

Our ref: J036595

Your ref:

Chris Banks
C/O Banks Solutions
64 Lavinia Way
East Preston
West Sussex
SN16 1EF

15th November 2017

Dear Chris

RE: BROMLEY LOCAL PLAN EXAMINATION

I enclose Matters Statements submitted on behalf of Milton BVI in respect of the above Local Plan Examination. These address the following Matters:

Matters 2 and 3 (Vision, Objectives and Spatial Strategy)

Matter 5 (Housing)

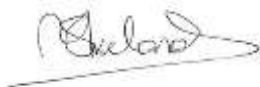
Matter 11 (Employment Policies)

Milton BVI will be represented at the Hearings by GL Hearn (myself), VLH Associates (Vic Hester) and Milton BVI (Stuart Smith).

Our intention is that Vic Hester would attend in respect of Issues 2, 3, 4 and 5 on Tuesday 5th and Wednesday 6th December. I would attend in respect of Issues 10 and 11 (Session 1) on 13th December. Vic Hester would attend Issue 11 Sessions 2 and 3 on 14th December. I would be grateful if you could arrange a seat for us at these sessions.

I can confirm that we do not intend to participate at the hearings in respect of Issue 1.

Yours sincerely



Nick Ireland
Planning Director

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LONDON BOROUGH OF BROMLEY

SUBMISSION DRAFT LOCAL PLAN NOVEMBER 2016

EXAMINATION HEARING

ISSUES 2 & 3: VISION, OBJECTIVES AND SPATIAL STRATEGY

SUBMITTED BY VLH ASSOCIATES ON BEHALF OF MILTON (BVI) LTD

NOVEMBER 2017

1. Introduction

- 1.1 This statement is submitted on behalf of Milton (BVI) Ltd which has a substantial landholding at Hewitt's Farm, Orpington. The statement should also be considered with the responses made in relation to the Examination Inspector's other identified Matters 5 & 11 and the Employment Land Study carried out by GL Hearn for the purposes of identifying office and employment floor space need.
- 1.2 Milton (BVI) Ltd has owned Hewitt's Farm since 1996 and has sought to promote its future allocation and development through written submissions to, and meetings with, the officers of the Local Planning Authority and the Greater London Assembly as part of the Draft Local Plan review and emerging Draft London Plan principally because of the need to meet requirements for sustainable economic growth and housing. Employment-led development is proposed.
- 1.3 As such, this statement and the other submissions to be made to address those other identified Matters is submitted to identify the need to increase housing delivery in the Borough and to increase and diversify quantitative and qualitative office and other employment floor space. Furthermore, this statement identifies shortfalls in the Draft Plan Strategy and the failure of the Plan to promote an appropriate level of sustainable growth.
- 1.4 In effect, the Draft Local Plan is currently 'unsound' because its growth agenda and spatial strategy are not sufficient enough (or aspirational enough) to meet housing and economic growth and needs. Furthermore, the Draft Local Plan has not undertaken a full Green Belt Review, as part of the supporting evidence base and has not sought to consider alternative, suitable sites.

- 1.5 The Draft Local Plan has sought to minimise the growth agenda, contrary to the NPPF, and is under-providing housing, office and employment floor space to the detriment of achieving appropriate levels of sustainable growth.

2. Objectives and Spatial Strategy

- 2.1 The omission of the Hewitt's Farm 32-hectare Site as a Business Park-led development in the LPA's studies resulted from the adoption of a 'do little' approach in the emerging Draft Local Plan. The preference of intensifying/renewing existing employment sites rather than promoting new sites in new locations within the Borough will not provide Companies and employers with the right land availability to deliver their growth aspirations, which could in turn lead to leakage out of the Borough thereby restricting the Boroughs overall competitiveness. The Inspector is asked to consider the three main reasons for the omission of the Hewitt's Farm Site – a. Green Belt impact, b. links to Knockholt Station and other transport networks, and c. deliverability. Leaving aside the Green Belt issue, Hewitt's Farm has access to an excellent road network and following modest improvement to existing public highways could be extremely well connected to the National Rail network via Knockholt Station. Additionally, the site has access to an existing bus network which could be improved increasing connectivity to London and the surrounding Borough. A Business park development will be able to deliver such improvements as part of the development cost.
- 2.2 The Green Belt justification to omit the Site could have been addressed through this Plan, by way of an up to date Green Belt review, focussing on the lack of sufficient housing and economic growth opportunities within the plan to satisfy the justification for exceptional circumstances to exist to deliver sustainable growth. Accordingly, the development of Hewitt's Farm should be re-considered as it can deliver the sustainable growth requirements for the Borough.

- 2.3 The Further Alterations to the London Plan 2016 (FALP) requires London Borough of Bromley, as a minimum, to plan for at least 641 dwellings per annum, using 2015 as the base date. This is the Development Plan starting point. This is the figure that the Draft Local Plan has chosen for the purposes of setting the housing requirement.
- 2.4 The Objectively Assessed Housing Need (OAHN), carried out by the 2014 SHMA, identifies a housing need in LBB for 1,300 dwellings per annum. It is this higher number that should be the starting point for the Borough's housing growth. It is anticipated that a new Draft London Plan will be published shortly and will be a material consideration in the determination of the issues around housing and employment growth. At present, it is anticipated that the GLA figures will recommend that LBB should meet an annual delivery rate of over 1,400 net dwellings.
- 2.5 On establishing the correct housing supply for the Borough to 2031, an assessment will then be required as to whether this figure should be lowered by environmental or other physical or policy constraints, or whether this figure should be revised upward to seek to address affordability/affordable housing deficits or any other regenerative needs. The FALP did not advocate that LBB should stick to 641 net dwellings pa – it stated that this should be a minimum. It is necessary therefore for the Strategy of the Plan to demonstrate why the OAHN figure has not been used in identifying LBB's growth and how (on what basis) the figure was revised down to the minimum.
- 2.6 The Spatial Strategy of the Draft Local Plan was established in 2014. This predates the adopted London Plan (FALP), but uses the minimal housing need figure assigned to LBB of 641 net dwellings per annum. The adopted Spatial Strategy for the Draft Local Plan was appraised against one alternative Strategy, as set out in the Sustainability Appraisal. This alternative Strategy identified a higher growth scenario – with additional housing focused at the Borough's strategic economic growth areas, in particular. However, for the purposes of the Appraisal the higher growth scenario was based on a housing

supply figure of 750 pa. This alternative appraisal only assessed 15% housing growth above the preferred/adopted Strategy. This growth scenario is too low as a meaningful alternative assessment and far too low if using the OAHN figures and the likely Draft London Plan figures.

3. Soundness

- 3.1 The Draft Local Plan is unsound as its evidence base and derived housing needs figures have not properly taken into account the OAHN for the Borough. The Plan's choice of employment growth locations will be assessed in more detail through the statements submitted under other Matters, but the chosen locations fail to provide the quantity and quality to meet objectively assessed needs, to retain businesses and attract inward investment into the Borough and to drive the knowledge and high-tech economy.
- 3.2 The Draft Plan's under-provision in economic (quantitative and qualitative) growth against a need for 122,000 sq m of office space and up to 8.3 hectares of industrial space (as set out in our Matter 11 Statement) should also be considered against the background and evidence base of an existing *"deficiency of 'Grade A' office space – frequently identified as a significant constraint on economic development, business growth, retention and inward investment in the Borough"* (Page 66 of the Sustainability Appraisal), the need to improve the supply of quality office space – to create additional high value employment, and the need to promote investment to develop high value employment activities that support a knowledge-based economy in Bromley.
- 3.3 The under-provision in housing growth should also be considered against the background and evidence base of the *"limited stock of land, a pressurised land market, and a high dependence in re-using brownfield land"* ("Living in Bromley" Background Papers). In addition, Bromley has many areas of low density

housing, with a predominant spacious townscape character and a proposed policy aimed at limiting the degree of and scope for backland and garden land development. These factors will, over time, keep housing supply suppressed in many areas of the Borough.

- 3.4 The above factors demonstrate that there is a need for an up to date Green Belt Review to be undertaken. A full or partial Green Belt Review based upon more accurate housing and employment needs would have provided the opportunity for LBB to consider a higher growth scenario, in particular as a result of the figures derived from the OAHN. The Strategy behind the Plan is deficient and unsound for this reason.
- 3.5 Furthermore, in failing to undertake a partial or full Green Belt review the LPA has not identified the potential and opportunities for housing and economic growth to reflect need and aspiration. In doing so, the LPA has not considered the potential for a Business Park-led development at Hewitt's Farm to help meet need and sustainable growth.
- 3.6 For the purposes of the Draft Local Plan, Hewitt's Farm should be considered as an Omission Site as it is capable of helping to meet a significant uplift in housing provision and quantitative and qualitative economic growth in the Borough.

4.0 Conclusion

- 4.1 In conclusion, the Draft Plan is not sound because the housing and economic growth identified through the Plan is too low and does not, as a starting point, seek to be based upon the OAHN for the Borough as identified in 2013.
- 4.2 The Draft Plan should plan for higher growth and, in view of its current Strategies towards Housing, Office and Employment locations, it should undertake a partial or full Green Belt review – because it will have to take into consideration the potential for further growth outside the urban area if it took a realistic approach to the delivery of the required growth.

- 4.3 Whilst not required to be taken into account at this stage (during an Examination) the direction of travel from Central Government is to apply additional housing growth pressure in the South East - with a top-down imposition of additional housing figures from Central Government. There should be no doubt that by adopting the minimal housing supply figures imposed by the FALP (641 new dwellings per annum) LBB will be shortly out of kilter with not only the OAHN, but also the emerging London Plan and the additional housing requirements to be imposed on the South-East authorities by Central Government. It follows therefore that lack of sufficient housing will also result in the lack of sufficient investment in additional office and employment floor space.
- 4.4 The Draft Local Plan does not deliver sustainable housing and economic growth and is therefore unsound.

Bromley Local Plan Examination Matter 5 – Housing

GL Hearn on behalf of Milton BVi

November 2017

Prepared by

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- 1.1 This statement is submitted by Milton (BVI) Ltd and addresses Matter 5: Housing. It addresses the Inspector's Matters, Issues and Questions; and should be read alongside representations to the submitted plan.

16. Is the Council content that the housing need has been assessed looking at London's needs as a whole?

- 1.2 Case law¹ clearly sets out that the NPPF requires housing need to be established before constraints are applied.
- 1.3 The Council has assessed housing need through the 2014 South East London SHMA. This identifies an objectively assessed need for 26,400 dwellings (1320 dpa) in Bromley over the plan period. This was based on GLA 2013 round Household Projections (household growth of 23,817) together with provision to address concealed and overcrowded households (+2,032) and for vacant homes (+504). It identifies an affordable housing need for 1,404 dpa.
- 1.4 Since the SHMA was prepared, CLG has released 2014-based Household Projections, which the PPG sets out should provide the starting point for assessing housing need. These show household growth of 35,863 households. Including provision for concealed/homeless households and vacant dwellings in line with the SHMA, this would result in an OAN of 38,000 homes over the plan period (1901 dpa).
- 1.5 Equally, the GLA has updated its demographic projections. The latest set are 2016-based. Updating the OAN to take these into account shows household growth of 31,121 and total housing need of 33,800 dwellings over the plan period using a consistent approach to the Council's SHMA.

Figure 1: Objectively-Assessed Housing Need in Bromley, 2011-31

	GLA 2016-Round	CLG 2014-based
Projected Household Growth, 2011-31	31,121	35,261
Concealed/Homeless Households (from SHMA)	2032	2032
Sub-Total: Households	33,153	37,293
Vacant Homes @ 1.95%	646	727
Total Housing Need, 2011-31	33,799	38,020
Housing Need per Annum (OAN)	1690	1901

- 1.6 GL Hearn would additionally note that the latest evidence of need for Bromley exceeds that which aligned to the 2013 London SHMA (1,315 dpa) as set out in Appendix 1 to the Mayor's Housing SPG. This is based on an assessment of London's needs as a whole.

¹ Hunston - R vs City and District of St Albans, EWCA Civ. 1610

- 1.7 London Plan Policy 3.3D is clear that Boroughs should seek to achieve and exceed the minimum targets set out in the London Plan to close the gap between the identified housing need (48,840 dpa) and supply (42,390 dpa in the current London Plan). This is clearly set out in the Mayor's Housing SPG and we include relevant extracts in Appendix A.
- 1.8 Indeed the London Plan is clear that Boroughs should identify and proactively seek to enable extra housing capacity through the preparation of their Local Plans, with the Mayor's Housing SPG outlining that in doing so Boroughs should place particular emphasis on seeking to meet housing requirements identified in any local or sub-regional need assessments and ensure that all potential additional housing capacity is fully realised to close the gap between housing need and supply across London.
- 1.9 The GLA's latest 2017 London SHMA now identifies housing need across London for 66,000 homes pa, which is 35% higher than the headline findings of the 2013 SHMA (49,000 dpa). The GLA has indicated that the draft London Plan due out at the end of November will identify a housing target for Bromley of 1,424 dpa.
- 1.10 Policy 1 in the Local Plan makes provision for 641 dpa. Whilst we appreciate that this is a minimum figure:
- It is less than half that which the Draft London Plan is due to propose (45%);
 - It meets less than half of the OAN identified in the Council's own evidence (49%);
 - It meets between 34% - 38% of the OAN shown by the latest housing needs evidence.
- 1.11 Given the length of time in which it has taken to prepare this plan, which has been in gestation for 6 years, and the London Plan direction of travel (which is clearly upwards), there is a clear basis for seeking to address the urgent housing need in the Borough now, rather than to defer its consideration.
- 1.12 GL Hearn considers that the examination should be suspended and the Council required to:
- Update its evidence of housing and employment land needs;
 - Undertake a Green Belt Review;
 - Propose modifications to bring forward additional housing, employment and mixed-use sites to meet the identified need where it is sustainable to do so.

Q17. What is the justification for the windfall allowance contained within the plan, given the London Strategic Housing Land Availability Assessment states that dependence on windfall capacity should be limited?

- 1.13 GL Hearn considers that a windfall allowance needs to be judged ensuring no double counting with other categories.

- 1.14 The November 2016 Five Year Land Supply Statement identifies in Table 3 that 621 dwellings on small sites (< 0.25 ha) which have commenced are included within the five year land supply; and an allowance of 730 dwellings from ‘future delivery of other small sites with planning permission’ giving a small sites total of 1,351 dwellings.
- 1.15 If the evidence is that these sites have planning permission, it would be appropriate to include them with an appropriate discount for non-implementation. No allowance should be made for unidentified ‘windfall’ sites in Years 1-3.

Q18. Will the Plan provide a 5-year housing land supply of deliverable sites with an appropriate buffer in accordance with paragraph 47 of the NPPF? How would any shortfall in delivery be addressed and how would a continuing supply be achieved over the plan period, having regard to any review of the London Plan?

- 1.16 No. We consider that the following adjustments should be made to the five year land supply.

Non-Implementation

- 1.17 GL Hearn consider that it would be reasonable to apply a 10% lapse rate for non-implementation to sites where development has not commenced. The purpose of this is to address delays in the delivery or non-delivery of specific sites identified within the five year land supply.
- 1.18 It is not adequate simply to compare historical and predicted ‘global’ supply as this conflates issues relating to non-implementation of specific identified sites, with windfalls.
- 1.19 Applying a 10% allowance for non-implementation to these categories would reduce the land supply by 191 dwellings, as shown below.

Table 1: Discount for Non-Implementation

	Suggested Supply	10% Non-Implementation Discount	Revised Supply
Known sites with planning permission not commenced	537	54	483
Allocated sites and draft Local Plan allocations	644	64	580
Small sites allowance	730	73	657
Total	1911	191	1720

- 1.20 Consideration should be given to the application of a higher non-implementation discount to Prior Approvals as it is highly unlikely that all prior approvals will be built out. We would suggest that a 30% discount is applies to these sites, given that some notifications will have been brought forward to increase asset values.

Prior Approval Allowance

- 1.21 The Council's November 2016 Five Year Land Supply Statement indicates that to date 700 units have been granted consent through Prior Approvals. These will however be counted as commitments, and this category includes an allowance for future unknown - i.e. windfall – prior approvals. This is inappropriate.
- 1.22 A significant proportion of office stock has already been lost, indicating a diminishing potential supply from this source. Furthermore the Council has implemented Article 4 directions in a number of centres limiting supply from this source.
- 1.23 There is clearly a lack of compelling evidence to justify additional supply from this source, over and above what has already been counted. The supply should therefore be reduced by 200 dwellings.

Long-Term Empty Homes

- 1.24 There are evidently a proportion of homes within the Borough's housing stock which will have been vacant for over 6 months, such as properties being repaired. There will be a flow of properties which become vacant; and others which are brought back into use.
- 1.25 To demonstrate that vacant homes should be included as a source of supply, it would be necessary to show that the overall stock of long-term vacant properties could be expected to reduce over time. The Council does not provide such evidence. The Five Year Land Supply Statement shows that the level of long-term vacants is less than 0.75% of stock, indicating in effect no potential for this source to contribute to housing supply.
- 1.26 The supply from this source should be removed, reducing supply by 100 dwellings.

Five Year Housing Land Supply Position

- 1.27 Taking the minimum 641 dpa housing requirement (which we do not agree with), applying the non-implementation allowances described above and taking optimistic assumptions from some sources, the evidence shows that at best a 4.4 years' supply exists using a 2016 base date.

Table 2: Five Year Housing Land Supply Position in Bromley, 2016-21

	Dwellings
Requirement (641 x 5)	3205
Buffer (Requirement + 5%)	160
Sub-Total	3365
Annual Requirement	673
Known Sites with planning permission not commenced	483
Known sites commenced	1217
Allocated sites and draft LP allocations	580
Small sites allowance	657
Total Supply	2937
Land supply position (years')	4.36

- 1.28 The Council is therefore unable to demonstrate a five year land supply at the point of adoption. To remedy this, the examination should be suspended and additional allocations introduced through main modifications.



HOUSING SUPPLEMENTARY PLANNING GUIDANCE

MARCH 2016

**LONDON PLAN 2016
IMPLEMENTATION FRAMEWORK**

BOROUGH	MINIMUM TEN YEAR TARGET 2015-2025	ANNUAL MONITORING TARGET 2015-2025
Havering	11,701	1,170
Hillingdon	5,593	559
Hounslow	8,222	822
Islington	12,641	1,264
Kensington and Chelsea	7,330	733
Kingston upon Thames	6,434	643
Lambeth	15,594	1,559
Lewisham	13,847	1,385
LLDC	14,711	1,471
Merton	4,107	411
Newham	19,945	1,994
Redbridge	11,232	1,123
Richmond upon Thames	3,150	315
Southwark	27,362	2,736
Sutton	3,626	363
Tower Hamlets	39,314	3,931
Waltham Forest	8,620	862
Wandsworth	18,123	1,812
Westminster	10,677	1,068
London total	423,887	42,389

Source: Table 3.1 London Plan 2015

Reconciling local and strategic housing need

- 1.1.4 Whilst the need for boroughs to seek to 'achieve and exceed' minimum targets is an established principle of the London Plan (Policy 3.3D), changes through the Further Alterations to the London Plan (FALP) reinforce the requirement for boroughs to demonstrate they have sought to 'augment' minimum targets to close the gap between identified housing need and supply. This follows the emphasis of the NPPF to positively seek opportunities to meet housing need and secure sustainable development⁷.
- 1.1.5 At a strategic level, changes to Policy 3.3 aim to close the gap between London's housing need (48,840 pa) and identified housing capacity (42,390 pa). On a pan-London basis this equates to a potential 'gap' of 6,450 new homes each year (13% of need). At a local level, a large number of boroughs are expected to exhibit shortfalls between identified housing capacity and housing need, with particularly acute issues of potential undersupply in outer London and in the south, west and north London sub-regions⁸. Local and/or sub-regional SHMAs will provide further detail on the level of housing need on a more local basis and should inform local housing provision targets and monitoring (Policy 3.3G and 3.8B). Further guidance

⁷ DCLG, NPPF, paragraph 14, 47

⁸ See Annex 1 of this SPG. Note that sub-regions are shown on Map 2.1 of the London Plan

on undertaking housing need assessments within the context of the pan London SHMA is provided in Part 3 of this SPG.

- 1.1.6 To address London's strategic housing requirement and reconcile any local disparities between housing need and supply, boroughs should identify and proactively seek to enable extra housing capacity through the preparation of their Local Plans (Policy 3.3D). In addition to meeting the minimum targets in the London Plan, boroughs should place particular emphasis on:
- ensuring Local Plans seek to meet housing requirements identified in any local and /or sub-regional need assessments; and
 - in light of London's strategic housing requirements, ensuring that all potential additional housing capacity is identified in accordance with strategic and national policy, irrespective of whether local need assessments indicate that a borough's minimum target is sufficient to meet or even exceed 'local' housing need.
- 1.1.7 Whilst taking into account other policy objectives, boroughs should ensure that all opportunities to secure sustainable housing capacity should be fully realised in order to meet London's strategic housing requirements and help close the gap between need and supply across London as a whole. The strategic approach to addressing local and strategic housing need is set out in Policy 3.8 of the London Plan. This requires boroughs to ensure their local application of Policy 3.3 takes account of housing requirements identified at a regional, sub-regional and local level.
- 1.1.8 This approach echoes the requirements of the NPPF under which planning authorities must seek to meet the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies in the Framework⁹. For planning purposes, London has been considered a single housing market area (albeit with various submarket areas which rarely correspond to local authority boundaries). This view has been accepted at consecutive London Plan EiPs and by the High Court.¹⁰

Enabling additional development capacity

- 1.1.9 Paragraph 3.19i of the London Plan underlines the need for boroughs to provide effective local contributions to help meet London's need for 49,000 homes a year by bringing forward additional sources of capacity where possible, especially from the locations set out in Policy 3.3. It highlights the need for boroughs to work collaboratively with the GLA to ensure their Local Plans and final minimum housing targets are in general conformity with the London Plan. This will necessitate boroughs to seek to address local and strategic housing requirements in line with Policy 3.3 and Policy 3.8 of the London Plan. Looking beyond the adoption

⁹ DCLG, NPPF, paragraph 47

¹⁰ Judgement of the High Court of Justice, London Boroughs -v- Mayor of London & SSCLG, Royal Courts of Justice, March 2014

of Local Plans, paragraph 3.19i sets an expectation for boroughs to work in partnership with public and private stakeholders, including the Mayor, in order to translate housing approvals into completions (Policy 3.15).

- 1.1.10 It is recognised that the potential for boroughs to identify and bring forward additional housing output will be affected by particular planning policy designations. In addition, the need to ensure sufficient provision is made to meet evidenced requirements for commercial and employment floorspace, together with necessary supporting infrastructure may also affect the extent to which boroughs are able to supplement minimum housing targets. These strategic policy considerations will be taken into account when assessing general conformity with the London Plan.

How should boroughs re-examine the potential for additional housing output?

- 1.1.11 To ensure general conformity with Policy 3.3, all boroughs will need to show in their Local Plans, housing trajectories and/or supporting evidence that they have sought to identify and bring forward extra housing capacity, above minimum housing targets. The extent to which a borough is able to bring forward additional housing capacity will depend on particular local circumstances, other strategic and national planning policy objectives and development constraints and should be supported by proportionate local evidence. This should comprise a pro-active and targeted re-appraisal of a borough's SHLAA findings in the locations outlined in para 1.1.12 and other locations boroughs consider appropriate. In undertaking this assessment boroughs should draw on the scenario tests undertaken as part of the SHLAA¹¹ and, where necessary, supplement this with more local sensitivity testing and viability analysis. The scope and level of detail required in a local capacity assessment will depend on Local Plan timescales in relation to the 2013 London SHLAA and the extent of development opportunities in a given borough. In undertaking this analysis boroughs may wish to use the reporting and scenario functions provided in the SHLAA system.
- 1.1.12 Further borough level assessments of housing capacity should follow the approach outlined in the London Plan¹². This sets out the strategic priority to realise additional housing output through intensification, especially where there is good public transport connectivity. Boroughs should therefore undertake a focused re-evaluation of the suitability, availability, deliverability and density of large sites in the SHLAA and seek to identify additional sites, in the following types of locations:
- areas with good existing or planned public transport connectivity (PTALs 4 and above), alongside sites with PTAL 3 scores which could support additional housing intensification and sustainable patterns of movement¹³

¹¹ Mayor of London, The London Strategic Land Availability Assessment (SHLAA) 2013, Chapter 4

¹² Mayor of London. London Plan (2015), GLA, Policies 3.3, 3.4, 3.5, 3.7, 2.13, 2.15, 2.17

¹³ When considering public transport connectivity boroughs are encouraged to make use of tools available on the Transport for London (TfL) website, which are outlined in Section 1.3 of this SPG

- opportunity areas and intensification areas (Policies 3.3Ec, 2.13)
- town centres (Policies 3.3Eb, 2.15)
- surplus industrial, commercial and public sector land (Policy 3.3Ed, 2.17)
- other large sites which are suitable for intensification and higher density development (Policies 3.3Ea, 3.4, 3.7)
- existing residential areas which are planned to accommodate additional housing intensification through an agreed programme of housing renewal (Policy 3.3Ee)

1.1.13 It should be noted that Chapter 2 and Policy 3.7 of the Plan underscore the scope for development in the first five of these types of locations to go towards the top or in justified exceptional circumstances to exceed the density levels normally associated with them.

1.1.14 When undertaking this assessment boroughs should take into account the following guidance provided below on sensitivity testing density assumptions made in the SHLAA and reconsidering the constraints affecting large sites.

Sensitivity testing density assumptions in the SHLAA

1.1.15 Policy 3.3G states that boroughs should monitor housing capacity and provision against average annual monitoring targets in Table 3.1, local need assessments and the sensitivity ranges in the SHLAA. Following national guidance¹⁴, sensitivity testing was undertaken as part of the SHLAA based on the SRQ density matrix and provides an indication of the potential extra housing capacity that exists in London, drawing on alternative, but nonetheless appropriate and realistic assumptions. Illustrative scenarios¹⁵ show that opportunity areas, town centres and other large sites could have the potential to make a greater contribution to meeting housing need than initially captured in the SHLAA.

1.1.16 Additional capacity derived from the SHLAA scenario tests has not been incorporated in minimum housing targets. The London Plan provides boroughs with the flexibility to tailor their own local approaches and reflect particular local circumstances when assessing the extent to which they are able to provide extra capacity. Changes to the London Plan through FALP, together with existing policies, require boroughs to bring forward latent housing capacity in order to exceed targets, particularly in the locations identified in Policy 3.3 and through higher density development in accessible and appropriate locations¹⁶.

1.1.17 In line with the strategic approach to optimising housing capacity (Policy 3.4), boroughs should examine the potential to increase densities to the top of the relevant SRQ density matrix range on specific sites, particularly in opportunity and

¹⁴ DCLG, NPPG, Paragraph: 017 Reference ID: 3-017-20140306

¹⁵ Mayor of London, The London Strategic Land Availability Assessment (SHLAA) 2013, Chapter 4

¹⁶ Refer to London Plan (2015), Policies 3.3, 3.4, 3.5, 3.7, 2.13, 2.15, 2.17, 4.4 and paragraphs 2.61-2.62, 2.72F, 2.85, 3.42, 4.23

ANNEX 1:

BOROUGH LEVEL INDICATIVE NEED BENCHMARKS, AFFORDABILITY RATIOS, LONDON PLAN TARGETS AND COMPLETIONS

BOROUGH	1. GLA HOUSEHOLD PROJECTIONS 2014 ROUND LONG TERM VARIANT (DECEMBER 2015) 2015- 2036	2. GLA HOUSEHOLD PROJECTIONS 2014 ROUND SHORT TERM VARIANT (DECEMBER 2015) 2015-2036	3. DCLG 2012-BASED PROJECTED ANNUALISED HOUSEHOLD GROWTH	4. MODELLED LOCAL HOUSING NEED USING 2013 SHMA METHODOLOGY	5. RATIO OF LOWER QUARTILE HOUSE PRICES TO LOWER QUARTILE EARNINGS, 2013	6. LONDON PLAN MINIMUM TARGET	8. AVERAGE ANNUAL NET COMPLETIONS (2004-2013)
B & D	1037	1514	1,525	1,641	6.60	1236	505
Barnet	1928	2496	2,849	2,479	11.27	2349	994
Bexley	855	967	1,111	1,012	9.07	446	336
Brent	1454	1594	1,560	2,196	11.85	1525	846
Bromley	1535	1855	1,780	1,315	10.12	641	676
Camden	929	1277	1,286	1,042	13.61	889	716
City of London	95	105	86	57	13.44	141	116
Croydon	2011	2311	2,351	2,072	8.32	1435	942
Ealing	1728	1833	1,975	1,723	11.61	1297	912
Enfield	1627	1986	2,329	2,160	10.14	798	499
Greenwich	1541	1610	1,637	1,559	8.70	2685	1285
Hackney	1290	1728	1,793	1,789	11.70	1725	1449
H&F	749	671	484	246	14.78	1031	607
Haringey	1321	1763	1,931	1,365	11.15	1502	741
Harrow	1438	1447	1,421	1,349	12.71	593	513
Havering	1023	1220	1,336	1,181	8.04	1170	460
Hillingdon	1221	1703	1,795	1,644	8.52	559	931
Hounslow	1384	1761	1,874	1,660	10.07	822	930
Islington	689	1367	1,670	1,230	12.13	1264	1705
K&C	534	388	287	105	26.81	733	188
Kingston	532	825	1,057	745	12.66	643	320
Lambeth	1519	1759	1,811	1,479	10.24	1559	1113
Lewisham	1644	1920	2,100	1,628	8.41	1385	884
Merton	954	1123	1,264	1,084	11.70	411	518
Newham	1717	2331	2,199	2,745	9.24	3076	1140
Redbridge	1744	1951	2,125	1,981	10.87	1123	605
Richmond	887	1022	1,113	714	14.50	315	423
Southwark	1396	1799	2,056	1,642	9.72	2736	1501
Sutton	1071	1360	1,351	992	8.77	363	432
Tower Hamlets	1638	2426	2,707	2,529	7.91	4195	2291
Waltham Forest	1652	1765	1,673	1,744	10.74	862	531
Wandsworth	1503	1501	1,439	860	14.36	1812	1174
Westminster	1388	1666	1,261	915	18.11	1068	822
Inner London					10.00		
Outer London					9.79		
London total	42033	51043	53,235	46,885		42389	27106

Notes

Column 4-Modelled local housing need by GLA using local version of GLA 2013 SHMA methodology. Note that the borough need figures do not sum to the 2013 London SHMA total because some of the data used to derive the London figure is not available at the local authority level.

Column 5 – Definition of inner and outer London is based on DCLG's definition, which differs from that of the London Plan.

Column 8 -Conventional and non-conventional housing completions, including accommodation for students, older people, hostels and HMOs. Annual figures based on financial years 2004/5 to 2013/14.

Column 6 – For Hackney, Newham and Tower Hamlets the target includes relevant area of the LLDC and therefore differs from Table 3.1 of the London Plan.

Bromley Local Plan Examination Matter 11 – Employment

GL Hearn on behalf of Milton BVi

November 2017

Prepared by

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- 1.1 This statement is submitted by Milton (BVI) Ltd and addresses Matter 11: Employment. It addresses the Inspector's Matters, Issues and Questions; and should be read alongside representations to the submitted plan.

50. Does the plan provide for the positive planning of employment growth and an adequate analysis of employment floorspace needs in the Borough?

- 1.2 No. The plan has not been informed by up-to-date, clear objective assessment of future needs for employment space, as required by Paragraph 14 and 160 in the NPPF.
- 1.3 The 2012 Retail, Office, Industry and Leisure Study was based on Experian/ GLA Economic forecasts from 2009. These are now 8 years old and cannot be considered up-to-date. It expected employment growth of 16,000 over a 25 year period from 2006-31, and modelled that this would indicate a modest overall loss of employment floorspace (with a need for additional office floorspace, offset by a declining need for industrial and warehouse space). The plan itself in Para 6.1.2 indicates expected employment growth (based on more recent information) which is stronger than this – of 25,000 jobs over a 20 year period between 2011-31 (Para 6.1.3).
- 1.4 In the context of a lack of up-to-date evidence on employment land needs, GL Hearn has prepared up-to-date Employment Land Study, which is appended to this Statement.
- 1.5 Our evidence quantifies employment land needs in the Borough over the plan period to 2030. It shows:
- A net need for between 7.1 – 7.7 ha of industrial land in Bromley, 2016-30.
 - A net need for 114,000 sq.m of office floorspace in Bromley, 2016-30;
- 1.6 Set against this we identify an effective supply of industrial land of at best 1.8 ha, suggesting a quantitative shortfall of between 5.3 – 5.9 ha of industrial land.
- 1.7 We identify a negative supply of office floorspace of -18,600 sq.m, as a result of expected losses of office floorspace through commitments and prior approvals. Overall there is therefore a quantitative shortfall of 132,500 sq.m of office space.
- 1.8 Whilst the plan sets out the need to provide a range of modern good quality floorspace to meet business needs, the evidence shows that it will fail to deliver this:
- The Cray Business Corridor is already intensely developed. Whilst there is some development potential in this area, there is a quantitative need for further industrial land and a qualitative need to provide a choice of good quality sites. There are notable congestion and parking issues in this area.

- Policy 84 identifies three Business Improvement Areas in Bromley Town Centre. The plan allocates these for mixed use development and does not specify the office floorspace provision. Given the scale of office floorspace loss through permitted development, the evidence suggests total office floorspace in the Town Centre will fall over the plan period.
- Three Office Clusters are identified, but the policy focus on these areas is on retaining office floorspace. They are intensely developed with limited further development potential.
- Land is identified at Biggin Hill SOLDC. However the evidence indicates that this will be focused on supporting growth in aviation-related activities, and the location and accessibility of the site will limit its commercial attractiveness for wider businesses.

- 1.9 The delivery of Hewitts Farm will be complimentary to the delivery of the three strategic priority areas for economic growth identified in the plan. It can provide a high quality business park environment which caters for a range of employment sectors, at a commercially attractive location which is accessible from the strategic road network and delivers employment opportunities for local residents.
- 1.10 Whilst the plan's strategy will make some contribution to economic growth, its Strategy is not consistent with the NPPF which in Para 19 is clear that the planning system should do everything it can to support economic growth, and planning authorities should plan proactively to meet development needs of businesses (Para 20). It is not sound as it is not positive prepared – it will not meet development needs; and there are evident alternative strategies, such as the allocation of further land for employment development which we consider have not been appropriately appraised.
- 1.11 The evidence suggests that the plan would support a fall in total office floorspace in the Borough over the plan period and result in a substantial unmet need for office floorspace. It would also fail to meet the need for industrial land in full, with the evidence pointing in particular to a lack of high quality industrial locations in the borough which relate well to the strategic road network, and a lack of choice of good quality sites for businesses. These will have clear economic and social implications for the Borough – the strategy is likely to constrain economic growth, and the availability of local employment opportunities for those living in the Borough. As such it does not represent sustainable development.

Q55. Does the plan provide an adequate analysis of office floorspace needs in the Borough and how is this reflected in policies 85 and 86?

- 1.12 For the reasons explained above, the Plan is not based on an adequate analysis of office floorspace needs in the Borough. It both under-estimates the level of office floorspace needs, and makes inadequate provision to meet the identified needs.
- 1.13 The Council's quantitative evidence on office floorspace needs is dated, and takes no account of economic trends since the recession (i.e. in this economic cycle).

- 1.14 GL Hearn's analysis, set out in the accompanying appendix, indicates that need for 114,000 sq.m of office floorspace over the 2016-30 period. This is based on the London Office Policy Review 2017, and thus represents a consistent evidence base to that a London-wide level and surrounding boroughs. Our analysis shows a shortfall in office floorspace provision of 1325000 sq.m over the plan period taking account of commitments.
- 1.15 The evidence indicates that the Council's current policy framework has been ineffective at resisting losses of office floorspace, with substantial and sustained losses in recent years, and a pipeline of further loss expected through schemes with prior approval. Policy 85 may have some impact in stemming office floorspace losses, by protecting existing office floorspace in the three clusters.
- 1.16 Policy 86 is restricts office development by setting out that new office development will be expected to be located in designated town centres and office clusters; and that schemes elsewhere will essentially be permitted "provided that they are consistent with town centre policies." The restrictive nature of the policy means it is not positively prepared; nor is it justified as there is insufficient land available within town centres in the Borough to meet objectively assessed need for office floorspace.
- 1.17 We assume that the policy seeks to link the implementation of this policy to Policy 91 which requires a sequential test and impact assessment to be undertaken. Against a context of a substantial unmet need for office floorspace, the restrictive nature of this policy is not positively prepared or justified.
- 1.18 Policy 86 should be amended to set out that "proposals for new office development in accessible locations will be supported."
- 56. Do policies 91 and 92 reflect paragraphs 23 and 161 of the NPPF in having carried out an up-to-date assessment of town centre uses and floorspace needs and made the appropriate allocations/ designations?**
- 1.19 No. Para 23 in the NPPF is clear that it is important that development needs, including for offices, are met in full and are not compromised by limited site availability. In Bromley the evidence clearly indicates a substantial unmet need for office floorspace – which we quantify as 132,500 sq.m over the plan period to 2030. Policy 91 is a restrictive policy requiring a sequential test and impact test to be undertaken to justify out-of-centre office development. This is not justified given the substantial unmet need for office floorspace.
- 1.20 Policy 91 is not informed by an up-to-date assessment of town centre uses and floorspace needs. The latest quantitative assessment dates from 2012 and is clearly out-of-date.

Implications

- 1.21 Hewitts Farm provides an opportunity to deliver high quality Grade A offices and potentially industrial floorspace, to meet the identified quantitative shortfall in employment provision within the Plan. It provides the opportunity to deliver Grade A floorspace, and to support sustainable economic growth in the Borough – delivering both overall growth in jobs, and in higher value-added knowledge based sectors. It is important to achieve the Government's expectations that the planning system does everything it can to support sustainable economic growth to which Government expects significant weight to be given (NPPF Para 19).
- 1.22 The delivery of Hewitts Farm will be complimentary to the delivery of the three strategic priority areas for economic growth identified in the plan. It can provide a high quality business park environment which caters for a range of employment sectors, at a commercially attractive location which is accessible from the strategic road network and delivers employment opportunities for local residents.
- 1.23 GL Hearn considers that the examination should be suspended and the Council required to:
- Undertake a Green Belt Review;
 - Update its evidence of housing and employment land needs;
 - Propose modifications to bring forward additional housing, employment and mixed-use sites to meet the identified need where it is sustainable to do so.

Employment Land Study – LB Bromley

Prepared by GL Hearn on behalf of Milton BVI

November 2017

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The signatories below verify that this document has been prepared in accordance with our quality control requirements. These procedures do not affect the content and views expressed by the originator.

This document must only be treated as a draft unless it has been signed by the Originators and approved by a Business or Associate Director.

DATE

November 2017

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Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

1 SUMMARY FINDINGS

- 1.1 GL Hearn has prepared this Employment Land Study as there is a lack of up-to-date evidence relating to the supply and demand of employment land in the Borough as part of the Council's evidence base, in particular in respect of providing an up-to-date assessment of quantitative development needs; and gaps in employment land provision. It draws on recent studies prepared by the GLA. This Summary Findings section draws on analysis in the sections which follow.

Office Floorspace

- 1.2 Based on the London Office Policy Review 2017, prepared for the GLA, there is a quantitative need for 114,000 sq.m of office floorspace in Bromley over the 2016-30 period. This is a net figure, but includes an allowance for frictional vacancy within the office stock.
- 1.3 Set against this, GL Hearn estimate a negative supply of office floorspace of – 18,595 sq.m; with modest allocations of land suitable for office floorspace development made within the Local Plan; and expected losses of office floorspace through commitments and prior approvals which totals over 50,000 sq.m.
- 1.4 There is therefore, based on our analysis, a quantitative shortfall of 132,500 sq.m of office floorspace in the Borough over the plan period.

Table 1: Supply/Demand for Office Floorspace in Bromley

	Bromley (sq.m)
Need for Office Floorspace, 2016-30	113,875
Net Supply from Commitments and Allocations	-18,595
Office Floorspace Shortfall	132,490

- 1.5 If the Plan is left as is, there is in effect a situation whereby no growth in office floorspace can be expected; and indeed office floorspace and employment would be expected to contract. This is not positive planning and is not consistent with the NPPF.
- 1.6 The qualitative evidence shows Bromley Town Centre as being the main existing office location. Its stock is however becoming increasingly dated. There are a lack of locations which relate well to the M25 Office Market.

Industrial Land

- 1.7 The London Industrial Demand Study 2017, prepared for the GLA, identifies a quantitative need for industrial land equivalent to 7.1 ha over the period of Bromley's Local Plan to 2031. If more recent industrial floorspace trends are used, the need would be 7.7 ha.

- 1.8 Set against this, the effective supply of industrial land in the Borough is 0.9 ha taking account of expected losses of industrial land to other uses and the need for some vacant land with a functioning property market. There are very few sites with development potential, and no significant new allocations made.
- 1.9 There is therefore, based on our analysis, a quantitative shortfall of between 8.0 – 8.6 ha of industrial land in the Borough over the plan period. The release of land at Biggin Hill we estimate will contribute 2.7 ha of land to meeting industrial development needs. There is therefore a net requirement for a further 5.3 – 5.9 ha of industrial land.

Table 2: Supply/Demand for Industrial Land in Bromley

	Bromley (ha)
Need for Industrial Land, 2016-30	7.1 - 7.7
Surplus Vacant Industrial Land	0.5
Industrial Land expected to be lost	1.4
Biggin Hill Allocations	2.7
Effective Total Supply	1.8
Industrial Land Shortfall	5.3 – 5.9

- 1.10 Our qualitative analysis identifies a lack of high quality industrial locations in the borough, including sites which relate well to the strategic road network. The qualitative evidence provides further support for identifying additional industrial land at good quality locations.

2 INTRODUCTION

- 2.1 This report is intended to provide a review of the need and supply of B-class employment land and floorspace in the London Borough of Bromley (LB Bromley). It has been prepared by GL Hearn, which has extensive experience in the preparation of employment land assessment for local authorities across England. It responds to the requirement of the NPPF and Planning Practice Guidance on Housing and Economic Development Needs Assessment and Land Availability Assessments.
- 2.2 The Employment Land Study has been prepared to inform the Bromley Local Plan Examination against a context whereby there is a lack of up-to-date evidence relating to the supply and demand of employment land in the Borough as part of the Council's evidence base, in particular in providing an up-to-date assessment of quantitative development needs; as well as qualitative gaps in employment land provision.
- 2.3 The report draws on pan-London evidence, including recent studies which the Greater London Authority (GLA) has commissioned and which consider the need for employment land and floorspace in London and its constituent boroughs. The report also considers employment land supply and gaps in the commercial premises offer in the Borough. GL Hearn has visited and assessed key employment locations across the Borough to inform this.

3 LONDON WIDE POLICIES AND EVIDENCE BASE

- 3.1 This section considers the policy framework and evidence base for employment land in Bromley and across London more widely. It considers both Bromley's evidence base, as well as the up-to-date evidence which has been prepared by the Greater London Authority (GLA).

[The London Plan](#)

- 3.2 The 2016 London Plan sets out policies regarding office development and industrial land and includes a broader policy framework for the development of Outer London's economy.
- 3.3 Policy 2.7 outlines that the Mayor will seek to address constraints and support opportunities to grow the Outer London economy. The Policy notes a number of ways this will happen including:

(b) identifying, developing and enhancing capacity to support both viable local activities and those with a wider than sub-regional offer, including strategic outer London development centres; and

(i) managing and improving the stock of industrial capacity to meet both strategic and local needs, including those of small and medium sized enterprises (SMEs), start-ups and businesses requiring more affordable workspace including flexible, hybrid office/industrial premises.

- 3.4 Policy 4.1 states that the Mayor will work with partners to promote and enable the continued development of a strong, sustainable and increasingly diverse economy across all parts of London. In respect of office development, Policy 4.2 states that the Mayor will and Boroughs should seek to consolidate and extend the strengths of the diverse office markets elsewhere in the capital (beyond Central London and the Isle of Dogs), focusing new development on viable locations with good public transport. It supports increases in the current stock where there is authoritative, strategic and local evidence of sustained demand for office-based activities in the context of policies found within the London Plan including policy 2.7 set out above.
- 3.5 In respect of managing industrial land, the Policy 4.4 states that the Mayor will work with Boroughs to adopt a rigorous approach to industrial land management to ensure a sufficient stock of land and premises to meet the future needs of different types of industrial and plan, monitor and manage release of surplus industrial land.

Land for Industry and Transport SPG

- 3.6 The 2012 Land for Industry and Transport Supplementary Planning Guidance (SPG), prepared by the Mayor of London, provides guidance on the implementation of policies relating to industrial land. It seeks to ensure there is an adequate stock of industrial capacity to meet the future needs of different types of industrial land across London and considers the potential for release of industrial land for other uses.
- 3.7 The SPG (Annex 1) provides an indicative indication as to the quantity of industrial land to be released between 2011 and 2031 for London Boroughs. It indicates that industrial land release in Bromley should be “restricted” in line with London Plan Policy 4.4. Boroughs in this category have low levels of industrial land relative to demand and/or low proportions of industrial land within the SIL framework.¹ Boroughs in this category are encouraged to adopt a more restrictive approach to the transfer of industrial sites to other uses. The SPG anticipated 9 ha of industrial land release between 2011-31 in Bromley, equivalent to 0.5 ha pa. The demand for industrial floorspace is now somewhat different in Bromley, and indeed London more widely, and the latest position on industrial land is considered further below.

¹ Strategic Industrial Locations

London Industrial Land Demand Study 2017

- 3.8 The London Industrial Land Demand Study, prepared by CAG Consultants for the GLA, assesses demand for various types of industry and the amount of industrial land that London needs to maintain to ensure it continues to function as a successful and sustainable city. This will form the key evidence for the London Plan Review.
- 3.9 The Study notes that there are approximately 7,000 hectares (ha) of industrial land in London. However in the period 2010-15 the stock of industrial land in London fell by over 500 ha, at an annual rate of 106 ha per annum. It highlights considerable pressure on industrial land from other uses across London, and a rate of loss of industrial land which has accelerated ahead of planning 'benchmarks.' Remaining industrial land "*faces ever greater pressure from residential development*" (page 209).
- 3.10 The Study identifies a strategic imbalance between supply and demand across London, "*driven particularly by increasing demand from e-commerce and last mile fulfilment requirements. Added to this is reluctance amongst developers to build speculatively as occupier requirements become more demanding and bespoke to accommodate increased eaves heights, greater floor loadings, more volume and sophisticated technology*" (page 210).
- 3.11 In respect of warehouse land specifically, the Study states that recent years have seen a steady decline in the total stock of warehouse floorspace in London. This is not caused by a lack of demand but rather that London's demand is not being accommodated within its borders.
- 3.12 Drawing together evidence of supply and demand, the Study identifies updated release categorisations for London Boroughs. These are as follows:
- (1) Limited Release**— for those Boroughs where there is still a surplus of industrial land to release. These Boroughs are found predominantly in the Thames Gateway.
- (2) Retain** – this applies to the majority of Boroughs, and requires Boroughs to retain their capacity to accommodate industrial activity.
- (3) Provide Capacity** – where Boroughs are experiencing positive net demand for industrial land and should seek some way to accommodate that demand
- 3.13 **The Study categorises in the "retain" category, noting a positive net demand for industrial land to 2041.** It notes a vacancy rate of 6.8% of industrial stock and £10 per sq. ft rents however we would note that the quality of the vacant land is not considered and additional industrial land is likely to be required in Bromley. We consider this later in this report.

- 3.14 The Study highlights a strategic land of industrial land supply across London which is requiring some companies to look further afield, beyond London, to find suitable sites and premises. It provides a clear rationale for seeking to identify further industrial land.

London Office Policy Review 2017

- 3.15 The 2017 London Office Policy Review, prepared by Ramidus Consulting for the GLA, provides the strategic evidence base relating to office development across London. The report includes a review of office market trends and assesses short, medium and long term supply/ demand dynamics and considers the impact of office-to-residential Permitted Development Rights (PDR).
- 3.16 The review estimates Bromley's office stock to be around 335,000 sq m (as at 2016). Vacancy rates are low – consistently below 5% - and standing at 2.2% at the end of 2015. Availability ranged between 12,000 – 15,000 sqm until 2013, but has since fallen sharply but down to 7,400 sqm in 2015. The Review notes that the fall in availability is consistent with the introduction of PDR and indicates that a significant amount of office space has been lost through conversion to residential use.
- 3.17 The Review (Figure 4.11) **shows a substantial loss of office stock in Bromley between 2000 and 2016** at around 70,000 sq. m., equivalent to 20-30% of the Borough's office stock.
- 3.18 The evidence clearly points to a shortage of office floorspace provision in the Borough, and pressures for residential redevelopment (against a context of a shortage of housing land).
- 3.19 The Review goes on to explore whether PDRs have effectively 'mined out' some local markets of surplus office space, concluding at paragraph 7.5.5 that "*Bromley stands out as a market burdened by a legacy of tired stock where vacancy has fallen steadily over the past few years.*" The Review notes that PDR may account for the fall in availability in the Borough but this is **set against an improving level of take-up in Bromley which had previously hovered at around 2,300 sq. m but has since risen to 8,400 sq. m following 2010.**
- 3.20 However the Review at Figure 6.3 (page 123) demonstrates that there has been little in the way of office development activity in Bromley over this period. There have been virtually no completions or starts since 2010, with a very small quantity of floorspace with unimplemented permission.
- 3.21 Set against increasing take-up and a 'tired' stock of existing office space, there is clearly an urgent need to bring forward new office development in the Borough to meet commercial demand.

Bromley's Employment Evidence Base

- 3.22 Whilst the GLA Studies above provide an up-to-date evidence base regarding future employment development needs, prepared across the Functional Economic Market Area (FEMA) in accordance with Planning Practice Guidance, there is a lack of up-to-date quantitative evidence on employment land needs in the Borough.

Bromley Evidence Base Studies

- 3.23 GL Hearn prepared a report on *Stimulating the Economy* in 2012 for the Borough Council. This was published in January 2013. This was not a comprehensive Employment Land Review, but a short focused piece of work which sought to explore how the Borough might stimulate its economy and increase its business rates income. It considered the potential for a new business park through high-level desk-based analysis, noting some risks to this; and the potential for an alternative strategy whereby investment was encouraged elsewhere in the Borough namely at (a) Biggin Hill Airport, (b) the Crays and (c) Bromley Town Centre. The latter has informed the strategy in the Local Plan. The market conditions which helped to inform the conclusions of the *Stimulating the Economy* study and the circumstances surrounding the locations identified for investment are now markedly different.
- 3.24 In respect of wider employment land evidence, it is notable that the evidence base is particularly dated, consisting of:
- Bromley Retail, Office, Industry and Leisure Study (2012)
 - Bromley Economic Development and Employment Land Study (2010)
 - Bromley Market Demand and Feasibility Report (2009)
- 3.25 The 2009 Economic Development and Employment Land Study was undertaken by GVA and published in January 2010. This Study highlighted a number of key issues with the local economy including the quality and age of the office stock in Bromley Town Centre and challenges in finding quality small and medium-sized industrial premises in the Borough. The Study recommended a strategy of seeking to develop the knowledge economy, diversify the business base, deliver town centre renewal in Bromley and Orpington and harness the potential of the Borough as a green and sustainable place to both live and work.
- 3.26 Overall the Study recommended strong policies for protection of existing employment land. Based on the forecast need for office floorspace it encouraged office development within key town centres – Bromley and Orpington - and 'locations proximate to the M25 including Ruxley and the Crays.' It indicated that commercial office provision should be maximised within the Bromley Town Centre AAP and Orpington Masterplan and identified an opportunity to promote high-value manufacturing

at Biggin Hill Airport. Similarly, it identified the potential for a business centre/ small business park in the Crays employment area.

- 3.27 As a follow on to the above Study, the Council commissioned GVA to prepare a Market Demand and Feasibility Report examining potential (in commercial terms) for office development at: West Camp, Biggin Hill; Cray Valley; and Orpington Town Centre. This Study found potential demand for small office units at Biggin Hill; potential for development along the eastern side of Cray Avenue and around the Crayfields Business Park; and concluded that the Council should allocate sites in Orpington Town Centre to accommodate significant new office floorspace in the centre, and encourage investment and redevelopment of existing premises.
- 3.28 A third Study prepared by DTZ in 2012 updated forecasts of employment land requirements; and considered further the potential for office floorspace development in Bromley and Orpington Town Centres. Its conclusions differed somewhat from the previous GVA studies particularly in regard to office development potential within the key town centres. The study suggested that the following net additional figures for space required to accommodate changes in employment across the Borough (see Key Finding BW3-BW6):
- Increasing requirements (i.e. 121,000 sq m) office space driven by business services and financial services
 - Falling requirements (-9,200 sq m) for industrial /other business space driven by a decline in the manufacturing sector, and a decline for warehousing (-7,700 sq m)
 - A small increase in non-B uses requiring traditional employment (i.e. B use) sites of 2,300 sq m, driven by declines in wholesale and increases in health and education.
- 3.29 The Study identified that including an allowance for choice and flexibility, there is a total floorspace requirement across all employment types of 120,500 sq m to 2031. Overall employment land supply in Bromley was a total of 121, 500 sq m of available employment floorspace. It identified on this basis a modest quantitative surplus of 1,000 sq.m to 2031. However this overall picture masks a major disparity between different use classes, with almost a 100,000 sq m shortage of office (B1) supply and an 85,100 sq m surplus of Other Business Space (B1c / B2) against demand.
- 3.30 The Council's employment evidence base in 2017, as submitted with the Local Plan, has not been substantively updated following the publication of the 2012 DTZ study. It is based on analysis and data which is over five years old, and based on economic conditions when the UK was just recovering from a major recession. GL Hearn consider in particular that the quantitative evidence of employment land needs is out-of-date and needs to be reviewed.

Bromley Local Plan

- 3.31 The submitted Bromley Local Plan frames policy around the three areas which the '*Stimulating the Economy*' report considered suitable for investment in 2013. It is clear that the Council's Local Plan

as submitted has not been informed by up-to-date quantitative evidence on employment land needs and therefore the Local Plan, as we will go on to show, does not seek to meet the true need for employment land in the Borough.

4 CHARACTERISTICS OF BROMLEY'S ECONOMY

- 4.1 This section moves on to consider the Borough's key economic characteristics, providing an overview of the Borough's economy and property market.
- 4.2 The London Borough of Bromley lies at the south east edge of Greater London. The Borough is the largest by land area in Greater London, with a total of 153 sq km, of which the majority (51.5%) lies in Green Belt.
- 4.3 Although the area is not served by London Underground, there are many railway stations served by London Overground, Thameslink, Southeastern and Southern services. The Borough also has several stops on the London Tramlink network. As an Outer London Borough it is close to the motorway network. In particular the M25/M20, M25/M26 and M25/A21 junctions are in close proximity. Its location and accessibility contribute to the Borough attractiveness for businesses and support development potential.
- 4.4 The Borough's main employment centres are Bromley Town Centre, Orpington, Beckenham, Penge, Petts Wood, and West Wickham. The main business areas are located within St Mary Cray, Lower Sydenham, Elmers End, and Biggin Hill. Bromley Town Centre is the main location for the Borough's office-based businesses.

Bromley's Economy and Labour Market

- 4.5 The Borough has a population of 326,900.² A total of 175,300 residents are economically active, equivalent to 83% of the working-age population. This is higher than both London's and national equivalents of 78%. Of those a low 4% are unemployed; and a total of 10.6% of the Borough's households are workless which is below London's equivalent of 12.8% and Great Britain's of 15.1%. The Borough is relatively affluent.
- 4.6 The majority of the Borough's working residents (56.8%) are employed in a managerial or professional occupation which is again above the wider comparators (55.3% in London and 45.5% in Great Britain). 48.9% of the residents have a degree-level or equivalent qualification (NVQ4+). This is against 51.9% in London and 38.2% in Great Britain. The strong skills base and skew of the

² ONS 2016 Mid-Year Population Estimate

population towards better skilled and paid occupations is reflected in earnings which are 12% above the London's average and a substantial 24% above the national equivalent.

- 4.7 However when we analyse the earnings of those working in the Borough, these are 19% below the London average and just 4% above the national equivalent. Those working outside the Borough earn 27% more than those that work in Bromley, pointing to residents commuting out of the Borough to higher-skilled, higher-paid jobs.
- 4.8 The out-commuting flows particularly to Central London, as is common for Outer London Boroughs. Around a third of residents work within the Borough (31.8%), followed by those working in Tower Hamlets/ Canary Wharf (12.9%), City of London (10.1%), Westminster (6.7%) and Southwark (4.9%). Of those working in Bromley, 51% live within the Borough. There is a relatively low jobs density of 0.6 jobs for each resident aged 16-64 years old against 0.98 in London and 0.83 in Great Britain, reflecting net out-commuting to work.
- 4.9 A total of 123,000 jobs are recorded in the Borough relating to 12,115 enterprises.³ Of those 92.8% have below 9 employees and only 0.2% (35 enterprises) are large – defined as with a workforce of above 250 employees.
- 4.10 The largest employment sectors across the Borough, according to Business Register and Employment Survey 2016, are the following:
- Health 13.9%;
 - Retail 11.9%;
 - Professional, scientific and technical 10.1%;
 - Business administration 9.2%; and
 - Education 3.2%
- 4.11 We sought to analyse employment growth by sector, based on BRES data, to reveal those sectors that have driven employment and economic growth in Bromley in recent years. As presented in Table 1, over the last five years there has been growth in employment across a range of economic sectors. This includes the following which will require B-class employment space:
- Professional, scientific and technical: 4,000 additional jobs
 - Manufacturing: 1,000 additional jobs;
 - Construction: 1,000 additional jobs;
 - Information and communication: 500 jobs;
 - Wholesale: 250 jobs.
- 4.12 The sectoral trends show that recent data would provide a clear need for additional floorspace.

³ ONS Business Register and Employment Survey, 2016

Table 3: Employment Growth in Bromley, 2011-16

	5 years absolute	5 years Annual rate
Professional, scientific & technical (M)	4,000	12%
Manufacturing (C)	1,000	9%
Accommodation & food services (I)	2,000	7%
Agriculture, forestry & fishing (A)	10	6%
Motor trades (Part G)	250	5%
Arts, entertainment, recreation & other services (R,S,T and U)	1,000	4%
Construction (F)	1,000	3%
Information & communication (J)	500	3%
Wholesale (Part G)	250	3%
Mining, quarrying & utilities (B,D and E)	0	0%
Property (L)	0	0%
Transport & storage (inc postal) (H)	0	0%
Public administration & defence (O)	0	0%
Health (Q)	0	0%
Retail (Part G)	0	0%
Business administration & support services (N)	0	0%
Financial & insurance (K)	0	0%
Education (P)	-2,000	-4%
Total	6,700	2%

Source: BRES 2016

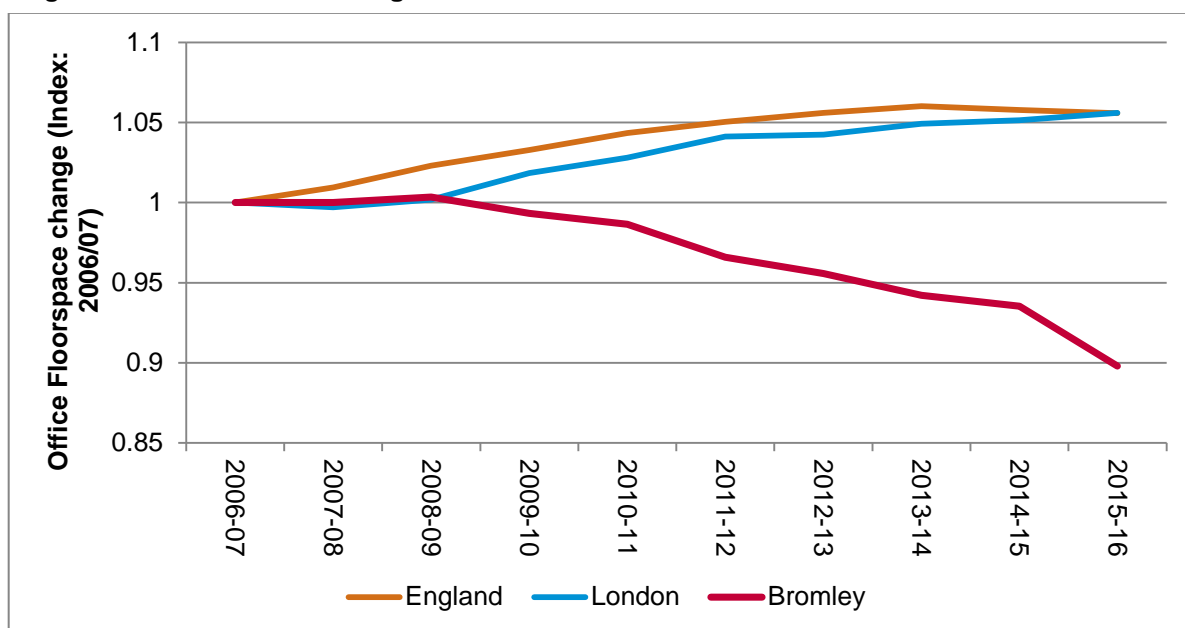
Market Trends

Office Market

- 4.13 Bromley falls within an M25 office market which is performing strongly in terms of commercial demand. According to Knight Frank's 2017 M25 Report, occupier demand is holding firm despite political change and economic uncertainty. There was 2.6 million sq ft of commercial space taken up in the M25 Corridor in 2016.
- 4.14 Retail, Distribution & Transport together with Financial and Business Services sectors are the strongest performing sectors in the M25 corridor and drive occupier demand for office floorspace. However there is a lack of suitable product available on the market – supply is constrained.
- 4.15 There is a strong investor market. The market is characterised by activity from both overseas investors and local councils, which are expected to remain active; and they are increasingly being joined by the previously absent UK funds.

- 4.16 Turning to consider market trends more specifically within Bromley, the Borough has lost 10% of its net office stock since 2006 (Figure 2). The recession (2008-2012) followed by the introduction of Permitted Development Rights from Office (Use Class B1a) to Residential (Use Class C3) in 2013 have significantly impacted on office floorspace provision across the Borough.
- 4.17 Moreover the Bromley Authority Monitoring Report 2014-2016 records a loss of around 20,000 sqm of office floorspace since 2013.

Figure 1: Office Stock Change 2006-2016

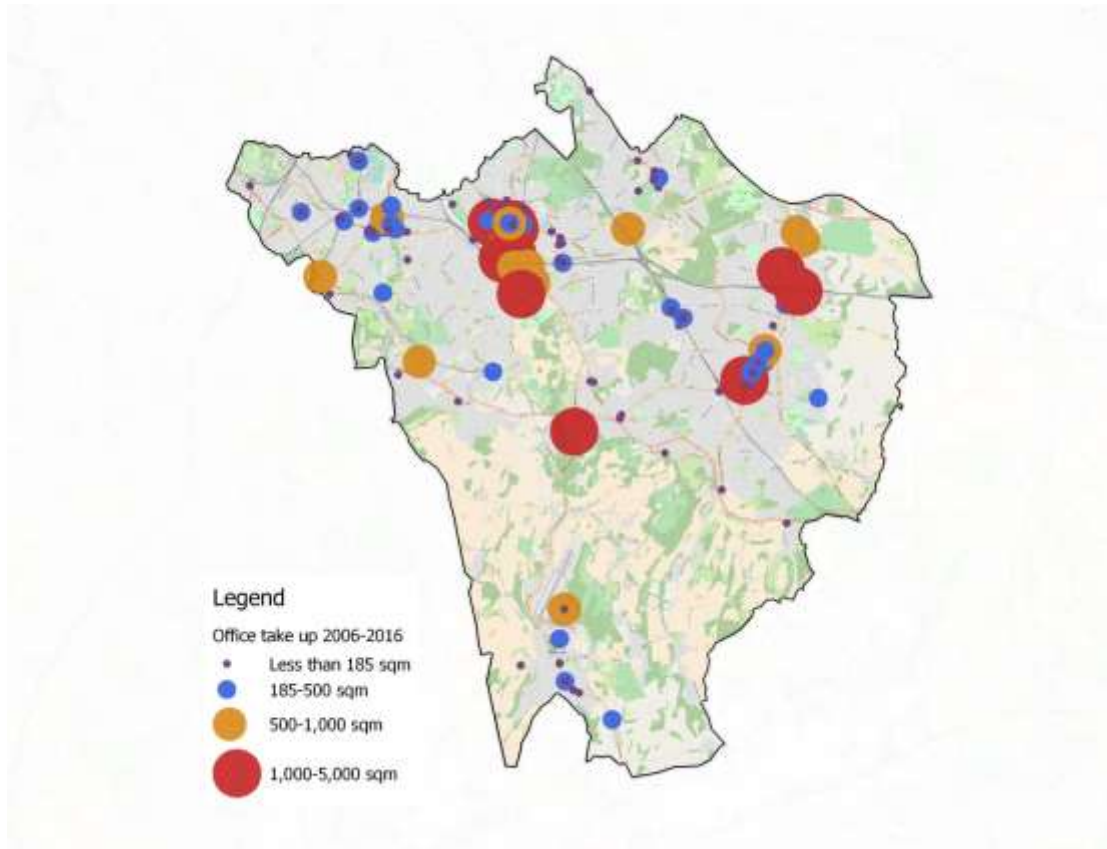


Source: VOA 2017

- 4.18 The Borough brought into effect an Article 4 Direction in August 2015 to remove PD rights from parts of Bromley Town Centre. However, the Direction covers only a small proportion of the Town Centre focusing in particular on areas around Bromley South, Bromley North, and London Road. The rest of the Borough's town centres and employment areas are exposed to PD rights.
- 4.19 There is a need to replenish supply and deliver new office floorspace at commercially attractive locations.
- 4.20 We sought to assess office market activity in the Borough over the last 10 years. In total, the number of office transactions in Bromley over the 2006-16 period was 414, covering 103,295 sqm of floorspace. Figure 2 provides an overview of the distribution of take-up activity within the Borough over the same period. Office activity has been focussed in Bromley Town Centre together with Orpington and Beckenham, Biggin Hill and St Mary Cray.

- 4.21 The annual take up over the last 10 years equates to 9,200 sq m per annum. Bromley Town Centre has accounted for 56% of activity. Orpington is the second largest location, accounting for a quarter of the take up over the last ten years. However the majority of office units are smaller than 500 sqm, with a distinct concentration of units between 185 and 500 sqm in Beckenham and Biggin Hill.

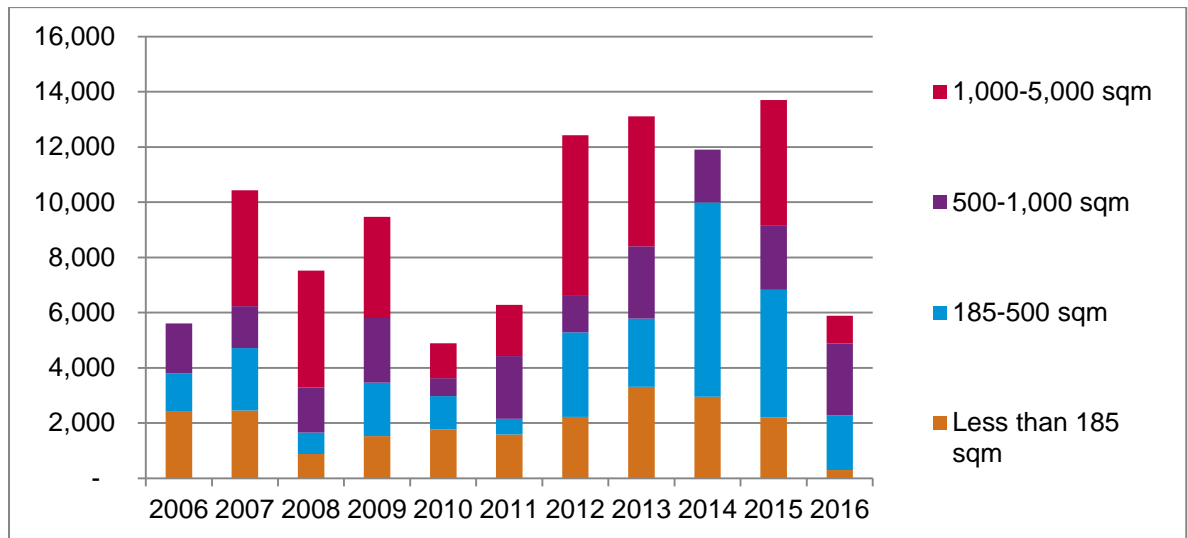
Figure 2: Office Floorspace Take-up, 2006-2016



Source: GL Hearn Analysis of EGi and CoStar Data, October 2017

- 4.22 Figure 3 illustrates the profile of the office transactions in Bromley by size and year. The vast majority of transactions (65%) relate to floorsplates below 185 sqm; however this accounts for total take-up of 22,500 sqm of office floorspace (22% of Bromley's total). The highest take up was recorded in 2015 and related to around 14,000 sq m. The largest transaction recorded was the Central House in Murray Road, Orpington in 2012 relating to around 3,500 sqm of office space.

Figure 3: Profile of office transactions by size, Bromley, 2006-2016



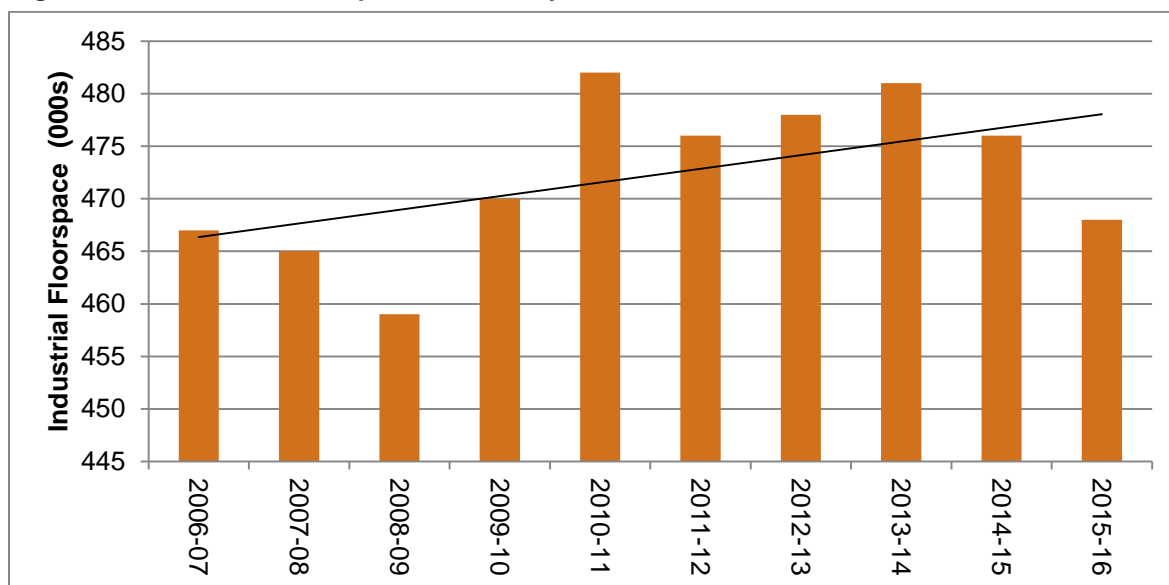
Source: GL Hearn Analysis of EGi and CoStar Data, October 2017

4.23 The office market evidence indicates that:

- Take-up has focused on existing local businesses. The trend in take-up has been evidently upwards, even in the absence of new office floorspace supply coming forwards. There is evidently local demand which new office development could help satisfy.
- Bromley has not attracted larger office deals in the same way as some other Boroughs in the M25 SE quadrant as it lacks a supply of good quality, modern floorspace. With more limited supply in surrounding areas, there is clear demand within the M25 SE quadrant for new office floorspace to be brought forward.
- Losses of office floorspace have been significant, driven essentially by a shortage of residential land and higher residential land values.
- If office floorspace supply is not replenished, the Borough will lose further businesses which will be forced to move elsewhere to find suitable premises. This will undermine the Borough's economy and business base.

Industrial Market

4.24 The stock of industrial floorspace in LB Bromley grew between 2006-2014, but has since fallen by 3%. There is 468,000 sqm of industrial floorspace across the Borough currently.

Figure 4: Industrial Floorspace in Bromley 2006-16

Source: VOA 2017

- 4.25 The GLA Industrial Land Study profiles changes in industrial land by category. It indicates that in 2015 there was 135.1 hectares (ha) of industrial land in Bromley of which 84ha was core industrial use⁴ (62%); 42ha was in wider industrial use⁵ (31%) and 9.2ha was vacant land⁶ (7%).
- 4.26 Since 2001 the Borough has lost 13% of its industrial land (20.7ha of land lost). The table below shows the change over 5, 10 and 15 years period. It is evident that land in core industrial use has fallen.

Table 4: Industrial Land Change 2001 - 2015

	2001	2006	2010	2015	5 Year Change	10 Year Change	15 Year Change
Core industrial uses	95.4	94.7	93	84	-10%	-11%	-12%
Wider industrial	38.7	38.7	38.2	41.9	10%	8%	8%
Total industrial land	155.8	140.3	142.5	135.1	-5%	-4%	-13%

Source: GLA 2015, Appendices p44 – GL Hearn Analysis

- 4.27 There has been a significant higher loss of industrial land than was intended, based on the benchmarks set out in the Land for Industry and Transport Supplementary Planning Guidance

⁴ Core' industrial uses comprise of general industry, light industry, warehouses, open storage and self-storage. This is considered to cover most types of industrial business activity.

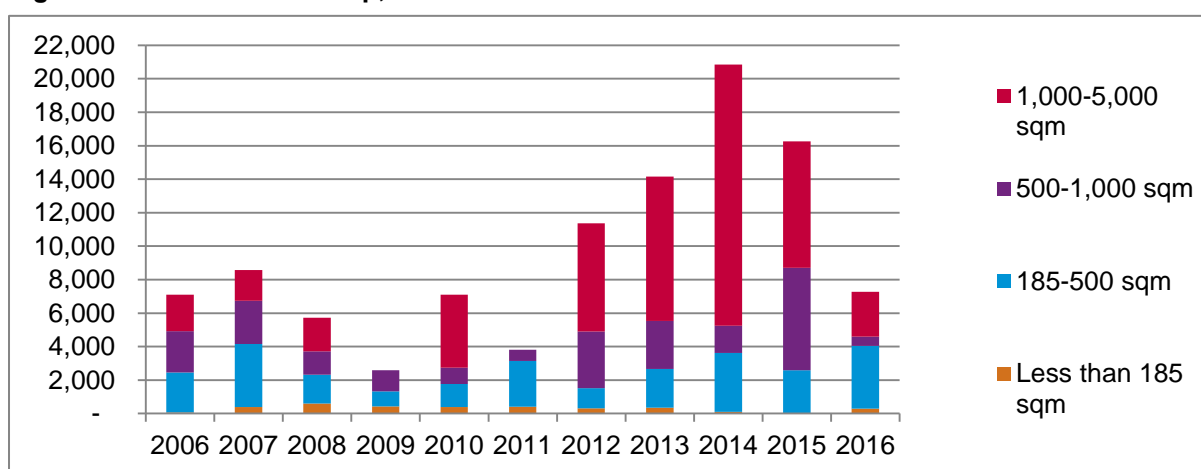
⁵ 'Wider' industrial uses comprise wholesale markets, waste management and recycling facilities, utilities, land for rail, land for buses, airport related land, and other industrial land. Such uses are industrial in nature and support the functioning of the area by way of providing space for infrastructure.

⁶ Vacant industrial land comprises sites which are vacant and cleared, land with derelict buildings and / or land with vacant buildings capable of occupation.

(SPG) 2012 over the period 2010 to 2015. The SPG anticipated 9 ha of industrial land release between 2011-31 in Bromley, yet 7.4 ha has been lost over the 2011-14 period. The rate of loss of industrial land is 83% above the planning benchmarks.

- 4.28 Figure 3 provides an overview of the distribution industrial take-up over the period 2006-2016. This shows that within Bromley 108,600 sq m of industrial floorspace was taken up over the ten year period (9,500 sq m per annum), with particularly strong industrial take-up shown over the last 5 years.

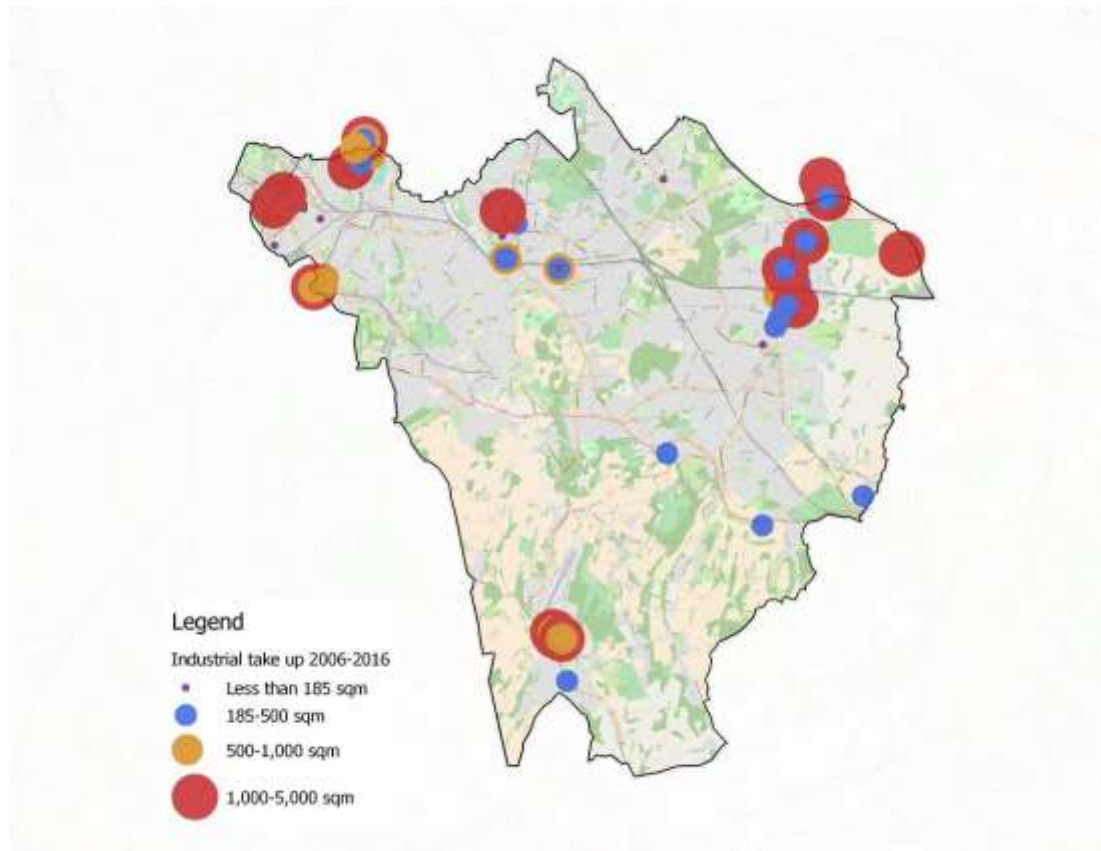
Figure 5: Industrial Take-up, 2007-2016



Source: GL Hearn Analysis of EGi and CoStar Data

- 4.29 Strong take-up in 2014 is mainly due to two significant transactions of over 2,500 sq m in that year (i.e. a site of 3,500 sqm in Airport Industrial Estate, Biggin Hill and the 2,500 sq m of Wickes at Anerley Station Road) together with three more transactions above 1,500 sqm each in Crayfields and Airport Industrial Estates.
- 4.30 The majority of transactions relate to units of 185-500 sq m (48% of all the transactions equating to 28,800 sq m), followed by units of either less than 185 sq m (18% equating to 3,400 sq m) or 500-1,000 sqm (18%) equating to 25,200 sqm. 16% of all the transactions related to larger units equating to almost half of the overall take-up of floorspace (51,300 sqm).
- 4.31 Figure 6 presents the spatial distribution of the industrial take-up over the last 10 years. St Mary Cray and Foots Cray (the Cray Business Corridor as identified in the Submission Local Plan) has seen the greatest concentration of deals, together with Bromley Town Centre, Beckenham, Lower Sydenham Industrial Area, Crystal Palace, Elmers End and Biggin Hill.

Figure 6: Industrial Floorspace Take-up, 2006-2016



Source: GL Hearn Analysis of EGi and CoStar Data

4.32 The industrial market evidence indicates that:

- There is a market for industrial premises in the Borough, with a stronger relative level of take-up over the last five years. This post-dates the Council's evidence.
- The overall trend in industrial floorspace in the Borough is upwards, potentially influenced by the movement of industrial occupiers which have been displaced from Central London.
- However there has been a notable loss of industrial land in the Borough to other land uses, influenced by higher residential land values.
- There is a need to retain and develop the industrial land resource to support the Borough's economy.

4.33 In the following chapters we quantify the employment land need across the borough and assess the quality of the existing stock and the future supply of employment land for the Bromley Local Plan period of 2016-2030.

5 QUANTIFYING FUTURE EMPLOYMENT LAND NEEDS

- 5.1 This section quantifies Bromley's future employment land needs. Planning Practice Guidance (Para 2a-032) sets out that there are a range of means of quantifying future development needs for economic development uses, including sectoral and employment forecasts (labour demand); labour supply projections; past take-up analysis and property market requirements, together with a range of wider economic statistics.
- 5.2 The quantitative need in the Council's evidence is now historic, derived from the 2012 DTZ Study, which based its conclusions on 2009 GLA/ Experian economic forecasts. This is now eight years old.
- 5.3 GL Hearn considers that it is sensible to use the recent and up-to-date GLA evidence-base studies as a starting point for considering future employment land needs in the Borough, not least as these provide a consistent basis for doing so across London.

Future Need for Industrial Land

- 5.4 London Industrial Land Demand Study 2017 quantifies a 12.6 ha need for industrial land for the period 2016-41. This comprises demand for 1.4ha of industrial land; 8.2ha for warehousing; 2.2ha for waste facilities on employment land and 0.8ha of other uses in employment areas (Table 13.3 Industrial Land Release by Borough 2016-41, p193).
- 5.5 The demand projections for industrial land are based on two forecasting approaches. The first takes GLA Economics forecasts for London and disaggregates these to Boroughs principally by reference to the industrial structure by borough in 2014. This generates a need for 800 sq.m of industrial floorspace in Bromley between 2016-41, requiring 0.1 ha of industrial land. The second forecast approach takes the trend in industrial floorspace in the Borough between 1998-2008, and projects this forwards. This shows a need for 17,200 sq.m of industrial floorspace in Bromley between 2016-41, requiring 2.6 ha of land. The Study assumes a plot ratio of 6,500 sq.m.
- 5.6 Demand for warehouse space is forecast based on trends between 1998-2008 as use of more recent data is judged to be heavily skewed by supply-side constraints. This is however noted as a period in which a growing proportion of London's warehouse demand was met outside of London's borders as a result of its constrained land supply. Demand for 53,100 sq.m of warehouse space is forecast in Bromley between 2016-41, which would require 8.2 ha of land.
- 5.7 The land requirements for waste facilities are based on the disaggregation of figures set out in the London Plan to a borough-level. The demand for other uses includes that for transport and utilities,

Table 5: Forecast Need for Industrial Land, 2016-41

Need for Land in Bromley	Hectares, 2016-41
Industrial	1.4
Warehousing	8.2
Waste	2.2
Other	0.8
Total	12.6

Source: London Industrial Land Study 2017 (Table 13.3)

- 5.8 We can take the conclusions from this recent Study, and adjust the projections to relate to the Bromley Local Plan plan period, which runs to 2030. This is calculated by annualising the above figures, and applying them to a 14 year period looking forwards (as opposed to a 25 year period).

Table 6: Forecast Need for Industrial Land in Bromley, 2016-30

	Need 2016-41	Need 2016-30
Industrial	1.4	0.8
Warehousing	8.2	4.6
Waste	2.2	1.2
Other	0.8	0.4
Total	12.6	7.1

- 5.9 GL Hearn would however note that the recent trend in industrial floorspace in Bromley has been upwards, and the London Industrial Land Study forecasts show that if this was projected forwards, it would show a higher industrial land need for 2.6 ha of land to 2041. There is a strong basis for using these figures given that:

- There is a strong pipeline loss of industrial floorspace in Inner London Boroughs, which is likely to displace occupiers to Outer London.
- The market evidence, as presented in Section 3, supports an upturn in demand for industrial floorspace in the Borough.
- The London-wide evidence itself recognises that there have been land supply constraints, and it is therefore sensible to take a positive view in reviewing quantitative evidence.

- 5.10 On this basis, it is sensible to conclude that there is a net need for 7.7 ha of industrial land in Bromley over the 2016-30 period.

Table 7: Net Need for Industrial Land in Bromley, 2016-30

	Need 2016-30
Industrial	1.5
Warehousing	4.6
Waste	1.2
Other	0.4
Total	7.7

- 5.11 The demand forecasting within the London Industrial Land Demand Study 2017 does not include provision for vacant land. The Mayor's Land for Industry and Transport SPG sets out that there

should be 5% vacant land (or 8% vacant floorspace) for industrial uses to support efficient market operation.

- 5.12 The positive need for industrial land contrasts with that identified in the DTZ 2012 Retail, Office, Industry and Leisure Study, which indicated falling requirements for industrial floorspace (-9,200 sq.m, 2011-31), warehouse floorspace (-7,700 sq.m) moderated by a small increase in non B-class uses requiring employment sites (+2,300 sq.m). The DTZ Study is however substantially out-of-date.

Future Need for Office Floorspace

- 5.13 The London Office Policy Review 2017 identifies a need for 122,000 sqm of office floorspace in the Borough 2016-41 based on forecasts for employment sector across London⁷ which are then disaggregated to a Borough-level taking into account the industrial structure locally, and GLA Borough-level forecasts of total employment which take account of past trends, transport accessibility and workplace capacity.
- 5.14 The Review identifies growth in office-based employment in Bromley of 10,000 between 2016-41. Figure 9.3 therein also shows figures to 2031, with forecast growth in office-based employment of 5,500 over this period. The Study assumes 10.9 sq.m per desk and an average of 1.2 workers per desk. The Review then updates the forecast floorspace by 8% to take account of frictional vacancy in office stock.
- 5.15 As Bromley's Local Plan runs to 2030, we can use the forecasts within the Office Policy Review 2017 as a starting point. This shows a need for 122,000 sq.m of office floorspace in the Borough between 2016-31. This can then be adjusted (on a pro rata basis) to apply to the plan period to 2030.

Table 8: Office Floorspace Needs in LB Bromley, 2016-31 and 2016-30

	2016-31	2016-30
Jobs Growth	9,997	9,331
Floorspace (sq.m)	112,971	105,440
Need with Allowance for Frictional Vacancy @ 8%	122,009	113,875

- 5.16 A sensitivity analysis showed that the need to 2031 could vary from between 98,100 – 146,500 sq.m, indicating that if optimistic assumptions were taken, the need could be higher still.

⁷ June 2016 GLA Economics Forecasts

Wider Considerations

Past Completions

- 5.17 The GLA evidence base clearly identifies that there have been supply-side constraints on trends in office and industrial floorspace, and past levels of development. These do not therefore form an appropriate basis for forecasting unconstrained need for employment land and floorspace in Bromley.

Labour Demand

- 5.18 GLA 2015 SHLAA capped projections show how the Borough's population is expected to change, taking account of residential land supply based on London SHLAA data. This shows expected workforce growth, in terms of the resident population 16-64, of 6,930 persons between 2016-31.
- 5.19 It is clear that the Borough's resident workforce is thus growing. Within a London context, GL Hearn considers that it is however inappropriate to constrain or inflate employment numbers to align precisely with demographics given the inter-connected nature of London's economy and labour market with significant cross-boundary commuting flows between areas. This is borne out in our analysis in Section 3.

Conclusions on Future Need

- 5.20 Up-to-date evidence indicates a quantitative need for 7.7 ha of industrial land and 114,000 sq.m of office floorspace over the period from 2016-30.

6 EMPLOYMENT LAND SUPPLY

- 6.1 In this section we consider the supply of employment land within the London Borough of Bromley. We have drawn on up-to-date evidence collated at a pan-London level, together with the Council's monitoring data and information on available premises in the Borough from commercial databases CoStar and EGi.

Quantitative Supply

Industrial Land

- 6.2 The London Industrial Land Supply and Economy Study 2015, prepared by Aecom for the GLA, provides a consistent and detail profile of industrial land within the Borough in 2015. Its core findings are set out in Table 9 below.
- 6.3 Bromley had a total stock of 135 ha of industrial land in 2015. The most prevalent uses were general industrial uses and warehouses, followed by utilities. The majority of the industrial land resource was occupied by businesses and employment activities. 9.2 ha was found to be vacant, equating to a 7% vacancy rate. This was slightly above the 5% required for efficient market operation.

Table 9: Employment Land in Bromley 2015

Industrial Activities	Hectare	%
Core industrial uses (ha)		
Light industry	2.1	2%
General industry	36.6	27%
Warehouses	41.5	31%
Self storage	3	2%
Open storage	0.8	1%
Core Sub-Total	84	62%
Wider industrial uses (ha)		
Wholesale markets	1	1%
Waste management & recycling	3	2%
Utilities	35.2	26%
Land for rail	0.9	1%
Land for buses	1.9	1%
Wider Sub-Total	41.9	31%
Vacant land		
Vacant industrial land*	8.9	7%
Land with vacant buildings	0.3	0%
Vacant Land Total	9.2	7%
Total (ha)	135.1	100%

Source: GLA 2015 – Table 2.3

- 6.4 The more recent London Industrial Land Demand Study 2017 identifies a lower 7.3 ha of vacant land with development potential, which is likely to provide a more accurate 2016 position, and points to limited 'surplus vacancy.'
- 6.5 From our site assessments, we have identified the following major vacant sites with development potential:
- Klinger Industrial Park: 2.8 ha
 - Orpington Gateway: 2.4 ha
 - Maybrey Business Park: 0.6 ha
 - Columbia Ribbon Works: 0.45 ha
- Total: 6.25 ha.
- 6.6 This confirms that the GLA Study figures on vacant industrial land are reasonable accurate.
- 6.7 The Mayor's Land for Industry and Transport SPG sets out that there should be 5% vacant land (or 8% vacant floorspace) for industrial uses to support efficient market operation. This would equate to 6.8 ha. On this basis vacant sites provide an effective supply of 0.5 ha (7.3 – 6.5 ha) which could contribute to future development needs.

Table 10: Potential Industrial Land Supply from Existing Sites, Bromley

	Bromley (ha)
Vacant Industrial Land	7.3
Requirement for Frictional Vacancy	6.8
Surplus Vacant Land	0.5

- 6.8 **The effective supply of industrial land to meet future development needs in Bromley thus totals 0.5 ha.**
- 6.9 In addition, the London Industrial Land Demand Study 2017 identifies that 1.4 ha of industrial land is expected to be lost, and sets out that provision should be made for this. On this basis the effective supply is negative (-0.9 ha).

Table 11: Effective Industrial Land Supply Position

	Bromley (ha)
Surplus Vacant Industrial Land	0.5
Industrial Land expected to be lost	-1.4
Effective Total Supply	- 0.9 ha

- 6.10 The release of land at Biggin Hill we estimate will contribute 2.7 ha of land to meeting general industrial development needs, rather than airside/aviation-specific demand (which has not been specifically considered and assessed in the demand-side evidence).

6.11 The supply/demand balance for industrial land is thus as follows:

Table 12: Supply/Demand for Industrial Land in Bromley

	Bromley (ha)
Need for Industrial Land, 2016-30	7.1 - 7.7
Surplus Vacant Industrial Land	0.5
Industrial Land expected to be lost	1.4
Biggin Hill Allocations	2.7
Effective Total Supply	1.8
Industrial Land Shortfall	5.3 – 5.9

6.12 **There is therefore a net requirement for a further 5.3 – 5.9 ha of industrial land. This represents the unmet need for industrial land in Bromley.**

Office Floorspace

6.13 The latest VOA data (2016) shows that there is 264,000 sq m of office floorspace in Bromley. This is considerably less when compared to the other surrounding London authorities; and as identified in Section 3 has been declining. Over the past ten year period (2006/07 - 2015/16), there has been a 10% decrease in the amount of office floorspace in Bromley. This level of decrease is above the decrease in the Outer London office market of 8%. This is contrary to London and national trends where there has been a growth of office floorspace of 6%.

Table 13: Net Change in Office Floorspace

	2006/07 Floorspace (Sq m)	2015/16 Floorspace (Sq m)	Change 2007-2016 (Sq m)	Change %
Bromley	294,000	264,000	-30,000	-10%
Outer London	5,497,000	5,056,000	-441,000	-8%
London	24,761,000	26,148,000	1,387,000	6%
England	81,204,000	85,738,000	4,534,000	6%

Source: VOA Business Floorspace Statistics 2016

6.14 We have sought to draw on available information to provide an estimated supply position as at 2016. We have identified a significant expected loss of office floorspace from prior approval for change of use to residential – this can be expected to reduce office floorspace supply by 43,300 sq.m. In addition supply is expected to be lost at Bromley Town Hall (-6,800 sq.m). Set against this there are limited sites / locations with office development potential identified – we estimate the potential of these sites totals around 30,000 sq.m.

Table 14: Office Floorspace Supply in Bromley

	sq.m floorspace
Commitments	
Prior Approval Commitments	-43,280
Bromley Town Hall	-6,881
HG Wells Centre, Bromley South	1,466
Allocations	
Bromley North Station (Site A)	2,000
South Street Car Park (Site C) (est.)	5,000
Biggin Hill SOLDC (est.)	23,100
Total Net Office Development	-18,595

6.15 The supply/demand balance for office floorspace is thus as follows:

Table 15: Supply/Demand for Office Floorspace in Bromley

	Bromley (sq.m)
Need for Office Floorspace, 2016-30	113,875
Net Supply from Commitments and Allocations	-18,595
Office Floorspace Shortfall	132,490

6.16 Our analysis suggests a quantitative office floorspace shortfall of 132,500 sq.m. over the plan period to 2030. This represents the unmet need for office floorspace in the Borough.

Qualitative Review of Employment Land Supply in Bromley

6.17 This section analyses the current supply of office and industrial stock across the Borough in respect of quality, vacancy, market attractiveness and the potential for expansion to meet the need for additional employment land. In order to do so effectively, GL Hearn has undertaken site visits of the Borough's strategic and locally significant industrial sites and key office clusters.

6.18 First and foremost, **the vacancy rate across the main industrial areas, office clusters and business centres is notably low.** In real terms, overall vacancy levels are low and cater essentially only for 'frictional vacancy.' The evidence 'on the ground' points to strong occupation of a number of very poor quality office and industrial units.

6.19 In respect of industrial land specifically, the GLA identified the Cray Business Corridor as a Strategic Industrial Locations (SIL) and the Borough has identified two further Strategic Economic Growth Areas at Bromley Town Centre and at Biggin Hill Strategic Outer London Development Centre. They also identified twelve Locally Significant Industrial Sites (LSIS) in the emerging Local Plan:

- Oakfield Road, Penge
- Franklin Industrial Centre, Penge
- Lower Sydenham
- Elmers End
- Farwig Lane, Bromley North
- Waldo Road, Bromley Town
- Enterprise House, Bromley Common
- The Beechwood Centre, Bromley Common
- Bencewell Business Park, Bromley Common
- Kimberley Business Park, Leaves Green
- Higham Hill Farm, Keston
- Biggin Hill

Industrial

- 6.20 The Cray's Business Corridor, which is designated an SIL, accounts for approx. half of the industrial floorspace in the Borough with occupiers including Honda, Kingsmill (Allied Bakeries), Howdens, DLG Auto and Selco. There is a mix of old and new stock, with more of the former, with low levels of vacancy throughout.
- 6.21 The Council's LSIS accommodate trade counters catering for local rather than strategic uses (inc. Selco, Dulux, Jewsons and Travis Perkins) and light industrial space (inc. Russell and Bromley, Europa Industries, Edwardes Bros and others) but there is also a reasonable proportion of heavier industry concentrated at Lower Sydenham. There are very few offices located in these locations.
- 6.22 With a few minor exceptions (Franklin Industrial Centre) the quality of the stock at these sites were reasonable to good. There was a low vacancy rate at each site. Given the high level of occupancy there were very few redevelopment opportunities, although a number of sites were likely to be coming to the end of their commercial lives. Our assessment identified very limited further development potential from these sites.
- 6.23 There are evident issues with parking and circulation at the majority of existing industrial sites. This was particularly an issue in areas which had trade counters or notable HGV traffic. Only those sites in the northern parts of Cray's Business Corridor have good access to the strategic Road Network (A20).
- 6.24 The Sydenham Industrial Estate is arguably the densest/ most congested of all the LSIS visited and has very poor circulation for vehicular traffic and a lack of on-site facilities. The site includes a mix of ages, uses and quality but again low vacancy, aside from one large cleared site. The cleared site measures around 0.45 Ha and is the former Columbia Ribbon and Carbon Manufacturing Company premises on Kangley Bridge Road. The site was cleared around 2013 and is not

currently being marketed. This was the only significant vacant, cleared site observed in the Borough which is not being marketed, and we consider has development potential for industrial uses.

6.25 Other development opportunities include the Orpington Gateway site which is located within the Cray's Business Corridor which is the Boroughs Strategic Industrial Location. Although the existing buildings are still in place, the site is being marketed for development as 15 bespoke industrial units providing approximately 150,000 sq.ft. A number of these units are being marketed as suitable for B8 use.

6.26 Other notable vacancies include Maybrey Business Park in Lower Sydenham. The site is now being marketed to let following the refusal for a 159 homes and 1,099 sq. m of commercial floorspace scheme (application reference 16/05897). This does not suggest a lack of demand but rather a result of developers being unable to secure planning permission for the redevelopment of the site for residential units.



6.27 The majority of the industrial locations were located in the north and central parts of the Borough. There were a number of locations in the rural southern parts such as those in Keston and Leaves Green. These are small scale and almost fully occupied. Access to a number of these sites were served by country roads which are not particularly suitable for HGV's.

6.28 The industrial area around Biggin Hill is primarily focused on airport related activity. This is demonstrated by the lack of access to some of the air-side related units. Some of the uses in the unrestricted parts included F1 management, which is likely to require access to the airport.

6.29 More widely Biggin Hill is fairly remote with poor access to both public transport and the strategic road network. The areas remoteness suggests that businesses located or attracted to it would be in some way reliant on or linked to the airport.

6.30 Overall, in respect of industrial land there is limited scope for expansion to meet demand in the Borough as well as limited vacant land and property.

6.31 It is also clear that existing industrial land in the Borough is not well served by the strategic road network, principally the M25 market.

Office

6.32 The emerging local plan identified three office locations. These are comprised of two town centres and a single office cluster. The Town Centre office clusters are in Bromley Town Centre and a small area in Orpington Town Centre around Knoll Rise. The single office cluster is Crayfield Business Park.

6.33 Office floorspace in both Town Centres is well occupied and consist largely of reasonable quality, medium and high rise stock. There is clear evidence of a loss of office units to residential throughout Bromley Town Centre with planning permissions in place for further office to residential conversions.

6.34 Bromley Town Centre has also been divided by the Council into three sub areas: London Road, Bromley North and Bromley South. All the areas benefit from the facilities and services in the town centre including good access to public transport. On the flip side there is limited office parking but a significant supply of town centre parking, which is almost at capacity.

6.35 London Road to the north has arguably the poorest quality stock in the Town Centre. The area is largely comprised of 3-4 storey office blocks which have been sub-divided. There are a limited number of vacant units and some of the buildings have retail on the ground floor.

6.36 Bromley North is located next to the train station with the same name. There are a number of 1990s Grade B office blocks, 6-7 storeys in height most of which are in multiple occupation.

6.37 A number of the office blocks in Bromley North have advertised vacancies within them. The Council have also identified the potential for additional office space in this location around the station's large surface car parks.

6.38 Bromley South is the premium office location with the Borough, reflecting its location and access to fast rail services to Central London. The area is comprised



of principally Grade B office stock, some up to 10 storey high. The area appears highly occupied although there are some advertised vacancies.

- 6.39 There are a number of additional office buildings to the south of the railway line. These include the newest stock in the Borough and are of a very good quality. There does not appear to be any vacancies and office stock in this area appears to be entirely occupied by the Direct Line group insurers.
- 6.40 There were a number of offices being marketed above retail units in Orpington and Bromley Town Centres. These tend to be small, low value spaces which are not generally well received by modern office occupiers.
- 6.41 The offices at Crayfield Business Park are also of a good standard and were largely built in the 90s or later, although many have been refurbished recently. Occupiers including Mitie and Bellway as well as a Lyca Healthcare. The site has good access to the strategic road network via the A20. Parking at the site is appears close to capacity: indeed there are a large number of cars parked on the service road. Again there is limited vacancy in this location with only around 1,700 sq. m of space is available based on what is being marketed on site. However further research suggests that the space is around 360 sq. m and is under offer (Linays Commercial).

Summary

- 6.42 In summary, given that a large proportion of the floorspace appears occupied, there is clearly not a lack of demand for office or industrial space in the Borough regardless of building quality or the nature of the surrounding environment. Throughout the Borough floorspace vacancy rates are evidently low and there are very few vacant plots within the existing employment sites.
- 6.43 The industrial areas are generally of a reasonable/poor quality but have low vacancy rates. Our analysis of the industrial land supply indicates that:
- There is a lack of high quality industrial locations in the Borough, including sites which relate well to the strategic road network;
 - The Crays Corridor is well located, but the quality of existing stock is mixed and environmental quality is average. There are limited development opportunities;
 - There is lack of available, well located sites with development potential which could meet industrial occupier demand.
- 6.44 The office stock across the Borough is clustered within town centres which are largely occupied and of an average quality but within limited provision of Grade A floorspace. Our analysis indicates:
- Bromley Town Centre is the main existing office location in the Borough. However the stock is becoming increasingly dated and significant losses of office floorspace are occurring through permitted development, which is displacing businesses.
 - There is just one business park in the Borough at Crayfield Business Park, but this is part of a wider site, the market perception of which is as an industrial location. In any case there is no further development potential here.
 - There is a lack of office floorspace locations within the Borough which relate well to the wider M25 office market.
 - Further good quality office floorspace development will be needed to satisfy market demand and to retain businesses within the Borough.
- 6.45 The few office units in the Town Centres which are vacant, and even those which are occupied, are subject to the permitted development rights to change office to residential development, potentially resulting in a notable loss of office floorspace in the Borough. Permitted development rights may have led to a lack of investment in the current stock.