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EXECUTIVE SUMMARY

Introduction

- i This report assesses the supply, need and demand for employment land and premises (use class B) in the Derby Housing Market Area. It has been carried out for Amber Valley Borough, Derby City and South Derbyshire District Councils to provide robust evidence to underpin and inform their Local Development Frameworks to 2026.
- ii There are three main elements to this study:
- An assessment of the study area's economy that will inform the amount, location and type of employment land and premises required to facilitate its development and growth
 - A review of the current portfolio of employment land and premises
 - Recommendations on the future allocation of employment land and premises to maintain the study area's economic growth.

Methodology

- iii A number of research methods have been used in the compilation of data for this study. They include site visits, telephone interviews with property market stakeholders such as developers, investors and their agents and a survey of 400 businesses. This has been combined with extensive consultation with the various arms of the public sector agencies involved in the study area. Desktop analysis of existing reports and documents has also been used to inform the overall findings. The methodology follows ODPM guidance on the production of employment land reviews.

Property Market

General

- iv Most requirements are for offices up to 200 sqm, industrial units up to 500 sqm. This reflects the fact that most firms, some 90 percent, actually employ less than ten people. However given the regional role that Derby has, and footloose distribution requirements attracted by the study area's key transport links (A38, A50, M1, etc), there are larger requirements up to 5000 sqm.

- v Generally demand is for moderate quality units, in both office and industrial sectors (but especially so for Derby city centre offices); and there is a strong demand for freehold space – although less so in the city centre office market. There is a lack of larger units, both office (again more so in Derby) and industrial, above 2000 sqm. There is also a shortage of small workshops for small and start-up businesses, up to 100 sqm.

Amber Valley

- vi Amber Valley has a relatively insular property market, addressing local needs. There is a limited office market. Most demand is for industrial units up to 500 sqm, but there is also a need for larger 3000 sqm plus units. This is because of an increasing demand for distribution uses, spreading west from the M1. Much of this is focused on Alfreton, because of its good accessibility to this key strategic route; as well as along the A38. There is a shortage of available, immediately developable employment land in attractive locations – much of what exists is poor quality.

Derby

- vii Traditionally the city has relied on its advanced engineering industries, this has created large swathes of manufacturing land, particularly for its specialist rail and aerospace industries. This heritage remains. For various reasons the city centre has suffered from a lack of investment, leading to a poor quality stock of offices. However this has not impacted too badly because of the success of Pride Park. As this area becomes fully developed, alternative solutions are needed. Most office demand is for 0-500 sqm suites, but there is a need for larger units, and there seems to be a shortage of larger offices of 2500 sqm plus. The effects of Derby Cityscape will address the city centre office market failings. There is still industrial demand, but few land options immediately available for them. Demand is evident still for large allocations such as Raynesway and Chellaston Business Park from developers and occupiers. Stakeholders want to see more land come forward, and this will be needed to accommodate city centre regeneration relocations. There is limited large scale distribution demand in Derby because of relatively high land values and better alternative options elsewhere.

South Derbyshire

- viii In a similar vein to Amber Valley, South Derbyshire has essentially a local market, as well as some strategic footloose inward investment and distribution demand along the A50 and A38 corridors. The regeneration of Swadlincote has been successful in bringing forward developable employment land. Much of the demand is focused on

the key centre of Swadlincote, and generally need is for industrial space up to 1000 sqm. There is a small office market. Outside Swadlincote there is a large rural area, which contributes importantly to the economy, but is dispersed and difficult to quantify, even in the largest rural settlement of Melbourne.

Conclusions

- ix The study area has 411 ha of undeveloped, allocated employment land made up by 70 sites. This is split: 117.08 ha in Amber Valley, 232.44 ha in Derby, and 61.48 ha in South Derbyshire.

- x Very broadly there is too much employment land in the Derby HMA, whatever forecasting method is used. Over time poor quality land will have to be de-allocated or redeveloped for other uses. Having said this new allocations will be needed to offer viable land and property solutions to modern, growing businesses. Consequently high profile schemes such as Cinderhill, Chellaston Business Park and Woodville, Swadlincote will be required.

- xi Amber Valley suffers from a generally poor quality land resource, with few obvious opportunities to improve it (i.e. with new allocations). Derby is the most oversupplied area of the three, but its resource is essentially above average and fit-for-purpose. South Derbyshire has a slight undersupply. Given that regional policy is pushing local authorities to work together, such as in this Housing Market Area; Amber Valley may have to satisfy its companies needs for higher quality solutions in Derby; while South Derbyshire may have to accept that some of its companies also use Derby's plentiful land resource.

- xii The local authorities will have to start allowing the regeneration of poorer quality employment land and areas identified in this report. But major allocations need to be retained to accommodate structural change; compensate for the failures of the property market; and in recognition of the continuing strength of industrial (rather than office) demand in all three areas, but especially so in Amber Valley and South Derbyshire. Furthermore historically low take-up in Amber Valley could well be linked to the poor quality of the land resource – so there could well be further latent demand. Derby has a strong engineering sector that shows little sign of relocating to lower cost countries, which skews predicated economic forecasts, and it will need to modernise. While South Derbyshire has seen strong demand from the logistics sector – attracted by its A50 and A38 road links.

- xiii The existing employment areas have been appraised in both Derby and Amber Valley. In Derby, the quality of them is better than expected. There are very few classed as poor; and not many below average. In Amber Valley there are relatively more achieving these lower grades. Given that EMRA's forecasts mean brownfield sites will need to be lost to alternative uses – it is obviously the poor and below average ones that should be considered for alternative uses first (South Derbyshire's employment areas were appraised in the SDDC Employment Land Review 2007).

Recommendations

Amber Valley

- xiv Amber Valley Borough Council really needs to address its land supply, to find better allocations that are more related to key access routes. However it is accepted that this is difficult and reflects the nature of Amber Valley as much as anything else – dispersed settlements and employment areas divorced from key access routes.
- xv There is a real issue in Belper. The viability of Bullsmoor is severely questioned because its access is poor, it is poorly located and situated, and lacks prominence; while remaining sites are also small and poor quality. Amber Valley Borough Council should look at redevelopment of existing areas for units suitable for small businesses; identify and better use underutilised land; and maximise existing opportunities, e.g. Belper Mill, especially in the western half of the Borough. There is more potential to cater to the needs of modern businesses in the eastern half of the Borough, because of the better road links.

Derby

- xvi Derby Cityscape's masterplan is validated by the findings of this report – there is a poor stock of city centre offices. This impacts on Derby's ability to attract major office-based inward investment.
- xvii Care is needed to limit further out-of-town office development to support the city centre's regeneration. However there will be companies that will want to occupy space in such locations, so it cannot be stopped entirely.
- xviii There is a lack of immediately available industrial land in Derby. This is constraining Derby Cityscape's relocation strategy. A priority for the public sector is to facilitate the servicing of suitable sites, the key ones being Raynesway and Acordis Spondon.

- xix The next priority is to bring forward Chellaston Business Park, which will provide an excellent mixed-use business park, well located to both the city centre, existing industry and strategic transport routes. It will be capable of providing accommodation for B1, B2 and B8 uses.
- xx Derby does not have an issue with poor quality employment land or areas. Obviously some of the land will be expensive to remediate and bring forward; but even the low quality sites are likely to be developed and contribute to the economy.

South Derbyshire

- xxi The same can be said for South Derbyshire. However it may take public sector support to bring forward the Lilypool Industrial Estate expansion in Melbourne. There is limited property availability in Melbourne. The public sector, should look at the support it can give to develop small business space, both industrial and office.
- xxii Land at the Drakelow and Willington former power station sites and the area identified in the Woodville to Swadlincote Town Centre Area Action Plan Issues and Options consultation document (February 2007) to the north of Occupation Road, Woodville, offer potential to improve the District's land supply. All are of a scale and situation to enable critical mass to be created, but may be dependent upon substantial infrastructure improvements to link them to the strategic road network. Drakelow and Willington have potential to meet East Midland's requirement for strategic distribution sites and South Derbyshire District Council should be applying to EMDA for support in this matter.

General

- xxiii There is good demand for, and a shortage of, micro-business space, especially industrial workshops, i.e. up to 100 sqm throughout the study area. These are suitable for new start-ups, etc. Potential locations include Alfreton, Heanor, Ripley, Swadlincote and Melbourne. There is a lack of managed workspace that should be investigated in more detail. This is more of an issue outside Derby, but there could well be scope for more traditional managed workspace in the city as well.
- xxiv Continue to work with key partners to help overcome any remaining infrastructure barriers to the development of key sites, e.g. Cinderhill, Chellaston Business Park, Raynesway, Kingsway, Woodville. Although most companies are only looking for moderate quality premises, this is changing. There is a need for better quality land and premises, albeit only for a smaller proportion of businesses.

- xxv Given strong freehold demand, investigate the feasibility of providing small, serviced, freehold development plots. Target at owner-occupiers, rather than developers. Each scheme should comprise of up to 2 ha providing initially 5 to 10 0.1-0.2 ha plots. These would be offered on a long leasehold basis to ensure some control of the scheme to keep it well planned, clean and tidy. Suggested locations are Alfreton, Heanor, Belper, Ripley, Derby, Swadlincote and Melbourne.

Employment Land

- xxvi In Amber Valley most of the effective land supply needed is made up of Cinderhill and Denby Hall Business Park (combined 56 ha). There are limited options to replace existing poor quality sites. Having said this, there is an apparent oversupply of land, and therefore the need to allocate further is minimal.
- xxvii In Derby there is, it seems, an extreme oversupply of employment land. However it is the economic driver for the sub-region and it would seem contradictory to deallocate land, unless absolutely necessary. Its employment land base also provides solutions for retail, leisure and sui generis uses, given the complex nature of its property/employment market, being a city. Given the land quality problems in Amber Valley it could also be argued that it offers surplus capacity to this area to accommodate business that cannot find an appropriate land or property solution to the north.
- xxviii South Derbyshire has an undersupply of land based on historic take-up rates. Sites Woodville, Drakelow and Willington may be suitable although there are possibly substantial infrastructure costs associated with them. Certainly more land is needed to service Swadlincote, the area to the north of Occupation Lane Woodville site seems sufficient for this. Elsewhere the District may be able to utilise some of Derby's surplus – potentially the good quality Chellaston Business Park, which lies close to its northern border.

Other Issues

- xxix Ensure future land allocations are sustainable and meet guidelines in terms of being accessible to workers; do not promote use of the car; and are well linked by public transport, cycle and pedestrian routes. However the private sector would generally prefer accessible, edge-of-town, greenfield sites.
- xxx Recognise the contribution of rural and semi-rural areas to the study area's property

market and economy. Help to support these established industrial estates (i.e. in Amber Valley and outside Swadlincote and Derby), facilitating their upgrade where necessary. This includes infrastructure, signage, buildings' condition, etc.

- xxxi Review and monitor this position and undertake the study again in five years. 2026 is a long time into the future, and much will happen. The outcome of Derby Cityscape's intervention will have a dramatic impact and the effect on the wider economy needs to continue to be considered and managed carefully. Every five years the employment land situation needs to be monitored against EMRA's forecasts to see how structural change is impacting on the land supply.

1.0 INTRODUCTION

- 1.1 This report assesses the supply and demand for employment land and premises (use class B) in the Derby Housing Market Area (HMA) which is made up of the Amber Valley, Derby and South Derbyshire local authority areas. It has been carried out on behalf of Amber Valley Borough Council (AVBC), Derby City Council (DCC) and South Derbyshire District Council (SDDC).
- 1.2 This employment land review has been commissioned to provide robust evidence to underpin and inform the relative Local Development Frameworks (LDF), the new style review of the Development Plan.
- 1.3 There are three main elements to the study:
- An assessment of the HMA's economy that will inform the amount, location and type of employment land required to facilitate its development and growth
 - A review of the current portfolio of employment land
 - Recommendations on the future allocation of employment land to maintain the HMA's economic growth.
- 1.4 The report considers the demand for employment land up to 2026. In order to establish a consistent approach to the analyses the baseline date for the technical land assessment is the 31st March 2006 – the latest available data. However consultations and perceptions of stakeholders are current to the time of the research, Summer 2007.

Methodology

- 1.5 It is a statutory obligation that there is extensive community consultation as part of the LDF preparation and this has been reflected in our methodology.
- 1.6 A number of research methods have been used in the compilation of data for this study. They include site visits, face-to-face and telephone interviews with property market stakeholders such as developers, investors and their agents.
- 1.7 Exhaustive consultation with various arms of the public sector agencies with responsibility for the study area has also been entered into. Desk-top analysis of existing reports and documents has also been filtered into the overall findings.

- 1.8 A full list of consultees is included at Appendix 1.

Employment Land Review: Guidance Note (ODPM 2004)

- 1.9 At this stage it is worth reiterating government guidance covering employment land reviews that promotes a three-stage process, and provides a framework for this report.
- 1.10 Stage one: take stock of the existing situation including an initial assessment of 'fitness for purpose' of existing allocated employment sites. The objective is to identify best employment sites to be protected; identify employment sites to be released and prepare an effective brief for stages two and three of the review. The outcome of this stage is to understand key employment land supply issues and generate a portfolio of potential employment sites to take forward for more detailed review.
- 1.11 Stage two: to understand the future quantity of land required across the main business sectors; to provide a breakdown of that analysis in terms of quality and location and to provide an indication of 'gaps' in supply through economic forecasting, consideration of recent trends and/or assessment of local property market circumstances. The outcome of this stage is to be broad quantitative employment land requirements across the principal market segments covering the plan period and an analysis of the likely 'gaps' in supply that need to be filled.
- 1.12 Stage three: this entails a qualitative review of all significant sites (and premises) in the existing portfolio in order to: confirm which of them are unsuitable for/unlikely to continue in employment use; to establish the extent of 'gaps' in the portfolio; and if necessary, identify additional sites to be allocated or safeguarded. The outcome will be the completion of the employment land review, to be taken forward in the development plan.

Study Area

- 1.13 Derby HMA is in the East Midlands lying between Stoke on Trent, Burton upon Trent and Nottingham. It is made up of the local authority areas of Amber Valley, Derby and South Derbyshire, as Figure 1 shows.

Figure 1 – Study Area



Amber Valley

- 1.14 Amber Valley covers a total of 264,180 square kilometres and makes up the north part of the HMA. The Borough consists of a dispersed range of predominantly small and medium sized market towns including Alfreton to the north, Ripley to the east, Belper to the west and Heanor to the south. There are a number of key transport corridors that pass through the Borough including the A38 and A6, linking the Borough to Derby in the south and Sheffield and Manchester to the north.

- 1.15 Amber Valley has a population of 118,640 (ONS Mid Year Estimate 2005). The Ripley ward has the highest resident population at 8468 followed by Alfreton (7928) and Kilburn (7300).
- 1.16 Employment uses are generally dispersed between the towns of Alfreton, Belper, Ripley, and Heanor. Employment in the Borough has suffered following the decline of the textile industry and has resulted in the creation of commuter towns. However, industrial estates can be found on the edges of all the main settlements.

Derby

- 1.17 The City of Derby is Derbyshire's only unitary authority and makes up the heart of the HMA. Derby is the third largest city in the East Midlands with a population of 233,750 (ONS Mid Year Estimate 2005). The City is well served by road (M1, A52, A50 and A38), rail (Midland Mainline) and air (East Midlands Airport) and all have contributed to the City's growth as an employment centre.
- 1.18 Employment is based around manufacturing businesses (particularly Rolls Royce) although there are a growing number of people working in the service sector. The emerging creative industries are bringing diversity and vitality to the local economy.

South Derbyshire

- 1.19 South Derbyshire is in the south of the HMA. The District is bounded by Derby to the north, Burton upon Trent to the west and Ashby-de-la-Zouch to the west. Swadlincote is the District's administrative and commercial centre. The rest of the District is made up of a dispersed range of small villages including Melbourne, Hatton and Willington. Despite a number of key transport corridors passing through the District (A444, A38 and A50), east-west connections are generally poor.
- 1.20 The District has a population of 87,680 (ONS Mid Year Estimate 2005). Swadlincote has a population of just over 30,000. Employment is generally focused on Swadlincote, and to a lesser degree Melbourne and is centred on the manufacturing and engineering industries.

Strategy Context

- 1.21 A comprehensive review of national, regional and local policies has been made that are relevant to this report. This can be found at Appendix 2. The main points are summarised below.

- 1.22 It is a responsibility of local and regional government to support and encourage economic growth. This includes the provision, initially through planning policy, of sufficient employment land and premises. This must be of the right scale, type, location, and be readily available for development. One of the most important issues to consider is that the land must be allocated in sustainable locations. The employment land portfolio needs to be balanced and to adequately cater to all sectors of the economy, i.e. small and large businesses, offices and industrial, high and low quality operations. However it recognises that certain industrial uses do need to be related to the highway network.
- 1.23 Derby is a Principal Urban Area and as such is a focus of economic development and regeneration for the whole of the East Midlands. Both South Derbyshire and Amber Valley are rarely specifically mentioned, although are included in the Three Cities Sub-area.
- 1.24 The main guidance, the draft Regional Spatial Strategy does not quantify employment land need. Instead it refers Local Authorities to the Quality of Employment Land Study and Regional Employment Land Priorities Study. This is, however, picked up by the East Midlands Land Provision Study 2006 (which is covered in section 5.0). The draft RSS does however stress the importance of raising economic prosperity, employment opportunities and regional competitiveness. (Note that while this report has been in preparation, the RSS Review has been the subject to an Examination in Public and the Panel's Report has been received. The RSS Review is expected to be adopted in the autumn of 2008. The implications of this will need to be considered by each local authority when preparing their LDF documents.)
- 1.25 The Structure Plan makes provision for 640 ha of land in the Derby HMA between 1991 and 2011, which equates to 32 ha of land each year across the study area. The Derby Local Plan makes provision for a further 12 ha above the amount required.

Background Information

- 1.26 A review of key background documents relating the study area's employment land and property market has been carried out. This can be found at Appendix 3. The main points are summarised below.

- 1.27 In the HMA as a whole, the shift in the service sector is widely recognised. It is anticipated that there will be a rise in the office market through increased demand from business services. However, there will also be an increase in demand from the 'distribution and utilities' sector due to the region's good road network and available land.
- 1.28 The various reports agree that Derby requires more, good quality offices in the city centre especially as edge-of-centre locations are almost fully developed. This is now the focus for public sector intervention.
- 1.29 There is limited B8 demand in the city (relative to other parts of the study area, and other uses) due to the lack of available land and its relatively high cost. There is also limited land available for B1 and B2 development.
- 1.30 Amber Valley should concentrate on meeting the needs of the local market, as the Borough is unlikely to persuade businesses to relocate out of Derby and Nottingham. Despite strong demand for industrial units in Alfreton, much of the employment land in the Borough is of average quality and constrained, limiting development.
- 1.31 Demand in South Derbyshire is predominately for industrial units. There is increasing demand from the distribution sector due to the lower land values in the District compared to other parts of the region.

2.0 BUSINESS PROFILE

Introduction

- 2.1 It is important to understand the nature of the economy in the study area in order to provide suitable employment opportunities to allow sustainable growth. For example employment land should ideally be provided close to existing concentrations of businesses or in areas where companies want to locate.
- 2.2 This section, therefore, considers the size of the economy, where the businesses are, and what type of businesses they are. It also considers how things may change in the future, given that this report is assessing land provision to 2026.
- 2.3 By appreciating these aspects it is easier to facilitate economic development by allocating land in the correct locations.
- 2.4 The profile is a result of secondary research, drawing together a number of existing studies and background documents. It also uses demographic data to build the picture, given that there are no readily available answers to some of the key questions included within this section. As there is generally no combined data for Derby HMA as a whole, the three local authority areas have been considered separately. Where possible this has been combined to provide a total for Derby HMA.

Demographic Assessment

- 2.5 Table 1 shows the population estimates as of mid-year 2005. Unsurprisingly, Derby accounts for the greatest proportion of residents in Derby HMA (53 percent), compared with Amber Valley (27 percent) and South Derbyshire (20 percent). The study area accounts for 10.2 percent of the East Midlands' total.

Table 1 – Study Area Population

	Amber Valley	Derby	South Derbyshire	Derby HMA
Number of people	118,640	233,750	87,680	440,070

Source: ONS Mid Year Population Estimates (2005)

- 2.6 Table 2 shows that both Amber Valley and South Derbyshire have a higher proportion of working age residents who are economically active than the regional figure.

Table 2 – Economically Active

	Amber Valley	Derby	South Derbyshire	Derby HMA	East Midlands
Proportion of people	83.3	74.6	89.5	80.4	80.3

Source: ONS Annual Population Survey (mid 2005 to mid 2006)

- 2.7 Table 3 shows that South Derbyshire has the lowest unemployment in Derby HMA and considerably lower than the national average, Derby the highest.

Table 3 – Claimant Unemployment Rates April 2007

Area	Number Claimants	Percent
Amber Valley	1407	1.9
Derby	4441	3.1
South Derbyshire	650	1.2
East Midlands	62,207	2.3
England	767,702	2.5

Source: ONS

- 2.8 Derby has 27 super output areas (SOAs) that fall within the ten percent most deprived in England, based on the Department of Communities and Local Government's 2005 Index of Multiple Deprivation. The 27 SOAs are contained in seven wards including Abbey, Arboretum, Alvaston, Derwent, Boulton, Normanton and Sinfin – quite closely correlated to the city centre and main employment areas. Amber Valley has one SOA in the top ten percent most deprived (Ironville and Riddings) whilst South Derbyshire has none.
- 2.9 Table 4 illustrates the breakdown of employment by main occupation group. With regards to the proportion of managers and senior officials, all of the areas have levels below regional and national averages. This is particularly so in Derby.
- 2.10 South Derbyshire records the highest proportion of managers and professional occupations, above regional and national figures. In addition, South Derbyshire also has a high proportion in administrative and secretarial employment. Again, well above regional and national averages.

2.11 Amber Valley has the lowest proportion of administrators and secretaries. However, the Borough has the highest proportion of those in skilled trade employment, well above regional and national figures. In addition, the Borough has the highest proportion employed as process, plant and machine operatives. Conversely, South Derbyshire has a very low proportion in this sector, well below regional and national figures.

Table 4 – Employment by Main Occupation Group, 2006, percentage

Socio-economic Class	Amber Valley	Derby	South Derbyshire	East Midlands	England
Managers and senior officials	14.2	11.6	14.8	15.1	15.4
Professional occupations	12.7	11.8	14.6	11.8	12.9
Associate professional & tech occupations	9.3	11.6	10.0	12.5	14.4
Administrative and secretarial occupations	7.1	10.7	14.9	10.7	12.4
Skilled trades occupations	16.4	12.4	11.5	11.7	10.9
Personal service occupations	7.2	8.8	7.2	7.7	7.8
Sales and customer service occupations	8.1	7.4	5.2	7.4	7.5
Process, plant and machine operatives	10.6	11.7	5.9	9.3	7.3
Elementary occupations	14.4	13.3	15.8	13.5	11.2

Source: ONS Annual Population Survey (mid 2005 to mid 2006)

Economic Activity

2.12 The manufacturing sector accounts for 24 percent in Amber Valley and Derby and 31 percent in South Derbyshire. These are all well above the regional and national figures. Derby has the highest proportion of employees in the service sector (68 percent), however, as Table 5 shows, this still falls short of regional and national figures. Amber Valley has the highest proportion of employees in the construction sector which is well above regional and national figures. Although all the local authority areas have a lower than average proportion of the population working in the distribution, hotels and restaurants sector, South Derbyshire is particularly low. Derby has a similar proportion of residents in the public administration, education and

health sector compared to the regional and national levels, however, both Amber Valley and South Derbyshire fall well below this level.

Table 5 – Standard Industrial Classification Breakdown

SIC 92	Employment Structure, proportion of jobs, percent				
	Amber Valley	Derby	South Derbyshire	East Midlands	England
Agric & Fishing	1.6	-	-	1.5	1.1
Energy & Water	-	0.8	-	0.9	0.8
Manufacturing	24.4	24.2	30.7	17.5	13.2
Construction	9.3	6.0	5.1	7.6	7.9
Distribution, Hotels and Restaurants	16.9	18.2	14.3	20.6	19.1
Transport & Communications	7.9	7.4	10.5	7.3	6.9
Banking, Finance & Insurance, etc	11.2	11.0	13.6	12.2	16.4
Public Administration, Education & Health	22.1	28.8	19.0	26.6	28.1
Other Services	6.1	3.1	4.8	5.5	6.2

Source: ONS Population Survey (mid 2005 to mid 2006)

Numbers and Sizes of Businesses

- 2.13 Table 6 shows that in 2006, there were a total of 10,740 businesses registered for VAT in the Derby HMA. As you would expect, Derby has the highest proportion with 44 percent. However, this figure will not pick up on very small companies operating below the minimum financial threshold, nor the corporate/national companies registered elsewhere. However, approximately 30 percent of businesses will also be in non-relevant sectors e.g. retail.

Table 6 – VAT Registered Business Stock, 2000 to 2006

Area	2000	2001	2002	2003	2004	2005	2006	Change (2000 to 2006)
Amber Valley	3030	3085	3155	3220	3295	3355	3425	+ 395
Derby	4225	4290	4320	4360	4480	4605	4715	+490
South Derbyshire	2200	2250	2280	2385	2455	2555	2610	+410
Derby HMA	9455	9625	9755	9965	10,230	10,515	10,750	+1295

Source: Small Business Service 2006

2.14 The Small Business Service data published in August 2006 identifies that nationally over 99 percent of all businesses are classified as small (up to 49 employees according to DTI definitions). This percentage includes micro businesses (up to nine employees) and increasing numbers of sole traders and micro businesses has fuelled the growth in numbers of businesses in the UK over the last two decades.

Geographic Distribution

2.15 There are 3556 industrial and 2045 office hereditaments in Derby HMA. Within it, Derby has 57 percent of the premises in the study area, Amber Valley has 28 percent, leaving South Derbyshire with only 15 percent.

2.16 Naturally Derby has by far the most office space, 70 percent of all the stock (by numbers).

2.17 South Derbyshire has four times the number of industrial units as it does offices, in Amber Valley the ratio is 2.5, and in Derby only 1.2.

Table 7 – Derby HMA VO Hereditaments

Area	Number of Warehouse/Factories	Number of Offices	Number of Homeworkers
Amber Valley	1125	447	4483
Derby	1740	1426	6268
South Derbyshire	691	172	3699
Derby HMA	3556	2045	14,450

Source: ONS Commercial and Industrial Floorspace 2006

ONS Census 2001

2.18 The total hereditament figures have been broken down by broad geographic area for Amber Valley and South Derbyshire. Because in some SOAs there are so few hereditaments, no data is provided, and hence the totals do not add up to the wider area totals in Table 7 above. The analysis has not been carried out for Derby because of the compact nature of the city – most offices are in the centre and Pride Park; and it is quite clear where the industrial areas are.

2.19 In Amber Valley, Alfreton is the largest commerce centre, with 29 percent of all hereditaments. Heanor has the greatest proportion of industrial stock (31 percent), Belper the most offices (42 percent). Ripley is the smallest employment area with 22 percent of the premises.

Table 8 – Amber Valley VO Hereditaments by SOA

Combined SOAs	Number of Warehouse/ Factories	Number of Offices	Total	Number of people Homeworking
Alfreton area	319	112	431	708
Belper area	178	174	352	1797
Heanor area	339	57	396	1072
Ripley area	261	69	330	906
Total	1097	412	1509	4486

Source: ONS Commercial and Industrial Floorspace 2006

ONS Census 2001

- 2.20 Table 9 shows that Swadlincote has the greatest proportion of the hereditaments in South Derbyshire (59 percent), compared with Melbourne (24 percent) and the A50 Corridor (17 percent).
- 2.21 Although Swadlincote has the highest number of offices, the Melbourne area is not far behind. This illustrates the important contribution rural areas play to the overall District economy.

Table 9 – South Derbyshire VO Hereditaments by SOA

Combined SOAs	Number of Warehouse/ Factories	Number of Offices	Total	Number of people homeworking
A50 corridor	114	26	140	1039
Melbourne area	143	60	203	1071
Swadlincote area	410	79	489	1589
Total	667	165	832	3699

Source: ONS Commercial and Industrial Floorspace 2006

ONS Census 2001

Homeworking

- 2.22 South Derbyshire has the highest proportion of people working from home (9.2 percent), which compares to Amber Valley (8.7 percent) and Derby (6.8 percent). The first two are comparable to regional and national figures (9.0 and 9.2 percent respectively). Obviously the figures reflect the rural:urban split in each area.
- 2.23 The amount of homeworking across Derby is relatively evenly spread, as would be expected. In Amber Valley the rural areas surrounding Belper and Duffield have the most homeworking.

2.24 Although Swadlincote and its surrounding area has the greatest number of homeworkers, proportionally, the less populated rural areas of Hatton, Church Broughton and Melbourne actually have the most. Swadlincote actually has the lowest proportion of employed residents who work from home.

Summary

2.25 In this sub-section the findings of the preceding research are drawn together into a number of conclusions.

2.26 Derby has 53 percent of the study area's population, Amber Valley 27 percent and South Derbyshire 20 percent – this will help guide for the distribution of employment land through the study area. Derby HMA, as whole, has a lower unemployment rate than the national figure. However South Derbyshire's is well below average.

2.27 Derby HMA has a higher than average proportion of people employed in skilled trade and elementary occupations. Meanwhile, there is a below average proportion employed as managers and senior officials. Addressing the underperforming city centre office market should help to rectify this issue.

2.28 Derby has the largest number of businesses in the study area. It has 44 percent of the total; Amber Valley has 32 percent; South Derbyshire 24 percent – this will help guide the distribution of employment land through the study area.

2.29 Derby HMA has more industrial units than office. Derby accounts for over half the units. In Amber Valley, Heanor and Alfreton contribute the most industrial units, whilst, Belper the most offices. In South Derbyshire, Swadlincote is the focus for development.

2.30 Amber Valley and South Derbyshire, the more rural areas, have the greatest proportion of homeworkers.

3.0 PROPERTY MARKET – GENERAL

Introduction

- 3.1 Prior to analysing the HMA's property market by the individual components of sites, industrial and offices – commentary relating to the study area as a whole is provided. It concentrates on information from public sector sources.

Derbyshire County Council

- 3.2 Derbyshire County Council own and manage a number of industrial estates and small business centres across Derby and Amber Valley. In Amber Valley, there is strong demand for small office and industrial units (100-250 sqm) particularly in Alfreton, Belper and Heanor. In Derby, there is also strong demand for small office and industrial units (up to 50 sqm). However this demand is not being met, as there is a lack of suitable units.
- 3.3 Derbyshire County Council are responding to strong demand by start-ups for flexible leases by offering easy-in, easy-out, short-term, contracts at their small business centres.

Derby & Derbyshire Economic Partnership (DDEP)

- 3.4 DDEP is carrying out an audit of employment land through their geographic area of remit to identify where there is a need for public sector gap funding. Derby is seen as an area where the private sector will deliver land and property – there are greater areas of concern outside the city.

Amber Valley Borough Council

- 3.5 AVBC has seen a real shift in the focus of demand recently with the A38 being the main artery through the Borough. There has also been an increase in the number of requirements for distribution warehousing linked to this, as the M1 corridor property market has become very expensive.
- 3.6 Cinderhill is seen as the key development in the pipeline, some 30 ha of employment land will be included in a wider mixed-use scheme. AVBC would like to see a full range of development, not just distribution warehousing, but also offices and light industry. Close by Derby Hall Business Park is a new development offering a mix of industrial uses, and offers freehold plots.

- 3.7 There is a concern about the loss of employment in Belper; where a combination of landowner's higher value aspirations (for residential) and lack of development land is constraining the market. Consequently local businesses have nowhere to expand into, nor the ability to buy freehold properties – which are strongly in demand in the whole of Amber Valley, not just Belper. Belper does, however, have one of the few office schemes in the Borough – the redeveloped Belper Mill, beautifully located alongside the River Derwent.

Derby City Council

- 3.8 Property market stakeholders have raised concerns that there is limited available employment land to accommodate growing, new and inward investing companies. Although there is nominally plenty of employment land, much of it is unserviced, e.g. Raynesway and Chellaston Park or tied up in the hands of developers.
- 3.9 The city centre office market has been poorly provided with poor quality offices and little development in recent years. There are some signs that the market is improving, with a number of large schemes in the pipeline, although none of these schemes are currently under construction.
- 3.10 Derby is also losing employment land and premises to housing, as owners capitalise on rising residential values. Relatively large areas of land have also been lost to other uses, particularly on sites like Pride Park and Osmaston Park Road.

South Derbyshire District Council

- 3.11 There are a number of emerging issues affecting the South Derbyshire economy. These include five major new housing proposals, which at the time of writing are the subject of a joint Public Inquiry. They are:
- Willington Power Station (includes a 3 ha mixed-use business park)
 - Highfields Farm, Littleover
 - Stenson Fields
 - Wragley Way
 - Boulton Moor.
- 3.12 Although the A38 is running at capacity; there have been proposals to expand employment land at the A50/A38 interchange, especially given guidance from the EMDA sponsored Strategic Distribution Sites study that identifies the need for more land.

3.13 There is also a proposal to improve access to Swadlincote town centre through the development of the Swadlincote Regeneration Route. This will improve access to land with the potential for industrial and business development at Occupation Lane.

3.14 SDDC would prefer to see development in urban areas, where it is more sustainable.

Derby Cityscape

3.15 The regeneration company's objective is to create the environment to bring in more service and professionals into Derby city centre. In the past Derby has been too reliant on its manufacturing sector, and as globalisation continues, this is affecting the city's economy.

3.16 In order to re-engineer the city, Derby Cityscape is regenerating various areas. The main employment redevelopment area in the city is Castle Ward, which extends to 7 ha. Consequently the existing, mainly industrial, occupiers need relocating. Most of them want freehold premises close to the city centre, because this is what they are used to.

3.17 Derby Cityscape are obviously very keen not to lose these businesses from the city. However it is finding it difficult to acquire further land to offer freehold development to these businesses in suitable locations.

3.18 There is some time, as there will only be a few relocations immediately, the majority will be decanted over the next ten years. However, saying this, much of the land needs remediation.

3.19 However Derby Cityscape has found that there is a severe shortage of industrial land in the city readily available, either for development or purchase. This is being exacerbated as more employment sites are coming under pressure for residential use.

East Midlands Business

3.20 East Midlands Business (EMB) is the new structure replacing Business Link East Midlands. The organisation has seen growing numbers of new business start-ups across all sectors. The main land and premises issues are the lack of start-up workshops of 50-100 sqm; lack of freehold premises, and the loss of employment space caused by many owners redeveloping for residential uses. EMB has also found that the private sector are reluctant to develop small workshops, preferring instead to concentrate on larger 2000-10,000 sqm units.

The National Forest

- 3.21 The National Forest, although invited to contribute, could see little scope for their involvement. It is interested in the small scale woodland economy or larger scale tourism initiatives, rather than formal employment land and premises.

Public Sector Enquiries

- 3.22 The information in this sub-section has come from the various local authorities' tractivity reporting systems. The general findings can be relied upon, however there are a number of caveats. Some pre-start enquiries have no idea of sizes required and are sent the full list of relevant properties. Some request a full list of all available property, regardless of size. And a proportion of the enquiries are carried out by the general public online with no size input.

Amber Valley Borough Council

- 3.23 Table 10 shows that Amber Valley Borough Council received 2728 enquiries of which 74 percent were for industrial property and land (the land requirements will usually be for industrial).

Table 10 – Amber Valley Borough Council Enquiries Type

	2002	2003	2004	2005	2006	Total
Office	143	159	248	62	89	701
Industrial	354	254	601	318	140	1667
Land	78	36	129	89	28	360
Total	575	449	978	469	257	2728

Source: Amber Valley Borough Council 2007

- 3.24 The key characteristics are:
- Industrial is the dominate market
 - Three times as many industrial enquiries as office
 - Sharp decrease in enquiries since 2004.
- 3.25 As Table 11 below shows, most enquiries are for land and premises at the smaller end of the spectrum:
- Three quarters of enquiries for offices below 464 sqm
 - 63 percent for industrial property below 464 sqm
 - 57 percent of land of sub 0.4 ha plots.

Table 11 – Amber Valley Borough Council Enquiries Sizes 2002 – 2006

Size Band, sqft	0 – 1000	1001 – 5000	5001 – 10,000	10,001 +	Unspecified
Size Band, sqm	0 – 93	94 – 464	465 – 929	930+	
No. of Offices	258	270	39	80	54
No. of Industrial/ Warehouse/Workshop	293	756	154	403	54
Land Size Band, ha	0 – 0.4	0.5 – 1.9	2.0 – 4.0	4.1+	Unspecified
Number	207	58	20	53	22

Source: Amber Valley Borough Council 2007

Derby City Council

- 3.26 Table 12 shows that between January 2006 and January 2007, Derby City Council received 325 enquiries. However, a large proportion of these had unspecified size requirements. Of the 160 enquiries whereby size requirements were stated, 62 percent were for industrial property or land.

Table 12 – Derby City Council Enquiries Sizes 2006-2007

Size Band, sqft	0-1000	1001-5000	5001-10,000	10,001-20,000	20,001-50,000	50,001-100,000	100,001 +	Total
Size Band, sqm	0-93	94-464	465-929	930-1858	1859-4645	4646-9290	9291+	
Office	37	13	5	3	1	1	2	62
Industrial	23	31	11	2	8	0	1	76
Land	3	6	3	1	4	1	5	23

Source: Derby City Council 2007

- 3.27 The key characteristics are:
- Strong demand for both office and industrial properties
 - 60 percent for offices below 93 sqm
 - 71 percent for industrials below 464 sqm
 - 52 percent for land below 929 sqm.

- 3.28 Due to the lack of available data, we are unable to comment on enquiries over time.

South Derbyshire District Council

- 3.29 Table 13 shows that South Derbyshire District Council received 85 enquiries between August 2006 and February 2007, of which 91 percent were for industrial property or land. There are relatively few for offices. More enquiries are received but they do not state property type or size.

Table 13 – South Derbyshire District Council Property Enquiries

Size Band, sqft	0-10,000	10,001-30,000	30,001-100,000	100,000+	Unspecified	Total
Size Band, sqm	0-929	930-2787	2788-9290	9291+		
Office	8	0	0	0	0	8
Industrial/Warehouse/Workshop	25	2	2	2	23	56
Land	5	1	0	1	9	21
Total	38	3	2	3	32	85

Source: South Derbyshire District Council, 2007

3.30 The key characteristics are:

- Industrial is the dominant market
- Seven times as many industrial enquiries as office
- Most enquiries for land of 0-4 ha.

3.31 As Table 13 shows, most enquiries (where size requirements were recorded) are for land and premises at the smaller end of the spectrum:

- All offices were for 0 - 929 sqm
- 75 percent for industrial below 929 sqm.

Derby and Derbyshire Economic Partnership (DDEP)

3.32 Table 14 shows the amount of enquiries registered by DDEP from 2006 to June 2007. Each business registers their details in order to access the list of vacant properties in Derby HMA. In this instance, industrial includes both industrial units and warehouses. The office category includes all offices and serviced offices/workspaces. It is worth noting that some of the registrations logged, will have been by agents and surveyors seeking properties on behalf of their client. However, it is useful in displaying which local authority area receives the most amount of enquiries.

Table 14 – DDEP – Numbers of Enquiries 2006/07

Area	Office	Industrial	Land
Amber Valley	80	135	45
Derby	605	669	209
South Derbyshire	124	251	90
Derby HMA	809	1054	344

Source: Derby and Derbyshire Economic Partnership 2007

3.33 Table 14 shows that 2207 enquiries were made. In Derby HMA as a whole, industrial requirements made up 48 percent, compared to offices 37 percent and land 16 percent. Each local authority area, followed this trend.

3.34 67 percent were for property searches in Derby, compared with just 12 percent in Amber Valley and 21 percent South Derbyshire. Derby, naturally, had an even greater share of the office enquiries (75 percent).

Inward Investment

3.35 EMDA promotes inward investment. The successes are shown in Table 15, unfortunately EMDA were not able to provide the original enquiries. As it shows inward investment is quite a small element of the wider property market, although it can lead to some large investments. Derbyshire falls into a second tier of success, along with Northamptonshire. They are behind Nottinghamshire and Leicestershire which generally have a greater number of successful projects; but ahead of Lincolnshire.

Table 15 – EMDA Inward Investment Successes 2004-2007

Total	Derbyshire			Rest of East Midlands			Total		
	2004 /05	2005 /06	2006 /07	2004 /05	2005 /06	2006 /07	2004 /05	2005 /06	2006 /07
Successes	8	18	16	60	56	68	68	74	84
New Jobs	421	133	682	1373	1434	1257	1794	1567	2630
Safeguarded Jobs	500	168	1152	1350	2811	1951	1850	2979	3103
Total Jobs	921	301	1834	2723	4245	3899	3644	4546	5733

Source: EMDA 2007

3.36 EMDA has provided information on the successes into Derbyshire. Of the 42 successes, 28 have been into the Derby HMA study area. These are broken down in Table 16. Most are into Derby and Alfreton, but South Derbyshire has also been successful, although saying this Swadlincote is noticeable by its absence. These are spread across various business sectors, there is no key sector or trend.

Table 16 – EMDA Inward Investment Successes into Derby HMA 2004-2007

Location	Number of Successes
Derby	11
Alfreton	7
Dove Valley Park	3

Location	Number of Successes
Belper	2
Melbourne	2
Heanor	1
Ripley	1
Burnaston	1

Source: EMDA

- 3.37 It should be recognised that inward investment has changed from the 1980s scenario. Rarely is it about major multinationals investing millions in major manufacturing plants, e.g. Toyota. The situation has moved onto acquisitions and joint ventures, and smaller, service sector investments, e.g. regional sales offices and consultancy practices. Consequently the situation, and any success, is much harder to track. However the market is one that the study has, and can continue, to benefit from.
- 3.38 A recent report East Midlands Property sponsored by EMDA and Hammond Suddards Edge found that Derby was not attracting its fair share of inward investment. Some of the issues causing this were the need for inner city regeneration and a lack of available sites.
- 3.39 Following the Lyons Review, which is encouraging the relocation of government functions out of London and the South East, Derby is seeing increased interest from such organisations. There was a comparative assessment of locations carried out by King Sturge to help guide the decision-making process and rank 102 local authority areas (potentially suitable for relocation) for their attractiveness for various activities. Derby scored well, ranked in the top quartile for higher value back office functions, science activities and government policy departments. It rated less highly for information support centres, interactive contact centres and lower value back office functions. The research also found Derby to be an area that fell in the top quartile in terms of property market capacity rankings. This was based on the city's skill levels, size of its business services sector, number of knowledge workers and travel time to London. (No locations in Amber Valley and South Derbyshire were assessed in the report).
- 3.40 Local property agents receive occasional inward investment enquiries for Derby, but very few for Amber Valley or South Derbyshire. Where they do occur in these two areas it is generally for large scale distribution and warehousing. Derby is seen as an up and coming city and its stock of property improved by the city centre

regeneration taking place. It is still viewed as being behind Nottingham and Leicester, although steadily catching up.

Property Supply

- 3.41 A schedule of the vacant floorspace being marketed in the HMA (as at June 2007) has been compiled from the various local authorities' databases, a trawl of commercial property agents and consultation with other stakeholders.
- 3.42 Separate lists for industrial (including warehouses and workshops) and offices have been included in Appendix 4.

Industrial

- 3.43 Table 17 shows that for the HMA as a whole, there is 105,841 sqm of vacant industrial floorspace, made up of 160 properties, with a significant concentration of premises of 186 – 464 sqm. There are very few small units of less than 93 sqm, or large premises of over 4646 sqm.

Table 17 – Derby HMA Vacant Industrial Property

Size Band, sqft	0-1000	1001-2000	2001-5000	5001-10,000	10,001-20,000	20,001-50,000	50,001+	Total, sqft
Floorspace, sqft	3137	53,724	179,959	190,553	287,951	373,390	50,586	1,139,300
Size Band, sqm	0-93	94-185	186-464	465-929	930-1858	1859-4645	4646+	Total, sqm
Floorspace, sqm	291	4991	16,718	17,702	26,751	34,689	4699	105,841
Number	6	37	53	28	20	14	1	160

Source: BE Group 2007

- 3.44 With regards to the quality of these units, 73 percent are classed as 'moderate'. Only 15 are good.
- 3.45 Of the 160 vacant units, 67 are in Amber Valley, 54 in the larger settlement of Derby. South Derbyshire suffers from the greatest proportion of budget quality stock.

Table 18 – Quality of Vacant Industrial Property – Derby HMA

Area	Good	Moderate	Budget	Total
Amber Valley	8	52	7	67
Derby	5	41	8	54
South Derbyshire	2	23	14	39
Total	15	116	29	160

Source: BE Group 2007

3.46 Tables 19, 21 and 22 shows the vacant industrial units by individual local authority area. Amber Valley provides 45 percent of the study area's floorspace. There is a significant concentration of properties of 94-929 sqm.

Table 19 – Amber Valley Vacant Industrial Property

Size Band, sqft	0-1000	1001-2000	2001-5000	5001-10,000	10,001-20,000	20,001-50,000	50,001+	Total, sqft
Floorspace, sqft	1369	21,537	88,381	43,749	173,550	164,995	0	493,581
Size Band, sqm	0-93	94-185	186-464	465-929	930-1858	1859-4645	4646+	Total, sqm
Floorspace, sqm	127	2001	8211	4064	16,123	15,328	0	45,854
Number	2	15	25	6	12	7	0	67

Source: BE Group 2007

3.47 Table 20 shows that 58 percent of the vacant industrial properties are in Alfreton, particularly Amber Business Centre where 15 units are vacant. Alfreton also has the highest number of properties classed as 'moderate', some 65 percent. 88 percent of the properties are available leasehold, with just eight properties for sale.

Table 20 – Location of Vacant Industrial Property – Amber Valley

Area	Number
Alfreton and surrounding area	39
Heanor and surrounding area	17
Ripley and surrounding area	8
Belper and surrounding area	3
Total	67

Source: BE Group 2007

3.48 Table 21 shows that Derby has a high concentration of vacant properties in the 94-929 sqm size bracket.

Table 21 – Derby Vacant Industrial Property

Size Band, sqft	0-1000	1001-2000	2001-5000	5001-10,000	10,001-20,000	20,001-50,000	50,001+	Total, sqft
Floorspace, sqft	860	18,104	57,604	117,508	57,963	43,814	0	295,853
Size Band, sqm	0-93	94-185	186-464	465-929	930-1858	1859-4645	4646+	Total, sqm
Floorspace, sqm	79	1682	5351	10,917	5385	4070	0	27,484
Number	1	12	18	17	4	2	0	54

Source: BE Group 2007

3.49 There are no vacant industrial properties in the city centre. 44 of these properties are leasehold. Only one property for sale is 'good' quality.

3.50 Table 22 shows that South Derbyshire has a high concentration of vacant properties of 94-464 sqm. The District has the only vacant industrial unit over 4646 sqm in the study area.

Table 22 – South Derbyshire Vacant Industrial Property

Size Band, sqft	0-1000	1001-2000	2001-5000	5001-10,000	10,001-20,000	20,001-50,000	50,001+	Total, sqft
Floorspace, sqft	908	14,083	33,974	29,296	56,438	164,581	50,586	349,866
Size Band, sqm	0-93	94-185	186-464	465-929	930-1858	1859-4645	4646+	Total, sqm
Floorspace, sqm	84	1308	3156	2722	5243	15,290	4699	32,502
Number	3	10	11	5	4	5	1	40

Source: BE Group 2007

3.51 Table 23 shows that 24 of these properties are in Swadlincote, 11 at Bretby Business Park and five off Heathcote Road to the west of the town. Swadlincote has the only modern vacant properties in the District – Tetron Point (3084 sqm) and Astron Business Park (1516 sqm) - both of which achieve a 'good' grade.

Table 23 – Location of Vacant Industrial Property – South Derbyshire

Area	Number
Swadlincote area	24
A50 Corridor area	13
Melbourne area	3
Total	40

Source: BE Group 2007

3.52 The majority of vacant properties in South Derbyshire are of budget quality. Swadlincote predominantly offers properties of a moderate quality. Only eight properties are available freehold. There are few vacant premises in and around Melbourne – the eastern rural part of the District.

Offices

3.53 Table 24 shows that there is just under 41,000 sqm of vacant offices in Derby HMA, made up of 204 properties. Most units are up to 464 sqm. There are no available offices larger than 1393 sqm.

Table 24 – Derby HMA Vacant Office Property

Size Band, sqft	0-1000	1001-2000	2001-5000	5001-10,000	10,001-20,000	20,001-50,000	50,001+	Total, sqft
Floorspace, sqft	39,079	86,493	145,133	95,491	71,648	0	0	438,384
Size Band, sqm	0-93	94-185	186-464	465-929	930-1858	1859-4645	4646+	Total, sqm
Floorspace, sqm	3630	8035	13,483	8871	6656	0	0	40,725
Number	77	60	47	15	5	0	0	204

Source: BE Group 2007

3.54 With regards to quality, the majority of these premises are of moderate quality, with the remainder equally split between budget and good (see Table 25).

Table 25 – Quality of Vacant Offices

Area	Good	Moderate	Budget	Total
Amber Valley	9	8	27	44
Derby	28	76	17	121
South Derbyshire	4	34	1	39
Total	41	118	45	204

Source: BE Group 2007

3.55 Derby has 60 percent of all the vacant offices. The remaining 40 percent is shared between Amber Valley and South Derbyshire in similar numbers.

Table 26 – Amber Valley Vacant Offices

Size Band, sqft	0-1000	1001-2000	2001-5000	5001-10,000	10,001-20,000	20,001-50,000	50,001+	Total, sqft
Floorspace, sqft	7309	21,827	26,440	13,121	15,000	0	0	83,697
Size Band, sqm	0-93	94-185	186-464	465-929	930-1858	1859-4645	4646+	Total, sqm
Floorspace, sqm	679	2028	2456	1219	1393	0	0	7775
Number	17	15	9	2	1	0	0	44

Source: BE Group 2007

3.56 Tables 26 and 27 show that most of the offices are small (up to 185 sqm) and that 45 percent of the Borough's vacant properties are in Belper, mostly at Belper Mill where 12 suites are vacant. Elsewhere, seven units are vacant at Key Point in Alfreton. Most of the space is of budget quality (see Table 25). Alfreton offers the only modern properties – Office Village and Turnpike Business Park. 12 of the 44 are available freehold.

Table 27 – Location of Vacant Offices - Amber Valley

Area	Number
Belper and surrounding area	20
Alfreton and surrounding area	13
Ripley and surrounding area	6
Heanor and surrounding area	5
Total	44

Source: BE Group 2007

3.57 Derby has 27,393 sqm of vacant offices in 121 properties. There is a high concentration of properties of up to 464 sqm.

Table 28 – Derby Vacant Offices

Size Band, sqft	0-1000	1001-2000	2001-5000	5001-10,000	10,001-20,000	20,001-50,000	50,001+	Total, sqft
Floorspace, sqft	22,351	52,671	85,886	77,328	56,648	0	0	294,884
Size Band, sqm	0-93	94-185	186-464	465-929	930-1858	1859-4645	4646+	Total, sqm
Floorspace, sqm	2076	4893	7979	7184	5263	0	0	27,393
Number	38	37	30	12	4	0	0	121

Source: BE Group 2007

3.58 Table 29 shows that there is a fairly equal split between city centre and out-of-town locations. Just over a third of all the out-of-town offices are on Pride Park, where 23 offices are vacant, although mainly as a result of newly built schemes coming to the market.

Table 29 – Location of Vacant Office Property – Derby

Area	Number
City Centre	55
Out-of-town	66
Total	121

Source: BE Group 2007

3.59 Almost two thirds of the vacant offices in Derby are classed as 'moderate'. There are none in the city centre that are of a 'good' standard. There are however 28 'good' vacant offices elsewhere, mainly on Pride Park, Wyvern Business Park and Prime Business Centre. Derby has only a small number of properties rated as 'budget'.

3.60 Table 30 shows that the greatest number of South Derbyshire's offices are less than 93 sqm. The largest vacant office is only 468 sqm.

Table 30 – South Derbyshire Vacant Office Property

Size Band, sqft	0-1000	1001-2000	2001-5000	5001-10,000	10,001-20,000	20,001-50,000	50,001+	Total, sqft
Floorspace, sqft	9419	11,995	32,807	5042	0	0	0	59,803
Size Band, sqm	0-93	94-185	186-464	465-929	930-1858	1859-4645	4646+	Total, sqm
Floorspace, sqm	875	1114	3048	468	0	0	0	5556
Number	22	8	8	1	0	0	0	39

Source: BE Group 2007

3.61 Table 31 shows that most of the vacant offices are in Swadlincote or the A50 Corridor. There is only one in Melbourne. Most of the offices are of moderate quality. The District has four offices achieving a 'good' grade, mainly at Tomlinson Business Park. There is greater leasehold than freehold availability.

Table 31 – Location of Vacant Offices – South Derbyshire

Area	Number
Swadlincote area	31
A50 Corridor	7
Melbourne area	1
Total	39

Source: BE Group 2007

Valuation Office Data

Industrial

3.62 According to Valuation Office statistics there are 3556 industrial hereditaments in the study area, totalling 4,305,000 sqm. Out of all of this space there are only 160 vacant premises totalling 105,841 sqm (see Table 17). This suggests an overall occupancy rate for the study area of 98 percent by floorspace, 96 percent by premises numbers.

Table 32 – Valuation Office Statistics 2006 – Factories and Warehouses

Area	Number Hereditaments	Area sqm	Average size sqm
Amber Valley	1125	1,440,000	1280
Derby	1740	1,995,000	1146
South Derbyshire	691	870,000	1259
Derby HMA	3556	4,305,000	1211
East Midlands	43,775	24,359,923	556

Source: Valuation Office 2006

- 3.63 The data also shows that the average size of industrial units in Derby HMA is 1211 sqm, this is well above the regional average (Table 32).

Office

- 3.64 There are a total of 2045 office hereditaments for the study area, totalling 570,000 sqm. Out of all of this space there are only 204 vacant premises totalling 40,725 sqm (see Table 24). This suggests an overall occupancy rate for the study area of 93 percent by floorspace and 90 percent by premises numbers.

Table 33 – Valuation Office Statistics 2006 - Offices

Area	Number Hereditaments	Area sqm	Average size sqm
Amber Valley	447	100,000	224
Derby	1426	441,000	309
South Derbyshire	172	29,000	169
Derby HMA	2045	570,000	279
East Midlands	20,379	5,316,000	261

Source: Valuation Office 2006

- 3.65 Table 33 also shows that the average size of offices in the HMA is 279 sqm, which is above the equivalent sub-regional figures. South Derbyshire's average is very low.

Pipeline Schemes

- 3.66 There are a number of emerging schemes throughout the study area delivering modern premises. These are occurring in all three areas, covering both industrial and office space.

- 3.67 In Amber Valley, Sladen Estates has proposals for major distribution units at Denby Hall Business Park 7500, 11,000 and 22,500 sqm. While in Alfreton there is 6000 sqm of small and medium sized industrial units at Key Point Business Park and Amber Court. In Derby, Rosemound has plans for 180,000 sqm of B8 floorspace and additional floorspace for B1 and B2 uses at Raynesway; while at Chellaston Business Park, Wilson Bowden and Miller Birch will also bring forward industrial space in the near future. Sladen Estates are also active in Swadlincote, South Derbyshire. At the successful Tetron Point various units are also proposed by Sladen Estates, again targeting large distribution uses. Other industrial floorspace is coming forward at St Modwen's Hilton Business Park. There is also capacity at Dove Valley Park for a further 70,000 sqm.
- 3.68 There is less office development in Amber Valley (than industrial) but schemes include Heritage Business Centre, Belper (2000 sqm); Milford Foundry, also in Belper (1500 sqm) and Sapphire House, Anchor Road in Langley Mill (530 sqm). In Derby there are a number of business park schemes, but also emerging city centre development. Four schemes at Cathedral Road, Bold Lane, Riverlights and City Gate House will provide approximately 45,000 sqm of space in total. Office development is again more limited in South Derbyshire, primarily focused at Tomlinson Business Park on the A50, although take-up there has been slow to date.

Modern Occupier Needs

- 3.69 At this stage we consider what modern businesses are looking for in terms of their property, as well as those developers providing space for them.
- 3.70 There are two key property sub-markets to consider in understanding the demand for premises. The first is the demand from companies looking for sites for their own occupation; the second, which is necessarily derived from the first, comes from specialist property developers who will provide solutions for these companies.
- 3.71 Most end-user companies looking for accommodation prefer occupying an existing building to either organising the construction of one for themselves or entering into a design and build agreement with a developer. This is due to the management time and hassle involved; while it is also difficult to rationalise and visualise such an important acquisition off-plan.

- 3.72 Having premises built requires a long lead-time to cover the planning, negotiation and construction time involved. Furthermore not every company wants a brand new building, partly because they are generally more expensive than second hand ones.
- 3.73 However the recent combination of low interest rates and the depressed stock market has led to an unusually large number of companies looking to own their premises. One route to achieving this is by developing their own site, especially if they cannot find a suitable freehold property. Nationally most requests are for small sites of less than an acre in size.
- 3.74 Although design and build options can be convenient, they are quite expensive because the controlling developer makes its profit not only on the land sale, but also on managing the building process. Consequently if the company is able, they prefer to buy land direct and organise building contractors themselves. This is especially the case with lower value added industries where high quality buildings are of secondary importance. However without strong planning control this scenario can lead to business areas of lower aesthetic value and layout.
- 3.75 Developers acquiring sites consider the nature of the market, as outlined above, as well as the potential for speculative development, i.e. riskier, supply-led, rather than demand-driven construction.
- 3.76 They also prefer to acquire prominent, (easy to develop) greenfield sites close to arterial roads or motorways because irrespective of sustainable transport policies, private transport still predominates. They naturally want land that is attractive to end-users.
- 3.77 Furthermore property development is intensely entrepreneurial and extremely price sensitive. So although land may be available on the open market, if it is at too high a price, then the developer will not acquire it.

Emerging Trends

Industrial

- 3.78 Occupiers are generally looking for smaller premises as average company size continues to decrease. In line with a healthy economy, rising aspirations and a concentration on higher value added activities companies are looking for higher

quality accommodation. This means specifically dedicated, self-contained, secure yard areas, and for units over 2000 sqm the trend seems to be at least one dock level loading bay and a 40 metre turning circle to allow heavy goods vehicles access into and out of the unit. Eaves heights are also continuing to rise from an average of six metres to more towards ten metres to allow storage racking and more efficient use of space.

- 3.79 Large requirements, above 10,000 sqm, are very rare, and where they do exist are generally for distribution warehousing. Most of these are contract-led with a flurry of activity as a number of specialist distribution companies look for units, before one of them wins the deal. However these companies generally cannot wait for a bespoke warehouse to be built for them and so, due to the rarity of such large, available buildings their search areas are increasingly wide.
- 3.80 Freehold demand remains strong as a result of the continuing low interest rates, poor stockmarket pension performances and increased private sector interest in property investment. This has resulted in an overheated investment market, rising values, lowering yields and lead to response from property developers that are now more willing to offer speculative, freehold buildings.
- 3.81 Outsourcing of many aspects of the production and distribution process has lead to a declining need for traditional, large scale, all-encompassing manufacturing facilities. This is gradually being replaced by smaller, sub-assembly light manufacturing space. Shorter leases (five years) and break clauses (three years) are now becoming much more the norm.

Offices

- 3.82 The trend is for smaller office suites as average business sizes fall. There are two strands to this. Micro-businesses (those with less than ten employees) are wanting serviced offices or similar types of easy-in, easy-out schemes that lower their risk exposure. Whilst small businesses (with 10-49 employees) are looking for offices in the region of 200 – 300 sqm, often they are satellite facilities for larger companies.
- 3.83 Improving technology means specifications are changing, for example wireless networks will soon make raised floors superfluous and make the conversion of Victorian buildings and the like easier.

- 3.84 In line with a healthy economy, rising aspirations and a concentration on higher value added activities, companies are looking for higher quality accommodation. For example air conditioning is becoming almost a standard requirement in new schemes in the region, which pushes up rentals by £5-10/sqm on average. Furthermore occupiers (looking for more than 2000 sqft) tend to want self-contained premises, i.e. their own front door, toilets, reception, utilities, etc
- 3.85 Car parking remains a big problem for occupiers everywhere as the public sector try to limit spaces in response to the sustainability agenda. The lack of public sector control means they cannot rely on public transport especially in rural areas and there is a strong demand for car parking space. Developers are starting to charge per car park space in major cities, and this is now hitting city outskirts.
- 3.86 Freehold demand remains strong as a result of the continuing low interest rates, poor stockmarket pension performances and increased private sector interest in property investment. This has resulted in an overheated investment market, rising values, lowering yields and lead to property developers now more willing to offer speculative, freehold buildings. Aside from this, on the leasehold side, there is increasing demand for relatively short leases (one to three years), which helps account for the increasing popularity of serviced offices.
- 3.87 In the currently tight job market and with increasing employee legislation, organisations are taking more care of their staff in ensuring accommodation is close to amenities, especially retail and leisure facilities.
- 3.88 Higher quality occupiers, especially those linked to the Regional Economic Strategy's growth sectors will be concerned about access to an appropriate pool of skilled labour, which will drive demand towards research facilities and higher education institutes. Specialist sectors and uses will also require specialist land and property.
- 3.89 Property will need to be increasingly flexible to accommodate research-based manufacturing space as more complex processes develop, but still within an office environment.
- 3.90 International access and clustering around like-minded companies will also drive demand to key business park locations, with good availability of 'white collar', knowledge-based, skilled staff. However certain businesses will require a central

conurbation, those in the professions, creative industries, where face-to-face contact is important or where public transport is important to attract staff.

Summary

- 3.91 In this sub-section the findings of the preceding research are drawn together into a number of conclusions.
- 3.92 Industrial demand strongly outweighs demand for offices, especially in Amber Valley and South Derbyshire. However, Derby experiences a more equal split between office and industrial enquiries.
- 3.93 Most requirements in the study area are for units below 464 sqm. Industrial demand extends up to 929 sqm, for offices most is up to 93 sqm.
- 3.94 Across the study area there is a lack of freehold space, good quality premises and units of less than 93 sqm for small businesses – unfortunately these are the types of space increasingly in demand from modern, growing companies. There are a lack of large units (both industrial and office) in Derby, and a shortage of good quality city centre offices.
- 3.95 Modern businesses (and developers) want easily developable, accessible, prominent sites for their premises. A healthy property market will have a mix of options: speculative development, design and build schemes and freehold plots for owner-occupiers to self-build. However development is entrepreneurial, and not every company (looking for space) can realistically be satisfied all the time. The property market, by its nature, is inherently imperfect. Companies move from existing property to provide themselves with better, more efficient, cost effective accommodation of an appropriate size. (This is incorporated (along with other factors) into the sites scoring systems used in section 5.0).
- 3.96 Emerging schemes include a mix of offices and industrial space across the study area. Office development is limited outside Derby, where there is an encouraging trend towards city centre regeneration schemes. The industrial side is more active, especially with regards to distribution space – a notable trend in all three local authority areas.

3.97 As in Derby, demand in South Derbyshire and Amber Valley is mainly from local businesses. However, there is increasing demand from more footloose distribution companies, especially along the A50 corridor, and in the eastern half of Amber Valley.

4.0 PROPERTY MARKET – ANALYSIS

Introduction

- 4.1 This section considers the supply and demand conditions in the property market in Derby HMA. It is important to consider this as a prelude to understanding the need for land, as the demand for land is essentially derived from the demand for property.
- 4.2 The analysis is broken down into each area and focuses on the industrial and office property market. Industrial space, in this instance, refers to accommodation for manufacturing, storage, distribution and warehousing purposes, together with smaller workshop premises.
- 4.3 These findings are derived from consultation with private sector stakeholders.

General Comments

- 4.4 The stakeholders consulted made a wide range of comments covering all aspects of the market. To best illustrate the weight of feeling their views have been summarised in a series of tables. Tables 34 to 36 provide a breakdown of the range of the general comments received from stakeholders with regards to the study area.

Table 34 – General Comments – Amber Valley

Contact	Comment
National Developer	Market is still buoyant and is dominated by local businesses across a mix of B1/B2 and B8 activities
Regional Agent	There is a good level of demand The public sector need to promote the B8 sector rather than building large manufacturing units Further employment land is required close to existing road networks on flat land rather than through the remediation of brownfield sites Alfreton is a popular location due to proximity to M1 Companies are looking to consolidate a number of units into one large modern space
Local Agent	Borough appeals to businesses as it is less congested than Derby and is cheaper Additional employment land needed in Belper and Ripley
Regional Agent	Capacity issues on the A38 and plentiful land availability elsewhere [in Derby and South Derbyshire] is constraining development in the Borough Cinderhill is the key opportunity to enable economic growth – especially in Belper where there are few alternative options
Local Agent	Landowners are not releasing land for employment use Further employment land needed as close to the A38

Contact	Comment
Local Agent	Most popular location is Alfreton due to its proximity to Junction 28 M1 Leasehold market is very slow at present
Local Agent	Demand has shifted away from the Borough to the south of Derby and M1 corridor Traffic congestion on the A38 has had a detrimental affect on businesses locating in the Borough Schemes in Alfreton are looking tired and not 'sexy' enough to attract new businesses into the area Letting times are a lot longer in Amber Valley [than elsewhere in Derby HMA] as the market seems to be saturated Growth of Belper suggests a need for more employment land
Regional Agent	Alfreton experiences good demand because close to Junction 28 M1 Schemes in Heanor much weaker due to the difficulty in accessing the road network
Local Agent	The main problem is providing space for the existing economy to grow Cinderhill is the opportunity to resolve this, but planning/ownership constraints have slowed the release of the site Belper, for its size, does not have enough employment land, affected by floodplain and topographical constraints, which means Cinderhill is the logical solution

Source: BE Group 2007

Table 35 – General Comments – Derby

Contact	Comment
Regional Agent	Further employment land needs to be allocated, as there are no sites for traditional industrial businesses. These sites cannot be next to residential areas. Pride Park is becoming too up market for industrial uses. Even Ascot Drive, which was once a traditional industrial area is now being filled with showroom type units There is a perception that Derby is a second-tier city with little demand and not much happening. However, Derby does have some good sites but they are not known outside of the city. Therefore greater marketing needs to be carried out There is a shortage of small units aimed at businesses making the step out of incubator units
Local Agent	There is greatest demand for freehold units and this is reflected in the numerous offers received and the short time it takes to sell properties. Leasehold terms have shortened in response to market pressure, as businesses now require more flexibility Landlords need to be more realistic in setting rentals, this would reduce the number of units that struggle to find occupiers
Regional Agent	Further employment land needs to be identified along the main road networks, as this is where the greatest demand is Need to drip feed more employment land rather than releasing large sites at once
Local Agent	Although there is enough employment land, it is not being developed quick enough
Regional Developer	There is not enough land coming through for development Therefore further employment land should be made available to meet

Contact	Comment
	<p>demand</p> <p>Demand is greatest in Derby, the east of the city is the most popular area</p> <p>Derby has had a lot of office developments take place, but not enough industrial development</p> <p>There is a shortage of freehold office and industrial units, the most popular size for offices is 186-466 sqm, whereas for industrial it is 186-929 sqm</p>
Local Agent	<p>There is a shortage of employment land in the city. However, land use policies need to be flexible in order to adapt to changing circumstances i.e. what might be suitable as employment land now, may not be so in ten years time and should be reallocated</p> <p>Businesses are demanding shorter more flexible leases than they did historically</p>
Regional Developer	<p>Looking to develop large sites (circa 2 ha) in Derby but cannot as none exist, therefore tend to work mostly in Nottinghamshire and Leicestershire</p>
National Agent	<p>Further employment land is required as existing land are being lost to residential use. Derby requires a new strategic 6-8 ha industrial estate offering units from 232-18,580 sqm to satisfy demand</p>
National Agent	<p>The lack of large industrial sites has forced businesses to move out of the city to find suitable accommodation</p>

Source: BE Group 2007

Table 36 – General Comments – South Derbyshire

Contact	Comment
Local Agent	<p>The commercial market is value led. In fact, there has been an increase in local businesses moving out of Swadlincote to places such as Overseal where rents are cheaper</p> <p>The majority of industrial and office units are leasehold although the greatest demand is for freehold</p> <p>Demand is mainly from small local businesses</p> <p>The biggest problem in South Derbyshire (especially Swadlincote) is access. However, the proposed A38 link road will improve this and make the town more attractive for inward investment</p> <p>There is enough employment land as there are still large chunks of brownfield land to come forward</p>
Local Agent	<p>Location is very important when businesses look for accommodation</p> <p>Swadlincote is changing its image and now offers a good range of industrial units and is also now starting to offer good office facilities.</p> <p>The town suffers from poor accessibility, which is detrimental to the distribution sector. However, the town still managed to attract TNT</p> <p>The majority of properties are leasehold, however, the greatest demand is for freehold. Leaseholds are taking a considerable time to let due to the economic uncertainty at present</p> <p>The most popular sized office and industrial units range between 93-929 sqm. To a large extent, this demand is being met</p> <p>Swadlincote is the most popular area, however Hilton Industrial Estate, Hilton Business Park and Dove Valley Park do well due to their proximity to the A50</p>

Contact	Comment
	<p>Further employment land needs to be allocated. The land identified for leisure use on William Nadin Way should be reallocated as employment land</p> <p>The new proposed link road is very important, will improve accessibility and increase the district's attractiveness for inward investment</p>
Regional Developer	<p>There will be more pressure in the future for larger chunks of land in South Derbyshire to satisfy the need from large distribution companies.</p> <p>There is a need for a single carriageway to link the M42 and the A38 as this would help to relieve the current traffic bottlenecks</p>
Local Developer	<p>Swadlincote has suffered due to its coal mining history and poor transport network</p> <p>The public sector needs to improve transport infrastructure around Swadlincote</p>
Local Agent	<p>The district suffers from a poor quality road network</p> <p>Demand is limited compared to neighbouring towns such as Burton upon Trent</p> <p>Council needs to address transport issue to improve accessibility</p>
Local Agent	<p>Further employment land needs to be identified as most of Tetron Point has now been developed</p>
Local Developer	<p>More employment land required. This should be along the A50 near Dove Valley Park to create a cluster of employment land rather than small sites dotted all over the place</p> <p>Larger employment sites are required to satisfy demand for larger units</p>
Local Agent	<p>Demand in Swadlincote is not huge, however, if a property is presented to the market, demand is generated</p> <p>The Tetron Point and Cadley Hill schemes have helped to raise the profile of Swadlincote</p> <p>There is a shortage of employment land, developing on the proposed golf course on William Nadin Way would rectify this</p>
Regional Developer	<p>There is a need for further employment land to be allocated next to existing urban areas i.e. Swadlincote as this is more sustainable due to location of staff. There is enough demand to satisfy further allocated land</p> <p>Swadlincote is the most popular location in South Derbyshire</p>
Regional Agent	<p>The southern part of the district is focused on the cheap, second hand market, as it is removed from the strategic road network</p>

Source: BE Group 2007

Industrial

4.5 Tables 37 to 39 deal with the industrial property market in the three areas.

Table 37 – Amber Valley – Industrial

Contact	Comment
Regional Agent	Landlords appear to be reluctant to speculatively build units. This lack of stock has led to businesses moving out of the district There is a lot of secondary space in Heanor, Ripley and Alfreton, which is of poor quality and inflexible There is a lack of freehold units Most enquiries are for units between 929-2787 sqm Most popular sites are the ones that have good road access
Regional agent	Amber Valley offers a varied mix of good and poor quality units. The better quality units and most popular sites are adjacent to Junction 28 M1
Local Agent	Amber Valley offers a good enough range of industrial units. There is a shortage of freehold properties The most popular units are between 232-464 sqm, for which demand is generally being met There is not a lot of demand for small start-up units
Local Agent	There is a huge shortage of land in the Borough, landowners are failing to release land for employment use There is a shortage of good quality units. This has led to businesses occupying poor space due to limited availability There is a shortage of small workshops
Local Agent	There is good demand for units in the area. However, there is a shortage of land in Alfreton There is also a shortage of freehold units. Start-up businesses require units of around 140 sqm

Source: BE Group 2007

Table 38 – Derby – Industrial

Contact	Comment
Local Agent	There is a need for new industrial property in the city as there has been no recent development There is also a lack of freehold units Most popular location is Ascot Drive Prime Industrial Park, Shaftesbury Street experiences poor demand due to its poor location
Regional Agent	The majority of units are leasehold. However, there is strong demand for freehold properties for which there is a shortage Generally, units let within 6-12 months, although this depends heavily on the size, location and cost The most popular sizes is between 279-929 sqm
Local Agent	There is a shortage of freehold properties
Regional Agent	No imbalance between demand for industrial/warehouse property. Traditionally, freehold properties more popular

Contact	Comment
	There is a shortage of small, serviced freehold plots for owner occupier businesses Much of the existing stock is basic/functional rather than high quality
Nationwide Agent	Businesses require well located, accessible, good quality units Most popular sizes are between 93-929 sqm There is a general lack of property (both leasehold and freehold), which has led to a stagnated market There is greater demand for freehold properties and this is reflected in the short time it takes to complete a sale (normally three months). Leasehold properties take 3-9 months
Local Agent	There is steady demand for units of between 139-279 sqm and for larger units of around 1858 sqm There is a shortage of mid-sized units of 464-557 sqm Popular locations are Jubilee Business Park and Centurion Way Business Park to the north of the city centre Sir Francis Ley Industrial Estate offers a range of small secondary units, which are popular with start-ups
Regional Agent	Ascot Drive is the most popular estate Many premises are 186-372 sqm, however start-ups require sites of 93-186 sqm units
Local Agent	Businesses require good accessibility, the most popular location is along the A52 Derby lacks freehold units The most popular size is between 1391-2322 sqm Generally demand and supply is balanced There are two popular sizes – small (929 sqm and under) and very big (over 9290 sqm). There is minimal demand for units between 2787-9290 sqm

Source: BE Group 2007

Table 39 – South Derbyshire – Industrial

Contact	Comment
Local Agent	South Derbyshire suffers from a lack of communications and a poor quality road network There is a lack of good quality industrial units, however, demand is limited for such units, as South Derbyshire is not expected to offer high quality units There is a shortage of freehold premises and units below 372 sqm Most popular location is Swadlincote (particularly William Nadin Way and Cadley Hill)
Regional Agent	Greatest demand is for large warehouse units
Local Agent	The industrial offer is not particularly sophisticated in Swadlincote. However, there is also not a huge amount of demand, which suggests some sort of equilibrium Tetron Point offers good quality industrial units. However, there is a shortage of smaller units in Swadlincote, such as at the popular Boardman Industrial Estate Shortage of small freehold units Most popular units are around 139 sqm

Contact	Comment
	Tetron Point is starting to attract large national companies
Local Agent	There is a shortage of freeholds Swadlincote offers large warehouses but very little, small start-up units Most popular sizes are between 186-464 sqm
Regional Developer	South Derbyshire offers some good quality industrial units and there is a lot of land available on Tetron Point. However, industrial/distribution schemes in South Derbyshire face competition from Burton, Tamworth and as far as Daventry, as national companies operate on a more regional scale
Regional Agent	Demand is mainly from small, local businesses looking for small units The most popular are Foston and Hilton due to proximity to the A50
Regional Agent	Development at Tetron Point has satisfied Swadlincote-based demand. Development has been aimed at lower cost occupiers, as away from strategic highway network Demand is concentrated along A50 corridor, however, Dove Valley Park is struggling due to a lack of labour in the area and no nearby housing
Regional Developer	There is a lack of small units and freehold units in general. The most popular sizes are between 186 and 929 sqm

Source: BE Group 2007

Industrial Schemes Performance

- 4.6 Tables 40 to 42 illustrates the performance of a selection of self-contained industrial schemes in the three areas.

Table 40 – Amber Valley Industrial Schemes Performance

Property Scheme	Total Floorspace, sqm (approx)	Unit Size Range, sqm	Occupancy Rate, percent	Comments
Meadow Lane Industrial Estate, Salcombe Road, Alfreton	3279	372 - 1115	100	Offers a good range of sizes. Recently refurbished. Receive several enquiries every month.
Heanor Small Business Centre, Adams Close, Heanor	1209	144 - 288	94	Popular scheme. Demand for more interim sized units to enable for business expansion.
Slack Lane Industrial Estate, Heanor	2360	216 - 740	100	A very settled scheme with two occupiers. Units recently redecorated externally. Occasional inquiries received.

Property Scheme	Total Floorspace, sqm (approx)	Unit Size Range, sqm	Occupancy Rate, percent	Comments
Bailey Brook Industrial Estate, Langley Mill	3135	58 - 232	86	Demand greatest for smaller units (60 sqm). Undergoing refurbishment
Langley Park, Langley Mill	2508	151 – 557	81	Two units have remained empty for quite a while. Do not receive many enquiries
Amber Business Centre, Hill Top Road, Riddings, Alfreton	39,577	58 - 3394	42	Undergoing refurbishment. Offers a good range of unit sizes
Derby Road Industrial Estate, Derby Road, Heanor	1827	46 - 279	83	Little demand. Access through town centre. Poor quality units

Source: BE Group 2007

Table 41 – Derby Industrial Schemes Performance

Property Scheme	Total Floorspace, sqm (approx)	Unit Size Range, sqm	Occupancy Rate, percent	Comments
Small Business Centre Canal Street, Derby	978	49 - 210	100	A popular city centre located site. A good range of sizes. Offers seven workshops and three offices. Regular enquiries mostly for the smaller sized units.
Small Business Centre Princes Street, Derby	474	49 - 89	100	Not so well located but still popular. Regular enquiries. Offers easy in, easy out weekly license terms.
Brian Clough Business Centre, Cotton Lane	2248	49 – 261	97	Good demand, industrial units more popular than offices. Companies grow within the scheme, relocating to larger units.
Endland Industrial Estate, Parcel Terrace,	18,580	111 - 5574	100	Large industrial and trade counter scheme to the west of city centre. Car parking

Property Scheme	Total Floorspace, sqm (approx)	Unit Size Range, sqm	Occupancy Rate, percent	Comments
Derby				an issue
Peter Baines Industrial Park, Woods Lane, Derby	1300	134-235	100	Fairly modern industrial site located in built up residential area. Narrow access roads.
Racecourse Park Industrial Estate, Mansfield Road, Derby	4088	111-1672	100	Mix of trade counter and industrial/warehouse units. Good access.
Parker Industrial Estate, Mansfield Road, Derby	20,457	102-1858	93	Mix of industrial and trade counter units. Good access and fairly modern units.
Tomlinson Industrial Estate, Alfreton Road, Derby	1301	93-372	77	Small scheme offers good access and small units.
Centurion Way Business Park, Alfreton Road, Derby	8082	221-2369	100	Modern development. Good demand and accessibility.
City Road Industrial Estate, City Road, Derby	1022	139-279	100	For sale as development opportunity. Situated in built up residential area.
Cranmer Road, West Meadows Industrial Estate, Derby	10,302	278-1638	71	Popular site offering mix of trade counter and industrial units.
Robinson Industrial Estate, Shaftesbury Street, Derby	3809	65-297	100	Low quality units in semi residential/industrial area.
Prime Industrial Park, Shaftesbury Street, Derby	5853	165-957	57	Limited demand as scheme offers low quality units and is poorly located.
Raynesway Park, Raynesway, Derby	6689	464-1114	88	Fairly modern development offering good accessibility
Goodsmore	10,219	121-7246	100	Located in built up

Property Scheme	Total Floorspace, sqm (approx)	Unit Size Range, sqm	Occupancy Rate, percent	Comments
Road Industrial Estate, Amberley Drive, Derby				residential area but has good accessibility and is close to A50.

Source: BE Group 2007

Table 42 – South Derbyshire Industrial Schemes Performance

Property Scheme	Total Floorspace, sqm (approx)	Unit Size Range, sqm	Occupancy Rate, percent	Comments
Royle Business Park, Swadlincote	4273	74-650	90	Developed three years ago. The amount of enquiries has reduced since last year. There are plans to upgrade and expand but depends upon planning permission.
Woodhouse Business Centre, Woodhouse Street, Swadlincote	1868	43-537	100	Small number of enquiries. Scheme attracts start-up businesses due to short-term monthly leases.
Alexandra Road/Weston Street Industrial Units, Swadlincote	3105	29-564	100	Good location next to the town centre. Offers cheap rent and flexible leases. Attracts a mixture of start-ups and more established businesses.
George Holmes Business Centre, George Holmes Way, Swadlincote	1770	26-125	100	Used mainly by small start-up businesses or for storage purposes. Demand quite good with lettings achieved within 2-3 months.
Boardman's Industrial Estate, Swadlincote	1230	51-135	100	Used mainly by small start-up businesses or for storage purposes. Good level of demand.
Castle Lane Industrial Estate, Castle Lane, Melbourne	4110	186-1393	62	Popular with local businesses as not on main road network. Access to scheme through Melbourne town centre.

Property Scheme	Total Floorspace, sqm (approx)	Unit Size Range, sqm	Occupancy Rate, percent	Comments
Viking Business Centre, High Street, Woodville, Swadlincote	1647	121-246	92	Popular scheme outside Swadlincote in a residential area. Mix of trade counter and industrial units.
Midland Road Industrial Estate, Midland Road, Swadlincote	6178	46-1301	100	In Swadlincote town centre. Demand mainly from local businesses.
Bretby Business Park, Swadlincote	12,300	10-2325	83	Subdivided factory complex.

Source: BE Group 2007

Offices

- 4.7 The office market in the HMA is concentrated in Derby. However, there are office schemes in Amber Valley and South Derbyshire. For ease of reference property market stakeholders' comments are summarised in Tables 43 to 45.

Table 43 – Amber Valley – Offices

Contact	Comment
Regional Agent	Amber Valley has a small supply of offices with no dedicated office parks other than in Alfreton (The Office Village and Swanwick Business Park). The majority of offices are hidden in industrial estates or town centres The Office Village in Alfreton has received good levels of demand and thus strong rents. However, the scheme does not offer tenants the close proximity to the services and amenities that business parks in Derby do
Local Agent	Most popular sizes are around 232 sqm, demand is generally being met

Source: BE Group 2007

Table 44 – Derby – Offices

Contact	Comment
Regional Developer	As Pride Park becomes fully developed the property market will have to look at the city centre Regeneration will have a very positive effect
Regional Agent	Derby city centre comprises predominantly secondary space and therefore lacks good quality offices Pride Park offers the highest quality units in Derby Property requirements depend upon the needs and budget

Contact	Comment
	<p>of the individual business. However, they generally require car parking, good location, good quality and access to local amenities</p> <p>Businesses want a range of office types from high quality, prestigious offices to small start-up units</p> <p>The majority of units are leasehold. However, there is strong demand for freehold properties for which there is a shortage</p> <p>Generally, units let between 6-12 months, although this depends heavily on the size, location and cost of a property</p> <p>The most popular sized offices are between 186-372 sqm</p>
Regional Agent	<p>There are two bands of popular office sizes. The first is for small units of 93-372 sqm. The second is for units around 2322 sqm</p> <p>The most popular office location is Pride Park. There are enough offices on Pride Park to satisfy demand. However, there are no new sites coming forward, which may be a problem in five years time</p> <p>There is a definite need for more freehold offices</p> <p>Generally, Derby is meeting demand for office</p>
Local Developer	<p>There is a wide range of offices in the city centre that cater for the needs of a range of businesses</p> <p>Not all businesses want to be based on Pride Park due to the need for private transport and the high costs associated with the prestigious offices there</p> <p>However, businesses in the city centre suffer from the lack of car parking. The public sector should look to turn the soon-to-be vacated Debenhams store into a large car park.</p>
Local Agent	<p>Pride Park offers the highest quality offices in Derby. However, businesses are being forced to move there due to a lack of quality offices in the city centre</p> <p>There is a definite shortage of offices in the city centre.</p> <p>Quality units on Pride Park let very easily (usually within 3-4 months)</p> <p>Generally, city centre offices struggle to let due to poor specification and inflexible lease terms</p>
Regional Developer	<p>Public and private sector efforts are making Derby a far more attractive location</p> <p>Car parking and congestion are issues in all cities – these problems are not dealbreakers</p> <p>Derby offers price advantage over competing centres such as Leicester and Nottingham</p>
Local Agent	<p>There is a demand for new offices in Derby, however, this comes with premium prices</p> <p>Pride Park has an over-supply of offices which is probably due to the rent (£160/sqm). Therefore there is demand for more traditional locations (city centre, edge-of-centre) where rents are £75-85/sqm</p> <p>There is a need for new affordable offices in the city centre, as to date all development as been focused on Pride Park</p>

Contact	Comment
	Across the city there is a shortage of freehold offices Businesses are demanding more flexible leases than they did previously
Regional Developer	There is demand for good quality city centre offices, based on a lack of supply and as an alternative to out-of-town locations which do not suit everyone
Local Agent	The small owner-occupier market is slowing. Derby has always had a shortage of larger (1858 sqm) office buildings. Office development should be concentrated on the city centre rather than Pride Park
Local Agent	Derby offers a range of offices from budget to prestigious. However, prestigious offices come with high prices, which many businesses cannot afford The most popular sizes are 232-464 sqm Wyvern Business Park is very popular and there is good demand there. Pride Park is also popular but is nearly fully developed now
Regional Agent	Derby has an oversupply of offices, particularly on Pride Park and Wyvern Business Park Demand is greatest for freehold properties The most popular sizes are sub 929 sqm
National Developer	Severe lack of high quality offices in the city centre. Eagle Shopping Centre is hugely positive – will provide amenities to workers and raise Derby's profile Overall, the regeneration will make the city centre far more attractive to occupiers and employers, stimulating the office market
Local Agent	There has been no new office development in Derby city centre since 1989, because of Pride Park; however remaining land there is lower quality; and the area is beginning to suffer from traffic congestion City centre in need of new office development
Regional Developer	Lack of quality offices in Derby city centre; sufficient demand from both local and regional occupiers to warrant development City centre facilities and services are an attraction for all businesses and staff – Derby will be no different Pride Park diverts activity away from the city centre Derby offers developers the prospect of rental growth and hardening yields in the future – while existing lower cost base will attract occupiers over the short term to help kickstart market Derby well located in terms of strategic transport network – motorways, rail, etc

Source: BE Group 2007

Table 45 – South Derbyshire – Offices

Contact	Comment
Local Agent	Most popular sized offices are between 46-93 sqm
Regional Developer	There is shortage of freehold units. The most popular sizes are between 186 and 465 sqm
Local Agent	Businesses are generally local companies looking for small offices There is a lack of high quality offices
Regional Agent	South Derbyshire offers a limited supply of offices
Local Agent	There is no office market in South Derbyshire as it is not an attractive location. Instead businesses prefer Derby and Burton Vacant office units struggle to find occupiers
Local Agent	South Derbyshire has never really had an office market so it is difficult to comment on the market

Source: BE Group, 2007

Office Schemes Performance

- 4.8 Tables 46 to 48 illustrate the performance of a selection of self-contained office schemes in each of the three areas.

Table 46 – Amber Valley Office Schemes Performance

Property Scheme	Total Floorspace, sqm (approx)	Unit Size Range, sqm	Occupancy Rate, percent	Comments
Kable House, Bailey Brook Industrial Estate, Langley Mill	100	9-17	66	Multi-let scheme with rooms let on a monthly basis. Focused on small one man bands and those wishing to move out of home offices
The Office Village, Key Point, Nottingham Road, Alfreton	1035	125-178	0	Recently completed office scheme showing good early indications of demand
Epos House, Heage Road, Ripley	479	3-144	97	Easy in, easy out terms. Generally lets very easily

Source: BE Group 2007

Table 47 – Derby Office Schemes Performance

Property Scheme	Total Floorspace, sqm (approx)	Unit Size Range, sqm	Occupancy Rate, percent	Comments
Southgate Business Centre, Normanton Road	604	21-604	82	Modern purpose built offices Southgate Retail Park
Brian Clough Business Centre, Cotton Lane, Derby	252	71-90	64	Office demand more limited, because scheme in industrial area. Popular with start-ups
Litchurch Plaza, Litchurch Lane, Derby	2198	14-516	100	Recently undergone refurbishment. Located in high industrial area
Sitwell House, Babington Lane, Derby	1579	46-418	50	City centre first and second floor offices
Abbots Hill Chambers, Gower Street, Derby	1718	37-371	100	City centre first and second floor offices
The Parker Centre, Parker Industrial Estate, Derby	836	24-139	100	Multi let scheme within larger industrial/trade estate
Wyvern Business Park, Stephenson's Way, Derby	13,006	138-3232	79	High quality office park with recently built office units High levels of demand

Source: BE Group 2007

Table 48 – South Derbyshire Office Schemes Performance

Property Scheme	Total Floorspace, sqm (approx)	Unit Size Range, sqm	Occupancy Rate, percent	Comments
Oaktree Business Park, Swadlincote	1144	69-222	75	New scheme completed in April. Interest has been good.
Windlehill Farm, Sutton on the Hill	66	19-24	67	Small units in converted barn. Aimed at start-ups

Property Scheme	Total Floorspace, sqm (approx)	Unit Size Range, sqm	Occupancy Rate, percent	Comments
Bretby Business Park, Swadlincote	11,486	10-3650	75	Subdivided factory complex
Tomlinson Business Park, Foston	949	468-480	51	New offices experiencing lack of demand due to isolated location. Potential for a further six units

Source: BE Group 2007

Serviced Offices

- 4.9 Table 49 shows that there is total of 9028 sqm of floorspace in serviced offices in the HMA. None of the schemes are full and occupancy is on average 59 percent. Derby offers the majority of serviced offices in the study area.

Table 49 – Services Offices Schemes Performance – Derby HMA

Property Scheme	Total Floorspace, sqm (approx)	Unit Size Range, sqm	Occupancy Rate, percent	Comments
Bradgate House, Derby Road, Langley Mill, Heanor	501	15-303	18	Serviced office scheme in Heanor to town centre
Friar Gate Studios, Ford Street, Derby	1687	25-110	20	Specialist creative industries facility. New building, only finished in March, hence low occupancy rate
The iD Centre, RTC Business Park, London Road, Derby	583	9-49	68	Specialist facility for aerospace, rail, technology and high growth businesses. Multi-let scheme offering incubator space for start-ups. Short term leases with incentives.
Halliday House, 2 Wilson Street, Derby	147	9-45	88	Serviced offices in the city centre
Dovedale House, 2 Wilson Street, Derby	204	9-28	73	Serviced offices in the city centre
The Old	279	9-186	80	Serviced offices in

Property Scheme	Total Floorspace, sqm (approx)	Unit Size Range, sqm	Occupancy Rate, percent	Comments
Courthouse, 18-22 St Peters Church Yard, Derby				the city centre
Derwent Business Centre, Clarke Street, Derby	3437	20-167	97	Mix of office and light industrial/workshop units for start-ups
The College Business Centre, Uttoxeter New Road, Derby	2044	11-111	94	Offer full serviced offices as well as virtual office support. Quite popular particularly with start-ups and small one man bands
Heritage House Lodge Lane, Derby	146	17-42	0	Lack of interest due to nature of lease offered

Source: BE Group 2007

- 4.10 Serviced offices are also available at Belper Mills where seven suites are vacant.

Summary

- 4.11 In general the study area has a reasonably strong property market, particularly for freehold premises (of all types), of which there is a shortage. Typically the industrial market is stronger than that for offices; and as expected Derby is the focus within Derby HMA.
- 4.12 Modern businesses increasingly want good quality, well located premises close to the major road network on flexible, short term bases.
- 4.13 There is a very limited office market in both Amber Valley and South Derbyshire. A lack of demand is matched by minimal supply, especially of good quality units. Most demand for small suites of up to 186 sqm.
- 4.14 In Amber Valley demand (mainly industrial) is strongest in Alfreton, close to the M1; and along the A38. Stakeholders would like to see more land made available in Alfreton, Belper and Ripley. Heanor is less of an issue, being more inaccessible. There is demand for industrial units up to 464 sqm and larger 2787 sqm plus schemes.

- 4.15 In Derby (some of) the employment land is believed to be poorly located; and much requires servicing to overcome the shortage of industrial development options. A lack of land has led to some businesses leaving the city. The industrial market is also being affected by the growth of higher value trade counter uses outbidding traditional uses.
- 4.16 Derby's office market is improving, however the city centre stock is poor quality. It has been neglected in favour of Pride Park and Wyvern Business Park. Regeneration is long overdue, however this will have a dramatic, beneficial effect. Especially as out-of-town locations are close to being fully developed. There are two main markets, for 0-464 sqm suites and units up to 2322 sqm.
- 4.17 In South Derbyshire, Swadlincote is the focus of activity. Although the A50 corridor schemes are very attractive, even if occupiers struggle to get a workforce there. Quite a local market, the interest from inward investors and quality of available buildings has improved dramatically as a result of regeneration efforts. Most of the demand is for units up to 929 sqm, and there is a shortage of units in the bottom half of this size range. East-west transport routes could still be improved. Stakeholders were not able to comment on the rural parts of the District because of a relative lack of activity.

5.0 EMPLOYMENT LAND

Introduction

- 5.1 This section looks at the existing portfolio of land in the study area, not only how much there is, but also its quality, type, suitability and availability. The study area needs a balanced portfolio of land to accommodate a sustainable, growing economy that can respond to dynamic market conditions, changing business needs and working practices, including higher technology operations.
- 5.2 By initially establishing how much land there is, we must then, secondly, consider how much land is needed in the future (to 2026 in accordance with the brief).

Land Supply

- 5.3 The starting point for the assessment of land supply is Derbyshire County Council's 2006 Employment Land schedules that identifies 70 sites for employment uses, totalling 411 ha. Location plans can be found at Appendix 5.
- 5.4 Tables 50 to 52 schedule the location of each site; its size; provides comments on its current status (e.g. owner intentions) together with an assessment (by BE Group) as to when it might come forward for development or use. This assessment of timescale is based upon a number of factors – market demand, ownership situation, planning status, infrastructure and services required.

Table 50 – Amber Valley Allocated Employment Sites Availability

Derbyshire County Council Planning Ref	Name	Site Size, ha	Comment / Update	Estimated Availability, years
A0302602	Cinderhill	30.00	Greenfield Local Plan allocation Various ownerships Part of larger mixed-use scheme Requires access, reclamation and assembly	3-5
A0301701	Denby Hall, Denby	26.00	Brownfield Local Plan allocation, part with outline planning permission UK Coal owner Freehold plots available Former colliery site which requires remediation	0-1

Derbyshire County Council Planning Ref	Name	Site Size, ha	Comment / Update	Estimated Availability, years
A0101804/ 5/7	Cotes Park East, Somercotes	11.26	Greenfield Local Plan allocation Three ownerships Requires new access road – Birchwood Way	3-5
A0902202	Taylor Lane, Loscoe	9.83	Brownfield Strawsons own Looking for wider mixed use development including housing	3-5
A0900125	West of Heanor Gate IE	9.73	Greenfield Requires access road Outline planning permission Bowmer & Kirkland looking to develop	1-3
A0302102	Bullsmoor, Belper	7.76	Greenfield Local Plan allocation Bowmer & Kirkland own Access issues Drainage issues	3-5
A0302901	Nottingham Road, Ripley	5.40	Greenfield Local Plan allocation Clowes applied for industrial development Adjacent to Codnor Gate IE	1-3
A0900305 D/F/G	Amber Drive, Bailey Brook IE, Langley Mill	3.55	Brownfield Skills Coaches own Some ground issues on part Part outline planning permission Looking for mix of employment (integrated coach facility) and housing	1-3
A0900127	Adams Close, Heanor Gate IE	2.17	Greenfield In-fill site Outline planning permission	0-1
A0100915 B	Off Cotes Park Lane, Cotes Park West, Somercotes	2.09	Greenfield Birchwood Concrete Products own Outline planning permission In-fill site Landlocked	3-5
A0100718	Off Wimsey Way, Alfreton Trading	1.88	Greenfield Derbyshire County Council own Local Plan allocation	5+

Derbyshire County Council Planning Ref	Name	Site Size, ha	Comment / Update	Estimated Availability, years
	Estate		In-fill site Ground condition issues No access, can only be used by adjacent occupiers	
A0100714	Hockley Way, Alfreton Trading Estate	1.70	Greenfield William Hollins & Co own Local Plan allocation In-fill site Used as playing field	1-3
A0903001	Derby Road, Langley Mill	1.38	Greenfield Outline planning permission	0-1
A0101004	Charity Road, Amber Business Centre, Riddings	1.33	Greenfield Pass Developments own Outline planning permission In-fill site Partly in use for storage	1-3
A0303101	Butterley Park, Ripley	0.72	Greenfield Outline planning permission Promoted for higher value uses	1-3
A0301504	Goods Yard, Belper	0.68	Brownfield Glow Worm own Expansion land for Corrugated Products Local Plan allocation	1-3
A0100914 C	Off Cotes Park Lane, Cotes Park West, Somercotes	0.51	Brownfield Derbyshire County Council own Outline planning permission In-fill site Landlocked	3-5
A0100710	Keys Road, Alfreton Trading Estate	0.47	Brownfield Zyma Healthcare own Outline planning permission In-fill site	0-1
A0900124	Slack Lane, Heanor Gate IE	0.35	Greenfield Peveril Securities own In-fill site Outline planning permission	0-1
A0100514 A	Meadow Lane IE, Alfreton	0.10	Brownfield Outline planning permission Alfreton Plastics own In-fill site	0-1
A0302401	Peasehill	0.09	Brownfield	0-1

Derbyshire County Council Planning Ref	Name	Site Size, ha	Comment / Update	Estimated Availability, years
A	Road, Ripley		Outline planning permission Cresswell own In-fill site	
A0100513 B	Meadow Lane IE, Alfreton	0.08	Brownfield Outline planning permission Sutton Riley Engineering own In-fill site	0-1
Total		117.08		

Source: DCC 2007

Table 51 – Derby Allocated Employment Sites Availability

DCC Planning Ref	Planning Name	Site Size, ha	Comment / Update	Estimated Availability, years
WI04	Wilmore Road, South	86.80	Greenfield Also known as Chellaston Business Park Anticipated that some of the site may be brought forward for high quality business park Requires new link road, potential noise from RR test beds, need environmental protection zone, requires walkways, etc Outline planning permission for B1, B2, B8 on large part of the site Whole site allocated in the CDLPR	3-5
CO03	Acordis, Spondon	39.20	Brownfield Planning application for B1, B2 and B8 uses in conjunction with RA01 and RA02 – 219,000 sqm proposed Constrained by Alvaston Bypass proposals, floodplain protection, landscape buffer zone needed, need for link bridge	3-5
CH05	Chaddesden Sidings – South	28.00	Brownfield Constrained – mineral extraction, processing and associated landfill; environmental protection of River Derwent	1-3
RA02	Raynesway –	19.10	Planning application for B1, B2	1-3

DCC Planning Ref	Planning Name	Site Size, ha	Comment / Update	Estimated Availability, years
	Alvaston East		and B8 uses in conjunction with CO3 and RA01 Constrained by Alvaston Bypass proposals, floodplain protection, landscape buffer zone needed	
MK01	Manor Kingsway Hospital Site	6.90	Brownfield Major redevelopment proposal Supplementary Planning Document adopted	3-5
CH03	Chaddesden Sidings – West	6.60	Brownfield Part of site has temporary planning permission for car storage until 2008 Constrained – mineral extraction, processing and associated landfill; environmental protection of River Derwent	1-3
RA01	Raynesway – Alvaston Centre	6.40	Planning application for B1, B2 and B8 uses in conjunction with CO3 and RA02 Constrained by Alvaston Bypass proposals, floodplain protection, landscape buffer zone needed	1-3
LO05	Bombardier Land	6.37	-	1-3
OS01	Osmaston Park Road	4.84	Brownfield Outline planning permission for industrial – reserved matters for employment use Planning for retail warehousing on part	0-1
SI04	Former Sinfyn Tannery Site	3.36	Brownfield Outline planning permission for waste recycling facility; potential ground contamination; satisfactory boundary treatment required	1-3
CH06	Land South of Chellaston	2.82	Greenfield Part of wider site developed for B1/C3 mix Wider site continues into South Derbyshire	0-1
OS03	Longbridge Lane	2.65	Land now under construction Need to provide alternative sports provision – which has now been identified	0-1
RY01	Rykneild Road	2.40	Greenfield Employment element of major	3-5

DCC Planning Ref	Planning Name	Site Size, ha	Comment / Update	Estimated Availability, years
			housing site Supplementary Planning Document in preparation	
NO01	Nottingham Road, Spondon East	2.36	Brownfield Potential loss to residential Outline planning permission for industrial	0-1
PP02	Pride Park (East of Gas Holder)	2.33	Brownfield Flagship business park Detailed planning permission – now under construction	0-1
WI03	Wilmore Road, North	2.14	Rolls Royce expansion land Constrained by noise from RR test beds and wildlife interests	0-1
ST04	Station Road, South West	2.10	Brownfield Detailed planning permission for residential with small element of offices (0.1 ha)	1-3
PP06	Pride Park (NE of ABB Works)	1.87	Brownfield Flagship business park Various planning permissions	0-1
RA04	Raynesway – Alvaston South	1.60	Planning application for mixed-use scheme including B1 uses Area includes a further 8.9 ha of redevelopment land	1-3
AN03	Anglers Lane	0.87	Detailed planning application for industrial	1-3
HA02	Harvey Road/Coleman Street	0.60	Brownfield Owner has aspiration for retail uses	1-3
SI03	Sir Frank Whittle Way	0.59	Greenfield Pektron expansion land	1-3
LO04	Land off London Road	0.54	Land now under construction Wider site partially developed for City Gate Business Park	0-1
ST02	Land East of Station Road	0.52	Brownfield Under construction for Stoney Gate Industrial Estate Outline planning permission for industrial	0-1
MA04	Mansfield Road, East Meteor Centre	0.42	Greenfield Remaining land from car showroom development Unlikely to be developed	0-1
SI02	Sinfin Lane	0.25	Remainder of site, partially	0-1

DCC Planning Ref	Planning Name	Site Size, ha	Comment / Update	Estimated Availability, years
			developed for Scholl factory unit	
MA06	Mansfield Road	0.24	Brownfield in-fill site Detailed planning permission for industrial (lapsing 2008)	0-1
CA01	Cathedral Road	0.20	Brownfield City centre redevelopment scheme	0-1
CH01	Wyvern Business Park	0.15	Brownfield Major office park – almost complete Detailed planning permission	0-1
FR02	Corner of Ford Street & Friar Gate	0.12	Brownfield City centre redevelopment scheme Friar Gate Studios since built on site	0-1
CA04	Cathedral Road	0.10	Brownfield City centre redevelopment scheme	1-3
Total		232.44		

Source: DCC 2007

Table 52 – South Derbyshire Allocated Employment Sites Land Availability

Derbyshire County Council Planning Ref	Name	Site Size, ha	Comment / Update	Estimated Availability, years
S1501701A /702/704	Former Cadley Hill Colliery, Swadlincote	14.87	Allocated in Local Plan Brownfield UK Coal own Outline planning permission Marketed as Tetron Point	0-1
S0701605	Dove Valley Park, Church Broughton	14.27	Allocated in Local Plan Brownfield Dove Valley Park own Outline planning permission	0-1
S1500309	South of Cadley Hill Industrial Estate, Swadlincote	13.00	Allocated in Local Plan Greenfield Main owner is St Modwen Local Plan allocation Highways issues to be resolved	1-3
S0700806	Station Road, Lilypool IE,	4.80	Allocated in Local Plan Greenfield Melbourne Estates own	1-3

Derbyshire County Council Planning Ref	Name	Site Size, ha	Comment / Update	Estimated Availability, years
	Melbourne		Proposal for residential development Noise issues	
S0705401	Woodyard Lane Farm, Foston	3.95	Brownfield Adjacent to Tomlinson Business Park Detailed planning permission Owned by J. Mason Associates	0-1
S0705201	Former MOD Depot, Hilton	3.25	Brownfield Detailed planning permission Owned by St Modwen	0-1
S1503301	Former Drakelow Power Station	3.00	Brownfield Bullivant own Outline planning permission	0-1
S1502306	Occupation Lane, Woodville	1.00	Greenfield Owned by Tapton Estates	0-1
S0704701	Scaddows Lane, Ticknall	0.54	Brownfield Webster owns Detailed planning permission Extension to business site	0-1
S1503401	Former Swadlincote Colliery	0.53	Brownfield St Modwen own Outline planning permission	0-1
S1500308A	Cadley Hill Industrial Estate, Swadlincote	0.47	Greenfield Derbyshire County Council own Outline planning permission	0-1
S1504601	Newton Road, Newton Solney	0.46	Brownfield CGP Chemicals own Detailed planning permission Extension to business site	0-1
S0703101	West View, The Common, Melbourne	0.34	Greenfield Solid Systems own Detailed planning permission Extension to business site	0-1
S1504001	Cadley Lane, Caldwell	0.32	Greenfield Hodson Walker own Detailed planning permission Extension to business site	0-1
S0704901	Hatton Fields, Hilton	0.28	Brownfield Detailed planning permission	0-1

Derbyshire County Council Planning Ref	Name	Site Size, ha	Comment / Update	Estimated Availability, years
			Extension to business site	
S0705001	Etwall Garage	0.25	Brownfield Detailed planning permission for B1a/b uses	0-1
S0702602	Bridge Farm, Sinfyn Lane, Barrow on Trent	0.15	Brownfield East Midlands Self Storage own Detailed planning permission Extension to business site	0-1
Total		61.48		

Source: DCC 2007

Sites Analysis

- 5.5 Table 53 shows how the land is distributed through the study area. As expected it is concentrated in Derby, with over 55 percent. There are some large sites that account for a vast bulk of the land, 55.00 ha in Amber Valley is accounted for by Cinderhill and Denby Hall. In Derby, Chellaston Business Park, Acordis Spondon and the Raynesway sites contribute 151.50 ha. Cadley Hill and Dove Valley Park provide 29.14 ha in South Derbyshire.

Table 53 – Distribution of Allocated Employment Land

Area	Number of Sites	All Employment Land, ha	Land Proportion, percent
Amber Valley	22	117.08	28.5
Derby	31	232.44	56.6
South Derbyshire	17	61.48	15.9
Derby HMA	70	411.00	100.0

Source: BE Group

- 5.6 Less than a quarter of the land is immediately available for development. Although just over half is potentially available within the short term (three years), as Table 54 shows. However over 200 ha is constrained by a lack of servicing.

Table 54 – Allocated Employment Land Availability

Area	Availability, years				Total
	0-1	1-3	3-5	5+	
Amber Valley	30.64 8	23.11 7	61.45 6	1.88 1	117.08 22
Derby	21.45 15	75.69 12	135.30 4	- -	232.44 31
South Derbyshire	43.68 15	17.80 2	- -	- -	61.48 17
Derby HMA	95.77 37	116.60 21	196.75 10	1.88 1	411.00 69

Source: BE Group 2007

- 5.7 In Amber Valley over half the land is not available in the short term, only Denby Hall provides a large area of employment land. Cinderhill will provide 30 ha, but not for a number of years. The ownership issues and viability of land at Cotes Park IE, Alfreton and Bullsmoor in Belper also delay their availability.
- 5.8 Most of the immediately available land in Derby is small in-fill sites, many with development proposals attached. The next tranche of land is dependent upon the servicing of Chaddesden Sidings (to expand the Pride Park area) and the three Raynesway sites. However over 58 percent of the land lacks services and access – Chellaston Business Park, Acordis Spondon, Kingsway Hospital and Rykneld Road.
- 5.9 South Derbyshire has the best short term land availability situation; 43.69 ha is developable immediately. The remainder will come forward shortly. This is as a result of the regeneration efforts to the west of Swadlincote that has opened up large chunks of former colliery land.
- 5.10 Furthermore there are a number of major potential sites not included in this analysis. These include in excess of 50 ha at the former Drakelow power station site; up to 80 ha at the former Willington power station site and land identified in the Woodville to Swadlincote Town Centre Area Action Plan Issues and Options consultation document (February 2007) to the north of Occupation Road, Woodville. However it should be noted that all the above may be dependent upon substantial infrastructure improvements and that in each case the owners have expressed aspirations to develop the sites, at least in part, for higher value uses. There is also land at the former Hilton Ministry of Defence depot that could be better utilised.

5.11 In all three areas there are sites that may never come forward (in full or part), because the owner has aspirations for higher value uses, they are landlocked, or too costly to service. These sites are shown in Table 55. Location plans for these are provided at Appendix 6.

Table 55 – Potential Allocated Employment Site Losses

Area	Site and Size, ha	Reason	Total Area, ha
Amber Valley	Taylor Lane, Loscoe 9.83	Housing aspirations	24.93
	Bullsmoor, Belper 7.76	Viability	
	Amber Drive, Langley Mill 3.55	Housing aspirations	
	Wimsey Way, Alfreton 1.88	Landlocked	
	Butterley Park, Ripley 0.72	Higher value aspirations	
	Goods Yard, Belper 0.68	Expansion land	
	Cotes Park Lane, Alfreton 0.51	Landlocked	
Derby	Osmaston Park Road 4.84	Higher value aspirations	14.47
	Nottingham Road 2.36	Higher value aspirations	
	Wilmore Road North 2.14	Expansion land	
	Station Road 2.10	Higher value aspirations	
	Raynesway South 1.60	Higher value aspirations	
	Harvey Road/Coleman Street 0.60	Higher value aspirations	
	Sir Frank Whittle Way 0.59	Expansion land/ Landscaping	
	Mansfield Road 0.24	Expansion land/ Landscaping	
South Derbyshire	Station Road, Melbourne 4.80	Higher value aspirations	4.80

Source: BE Group 2007

5.12 Amber Valley is potentially the worst affected by these issues, 24.93 ha is at risk, which is 21.3 percent of its land supply. The 14.47 ha in Derby is relatively insignificant given the 230 ha plus available. The 4.80 ha in South Derbyshire is an issue given that this is eight percent of its land supply. This is compounded by the fact that this 4.8 ha site is in Melbourne, where there are limited alternative options. Beyond this there will be other sites 'lost' to alternative uses, or held back for expansion; as well as existing employment land currently in use that will be

redeveloped for alternative uses. Difficult to quantify at this stage, it will compound these losses.

Site Grading

5.13 All sites have been graded using a standard scoring system that consists of a number of measures. The scoring system is provided in Appendix 7. Each site is scored out of 100, made up of ten individual measures, each scored out of ten, these are:

- Proximity to a dual carriageway
- Prominence
- Public transport
- Planning status
- Services availability
- Road accessibility
- Constraints
- Environmental setting
- Flexibility
- Availability.

5.14 Two scores are provided in Tables 56 to 58 a total score and a market-led score, which reflect the locational strengths and weaknesses of each site. The market-led score is made up of just dual carriageway proximity, prominence, road accessibility, environmental setting and flexibility. These are the characteristics that are very difficult to improve. The other five aspects, which combine to make up the total score, are much easier to improve and hence provide the ability to raise the quality of a site. Therefore the sites are sorted in order of the market-led score.

Table 56 – Amber Valley Allocated Employment Sites Scoring

DCC Ref	UDP Name	Land Available, ha	Total Score, max 100	Market-led Sub-total, max 50
A0302602	Cinderhill	30.00	67	45
A0301701	Denby Hall, Denby	26.00	67	36
A0302901	Nottingham Road, Ripley	5.40	63	33
A0303101	Butterley Park, Ripley	0.72	70	32
A0101804/5 /7	Cotes Park East, Somercotes	11.26	47	32

DCC Ref	UDP Name	Land Available, ha	Total Score, max 100	Market-led Sub-total, max 50
A0903001	Derby Road, Langley Mill	1.38	67	29
A0100714	Hockley Way, Alfreton Trading Estate	1.70	52	29
A0100710	Keys Road, Alfreton Trading Estate	0.47	61	28
A0900305D /F/G	Amber Drive, Bailey Brook IE, Langley Mill	3.55	55	25
A0100718	Off Wimsey Way, Alfreton Trading Estate	1.88	37	24
A0900125	West of Heanor Gate IE	9.73	48	23
A0100914C	Off Cotes Park Lane, Cotes Park West, Somercotes	0.51	47	23
A0100915B	Off Cotes Park Lane, Cotes Park West, Somercotes	2.09	47	23
A0302102	Bullsmoor, Belper	7.76	46	23
A0101004	Charity Road, Amber Business Centre, Riddings	1.33	51	22
A0302401A	Peasehill Road, Ripley	0.09	61	21
A0100513B	Meadow Lane IE, Alfreton	0.08	58	20
A0100514A	Meadow Lane IE, Alfreton	0.10	54	20
A0902202	Taylor Lane, Loscoe	9.83	45	20
A0900124	Slack Lane, Heanor Gate IE	0.35	46	13
A0900127	Adams Close, Heanor Gate IE	2.17	46	13
A0301504	Goods Yard, Belper	0.68	43	13

Source: DCC 2007

Table 57 – Derby Allocated Employment Sites Scoring

UDP Ref	UDP Name	Land Available, ha	Total Score, max 100	Market-led Sub-total, max 50
CH01	Wyvern Business Park	0.15	98	50
RA01	Raynesway – Alvaston Centre	6.40	78	50
RA02	Raynesway – Alvaston East	19.10	78	50

UDP Ref	UDP Name	Land Available, ha	Total Score, max 100	Market-led Sub-total, max 50
CH05	Chaddesden Sidings – South	28.00	86	49
MK01	Manor Kingsway Hospital Site	6.90	76	48
PP02	Pride Park (East of Gas Holder)	2.33	97	47
PP06	Pride Park (NE of ABB Works)	1.87	95	47
RA04	Raynesway – Alvaston South	1.60	75	46
CH06	Land South of Chellaston	2.82	83	45
RY01	Rykneld Road	2.40	66	41
WI04	Wilmore Road, South	86.80	58	39
HA02	Harvey Road/Coleman Street	0.60	69	34
OS01	Osmaston Park Road	4.84	75	32
CH03	Chaddesden Sidings – West	6.60	62	31
LO04	Land off London Road	0.54	76	30
NO01	Nottingham Road, Spondon East	2.36	76	30
CO03	Acordis, Spondon	39.20	49	29
ST02	Land East of Station Road	0.52	76	28
ST04	Station Road, South West	2.10	73	28
WI03	Wilmore Road, North	2.14	54	28
LO05	Bombadier Land	6.37	60	27
SI03	Sir Frank Whittle Way	0.59	52	27
SI04	Former Sinfin Tannery Site	3.36	57	26
OS03	Longbridge Lane	2.65	68	25
CA01	Cathedral Road	0.20	70	24
FR02	Corner of Ford Street & Friar Gate	0.12	70	24
CA04	Cathedral Road	0.10	68	24
MA04	Mansfield Road, East Meteor Centre	0.42	51	24
MA06	Mansfield Road	0.24	60	22
AN03	Anglers Lane	0.87	61	20
SI02	Sinfin Lane	0.25	55	19

Source: DCC, 2007

Table 58 – South Derbyshire Allocated Employment Sites Scoring

DCC Ref	UDP Name	Land Available, ha	Total Score, max 100	Market-led Sub-total, max 50
S0701605	Dove Valley Park, Church Broughton	14.27	83	50
S0705401	Woodyard Lane, Foston	3.95	81	48
S0705201	Former MOD Depot, Hilton	3.25	59	38
S1501701A/702/704	Former Cadley Hill Colliery, Swadlincote	14.87	69	33
S1500309	South of Cadley Hill IE, Swadlincote	13.00	63	33
S1503301	Former Drakelow Power Station	3.00	60	31
S1503401	Former Swadlincote Colliery	0.53	66	28
S1500308A	Cadley Hill Industrial Estate, Swadlincote	0.47	66	28
S1502306	Occupation Lane, Woodville	1.00	59	21
S0705001	Etwall Garage	0.25	54	21
S0700806	Station Road, Lilypool IE, Melbourne	4.80	36	16
S09704901	Hatton Fields, Hilton	0.28	50	15
S0702602	Bridge Farm, Sinfin Lane, Barrow on Trent	0.15	49	14
S0704701	Scaddows Lane, Ticknall	0.54	41	6
S1504601	Newton Road, Newton Solney	0.46	41	6
S0703101	West View, The Common, Melbourne	0.34	41	6
S1504001	Cadley Lane, Caldwell	0.32	41	6

Source: DCC 2007

5.15 The highest scoring sites, in terms of the market-led score are mostly in Derby, this includes the Pride Park/Wyvern Business Park area (and associated expansion areas), Raynesway sites and land South of Chellaston. Chellaston Business Park falls just outside the top tier, but its score will improve when the new road is built into it. Notably two mixed-use regeneration areas make the top tier – Manor Kingsway Hospital and Rykneld Road – both of which are close to the key transport corridors (though neither are large scale sites).

- 5.16 Both Amber Valley and South Derbyshire have only one top tier site only. Cinderhall is close to the arterial A38 that divides Amber Valley in two, Dove Valley Park scores well because of its strategic location next to the A50. Otherwise these areas score pretty, poorly, reflecting in part the relatively poor transport corridors that run through these areas – but also the poor locations and situations of the sites themselves.

Table 59 – Sites Score Summary

Area	Market-Led Sites Score, Number of Sites			
	0 – 30	31 – 40	41 – 50	Total
Amber Valley	17	4	1	22
Derby	17	4	10	31
South Derbyshire	11	4	2	17
Derby HMA	46	11	12	69

Source: BE Group 2007

- 5.17 Overall Derby has the highest quality portfolio; both Amber Valley's and South Derbyshire's appear equally poor. However, on closer inspection, most of South Derbyshire's large, key sites are good, it is the District's relatively large number of small sites that score badly. Whereas, in Amber Valley, some of its large sites, e.g. Taylor Lane, Loscoe; Bullsmoor, Belper; West of Heanor Gate IE; and Amber Drive, Langley Mill score poorly; compounding the low scores (expected) from the smaller sites. A visual representation of these grades can be found in the sites location plans in Appendix 5.

Employment Areas

- 5.18 In this sub-section an assessment of the study area's main employment areas is made in order to provide guidance as to their continued viability. This is shown in Table 60, and grouped by area within Derby HMA – Amber Valley, Derby, South Derbyshire.

Table 60 – Scheme Hierarchy

Type	Typical Characteristics	Employment Areas/Sites
<p>Flagships</p>	<p>Schemes of scale, location and setting capable of being broad business park developments competing for investment in the regional/sub regional marketplace. These are prime areas for marketing to a cross-section of users – including new inward investments into the County. They can also meet the needs of image-conscious, aspirational companies already located in the area. They may be B1, B2 or B8 in nature.</p>	<p>Swanwick Court Business Park, Alfreton Belper Mill and West Mill, Belper (potential) Cinderhill (potential)</p>
		<p>Pride Park Wyvern Business Park Chellaston Business Park (potential) Derby City Centre (potential) Kingsway Hospital (potential)</p>
		<p>Dove Valley Park Tomlinson Business Park, Foston Drakelow (potential) Willington (potential)</p>
<p>Narrow Band Areas</p>	<p>Key schemes where the sites, their locations and environment are promoted for a narrow range of uses. It may be that only a part of a larger site is allocated to this activity. In other cases it may be prudent to dedicate the whole site to this narrow band use. Often they are high technology related. In the case of Derby HMA they are also linked to the area's key businesses, e.g. Toyota and Rolls Royce.</p>	<p>-</p>
		<p>Chellaston Business Park (potential) Friar Gate Studios Victory Road</p>
		<p>Toyota</p>
<p>Key Employment Areas</p>	<p>Schemes with an influence over the whole of the study area, geared to serving the needs of indigenous industry. They are likely to be of a size to create presence and able to accommodate a range of uses, but more suited to B2 and B8 activity</p>	<p>Cotes Park IE/Alfreton Trading Estate Codnor Gate IE, Ripley Heanor Gate IE, Heanor Access 26/Chrysalis BP, Heanor Denby Business Park</p>
		<p>Ascot Drive IE Meadows IE Stores Road/Alfreton Road IE Prime Parkway BP Raynesway (potential) Rykneld Road (potential)</p>
		<p>Astron BP/Tetron Point/ George Holmes IE/Cadley Hill IE, Swadlincote Occupation Lane/Woodville, Swadlincote (potential)</p>

Type	Typical Characteristics	Employment Areas/Sites
Key Local Sites	Schemes that offer employment opportunities within specific local areas. In most instances their role will be to meet the expansion needs of indigenous companies or to accommodate local start-ups. They tend to focus on use classes B1c, B2 and B8.	Meadow Lane IE, Alfreton Greenhill Lane IE, Riddings Heage Road IE, Ripley Peasehill Road IE, Ripley Bailey Brook IE, Heanor Langley Park IE, Heanor
		Sinfin Lane Osmaston Road Spondon/West Service Road
		Lilypool IE, Melbourne Hilton Business Park Viking Business Centre/Jeffreys BP, Swadlincote Bretby Business Park, Swadlincote
Key Rural Sites	Schemes that offer employment opportunities within rural areas. In most instances their role will be to meet the expansion needs of rural businesses or to accommodate rural start-ups	-
		-
		Hilton Industrial Estate Station Road IE, Melbourne
Others	Other schemes of importance providing employment, but which fall outside the higher quality categories.	Pye Bridge IE, Somercotes Heanor Road/Taylor Lane IE, Heanor Goods Road/Goods Lane/Derwentside IE, Belper Ambergate Works
		Nottingham Road Kingsway IE
		Rinkway IE, Swadlincote Midland/Kingsway IE, Swadlincote

Source: BE Group

Employment Areas Assessment

Area Assessments Template

- 5.19 Each of the main employment areas in Amber Valley and Derby have been appraised and assessed. Location plans for these areas can be found in Appendix 8. This is BE Group's conclusion on the ranking that should be afforded to the area. This has been based on a number of factors – critical mass of the area, companies like to be together; accessibility, the closer to arterial transport routes the better; prominence, to main roads; servicing and car parking area, the extent and quality of this; and environment. Combining this data leads to an overall hierarchical assessment, graded good to poor. These are described in Table 61 and include the

recommended action for each grade. It should be remembered that the areas are considered in the wider Derby HMA context, not on an individual local authority area basis. Consequently Amber Valley's areas score more lowly than the other two areas, because of the generally relatively lower quality nature of their employment land and premises portfolio.

Table 61 – Grades Definitions

Grade	Definition	Action
Good	High quality, prestigious, flagship business areas due to their scale, location and setting. Capable of competing for investment in the regional market place. These are prime sites for marketing to a cross section of users including new inward investors. They can also meet the needs of image-conscious, aspirational companies already in the City.	Protect strongly Support and expand
Above average	Good employment sites due to their scale, location and setting. Capable of competing for investment in the sub-regional market place. These are prime sites for marketing to a cross section of users, B1, B2 and B8, including some new inward investors.	Protect strongly Support and expand
Average	Key employment sites with an influence over the whole City, but primarily geared towards local businesses and B1 light industrial, B2 and B8 uses.	Protect Support
Below average	Lower quality locations often in residential areas suffering from poor accessibility and massing.	Assess whether to protect/review through the LDF
Poor	Very poor quality areas. Widespread vacancy and dereliction in poor environments.	Promote alternative uses if possible

Source: BE Group

Table 62 – Amber Valley Employment Area Gradings

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
8	Codnor Gate IE, Ripley	26.14	Above average	Reasonable quality buildings on maintained industrial estate with good access
9	Heage Road IE, Ripley	6.46	Above average	Reasonable quality industrial estate, although access not ideal
10	Chrysalis Business Park/Langley Bridge Industrial Estate, Langley Mill	8.51	Above average	Highly accessible, modern developments

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
11	Access 26, Langley Mill	21.67	Above average	Highly accessible, modern developments
26	Denby Hall Business Park	23.64	Above average	Modern business park in reasonable location, close to A38
2	Cotes Park IE, Alfreton	174.24	Average/Above average	Traditional industrial estate, with some higher quality regeneration Benefits from excellent access
3	Alfreton IE/Thornton Park, Alfreton	32.45	Average/Above average	Traditional industrial estate, with some higher quality regeneration Benefits from excellent access
1	Meadow Lane IE, Alfreton	26.10	Average	Traditional industrial estate, access not ideal
5	Greenhill Lane IE, Riddings	17.60	Average	Traditional industrial estate, access not ideal
6	Peasehill IE, Peasehill	17.09	Average	Traditional industrial estate, access not ideal
12	Bailey Brook IE, Langley Mill	7.24	Average	Small, typical industrial estate, in part offering small business units Accessible
13	Sawmills Industrial Park, Heanor Road, Heanor	23.36	Average	Moderate quality small industrial estate Although access through town centre, close to A610 link to M1
14	Heanor Gate IE, Heanor	48.13	Average	Typical, traditional industrial estate Although access through town centre, close to A610 link to M1
16	Langley Park/Eastview Terrace, Langley Mill	3.31	Average	Although has poor access, moderate quality small business area
17	Belper Mill, Belper (ER1a)	1.35	Average	Poorly located and low quality, ageing premises as it stands for traditional industrial use Scope for good quality, characterful mixed-use redevelopment, incorporating some employment space for micro/small businesses, particularly offices, capitalising on waterfront situation
18	West Mill, Belper (ER1b)	1.82	Average	Poorly located and low quality, ageing premises as it stands for traditional industrial use Scope for good quality, characterful mixed-use redevelopment, incorporating some employment space for micro/small businesses, particularly offices capitalising on waterfront situation

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
4	Pye Bridge IE, Somercotes	20.21	Below average	Low quality uses and premises, access poor; although relatively close to M1
7	Butterley Works	4.56	Below average	Ageing buildings, lacks critical mass Potential to redevelop
15	Cromford Road, Langley Mill	1.64	Below average	Average quality industrial estate, with reasonable access Lacks critical mass and there is potential to redevelop
23	Goods Lane IE, Belper	7.02	Below average	Reasonable quality buildings and area, but access poor
24	Goods Yard/Derwentsid e IE, Belper	11.57	Below average	Poor quality area, with poor access
25	Riverside/Bullbrid ge Hill, Ambergate	21.84	Below average	Poorly located and low quality, ageing premises Scope for consolidation - mixed use redevelopment, incorporating some employment space for micro/small businesses
19	Derwent Street, Belper (ER1c)	5.90	Poor	Poorly located and low quality, ageing premises Scope for mixed use redevelopment, incorporating some employment space for micro/small businesses
20	Derby Road, Belper (ER1d)	1.90	Poor	Poorly located and low quality, ageing premises Scope for mixed use redevelopment, incorporating some employment space for micro/small businesses
21	Nottingham Road/Kilburn Road, Belper	1.29	Poor	Poorly located and low quality, ageing premises
22	Bullsmoor, Nottingham Road/Kilburn Road, Belper	14.82	Poor	Poorly located and low quality, ageing premises

Source: BE Group 2007

Table 63 – Derby Employment Area Gradings

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
12	Wyvern Business Park, Stanier Way/Stephensons Way	7.49	Good	High quality office campus
14	Pride Park	143.68	Good	Good quality buildings, critical mass, good access, good range of leisure facilities
38	Kingsway Hospital R4	38.28	Good (potentially)	Large, site adjacent to Mickleover By-Pass A38
2	Kingsway Industrial Park, Kingsway Park Close	3.85	Above average	Traditional industrial estate, adjacent to Mickleover By-Pass A38
10	Raynesway Park, Raynesway Park Drive	31.07	Above average	Modern industrial estate
13	CWC Business Park, Ellesmere Avenue, off London Road	7.48	Above average	Recently developed business park
15	A52/Derwent Parade/Entrance Pride Park/Wyvern Retail Park	0.77	Above average	Excellent location, underutilised area, low value uses
16	A52/Derwent Parade/Entrance Pride Park	4.94	Above average	Occupied by quasi-retail use
21	Stoney Cross Industrial Park, Stoney Gate Road	4.03	Above average	Modern industrial park
22	Anglers Business Park	4.13	Above average	Modern industrial park
40	Darley Abbey Mills R6	2.32	Above average – offices Below average – industry	Nice waterside complex with poor access Could be good/ characterful mixed-use offices/residential scheme capitalising on waterfront situation Forms part of Derwent Valley Mills World Heritage Site
47	Vernon Gate, Uttoxeter Old Road	1.25	Above average	Converted heritage-style office complex
56	Prime Enterprise Park/Derwent Business Centre,	9.06	Above average	Good quality business park

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
	Prime Parkway			
57	Stores Road (including Derby Trading Estate)	18.39	Above average	Office area
58	Racecourse Park Industrial Estate, Mansfield Road/Sir Frank Whittle Road	2.30	Above average	Quasi-retail area
61	Alfreton Road/Sir Frank Whittle Road	2.58	Above average	Office HQ
1	Osmaston Park Industrial Estate, Ascot Drive	61.57	Average	Traditional industrial estate, either side of Ascot Drive
3	Kingsmead Industrial Estate, Pybus Street	1.09	Average	Refurbished buildings in residential area, access reasonable
7	Litchurch Lane/London Road	5.97	Average	Engineering/Rail area
8	RTC Business Park, London Road	10.85	Average	Engineering/Rail area
9	London Road/Meadow Lane	2.36	Average	Engineering services depot
11	Rolls Royce and others, between Raynesway & Wyvern Business Park	40.60	Average	Rolls Royce complex
17	The Meadows Industrial Estate/West Meadows Industrial Estate, Cranmer Road/Chequers Road	34.67	Average	Moderate quality industrial estate
18	Chequers Lane/Nottingham Road/Wayzgoose Drive	13.76	Average	Moderate quality industrial estate
19	Spondon Chemical/Sewage Works, Celanese Road/East Service Road	103.89	Average	Engineering/chemical works/chemicals/etc
24	Canalgate Park, Nottingham Road	3.44	Average	Moderate quality modern industrial estate

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
25	London Road/Derby Canal Walkway	1.92	Average	
29	Peak Park, Peak Drive	6.21	Average	Dairycrest Depot
31	Sinfin Central Industrial Park/Goodsmoor Road Industrial Estate, Sinfin Lane	29.95	Average	General Industrial area
33	Sinfin Lane/Wilmore Road	43.00	Average	Rolls Royce Engineering works
34	Victory Road (south)	35.17	Average	Rolls Royce Engineering works
35	Victory Road (north)/Moor Lane	9.47	Average	Rolls Royce Engineering works
36	Victory Road/Moor Lane/Merrill Way	12.45	Average	Rolls Royce Engineering works
37	Wilmore Road (south)	9.96	Average	Rolls Royce Engineering works
46	Carrington Court Industrial Park, Great Northern Road	0.37	Average	Small industrial estate with small units
48	Chancel Street Industrial Estate	1.68	Average	Modern small units complex
49	Royal Crown Derby, Osmaston Road	1.43	Average	Museum complex and manufacturing facility
50	Evening Telegraph, Meadow Road	1.88	Average	Single occupier in specialised complex
53	Bateman Street/Barlow Street, off London Road	0.79	Average	Various general industrial units
55	City Road Industrial Park	1.17	Average	Former factory, reasonable access, potential for small business, waterfront accommodation
59	Parker Industrial Estate, Mansfield Road/Alfreton Road	11.33	Average	Moderate quality industrial estate
60	Alfreton Road Industrial Estate	27.41	Average	Moderate quality industrial estate

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
62	Alfreton Road Junction West	3.85	Average	Moderate quality industrial estate
63	Shaftesbury Street South/Cotton Brook	19.42	Average	Rolls Royce Engineering area
64	Newchase Business Park, Elton/Cotton Lane	10.59	Average	Rolls Royce Engineering area
65	City Road South	0.74	Average	Former factory, reasonable access, potential for small business, waterfront accommodation
26	Coleman Street/Harvey Road	2.80	Average/Below average	Moderate quality small industrial estate Small and isolated so could be redeveloped
4	Britannia Mill, Mackworth Road	0.88	Below average	University of Derby building – five storey mill
6	Abbey Street/Alma Street/Monk Street/Stockbrook Street	1.09	Below average	Sub-divided factory complex
20	Megaloughton Lane, off A52	2.61	Below average	Low quality uses
23	Anglers Lane	3.01	Below average	Low grade users, poor quality buildings
27	Hawthorn Street/Davenport Road/Grosvenor Street/Gresham Road	0.72	Below average	Although used for small business accommodation; access poor through residential area Isolated and could be redeveloped
28	Hawthorn Street/Abingdon Street/Addison Road/Nightingale Road	9.02	Below average	Rolls Royce Engineering works Access poor through residential area Isolated and could be redeveloped
30	Sinfin Lane (East)/North Railway	0.85	Below average	Self-storage and works Isolated and could be redeveloped Has planning permission for residential
32	Goodsmoor Road/Wordsworth Avenue	0.94	Below average	Derelict buildings Poor access
39	Parcel Terrace R3	12.86	Below average	Part redeveloped for housing
41	Great Northern Road	9.86	Below average	Poor access, large outdated buildings

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
	R2			
42	Shaftesbury Crescent/Vulcan Road R5	3.40	Below average	Under redevelopment
43	Castleward	13.29	Below average	Low intensity of use, could be better used for city centre regeneration, incorporating mixed-uses
44	Markeaton	11.04	Below average	Marginal employment area, scope for ancillary, small-scale office uses
45	Curzon Street/Forman Street/Kensington Street	0.39	Below average	Small single storey brick pre-war workshops
52	London Road (SE of Derwent Park)	37.13	Below average	Specialised rail use
5	Ashbourne Road/Merchant Street	0.35	Poor	Semi-derelict factory
51	Derby Train Station East	1.41	Poor	Specialised rail use
54	Bath Street	0.67	Poor	Former mill, very difficult to access
66	Ceasar Street	0.11	Poor	Redeveloped for housing
67	Mansfield Road/Roman Road	1.46	Poor	Redeveloped for housing

Source: BE Group

5.20 The equivalent South Derbyshire analysis was carried out in SDDC's Employment Land Review and completed in January 2007. That report used three categories: good, average and poor. This report uses five: good, above average, average, below average and poor. Table 64 shows how the two grading systems relate to each other. The base date of the SDDC Employment Land Review was 2005, whilst that of this study is 2006. A number of developments were completed within South Derbyshire during this one year period, notably at Dove Valley Park and at the former Cadley Hill Colliery, Swadlincote. These new developments have not been included in the Employment Areas Assessment.

Table 64 – Grading Systems Compared

SDDC Grade	BE Group Grade
Good	Good
	Above average
Average	Average
	Below average
Poor	Poor

Source: BE Group

Table 65 – South Derbyshire Employment Area Gradings

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
1	Montracon, Woodville	4.78	Good	1970s factory premises. Partially refurbished. Generally fit for purpose Generally commercial area in Woodville, roads capable of commercial traffic Good profile site with main works set back from the road
2	Dyson, Woodville	1.72	Good	Relatively old units appear in reasonable condition, albeit not up to modern occupier requirements Roadside site on arterial route south of Woodville Reasonable site which offers no nuisance to adjacent occupiers
3	Occupation Lane, Woodville	0.84	Good	Reasonably modern industrial units on small scheme Limited access, fairly isolated position Suits small occupiers and all units occupied. Stands alone but in the longer term nearby sites maybe put to commercial use
4	Swadlincote Road, Woodville	8.56	Good	Overall a mix of occupiers in warehouse, motor trade, etc Established commercial location, which appears to be successful. Attracts a number of occupiers including large haulage depot. Management of the site could be improved to create a better environment. Congestion a problem on Swadlincote Road
5	Thorn Street, Woodville	0.20	Good	Second hand premises occupied so assumed fit for purpose Roads capable of commercial traffic Seems to be amongst commercial users, small site so will attract small businesses that will have minimal impact on roads and environment

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
6	Kiln Way/Pool Street, Swadlincote	17.79	Good	Some new build units that have been purpose built for Finnegans are good. Some older units mixed in which will need refurbishment but continue in use Established industrial area, relatively well connected for local businesses. Finnegans key occupier in modern units
7	Woodhouse Business Centre, Swadlincote	0.40	Good	Established business centre Close to Swadlincote Rd amongst a more industrial area however mix is important Few cheap/flexible office opportunities and second hand market is important to the area to provide alternatives to new build
8	Bridge Street, Church Gresley	2.15	Good	Mix of old vehicle repair, scrap merchants, haulage and engineering occupiers in variety of buildings generally in a poor state of repair Immediately south of Woodville, in area of mixed-use. High open space with new build residential. and old industrial along the main road ways Conveniently positioned south of Woodville towards A444
9	Rose Hill, Swadlincote	1.13	Good	A mix of units varying in age and style. The majority are poor units and will need refurbishment Opposite the established Swadlincote Rd site so in commercial area Site set back from Swadlincote Rd with reasonable access. Will require redevelopment as is currently struggling to attract further occupiers. Target market would be small businesses
10	Viking Business Centre, Woodville	0.51	Good	Relatively modern purpose built units Positioned with access from the A511, which connects to the A42 Modern and tidy estate providing useful workshop space for small local businesses. Fully occupied and voids likely to be minimal
11	Rink Drive, Swadlincote	0.66	Good	Relatively modern units providing attractive workshop accommodation Positioned immediately on the edge of Swadlincote, busy roads nearby but access is reasonable Units appear to let well. The mix of tenants complements a successful business park in this location

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
12	Alexandra Road, Swadlincote	1.02	Good	Old and in need of redevelopment or refurbishment Positioned on the edge of Swadlincote, good profile site A good site, which will probably suit a number of uses due to its profile position. In need of re-development likely to provide modern small units
13	Midland Road, Swadlincote	1.91	Good	Generally buildings are refurbished and adopted for commerce. There are some modern units on site, however majority do not meet current occupier requirements Located at north east edge of Swadlincote on road linking A511 to A514 The location is quite good with its road connections; however, the site will definitely require future redevelopment as the buildings are in a mixed state of repair. The location has potential to provide an attractive fronted industrial estate on the edge of the town. Uniform design units could make this an attractive location
14	Wentworth, Swadlincote	1.50	Good	Period buildings converted for commercial use. Well presented but will fall short of modern occupier requirements Located at north east edge of Swadlincote on road linking A511 to A514 Good location and units appear to be owner-occupied. Buildings may be high maintenance due to their age, nevertheless a sound commercial site. Future redevelopment of units may be required
15	Queens Drive, Midway	0.87	Good	Some older buildings are in a poor state of repair, an element of newer offices have been developed on the site. Overall a mix of units and occupiers On the edge of what becomes a predominantly residential area, access reasonable The site has grown over time with newer units replacing old. A more uniform approach would improve the estate, which appears to let well. Future maintenance or redevelopment will be necessary on the buildings over time
16	Hearthcote Road, Church Gresley	36.05	Good	Purpose built industrial units of substantial size Mixed-use area on south side of Swadlincote Large units of mixed age and quality located on site which appears relatively established and successful

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
17	Cadley Hill, Church Gresley	16.82	Good	Mix of modern workshops and offices on established industrial estate Close to Tetron Point on south side of Swadlincote Good quality business park with good buildings, the majority of which are occupied. Mix of tenants, predominantly manufacturing related. Future development likely in this location
18	Bretby Business Park, Bretby	11.27	Good	Multi-occupied building providing sound workshop and office accommodation Located on A511 north of Swadlincote Large established business centre on a campus environment. Relatively well-let scheme with active agents appointed on voids. Good accessible location. Certain elements will require updating or redeveloping to meet modern occupier requirements - a result of which they should prove attractive
19	Wrekin, Stanton	0.57	Good	Relatively old workshop with office element. In reasonable condition but falls short of occupier requirements Positioned on west side of Swadlincote on A444 road. Good frontage to busy road Good location for commercial use on this arterial route which links A38 to M42
20	Dolamore, Castle Gresley	0.98	Good	Turn of century industrial buildings providing dated accommodation. Limited future life for buildings Positioned on west side of Swadlincote on A444 road. Good visibility to busy road Adjacent to Toons outlet with good prominence and accessibility via A444
21	Park Road, Overseal	1.27	Good	Occupied factory premises, slightly dated but good for purpose South of Swadlincote and Woodville. Connected by A and B roads Seems to be established business at the location occupying reasonable quality second hand unit. Rural surroundings on three sides with further commercial activity on the fourth side
22	Pozament, Overseal	1.09	Good	Cement works building, purpose built Positioned on Occupation Lane, south of Woodville Relatively remote, land nearby has limited commercial potential (Occupation Lane)

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
23	Bullivant, Drakelow	7.16	Good	A mix of modern offices and workshops with large land take for surface storage Very close to southern edge of Burton upon Trent, close to junction of A444 Large scale holding which such a business requires. Relatively remote but good for purpose
24	Lilypool, Melbourne	4.35	Good	Mix of modern and refurbished units, generally fit for purpose Positioned on eastern side of Melbourne Provides good supply of small/intermediate-sized units. Good quality buildings on what appears to be a successful estate
25	Toons, Melbourne	1.27	Good	Modern purpose built small workshops Positioned immediately north of Melbourne in the Kings Newton area, good location which has attracted occupiers Successful and well-presented business park providing a good quality product. Caters for small businesses
26	Shardlow Wharf, Shardlow	0.63	Good	Former Wharf Buildings old and in disrepair, some listed for architectural or historic importance. Shared access, small or no yard space Positioned in a Conservation Area and business uses are considered to be essential. Waterside development can be attractive (flood risk). Close to A50 Due to Conservation Area status this site should be retained, albeit substantial refurbishment of the buildings and site will be required to attract occupiers. Well-connected rural sites are popular and the waterside feature may add attraction. Studio/office accommodation is likely to be most successful subject to planning
27	London Road, Shardlow	0.19	Good	Two period buildings positioned close to the Shardlow Wharf area. Age of buildings do impact on suitability and refurbishment works will be required to maintain a condition fit for purpose Accessed from London road, which connects to A50. Within employment Conservation Area Due to Conservation Area status this site should be retained, albeit substantial refurbishment of the buildings and site will be required to attract occupiers. Well-connected rural sites are popular and the nearby waterside feature may prove attractive

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
28	Manor Farm, Shardlow	2.37	Good	Relatively modern development. Farmhouse converted to office, new research facility built adjacent Two miles from A50 immediately west of Shardlow Modern facility put to good use with substantial occupier on site. Former farmhouse providing office accommodation on flexible basis
29	Zytek, Repton	0.79	Good	Modern purpose built facility Site provides good quality accommodation, single tenant HQ (office and production). Future marketability may be questionable as location is quite rural
30	Toyota, Burnaston	240.11	Good	Modern purpose built facility Excellent location
31	FB Atkins, Burnaston	6.68	Good	Modern warehouse facility Excellent location Occupied by NYK Logistics, excellent warehouse facility positioned on A38, close to junction with A50
32	Main Street, Hilton	3.72	Good	Single storey office premises with parking Located on village outskirts close to A50 Occupied and likely to remain attractive due to setting, amenities and accessibility
33	Nestle, Hatton	5.76	Good	Aging but fit for purpose Central to Hatton on main thoroughfare through village Very tight access into site. Only occupier ever likely to be Nestle. Future after Nestle likely to be in alternative use
34	Station Yard, Hatton	3.20	Good	Relatively modern units providing workshop space Central to Hatton, slightly set back from the main thoroughfare amongst other commercial users Provides small workshop accommodation to which there appears to be a good demand in this location
35	Woodyard Lane, Foston	1.35	Good	1970s steel portal frame factory. In reasonable condition, has been re-clad Occupied Close proximity to A50, however, on Woodyard Lane which is small rural route Established occupier benefiting from proximity to A50

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
36	Bentley, Foston	2.55	Good	Generally a hard standing area for storage of HGV/haulage depot Close proximity to A50, however, on Woodyard Lane which is small rural route Proximity to A50 and Dove Valley mean this is a useful employment site
37	Rosliston Forestry Centre, Rosliston	0.03	Good	Modern purpose built units Rural location but adjacent forest Centre appears to be well used and is expanding
38	Hilton Industrial Estate, Hilton	4.75	Good	Buildings very poor, barely fit for purpose Remote location with minimal access and profile Site in very poor condition. Provides very cheap accommodation, probably falling short of Premises at Work Standards. There is a demand for very basic workshops. Redevelopment will be required. Most tenants could not afford an increased rent if this happened. Site lacks profile and is positioned near pylons which may restrict alternative uses
39	Park Road, Stanton	0.87	Good	Adjacent/including Jillons building West of Swadlincote fronting B road but close to A444 intersection Seems to be established business at the location occupying poor quality premises. Surrounded by rural land (greenbelt)
40	Autoclenz, Swadlincote	0.11	Good	Buildings in reasonable state of repair for vehicle repair/valet business Accessible location with good frontage, can be congested Visible site on the edge of main centre
41	Blackenhall Farm, Cauldwell	0.63	Good	Partially ground and first floor with a workshop also at ground level Rural location amongst agricultural uses Marketing agent advises that interest is limited, however, similar schemes nearby have been successful as there is demand for small units
42	ACR Logistics (Hayes), Dove Valley Business Park, Foston	7.43	Good	Modern purpose built warehouse facility meeting occupier requirements Excellent position on A50 Business Park Very good, prime location for distribution
43	JCB, Dove Valley Business Park, Foston	3.84	Good	Modern purpose built factory/warehouse meeting modern occupier requirements Excellent position on A50 Business Park Very good, prime location

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
44	Dairy Crest (Starcross Foods), Dove Valley Business Park, Foston	2.94	Good	Modern purpose built factory/warehouse meeting modern occupier requirements Excellent position on A50 Business Park Very good, prime location
45	Bridge Farm, Barrow on Trent	0.58	Good	Refurbished farm buildings and some modern industrial buildings Close to junction with A5132 in Barrow upon Trent. Surrounded by mixed-uses - residential, agricultural and industrial Good site with decent quality buildings all of which are in use
46	Hilton Business Park (Hilton Depot), Hilton	42.70	Good	Variety of existing building from former MOD buildings to more modern warehouses. Design and build schemes available to provide brand new facilities Good access provided to A50 Design and build pipeline will improve the quality of the accommodation at this site. The site maintains an occupancy level of around 90 percent
47	Scomark, Woodville	0.84	Average	60s/70s built second hand building, fit for purpose at present. Occupied by Greenbanks. Yard parking okay Adjacent site is a lost employment site and residential use is prominent nearby Road access is difficult due to its proximity to five-Way roundabout. The unit is predominantly surrounded by residential
48	R B Hall, Swadlincote	0.12	Average	Refurbished buildings that are in reasonable condition although they fall short of modern occupier requirements Predominantly a residential area Suspect this is a long established company that has grown in this location. Access is tight
49	Church Street, Church Gresley	4.16	Average	Small industrial estate Purpose built but showing signs of ageing Relatively old units providing useful second hand space, near to residential, but scale of businesses located there (generally small) should not cause excessive nuisance
50	Dovesite, Melbourne	1.30	Average	Very tired and dated buildings, falling into disrepair Rural/agricultural location due west of Melbourne Quite a remote site. Will require investment to improve site roads, etc. Provides cheap storage space, essential to all local economies. Units do seem to be occupied

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
51	Shardlow Hall, Shardlow	1.23	Average	Period building requires refurbishment Positioned in the Conservation Area. Access from London Road, close to A50, well connected Existing office use upon the site. Would need substantial investment and refurbishment to attract occupiers to premises
52	Calder Industries, Willington	1.63	Average	Old industrial premises out of date Good profile site, although the location may be difficult to attract future commercial occupiers. Fairly remote location in relation to road connections, on edge of Willington. Building generally not suited to modern industrial requirements.
53	Acres, Willington	0.10	Average	Electrical retail unit, fit for purpose Positioned fronting relatively busy stretch of road near two roundabouts Location suits convenience operator, however, parking and loading limited. Future uncertain as an employment site
54	Barton Fields, Barton Blount	0.43	Average	Conversion of farm buildings for workshops and offices Very rural Demand likely to be limited. Opportunity for rural accommodation north of region
55	Commerce Street, Melbourne	0.23	Average	Mix of offices and light industrial units. Majority of which are occupied which despite their age suggests they are fit for purpose Amongst residential premises Site very tight, buildings showing age, deterioration of units may lead to re- development
56	South Street, Woodville	0.19	Average	Mix of small units providing varying quality of accommodation, generally basic and poor Generally commercial area in Woodville, roads capable of commercial traffic Immediately adjacent to Montracon so would provide obvious expansion space
57	Creamery, Hilton	0.62	Average	Very old workshop buildings in poor state of repair On the A5132 adjacent rail crossing. Rural location away from local settlements May be suitable for redevelopment of smaller units to attract rural occupiers

Appendix 8 Plan Ref	Area	Size, ha	Quality	Comments
58	Cranberry Foods, Scropton*	2.24	Average	Very accessible to the A50 to the north Although a large occupier would be unlikely to relocate here, there appears to be scope to break down the premises to create small business space
59	Spencers Drinks (Osbourne) Swadlincote	0.42	Poor	Commercial premises showing signs of age, short of modern occupier requirements Off Swadlincote Road on tight site surrounded on three sides by residential Residential element would make site difficult to redevelop when life of buildings expire
60	Wraggs, Swadlincote	3.91	Poor	Old industrial premises and transport depot with associated land. Poor state of repair fit for purpose in part Residential is becoming prominent in area, road generally tight and insufficient for large scale industrial development
61	High Street, Midway	0.15	Poor	Boarded up period building Small site with immediate road frontage in residential area Very small site
62	Bretby Stoneware, Bretby	2.31	Poor	Former stoneware production buildings, Victorian in age, limited on adaptability for commercial uses. Poor state of repair Small track leads from A511 to site, therefore access is very poor Life of units is very limited and chances of future re-letting is minimal.
63	Dominion Road, Swadlincote	0.11	Poor	Old and ageing Very tight access through residential area. Access and surroundings do not support future commercial use.
64	Chapel Street, Melbourne*	0.36	Poor	Very small area of workshops/offices in centre of the village Access and servicing are poor and there are better located business areas/units elsewhere in the village There may be some scope to retain some buildings for a very small serviced office scheme, but its overall contribution to the area's economy is marginal

Source: SDDC Employment Land Review 2007

* Area not included in the original SDDC Employment Land Review 2007

5.21 In addition, the Woodville to Swadlincote Town Centre Area Action Plan Issues and Options consultation document (February 2007) identifies land to the north of Occupation Road, Woodville, as a possible employment site. It is potentially of a

scale that would create critical mass and is well related to housing (and therefore workforce) but is likely to be dependent upon the development of the Swadlincote Regeneration Route Phase 2. Subject to further investigation, it has the potential to be a good site in the context of the Swadlincote urban area.

Summary

- 5.22 In this sub-section the findings of the preceding research are drawn together into a short conclusion.
- 5.23 There is 411 ha of employment land in the study area, over half of this in Derby, just under 30 percent in Amber Valley, and the rest in South Derbyshire.
- 5.24 Over 200 ha is constrained for the medium term by a lack of servicing, particularly in Derby and Amber Valley. South Derbyshire's land is generally in a better state of readiness.
- 5.25 Some land may never come forward for development for a variety of reasons. This is a severe constraint in Amber Valley, where up to 25 ha could be affected. The nature of the Borough means certain towns could well be short of land – Belper and Loscoe. This is less of a problem in Derby, because of the small amount of land affected in relation to its overall supply. Only 4.8 ha is affected in South Derbyshire, but this is in Melbourne, where there are few alternative options.
- 5.26 Both employment sites and employment areas have been assessed and graded. Amber Valley fares particularly poorly. Many of its areas are secondary and poorly accessed. Remaining development sites are poorly located and situated. Most of South Derbyshire's development sites/areas are of reasonable quality. As are Derby's – employment areas and sites tend to be clustered together close to arterial transport routes. Derby does not have the surfeit of Victorian Mills, etc, which create large areas of redundant commercial floorspace, that a lot of other similar cities have, e.g. Leicester, Manchester, etc.

6.0 COMPANY SURVEY

Introduction

- 6.1 A business survey has been carried out to establish some empirical evidence of demand, and substantiate findings in other sections of this report. It is another strand of evidence that will be used to inform the study's conclusions and recommendations.

Methodology

- 6.2 A questionnaire (which is included in Appendix 9), with explanatory covering letter and pre-paid reply envelope, was sent out to 400 companies sourced from the study team's databases. The companies targeted were representative of the total business base – reflecting size, location and activity – in Derby; but slightly skewed to larger businesses in Amber Valley and South Derbyshire because of the database provided. There are approximately 7525 companies in the study area operating from B1, B2 or B8 premises or sites so this is approximately a five percent sample (this is based on the VAT registered businesses estimate of company numbers in 2006, less 30 percent for non-relevant operations). We set out to achieve a minimum 40 percent response rate, based on previous experience.
- 6.3 Imperial measurements were used on the questionnaire because that is still what most companies are comfortable with. These have been converted into metric after their analysis and aggregation to get the totals towards the end of this section.

Response

- 6.4 The postal response achieved was 15 percent – a reasonably good outcome. Building on this, we completed follow up telephone calls to elicit better co-operation from businesses.
- 6.5 These actions significantly enhanced the numbers of responses, as well as establishing those companies who have either ceased trading or are no longer based in the study area.
- 6.6 Overall 214 questionnaires have been completed, 53 percent of the total originally targeted, see Table 66.

Table 66 – Company Survey Responses

Total Questionnaires Issued	Number of Companies				Percent
	Amber Valley	Derby	South Derbyshire	Total	
Responses Received	75	70	69	214	53.5
Too Busy / Unwilling	11	14	7	32	8.0
Companies Ceased / Moved	37	36	29	102	25.5
Irrelevant to study (e.g. retail/hotel)	0	1	2	3	0.8
Still awaiting (following reminder)	10	13	26	49	12.3
Total	113	134	133	400	100

Source: BE Group

6.7 In terms of geographic location, there is an even split of response from the three areas. Looking at Amber Valley individually, the responses are spread across the Borough: 25 from the Heanor area; 21 from in and around Alfreton; 15 from Ripley and 14 from Belper. Only a handful of the Derby responses were from small centres, such as Mickleover and Normanton. In South Derbyshire 36 companies replied from Swadlincote, the main focus for employment in the District, three were in Melbourne; while 30 were spread throughout the rest of the District, from various small villages such as Etwall, Repton and Rosliston.

Company Size

6.8 The 214 companies taking part in this survey employ 4526 people. Of these, just four percent (182) are part-time employees. In South Derbyshire the 69 companies employ just 527 people, compared to over 1000 in Amber Valley, and over 2000 in Derby. Just one percent of the employees are part-time in Derby, compared to over eight percent in the other two areas.

6.9 The responses very much fit the profile of small company employment. Only five percent of the companies employ more than 50 people, whilst the majority (68.7 percent) employ ten or less. The company profile breakdown can be seen below, in Table 67. On average the Derby companies are larger than in the other two areas.

Table 67 – Company Profile

Company Size, number of employees	Number of Companies				Percent
	Amber Valley	Derby	South Derbyshire	Total	
0-2	22	8	28	58	27.1
3-5	21	16	16	53	24.8
6-10	11	12	13	36	16.8
11-20	9	14	5	28	13.1
21-50	6	14	3	23	10.7
50+	5	6	1	12	5.6
Not known	1	0	3	4	1.9
Total	75	70	69	214	100

Source: BE Group

6.10 It should be noted that there are four particularly large companies that took part in the survey:

- Severn Trent Water, Derby – 800
- S&A Foods, Derby – 620
- Valliant Group, Belper – 320
- Robinson Construction, Derby – 260.

6.11 There is a corresponding breakdown in the size of premises occupied. Emphasis is much more on premises of 5000 sqft or less (73 percent), with 27 percent of companies based in premises of less than 1000 sqft. Furthermore, 17 percent work from home, mostly accounted for by non-Derby companies. The breakdown of premises size is shown in Table 68.

Table 68 – Size of Premises Occupied

Size, sqft	Number of Companies				Percent
	Amber Valley	Derby	South Derbyshire	Total	
Work from home	10	1	15	36	16.8
0 – 1000	15	16	26	57	26.6
1001 – 2000	12	11	6	29	13.6
2001 – 5000	11	14	9	34	15.9
5001 – 10,000	8	8	4	20	9.3
10,001 – 20,000	6	9	3	18	8.4
20,001 – 50,000	3	4	3	10	4.7
50,001+	4	2	1	7	3.3

Size, sqft	Number of Companies				Percent
	Amber Valley	Derby	South Derbyshire	Total	
Not stated	6	5	2	13	6.1
Total	75	70	69	214	100

Source: BE Group

Current Premises

- 6.12 Companies were asked to indicate the type of property they currently occupy i.e. offices, serviced offices, industrial, warehouse or high-tech space. Table 69 contains these responses. It shows that some 46 percent of the companies are occupying industrial/warehouse/workshop premises. Fewer (40 percent) are in offices, although of those that are, many are in Derby, and are also quite well represented in South Derbyshire. 12 percent work from home, rather than occupying commercial premises. Only one of these is from Derby.

Table 69 – Responses by Premises Type Occupied

Type of Accommodation	Number of Companies				Percent
	Amber Valley	Derby	South Derbyshire	Total	
Home	10	1	14	25	11.7
Warehouse	15	6	9	30	14.0
Office	16	39	26	81	37.8
Industrial	23	19	10	52	24.3
Site	2	1	2	5	2.3
Workshop	8	4	4	16	7.5
High-tech/Lab	0	0	1	1	0.5
Serviced Office	1	0	3	4	1.9
Total	75	70	69	214	100

Source: BE Group

- 6.13 Although companies were asked to indicate whether they own or rent their property, 17 percent did not answer. Of those that did, far more own, 103 compared to 74 that lease. Only in Derby were there more leasehold than freeholders, and even then, only just.
- 6.14 Respondents were asked to comment on whether they were satisfied with their present accommodation, and if not to explain why. Table 70 shows that 90 percent are content.

Table 70 – Satisfaction with Current Premises

Satisfaction with Premises	Number of Companies				Percent
	Amber Valley	Derby	South Derbyshire	Total	
Very satisfied	36	52	47	135	63.1
Satisfied	32	11	15	58	27.1
Unsatisfied	3	7	4	14	6.5
Very unsatisfied	3	0	1	4	1.9
No answer	1	0	2	3	1.4
Total	75	70	69	214	100

Source: BE Group

- 6.15 Of the companies that are unsatisfied with their property or site the main reasons were poor quality space, issues with their local area (most often security) or a desire to expand.

Future Accommodation Requirements

- 6.16 Companies were asked to indicate whether they were considering moving premises within the next twelve months, or two to three years. 20 percent stated they are intending to relocate, with 25 of them proposing that this will happen within the next twelve months. In both Amber Valley and South Derbyshire the propensity to move was greater than in Derby. Generally equal numbers were looking to move within 12 months and in 2-3 years (although again Derby bucked the trend, with far more wanting to move immediately).
- 6.17 The survey invited those companies planning to move to indicate the amount of floorspace likely to be required. All cited the size range of property needed. By adding these together we calculate an overall need as shown in Table 71. It shows the domination of industrial demand over the office sector. There is quite a large range because of the size bands (which results in our use of a minimum and maximum figure) used in the questionnaire, with a number of companies looking for industrial of 10,000-50,000 sqft which, once aggregated, quickly generates this wide spread.

Table 71 – Total Land and Property Requirements

Type	Gross Floorspace Requirements, sqft	
	Minimum	Maximum
Office	63,013	147,000
Industrial / Warehouse	139,017	326,000
Total	202,030	473,000

Source: BE Group

6.18 The breakdown of forecasted future space needs, by location in Derby HMA, property type and size, are shown in Tables 72 and 73 and which add up to the figures in Table 71 (based on 'Required Size' column). Where the word 'additional' is written, this means the company will be taking another property as well as retaining their current one, and so no space will be released back onto the market when they move.

Table 72 – Property Requirements by Location and Type – Industrial

Area	Location	Current Size, sqft	Required Size, sqft	Tenure and Quality
Amber Valley	Belper/Ripley	0 – 1000	0 – 1000	Budget Leasehold
	Not stated	Additional	1001 – 2000	Moderate Freehold
	Belper	0 – 1000	2001 – 5000	Budget Leasehold
	Ripley	1001 – 2000	2001 – 5000	Budget Freehold
	Alfreton	20,001 – 50,000	5001 – 10,000	Moderate Freehold
	Alfreton	2001 – 5000	5001 – 10,000	Moderate Freehold
	Alfreton	10,001 – 20,000	10,000 – 20,000	Budget Freehold/ Leasehold
	Ripley	10,001 – 20,000	10,001 – 20,000	Budget Leasehold
	Alfreton	10,001 – 20,000	20,001 – 50,000	Budget Leasehold
	Sutton Ashfield	10,001 – 20,000	20,001 – 50,000	Moderate Leasehold
Amber Valley Sub-total		63,007 – 139,000	75,008 – 173,000	
Derby	City Centre/ Pride Park	0 – 1000	1001 – 2000	Moderate Freehold
	City Centre	10,001 – 20,000	20,001 – 50,000	Budget Leasehold
Derby Sub-total		10,001 – 21,000	21,002 – 52,000	
South Derbyshire	Melbourne/Derby shire/South Derbyshire	Additional	0 – 1000	Budget Leasehold
	Swadlincote/A38 Corridor/M1/M42/A42 Corridor	1001 – 2000	2001 – 5000	Moderate/Budget Leasehold

Area	Location	Current Size, sqft	Required Size, sqft	Tenure and Quality
	Swadlincote/ Burton on Trent/ Melbourne	2001 – 5000	2001 – 5000	Budget Leasehold
	Swadlincote	1001 – 2000	2001 – 5000	Budget Freehold
	Hilton/A38 Corridor/M1/M42/ A42 Corridor	2001 – 5000	2001 – 5000	Moderate
	Swadlincote	Additional	5001 – 10,000	New/Moderate Freehold
	Hatton	10,001 – 20,000	10,001 – 20,000	Moderate Freehold
	Swadlincote	10,001 – 20,000	20,001 – 50,000	New/Moderate Freehold
South Derbyshire Sub-total		26,006 – 54,000	43,007 – 101,000	
Derby HMA Total		99,014 – 214,000	139,017 – 326,000	

Source: BE Group

Table 73 – Property Requirements by Location and Type – Offices

Area	Location	Current Size, sqft	Required Size, sqft	Tenure and Quality
Amber Valley	Belper	N/a (Home)	0 – 1000	Budget Freehold
	Heanor	N/a (Home)	0 – 1000	Budget Leasehold
	Alfreton	1001 – 2000	0 – 1000	New Freehold
	South Wales	0 – 1000	N/a (not in study area)	N/a
	Alfreton/Ripley/ Mansfield	2001 – 5000	1001 – 2000	New/Moderate Freehold/ Leasehold
Amber Valley Sub-total		3002 – 8000	1001 – 5000	
Derby	City Centre	0 – 1000	0 – 1000	New/Moderate Leasehold
	City Centre/ Pride Park	1001 – 2000	1001 – 2000	Moderate Leasehold
	South Derby	1001 – 2000	2001 – 5000	Moderate Leasehold
	City Centre	1001 – 2000	2001 – 5000	New Leasehold
	West Derby/A38 Corridor	5001 – 10,000	5001 – 10,000	Moderate Leasehold/ Freehold
	City Centre	10,001 – 20,000	10,001 – 20,000	Moderate Leasehold
	City Centre/ Pride Park	Additional	10,001 – 20,000	New/Moderate Freehold
	City Centre	Additional	20,001 – 50,000	New/Moderate Freehold
	City Centre/ Pride Park	N/k	N/k	Budget Leasehold
Derby Sub-total		18,005 – 37,000	50,007 – 113,000	
South Derbyshire	Staffordshire	N/a (Home)	N/a (Not in study area)	N/a

Area	Location	Current Size, sqft	Required Size, sqft	Tenure and Quality
	Derbyshire	0 – 1000	0 – 1000	Budget/Moderate Leasehold
	Swadlincote	0 – 1000	0 – 1000	New Leasehold
	Swadlincote/ Burton on Trent	1001 – 2000	1001 – 2000	New Freehold
	Swadlincote	0 – 1000	2001 – 5000	Budget Freehold/Leasehold
	Swadlincote	Additional	2001 – 5000	New Freehold
	Swadlincote	2001 – 5000	2001 – 5000	New Leasehold
	Swadlincote	2001 – 5000	5001 – 10,000	Moderate Leasehold
South Derbyshire Sub-total		5003 – 15,000	12,005 – 29,000	
Derby HMA Total		26,010 – 60,000	63,013 – 147,000	

Source: BE Group

- 6.19 There are 20 industrial, 22 office and one (freehold) site requirement (for 8 acres in Swadlincote). Two companies are looking to move out of the area; another wants a retail unit; and so are not included in the above analysis.
- 6.20 Based on BE Group's experience elsewhere, the survey has thrown up some surprising results. Namely the lack of industrial requirements emerging from Derby, only two; and the reduction in office space needed in Amber Valley.
- 6.21 In relation to industrial requirements, the split is very even between leasehold and freehold need in all three areas. This split is also even in the office requirements from Amber Valley companies. However, more office companies in both Derby and South Derbyshire would like to rent rather than own.
- 6.22 The companies requiring offices are generally looking for a wide range of types of quality premises, and demand is for small suites up to 5000 sqft, particularly those outside Derby. In Derby there are some larger requirements, up to 50,000 sqft. Most of the companies looking for industrial accommodation want either basic or moderate quality premises, only two would consider prestigious/new (both in Swadlincote). The industrial units demanded are spread throughout the size bands up to 50,000 sqft.
- 6.23 For the office requirements, in Derby more are looking for a city centre location. Those in Amber Valley and South Derbyshire are looking for out-of-town premises. The vast majority of the industrial requirements specified an industrial estate or business park location, with very few for town centre locations.

- 6.24 Relatively few requirements are totally footloose (i.e. choosing anywhere in the county), with most companies looking to stay in their towns of origin. However South Derbyshire companies looking for industrial space did tend to have wider areas of search than their neighbours elsewhere – perhaps reflecting the route of the strategic road links in their locale. A number of the Derby office requirements were split between the city centre and Pride Park (maybe because of the lack of choice in the central business district).
- 6.25 Of the companies expecting to move a number outlined what they considered to be the most important factor(s) when looking for alternative accommodation. These are shown in Table 74, several companies gave more than one reason.

Table 74 – Most Important Factor(s) When Seeking Alternative Accommodation

Aspect	Number of Companies			
	Amber Valley	Derby	South Derbyshire	Total
Access	6	7	10	23
Car parking	5	6	6	17
Location	8	3	4	15
Correct size	4	1	3	8
Premises quality	1	0	5	6
Security	2	1	2	5
Cost	2	1	1	4
Public Transport / Amenities	0	1	3	4

Source: BE Group

Perceptions/Comments

- 6.26 A number made additional comments relating to the wider business environment, with some making several comments. Table 75 outlines the most common comments made. Only problems recruiting staff is an issue common across all three areas.

Table 75 – Company Comments

Aspect	Number of Companies			
	Amber Valley	Derby	South Derbyshire	Total
Difficulties finding staff	2	5	3	10
Poor parking	5	5	0	10
Poor public transport	0	6	3	9
Congestion	5	0	0	5

Aspect	Number of Companies			
	Amber Valley	Derby	South Derbyshire	Total
Lack of available property	5	0	0	5
Security issues	0	4	0	4

Source: BE Group

Land Need

- 6.27 The analysis is taken further by considering just the net property need. This takes into account the likelihood that the majority of planned moves will release back onto the property market the premises presently occupied – to be re-used by other businesses. This is translated into an equated land amount by using a standard development density of 17,000 sqft per acre. So the total land need is 1.8 – 4.7 ha as Table 76 shows.
- 6.28 The survey also identified one requirement for an additional eight acres of land from a South Derbyshire company. However this is excluded from the analysis because it distorts the overall figures so much.

Table 76 – Net Property Requirements

Type	Net Floorspace Requirements, sqft	
	Minimum	Maximum
Industrial/Warehouse	40,003	112,000
Office	37,003	87,000
Total	77,006	199,000
Equated Land Need, acres (17,000 sqft/acre)	4.5	11.7
Total Land Need, hectares	1.8	4.7

Source: BE Group

- 6.29 When extrapolating the results to represent all the businesses in the study area 400 is used as the sample size not 214. We assume that although 214 responded, 400 were originally sampled and presume that the main reason these companies did not reply was because they did not want property. Thus the requirements are multiplied by a factor of 20 (as there are approximately 7525 relevant businesses in the study area). Consequently the land need could be in the region of 36 to 94 ha.
- 6.30 However, from the total sample of 400, 102 companies have ceased trading or moved away. So it would be agreed that the sample size is actually nearer 300. This effectively increases the multiplier to 25, resulting in a land need of 54 to 141 ha.

- 6.31 It could also be argued that perhaps half of the Derby office requirements will actually be accommodated in redevelopment of the city centre – requiring no new major allocations of land. This would therefore reduce the overall land need. The net Derby office need (from Table 73) is 32,002 – 76,000 sqft, half of which equates to 0.4 – 0.9 ha of land. Subtracting this element from the total figures for the study area and using a multiplier of 25 results in an equated land need of 35 – 95 ha.
- 6.32 If the median net land need is taken, it results in a land need of 65 ha for Derby HMA. This is forecast to be realised over the next two-to-three years. However business plans tend to be flexible (companies tend to be more inspirational and optimistic than reality suggests) and this may actually take place over the next five.
- 6.33 Breaking this figure down between the three areas makes the analysis complicated, but is required to balance the potential land supply across the study area, in response to this survey. In Amber Valley the net property requirements and equated land need is 11,001 – 31,000 sqft and 0.3 – 0.7 ha. A resultant sample of 100 (after removing ceased businesses), based on a relevant business base of 1028 and using similar assumptions to before provides a multiplier of ten. The land need is therefore 3 – 7 ha, a median figure of 5 ha.
- 6.34 In Derby, a net 43,003 – 93,983 sqft translates to 1.0 – 2.2 ha. A 100 company sample (out of 3300 businesses in total) generates an overall median land need of 52.8 ha. In South Derbyshire, a net 24,003 – 61,000 sqft equates to 0.6 – 1.5 ha. An approximate 100 company sample (out of 780 businesses) suggests a total median land need of 7.8 ha.

Summary

- 6.35 The survey has identified a need for 1.8 to 4.7 ha of employment land. Extrapolating this to represent all the study area's business population equates to a median level of 65 ha. The overwhelming weight of this need is for Derby, over 50 ha of the total, Amber Valley and South Derbyshire require approximately 5 and 8 ha respectively.
- 6.36 However these figures, and especially Derby's, are generated using a multiplier – comparing the number of business sampled against the total business stock in the area – and this probably skews the figures. Given the fact that the same number of companies (133) were sampled in each area, Derby actually generated the fewest requirements (11) compared to 15 and 16 in Amber Valley and South Derbyshire

respectively. Given the size of the business population in Derby a 133 company sample is probably too small to generate significant results.

- 6.37 Highlighting the shift to the service sector, industrial and office need is similar in terms of both numbers of requirements and net floorspace needed. There is an equal preference for leasehold and freehold space. The office requirements are for small sizes up to 465 sqm; the industrial for basic/moderate quality of up to 4645 sqm. Generally industrial requirements are for out-of-town locations. Furthermore, companies are generally very loyal to their towns – not looking to move far – unless forced to by a lack of choice.
- 6.38 In Amber Valley the industrial requirements are spread through the size bands up to 4645 sqm. The office requirements are for small suites up to 186 sqm. There are twice as many industrial requirements as office.
- 6.39 Derby has just two industrial requirements, even though almost half the companies surveyed occupy such space. The nine office requirements are spread through the size bands, but only one was for good quality premises.
- 6.40 South Derbyshire had the most premises requirements, divided equally between industrial and office need. The industrial are spread through the size bands up to 4645 sqm. The office requirements are mostly up to 465 sqm, and half of them are for good quality premises.
- 6.41 Referring the property need back to the findings in Section Three, where the supply of available premises was assessed, it suggests there is a sufficient supply of buildings. If the requirements are multiplied accordingly to represent the total business population (by 25) then there are potentially some shortages. This analysis is better undertaken by local authority area, this is provided in Appendix 9.

Table 77 – Derby HMA Premises Supply and Demand Analysis

Requirement Property Size, Sqft	Industrial		Office	
	Available Units	Number of Requirements	Available Units	Number of Requirements
0-1000	6	3	77	6
1001-2000	37	1	60	3
2001-5000	53	6	47	5
5001-10,000	28	3	15	2

Requirement Property Size, Sqft	Industrial		Office	
	Available Units	Number of Requirements	Available Units	Number of Requirements
10,001-20,000	20	4	5	2
20,001-50,000	14	3	0	1
50,001+	1	0	0	0
Freehold	26	9	34	6
Good Quality/New	15	0	41	6

Source: BE Group, 2007

- 6.42 In Amber Valley there is a lack of industrial freeholds, 465-929 sqm and 1859-4645 sqm industrials. In Derby the survey has generated no obvious shortages, apart from large offices above 930 sqm. In South Derbyshire there is severe lack of freehold industrials, 186-464 sqm units (both industrial and office), and good quality offices.
- 6.43 The survey confirms the extent of homeworking in the study area; the need for industrial estate/business park property solutions (in preference to town centre locations); the importance of road accessibility and parking for businesses; and the feeling from companies that there is a lack of available premises in Amber Valley.
- 6.44 It should be remembered that the company survey is just one strand of evidence. It illustrates pent-up demand shortages in certain areas, and the continuing need for industrial floorspace and areas. It is not the sole answer, obviously not all the company requirements will come to fruition as indicated by the survey returns. Equally there will be other companies who were surveyed who do not intend to relocate at the moment, which may well do so over the next five years.

7.0 LAND NEED FORECASTING

Introduction

7.1 This chapter explains the alternative models that are applied to the forecasting of employment land allocations to 2026. None provide a definitive answer, but are influences to be considered. The three models are:

- Projection forward of historic land take-up
- Forecast based on employment projections
- Labour supply projection.

7.2 The last two models are combined and covered in EMRA's East Midlands Land Provision Study December 2006. In consultation with EMRA, as part of this Employment Land Review, it has recommended that the figures used in the East Midlands Land Provision Study be adhered to. Consequently the East Midlands Land Provision Study is summarised and updated as it applies to Derby HMA in this section. However EMRA recognise the potential flaws with these forecasts and they are a starting point to which local conditions and appropriate buffer margins are added. They also refer to net land need, that is additional land required beyond that which already exists.

Historic Land Take-up Forecast

7.3 Employment land take-up is monitored by Derbyshire County Council. In Table 78 a schedule of all completions between 1992 and 2006 is shown. The 219.22 ha of land developed over this period equates to an average take-up of 14.64 ha/year.

Table 78 – Study Area Gross Land Take-up 1992-2006

Survey Year	Area, ha			
	Amber Valley	Derby City	South Derbyshire	Derby HMA
1992	1.03	4.70	2.93	8.66
1993	5.74	7.55	1.40	14.69
1994	1.60	1.94	4.28	7.82
1995	7.83	2.77	2.54	13.14
1996	1.21	0.26	4.15	5.62
1997	1.97	8.78	8.71	19.46
1998	0.57	2.73	3.70	7.00
1999	24.03	15.78	0.87	40.68
2000	2.77	16.27	1.53	20.57

Survey Year	Area, ha			
	Amber Valley	Derby City	South Derbyshire	Derby HMA
2001	0.22	5.63	2.03	7.88
2002	1.19	8.19	10.81	20.19
2003	0.90	5.01	6.30	12.21
2004	1.32	0.98	1.59	3.42
2005	0.00	1.16	4.12	5.28
2006	0.46	5.03	27.20	32.60
Total, ha	50.84	86.78	82.16	219.22
Average Annual Take-up, ha	3.38	5.78	5.48	14.64

Source: Derbyshire County Council

Note: Does not take account of land under construction. In Amber Valley this is 5.53 ha, in Derby 6.79 ha and in South Derbyshire a substantial 20.56 ha. These figures are all above the long term average. However only in South Derbyshire will this change the average annual take-up by any great degree, potentially increasing it to 6.42 ha/year for the period 1992 to 2007.

7.4 If long term trends continue, the study area would need 292.28 ha (gross) to cater for an expected annual take-up of 14.64 ha for the next 20 years. Breaking this down into shorter intervals:

- 2006-2011 – 73.20 ha
- 2006-2016 – 146.40 ha
- 2006-2021 – 219.60 ha
- 2006-2026 – 292.80 ha

7.5 Breaking the 292.80 ha requirement to 2026 down between the three local authority areas means Amber Valley would need 67.60 ha; Derby City 115.6 ha; and South Derbyshire 109.60 ha (all gross figures). These figures are based on each area's historic average annual take-up (see Table 78) rolled forward for 20 years. Guidance from QUELS suggests a further 50 percent is needed to offer range and choice, (although this was based on a ten, not 20, year planning period). Assuming therefore that in this case a 25 percent buffer would be more suitable, 366 ha (gross) is needed for the study area as a whole.

7.6 There is 411.00 ha of employment land in the study area (from Section 5.0) which suggests that there is an oversupply of 45 ha based on historic take-up trends (of 14.61 ha/year). Once again assuming a 25 percent buffer Amber Valley has an oversupply of 32.58 ha; Derby an oversupply of 87.94 ha and South Derbyshire an undersupply of 75.52 ha.

East Midlands Land Provision Study (EMLPS) – East Midlands Regional Assembly 2006

Introduction

- 7.7 The EMLPS estimates the future net need for employment land to 2021 and 2026 based on economic employment forecasts commissioned by EMRA from Experian. It informs the emerging Regional Spatial Strategy and Local Development Frameworks. Because research has found that local authority district-level forecasts are not sufficiently robust, the study forecasts demand by Housing Market Area (HMA). Various growth scenarios could be used, but in accordance with EMRA the study looks at how much employment land is needed if the draft Regional Plan is successfully implemented, which is basically the 'preferred housing scenario'.
- 7.8 The EMLPS considers demand projections through to 2026, however the economic forecasts only run to 2016. Furthermore the projections run from 2003, so towards the end of this section the EMLPS data has been updated to 2006. Therefore the period 2016-2026 is based on a simple linear projection of the forecast trend 2003-2016. However these longer term projections are caveated as approximate and uncertain, and carry little weight.
- 7.9 There are further limitations. The analysis deals purely in the amount of land, it ignores issues such as suitability and availability. So, for example, starting from a base position of say 100 ha, on which the net need for further land is considered in a HMA. The fact that perhaps 10 ha of this land stock is contaminated and impossible to develop, is potentially ignored. Therefore this Derby HMA Employment Land Study adds clarity and local understanding to complement the EMLPS analysis by taking such factors into account in recommending employment land provision to meet needs.

Employment Land Demand

- 7.10 Using the preferred housing scenario population growth the EMLPS applies the Chelmer Population and Housing Model to help generate full-time equivalent (FTE) job growth forecasts. These are shown in Table 79.

Table 79 – Employment Growth Scenario

Area	FTE Jobs		Change 2001-2016	
	2001	2016	Jobs	Percent
Derby HMA	355,629	358,533	2904	0.8
East Midlands	1,642,410	1,727,399	84,990	5.2

Source: EMLPS 2006

7.11 The next step is to translate the workplace employment increases into the need for business space and land. This is achieved using standard floorspace/job densities and assessing the activities people will be undertaking in the future.

7.12 The East Midlands' office employment grows by approximately 60,000 jobs, or 21 percent, to 2016. This is essentially at the expense of industrial employment. In total, employment (those activities using B1, B2 or B8 space) grows marginally by 23,000 jobs, just three percent between 2003 and 2016. In Derby HMA the net total growth is even smaller, although it exhibits strong office sector growth within this total. The 0.2 percent regional growth is slower than the forecast 0.3 percent annual growth in all employment, because the non B1, B2 or B8 sectors, those such as retail, education and health, have above average growth (see Table 80).

Table 80 – Forecast Net Employment Change by Sector, 2003-2016, jobs

Sector	Aspect	Derby HMA	East Midlands
Office	Jobs	7770	60,418
	Percent	26	21
	Percent/year	1.8	1.5
Industrial	Jobs	-7863	-49,120
	Percent	-16	-11
	Percent/year	-1.3	-0.9
Warehouse	Jobs	913	12,558
	Percent	7	7
	Percent/year	0.5	0.5
Total	Jobs	820	23,855
	Percent	1	3
	Percent/year	0.1	0.2

Source: EMLPS 2006

7.13 This change in employment by sector is translated into property need using standard floorspace per worker ratios of:

- Offices – 18 sqm
- Industrial – 31 sqm
- Warehouse – 88 sqm.

7.14 This is shown in Table 81 where the figures refer to net floorspace change, which is the difference between employment floorspace gained in new development and change of use minus employment floorspace lost to other uses.

7.15 The East Midlands as a whole gains 1.1 million sqm of offices to 2016, Derby HMA almost 140,000 sqm. Industrial space falls, while warehouse space increases slightly. These trends offset each other so in the region, there is only a small floorspace growth of almost 70,000 sqm.

7.16 In Derby HMA, slightly less floorspace is needed than actually exists (1811 sqm).

7.17 The reason there is so little net need in the future for employment floorspace is because of the shift from industrial to office employment. This means more people will be employed in offices where the floorspace needed per job is much lower than for industrial uses. For example in a similar sized 10,000 sqm office, 556 people can be employed; in a similar sized 10,000 sqm industrial unit, only 323 people will (on average) be employed. Because less property is needed, so less land is needed.

Table 81 – Forecast Demand for Employment Floorspace, 2003 to 2016 and 2026, sqm

Sector	Aspect	Derby HMA	East Midlands
Office	Floorspace Stock, 2003	539,000	5,249,000
	Floorspace Need, 2003-2016	+139,852	+1,100,046
	Floorspace Need, 2003-2026	+247,434	+1,946,249
	Floorspace Need pa	+10,758	+84,619
Industrial	Floorspace Stock, 2003	3,411,000	25,277,000
	Floorspace Need, 2003-2016	-243,750	-1,435,823
	Floorspace Need, 2003-2026	-431,250	-2,540,304
	Floorspace Need pa	-18,750	-110,448
Warehouse	Floorspace Stock, 2003	955,000	15,539,000
	Floorspace Need, 2003-2016	+80,354	+1,236,857
	Floorspace Need, 2003-2026	+142,165	2,188,280
	Floorspace Need pa	+6181	+95,143

Sector	Aspect	Derby HMA	East Midlands
Total	Floorspace Stock, 2003	4,905,000	46,065,000
	Floorspace Need, 2003-2016	-23,544	+901,080
	Floorspace Need, 2003-2026	-41,651	+1,594,225
	Floorspace Need pa	-1811	+69,314

Source: EMLPS 2006

7.18 These figures are translated into land requirements in Table 82. These use an average development density of 4000 sqm/hectare. This 40 percent ratio is reasonable for most industrial and warehousing sites, however some office development, especially in city centres, will be at higher densities.

Table 82 – Forecast Demand for Employment Land, 2003 to 2016 and 2026, ha

Sector	Aspect	Derby HMA	East Midlands
Office	Estimated Stock, 2003	135	1312
	Forecast Need in Net Land Area pa	+3	+21
	Forecast Need in Net Land Area, 2003-2016	+35	+275
	Forecast Need in Net Land Area, 2003-2026	+62	+487
Industrial	Estimated Stock, 2003	853	6319
	Forecast Need in Net Land Area pa	-5	-28
	Forecast Need in Net Land Area 2003-2016	-61	-359
	Forecast Need in Net Land Area 2003-2026	-108	-635
Warehouse	Estimated Stock, 2003	239	3885
	Forecast Need in Net Land Area pa	+2	+24
	Forecast Need in Net Land Area, 2003-2016	+20	+314
	Forecast Need in Net Land Area, 2003-2026	+36	+547
Total	Estimated Stock, 2003	1226	11,516
	Forecast Need in Net Land Area pa	0	+18
	Forecast Need in Net Land Area, 2003-2016	-6	+230
	Forecast Need in Net Land Area, 2003-2026	-10	+399

Source: EMLPS 2006

7.19 Table 82 shows that Derby HMA actually needs less employment land than was actually in use in 2003. To 2016, 6 ha less is needed, to 2026, 10 ha less.

East Midlands Airport

7.20 Future trends suggest a substantial increase in the importance of air transport and therefore growth in activity around EMA. In light of this the owners commissioned an Economic Development Strategy Study of the airport, this estimated that in 2001 it supported 9100 FTE jobs. This is forecast to rise to 26,800 by 2030, almost half of which would be in Derby HMA. The resulting demand for employment space in the East Midlands would thus be 82 ha, equating to:

- Offices – 49,000 sqm
- Industrial – 125,000 sqm
- Warehouse – 154,000 sqm.

7.21 However EMRA believe, that based on experience elsewhere, for example Stansted, the employment effects of expanded airports are often overestimated. Therefore EMRA's advice is that no account for the impact of airport growth should be factored into the forecast figures.

Land Supply

7.22 The forecast net need of employment land (which is negative) then needs to be balanced against the current stock of undeveloped employment land – made up of outstanding allocations and outstanding permissions.

Table 83 – Employment Development Land

Area	Undeveloped Employment Land, ha				
	B1	B2	B8	Open B1/B2/B8	Total
Derby HMA	41	15	6	396	459
East Midlands (ex Northants)	442	231	479	2514	3665

Source: EMLPS 2006

7.23 In the East Midlands the development sites would provide 3665 ha of employment land; in Derby HMA there is 459 ha.

7.24 This, therefore, suggests, in purely quantitative terms, there is a large over supply of employment land in the region. Derby HMA could actually afford to lose 6 ha of its developed employment land as it stands, yet it found that there is potentially another 459 ha coming forward in the planning pipeline. Overall, according to these economic forecasts to 2016, the study area needs to reallocate 465 ha.

Buffer

- 7.25 The EMLPS makes it clear that there needs to be a buffer stock of land which is required to make the property market operate smoothly. Property development takes time, some sites will be un-developable without remediation, there needs to be some scope for transition between construction, redevelopment and occupation.
- 7.26 This buffer has been excluded from the EMLPS analysis, but it recommends a figure of two to five years average historic take-up of employment land. In some cases, where the market is complex, e.g. urban regeneration areas, it suggests that this buffer could be more than five years.
- 7.27 This buffer is left to local planning authorities to interpret but should provide for a constant supply of available land throughout the planning period.

Caveat

- 7.28 The report suggests that these figures are surrounded by potentially large margins of error, and that local employment land studies should reconsider the market balance, making more accurate assessments of potential losses, taking account of land quality, geography and availability (and deliverability) of sites. It is also particularly important that local studies consider market conditions, including the commercial viability of development.

Warehousing

- 7.29 The EMLPS also incorporates the findings of the EMDA sponsored East Midlands Strategic Distribution Study. This calculated that the region requires 1.04 million sqm of additional strategic warehousing space (units of 10,000 sqm or more) to handle forecast freight growth between 2006 and 2026. There is also a need to renew 3.8 sqm of existing floorspace, because the present premises/sites are outmoded.
- 7.30 Table 84 shows how this is distributed around the region. The 'Footloose New Build' is shown as a regional requirement, not distributed between HMAs. How much of this should be accommodated, and where, is a strategic policy decision. However if the region is to accord with the Regional Freight Strategy, 402 ha over the 20 year planning period must be rail connected. Derby HMA is identified as one of very few locations capable of accommodating new rail connected strategic distribution sites (which typically are at least 50 ha in size).

Table 84 – Annual Warehousing Land Demand

Warehouse Sector	Land Required, ha pa		Land Released, ha pa
	Greenfield	Brownfield	
Derby HMA	1.5	2.2	0.8
Footloose New Build	13.1	-	-
East Midlands	36.9	34.9	13.1

Source: EMLPS 2006

- 7.31 The East Midlands Strategic Distribution Study identified 563 ha of outstanding strategic warehousing commitments, which is enough to last 15 years (27 ha in Derby HMA). Although much of the land is in the wrong locations and not rail connected. Consequently there is an urgent need to accommodate the 300 ha of outstanding rail connected demand. There is an immediate need for new rail accessible sites, as opposed to non-rail sites, to try and ensure as many freight trains can be accommodated by 2015 as possible. Potential sites will need to meet the criteria outlined in the report and considered at a regional level.

Updating the East Midlands Land Provision Study (EMLPS)

- 7.32 The EMLPS forecast land need from a starting point of 2003. Therefore in this subsection it is updated to 2006 – the base date for this Derby HMA Employment Land Review. In 2003 the study area’s office floorspace stock was 539,000 sqm, in 2006 it was 570,000 sqm; the 2006 figures for industrial and warehousing space were 3,222,000 sqm and 1,083,000 sqm respectively. The updated figures are included in Table 85, which equate the updated floorspace figures against the forecast, floorspace requirements. These are then translated into a land need in Table 86.

Table 85 – Updated Forecast Demand for Employment Floorspace, 2006 to 2016 and 2026, sqm

Sector	Aspect	Derby HMA
Office	Floorspace Stock, 2006	570,000
	Floorspace Need, 2006-2016	+108,852
	Floorspace Need, 2006-2026	+216,434
Industrial	Floorspace Stock, 2006	3,222,000
	Floorspace Need, 2006-2016	-54,750
	Floorspace Need, 2006-2026	-242,250
Warehouse	Floorspace Stock, 2006	1,083,000
	Floorspace Need, 2006-2016	-47,646
	Floorspace Need, 2006-2026	+14,165

Sector	Aspect	Derby HMA
Total	Floorspace Stock, 2006	4,875,000
	Floorspace Need, 2006-2016	-6,456
	Floorspace Need, 2006-2026	-11,651

Source: EMLPS 2006; Valuation Office 2006

Table 86 – Forecast Demand for Employment Land, 2006 to 2016 and 2026, ha

Sector	Aspect	Derby HMA
Office	Estimated Stock, 2006	143
	Forecast Need in Net Land Area, 2006-2016	+27
	Forecast Need in Net Land Area, 2006-2026	+54
Industrial	Estimated Stock, 2006	806
	Forecast Need in Net Land Area 2006-2016	-14
	Forecast Need in Net Land Area 2006-2026	-61
Warehouse	Estimated Stock, 2006	271
	Forecast Need in Net Land Area, 2006-2016	-12
	Forecast Need in Net Land Area, 2006-2026	+4
Total	Estimated Stock, 2006	+1219
	Forecast Need in Net Land Area, 2003-2016	+2
	Forecast Need in Net Land Area, 2003-2026	-3

Source: EMLPS 2006; Valuation Office 2006

7.33 In only three years the growth of office space and decline in industrial space can be noticed. However the figures are not running quite as the forecast model suggests. This is particularly noticeable in the substantial increase in warehousing space, up by 128,000 sqm from 2003. The predicted net rise to 2016 was only 80,374 sqm, so this has already been significantly overtaken.

7.34 After updating, the study area requires a further 2 ha of land to 2016, but further economic structural readjustment means 3 ha less is required to 2026. Again this is based on the current amount of land actually in use at the moment. The 400 ha plus of undeveloped employment land in the study area is theoretically therefore not needed.

Employment Land Losses

7.35 Each of the three local authorities have provided data on employment land developed for other uses, e.g. residential, leisure, retail, etc. This can take place either on 'contributing land', that which contributes to meeting the Structure Plan

requirement; or 'non-contributing land', land already part of the supply when the Structure Plan period started (in 1991).

- 7.36 Between 1992/93 and 2005/06 Derby has lost 45.86 ha from its contributing land supply – much of it at Pride Park. This is an average of 3.28 ha/year. However such losses have been less of an issue in the other two areas.
- 7.37 All three areas have lost non-contributing land – but this is not unusual. In fact it is expected as outdated sites and premises get recycled for more appropriate uses. Since 2001/02 Amber Valley has lost 3.24 ha/year on average; Derby 3.23 ha/year and South Derbyshire 3.58 ha/year.
- 7.38 However these losses have never been monitored properly – it is quite difficult to track. And so are likely to be underestimates.
- 7.39 Such losses are expected to continue into the future. In Amber Valley a further 6.13 ha was lost in 2006/07 and 11.05 ha is pending 2007/08. In Derby there are proposals at the Raynesway sites (CO03/RA01/RA07) for a certain amount of car showroom, hotel and other development alongside the majority employment uses. On sites LO05 Bombardier Land, ST04 Station Road and NO01 Nottingham Road, for example, there are residential/nursing home proposals. There will be others (including in South Derbyshire), but these are the ones currently known about.

Effect on the Models

- 7.40 In all three areas, approximately 3.5 ha of contributing employment land has been lost to other uses each year as well as losses from the 'non-contributing' supply (which is not monitored). It is expected that this trend will continue into the future, as outmoded land and premises gets recycled and regenerated – in fact Government policy positively encourages this.
- 7.41 Under the historic land take-up model the take-up figures used are gross and include this element of contributing land loss. Consequently the net take-up figures would be roughly 3.5 ha less in each area.
- 7.42 Under the population/employment models, the calculations make no account for these losses, but these are likely to continue into the future. Applying a buffer to enable, effectively, this structural change to occur is a recognised solution. Having a

ten year buffer would suggest each area needs a 35 ha forward supply to be readily available to enable companies to modernise and relocate to more suitable premises.

Summary

- 7.43 In this sub-section the findings of the preceding research are drawn together into a number of conclusions.
- 7.44 Applying the annual average gross take-up over the last decade or so of 14.61 ha/year, there is an oversupply of employment land to cater for the study area's needs to 2026, some 45 ha. Amber Valley has a 30 ha oversupply, Derby nearby 90 ha, while South Derbyshire has a 75 ha shortage.
- 7.45 This estimate is based on a continuing loss of existing employment land to other uses, which has averaged over 10 ha/year in the study area over the last five years.
- 7.46 The Experian forecasts suggest the study area actually needs less net employment land than predicted by historic take-up rates. The model suggests actually 3 ha less than is used already. Consequently this would mean that much of the vacant employment land in the study area is surplus to requirements according to this model and could be used for other activities such as housing or parks. Common sense suggests that this result needs further examination.
- 7.47 Other factors needs to be considered. The property market is not a perfect market, and is rife with market failures (for example they make no allowance for companies modernising or relocating into different sized properties; that land is not used totally efficiently; that brownfield land will remain undeveloped due to the costs of remedying it; or that some companies occupy more space than they need, etc).
- 7.48 These factors are recognised in the East Midlands Employment Land Provision Study 2006, and there are a number of caveats made. Furthermore the land need it predicts are net figures. That is, it recognises there will be new employment land developed, but this will be compensated for by the redevelopment of far more existing brownfield employment land for alternative uses. The models illustrate a direction of travel of the economy, and do not take account of any local policy or economic adjustments to effect change. The rate of gross take-up will decline, the average amount of land lost will increase.

- 7.49 It also recommends having an employment land buffer, especially in urban regeneration areas such as Derby HMA. This is recommended to be at least five years average historic employment land take-up.
- 7.50 The company survey (see Section 6.0) identified a short-term total land requirement of 1.8-4.7 ha from just five percent of companies which immediately throws into question the validity of this model. Similarly those specialists in the commercial property industry consulted (Section 4.0) also state there is a very strong demand for land in the study area, which again, to a degree, contradicts the outcome of the model.
- 7.51 In other comparable areas where similar exercises have been done, the use of economic models has also generated similar outcomes. In all instances where BE Group has been involved they have been discounted in favour of the historic land take-up/company survey assessment.
- 7.52 These forecasts look at how the size of the workforce and activities they will be undertaking are expected to change. Typically these indicate very small job growth and higher density employment uses, i.e. offices, negating the need for further employment land. However these theoretical forecasts contradict what is happening in practice, which is continuing development and expansion, even though these theoretical trends have been occurring for some twenty years or more. Such forecasts are also found to be less robust at local (as compared to the regional) level, which is, in part, why this report looks at a wider Derby HMA study area.
- 7.53 There will be a move to higher density employment, however, counter to this and increasing the need for land, will be continuing economic growth, the growth in numbers of small business; and increasing preference for better quality, more spacious accommodation. BE Group also feel that, especially in rural areas, a lot of the 'service sector employment' will be in light industrial premises, rather than offices as generally predicted.

8.0 CONCLUSIONS

Introduction

- 8.1 In this section the findings of each of the preceding sections are drawn together into a number of conclusions.
- 8.2 Very broadly there is too much employment land in the Derby HMA, and over time poor quality land will have to be de-allocated or redeveloped for other uses. Having said this new allocations will be needed to offer viable land and property solutions to modern, growing businesses. Consequently high profile schemes such as Cinderhill, Chellaston Business Park and Woodville, Swandlincote will be required.
- 8.3 Amber Valley suffers from a generally poor quality land resource, with few obvious opportunities to improve it (i.e. with new allocations). Derby is the most oversupplied area of the three, but its resource is essentially above average and fit-for-purpose. South Derbyshire has a slight undersupply. Given that regional policy is pushing local authorities to work together, such as in this HMA; Amber Valley may have to satisfy its companies needs for higher quality solutions in Derby; while South Derbyshire may have to accept that some of its companies also use Derby's plentiful land resource.
- 8.4 The local authorities will have to start allowing the regeneration of poorer quality employment land and areas identified in this report. But major allocations need to be retained to accommodate structural change; compensate for the failures of the property market; and in recognition of the continuing strength of industrial (rather than office) demand in all three areas, especially the case in Amber Valley and South Derbyshire. Furthermore historically low take-up in Amber Valley could well be linked to the poor quality of the land resource – so there could well be further latent demand. Derby has a strong engineering sector that shows little sign of relocating to lower cost countries, which skews predicated economic forecasts (although BE Group's expects that some of the older employment areas linked to these sectors will come forward for regeneration in due course). While South Derbyshire has seen strong demand from the logistics sector – attracted by its A50 and A38 road links.

Economic Profile

- 8.5 There are approximately 7500 B1, B2 and B8 businesses in the study area. The main concentrations are in Derby, Swadlincote, Alfreton, Heanor, Belper and Ripley.

However rural areas are important, for example a quarter of businesses in South Derbyshire are in and around Melbourne.

- 8.6 The study area is relatively lower skilled, but exhibits higher than average economic activity and low unemployment. Manufacturing still accounts for 23 percent of employment, above the East Midlands figure of 16 percent and Great Britain's 11 percent. Although the service sector is growing in line with national trends it still lags behind comparable averages. This suggests scope to increase this sector of the economy further.
- 8.7 Homeworking is an important element of the economy, undertaken by around eight percent of those employed. More so in rural areas. This is in line with national trends that is leading to a greater number of (on average) smaller companies.
- 8.8 The public sector needs to facilitate economic growth by enabling an appropriate range of sites and premises. A balanced land and premises portfolio is required to stimulate local company growth, inward investment and emerging industries. Ideally it should be close to residential areas, well served by public transport, cycle and walking routes; and support areas of deprivation or regeneration.
- 8.9 Derby is the focus of development in the study area, it has a wider impact on Amber Valley and South Derbyshire. Schemes in these two areas need to complement the regeneration of Derby.

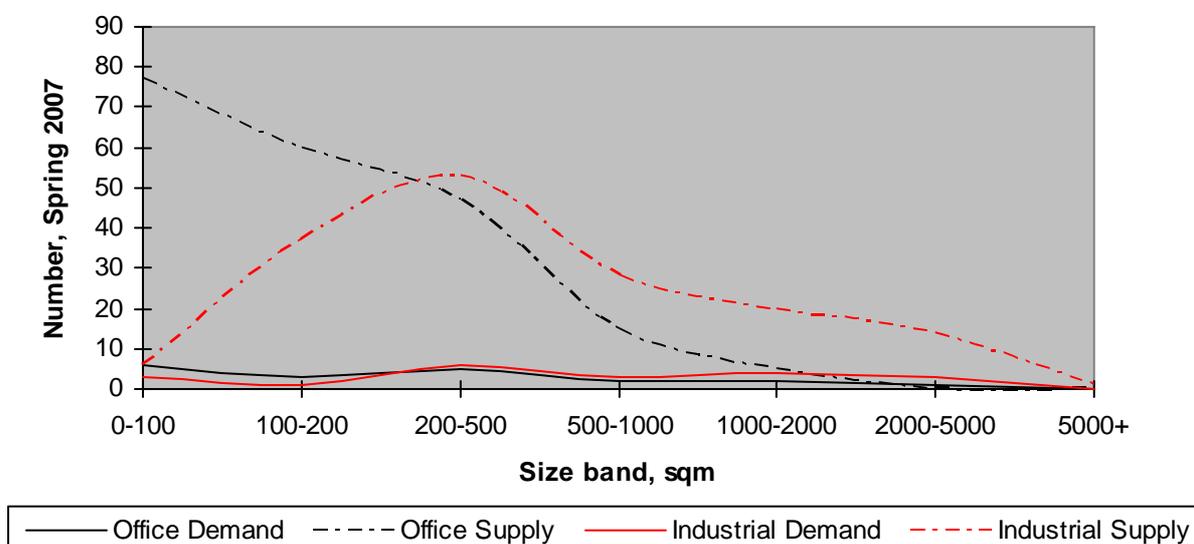
Property Market Assessment

- 8.10 The study area has a generally insular (except in Derby and for some distribution requirements), but reasonably strong, property market, where generally industrial need outweighs offices (except in Derby city centre). The urban centres of Derby, Swadlincote and Alfreton dominate. This is clearly shown by the company survey responses and feedback from local property market stakeholders.
- 8.11 Modern businesses (and developers) want easily developable, accessible and prominent sites for their premises. They move from existing property to provide themselves with better, more efficient, cost-effective accommodation of an appropriate size.
- 8.12 Although manufacturing is in decline, it is the demand for industrial sites and premises that is the strongest outside Derby, companies still require space for storage, distribution and assembly of goods (even if traditional manufacturing is in decline). However the growth of the service sector is shown by the premises

requirements identified in the company survey, particularly in the terms of the extent of office demand in Derby.

- 8.13 Most requirements are for offices up to 186 sqm, industrial units up to 465 sqm. This reflects the fact that most firms, some 90 percent, actually employ less than ten people. However given the regional role that Derby has, and footloose distribution requirements attracted by the study area's key transport links (A38, A50, M1, etc), there are larger requirements up to 4650 sqm.
- 8.14 Generally demand is for moderate quality units, in both office and industrial sectors (but especially so for Derby city centre offices); and there is a strong demand for freehold space – although less so in the city centre office market. There is a lack of larger units, both office (again more so in Derby) and industrial, above 1858 sqm. There is also a shortage of small workshops for small and start-up businesses, up to 93 sqm.
- 8.15 Figure 2 balances the requirements identified in the company survey against the premises supply identified by this research. Because of the small extent of the company survey, it is difficult to identify any shortages globally. However closer examination indicates that there is a lack of industrial space in Amber Valley (freeholds, 465-929 and 1859-4645 sqm units); large 930 sqm plus offices in Derby; and a shortage of industrial units in South Derbyshire (freeholds, 186-464 sqm units) as well as good quality offices. Each area's individual property supply and demand analyses are shown in Appendix 10.

Figure 2 – Derby HMA Property Supply and Demand



- 8.16 Table 87 compares the three areas that make up Derby HMA, it looks at a number of different aspects. Compared to the relative population and businesses the stock of industrial floorspace is in proportion, although there is relatively fewer properties vacant in Derby, compensated for by relatively more in both Amber Valley and South Derbyshire. On the office side, Derby dominates the supply, and generally the vacancy rates are in proportion to this distribution of the space across the study area. Based on this analysis, employment land is perhaps the most interesting aspect, too much in Derby, too little in South Derbyshire, while Amber Valley appears to be at equilibrium.

Table 87 – Derby HMA Property Market Size Comparison

Aspect	Amber Valley	Derby	South Derbyshire
Population, percent	27	53	20
VAT Registered Businesses, percent	32	44	24
Industrial Floorspace Stock, percent	33 - floorspace 32 - units	46 - floorspace 49 - units	21 - floorspace 19 - units
Vacant Industrial Property, percent	43 - floorspace 42 - units	26 - floorspace 34 - units	30 - floorspace 24 - units
Office Floorspace Stock, percent	18 - floorspace 22 - units	77 - floorspace 70 - units	5 - floorspace 8 - units
Vacant Office Property, percent	19 - floorspace 22 - units	67 - floorspace 59 - units	14 - floorspace 19 - units
Employment Land, ha	29	56	14

Source: ONS/BE Group 2007

- 8.17 There are a number of serviced office schemes in Derby; only two in Amber Valley and none in South Derbyshire. There is no managed workspace outside Derby. These types of schemes are well suited to growing the small business sector and encouraging new start-ups.
- 8.18 Rural property schemes provide a valuable resource for local businesses, often providing low cost premises. Most exhibit full occupancy rates. However to establish the strength of demand for more is very difficult because of the very small scale of these settlements and dispersed nature of the population. There appear to be very few rural schemes in the study area, i.e. outside the main towns of Melbourne, Belper, Heanor and Ripley, where they would normally be found in comparable areas.

Amber Valley

- 8.19 Amber Valley has a relatively insular property market, addressing local needs. There is a limited office market. Most demand is for industrial units up to 464 sqm, but there is also a need for larger 2787 sqm plus units. This is because of an increasing demand for distribution uses, spreading west from the M1. Much of the demand is focused on Alfreton, because of its good accessibility to this key strategic route; as well as along the A38. According to stakeholders, and previous research, there is a shortage of available, immediately developable employment land in attractive locations – much of what exists is poor quality. Employment land take-up has been lower than in Amber Valley than the other two areas, but this is probably linked to some degree to the poor quality and availability of the land supply.

Derby

- 8.20 Traditionally the city has relied on its advanced engineering industries, this has created large swathes of manufacturing land, particularly for its specialist rail and aerospace industries. This heritage remains. For various reasons the city centre has suffered from a lack of investment, leading to a poor quality stock of offices. However this has not impacted too badly because of the successful regeneration of the Pride Park area. However as this area becomes fully developed, alternative solutions area needed. Most office demand is for 0-464 sqm suites, but there is a need for larger units, and there seems to be a shortage of larger offices of 2322 sqm plus. The effects of Derby Cityscape will address the city centre office market failings. There is still industrial demand, but few land options immediately available for them, as decent sites are built out. Demand is evident still for large allocations such as Raynesway and Chellaston Business Park from developers and occupiers. Stakeholders want to see more land come forward, and this will be needed to accommodate city centre regeneration relocations. There is limited large scale distribution demand in Derby because of relatively high land values and better alternative options elsewhere.

South Derbyshire

- 8.21 In a similar vein to Amber Valley, South Derbyshire has essentially a local market, as well as some strategic footloose inward investment and distribution demand along the A50 and A38 corridors. This has led to distribution sector demand, capitalising on relatively low land values and available land. Much demand is focused on the key centre of Swadlincote where regeneration has been successful in bringing forward developable employment land. There is a general need for industrial space up to 9292 sqm. There is a small office market. Outside Swadlincote there is a large rural

area, which contributes importantly to the economy, but is dispersed and difficult to quantify, even in the largest rural settlement of Melbourne.

Employment Land

- 8.22 The RSS does not quantify employment land need in the study area. However this is picked up by the East Midlands Employment Land Provision Study 2006. Basically the study area can release most of its undeveloped employment land, save for 3 ha.
- 8.23 The Derby and Derbyshire Joint Structure Plan made provision for an average gross take-up rate of 32 ha of employment land each year across the study area between 1991 and 2011.
- 8.24 According to Derbyshire County Council figures the study area has 411 ha of employment land made up by 70 sites. This is split 117.08 ha in Amber Valley; 232.44 ha in Derby; and 61.48 ha in South Derbyshire.
- 8.25 However, almost 200 ha is constrained in the medium term, and not available for development within three years. This is particularly the case in Amber Valley and Derby, it is not an issue in South Derbyshire.
- 8.26 A number of sites have been identified that may never come forward for development, for a variety of reasons – they amount to 24.93 ha in Amber Valley, the area where this is most of an issue; 14.47 ha in Derby; and 4.80 ha in South Derbyshire. (See Table 55 in Section 5).
- 8.27 There are real quality issues affecting the land supply in Amber Valley; less so in South Derbyshire, where its large allocations are good quality and readily available. Derby, unlike many similar cities, has a good supply of land, which is accessible and suitable for a range of uses – it just needs servicing and bringing forward for development. This summary conclusion is the same for the established employment areas in Amber Valley and Derby, which have also been appraised in this report. Generally Derby's areas are relatively modern and accessible; Amber Valley's less so.
- 8.28 Although there is 30 ha of good quality land in Amber Valley, it is made up of just one site close to the A38 (Cinderhill). Decent sites are lacking in all the four main towns in the Borough.

Table 88 – Employment Land Summary

Area	Total Employment Land Supply, ha	Available Land, 0-3 years, ha	Immediately Available Land, ha	Historic Gross Take-up, ha/year	Potential Land Losses, ha	Top Quality Land, ha
Amber Valley	117.08	53.75	30.64	3.38	24.93	30.00
Derby	232.44	97.14	21.45	5.78	5.29	71.57
South Derbyshire	61.48	61.48	43.68	5.48	4.80	18.22
Derby HMA	411.00	209.50	93.21	14.64	35.02	119.79

Source: BE Group 2007

- 8.29 Comparing the immediately available land supply with average historic gross take-up rates, it shows that there is less than four years forward supply in Derby. In Amber Valley and South Derbyshire, the equivalent figures are nine and eight. Derby HMA, as a whole, has six years forward supply.
- 8.30 If this analysis is extended to look at land available within three years, Amber Valley has 16 years forward supply; Derby has 17 years; South Derbyshire 11 years; and Derby HMA, 14 years.
- 8.31 If all the potential land losses (included in Table 89) do occur, and the study area is left with 375.98 ha. Based on the population/workforce forecasts preferred by EMRA, this makes no difference to the land supply needed, there would still appear to be an oversupply of land. Comparing this against, the Structure Plan forward allocation of 32 ha/year, this is 11 years forward supply. Based on historic gross take-up figures, there is 26 years forward supply, which would last until 2032.
- 8.32 The East Midlands Land Provision Study 2006 makes a recommendation that, although there is a net reduction in land needed, in order to allow the structural change to occur an employment land buffer is needed. In an area such as Derby HMA, this could be upwards of five years. Assuming a ten year buffer is used, this would suggest 146.33 ha (gross) is needed for the Derby HMA (33.8 ha for Amber Valley, 57.8 ha for Derby, and 54.8 ha for South Derbyshire). Even adopting these buffers, Amber Valley and Derby would still need to reallocate a substantial proportion of existing undeveloped employment land, irrespective of the fact that some existing employment areas will be lost in the meantime (and helping to achieve the net figures forecast).

8.33 BE Group has a number of reservations about using economic forecasts to predict employment land need, especially over the short-to-medium term. This comes from experience in the property market, consultation with stakeholders during the research for this report, and findings from the company survey. These reservations are outlined in Section 7.0, but to illustrate. The East Midlands Employment Land Provision Study 2006 predicted that warehouse floorspace in the study area would rise by 80,374 sqm to 2016, and by 142,165 sqm to 2026. Between 2003 and 2006, it increased by 128,000 sqm alone. Existing, poor quality warehouse space will be lost, but still, there is going to have to be a substantial change in the economic and property market landscape for these predictions to be realised.

9.0 RECOMMENDATIONS

Amber Valley

- 9.1 In Amber Valley, there are serious problems with the quality of the land supply. Apart from Cinderhill and Denby Hall, the portfolio of sites is not attractive and does not encourage development. The ones most likely to be developed are small, in-fill sites. The major allocations lack decent access or prominence, e.g. Cotes Park IE South, Somercotes; West of Heanor Gate IE; Bullsmoor, Belper; Taylor Lane, Loscoe. AVBC really needs to address its land supply, to find better allocations that are more related to key access routes. However it is accepted that this is difficult and the land supply reflects the nature of Amber Valley as much as anything else – dispersed settlements and employment areas divorced from key access routes.
- 9.2 There is a real issue in Belper. The viability of Bullsmoor is severely questioned because its access is poor, it is poorly located and situated, and lacks prominence; while remaining sites are also small and poor quality. AVBC should look at redevelopment of existing areas for units suitable for small businesses; identify and better use underutilised land; and maximise existing opportunities, e.g. Belper Mill, especially in the western half of the Borough. There is more potential to cater to the needs of modern SMEs in the eastern half of the Borough, because of the better road links.

Derby

- 9.3 Derby Cityscape's masterplan is validated by the findings of this report – there is a poor stock of city centre offices. This impacts on Derby's ability to attract major office-based inward investment. Not all office occupiers will want to be on Pride Park, irrespective of the quality of this location. The city centre has suffered from decades of under investment. Its regeneration will catalyse improvements throughout Derby HMA.
- 9.4 Care is needed to limit further out-of-town office development to support the city centre's regeneration. However there will be companies that will want to occupy space in such locations, so it cannot be stopped entirely.
- 9.5 It is assumed much of the office growth in Derby will be 'land-less', that is the redevelopment of existing city centre properties and the regeneration of inner city areas. This needs to continue to be encouraged.

- 9.6 There is a lack of immediately available industrial land in Derby. This is constraining Derby Cityscape's relocation strategy. A priority for the public sector is to facilitate the servicing of suitable sites, the key ones being Raynesway and Acordis Spondon.
- 9.7 The out-of-town office market is less of a priority, given the city centre regeneration proposals. And the fact that higher value office development will encourage the private sector to service and develop appropriate sites themselves.
- 9.8 The next priority is to bring forward Chellaston Business Park, which will provide an excellent mixed-use business park, well located to both the city centre, existing industry and access routes. It will be capable of providing accommodation for B1, B2 and B8 uses.
- 9.9 Derby does not have an issue with poor quality employment land or areas. Obviously some of the land will be expensive to remediate and bring forward; but even the low quality sites are likely to be developed and contribute to the economy.

South Derbyshire

- 9.10 The same can be said for South Derbyshire. However it may take public sector support to bring forward the Lilypool Industrial Estate expansion in Melbourne. There is limited property availability in Melbourne. The public sector, should look at the support it can give to develop small business space, both industrial and office.
- 9.11 Land at the Drakelow and Willington former power station sites and the area identified in the Woodville to Swadlincote Town Centre Area Action Plan Issues and Options consultation document (February 2007) to the north of Occupation Road, Woodville, offer potential to improve the District's land supply. All are of a scale and situation to enable critical mass to be created, but may be dependant upon substantial infrastructure improvements to link them to the strategic road network. Drakelow and Willington have potential to meet East Midlands requirement for strategic distribution sites and South Derbyshire District Council should be applying to EMDA for support in this matter.

General

- 9.12 There is good demand for, and a shortage of, micro-business space, especially industrial workshops, i.e. up to 100 sqm throughout the study area. These are suitable for new start-ups, etc. Potential locations include Alfreton, Heanor, Ripley, Swadlincote and Melbourne. There is a lack of managed workspace that should be

investigated in more detail. This is more of an issue outside Derby, but there could well be scope for more traditional managed workspace in the city as well.

- 9.13 Continue to work with key partners to help overcome any remaining infrastructure barriers to the development of key sites, e.g. Cinderhill, Chellaston Business Park, Raynesway, Kingsway, Woodville. Although most companies are only looking for moderate quality premises, this is changing. There is a need for better quality land and premises, albeit only for a smaller proportion of businesses. These will also be the high growth, dynamic companies likely to generate the greatest employment in the future. These key sites need to be geared towards their needs.
- 9.14 Given strong freehold demand, investigate the feasibility of providing small, serviced, freehold development plots. Target at owner-occupiers, rather than developers. Each scheme should comprise of up to 2 ha providing initially 5 to 10 0.1-0.2 ha plots. These would be offered on a long leasehold basis to ensure some control of the scheme to keep it well planned, clean and tidy. Suggested locations are Alfreton, Heanor, Belper, Ripley, Derby, Swadlincote and Melbourne.

Employment Land Need

- 9.15 Because of the complexities of structural change BE Group find it difficult to wholly endorse EMRA's predictions of land need through to 2021, let alone 2026. It is just too far into the future to provide any comfort. Especially given what is actually happening on the ground in Amber Valley and South Derbyshire, where industrial demand continues to dominate, and the office sectors remain small.
- 9.16 Also Derby's economic profile, in particular, with its concentration of advanced engineering industries (aerospace and rail-linked), make it difficult to reconcile actual employment land need with EMRA's forecasts. Normally the economic forecasts predict the loss of manufacturing (overseas) to be replaced by office-based employment. However, although this will happen to some extent in Derby, the very specialised nature of its economy, and the dominance of companies such as Rolls Royce, mean that this trend is less apparent.
- 9.17 BE Group confirms that increasing office use will lead to the reduced scale of employment land overall, getting there is a different proposition. Therefore it is recommended that Derby HMA maintain a buffer zone of at least five years historic land take-up. This should be maintained at all times to provide range and choice as

well as 'room-to-manoeuvre' to enable the structural change incorporated in the EMRA forecasts to occur.

9.18 EMRA's land need forecasts are 'net' figures, they assume a substantial proportion of the existing poor quality employment land and buildings will be recycled in the future. This will allow new, better quality land to be retained (or allocated) to enable businesses to move to more modern, appropriate premises. Consequently the public sector need to recognise the redundancy of these poor quality areas and encourage their mixed-use redevelopment where appropriate. This is a natural economic cycle that needs to be allowed. This will improve the efficiency and competitiveness of local business and gentrify urban areas.

9.19 To be safe, the worst-case scenario should be adopted, that all the potential land losses identified in this research actually do occur. This would reduce the base land supply to the figures shown in Table 89. This would still require existing employment land to be reallocated in all areas except South Derbyshire. Even using past gross take-up rates, rolled forward, to cover the period to 2026, Amber Valley and Derby still have too much land. However BE Group is reluctant to recommend in general the deallocation of land. Although certain poor quality sites have been identified elsewhere in the report and they can be deallocated if the local planning authority feels fit.

Table 89 – Employment Land Need

Area	Worst Case Employment Land Supply, ha	Historic Gross Take-up, ha/year	Five Year Buffer, ha	Gross Land Need to 2026, ha, based on historic take-up rates (no buffer)	Gross Land Need to 2026, ha, based on historic take-up rates with five year buffer
Amber Valley	92.15	3.38	16.90	67.60	84.50
Derby	227.15	5.78	28.90	115.60	144.50
South Derbyshire	56.68	5.48	27.40	109.60	137.00
Derby HMA	375.98	14.64	73.20	292.80	366.00

*Note: Gross land need figures assume a consistent rate of employment land loss to alternative uses.
Source: BE Group 2007*

9.20 Adopting the worst case land supply, the historic take-up rate and adding a five year buffer the study area has 9.98 ha too much employment land to 2026. This is a gross land need figure. Breaking this down between the three local authority areas,

Amber Valley can lose 7.65 ha, Derby can lose 82.65 ha, however South Derbyshire requires an additional 80.32 ha. In Amber Valley most of the effective land supply needed is made up at Cinderhill and Denby Hall Business Park (combined 56 ha). There are limited options to replace existing poor quality sites. Having said this, there is an apparent oversupply of land, and therefore the need to allocate further is minimal.

- 9.21 In Derby there is, it seems, an extreme oversupply of employment land. However it is the economic driver for the sub-region and it would seem contradictory to deallocate land, unless absolutely necessary. Its employment land base (both contributing and non-contributing) also provides solutions for retail, leisure and sui generis uses, given the complex nature of its property/employment market, being a city. Given the land quality problems in Amber Valley it could also be argued that it offers surplus capacity to this area to accommodate business that cannot find an appropriate land or property solution to the north.
- 9.22 South Derbyshire has an undersupply of land based on historic take-up rates. Sites at Woodville, Drakelow and Willington may be suitable although there are infrastructure costs associated with them. Certainly more land is needed to service Swadlincote, the area to the north of Occupation Lane, Woodville site seems sufficient for this. Elsewhere the District may be able to utilise some of Derby's surplus – potentially the good quality Chellaston Business Park, which lies close to its northern border.

Employment Land/Areas Quality

- 9.23 The existing employment areas have been appraised in both Derby and Amber Valley. In Derby, the quality of them is better than expected. There are very few classed as poor; and not many below average. In Amber Valley there are relatively more achieving these lower grades. Given that EMRA's forecasts mean brownfield sites will need to be lost to alternative uses – it is obviously the poor and below average ones that should be considered for alternative uses first. (South Derbyshire's employment areas were appraised in the SDDC Employment Land Review 2007 and summarised in this report for completeness).
- 9.24 Where there is an oversupply of land – Amber Valley and Derby – employment sites can be lost. However in South Derbyshire land needs to be retained because there

is a shortage (poor quality sites can be deallocated, but would need to be replaced elsewhere).

- 9.25 The general principle is that all areas need to retain the good and above average sites (as appraised in this report). The average and below average should be considered on their merits. While the poor should be deallocated.

Other Issues

- 9.26 It is generally difficult to predict what sort of employment sector ought to be assigned to each site. The key objective would be to separate B2 from B1 and B8 uses; and maintain the high quality of buildings, especially on the various business parks. It is also prudent to separate B1 office from B1 light industrial and B8 uses, but in Amber Valley and South Derbyshire perhaps more difficult because of the small sizes of their office sectors.
- 9.27 Ensure future land allocations are sustainable and meet guidelines in terms of being accessible to workers; do not promote use of the car; and are well linked by public transport, cycle and pedestrian routes. However the private sector would generally prefer accessible, edge-of-town, greenfield sites.
- 9.28 Recognise the contribution of rural and semi-rural areas to the study area's property market and economy. Help to support these industrial estates (i.e. in Amber Valley and outside Swadlincote and Derby), facilitating their upgrade where necessary. This includes infrastructure, signage, buildings' condition, etc.
- 9.29 Because of the unusual findings from the company survey, and the relatively small sample size used in Derby, it may be worth considering extending the survey, especially in Derby to provide a better picture of demand.
- 9.30 Continue to promote rural building conversion and ensure planning policies encourage this. There do not seem to be many in the study area compared to other areas BE Group has looked at. In most rural areas, many potential workspace conversions are being lost to residential. It is a fine balance but thought needs to be given to this to maintain a diversified, rural economy.
- 9.31 Review and monitor this position and undertake the study again in five years time. 2026 is a long time into the future, and much will happen. The outcome of Derby

Cityscape's intervention will have a dramatic impact and the effect on the wider economy needs to continue to be considered and managed carefully. Every five years the employment land situation needs to be monitored against EMRA's forecasts to see how the structural change is impacting on the land supply.

Appendix 1

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Appendix 2

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Appendix 3

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Appendix 4

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Appendix 6

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Appendix 7

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Employment Area Location Plans

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Company Survey Questionnaire

Appendix 10

Individual Area Property Supply and Demand Analyses