest, where the airport and associated industries are based, continues to be the Parish with the fifth highest amount of industrial space. The remainder of industrial activity is evenly spread between Castel, St. Saviour and St Martin albeit at very low levels.
- 5.3.2 In St Andrew, there are three main employers these being Guernsey Dairy, Guernsey Water and Specsavers (whose site is split between St Andrew and St Saviour Parishes), making up almost two thirds of industrial floorspace in the Parish.
- 5.3.3 The Specsavers premises at La Villiaze accounts for 60% of industry in St Saviour.

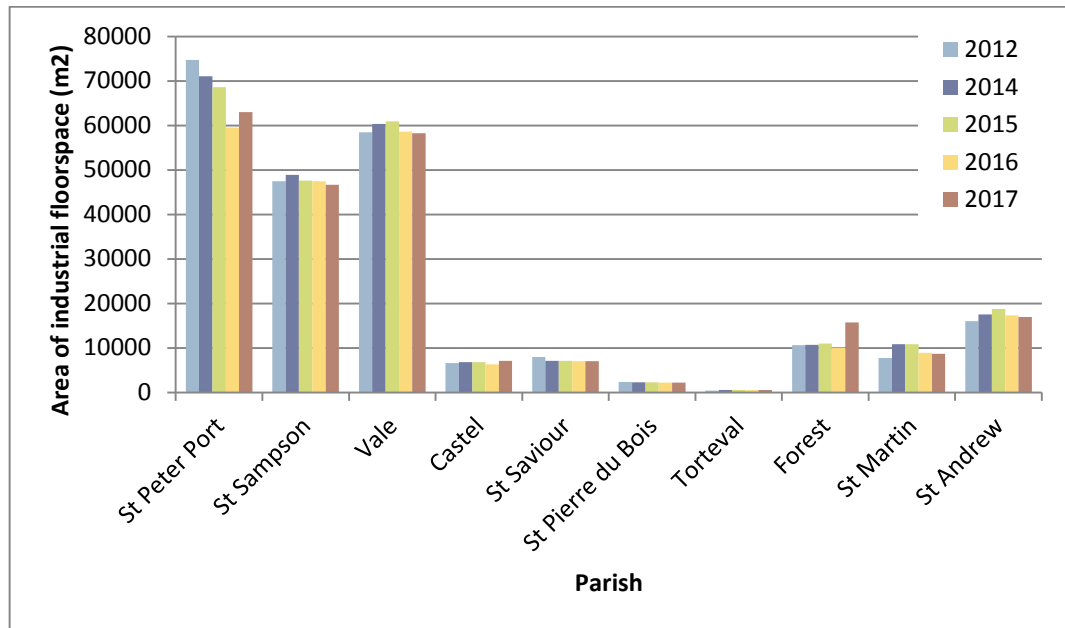


Figure 5.5 Area of industrial accommodation by Parish between 2012-2017

5.3.4 In 2017, St Sampson had the most storage and distribution floor space, followed by St Peter Port and the Vale. Of the rural parishes the most storage accommodation is in Forest, which, given that this category includes hangars, is assumed to be airport related (see Figure 5.6 below). This is similar to the baseline 2012 position. Over the last 5 years, there has been a notable increase in storage accommodation during 2017 in the Parish of St. Sampson (6.6%) together with a notable decrease in Forest (3.5%).

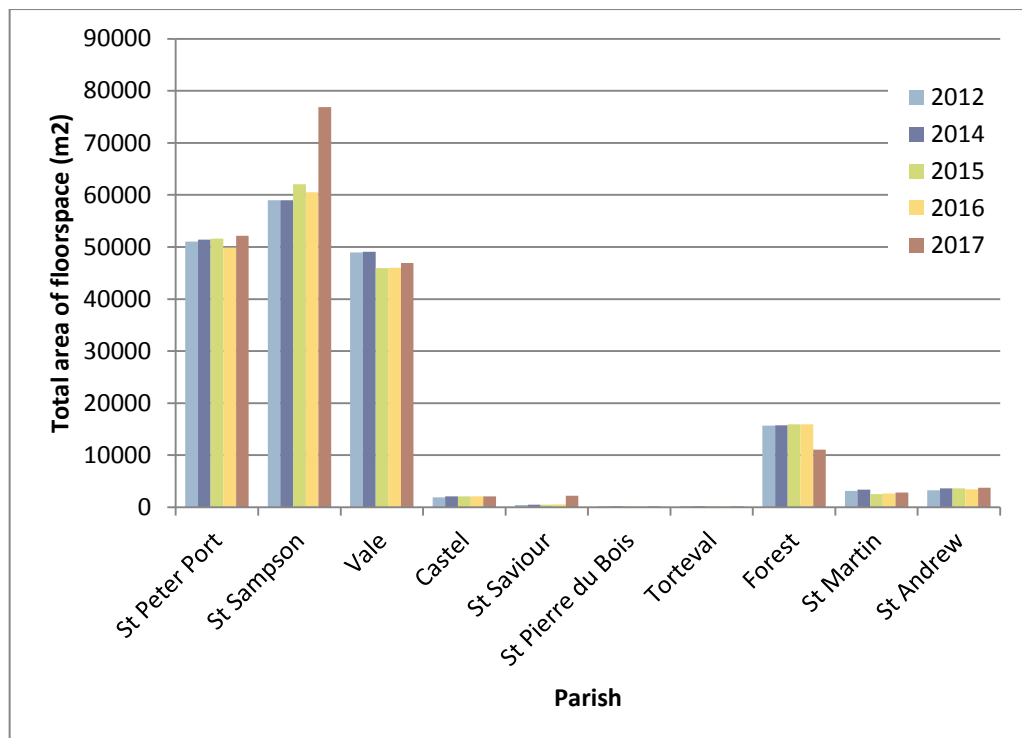


Figure 5.6 Area of storage accommodation by Parish between 2012-2017

- 5.3.5 Overall, the research suggests that the majority of the industrial, storage and distribution accommodation remains located within and around the Main Centres of the Bridge & St Peter Port, within and around the Airport and the remainder located on standalone sites across the Island. Going forward, this analysis will show provision according to the Main Centres, Local Centres & Outside of Centres.

5.4 Property market trends

- 5.4.1 To establish key market trends this section draws from the findings of the Marketed Premises Audit 2012-2017 and consultation with commercial organisations and property agents.
- 5.4.2 In December 2017, 32 industry or storage type properties were available to let (10,905m²) and 1 industrial premises available for purchase (423m²), making a total of 11,328m² industrial/storage accommodation available or an estimated 2.7% of the Island's total stock.
- 5.4.3 There has been a significant decrease (5%) in the availability of storage and distribution accommodation over the last 5 years, indicating the impact of losing LVCR has played out and surplus accommodation has been taken up either by other storage or industry uses or lost from the portfolio, as shown in the [Figure 5.7](#) below.

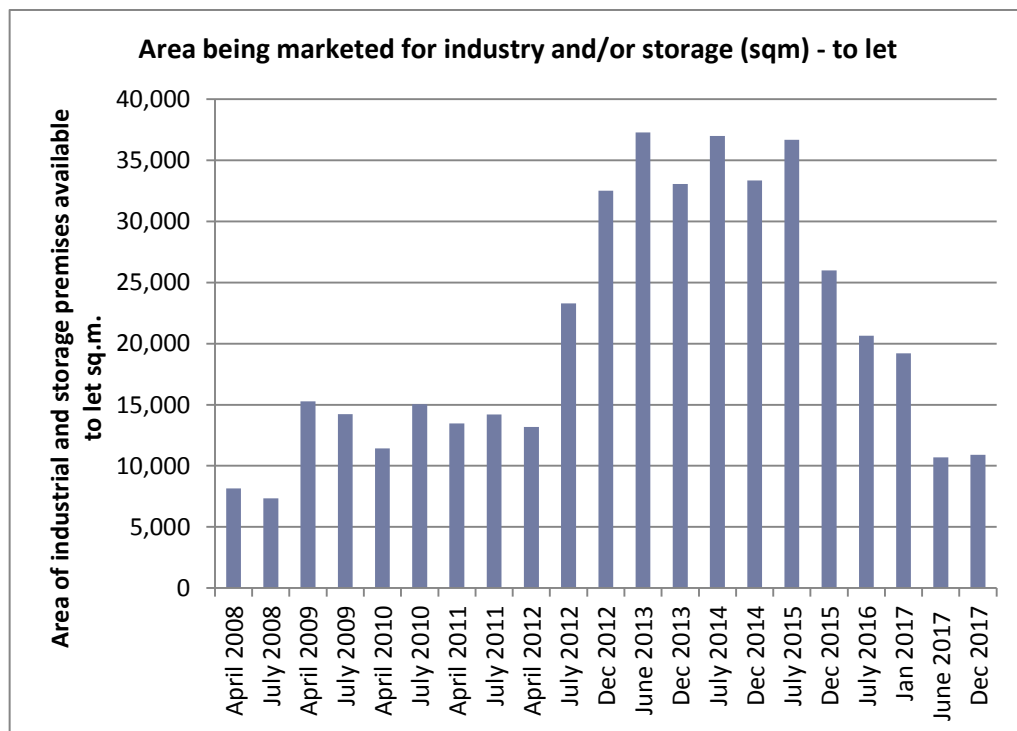


Figure 5.7 Area being marketed for industry and /or storage between 2008-2017.

- 5.4.4 Vacancy rates for industrial premises increased from 2.7% of stock in 2012 to a peak of 5.1% in 2014 falling back down to 3.9% of stock in 2017. Vacancy rates for storage and distribution premises increased from 8.9% in 2012 to a peak of 15% in 2014 steadily falling over the next 2 years to drop significantly down to 1.4% at the end of 2017.

- 5.4.5 During 2017, there was a marked decrease in the number of storage and distribution premises that have been on the market for more than 18 months. The level of activity in the market equated to a 9% take up rate for these in 2017 with 25 premises coming off the market.
- 5.4.6 In summary, as at the end of 2017, there was very little on the market for storage and distribution uses and low availability for industrial uses, creating an overall tight market place (see Figure 5.8 below). Monitoring supply of units for sale and for let, further shows a lack of units for sale compared to let with 21.3% of premises available to the market for sale in 2012 compared to only 3.7% available for sale in 2017 (representing only 1 premises being marketed for sale). This is a relatively low level of vacancy and whilst overall demand is low, those seeking industrial premises may find there is very little choice of property within their price range or specification.

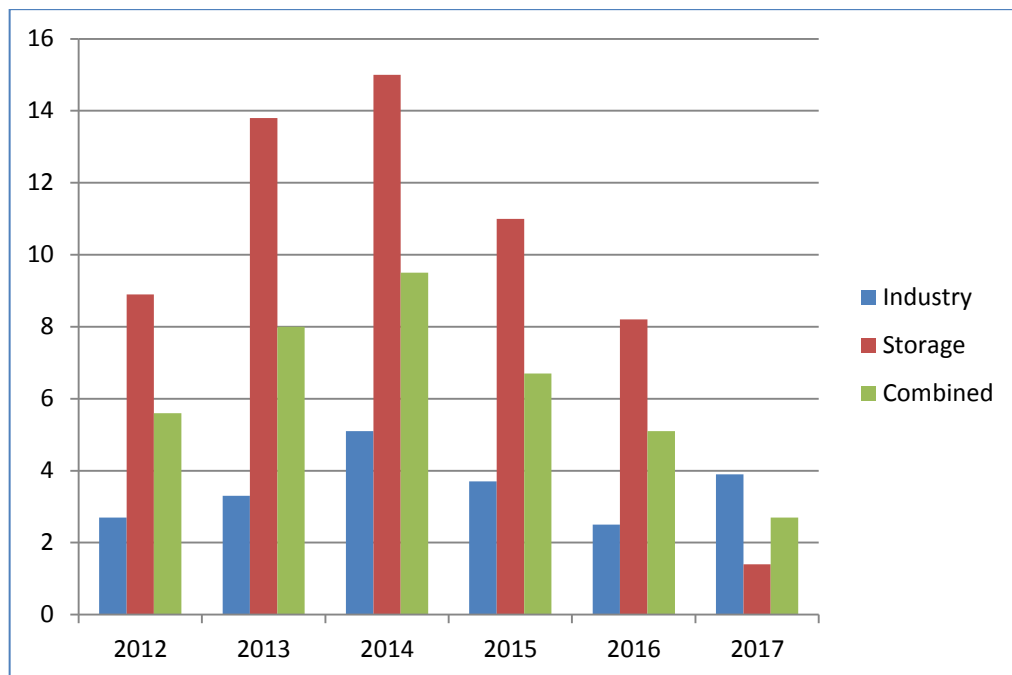
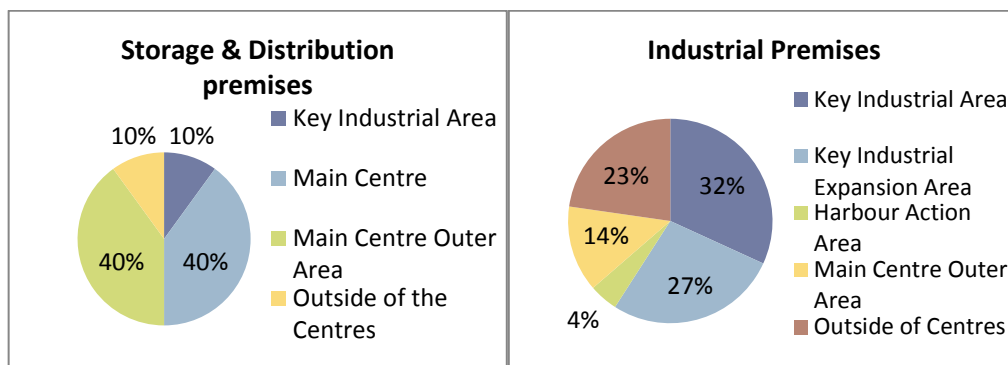


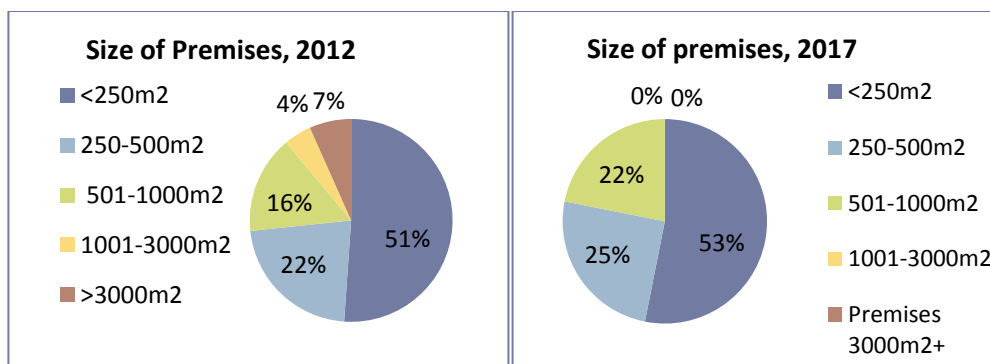
Figure 5.8 Vacancy rates for Industry, Storage & Distribution 2012 & 2017

- 5.4.7 Analysis of the location of available industrial, storage and distribution premises reveals that 42% of marketed premises are located within a designated KIA and a further 27% are located within a Key Industrial Expansion Area. A further locational breakdown for industrial and storage and distribution premises is shown in Figures 5.9 and 5.10 below.



Figures 5.9 & 5.10 Location of industrial, storage & distribution premises available to the market, 2017

- 5.4.8 The range of size of industrial, storage and distribution premises available to the market has decreased over the last 5 years, with no large scale premises available as at the end of 2017. Similar to the position in 2012, the majority of premises being marketed remain small scale (<250m²).



Figures 5.11 & 5.12 Size of industrial, storage and premises on the market in 2012 and 2017 (respectively)

- 5.4.9 Taking into account the wider context of managing decline and contraction of these land uses, the availability of premises within KIAs together with the provision of undeveloped land allocated to come forward for such uses if needed through the designated Saltpans KIA and the KIEAs for each of the other KIAs, the overall vacancy rates are not a major concern. However, given the tight market place, monitoring of the supply for sale and to let should continue and should there be no availability of premises within KIAs, this should trigger action by the Authority to positively bring forward a Development Framework for the Saltpans KIA and for one or more of the most appropriate KIEAs. The assessment of the most appropriate KIEA to bring forward will be based on what market demand is at the time.
- 5.4.10 Of the 33 properties for let or for sale, 12 had been marketed for more than 12 months. Of the premises being marketed for more than a year, 83.3% were small scale units (<250m²).

5.5 Supply of industrial, storage & distribution premises through the planning system

- 5.5.1 Between 2012 and 2017 planning permission has been granted which resulted in an overall 3039m² of additional light industrial (Use Class 24) space. Between 2014 and

2015 permissions resulted in a net loss of light industrial floorspace, however since 2016 a net increase of light industrial floorspace has been granted, as shown in Figure 5.13.

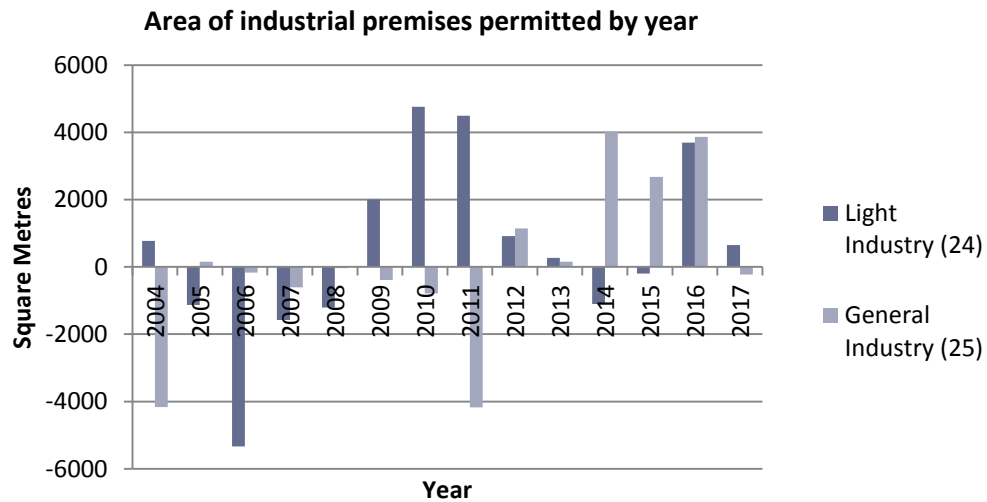


Figure 5.13 Area of industrial premises permitted by year since 2004

- 5.5.2 The losses in 2014 are explained by Newlands Building on the Lowlands Industrial Estate receiving permissions for change of use from light industry to offices for 7 units (1,104m²). In 2016, planning permission for 9 new units at St Andrew's reservoir, together with a few medium size units (c.500m²) receiving permission for change of use from storage to light industry (e.g. Former Carpet Selection Centre, St. George's Esplanade) contributed to the net gain in light industrial space. The planning permission at St. Andrews is a renewal of a previous permission.
- 5.5.3 Generally, planning permissions result in a relatively small net gain or loss, and almost two thirds of permissions resulted in a loss well below 500m².
- 5.5.4 It should, however, be noted that there is provision under the Land Planning and Development (Exemptions) Ordinance, 2011 for change of use from some existing uses to light industrial uses without the need to apply for planning permission e.g. general industry to light industry. It is not possible to quantify changes of use undertaken under this exemption.
- 5.5.5 Between 2012 and 2017 planning permission was granted which resulted in a net gain of 10,493m² of General Industrial (Use Class 25) space (Figure 5.13). Over the last 5 years, the only net loss of floorspace approved was during 2017. Much of the gain in floorspace has come about from the change of use of buildings from storage & distribution (Use Class 22) to general industry (Use Classes 25). This is a reversal of the trends from the previous period (i.e. 2003-2012) and contrary to the forecast of declining requirement for this sector by the ELS (2014).
- 5.5.6 The large gains are partially explained by the change of use from storage to general industry of Unit 5, La Hure Mare Industrial Estate (3,800m² in 2014); storage building at Bulwar Avenue (1,311m² in 2015) and Unit 2 Guilberts Industrial Estate (3,500m² in 2016). There were also a number of permissions for waste related activities which may be linked to the implementation of the States Waste Strategy and are likely to represent a 'one off' growth phase rather than a continuing trend.

- 5.5.7 Of significance, in 2015 planning permission was granted for construction of 4 new general industrial units within the Pitronnerie Road Key Industrial Area, signalling investment and demand for good quality industrial premises.
- 5.5.8 There is also provision under the above mentioned Ordinance for a change of use from special industry (Use Classes 26-27 inclusive) to general or light industry and it is not therefore possible to quantify any such changes of use.
- 5.5.9 This also applies to recent changes to exemptions introduced by the Land Planning and Development (Use Classes) Ordinance, 2017 which allow for premises not exceeding 250m² to change use from general industrial or light industrial use to general storage or distribution use without the need for planning permission. Therefore these changes in the stock will no longer be captured through monitoring of planning permissions and will not be possible to quantify going forward.
- 5.5.10 The following graph illustrates trends in planning permissions over the period from 2004-2017 for the two use classes relating to storage and distribution.

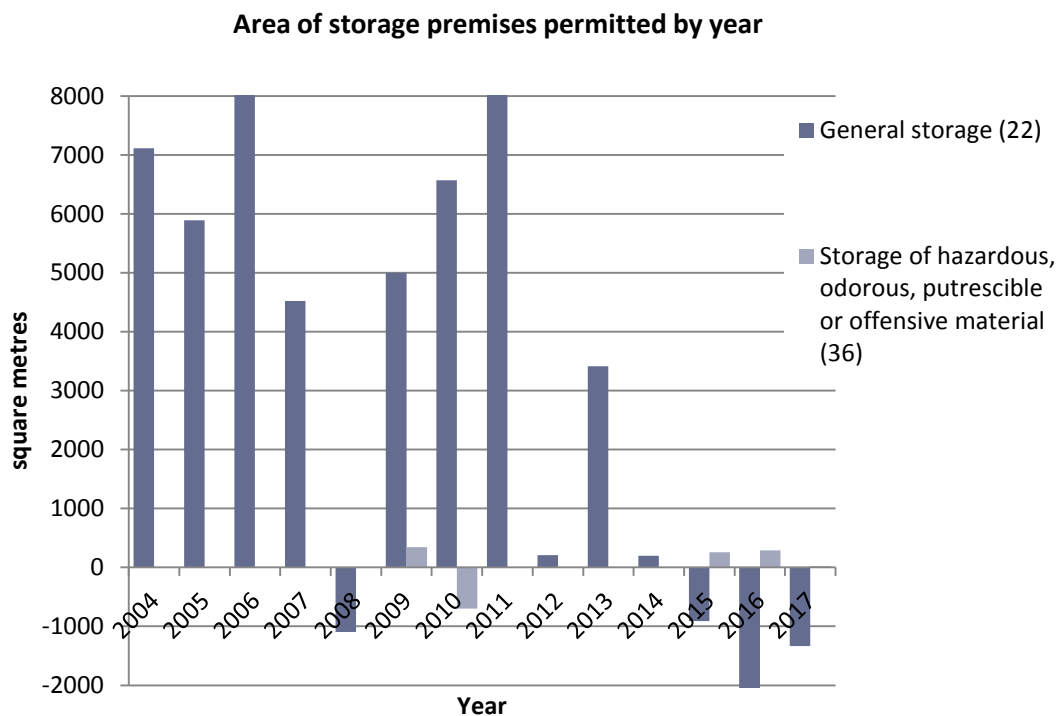


Figure 5.14 Area of storage premises permitted by year (2004-2017)

- 5.5.11 Between 2012-2017 planning permission was granted which resulted in the loss of 4,541m² of general storage floorspace and a small net gain for storage of hazardous goods resulting in an overall net loss of 3,964m² floorspace for the storage and distribution sector. Much of this loss has come about from the change of use of buildings from storage to light or general industry as described in the sections above.
- 5.5.12 Similar to the position in 2012, it is only a handful of large sites (>1,000m²) that are comprising the main losses or gains in any of the sectors. Where permission was given for a net loss of storage, over 60% involved a loss of less than 500m².

- 5.5.13 The source of the data in this section is information provided on planning application forms and is used as a proxy for the demand for various uses. However, not all planning permissions that are granted are taken up, and some planning permissions may permit a range of uses (commonly light industry (Use Class 24) and/or general storage (Use Class 22)).
- 5.5.14 In relation to the spatial distribution of the supply for industry, storage & distribution through planning permissions, overall the IDP policies generally focus these uses within and around the Main Centres and ensure that Local Centres may also provide some limited opportunities in accordance with the direction by the SLUP. During 2017, planning permission was granted for a small net gain of 47m² of floorspace and a significant 1.4 hectare gain in industry, storage and distribution land located Outside of the Centres with a small loss of 0.05 hectares of land located within the Centres. This is in contrast to the forecasted decline in demand amounting to 2.26 hectares less land required for these uses over the lifetime of the IDP. The majority of the increase in land stems from open storage proposals granted planning permission Outside of the Centres. While there was a loss of floorspace from the Main Centres (outside of the KIAs) and Local Centres as intended by the IDP, there was a greater increase of industrial/storage and distribution floorspace and land granted planning permission Outside of the Centres than was expected. The overall distribution of development should continue to be monitored closely to ensure the IDP policies are delivering the States approved spatial strategy and if this trend continues, further investigation should be undertaken into the operation of the employment policies controlling development Outside of the Centres.
- 5.5.15 The information on the total quantum, size and location of existing employment floorspace and land from 2017 indicates a decrease in industrial premises and an increase in storage or distribution premises over the last 5 years. Review of the planning supply shows this trend may be changing, with supply through the planning system which would result in an increase in industrial premises and decrease in storage or distribution premises in the future. However as previously mentioned not all planning permissions are implemented. As referred to above, the main drive for the growth in industry relates to waste proposals, a specialist type of industry that may be linked to a 'one off' project to implement the island's Waste Strategy and not ongoing growth in this sector.

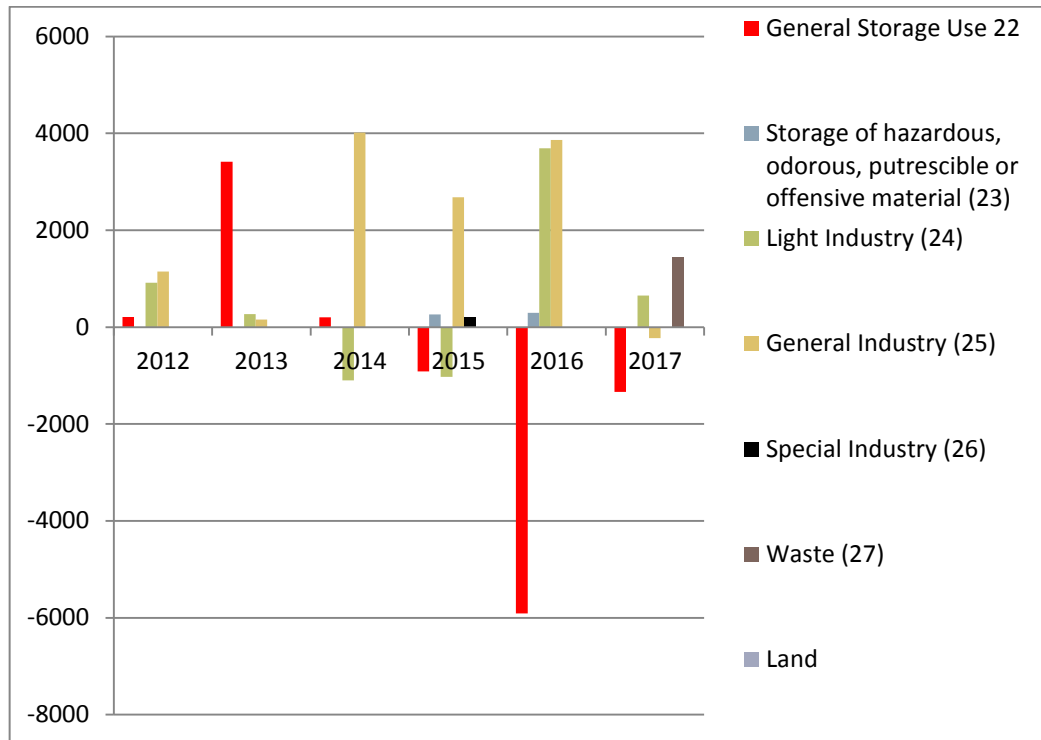


Figure 5.15 Supply of industry, storage & distribution through the planning system between 2012 and 2017, amended to show in accordance with the new use classes.

5.6 Overview of demand for industrial, storage & distribution premises

- 5.6.1 Previous interviews with commercial property agents in 2012-2014 indicated that the demand for industrial premises is low and dwindling. At the time the two main reasons were understood to be a move towards off-island pre-fabrication in the construction industry of items such as window frames, roof joists etc, and ever growing consumerism, including a culture of buying new, rather than repairing and reusing, which has led to fewer repair businesses. However, agents considered there was a base level requirement for general storage premises going forward. This is linked to the declining trend in industry on Guernsey as a result of becoming more reliant on imported goods with the consequence that the Island may need to ensure an appropriate import and distribution network to cater for this demand.
- 5.6.2 Overall the ELS (2014) findings considered that as a result of the ongoing global decline in manufacturing and the loss of Low Value Consignment Relief (LVCR) on exports, the Island is now overprovided with industrial and storage and distribution space and will have a continuing declining need for such over the 10 year life of the IDP. The ELS (2014) forecasts a need for around 2.26ha less industrial and storage & distribution land over this period (sites with or without premises).
- 5.6.3 Over the last 5 years, the vacancy rates for storage and distribution have significantly declined to a low level, suggesting the impact of LVCR has played out. The continued low vacancy rates for industry however indicate a lack of headroom in the market for industrial and storage businesses, potentially resulting in a lack of choice to meet the sector's needs. The planning permission trends indicate a revived interest in industrial premises, with the majority of permissions representing a change of use from storage & distribution to industrial uses. One source of demand

is coming from waste related 'one off' projects relating to the implementation of the States Waste Strategy and therefore not likely to be an ongoing source of demand.

5.7 Factors influencing choice of premises

5.7.1 Overall Agent's feedback confirmed the key specification requirements for industry, storage and distribution remain unchanged from 2012 with businesses seeking:

- Adaptable space capable of sub-division;
- Access to the inter-harbour route or other appropriate road access; and
- Appropriate floor to ceiling heights.

5.7.2 There was a general consensus among agents that the demand for larger units had not increased at all over the last 5 years. Agents reported demand for small scale units or those which could be subdivided, with those of 8m x 20m (and no more than 250m²) with mezzanine areas favoured.

5.7.3 The agents considered that some of the existing premises are often too big and are too difficult/expensive to sub-divide into the size of units that are in demand and should be allowed to go to other uses. They felt that although some KIA's needed to be identified for industry, far too much land was designated for industrial/storage uses in the IDP and there was not the demand for that much industry/storage. They did not think Saltpans was required at all and Braye Road Industrial Estate was obsolete for industrial use. The agents considered that Pitronnerie Road is not ideal because of access and infrastructure limitations and this could be more productively used for other uses such as the retail of bulky goods

5.7.4 Flexibility of the accommodation to be suitable for a range of uses was highlighted. Recent development of new industrial units within the Pitronnerie Road Key Industrial Area is a good example of the type and quality of units in demand. Overall the agents remarked that in general the quality of accommodation in the light industrial sector in particular is poor and that rather than there being a demand for more industrial sites, there was a demand for higher quality accommodation.

5.7.5 Further research on the quality of the industrial, storage and distribution stock should be undertaken in consultation with industry representatives and commercial agents.

5.7.6 At the other end of the scale, land for open storage may be in demand but the agents acknowledged that this fell somewhat below their radar as this land does not command anything but low rents generally.

5.7.7 There was a mixed response from agents on the importance of location and access to the Inter-Harbour Route for these sectors. Some participants said that the Inter-Harbour Route was no longer of such significance as the nature of industry and storage particularly was much more scaled down than it used to be. They felt that there should be no additional policy restrictions in leaving industrial/storage uses adjacent to the interharbour route and that the market should decide. Others agreed with the policy approach in the IDP which sets a higher test for change of use of premises on the inter-harbour route and felt that there should be a certain degree of protection of these units with good access. However they did express that

they felt that the threshold of test in current policy for how long the unit is marketed was set far too high. It is considered that access remains an important criterion for these types of uses.

- 5.7.8 Agents welcomed the recent changes to the Use Classes Ordinance but considered there was scope to go further to introduce greater exemptions in terms of moving from one Use Class to another as almost all industrial lettings still require a change of use application. They considered that the time it takes to submit a planning application, cost and uncertainty and the perceived bureaucracy of the process can hinder the take up of premises. However it is noted the increased support and flexibility introduced by the IDP for change of use between industry, storage and distribution uses was recognised as a positive change and has resulted in the take up of previously vacant premises within Key Industrial Areas.

5.8 Trends in industry, storage & distribution based employment

- 5.8.1 The States of Guernsey Policy and Research Unit publish statistics on employment by economic sector. The largest of the industrial sectors is construction, employing 2,737 people in 2017. The construction industry remains an important sector for the island, and while it has been in decline over the last 5 years, there are recent signs of recovery. Employment levels in manufacturing, utilities, transport sector and other related wholesale retail and repairs sector have not changed significantly over the last five years.
- 5.8.2 Future demand for industrial and storage type premises is expected to come from premises displaced by development through the consolidation strategy in the IDP and may also come from growth in creative industries and digital industries (e.g. data storage).

5.9 Key messages for Industry, storage & distribution

- 226,168 m² industrial accommodation in 459 premises, located on 1,579,433m² of land. This represents approx. 2.7% decrease in industrial premises since 2012 but represents a gain of 1.6% of industrial land.
- 198,307 m² storage and distribution accommodation in 249 premises, located on 411,132m² of land. This represents approx. 8% increase in storage premises since 2012 together with a notable gain of 21.6% of land
- Majority of the industrial, storage and distribution premises are under 250m² (61%), with an increase in the number of small and medium sized units since 2012.
- Majority of the industrial, storage and distribution accommodation remains located within and around the Main Centres of the Bridge & St Peter Port.
- The construction industry remains an important sector for the island, and while it has been in decline over the last 5 years, there are recent signs of recovery.
- Future demand for industrial and storage type premises is expected to come from premises displaced by development through the consolidation strategy in the IDP and may also come from growth in creative industries and digital industries (e.g. data storage).
- Vacancy rates for industrial premises increased from 2.7% of stock in 2012 to a peak of 5.1% in 2014 falling back down to 3.9% of stock in 2017. Vacancy rates for storage and distribution premises increased from 8.9% in 2012 to a peak of 15% in 2014 steadily falling over 2 years to drop significantly down to 1.4% at the end of 2017.
- During 2017, there was a marked decrease in the number of storage and distribution premises that have been on the market for more than 18 months. The level of activity in the market equated to a 9% take up rate for these in 2017 with 25 premises coming off the market.
- Of the stock available to the market, similar to 2012, the majority 'to let' are under 250m², but there is a noticeable lack of any larger scale units (>1000m²) being marketed. There is also a notable lack of premises 'for sale' with only 1 industrial premises being marketed 'for sale' at the end of 2017.
- Supply of industrial premises through the planning system over the last 5 years amounts to c. 16,700m² of additional floor space. Most of the approved proposals were for general industrial uses (70%). In contrast, supply through the planning system of storage and distribution premises over the same time period amounts to an overall net loss of 3,780m².
- Key requirements for industrial, storage and distribution premises remain the same as those identified in 2012.

Figure 5.16 Key Messages for industrial, storage & distribution accommodation

6 Reviewing the recommended portfolio of employment sites (2015-2025)

6.1 Introduction

- 6.1.1 The ELS (2014) recommended a portfolio of employment sites that should deliver the land requirements for these sectors over the 10 year life of the IDP, which is compatible with the SLUP, and the future needs of the Islands' businesses. The recommended portfolio of sites comprises existing sites that are likely to continue to meet business needs, either in their existing use, through intensification of that use or change of use to an alternative employment use, together with identifying areas that could be developed if required in the future.
- 6.1.2 This section provides a review of the ELS (2014) recommended portfolio against key changes over the last 5 years informed by feedback received from commercial agents, to ensure planning policies are delivering the employment land requirement forecast over the 10 year lifetime of the IDP.

6.2 Portfolio of offices

- 6.2.1 The ELS (2014) recommended the following existing areas to form the core locations for office premises over the Plan period (outlined in [Figure 6.1](#) below).

Recommended portfolio of office sites		
Area category	Area name	Quality of office space
Mixed-use historic areas	Kingsway House	Primary
	St Peter Port & St John House	Primary
	Grange Road	Primary
	Town Centre	Primary
	La Charroterie	Primary/Secondary
	South Esplanade	Secondary
Established offices	Les Echelons	Primary
	Gategny Esplanade	Primary
	Le Truchot	Primary/Secondary
Business Parks	Admiral Park	Primary

Figure 6.1 Recommended portfolio for office premises

- 6.2.2 In addition to the above existing areas, the main opportunity identified for new large floorplate office accommodation lies within the remaining undeveloped land at Admiral Park, which would meet the majority of the forecast requirement as shown in [Figure 6.2](#). Opportunities have also been identified for the creation of new office space either within or adjacent to existing core sites, such as opportunities identified in Town Centre, Grange Road and, more medium term, South Esplanade that could help deliver the forecast requirement. In the longer term, Harbour Action Areas and Regeneration Areas could provide a significant opportunity for new office provision in the Main Centres, particularly within St. Peter Port.

Area category	Area name	Timescale for development	Size of opportunity
High Quality Business Park	Admiral Park	Short	30,624m ²
Total			30,624 m²
Forecast requirement			30,000m²

Figure 6.2 Recommended additional opportunities for offices

- 6.2.3 Although particularly consulted on, there was no specific feedback from the commercial agents on the recommended portfolio for the office sector.
- 6.2.4 However, feedback did seek further clarity on how the quality of existing office stock is defined as primary, secondary and tertiary accommodation. This suggests broad agreement on the locations of the areas in the recommended portfolio but further refinement and research is required on the detail within this portfolio. Further consultation on the criteria and detail of the recommended portfolio should be undertaken as part of the next annual update to the ELS.
- 6.2.5 The IDP introduced new planning policies to support the recommended portfolio identified by the ELS (2014). A review of planning permissions granted in 2017 indicates planning policies are working to support the recommended portfolio. There has been some change within the mixed-use historic area where permissions resulting in the net loss of office accommodation have mainly been countered by permissions resulting in net gains. There has been no planning activity within established office locations during 2017.

6.3 Portfolio of Industrial and Storage & Distribution Premises

- 6.3.1 Although the ELS (2014) forecasts an overall need for less land for industry and storage of -22,600m², to ensure an adequate land supply to meet the needs of businesses and in accordance with the SLUP, the recommended approach and portfolio for industrial/storage & distribution land involved safeguarding a few key areas within and around the Main Centres, together with potential areas for expansion, to enable consolidation of industrial, storage and distribution uses onto those sites and encouraging redevelopment of other areas, no longer required for such purposes, to change to a more viable use.
- 6.3.2 The recommended portfolio of existing areas for industry, storage and distribution is shown in [Figure 6.3](#) on page 29.

Recommended portfolio of industry and storage & distribution sites	
Area category	Area name
Light Industrial Areas	Envoy House
	St George's Place
	Airport
	La Villiaze
General Industrial Areas	Pitronnerie Road
	Northside
	Dyson's Yard
	Saltpans/Braye Road
Specialist Industrial Areas	Boatworks+
	Longue Hougue
	Les Vardes Quarry
	Chouet headland
	Utilities
Stand Alone sites	Various locations

Figure 6.3 Recommended industrial, storage & distribution areas portfolio.

- 6.3.3 The areas identified for potential expansion for industry, storage and distribution are set out in Figure 6.4.

Area category	Area name	Area (m2)
Light Industrial Areas	Airport expansion	58,071
	La Villiaze	11,548
General Industrial Areas	Pitronnerie Road expansion	7,288
	Saltpans/Braye Road	1,567
	Northside expansion	36,333
	Sub total	+114,807
Specialist Industry	Longue Hougue	121,945
	Chouet Headland	78,781
	Sub total	+200,726
Total		+315,533
Forecast Requirement		-22,600

Figure 6.4 Proposed additions to the existing Industry/Storage portfolio

- 6.3.4 The area identified around the Airport for light industry was not carried forward by the IDP as a specific designation as it was considered more appropriate to provide an enabling type policy for airport related development instead.
- 6.3.5 The IDP introduced new planning policies to support the recommended portfolio identified by the ELS (2014). A review of planning permissions granted in 2017 indicates planning policies are working to support the recommended portfolio. In line with policy, there have been some planning permissions granted resulting in the

loss of standalone industrial and storage sites within the Main Centres to alternative uses. For example the former Priaulx Garage in St. Peter Port was granted permission to be redeveloped for housing and Unit 1 of Collings Road St. Peter Port was granted planning permission for change of use from industrial to a music school.

- 6.3.6 During 2017 there was a level of planning activity within the KIAs that indicates positive investment is occurring within the KIAs to enhance and improve their accommodation offering in accordance with the intentions of IDP policy.
- 6.3.7 The greater flexibility introduced by the IDP to allow for storage and distribution uses on KIAs has already had a positive impact. Several proposals during 2017 related to overcoming previous restrictions on the use of premises within KIA's and allowing them to change to storage and distribution uses, resulting in some vacant units being brought back into use.
- 6.3.8 Overall, there were no losses of industrial, storage or distribution premises or land within the areas identified indicating the policies are giving a suitable level of support to this sector. Apart from temporary permission granted, there has been no activity on the areas identified for expansion.

6.4 Conclusion

- 6.4.1 There is a wide range of employment land on the Island, to suit a variety of occupiers and economic sectors.
- 6.4.2 The update of the baseline profile of the sectors demonstrates that the recommended portfolio continues to meet the identified requirements of these sectors over the life of the IDP. A review of planning applications from 2017 demonstrates that the IDP's approach supports the delivery of this recommended portfolio and no changes are recommended at this time.
- 6.4.3 Further research and consultation with the commercial organisations and agents is required on the definition of quality and the quality of the office portfolio, preparing assessment of the portfolio against revised criteria if appropriate. Further monitoring regarding the subdivision, vacancy levels and availability to the market of large scale office premises would be beneficial. Monitoring the number of cases where planning applications for similar uses to office use and which provide support for office uses within the identified core office locations should be carried out to gain an understanding of the potential demand.
- 6.4.4 The delivery of new primary office accommodation in the development of Regeneration Areas and Harbour Action Areas that is adaptable to suit medium to large businesses is considered key to meeting future requirements.
- 6.4.5 With regard to industry, storage and distribution, if monitoring indicates that the majority of planning permissions for development (both land and floorspace) for these uses continues to be located Outside of the Centres, then further investigation into the operation of the relevant policies controlling development Outside of the Centres should be undertaken.
- 6.4.6 It is recommended that further research and consultation with the Committee for Economic Development is undertaken regarding the future needs of creative

industries and other emerging sectors. Further engagement with industry representatives and agents should be undertaken to promote better awareness and understanding of the policies for provision of all employment uses within the IDP, in particular focusing on those relevant to Outside of the Centres.

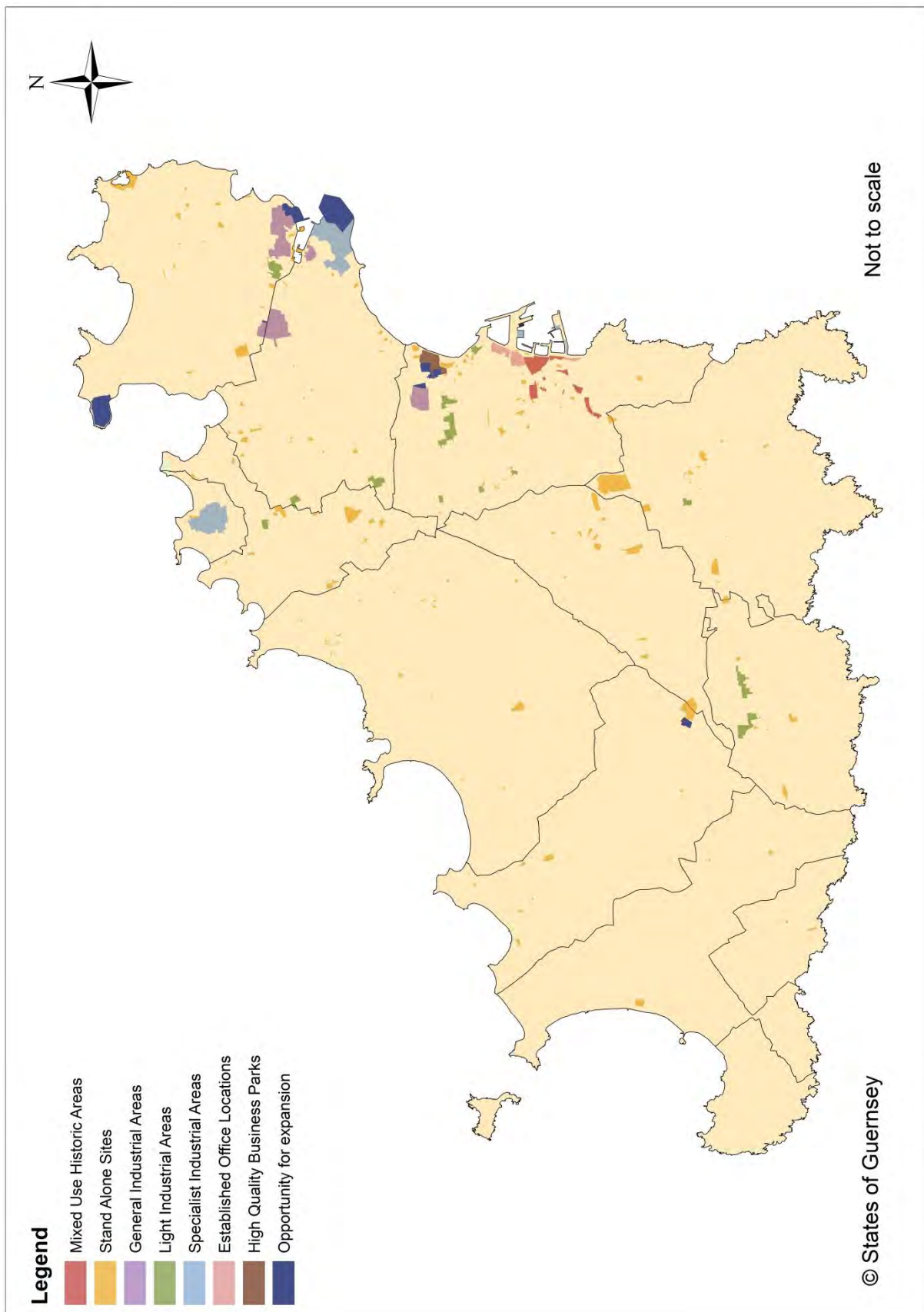


Figure 16.8 Map of existing employment sites and proposed portfolio of sites

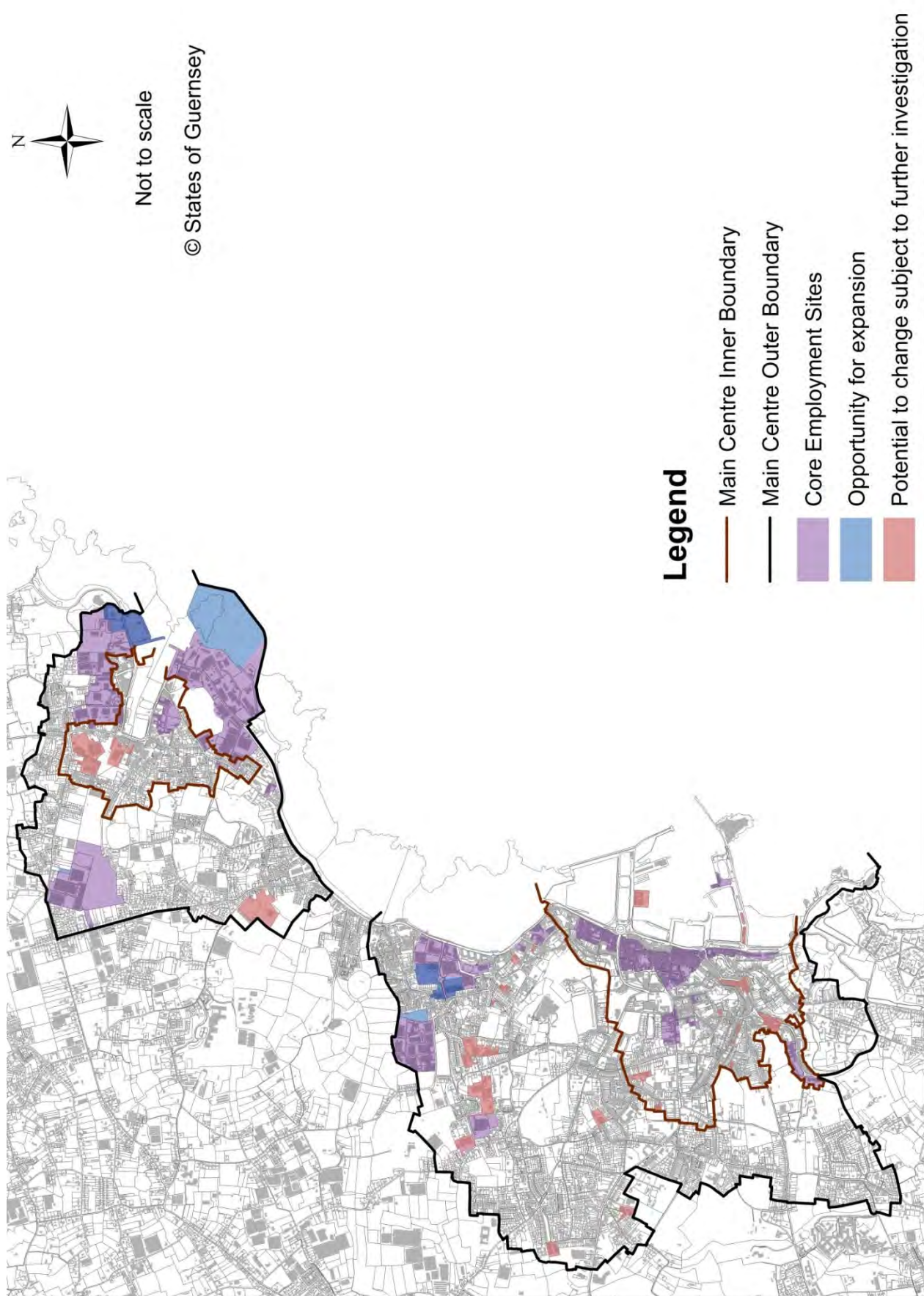


Figure 16.9 Map of proposed portfolio of sites in Main Centres

