Brighton & Hove Employment Land Study

Final Report

Brighton & Hove City Council

April 2024

Delivering a better world

Prepared for:

Brighton and Hove City Council

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1. Executive Summary

1.1. Study Context

1.1.1. AECOM was commissioned by Brighton & Hove City Council to undertake an Employment Land Study ('ELS'). The study sets out a detailed evidence based in order to allow for an appropriate supply and mix of employment land and premises to be planned for. The study forms part of the evidence base to inform the review of the City Plan and the future approach to the provision, protection, release and enhancement of employment land and premises. This will enable and encourage future economic growth by supporting the needs of local businesses.

1.1.2. The scope of the study includes employment land, defined as office and industrial land, falling under the following use classes:

Offices:

- E(g)(i) Offices; and
- E(g)(ii) Research and Development.

Industrial uses:

- E(g)(iii) Light industrial;
- B2 General industrial; and
- B8 Storage and distribution.

1.1.3. The area of assessment comprises the administrative area of the City Council that is not within the South Downs National Park; the South Downs Local Plan adopted by the South Downs National Park Authority pertains to the latter area.

1.1.4. Within the study area, allocated clusters of employment land were identified using the Brighton & Hove City Plan Part One ('CPP1') and City Plan Part Two ('CPP2') and consultants' review of available property market information. The study includes all clusters surveyed as part of the Brighton & Hove ELS 2012 where ongoing employment use was confirmed. Additionally, non-designated areas and Central Brighton were considered given their notable contribution to employment. In summary, the clusters surveyed are based on:

- City Plan (CPP1 and CPP2) allocations;
- Non-designated areas (employment locations not allocated within the City Plan); and
- Central Brighton office market (aligning with 'SA2 Central Brighton' within CPP1).

1.1.5. All employment land measuring 0.25 hectares (ha) or more has been assessed in this study, whereas sites smaller than this in size, where they are not identified within the cluster types listed above i.e. allocated, are considered to form part of the total supply presented alongside property market information.

1.2. Policy and literature review

1.2.1. The NPPF provides overarching guidance on the Government's development aims and describes the Government's vision for building a strong, competitive economy.

It emphasises that Local Plans and Employment Land Studies should represent robust evidence to support clearly defined designations and allocations of land for employment uses. The NPPF sets out a series of recommendations which policymakers should follow to help create conditions in which businesses can invest.

1.2.2. The need for an evidence base to assist in understanding existing business needs, local circumstances and market conditions is also emphasised in the national PPG. The PPG is a web-based resource providing detailed guidance on the implementation of the NPPF, and undergoes regular updates. Guidance includes 'Housing and Economic Needs Assessments' and 'Housing and Economic Land Availability Assessments' which were most recently updated in 2020 and 2019 respectively.

1.2.3. At the regional level, the Greater Brighton Economic Board promotes and co-ordinates economic development for the Greater Brighton City Region, with Brighton & Hove recognised as a key driver of economic growth. The Coastal West Sussex and Greater Brighton Strategic Planning Board manages spatial planning issues in order to align investment and strategic priorities for the area.

1.2.4. At the City level, economic development will be underpinned by a new Economic Strategy which will highlight the range of key sectors to Brighton & Hove's future economic prosperity. Businesses in established and emerging sectors will require appropriate employment space in order to thrive. The previous Employment Land Study conducted in 2012 and subsequent assessments such as the Industrial Estate Audit highlight a range of constraints on availability of employment land/space in Brighton & Hove, which the present study will revisit. This is especially pertinent in light of legislative changes around the duty to co-operate with neighbouring local authorities and the influence of new and emerging potential influences of permitted development rights on employment land supply.

1.2.5. Development in the City is guided by the City Plan Part One (CPP1) [1] adopted in 2016 and City Plan Part Two (CPP2)[2] adopted in 2022. Within CPP1, development areas are identified to accommodate a significant amount of employment growth over the plan period. Additionally, Policy CP3: 'Employment Land' identifies and protects key employment locations. CPP2 supports the implementation of CPP1 and sets out additional policy with respect to delivery of new business floorspace (DM11) and capacity of strategic site allocations in terms of types and amount of employment floorspace to be delivered.

1.2.6. Additional policy and guidance provides insight into the economic conditions and employment potential for Brighton & Hove: Circular Economy Routemap (2020-2035)[3]; Employment and Skills Recovery Plan (2021-2023)[4]; and Community Wealth Building Action Plan (2023)[5].

1.3. Functional Economic Market Area

1.3.1. The PPG requires local planning authorities (LPAs) to assess development needs working with other LPAs in a relevant functional economic market area (FEMA), to be defined as part of needs assessments.

1.3.2. Brighton & Hove is relatively self-contained economically, with some important connections either from an economic governance perspective (administrative boundaries and strategic partnerships), market characteristics (housing and

[1] Brighton & Hove City Council, (2016), 'Brighton & Hove City Council Development Plan Part One'
[2] Brighton & Hove City Council, (2022), Brighton & Hove City Plan Part Two.
[3] Brighton & Hove City Council, (2020); Brighton & Hove Circular Economy Routemap.
[4] Brighton & Hove City Council, (2021);, 'Brighton & Hove Employment and Skills Recovery Plan (2021-2023)'.
[5] Brighton & Hove City Council, (2023); The Brighton & Hove Community Wealth Building Action Plan.

commercial property markets) and connectivity (travel to work area and transport infrastructure).

1.3.3. Based on the assessment conducted, Brighton & Hove is particularly connected to six other local authority areas:

- Lewes (by virtue of outflow self-containment, the road and rail network, the housing and property market area, economic governance partnerships, and previous analysis of the FEMA);
- Worthing (by virtue of the road and rail network, the housing and property market area, economic governance partnerships, and previous analysis of the FEMA);
- Mid Sussex (by virtue of the road and rail network, the housing market area, economic governance partnerships, and previous analysis of the FEMA);
- Adur (by virtue of the road and rail network, the housing and property market area, some economic governance partnerships, and previous analysis of the FEMA);
- Arun (by virtue of the road network, the housing and property market area, and economic governance partnerships); and
- Horsham (by virtue of the road network, the housing market, economic governance partnerships, and previous analysis of the FEMA).

1.4. Socio-economic profile

1.4.1. Brighton & Hove's population is increasing at a lower rate (+1.4% between 2011 and 2021) when compared to the FEMA (+7.5%), the South East (+6.2%) and England and Wales (+6.3%). Looking forward, Office for National Statistics (ONS) population projections anticipate population growth of 2% between 2020 and 2040, with a notable proportion attributed to the working age population (+17,097 or 8.8%). Previously recorded demographic change relating to an ageing population (+9.4% growth of over 65 population between 2011 and 2021) is also likely to continue in line with regional and national trends.

1.4.2. A high proportion of Brighton & Hove's population is highly skilled. The proportion of residents educated to a NVQ4 (higher education) level and above in 2021 was 57.3% (compared to 47.8% in the FEMA and 45.2% in the South East region). As a proportion of the total population, the amount of highly skilled residents has also increased (given 46.2% of population held NVQ4+ qualifications in 2011). Furthermore, 68.3% of Brighton & Hove residents work in managerial, professional and technical occupations (SOC groups 1-3).

1.4.3. As of March 2023, the economic activity rate in Brighton & Hove was recorded at 78.7%, which is marginally lower than the regional rate (80.7%). The largest employment sectors by broad industrial groups are health (16.3%), retail (11.3%), and education (11.3%). Within the FEMA, Brighton & Hove is an important hub for employment in the professional, scientific and technical services sector, whereby there are a larger number of employees within this sector than in each of the respective constituent local authorities of the FEMA.

1.4.4. Median residence-based weekly earnings in Brighton & Hove (£641) are similar to those recorded in the FEMA (£640), albeit £44 lower than the median weekly earnings expected across the South East (£685). Workplace-based earnings are higher than residence-based earnings in Brighton & Hove, suggesting residents access higher earnings in alternative locations, likely across the South East region and in London.

1.4.5. In 2023, the total business stock of Brighton & Hove was recorded at 14,410. The majority of businesses are micro-sized businesses (employing between 1 and 9 people), with 90.2% of local businesses falling into this category. For around a third of businesses in Brighton & Hove, average turnover is between £100,000 and £199,000. There are 1,090 businesses that generate over £1 million in turnover, of which the majority are classified within the professional, scientific and technical sector. There are consistently net positive business registrations in a given year.

1.5. Supply of employment land

1.5.1. A total of 48 sites have been identified in this assessment. Of the sites listed, 45 were confirmed by the Council as being currently in employment use or proposed for such uses, and AECOM identified three further sites from the review of documents set out above, which were checked using online mapping to verify that they remain in employment use. The analysis of employment land was completed through site surveys and desk-based research. The employment sites in Brighton & Hove are identified in Table 1-1 and mapped in Figure 1-1 and Figure 1-2.

Table 1-1 Employment Sites Surveyed in Brighton & Hove.

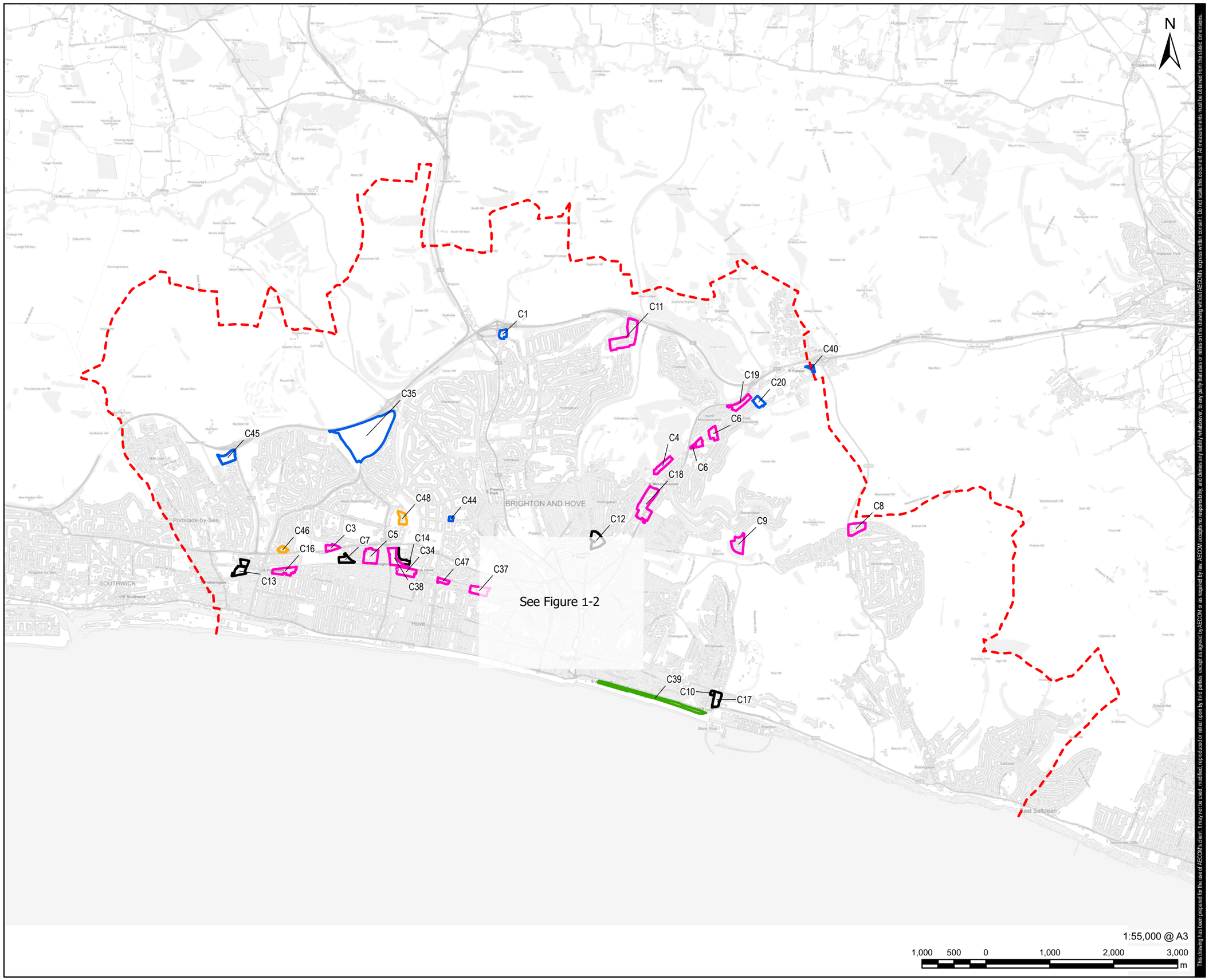
Site reference	Name	Policy allocation	Employment use	Site area (ha)
C1	Patcham Court Farm	CP3.1	N/A – derelict	**1.44**
C2	Centenary Industrial Estate	CP3.3	B2, B8, E(g) (office), Sui Generis	**1.14**
C3	English Close Industrial Estate Area, Old Shoreham Road	CP3.3	B8, E(g) (light industrial and office), Sui Generis	**1.57**
C4	Home Farm Industrial Area	CP3.3	E(g) (light industrial, office, and R&D)	**2.50**
C5	Hove Technology Park, St Joseph's Close, Old Shoreham Road	CP3.3	B8, E(g) (light industrial and office)	**4.59**
C6	Moulsecoomb & Fairways Industrial Estate	CP3.3	B8, E(g) (light industrial and office)	**3.46**
C7	Sussex House (including BT depot)	CP3.3	B8, E(g) (light industrial)	**1.86**
C8	Woodingdean Business Park	CP3.3	B8, E(g) (light industrial and office)	**3.90**
C9	Hyde Business Park, Bevendean	CP3.3	B2, E(g) (light industrial and office), Sui Generis	**4.17**
C10	Bell Tower Industrial Estate	CP3.3	B2, B8, E(g) (light industrial)	**0.37**
C11	Hollingbury Industrial Estate	CP3.3	B2, B8, E(g) (light industrial and office), Sui Generis	**9.93**
C12	Holllingdean Industrial Estate	CP3.3	B2, B8	**3.94**
C13	Victoria Road Industrial Estate	CP3.3	B2, B8, E(g) (light industrial), Sui Generis	**2.18**
C14	Newtown Road Industrial Estate	CP3.3	B2, B8, E(g) (light industrial)	**1.8**
C15	Melbourne Street Industrial Area	CP3.4	E(g) (light industrial and offices)	**0.55**

Site reference	Name	Policy allocation	Employment use	Site area (ha)
C16	Portland Road Trading Estate (including EDF and Martello House)	CP3.4	B2, B8, E(g) (offices)	**3.26**
C17	Gas Works Site	DA2.C.2	B8, predominantly brownfield	**2.35**
C18	Preston Barracks	DA3.C.1	Sui Generis (education), E(g) (co-working offices)	**8.89**
C19	Woollards Field South	DA3.C.2	Sui Generis (education, community uses)	**2.69**
C20	Falmer Released Land	DA3.C.3	N/A – brownfield	**1.92**
C21	Vantage Point, Elder Place (including Circus Parade)	DA4.C.1.a)	E(g) (offices), Sui Generis	**0.36**
C22	Trade Warehousing (Longley Industrial Estate), 4-6 New England Street	DA4.C.1.b)	E(g) (offices), residential units	**0.28**
C23	Richardson's Scrapyard and Brewers Paint Merchant Site, New England Street	DA4.C.1.c)	B8, E(g) (light industrial and office), Sui Generis	**0.26**
C24	Cheapside (south between Blackman Street and Whitecross Street)	DA4.C.1.d)	E(g) (light industrial and office), Sui Generis	**0.16**
C25	Blackman Street Site (land adjacent to Britannia House)	DA4.C.1.e)	E(g) (offices)	**0.11**
C26	Block J, Brighton Station Site	DA4.C.1.f)	E(g) (offices)	**0.44**
C27	Block K, Brighton Station Site	DA4.C.1.g)	E(g) (offices)	**0.07**
C28	GB Liners Site, Blackman Street	DA4.C.1.h)	B8	**0.08**
C29	New England House	DA4.C.2	E(g) (offices)	**0.30**
C30	125 – 163 Preston Road	DA4.C.3	E(g) (offices)	**2.02**
C31	Edward Street Quarter	DA5.C.2	E(g) (offices)	**1.73**
C32	Circus Street Site	DA5.C.3	E(g) (offices)	**0.87**
C33	Freshfield Road Business Park and Gala Bingo Hall	DA5.C.4	B8, E(g) (light industrial), Sui Generis	**4.15**
C34	Conway Street Industrial Area	DA6.C.1	B8, E(g) (offices), Sui Generis	**3.44**
C35	Toad's Hole Valley	DA7	N/A – greenfield	**36.98**
C36	Combined Engineering Depot, New England Road	SSA2	B2, E(g) (office)	**1.19**
C37	Lyon Close	SSA3	E(g) (light industrial and office)	**3.30**
C38	Sackville Trading Estate and Coal Yard	SSA4	B2, B8, E(g) (offices), Sui Generis	**3.62**
C39	Madeira Terrace and Madeira Drive	SSA5	N/A – brownfield	**6.46**
C40	Land Adj American Express Community Stadium, Village Way	SSA7/E2[6]	N/A - brownfield	**0.71**

[6] This allocation is bisected by the district boundary of Brighton & Hove and Lewes. Policy E2 is the policy reference applicable to the portion of the 'Land Adjacent to American Express Community Stadium, Village Way, Falmer' allocation that lies within Lewes District, as set out in Lewes District Local Plan Part 2: Site Allocations and Development Management Policies (2020).

Site reference	Name	Policy allocation	Employment use	Site area (ha)
C41	71 – 76 Church Street Brighton	H1	B8	**0.22**
C42	Post Office Site, 62 North Road	H1	B8	**0.48**
C43	27 – 31 Church Street (corner with Portland Street)	H1	N/A – brownfield under construction	**0.12**
C44	Former Dairy Crest Site, 35 – 39 The Droveway Hove	H1	N/A – brownfield under construction	**0.44**
C45	Hangleton Bottom	E1	B8, predominantly greenfield	**3.37**
C46	Knoll Business Park	No allocation	E(g) (offices)	**1.00**
C47	Cambridge Mews (Grove)	No allocation	E(g) (light industrial and office)	**1.06**
C48	City Park, Hove	No allocation	E(g) (offices)	**2.06**
Wider surveyed areas				
-	Central Brighton (office and workspace)	SA2	E(g) (office and light industrial)	-
FAP-	Outside City Centre (non-allocated employment sites)	SA6	All employment uses	-

Source: AECOM (2024)



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LEGEND

- Brighton & Hove Boundary
- Office
- Industrial & Warehousing
- Mixed Employment
- Potential Development
- Other Site with Employment Use Potential

NOTES

ISSUE PURPOSE

Final

PROJECT NUMBER

60712408

FIGURE TITLE

Sites Surveyed

FIGURE NUMBER

Figure 1-1

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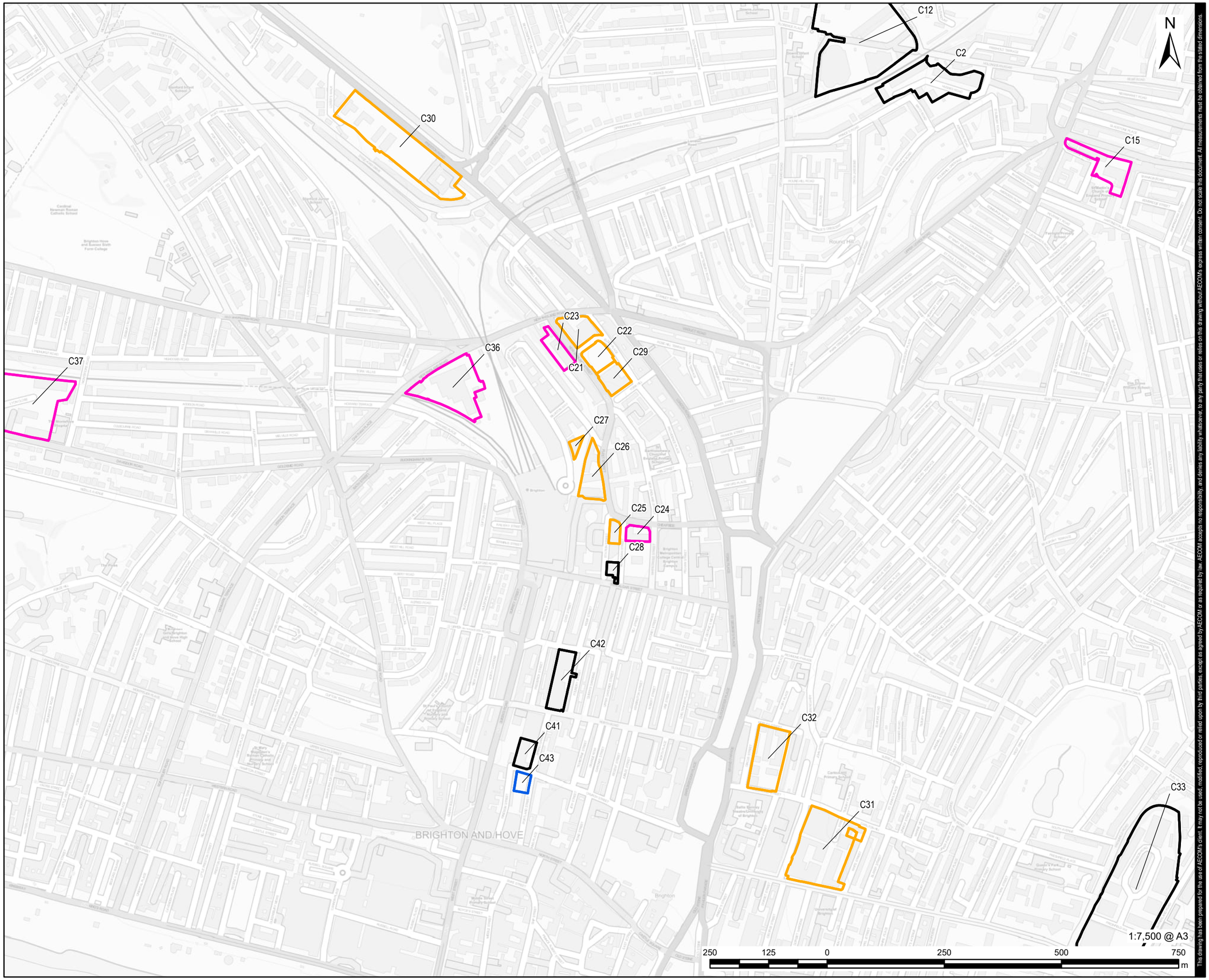

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LEGEND

Site Categorisation

- Office
- Industrial & Warehousing
- Mixed Employment
- Potential Development

NOTES

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ISSUE PURPOSE

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60712408

FIGURE TITLE

Inset Map: Sites Surveyed

FIGURE NUMBER

Figure 1-2

1.5.2. The assessment of existing supply was conducted based on a set of site appraisal criteria (which were agreed with Brighton & Hove City Council in advance) from which detailed analysis was carried out to identify the characteristics of employment land within the City.

1.5.3. The total area of land within the 48 sites (i.e. not including the latter two areas) is estimated to be 122.8 ha. This is broadly indicative of the supply of allocated employment land in Brighton & Hove. Although the sites are comprised primarily of employment land uses of relevance to this study (office and industrial), there is some incidence of alternative uses within allocated sites. This includes residential uses (for example where ground floor employment uses are topped with residential), retail uses (for example providing ancillary amenities) and sui generis uses (for example co-located builders' merchants). However, this should be considered to comprise a small portion of the total stock of employment land identified.

1.5.4. The study also identified Brighton city centre, referred to as Central Brighton, as a key area of office space within Brighton & Hove. As such, a separate assessment of supply of office floorspace within this area has been conducted. This assessment has been predominantly conducted through an evaluation of CoStar property data in addition to a site visit. The office properties in Central Brighton are concentrated in three primary clusters; one area stretches along Western Road towards Hove, the second is concentrated in the North Laines east of Queens Road and in The Lanes/ Old Town area south of North Street, and the third stretches from West Street north along Queens Road up to Brighton station.

1.6. Property market analysis: conditions

1.6.1. The property market assessment considers the office and industrial property markets in Brighton & Hove, set within the context of the wider functional economic market area (FEMA), South East region and England.

Office market [E(g)(i) and E(g)(ii)]

1.6.2. There are around 800 office properties in Brighton & Hove, comprising circa. 560,000m^2 of floorspace. This office floorspace represents 41.7% of the office floorspace within the FEMA, and 3.4% of that within South East region. The average premises size is approximately 700m^2 in size.

1.6.3. The majority of office properties (around 52%) are less than 250m^2 in size (by NIA), with the remainder of office properties comprising a range of sizes. Available office floorspace represented approximately 53,000 m^2 in 2023 Q2, and the availability rate was 9.6%. This rate was greater than exhibited in the South East and across England.

1.6.4. The vacancy rate of office properties remained relatively low (<5.0%), and below the regional and national rate consistently over the period between 2013 and 2023 Q2 with the exception of the period since 2022, when the vacancy rate has exceeded the regional and national rate.

1.6.5. The market rental value of the office stock of Brighton & Hove (£263/m^2) is, on average, higher than recorded across the FEMA (£224/m^2) and South East region (£236/m^2). However, these values are much lower than is typical for England as a whole (£319/m^2). Over the period between 2013 and 2023, the market rental value of the office stock of Brighton & Hove has remained above the recorded value within the FEMA and South East region.

Industrial market [E(g)(iii), B2 and B8]

1.6.6. There are around 70 light industrial properties in Brighton & Hove, comprising around 76,000m^2 of floorspace. This reflects an average premises size of 1,120m^2. The light industrial stock in Brighton & Hove represents around 20% of the light industrial floorspace within the FEMA.

1.6.7. The vacancy rate of light industrial floorspace in Brighton & Hove (4.2%) is marginally lower than is typical for the FEMA (4.7%), and is broadly in line with the regional rate (4.0%). However, in absolute terms this represents a very small amount of vacant light industrial floorspace (circa. 3,100m^2).

1.6.8. There are 124 general industrial buildings in Brighton & Hove, comprising circa. 49,000m^2 of floorspace, or approximately 12.1% of the general industrial floorspace in the FEMA. The average premises size of general industrial properties in Brighton & Hove (circa. 400m^2) is much smaller than is typical for the FEMA (circa. 700m^2) and South East region (1,100m^2) reflecting spatial constraints on industrial sites.

1.6.9. Over the period between 2013 and 2013, the vacancy rate of general industrial floorspace in Brighton & Hove has remained lower than 5.0%, and mostly below 2.0%. This reflects a similar trend across the South East region and England.

1.6.10. There are 63 storage and distribution properties identified in Brighton & Hove, amounting to circa 130,000m^2 of floorspace. This represents around 10% of the storage and distribution floorspace within the FEMA. The average premises size is approximately 2,100m^2, with 81% of the premises having floorspaces between 1,000 and 10,000m^2 in size.

1.6.11. The vacancy rate of storage and distribution floorspace in Brighton & Hove (2.7%) is lower than recorded in the FEMA (3.6%) and South East region (5.4%). Between 2013 and 2023 vacancy has been broadly decreasing, suggesting persistent strong demand for storage and distribution space. There was notably high demand in Brighton & Hove between 2020 and 2022, driven in part by the rapid growth of e-commerce businesses.

1.6.12. Overall, the market rental value of storage and distribution properties in Brighton & Hove and demand for these properties has remained consistently higher than both its regional and national comparators between 2013 – 2023. Over the same period leasing deals have marginally decreased, reflecting a decline in available floorspace.

1.7. Property market analysis: sectors and market demands

Requirements of particular sectors

1.7.1. Brighton & Hove has particular land requirements for a range of specialist sectors promoted in the council's policies: the creative industries, digital and information technology, knowledge industries, and green and renewable energy sectors.

1.7.2. For creative industries, the We Made That Space for Culture report'[7] notes that 19% of businesses and 7% of jobs in Brighton & Hove are in the creative and cultural sectors. There is a clear clustering of creative businesses in the city centre, however constrained supply means these industries are under pressure. It is noted that the most in-demand spaces are managed spaces, incubators and co-working spaces for entrepreneurial activity. The typical floorspace requirement for the creative industries is less than 100m^2 in size. The most common achieved rents in lease deals by tenants in the creative and cultural industries are between £150-

[7] We Made That Urban Research Unit, (2023); Brighton and Hove Space For Culture.

200/m^2/yr. The tenure duration of lease deals within the creative and cultural sector is typically five, ten or three years, in order of prevalence.

1.7.3. For digital industries, in particular gaming and software development businesses which are prevalent and growing in Brighton & Hove, appropriate digitally-connected and adaptable spaces will become increasingly sought after. There may also be demand for smart warehouses in proximity to urban centres[8], data centres[9], smart buildings, and expansion of the 'space as service' lease models. Evidence from recent leasing activity in Brighton & Hove suggests the typical floorspace requirement for the digital industries is between 200-500m^2 in size. Typically, rental values involving this sector relatively high, between £200-250/m^2/yr, and the tenure is typically of ten years in duration.

1.7.4. For the knowledge sector, the University of Brighton and University of Sussex are significant employers, each with incubator and innovation-fostering facilities including co-working spaces. In total, the City contains 35,000 students and over the period between 2015 and 2022 there has been increase in employment in the knowledge sector, including an additional 1,000 jobs in higher education. The modal average rental values achieved in lease deals associated with the knowledge sector are between £150-250/m^2/yr. The range of premises associated with occupiers within the knowledge economy is highly variable. Most of the tenure duration of lease deals secured within the ten years preceding 2023 were for either five or ten years.

1.7.5. For the green and circular economy and construction trades, given the scale of retrofitting of buildings likely to be required in line with Net Zero aspirations and associated regulations, there are significant opportunities to foster these sectors in Brighton & Hove. The CPP1 also identifies small scale renewable energy provision such as solar and wind technologies at the seafront, and new opportunities at Shoreham Harbour. This will be dependent on appropriate available adaptable space to accommodate emerging technologies, which may prove challenging given the limited supply of industrial land, lack of development opportunities, and low vacancy rates.

1.7.6. For logistics operations, Brighton & Hove is strategically located in proximity to a range of infrastructures that support logistics operations. These infrastructures include; the A23 and A27, Gatwick Airport, Newhaven Port and Shoreham Harbour. However these activities require (increasingly) large floorspace premises. Property market agents in Brighton & Hove have indicated that significant demand during the COVID-19 pandemic has since moderated slightly, and an acute lack of supply of suitable premises in Brighton & Hove has led to occupiers seeking available premises in Mid Sussex and Newhaven in particular. Locations where there are ongoing new developments such as Crawley are also drawing occupiers from Brighton & Hove once their searches for space are exhausted.

Affordable workspace

1.7.7. Workspace affordability has become an area of strategic focus across Brighton & Hove in recent years, reflecting constraints in the overall levels of supply, rising rents and evolution of the type and spatial demand across the city.

1.7.8. Market rental values for commercial property in Brighton & Hove is typically higher than across the FEMA and the South East region. Properties with floorspaces in excess of 2,000m^2 typically attract higher market rental values than is typical for office properties on the whole in Brighton & Hove. However, smaller industrial properties attract higher rental values, with properties smaller than 1,000m^2 tending to attract above average rent for industrial properties across Brighton & Hove.

[8] Knight Frank, (2021); Tech solutions enabling better use of small, urban spaces. Available at: https://www.knightfrank.com/research/article/2021-10-21-tech-solutions-enabling-better-use-of-small-urban-spaces
[9] Savills, (2022); European Data Centres. Deep dive in the data sphere.

Properties that were built or renovated after 1990 attract the highest market rental value of any age of office building.

1.7.9. Flexible leasing arrangements may address affordability constraints. Repurposing and bringing back into use disused assets can be seen as a potential avenue for expanding affordable provision in conditions of constrained supply. Small businesses (employing 10-49 people) and micro businesses (employing 0-9 people) make up 98.6% of Brighton & Hove's businesses, however many face budget constraints that limit the accessibility of suitable workspace. Affordable workspace is therefore necessary to support prosperity of these businesses, as well as start-ups, creative industries, and voluntary, charity and social enterprise (VCSE) organisations.

1.7.10. Key considerations for developing policies that support or deliver affordable workspace include whether on-site or off-site developer contributions are sought, what an appropriate amount and location would be for development in line with co-location opportunities, and how viability constraints interact with the delivery of employment-generating floorspace more widely.

Retrofitting, Minimum Energy Efficiency Standards (MEES)

1.7.11. In Brighton & Hove, around 14% of office property EPC certificates are not compliant with current minimum energy efficiency standards (MEES), meaning that they have received a rating of F or G. Floorspace information attached to these certificates indicates that 9% of the office floorspace associated with an EPC certificate is not MEES compliant. In relation to industrial properties, approximately 8% of building certificates, and 10% of floorspace associated with an EPC certificate, indicate non-compliance with current MEES.

1.7.12. The distribution of energy performance of buildings is spatially variable across Brighton & Hove, and there is a concentration of poor rating EPC ratings within central Brighton, indicating where need for investment to upgrade/retrofit or replace buildings will be necessarily focused.

1.7.13. Key considerations in a retrofit strategy for commercial buildings include: understanding the building; assessing what is required; making the business case; identifying barriers and opportunities; setting performance targets; establishing an approach; addressing building management and optimisation; low carbon building services and energy efficient fabric upgrades; reducing embodied carbon and promoting circularity of materials; and monitoring and performance verification[10].

1.7.14. In Brighton & Hove, retrofitting historic buildings presents unique challenges relating to thermal improvements due to construction methods employed, which is compounded by concern over the importance of preserving the heritage of the city through retention/preservation of historic buildings largely located in the Central Brighton area.

1.7.15. Brighton & Hove has a large stock of older office premises, and therefore a way must be found to encourage landlords of these properties to review the opportunities to improve these assets before they become non-compliant with EPC standards. Increased facilitation of retrofitting efforts through marketing on the issues of EPC standards, co-ordination of retrofitting strategies, and partnering will the private sector are some of the key actions that could be taken by BHCC.

[10] UK Green Building Council, (2022); Delivering Net Zero: Key Considerations for Commercial Retrofit. Accessed here: https://ukgbc.org/resources/delivering-net-zero-key-considerations-for-commercial-retrofits/

1.8. Future demand

1.8.1. The approach to assessing future employment floorspace and land requirements is in line with Planning Practice Guidance on economic needs assessments/employment land studies. The future demand assessment considers three different approaches/scenarios to determine the future land requirements in Brighton & Hove:

- Scenario 1 – Labour demand scenario: based on the floorspace and land needed to accommodate expected employment growth in Brighton & Hove, as per the latest employment forecasts derived from Oxford Economics data.
- Scenario 2 – Labour supply scenario: based on the latest population and housing growth projections, as derived from ONS data and the 2023 Strategic Housing Market Assessment.
- Scenario 3 – Past take-up scenario: trend-based scenario based on the continuation of historical take-up rates, sourced from CoStar. This analyses take-up rates by use class over the last 10 years and extrapolates these trends over the assessment period.

1.8.2. A sensitivity test was performed to assess the implication of expansion of the working age population as a result of amendments to state pension age. The resulting increase in labour supply could increase the requirement for employment floorspace versus the initial results of the above scenarios.

1.8.3. Consideration was also given to the requirement to replace employment floorspace which has been converted to alternative uses, known as replacement of losses. This assessment took account of evidence from BHCC monitoring data about loss of employment-generating floorspace and applied assumptions about likely restructuring of the property market over the study period.

Preferred Scenario

1.8.4. This study concludes that when considering projections for employment in Brighton & Hove over the period between 2023 and 2041, the preferred scenario relating to office floorspace requirements is the labour demand scenario (Scenario 1). The preferred scenario relating to industrial floorspace requirements is considered to derive from the labour supply scenario (Scenario 2).

1.8.5. For office floorspace and land requirements, the preferred labour demand scenario (Scenario 1) represents an ambitious scenario which aligns well with aspirations for economic development within Brighton & Hove. The requirement from the labour demand scenario, factoring in the replacement for losses, is projected as 71,228m^2 of office floorspace and 17,424m^2 of R&D floorspace, totalling 88,651m^2 of office floorspace. This is equivalent of 16% of current total stock of office floorspace in Brighton & Hove, reflecting need for approximately 4,925m^2 per annum over the study period (2023 – 2041).

1.8.6. For industrial floorspace and land requirements, the preferred labour supply scenario (Scenario 2) appreciates the known and detailed constraints facing availability of land for industrial uses in Brighton & Hove. Therefore, this scenario should be viewed as more ‘achievable’ and ‘realistic’. The requirement from the labour supply scenario, factoring in the replacement for losses, is projected as 11,144m^2 of light industrial floorspace, 12,174m^2 of general industrial floorspace, and 24,859m^2 of storage and distribution floorspace, totalling 48,176m^2 of industrial floorspace This is equivalent to 19% of the current total stock of industrial floorspace in Brighton & Hove, reflecting need for approximately 2,676m^2 per annum over the study period (2023 – 2041).

1.9. Comparison Between Supply and Demand

1.9.1. This section compares the projected future demand for office and industrial floorspace and land between 2023 and 2041, with the existing supply conditions in the City of Brighton & Hove.

Net Requirement for Office and Industrial Floorspace

1.9.2. For office floorspace in Brighton & Hove, over the period 2023 to 2041 there is a projected (net) requirement for approximately 86,928m^2 of office floorspace. The current supply of vacant floorspace is factored into the assessment after it is netted off against the optimum frictional vacancy rate (assumed to be 8% for office floorspace). This is because vacant employment floorspace could help to meet some of the identified needs.

1.9.3. For industrial floorspace in Brighton & Hove, over the period 2023 to 2041 there is a projected (net) requirement for approximately 56,386m^2 of industrial floorspace. Similarly to office floorspace, current supply of vacant industrial floorspace is factored into the assessment after it is netted off against the optimum frictional vacancy rate (assumed to be 5% for industrial floorspace).

Pipeline

1.9.4. For office floorspace, the currently available supply (or pipeline supply) is comprised of extant planning permissions and Local Plan site allocations. The currently available supply capable of meeting the net floorspace requirements over the 2023 to 2041 period is 81,713m^2. Of this 81,713m^2, 34,213m^2 (35,959m^2 under construction/commenced) is from extant permissions and 47,500m^2 is from CPP1 and CPP2 allocations.

1.9.5. For industrial floorspace, the currently available supply (or pipeline supply) capable of meeting the net requirements for industrial floorspace between 2023 and 2041 is 3,491m^2. Of this 3,491m^2, -5,009m^2 (-1,241 under construction/commenced) is from extant permissions and 8,500m^2 is from CPP1 and CPP2 allocations.

1.10. Conclusions and Recommendations

1.10.1. The report concludes by reviewing the balance of projected demand, existing supply and, drawing on the findings from preceding sections, provides recommendations for how qualitative and quantitative need can be best met in Brighton & Hove over the Local Plan period.

1.10.2. This is one of a number of evidence base documents the council will be considering that will feed into and inform its Local Plan review evidence base. These are AECOM's independent recommendations and the council will subsequently consider these before drafting its own Local Plan policies.

Office space (E(g)(i), E(g)(ii) Use Classes)

Conclusions

1.10.3. Recent market interest has been confirmed to favour the newest office stock which has good sustainability credentials (including high energy efficiency performance) as well as a good range of amenities and adaptable layouts suitable for collaborative working. This 'flight to quality' is highlighted by second hand stock remaining unlet should landlords refrain from refurbishments and upgrades. Although the identified potential pipeline is considered to be mostly sufficient to meet forecast need if it is all realised, consideration should be given to the deliverability of this potential supply should, for example, amendments be made to permissions or policy.

Policy approach

1.10.4. Given that the delivery of pipeline supply is not guaranteed, the focus of the policy approach is recommended to be on protecting existing and new space as far as possible, particularly within highly accessible locations (such as Central Brighton, New England Quarter, Edward Street Quarter and Hove Station area). The stock of core supply should in this way be protected notwithstanding potential pressures from Permitted Development Rights. As well as encouraging the completion of remaining permissions, and realising remaining space from allocations where appropriate, it is recommended that the delivery of high-quality space on existing sites with second-hand office accommodation should be encouraged and reviewed when determining planning applications. Loss of office space via redevelopment should be resisted and council should test viability and/or suitability for refurbishment, which should be considered a preferable option. This will be an important consideration as minimum energy efficiency standards are tightened, an issue which the council should be keeping abreast of as further government guidance becomes available. Conversions of office space on some floors within office buildings to alternative uses could compromise attractiveness of remaining office space, and the council should consider conditions to retain functionality in any such instance.

Site allocations

1.10.5. Most of the existing site allocations are for mixed-use development with office space being co-located with office space within the same building(s). It is recommended where possible that office space that is re/provided as part of policy allocations should be within standalone buildings where possible in order to minimise potential conflict with sensitive uses. Office space in multi-use buildings should be ensured to be of high quality, of appropriate size and divisible into usable spaces.

1.10.6. The essential role of the strategic site allocations in meeting the identified need requirement is emphasised and it is recommended that the utmost must be done both to ensure the realisation of space within these allocations and resist the future loss of it. On strategic site allocations which have yet to come forward, the amount of floorspace delivered should be maximised. Where this would require the re-provision/replacement of floorspace, any reconsideration of the site allocation through Local Plan review should still prioritise re-provision/replacement of what is currently there.

1.10.7. The policy protection afforded to non-designated employment sites currently should be revisited to ensure that redevelopment of high-quality sites or well-located second-hand quality sites can be resisted.

New floorspace

1.10.8. There will be a requirement for opportunities to provide or secure delivery of additional employment land beyond extant permissions and strategic site allocations. It may be appropriate to specify requirement of floorspace on sites which are yet to come forward particularly where sites have good transport accessibility, recognising the importance of office locations being highly accessible to attract long-term occupiers.

1.10.9. Windfall sites comprising extension or refurbishment of existing office buildings may contribute to overall provision and should be supported, although precisely identifying their contribution is inherently difficult and in some instances may not be realised until later in the Local Plan period.

1.10.10. There is identified unmet need for affordable workspace. Several recommendations regarding a potential policy approach are outlined, including potential delivery

vehicles for affordable workspace to be realised including the potential role of a creative land trust. A proactive approach to promoting inclusive growth by supporting businesses and not-for-profits to access the right workspaces on affordable and fair terms is encouraged.

Industrial space (E(g)(iii), B2 and B8 Use Classes)

Conclusions

1.10.11. The potential to provide additional industrial land supply within the City is highly limited as there is little suitable developable vacant land, of the size and in the location preferable for industrial and storage and distribution occupiers. There is also pressure due to the competing demands for residential development. It is therefore considered appropriate to continue to safeguard existing stock in identified industrial estates/ business parks and to safeguard non-designated sites as far as possible, especially where it is of good quality in appropriate locations.

1.10.12. The identified need for additional floorspace exceeds the potential supply identified to come forward as part of unimplemented permissions or through development of allocated sites. Therefore, additional floorspace to meet the needs of industrial occupiers should be identified as part of the Local Plan review.

Policy approach

1.10.13. It is recommended that the focus of the policy approach should be to protect existing industrial space from redevelopment to other uses, taking into account likely pressures from redevelopment to other uses, including through permitted development rights. Additionally, in line with national policy minimum energy efficiency standards are likely to impact on the viability of industrial space and/or its refurbishment, which the council could seek to support (depending ultimately on central Government direction on such support mechanisms and associated funding streams). Furthermore, intensifying and re-providing space on existing sites where practical should continue to be encouraged. Given the identified need for industrial floorspace, consideration should be given to whether distinction should be made in policy about whether to restrict redevelopment to office uses, given the limitations on potential locations for new industrial floorspace.

Site allocations

1.10.14. Provision of industrial employment space as part of strategic site allocations is typically either retention or reprovision of smaller units suitable for light-industrial or small-scale storage. Whilst these sites do not deliver large amounts of floorspace, in the context of there being a moderate additional need for industrial floorspace, they make an important contribution towards this requirement, as well as being suitable for intensification. Of the remaining City Plan site allocations that are required to bring forward new industrial floorspace which have not already done so or a subject to planning application/permission it is recommended that the maximum appropriate industrial floorspace is provided, given the scale of the identified need.

1.10.15. The core supply of industrial land performs well in terms of attracting new occupiers, although in order to attract higher-value added sectors, appropriate wording in Plan policies/justifications could promote well-performing sites for these uses.

New floorspace

1.10.16. Given the need for additional industrial floorspace identified in this study, recommendations are required regarding opportunities for provision of or securing of additional employment land beyond that achievable through intensification and the delivery of extant permissions. Several sites are suggested where their

boundaries could be expanded to accommodate land suitable for industrial use with potential to be delivered during the Local Plan period. Allocation of surplus sites for other uses but for which industrial use could be suitable, including retail and leisure sites which abut existing industrial areas, may present a source of additional industrial floorspace depending on a range of proposed suitability criteria.

1.10.17. A number of secondary employment sites are identified in CPP1 for mixed use redevelopment with no net loss of employment floorspace (CP3.4 sites). While it is recognised that there is the potential for such sites to provide modern office floorspace with potentially higher job densities as well as housing and therefore contribute to meeting the city's housing need and office needs, analysis has shown that the expected re-provision (with no net loss) of employment floorspace on some of the CP3.4 sites has fallen far short of expectations and contributed to the net loss of industrial floorspace. Overall, in the context of the scale of need for industrial space identified by this site, this policy approach should be reconsidered through the Local Plan review.

1.10.18. Recognising that meeting all the evidenced need for industrial floorspace in the City over the Local Plan period may remain challenging even where all recommendations set out above are followed, it is also recommended that the council continue to address this as a duty to co-operate matter to bring about collaboration with neighbouring authorities to address shared strategic demand as a means of partially meeting its needs.

2. Introduction

2.1. Study context

2.1.1. AECOM was commissioned by Brighton & Hove City Council ('the council') to undertake an Employment Land Study ('ELS'), hereafter referred to as the 'study'. The study sets out a detailed evidence base in order to allow for an appropriate supply and mix of employment land and premises to be planned for, and provides a strategy for balancing supply and demand. The study forms part of the evidence base to inform the review of the City Plan and the future approach to the provision, protection, release and enhancement of employment land and premises. This will enable and encourage future economic growth by supporting the needs of local businesses.

2.1.2. The scope of the study includes employment land, defined as office and industrial land, falling under the following use classes:

Offices:

- E(g)(i) Offices; and
- E(g)(ii) Research and Development.

Industrial:

- E(g)(iii) Light industrial;
- B2 General industrial; and
- B8 Storage and distribution.

2.1.3. The area of assessment comprises the administrative area of the city council that is not within the South Downs National Park. The South Downs National Park Authority has adopted the South Downs Local Plan which covers the administrative area of Brighton & Hove that falls within the National Park. Within the area, allocated clusters of employment land ('sites') were identified using the Brighton & Hove City Plan Part One ('CPP1') and City Plan Part Two ('CPP2') and consultants' review of available property market information. The study includes all clusters surveyed as part of the Brighton & Hove ELS 2012 where ongoing employment use was confirmed. Additionally, non-designated areas and Central Brighton were considered given their notable contribution to employment. In summary, the clusters surveyed are based on:

- City Plan (CPP1 and CPP2) allocations;
- Non-designated areas (employment locations not allocated within the City Plan); and
- Central Brighton office market (aligning with 'SA2 Central Brighton' within CPP1).

2.1.4. All employment land measuring 0.25 hectares (ha) or more has been assessed in this study, whereas sites smaller than this in size, where they are not identified within the cluster types listed above i.e. allocated, are considered to form part of the total supply presented alongside property market information set out below.

2.2. Objectives

2.2.1. The main objectives of this study are to:

- Understand the existing situation: provide a supply-side assessment of the quantity and quality of the council's current employment land provision and its suitability to continue to support employment; assess the extent of the Functional Economic Market Area of Brighton & Hove;
- Assess future needs and gap analysis: assess the likely future demand for employment floorspace and land in Brighton & Hove over the Local Plan period to 2041; quantitatively and qualitatively compare the supply of existing land against forecast future demand; and
- Provide recommendations and actions: set out evidence-based recommendations for appropriate employment land policies, including an assessment of the implications of higher jobs growth / higher housing delivery trajectories; aligning with broader local economic growth objectives and aspirations.

2.2.2. Within these broad objectives are several specific points of consideration, including:

- Identification of the floorspace and land requirements of growth sectors such as the creative industries, knowledge activities, logistics, high-technology, and green and circular economy uses;
- Assessment of the provision of affordable workspace;
- Addressing the implications of new Energy Performance Certificate (EPC) requirements on existing stock; and
- Understanding the space requirement for occupiers in the context of increased hybrid working.

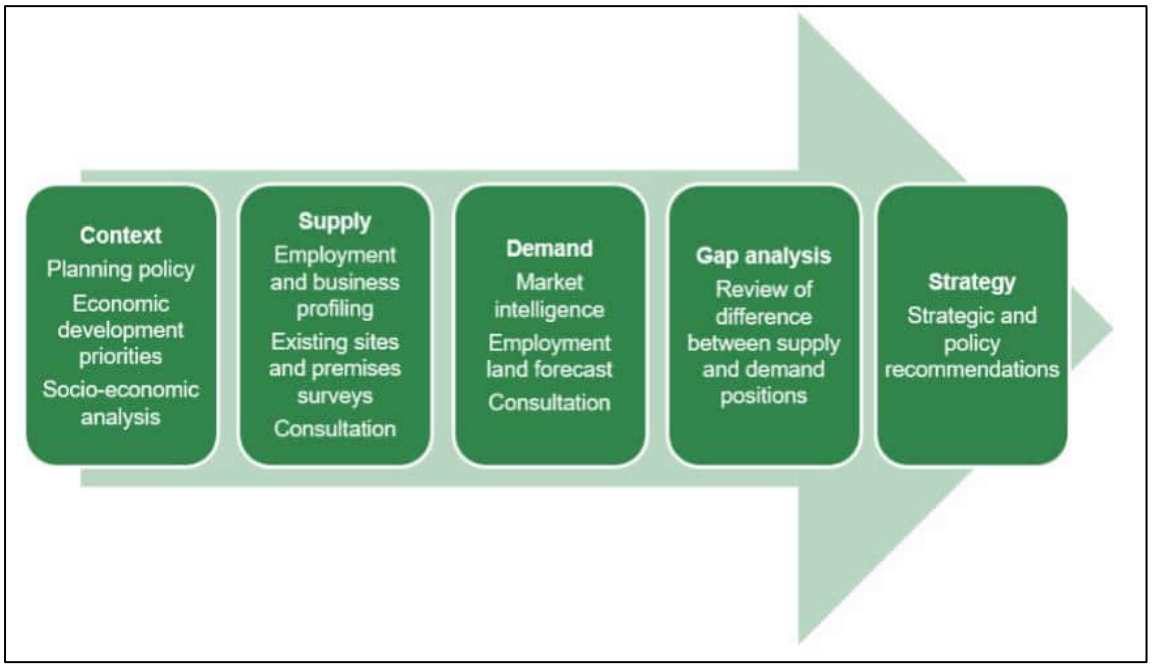
2.3. Approach

2.3.1. The National Planning Policy Framework (NPPF) outlines the principles that Local Planning Authorities should follow in order to prepare their evidence base which informs the development of employment land policies.

2.3.2. The need for Local Planning Authorities to produce an up-to-date employment land evidence base, along with the suggested format, is outlined in National Planning Practice Guidance ('PPG'), published in March 2014. The PPG is periodically updated; the 'Housing and Economic Needs Assessment' was updated in 2020.

2.3.3. The methodology and tasks forming the approach to this ENA have been designed to conform to the PPG. This approach is illustrated in Figure 2-1.

Figure 2-1 Approach to the study



Source: AECOM.

2.3.4. To supplement the site surveys, forecasting data and desk-based research, AECOM hosted consultations with land and property agents, as well as local business stakeholders in order to gain further insight into the key drivers behind Brighton & Hove's employment land market. Further detail on those consulted is provided in Appendix A.

2.4. Report structure

2.4.1. The remainder of this report is structured as follows:

- Section 3 presents a review of the relevant policy and strategic context including a review of local economic priorities;
- Section 4 defines the Functional Economic Market Area ('FEMA');
- Section 5 provides a comprehensive analysis of socio-economic baseline conditions relevant to the study;
- Section 6 presents the key qualitative and quantitative results of the existing employment land supply assessment;
- Section 7 presents a review of the property market indicators in Brighton & Hove with reference to comparator geographies;
- Section 8 considers the property market demands and locational requirements of key sectors, as well as the influence of specific issues such as the provision of affordable workspace, and response to Minimum Energy Efficiency Standards ('MEES');
- Section 9 sets out the forecast scenarios used within the study to inform the projected demand for employment floorspace over the Local Plan period ;
- Section 10 contains a quantitative comparison of projected supply and demand for employment land and floorspace; and
- Section 11 presents the study's overall conclusions and recommendations.

3. Economic strategies, initiatives and planning policy

3.1. Introduction

3.1.1. This section outlines the planning policy and strategic context of relevance to employment land in the study area.

3.2. National planning policy/guidance

National Planning Policy Framework (2023)

3.2.1. The National Planning Policy Framework (NPPF) [11] sets out the government's planning policies for England and how these are expected to be applied. The NPPF is subject to regular updates with the present version dated to December 2023. The government recently consulted on further changes to the NPPF with a fuller review anticipated following the Levelling-up and Regeneration Act.

3.2.2. In relation to the economy and employment land, the NPPF describes the Government's vision for building a strong, responsive, and competitive economy. It states that:

'Planning policies and decisions should help create the conditions in which businesses can invest, expand, and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. Planning policies should:

- *Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;*
- *Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
- *Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment'*; and
- '*Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.*' (Paragraph 82).

Planning Practice Guidance (2019)

3.2.3. The national Planning Practice Guidance (PPG)[12] is a web-based resource in support of the NPPF which is regularly updated. The Guidance includes 'Housing and Economic Needs Assessments', which was updated in December 2020.

3.2.4. 'Housing and Economic Needs Assessments' states that authorities need to prepare an evidence base to understand existing business needs, which will have to reflect local circumstances and market conditions. This includes assessing:

- '*the best fit functional economic market area (FEMA);*

[11] Department for Levelling Up, Housing and Communities, (2023); National Planning Policy Framework.
[12] Ministry of Housing, Communities and Local Government, (2019); Planning Practice Guidance

- *the existing stock of land for employment uses within the area;*
- *the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);*
- *evidence of market demand (including the locational and premises requirements of particular types of businesses) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;*
- *wider market signals relating to economic growth, diversification and innovation; and*
- *any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively*.' (Paragraph 026)

3.2.5. To provide an understanding of the underlying requirements for office, general business and warehousing sites the PPG emphasises the importance of considering projections (based on past trends) and forecasts (based on future scenarios) and sites which have been developed for specialist economic uses. The PPG recommends that analysing supply and demand concurrently will enable conclusions to be drawn on whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This, in turn, enables an understanding of which market segments are over-supplied and those which are undersupplied. By comparing availability of stock with particular requirements it is possible to identify any 'gaps' in local employment land provision.

3.2.6. The PPG requires local planning authorities to work with other local authorities within the functional economic market area when assessing availability of land. The PPG also requires plan makers to be proactive in identifying as wide a range of sites as possible, including existing sites that could be improved, intensified or changed. The assessment of the suitability of sites for development should be guided by the relevant local development plan, regional, and national policy, as well as market and industry requirements.

The Town and Country Planning (General Permitted Development) (England) Order 2022 (2022)

3.2.7. In 2022, the Government amended the previous Town and County Planning (General Permitted Development) (England) (Order 2015)[13] which introduced permitted development rights (hereafter referred to as 'PDR') allowing certain building and development works to be carried out without the need of the normal planning process[14]. These rights exist under the General Permitted Development order (GDPO) and were introduced to facilitate housing growth to meet targets across England. New types of permitted development have been introduced to make it easier for people to extend their home, create new homes in existing buildings such as offices, shops and warehouses or demolish vacant previously classified B1(a), B1(b), B1(c) or C3 space and rebuild as residential.

Localism Act 2011 (Duty to Co-operate) (2011)

3.2.8. The Duty to Co-operate in relation to planning of sustainable development falls under the Localism Act of 2011[15]. It places a duty on LPAs, County Councils and

[13] HM Government, (2016); The Town and Country Planning (General Permitted Development) (England) Order 2015, as amended.
[14] HM Government, (2016); The Town and Country Planning (General Permitted Development) (England) Order 2015, as amended.
[15] UK Public General Acts, (2011); Localism Act 2011.

public bodies in England to undertake active engagement between one another, to share findings and work together across a number of activities relating to planning and sustainable development. More specifically, with regard to this employment land review, it may mean collaborating to resolve any imbalances with supply and demand of employment land across a FEMA.

3.2.9. For Brighton & Hove, this means the requirement of active, on-going, and constructive engagement with neighbouring local authorities. This has taken place through the West Sussex and Greater Brighton Strategic Planning Board and development of the Local Spatial Strategy, as detailed below.

Levelling Up and Regeneration Act (2023)

3.2.10. The Levelling Up and Regeneration Act[16] was given Royal Assent in October 2023 at which point it was enacted in law. The Act aims to *'speed up the planning system, hold developers to account, cut bureaucracy, and encourage more councils to put in place plans to enable the building of new homes'*[17]. A central tenet of the Act will be the introduction of National Development Management Policies (NPMPs) which will be given the same weight as local plans in decision-making on planning applications; the scope of which could be anything that concerns the development or use of land in England.

3.2.11. The Act abolishes the 'duty to cooperate' with the intention that a new 'flexible alignment policy' will be introduced by the Government[18], subject to regulations coming into force. Although not yet developed, the alignment policy will be used for 'developing infrastructure in common'. Some concerns have been raised that cooperation between local authorities may become disincentivised[19].

3.3. Economic strategies/initiatives (regional, sub-regional)

Greater Brighton City Region

3.3.1 The Greater Brighton City Region covers 7 local authority areas, from Bognor in the west to Seaford in the east, and to Crawley in the north of Sussex. It encompasses 1 million residents, 40,000 businesses, the UK's second largest airport, two leading universities, and an economy worth £21 billion per year.

3.3.2 The Greater Brighton Economic Board was formed in 2014 and is the overarching, legally-constituted body behind the growth of the City Region and with the aim of protecting and growing the region's economy through creative, innovative initiatives which co-ordinate economic development activities and investment. The work of the Board builds on a collaborative approach to economic development previously focused on by the Coast to Capital Local Enterprise Partnership.

3.3.3 A total of approximately £90 million was allocated to projects across the City Region from Rounds 1 and 2 of LGF Growth Deal. These projects will deliver a total investment of approximately £376 million into the City Region, unlocking an estimated 14,000 jobs, 8,200 homes and 450,000m^2 of employment floorspace. For Brighton & Hove, recent projects have included the Digital Catapult and 5G testbed; support for the Circus Street Innovation Centre & Regeneration, and the Central

[16] Levelling Up and Regeneration Act 2023.
[17] Department for Levelling Up, Housing and Communities, (2023); New laws to speed up planning, build homes and level up. Available at: https://www.gov.uk/government/news/new-laws-to-speed-up-planning-build-homes-and-level-up
[18] House of Commons Library, (2023); Planning reforms in England: Levelling Up and Regeneration Act 2023 and further changes.
[19] Royal Town Planning Institute, (2023); March 2023 NPPF consultation response. Available at: https://www.rtpi.org.uk/consultations-rtpi/2023/march/march-2023-nppf-consultation-response/

Research Laboratory Plus X. In February 2017, a further £66 million was secured through Round 3 of the Growth Deal.

3.3.4 Since 2018, sustainability and resilience have become a greater focus of the Board, and in 2020 the Board agreed to adopt 10 ambitious pledges on the environment to support the transition to a sustainable, low carbon city region. Hydrogen Sussex, a very successful organisation in its own right, span-out of the Board and was launched in February 2021. The Board is currently going through the process of reviewing its governance arrangements and work is in progress to develop a 10-year vision.

Defining the HMA and FEMA, GL Hearn (2017)

3.3.5 The 'Defining the HMA and FEMA' report[20] was commissioned by the Coastal West Sussex and Greater Brighton Strategic Planning Board (SPB) as part of the evidence base to support the preparation of the Local Strategic Statement update and to inform future housing and economic need assessments. It is guided by the PPG (2019)'s *Housing and Economic Development Needs Assessment* definition of a Functional Economic Market Area (FEMA). This will be detailed in more depth in Section 4 of this report.

3.3.6 The report identifies key trends relating to different market sectors and employment space availability in the Coastal West Sussex and Greater Brighton Area. Significant to this study, the report notes that there is a relatively high concentration of employment in the Distribution sector along the Brighton & Hove coastline. However, employment in the Distribution Sector (which includes wholesale and transport & storage sectors) in Brighton & Hove as a whole is significantly less than its Mid-Sussex neighbour.

3.3.7 It is further identified that manufacturing across the whole region is less than the UK average and resultantly there is less industrial employment space present in the Brighton & Hove region.

3.3.8 It is noted that Brighton & Hove is a '*key employment location for office-based services'* (paragraph 4.25), with the highest cluster of office-based services across the whole surveyed region. More specifically, the report identifies Brighton & Hove as being a hub of certain industries: Information & Communication, Financial & Insurance, Professional, Scientific & Technical, and Business administration. The report recorded 34,805 professionals in employment within these industries.

3.3.9 Through data drawn from the Valuation Office Agency, the report further analyses the growth rate of office floorspace across the region. The report determines that the highest growth in office floorspace between 2000 and 2012 occurred in Brighton & Hove; equivalent to around 32,000m^2. This growth rate is in stark contrast to Brighton & Hove's neighbouring regions which recorded overall reduction in office floorspace over the same period. The report identifies Brighton & Hove as having a regionally unique commercial property market.

Coastal West Sussex and Greater Brighton Local Strategic Statement: Delivering Sustainable Growth 2015-31 (2016)

3.3.10 A Strategic Planning Board comprising Brighton & Hove City Council, Lewes District Council, LPAs of Coastal West Sussex, and later Mid Sussex and Horsham District Councils was established with the aim of managing spatial planning issues affecting more than one planning area to support better integration and alignment of strategic spatial and investment priorities. In this way, the Local Strategic Statement is a platform for co-operation despite abolishment of duty to co-operate. The latest

[20] GL Hearn, (2017); Defining the HMA and FEMA.

update to the Local Strategic Statement sets out a number of strategic objectives and spatial priorities of relevant to this study. For example:

- 'Strategic Objective 1: Delivering Sustainable Economic Growth' identifies the need to develop strategic employment sites whose viability and full potential might be realised through collaborative approach to planning. Moreover, the regeneration of brownfield land is seen at a potential route to meeting business needs, including those of small and medium firms across the region. Another identified sub-objective is to facilitate the development of Growth Hubs specifically tailored to supporting the creative and technology sectors.
- Over the period between 2015 and 2015, 'Spatial Priority 1: Shoreham Harbour and Brighton Airport, Shoreham' aims to capitalise on potential of Shoreham Harbour and surroundings to provide new jobs which will be enabled through investment in local infrastructure.
- 'Spatial Priority 5: Greater Brighton City Region' also highlights importance of infrastructure investment in unlocking the development of a network of Growth Hubs tailored to creative and technological innovation. Strategic employment sites should support priority sectors.
- 'Spatial Priority 6: Brighton – Seafront and Brighton City Centre' identifies the potential employment opportunities offered by the joint regeneration of housing, modern office space, leisure and tourism in Brighton.

3.4. Economic strategies/initiatives (City)

A New Economic Strategy for Brighton & Hove (2024-2027)

3.4.1 Brighton & Hove City Council is in the process of developing a new Economic Strategy to reflect the changing economic climate and government policy changes, including the integration of Local Enterprise Partnership functions within the council's Economic Development service from April 2024.

3.4.2 The Economic Strategy will have a broad focus and is being developed through a series of themes underpinned by a robust evidence base. These themes are grouped into three broad areas: 'i) what sort of economy do we want?, ii) how do we evolve our economy to power the city of the future?, and iii) competitive advantages we can exploit'.

3.4.3 These themes will be augmented by wider business and voluntary sector consultations to identify robust and deliverable aspirations for the city's economy.

Brighton & Hove Circular Economy Routemap 2020-2035

3.4.4 The Circular Economy Routemap[21] aims to unlock the city's potential and transition towards circular systems and ways of working that will drive sustainable economic prosperity whilst protecting the environment and local communities. A Circular Economy Action Plan was designed to push forward the agenda using the council's planning, procurement and convening powers, and promoting circular activity across the city.

3.4.5 Brighton & Hove City Council is currently developing the second iteration of the Circular Economy Action Plan. Its aim is to continue to push the council's green agenda using its planning, procurement and convening powers and to encourage behavioural change across the city's economy. The Circular Economy Action Plan will be updated every three years to reflect the changing economy.

[21] Brighton & Hove City Council, (2020); Brighton & Hove Circular Economy Routemap.

3.4.6 There are key objectives within the Circular Economy Routemap which include creating new jobs and skills training to facilitate the transition to circular practices and create an inclusive economy. Jobs and skills generation supporting green technologies underpin the five circular approaches: changing the approach to design to embed circularity and change behaviour; extending product life; exploring new business models; treating waste as a resource; using resources to prioritise social, environmental and economic value. In doing this, economic value can be retained within the local economy which will contribute to reducing local economic disparities.

3.4.7 The Circular Economy Routemap identifies key sectors in the city that have large carbon footprints. The built environment is the highest user of raw materials and therefore as a priority sector, actions have been designed to help support, reduce, and eliminate waste. Encouraging a circular food system through regenerative farming and local food supply is important to tackle food waste. Connecting with partners across the city to deliver business support programmes and raise awareness of existing behaviours and empowering change will strengthen and grow the circular economy.

Brighton & Hove Employment and Skills Recovery Plan (2021-2023)

3.4.8 The Employment and Skills Recovery Plan[22] has been developed in response to three key economic challenge facing Brighton & Hove's local economy. Firstly, the impact of the Coronavirus pandemic, secondly, the end of transitional arrangements with the EU, and, thirdly, further education policy reforms and the Plan for Jobs announced by the government in July 2020.

3.4.9 The Employment and Skills Recovery Plan supersedes the City and Employment and Skills Plan (2012-2020), whilst upholding the key objectives outlined within in it; supporting 'learn to earn' transitions, and 'no-one left behind' initiative. The emphasis in both plans is based on the council's corporate vision for 'inclusive growth'.

3.4.10 The Employment and Skills Recovery Plan utilises The Brighton & Hove Economic Strategy (2018) as an evidence base for employment strategy and economic targets and prioritisation. It also draws up stakeholder insight relating to the impact of the Coronavirus pandemic. In particular, insight from the Skills Advisory Panel within the Local Enterprise Partnership highlight the needs for more inward investment, more funding, greater support for qualifications that fill knowledge and skills gaps, more information and guidance available on career pathways, and an appropriate number of opportunities for residents that face barriers to work and/or education. The Employment and Skills Recovery Plan pulls out these key mechanisms of support as a strategy to recover following the impact of the Coronavirus pandemic on employment and skills.

3.4.11 The Employment and Skills Recovery Plan identifies nine key objectives that are essential to Brighton & Hove's economic recovery. Notable for this study, are objectives one, two, three and four, which speak to developing a diverse, mobile, and high-quality workforce. Employment space would necessarily have to reflect this demand for technical, creative, and digital, and high-quality workspace.

[22] Brighton & Hove City Council, (2021); Brighton & Hove Employment and Skills Recovery Plan (2021-2023).

The Brighton & Hove Community Wealth Building Action Plan (CWB) (2023)

3.4.12 The Brighton & Hove Community Wealth Building Action Plan (CWB)[23] sets out a vision to utilise the spending power of the local economy in the best possible way for the local community.

3.4.13 The CWB Action Plan aligns with the Brighton & Hove Economic Strategy's (2018-2023) Policy PA5, which outlines the goal of developing long-term community capacity and citizen leadership. Policy PA5 details an emphasis on skills development in the local community, collective action to reduce exploitative labour practises, focussing on local procurement models, and support for more sustainable development.

3.4.14 The CWB Action Plan outlines its expected outcomes to be an increase in local economic activity, better recruitment and retention figures for local businesses in Brighton & Hove, more commercial-community cooperation on community-focused enterprises and new developments.

3.4.15 There is no explicit reference to employment space availability in Brighton & Hove in the CWB Action Plan, however one of the CWB Pillar's is '*Socially productive use of land and assets'*. Hence, this priority demonstrates the diversity of considerations around land usage in the Brighton & Hove area.

3.4.16 The fifth CWB Pillar is '*Plural ownership of the economy'* which outlines an emphasis on generating a diverse, local, and inclusive business base for the local economy in Brighton & Hove. This strategic objective also identifies the goal to foster a more cooperative business environment in the City to ensure high-standard employment spaces and the protection of worker rights.

'Space for Culture in Brighton & Hove' We Made That Report (2023)

3.4.17 The 'Space for Culture in Brighton & Hove'[24] was produced by the Space to Grow working group of Brighton & Hove's sector led ABCD Plan for Cultural Recovery. The report was commissioned in response to growing concern around the challenge to adequacy and supply of spaces for cultural and creative ventures in Brighton & Hove. The report's findings are based on data collected from more than 90 Brighton & Hove community members through interviews and thematic workshops, in addition to desk-based economic analysis.

3.4.18 The report notes the long-standing reputation of Brighton & Hove as an incubator for the cultural and creative industries. The report notes that Brighton & Hove's economic emphasis on the creative industries stands in contrast to the national average, with 19% of businesses being creative or cultural and 7% of jobs being in the creative industries. The reports note however that despite the industrial demand in the city for creative and cultural space, constrained supply means that these industries are increasingly under pressure. The report cites at least 16 cultural and creative spaces that have closed in the city in the past 10 years.

3.4.19 The report identifies four priority action areas, with the third action area being most relevant to this study; 'Deliver affordable workspace through the planning system and establish a more integrated approach to cultural spaces across the council's different services'.

3.4.20 The report outlines the key '*Space Needs'* of Brighton & Hove's cultural and creative industries, identifies 230 cultural and creative spaces in the city, noting that the

[23] Brighton & Hove City Council, (2023); The Brighton & Hove Community Wealth Building Action Plan.
[24] We Made That Urban Research Unit, (2023); Brighton and Hove Space For Culture.

spaces tended to concentrate around the city centre. The report pulls out the key types of spaces required. The main challenges facing each of these spaces are summarised below:

- Artists' studios: high demand for industrial and residential premises constrains the availability of appropriate studio space and makes remaining spaces increasingly unaffordable.
- Creative (clean) office space: demand has dropped for these types of spaces as people have been more able to adapt to hybrid working patterns. However, challenges remain around appropriate supply of co-working office spaces.
- Rehearsal space: the challenges here are similar to artist studio space constraints, limited supply through high demand for industrial and residential premises is making appropriate space increasing unavailable and unaffordable. The report notes the particular challenge in finding appropriate rehearsal space for young people.
- Production space: the primary challenge regarding production spaces is their inherent requirement of highly specialist equipment and their space intensive nature. Residential and industrial redevelopment threats, high rents and high operational costs have meant that the report records 15% of its identified production space in the study to be risk.
- Performance space: the main challenge facing these spaces is the economic aftermath of the COVID-19 pandemic and the current cost of living crisis, each of these economic events are affecting customer support for performance space. Licensing issues also prove a challenge, however the report notes the new 'agent of change' principle in the National Planning Policy Framework and City Plan Part 2 as significant to the safeguarding of venues as future creative spaces.
- Presentation space: funding for these types of spaces represents the primary challenge, along with a cultural economy shift towards more a performing arts cultural economy in the city.

3.4.21 In light of specific challenges facing the different types of creative spaces in Brighton & Hove, Table 3-1 further deconstructs the employment nature and needs of these spaces and their relative demand, ranking them from low to high in terms of local demand.

Table 3-1 Type of creative spaces and relative demand

Creative Type	Space Type	Space description	Relative demand
Artists' Studios	Artistic Studios	'*Affordable low spec studio spaces for visual artists'*	High
Creative (clean) Office	Creative Offices	'*Managed office and co-working for creative industries.'*	Low
Rehearsal Space	Development Space	'*Production space for performing arts'*	High
Production Space	Creative Incubator	'*University-affiliated incubator and prototyping'*	High
	Home for Outdoors Arts	'*Large spaces for fabrication and rehearsal'*	Medium
	Making Factory	'*Shared technical equipment and flexible studios'*	High
Performance Space	Arena	'*Large performance venue (<5000 seats)'*	Low

Creative Type	Space Type	Space description	Relative demand
	Performance Venue	'*Mid-Scale performance venue (<500 seats)*	Medium
Presentation Space	White Cube	'*Large exhibition space for contemporary arts'*	Medium

Source: We Made That Urban Research Unit, (2023); Brighton and Hove Space For Culture.

3.4.22 Table 3-2 below outlines the high levels of unmet demand in Brighton & Hove across all types of creative spaces. Table 3-2 is taken from the report and demonstrates an estimate of the creative space requirements (per space type) needed to support 5% growth in the creative and cultural sector.

Table 3-2 Creative space needs for 5% of industry growth

Type of space (based on Use Class definition)	Number of creative jobs (2021)	Proportion of creative jobs by floorspace type	Proportion of additional creative space requirements (m^2)	Floorspace requirement to accommodate 5% job growth
Office Eg(i)	3,040	35%	6%	4,385
Industrial Eg(iii), B2	1,023	12%	53%	36,396
Mixed E(g)	3,550	40%	40%	27,406
Other	1,158	13%	n/a	n/a

Source: We Made That Urban Research Unit, (2023); Brighton and Hove Space For Culture.

3.4.23 The report concludes with three main recommendations, the most relevant to this study is recommendation three: '*making the most of existing assets'.* The report notes that, whilst constrained, there remains highly useful workspaces available and lettable in the city. The report suggests that if these spaces could be safeguarded for creative and cultural industries it would present a significant step in meeting the sector's demand in Brighton & Hove.

3.5. Development Plan policies

Brighton & Hove City Council's City Plan Part One (2016)

3.5.1 The Development Plan for the Brighton & Hove Council's administrative area not within the South Downs National Park comprises:

- City Plan Part One (2016);
- City Plan Part Two (2022);
- Shoreham Harbour Joint Area Action Plan (2019);
- Waste and Minerals Plan (2013);
- Waste and Minerals Sites Plan (2017);
- Hove Station area Neighbourhood Development Plan (2024); and
- Rottingdean Parish Council Neighbourhood Plan (2024).

3.5.2 The City Plan Part One provides the council's strategic approach to addressing the main socio-economic and environmental challenges facing the city and the key local priorities for businesses and residents. The City Plan Part One sets out a vision for growth and development in Brighton & Hove up until 2030 and directs these through 23 strategic objectives.

3.5.3 The relevant strategic objectives are as follows:

- SO1 aims to: 'ensure that all major new developments in the city supports the regeneration of the city, is located in sustainable locations, provides for the demands that is generates and is supported by the appropriate physical, social and environmental infrastructure';
- SO2 aims to: 'support the continued improvement of the economic performance of the city by identifying and safeguarding an appropriate range of sites and premises to meet demands of high growth and key employment sectors and ensuring there is a well-trained and suitably skilled workforce';
- SO3 aims to: 'Develop Brighton & Hove as a major centre on the South Coast for sustainable business growth and innovation…. [and] creative industries….'; and
- SO5 aims to: 'maximise the potential of Shoreham Harbour for the benefit of existing and future… businesses'.

3.5.4 The CPP1 contains strategic city-wide policies relevant to planning applications for the development of employment sites. Additionally, the CPP1 '*identifies broad locations for development and allocates strategic sites and employment sites.*'

3.5.5 Table 3-3 below summarises the amount of employment floorspace planned to come forward over the plan period (to 2030), largely through strategic site allocations identified within the eight Development Areas to meet the positive forecast need for employment land;

Table 3-3 City Plan Part 1 Development Proposals

Location	New employment floorspace (m^2)
DA2 Brighton Marina	2,000
DA3 Lewes Road	15,600
DA4 New England Quarter and London Road	20,000
DA5 Eastern Road and Edward Street	18,200 – 23,200
DA6 Hove Station	1,000
DA7 Toad's Hole Valley	25,000
DA8 Shoreham Harbour	7,500
Rest of the City[25]	11,257
Patcham Court Farm	n/a
Total	**100,500 to 105,500**

Source: Brighton & Hove City Council, (2016), 'Brighton & Hove City Council Development Plan Part One'

3.5.6 Additionally, the following policies are of relevance to this study:

- Policy CP2: 'Planning for Sustainable Economic Development' recognises that to secure sustainable economic growth, a range of suitable employment sites must be identified and brought forward. The key growth sectors are highlighted as: the creative and digital technologies sectors and the environmental technologies sectors. The City Plan emphasises the city's cultural reputation as a 'Creative City' and outlines how this could be further cultivated through focussed investment in the creative industries sector. Certain areas of the city or strategic allocations are identified as having the potential to support these growth sectors. Policy CP2 also outlines the significance of investing in small to medium sized floorspace that provides for flexible workplaces and potential start-up businesses.

[25] This figure includes extant planning permissions not included within Development Area floorspace figures and potential of 6,500 m^2 of employment floorspace at Patcham Court Farm.

- Policy CP3: 'Employment Land' identifies and allocates strategic allocations and proposals for B Use Class employment floorspace. Policy CP3 also identifies Central Brighton as the city's prime office location where B1a offices (now E(g)(i)) should be protected. Policy CP3 further identifies specific sites that will be safeguarded for business, manufacturing, and warehouse use. The policy also supports the refurbishment and upgrade of existing industrial estates and premises. Policy CP3 acknowledges the limited supply of land for businesses classes within the City and safeguards unallocated sites unless they can be demonstrated to be redundant and unsuitable for alternative employment uses. The sites identified as safeguarded for potential employment activities within Policy CP3 are outlined in Table 3-4 below.

Table 3-4 Strategic Industrial Estates and mixed-use developments

Primary industrial estates and business parks for business, manufacturing, and warehouse use (B1, B2, B3)	Mixed use developments featuring employment space (B1 use)
Centenary Industrial Estate	Franklin Road Industrial Estate
English Close Industrial Area, Old Shoreham Road	School Road, Hove
Home Farm Industrial Area	Melbourne Street Industrial Estate
Hove Technology Park, St Josephs Close, Old Shoreham Road	Portland Road Trading Estate (including EDF and Martello House)
Moulsecoomb and Fairways Industrial Estate	Land North of Newtown Road
Sussex House (including BT depot)	
Woodingdean Business Park	
Hyde Business Park, Bevendean	
Bell Tower Industrial Estate	
Hollingbury Industrial Estate	
Hollingdean Industrial Estate	
Victoria Road Industrial Estate	
Newtown Road Industrial Estate	

Source: Brighton & Hove City Council, (2016), 'Brighton & Hove City Council Development Plan Part One'

Brighton & Hove City Plan Part Two (2022)

3.5.7 The Brighton & Hove City Plan Part Two[26] supports the implementation and delivery of City Plan Part One. The City Plan Part Two was adopted by Brighton & Hove City Council in October 2022. The following policies are of relevance to this study:

- Policy DM11: 'New Business Floorspace' seeks to ensure that new business floorspace is appropriately designed and configured to 'future proof' the site and ensure its successful take up. Redevelopment proposals will be supported where they 'provide higher density and flexibly designed business premises.'. There is an emphasis within the policy on the efficient use of space.
- Policy DM19: 'Maximising Development Potential' sets out a requirement to avoid the underdevelopment of sites reflecting the constrained supply of land in the city. Policy DM19 further clarifies that an efficient use of space is necessary to allow for the broader provision of open space, amenity space, access, and car parking.

3.5.8 Given the shortfall of sites identified in CPP1 to meet the forecast need for employment land, the City Plan Part Two also allocates additional strategic sites for potential housing and mixed use development. Identified within Table 3-5 below are

[26] Brighton & Hove City Council, (2022); Brighton & Hove City Plan Part Two.

those strategic site allocations that provide potential employment floorspace and whether their floorspace should be new additional, retained or replacement provision. A number of housing sites are also identified as suitable for mixed use development (Policy H1) to bring forward some employment floorspace and Policy E1 allocates Hangleton Bottom as an opportunity site for business and warehouse uses where these would not prevent or prejudice the delivery of a strategic scale waste management facility.

Table 3-5 City Plan Part 2 Strategic Site Allocations

Strategic Site Allocations	Employment floorspace provision/ replacement (m^2)			
	Retention	Replacement	Provision	Provision/replacement
SSA2 Combined Engineering Depot, New England Road				1,000
SSA3 Spitfire House, 141 Davigdor Road	1,000			
SSA3 113-119 Davigdor Road		700		
SSA3 P&H House 106-112 Davigdor Road		1,000		
SSA3 Preece House 91-103, Davigdor Road		2,000		
SSA3 Peacock Industrial Estate		1,000		
SSA4 Sackville Trading Estate and Coal Yard			6,000	
SSA5 Madeira Terrace and Madeira Drive				not specified

Source: Brighton & Hove City Council, (2022), 'Brighton & Hove City Council Development Plan Part Two'.

East Sussex, South Downs and Brighton & Hove Waste and Minerals Local Plan

3.5.9 The Waste and Minerals Local Plan (WMLP) is the name for the planning documents that together form the Local Plan for waste and minerals development in Brighton & Hove and East Sussex. These are:

- Waste and Minerals Plan (adopted 2013); and
- Waste and Minerals Sites Plan (adopted 2017).

3.5.10 The WMLP protects existing waste management sites from development for non-waste uses unless it is demonstrated that alternative capacity is permitted and delivered elsewhere within the Plan Area, or unless it is demonstrated that the waste management provision is no longer needed. Proposals for non-waste uses which would negatively affect the operation of a waste site are also resisted.

3.5.11 The WMLP does not safeguard waste uses on existing industrial estates, where it acknowledges there is a 'periodic turnover' of different businesses.

3.5.12 The Waste and Minerals Sites Plan identifies locations for potential future waste development in Brighton & Hove as follows:

- Policy SP1 – Waste Site Allocations: Hangleton Bottom; and
- Policy SP2 – Areas of Opportunity: Former Gasworks, Roedean Road and Hollingdean Industrial Estate.

3.5.13 Policy SP5 also supports the principle of waste management development on existing industrial estates identified in a Schedule of Suitable Industrial Estates that accompanies the Plan.

Shoreham Harbour Joint Area Action Plan – October 2019

3.5.14 The Shoreham Harbour Joint Area Action Plan (JAAP)[27] is a Development Plan Document focussed on the regeneration of the Shoreham Harbour area over the period to 2032. The Shoreham Harbour JAAP was produced by the Shoreham Harbour Regeneration Partnership, consisting of: Brighton & Hove City Council, West Sussex County Council, Adur District Council, and the Shoreham Port Authority. It has been adopted by all three councils.

3.5.15 The Plan supports the Brighton & Hove City Plan Part One (2016)[28], wherein Policy DA8 (Shoreham Harbour) identifies the delivery of '7,500m^2 net additional employment floorspace'. The preliminary Economic Impact Assessment (2013), a supporting evidence document, indicated that the proposals to be later put forward in the JAAP would have the potential to produce a significant net increase in economic output and employment in the local area. The proposals in the JAAP have the potential to promote greater supply chain opportunities through new indirect job creation.

3.5.16 Two relevant objectives for the JAAP are: Objective Two which emphasises the importance of supporting the economic development of Shoreham Port. Shoreham Port is identified within the JAAP as a key strategic economic area in supporting the local and wider regional economy. Objective Three 'Economy and Employment'. This objective includes proposals for modern employment floorspace to be brought forward on previously developed land. The proposals are focussed on cultivating a high-quality business environment whilst generating premium standard floorspace.

3.5.17 The JAAP identifies however that the proposals it sets out will result in a net loss of employment land footprint, because land is predominantly being repurposed for alternative usage. To account for this, the JAAP sets out the aspiration to renew pre-existing industrial land to create high quality employment space. The JAAP identifies that the new employment space (both created and repurposed) will support the aims and objectives of the Employment Land Studies for both Brighton & Hove and Adur. There is particular emphasis within the JAAP on the generation of employment spaces geared towards the growing creative and digital industries, environmental technologies industry and high-tech manufacturing industry. Specific areas identified as appropriate for such usages are shown in Table 3-6. It should be noted that these sites are not the focus of review in this Employment Land Study.

[27] Shoreham Harbour Regeneration Partnership, (2019), Shoreham Harbour Joint Area Action Plan.
[28] Brighton & Hove City Council, (2016), Brighton & Hove City Council's Development Plan Part One.

Table 3-6 Strategic safeguarded and opportunity Sites for employment space, Shoreham Harbour

Allocation	Location	Opportunity sites	Safeguarded sites	Employment floorspace (m^2)
Strategic employment space (Use classes B1, B2 and B8)	Aldrington Basin (Policy CA2)	• North Basin Quay • Aldrington Marina • Ferry Wharf (must be compatible with WMSP, 2017)	• The Shoreham Port Authority-owned Hove Enterprise Centre and Maritime House • Unspecified plots south of Basin Road North	Minimum of 4,500m^2 (including mixed-use development proposals)
Mixed-use development (With use classes B1)	Aldrington Basin (Policy CA2)	• Plots between Basin Road North and Kingsway • Plots between The Gather Inn to the east and Ocean Sports Board Riders	• N/A	Minimum of 4,500m^2 (including strategic employment space proposals)
Mixed-use development (With use classes B1, B2, and B8)	South Portslade (Policy CA3)	• Prestwich House (and adjoining) – B1 on lower storeys • Regency House – B1 on lower storeys • Former Flexer Sacks - B1 on lower storeys • Church Road/Wellington Road/ St Peter's Road (southern portion of the site) • Station Road – B1 fronting the road	• South Portslade Industrial Estate	Minimum of 3,000m^2 employment floor-space
Strategic employment space (Use classes B1 and B2)	Fishersgate and Southwick (Policy CA5)	• N/A	• Southwick Waterfront	Minimum 4,000m^2
Mixed-use development (With use classes B1a)	Western Harbour Arm (Policy CA7)	• Western Harbour Arm Waterfront • (on the southern side of Brighton Road, A259)	• N/A	Minimum 12,000m^2

Source: Shoreham Harbour Regeneration Partnership, (2019), Shoreham Harbour Joint Area Action Plan.

Community Infrastructure Levy (CIL) Viability Study

3.5.18 The Community Infrastructure Levy (CIL) allows local authorities in England and Wales to raise funds from certain types of new development for strategic infrastructure to support growth. The CIL charging schedule[29] commenced in October 2020.

3.5.19 The CIL Viability Study informed the council's charging schedule for the city and viability analysis for B class use developments showed *'very poor (often negative)*

[29] Brighton & Hove City Council, (2017); Community Infrastructure Levy (CIL) Viability Study.

or at best positive but low RLV [residual land value] *outcomes*'. (paragraph 3.13.1). B class use developments are therefore nil rated in the schedule.

3.5.20 The CIL Viability Study also noted a persistent challenge in the promotion of business development for B class uses in the City, when other development opportunities, such as residential and retail, appear more attractive to investors. The CIL Viability Study suggested more collaboration between local government and the private sector is necessary to tackle this issue and meet market demand for business developments.

Class MA Article 4 Direction (2023)

3.5.21 In 2013, an Article 4 Direction came into effect removing the permitted development right (known as Class O) to convert office to residential in certain areas of the city (central Brighton, London Road and New England Quarter and two office sites at the Edward Street Quarter and City Park, Hove). The case was made by the council that losing even 10% of the City's stock of office space could be equal to a loss or displacement of up to 700 office-based jobs with an impact of £25.6 million Gross Value Added (GVA) a year[30].

3.5.22 The Article 4 Direction lapsed on 31st July 2021 when a new PDR came into effect, replacing Class O. The council's Authority Monitoring report[31] shows that since 2013, 34,293 sq m of office space has been lost through permitted development rights with a gain of 604 residential units. The latest Strategic Housing Land Availability Assessment (SHLAA)[32] identifies supply of a further 172 units resulting from prior approvals for change of use to residential use.

3.5.23 The new permitted development right, known as Class MA, was introduced by government from 1st August 2021. This means that development involving the change of use of a building from a commercial, business, or service use (use class E) into a residential use (use class C3) does not need planning permission, subject to certain conditions. Brighton & Hove City Council has introduced an Article 4 Direction to override this permitted development right in certain areas of the city with effect from 1st February 2023.

3.5.24 The Article 4 Direction is significant to this study as it restricts the impact the new permitted development right could have on the availability of commercial spaces in the city.

Consultation on changes to various permitted development rights (2024)

3.5.25 An open consultation by DLUHC into potential changes to various permitted development rights was initiated in February 2024[33]. With regards to employment floorspace/land, potentially applicable proposed changes include:

- Review of permitted development rights for building upwards e.g. upon commercial buildings to create new homes;
- Review of permitted development rights for demolition and rebuild of detached buildings e.g. those in use as offices, research and development and industrial processes, with a view to whether number of buildings within scope by virtue of age should be increased (by extending right to redevelop newer buildings, whilst restricting right to redevelop older buildings); and

[30] NLP Exemption Request Evidence Report, (2013).
[31] Brighton & Hove City Council, (2022); Authority Monitoring Report 2021 to 2022 – Non-residential development.
[32] Brighton & Hove City Council, (2023); Strategic Housing Land Availability Assessment (SHLAA) Update 2022.
[33] Department for Levelling Up, Housing and Communities, (2024); Changes to various permitted development rights: consultation.

- Potential changes to permitted development rights for extension or alteration of Use Class E buildings, including office, research and development, industrial premises such that footprints can be increased by a greater magnitude.

3.6. CPP1 & CPP2 background evidence

Brighton & Hove City Council Employment Land Study (2012)

3.6.1 The Brighton & Hove City Council Employment Land Study (2012 ELS)[34] was commissioned by the council in 2012 to assess the city's employment space requirements up until 2030 to inform the City Plan Part One.

3.6.2 The report outlines the details of employment sites at the time and their locale, the broader local supply of employment space and the current local demand for particular spaces. The 2012 ELS focuses on the future needs for B class employment space, that is, office space, warehousing space, and industry space.

3.6.3 At the time of the 2012 ELS, the stock of employment space was relatively evenly divided between office and industrial uses. The 2012 ELS noted that most office space is located in Central Brighton, whilst industrial space is spread more diversely across the City. It notes that office space supply is higher in the City than it is in neighbouring areas, however that this supply is still limited. The 2012 ELS cited lack of vacancies in the available office space in the City, particularly desirable spaces of high-quality and modern standard. It is also noted that there remains a lack of vacancies for industrial space as well.

3.6.4 The 2012 ELS found that between 2000-2012 commercial office space in Brighton & Hove increased by almost 8%, which was less than the average in the South East which increased by 12% over the same period. Conversely, the 2012 ELS found that industrial space decreased by 5% over the same period, again this was in contrast to the South East which found its industrial space increased by 2% over the same time period. The 2012 ELS records that in 2008 office stock in Brighton & Hove accounted for 46% of commercial office premises, whilst industrial uses accounted for 54%. At this time the combination of office and industrial space totalled 854,000 m^2 overall.

3.6.5 The 2012 ELS assessed the commercial property market of Brighton & Hove as an indicator of employment space demand and capacity. It noted that Brighton & Hove had seen steady development of B1a use (office space) sites over the previous decade (2002-2012). Commercial demand is especially high for small units of office space in Central Brighton and the station/Queen's Road area. The 2012 ELS noted that current office space in Central Brighton is constructed in refurbished old buildings, in turn presenting a challenge to their suitability as an office environment.

3.6.6 Unlike the moderate increase in office space in the City, the quantity of industrial space has declined. It is suggested that this is largely due to increased demand for residential and retail units, which have been replacing old industrial units. The highest demand for industrial space was identified from local firms that required small units.

3.6.7 The 2012 ELS assessed the suitability of existing employment sites to meet the needs of future employment trends. It noted that Brighton & Hove is equipped with a diverse range of site provision which differ in quality. According to the 2012 ELS's assessment, eleven sites (22% of the sites assessed) could be categorised as high quality, thirty-three (66%) sites were of average quality and seven (12%) were classed as poorer quality. It is important to note that the 2012 ELS stated that even sites that are classed as 'poorer quality' still meet the broader employment needs of

[34] Nathaniel Lichfield & Partners, (2012); Brighton & Hove City Council Employment Land Study 2012.

their occupiers. Different the variability in quality, market demand for sites remains high limited vacancies.

3.6.8 The 2012 ELS provides an overview of different potential sites for employment-led development which reflected the emerging City Plan Part One draft policies and site allocations. It divides these sites into four different forms of categories according to their employment-space potential. These categories are:

- 'Safeguarded Primary Industrial Estates and Business Parks';
- 'Employment-led Mixed-Use Development sites';
- 'Development Area Strategic Allocations'; and
- 'Sample of non-allocated sites'.

3.6.9 The 2012 ELS's overview of potential sites concluded that 63% of the potential sites available were made up of Development Area Strategic allocations, with the second-most viable being Safeguarded Sites which accounted for 28% of the potential sites available.

3.6.10 The conclusions of the 2012 ELS identified four strategic objectives for Brighton & Hove City Council;

- 'Increase the industrial floorspace capacity assumed on those Development Areas already identified for industrial activities;
- Explore opportunities to deliver industrial floorspace in other Development Areas such as DA3 (Lewes Road) or DA7 (Toads Hole Valley);
- Consider the scope to achieve a net gain in employment floorspace (rather than no net loss) on employment-led mixed use developments sites, and/or rely on general intensification of existing industrial sites; and
- Not specifically identify additional capacity for industrial space, assuming that these needs are met elsewhere'.

3.6.11 An Employment Land Trajectory was also produced to support the City Plan Part One identifying in five-year tranches the delivery of employment land over the plan period.

Brighton & Hove City Council Industrial Estates Audit (2017)

3.6.12 The Brighton & Hove City Council Industrial Estates Audit[35] was carried out by Stiles Harold Williams (SHW), a property agent, on behalf of Brighton & Hove City Council in December 2017. The 2017 Industrial Audit replaces the previous audit conducted in 2007. As part of this, 146 occupiers were invited to participate in the research, with 48 occupiers completing the research questionnaire.

3.6.13 The primary case put forward in the Industrial Estates Audit is that Brighton & Hove persists, and continues to grow, as an attractive place for business development. However, the Industrial Audit identifies that the City faces significant challenges when it comes to land availability for new development sites.

3.6.14 The Industrial Audit identifies issues not just with land availability but with the size of site allocations that are currently available. Accordingly, it notes that '*there remains a lack of good quality modern units in the 1,000m^2 plus range'.* The Industrial Audit is explicit in outlining that the occupiers included within their study were frustrated by the lack of large employment space unit options. Furthermore, the Industrial Audit links the limited availability of large employment sites to the lack of industrial development projected (at the time of the report) to occur in 2018. It notes that in

[35] Brighton & Hove City Council/SHW, (2017); Industrial Estates Audit Brighton & Hove.

order to attract large businesses to the area, larger employment spaces need to be made available.

3.6.15 The Industrial Estates Audit outlines that demand for employment land space remains high, despite the limit to supply. It notes that there has been increasing demand for freehold buildings across at size categories, however in particular within the 350 to 1,000m^2 range.

3.6.16 Significant to this study, the Industrial Audit notes that '*58% of occupiers were in space of 140-465 m^2'* due to the cluster of occupations at this size, the Industrial Audit suggests that this could be the '*optimum'* unit size to be built to meet rising demand. Furthermore, according to the Industrial Audit '*76% of occupiers had no plans to relocate however almost 20% would be looking to relocate in the next 5 years'.*

3.6.17 The Industrial Estate Audit identifies that occupiers cite the primarily employment space-related challenges in the Brighton & Hove area are rising rental costs, bills and utility costs and lack of access. Accordingly, it is noted that being a part of a *'cluster'* of employment spaces is of low priority to interviewees.

3.6.18 A significant conclusion of the Industrial Estate Audit is the recommendation that alternative sites must be designated for industrial use exclusively. This recommendation is outlined on the basis that it reduces the competition developers face when proposing industrial use sites opposed to residential or office usage proposals which typically have higher value potential. The Industrial Estate Audit suggests releasing some greenfield sites to account for this shortfall, highlighting the complications associated with Brownfield site development. The Industrial Estate Audit specifically highlights the greenfield sites positioned adjacent to the A27 as a potential area for redevelopment.

3.6.19 However the Industrial Estate Audit recognised the constraints to greenfield site opportunities given that 40% of land around the city falls within the South Downs National Park and that much of the city's Urban Fringe meets the NPPF's definition of open space and represents a significant proportion of the city's open space and green infrastructure. Therefore as an alternative to further greenfield development, a strategic shift towards accommodating new industrial development in the Greater Brighton area in the future would be required. It notes that this strategic move would require more cooperation with neighbouring councils and their identified growth locations, for example Burgess Hill, Crawley, Newhaven, Worthing and Shoreham.

3.6.20 The Industrial Estate Audit details the locations of the most recent business parks in the city as being located on previous brownfield sites, they were;

- St Joseph's Business Park which was built upon a previous Waste Transfer site. The park now contains 428m^2 made up of seventeen business units;
- Portland Business Park, is three acres and located in Hove was constructed on a former Co-op Dairy and now totals 446m^2 of new units; and
- Woodingdean Business Park which was constructed on the previous Sunblest Bakery and Jaycee furniture building.

3.6.21 Many of the sites identified within the Audit for potential development are located outside of the Brighton & Hove area. The applicable sites within the City are detailed in Table 3-7 below.

Table 3-7 Potential Development Sites identified by the Industrial Estate Audit

Potential Site Allocation	Potential employment space (m^2)	Further details
Victoria Road Trading Estate, Portslade	800	Owners are Endeavour.
Land at Hangleton Bottom, Hove	Not outlined	Site adjacent to the A27. Currently 8.1 acres are allocated for waste management use.

Brighton & Hove City Council, SHW, (2017), 'Industrial Estates Audit Brighton and Hove'.

Housing and Employment Land Study (2018)

3.6.22 The Housing and Employment Land Study (2018)[36] provided an independent review and verification of the council's approach to its Strategic Housing Land Availability Assessment (SHLAA) and was part of the evidence base for the City Plan Part Two. With regard to employment land it reviewed whether secondary employment sites then included in the SHLAA as having potential for housing were suitable for mixed use development or release for 100% housing or should because of current use/known landowner intentions be removed from the SHLAA. The study updated the 2012 Employment Land Trajectory and reviewed the call for site opportunities put forward during the 2016 CPP2 Scoping Consultation to inform the CPP2 site allocations[37].

The updated employment trajectory summary from data collected in 2017, is detailed in Table 3-8 below.

Table 3-8 Employment trajectory summary

Type of site	Number of sites	Total office space (m^2)	Total industrial space (m^2)	Total employment space (m^2)
Strategic Allocations with identified floorspace	18	79,832	9,448	89,280
Strategic Allocations with no identified floorspace	3	n/a	n/a	n/a
Employment-led mixed-use redevelopment sites	5	n/a	n/a	n/a
Total	**26**	**79,832**	**9,448**	**89,280**

Source: Brighton & Hove City Council, (2017), 'Brighton & Hove City Council Housing and Employment Land Study – Final Report'

3.6.23 The Housing and Employment Land Study's analysis concludes that approximately 59% of the identified supply of office floorspace and 40% of potential industrial space is considered 'deliverable'. In addition to 39% of the identified supply of potential office space and 60% of industrial space is classified as 'marginal/uncertain'.

3.6.24 The Housing and Employment Land Study specifically identified a number of secondary employment sites should be removed from the SHLAA to be safeguarded under the existing Policy CP3.5. These identified are set out in Table 3-9 below.

[36]Brighton & Hove City Council, (2017); Brighton and Hove City Council Housing and Employment Land Study – Final Report.
[37] Brighton & Hove District City Council, (2022); Brighton & Hove City Plan Part Two.

Table 3-9 Viable sites for safeguarding under Policy CP3.5

Site Name	Site Area (ha)	Article 4 Direction (A4D)	Notes
Knoll Business Centre, Old Shoreham Road	1.00	Outside A4D	Space for small to medium-size businesses
16-30 Hollingdean Road	0.09	Outside 4AD	Potential for mixed-use scheme (increasing density from 2-3 storeys)
Cambridge Grove	0.165	Outside 4AD	Pre-existing sheet metal industrial site
Decon Lab, Conway Street	0.16	Outside 4AD	Current offices, light industrial and storage. Potential for mixed-used development.
Spitfire House / Marathonbet House, 142 Davigdor Road	0.061	Outside 4AD	Currently mostly residential, however potential for wider mixed-use allocation.

Source: Brighton & Hove City Council, (2017), 'Brighton and Hove City Council Housing and Employment Land Study – Final Report'

3.7. Summary

3.7.1 This section of the report has summarised a range of key policies, strategies and other evidence in order to provide the context for the future planning of employment land needs and provision in Brighton & Hove.

3.7.2 At the national level, planning policy and guidance stresses the importance of the role of the planning system to ensure economic growth, through fostering effective conditions, environments, and infrastructures for businesses to thrive, thus supporting employment growth. In line with this, thorough understanding of employment land availability, needs and forecasts are a necessary component of meeting requirements of the economy.

3.7.3 At the regional level, ongoing co-operation/co-ordination of economic interests between neighbouring strategically linked local authorities is needed in order to capitalise on functional economic linkages, catalysing innovation opportunities and effective interactions through sectoral clustering. This is especially important in the context of the transfer of functions from LEPs to UTLAs and abolition of duty to cooperate as enshrined by enactment of the Levelling Up and Regeneration Act 2023. Nonetheless, there are significant opportunities afforded by collaboration within the Greater Brighton city region, recognising Brighton & Hove's central role as an economic driver of economic development for the region more widely. Brighton & Hove represents a significant contributor to the local economy, provider of employment, and location for businesses including start-ups, attracting inward investment.

3.7.4 Economic development at the City level will be underpinned by a new Economic Strategy that sets out the aspirations for the evolution of Brighton & Hove's economy by engaging positively with businesses and the voluntary sector. A successful future-facing economy will be predicated on engagement with sustainable practices encapsulated in the concept of circular economy, and acknowledgement/fostering of the City's industrial specialisms and aspired competitive advantages. This includes the creative sector, knowledge sector, digital, green/clean technologies. All of these ambitions require appropriate space and premises both now and in the future.

3.7.5 Allocating and safeguarding the correct amount of land for these purposes is a key component of the CPP1 and CPP2, and especially important in the context of constrained space and competing demands for limited space in Brighton & Hove, not least from residential development, housing pressures/needs, and influence of Permitted Development Rights, both extant and emerging, on supply of employment land and floorspace.

4. Functional Economic Market Area (FEMA)

4.1. Introduction

4.1.1. The PPG requires local planning authorities (LPAs) to assess development needs working with other LPAs in the relevant functional economic market area in line with the duty to cooperate. It adds that local communities, partner organisations, Local Enterprise Partnerships (LEPs), businesses, business representative organisations and Higher Education institutions, among others, should be involved in the preparation of the evidence base in relation to development needs.

4.1.2. The PPG states that the needs for economic uses should be assessed in relation to the functional economic market area whilst identifying and recognising smaller sub-markets with specific features and 'market segments'.

4.1.3. The PPG advises there is no standard approach to defining a functional economic market, but notes is Paragraph 012 that:

'the geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply, often referred to as the functional economic market area.'

4.1.4. The PPG adds it is possible to define functional market areas by taking into account a number of factors. These factors include:

- Spatial economic profile;
- Travel to work areas;
- Commercial property market areas;
- Housing market areas;
- Consumer market areas;
- Transport and infrastructure networks; and
- Economic governance and partnership areas.

4.1.5. When it comes to statistical data, the PPG suggests a single source for defining Functional Economic Market Areas (FEMAs) – the Office for National Statistics (ONS) Travel-to-Work Areas (TTWAs), which are based on commuting data only. However, the TTWAs ignore administrative boundaries, and are therefore of limited value for Duty to Cooperate discussions.

4.1.6. The methodology for defining the FEMA is therefore based on commuting data, administrative boundaries, and housing and commercial property markets.

4.2. Travel to work area

4.2.1. The PPG does not prescribe a threshold of self-containment (people who live and work in the same area) to help define the FEMA. AECOM has adopted the ONS's definition of Travel to Work Areas (TTWAs) that states that:

'the current criterion for defining the TTWAs is that generally at least 75% of an area's resident workforce work in the area, and at least 75% of the people who work

in the area also live in the area…however, for areas with a working population in excess of 25,000 self-containment rates as low as 66.7% are accepted.'

4.2.2. The lower 66.7% threshold for self-containment for origin and destination commuting is therefore appropriate in the case of Brighton & Hove, which has a working population in excess of 25,000.

4.2.3. The ONS publishes Origin-Destination data (also known as flow data) which include the travel-to-work patterns of individuals based on data from the 2011 Census. Data derived from the Census 2021 dataset was published in October 2023. As the date of collection of this data was in 2021 during the COVID-19 pandemic, caution is advised by ONS around using Origin-Destination data for planning and policy purposes owing to the likelihood that national lockdowns, associated guidance and furlough measures will affect Origin-Destination data[38].

4.2.4. It is considered within this study that the effect of these measures means the proportion of the population working mainly at or from home represented a temporary maximum in 2021, and that gradually this proportion will tend towards the rates exhibited in 2011. This is supported by evidence that homeworking peaked during the pandemic, and some degree of hybrid working has since become more prevalent[39]. On this basis, it was deemed appropriate to retain the data derived from the 2011 Census, which represents the latest robust flow data available. This data was also deemed appropriate for the purposes of defining a TTWA in terms of the spatiality of flows of workers, in order to reflect where workers, when travelling to work (for at least some time) would be expected to travel to.

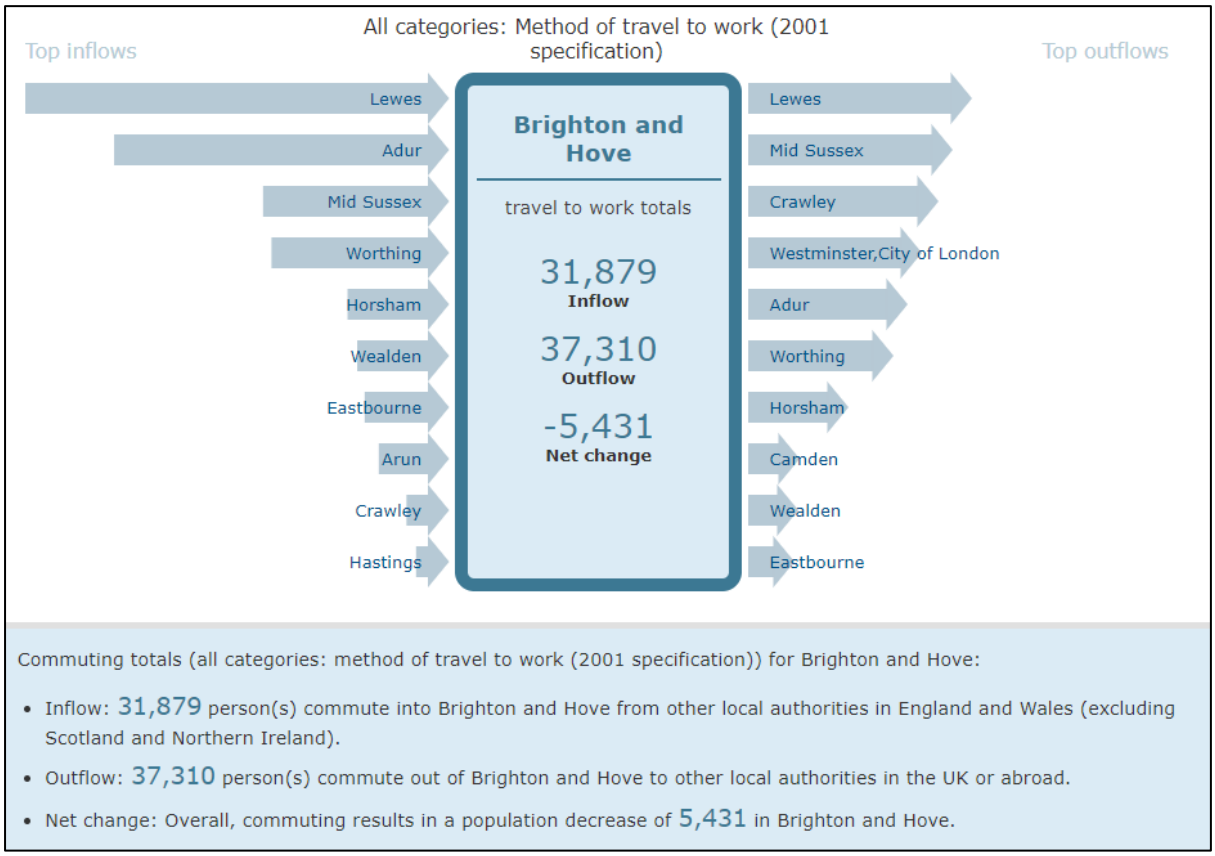
4.2.5. Figure 4-1 provides a summary of total and top inflows and outflows for Brighton & Hove. The data indicates that 31,879 people commute into Brighton & Hove from a different local authority area for work, whilst 37,310 commute from Brighton & Hove to another local authority area for work, generating an overall net outflow of 5,431 people.

4.2.6. The main inflows of workers are from Lewes, Adur, Mid Sussex, and Worthing. The main outflows of workers are to Lewes, Mid Sussex, Crawley and London.

[38]Office for National Statistics, (2023); Origin-destination data, England and Wales: Census 2021. Accessed at: https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/origindestinationdataenglandandwales/census2021

[39] Office for National Statistics, (2023); Characteristics of homeworkers, Great Britain: September 2022 to January 2023.

Figure 4-1 Location of usual residence and place of work in Brighton & Hove



Source: Office for National Statistics, (2011); Census 2011: Census WU03EW - Location of usual residence and place of work by method of travel to work (MSOA level).

4.3. Inflow self-containment

4.3.1. Detailed Origin-Destination data indicates that Brighton & Hove has a working population of 104,562, of which 72,648 live within the Brighton & Hove area. This represents a share of 69.5%, which exceeds the 66.7% threshold of ONS's self-containment definition of travel to work areas. Therefore, Brighton & Hove is considered to be self-contained as a travel to work area.

4.3.2. Detailed Origin-Destination data (inflows) is presented in Table 4-1 for the top ten origins. This data suggests from an inflow perspective, that there is a TTWA (above the 66.7% ONS self-containment definition of TTWAs) comprising Brighton & Hove alone.

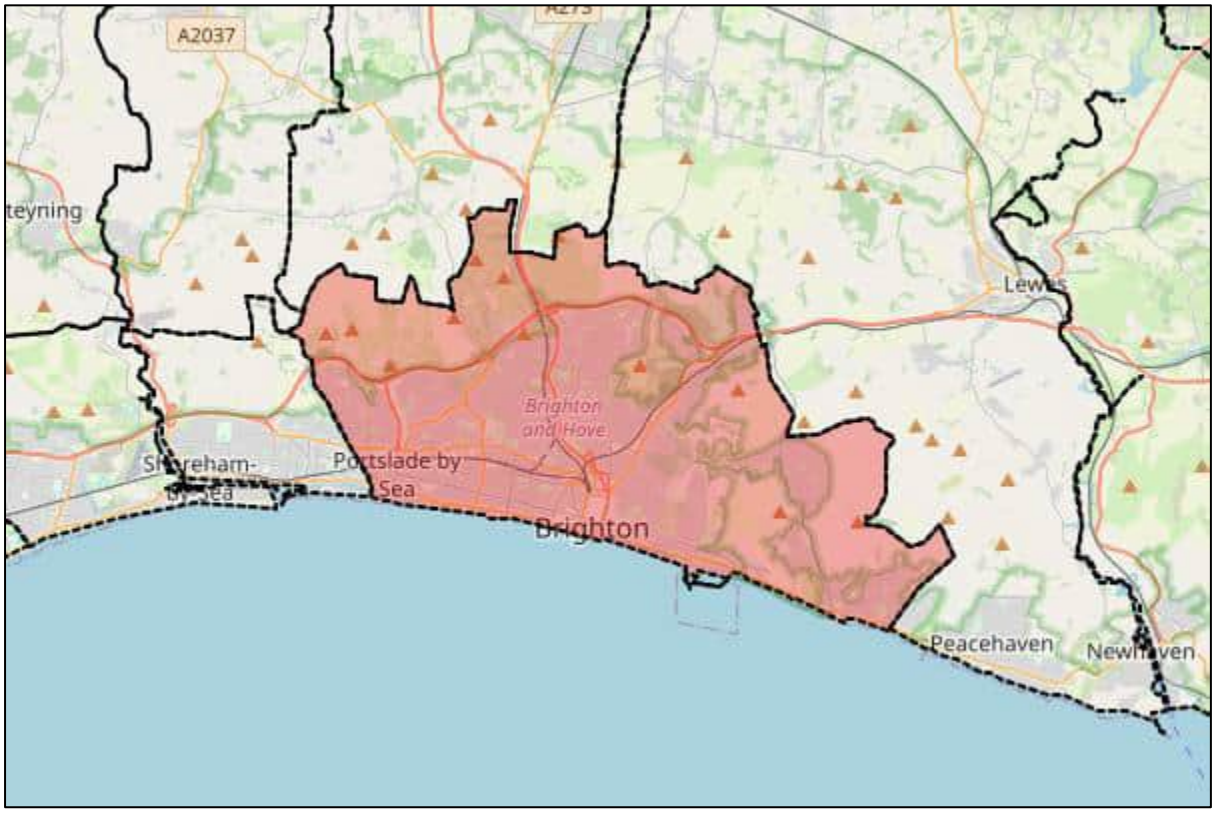
Table 4-1 Worker inflows to Brighton & Hove

Usual place of work	Residing in Brighton & Hove	Self-containment
Brighton & Hove	72,648	69.50%
Lewes	8,478	77.6%
Adur	6,615	83.9%
Mid Sussex	3,492	87.3%
Worthing	3,315	90.4%
Horsham	1,720	92.1%
Wealden	1,517	93.5%
Eastbourne	1,361	94.8%
Arun	1,065	95.9%

Usual place of work	Residing in Brighton & Hove	Self-containment
Crawley	484	96.3%

Source: Office for National Statistics, (2011); Census 2011: Origin-Destination data.

Figure 4-2 Brighton & Hove inflow self-containment



Source: AECOM.

4.4. Outflow self-containment

4.4.1. Detailed Origin-Destination data indicates that Brighton & Hove has a population (residents aged 16 and over in employment) of 109,641, of which 72,648 work in Brighton & Hove. This represents a share of 66.3%, which is below the 66.7% adopted as the ONS threshold definition of TTWAs. Therefore, based on this definition, Brighton & Hove is not considered to be self-contained as a travel to work area.

4.4.2. Detailed Origin-Destination data (outflows) is presented in Table 4-2 for the top ten destinations. This data suggests from an outflow perspective, that there is a TTWA (above the 66.7% ONS self-containment definition of TTWAs) comprising Brighton & Hove, and Lewes.

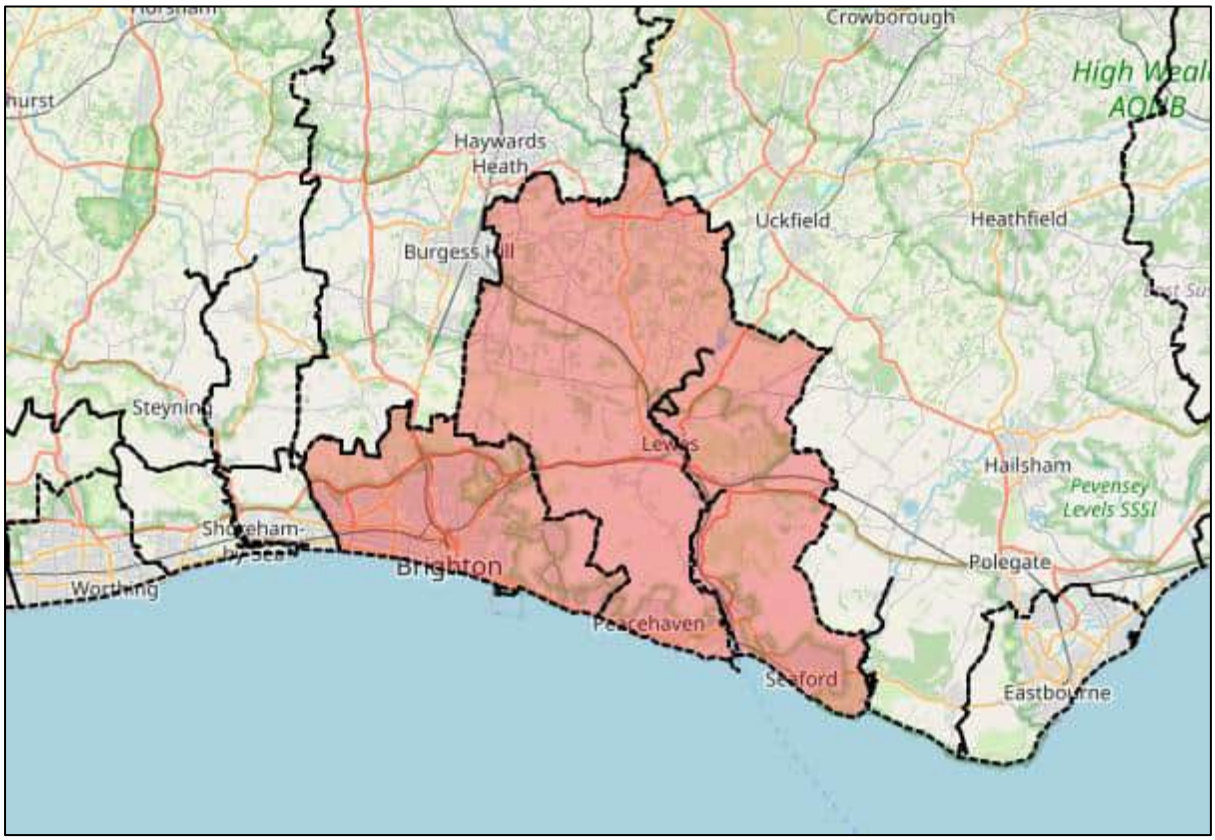
Table 4-2 Worker outflows from Brighton & Hove

Usual place of work	Residing in Brighton & Hove	Self-containment
Brighton & Hove	72,648	66.3%
Lewes	4,407	4.0%
Mid Sussex	4,008	3.7%
Crawley	3,715	3.4%
Westminster, City of London	3,385	3.1%
Adur	3,077	2.8%
Worthing	2,803	2.6%

Usual place of work	Residing in Brighton & Hove	Self-containment
Horsham	1,862	1.7%
Camden	874	0.8%
Wealden	844	0.8%

Source: Office for National Statistics, (2011); Census 2011: Origin-Destination data.

Figure 4-3 Brighton & Hove, outflow self-containment



Source: AECOM.

4.5. Transport networks

4.5.1. Similarly to the commute to work assessment, an analysis of the transport network is a useful indicator of the potential FEMA for Brighton & Hove. The average commute time can be applied in order to understanding the catchment area (inflow commuting of workforce), as well as the extent of the area of potential employment for local residents (outflow commuting of workforce). This defines the employment market area.

4.5.2. The average commute time in the UK is 59 minutes per day, or 63 minutes by National Rail, or the equivalent of circa 30 minutes' journey each way. It is recognised that some commuter journeys may be longer in duration than this. It should be noted that a portion of Brighton & Hove's workforce actively commutes further than this to London.

4.5.3. However, for the purposes of developing a broadly representative FEMA, the principal employment market area is defined as the geographical area reachable from Brighton & Hove in the average commute time (from the outer boundaries of the local authority area by road, and from a train station within Brighton & Hove by rail).

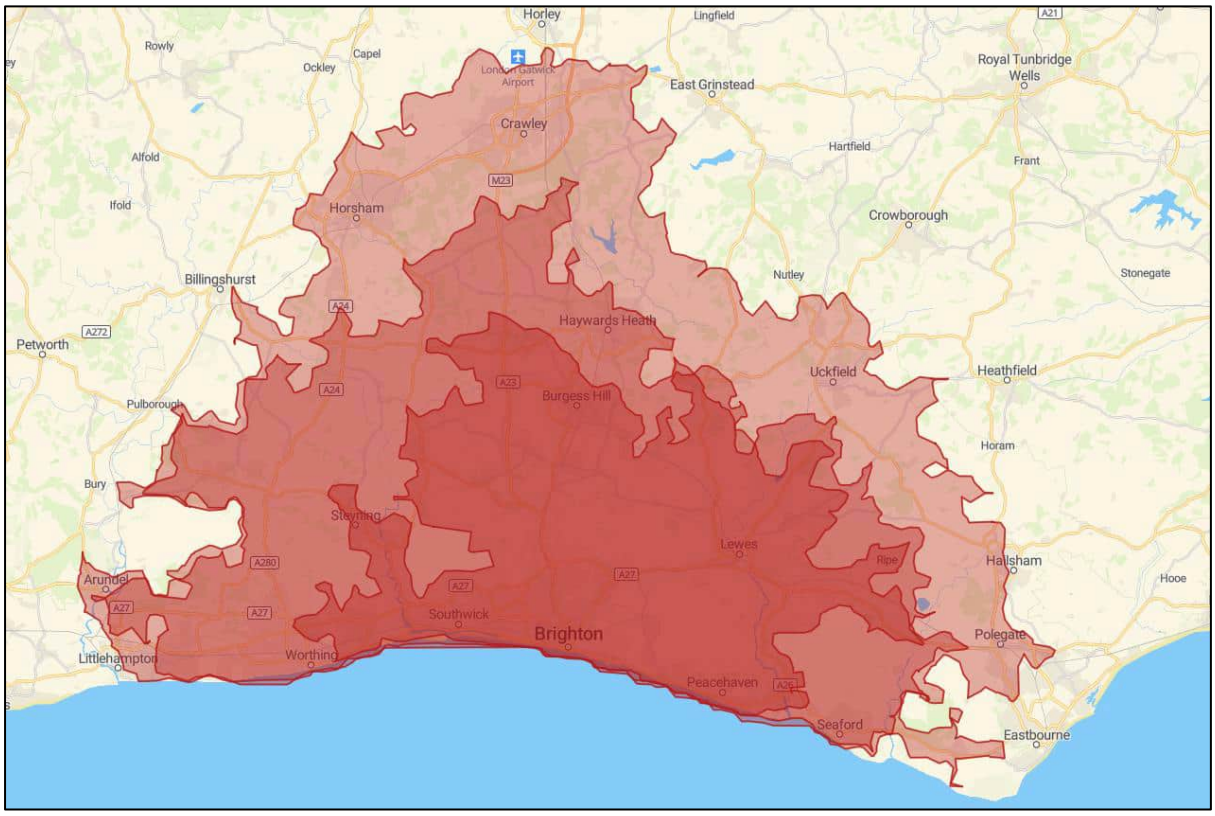
Road

4.5.4. The Brighton & Hove area is serviced by several strategic roads which provide direct links to major urban centres including London, Worthing, Eastbourne, and Crawley. These roads include: the A23, and A27.

4.5.5. Brighton & Hove is also serviced by a wide range of secondary roads which mainly provide connections within the local authority area, or with neighbouring local authority areas.

4.5.6. Figure 4-4 illustrates the area that is within 30 minutes by road from different starting points located within Brighton & Hove. The darker shades of red indicate the areas reachable from multiple different parts of Brighton & Hove within a 30-minute drive, whereas the lighter shades of red indicate areas that are only reachable from some parts.

Figure 4-4 Catchment area of 30-minute journey by road from Brighton & Hove

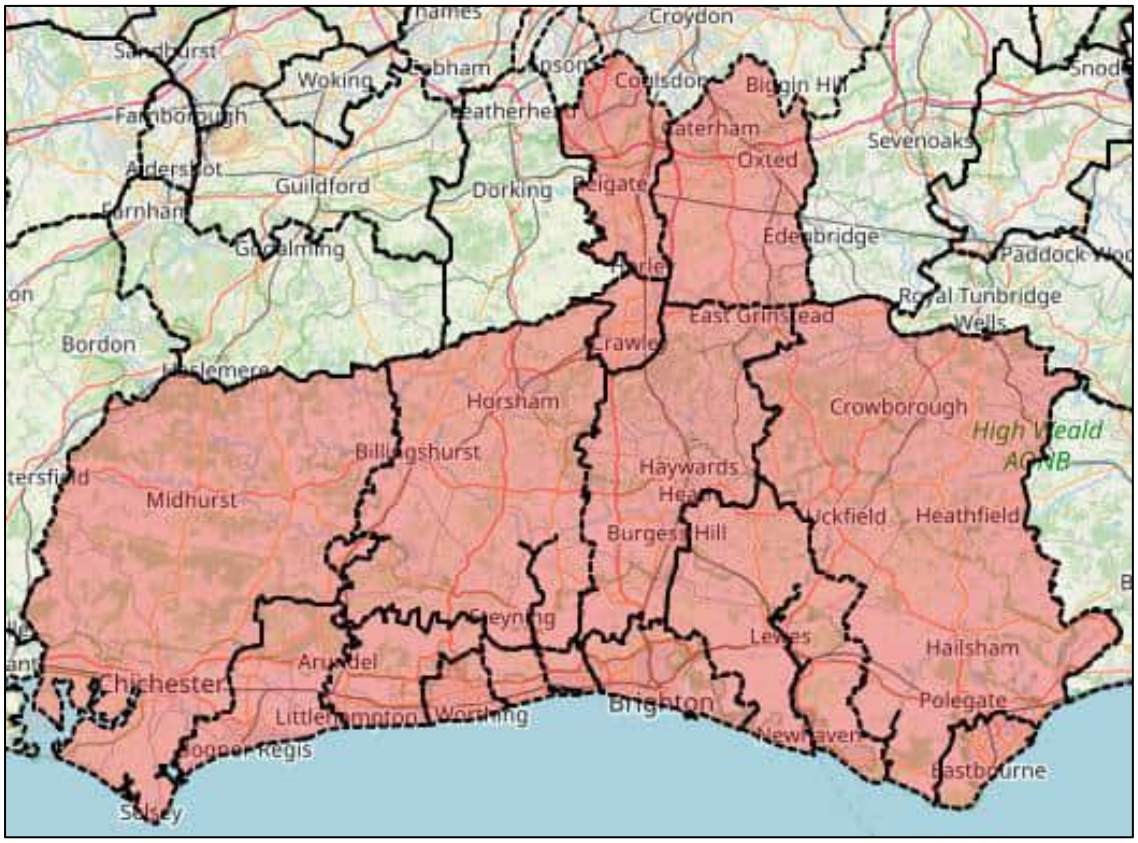


Source: Smappen, How Far Can I Go?[40]

4.5.7. Twelve local authorities within the South East region fall within the shaded area, as shown in Figure 4-5. These are: Adur, Arun, Chichester, Crawley, Eastbourne, Horsham, Lewes, Mid Sussex, Reigate and Banstead, Tandridge, Wealden, and Worthing.

[40] Smappen, How Far Can I Go? Available at: https://www.smappen.com/app

Figure 4-5 Catchment area of 30-minute journey by road from Brighton & Hove (by local authority)



Source: AECOM.

Rail

4.5.8. There are eight train stations in Brighton & Hove: Brighton, Hove, Portslade, Falmer, Preston Park, Moulsecoomb, London Road (Brighton), Aldrington.

4.5.9. Table 4-3 provides a list of stations which can be reached within 30 minutes (by rail) from a station within Brighton & Hove[41], not including those within the study area.

Table 4-3 Railway stations accessible within 30-minute rail journey from a railway station in Brighton & Hove

Station	Local authority
Lewes	Lewes
Fishersgate	Adur
Southwick	Adur
Shoreham	Adur
Lancing	Adur
Worthing	Worthing
West Worthing	Worthing
Durrington on Sea	Worthing
Southease	Lewes
Newhaven Town	Lewes
Newhaven Harbour	Lewes

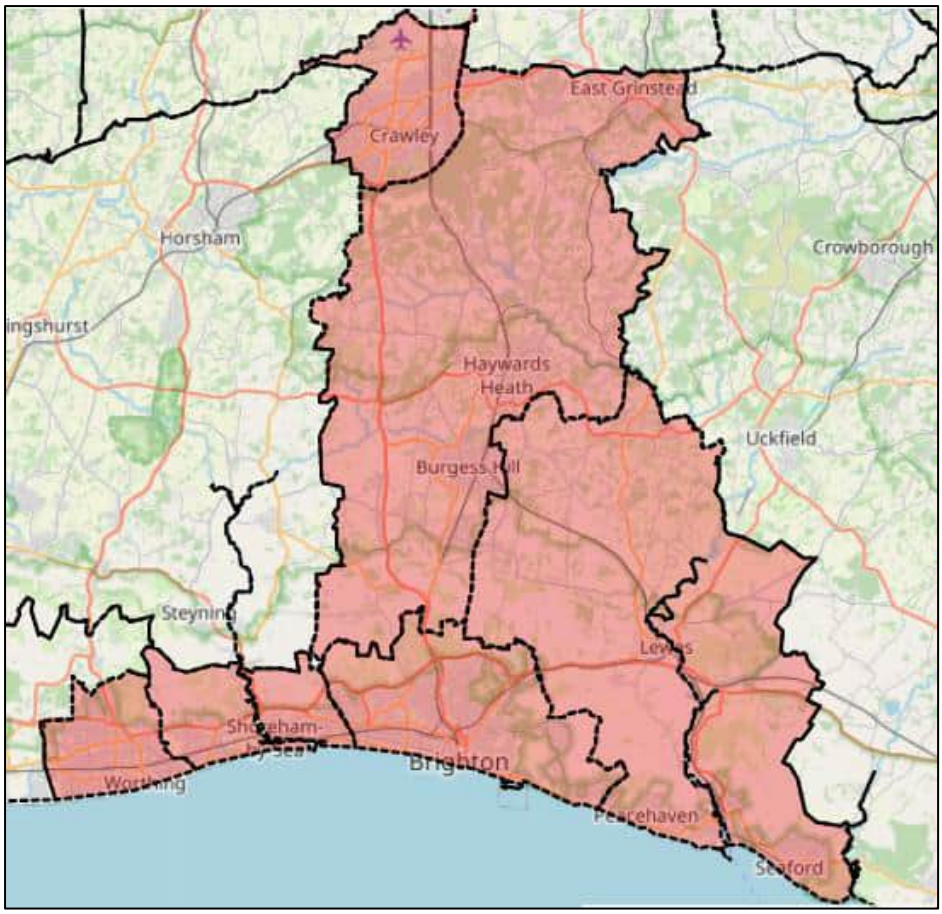
[41] Based on a journey at 9am on a weekday. Supplemented by information provided by BHCC officers.

Station	Local authority
Bishopstone	Lewes
Hassocks	Mid Sussex
Wivelsfield	Mid Sussex
Burgess Hill	Mid Sussex
Haywards Heath	Mid Sussex
Three Bridges	Crawley
Gatwick Airport	Crawley

Source: Traveltime.

4.5.10. Figure 4-6 shows the local authorities that are reachable from Brighton & Hove by rail in 30 minutes or less.

Figure 4-6 Catchment area of 30-minute journey by rail from Brighton & Hove (by local authority)



Source: AECOM.

4.6. Housing market area

4.6.1. The report *Defining the HMA and FEMA*[42] produced by GL Hearn on behalf of Greater Brighton and Coastal West Sussex Strategic Planning Board, and published in February 2017, adopts the PPG definition of housing market areas as:

'a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap.'

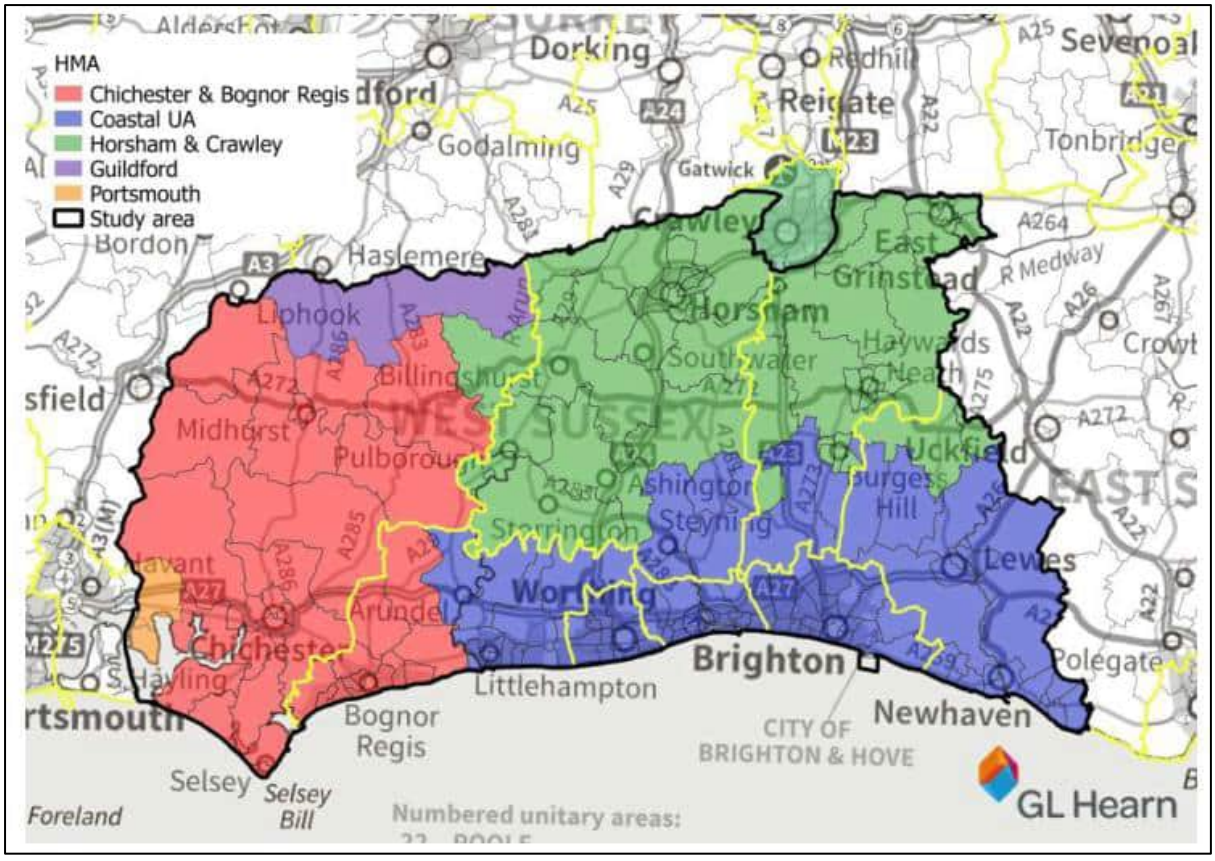
[42] GL Hearn, (2017); Defining the HMA and FEMA: Greater Brighton and Coastal West Sussex Strategic Planning Board.

4.6.2. Furthermore, it is set out that the PPG considers housing market areas to be defined by:

- 'House prices and rate of change in house prices;
- Household migration and search patterns; and
- Contextual data such as TTWAs, retail, and school catchments'.

4.6.3. The study identified the 'Coastal Urban Area' housing market area, containing Brighton & Hove, to include all or a portion of the local authority areas, as shown in Figure 4-7, of: Lewes, Worthing, Mid Sussex, Adur, Arun and Horsham.

Figure 4-7 Coastal Urban Area housing market area



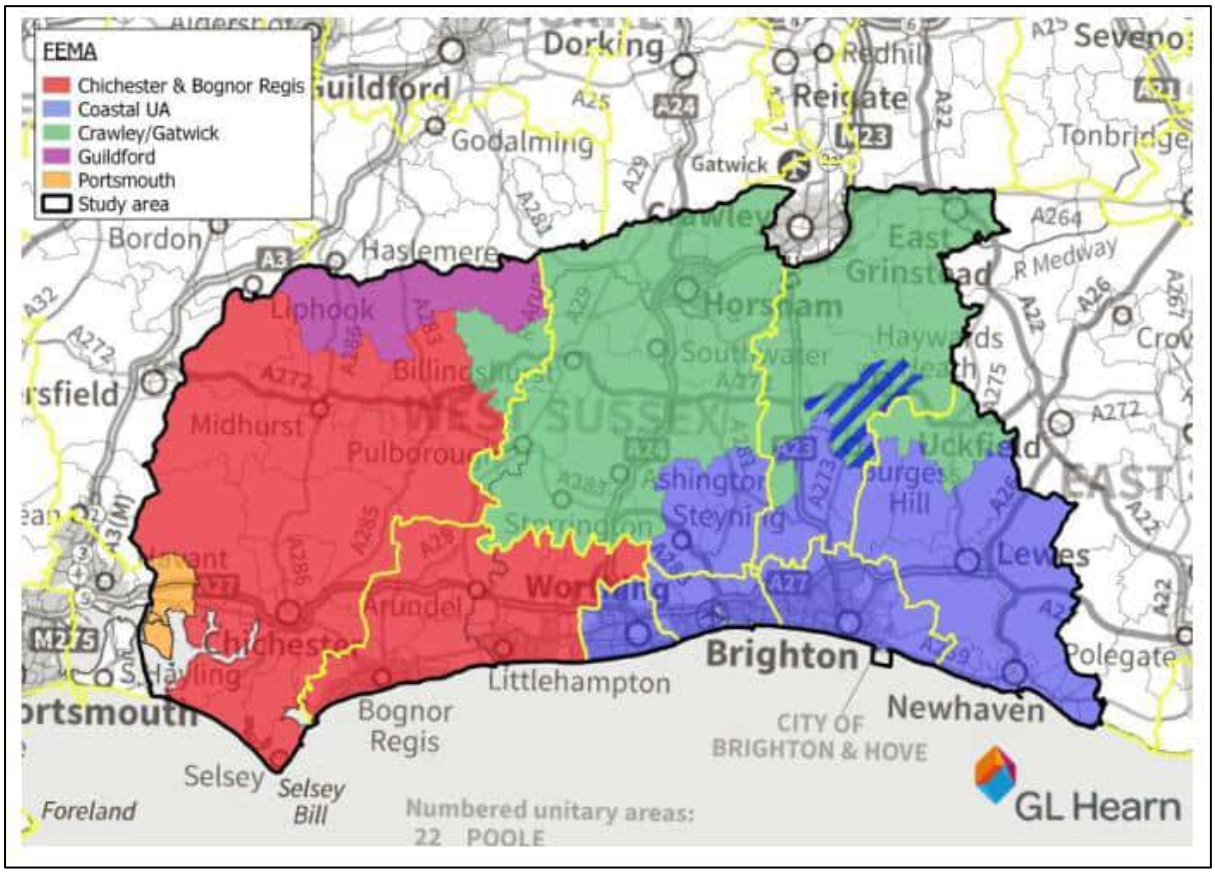
Source: GL Hearn, (2017); Defining the HMA and FEMA: Greater Brighton and Coastal West Sussex Strategic Planning Board.

4.7. Previous FEMA analysis

4.7.1. The report *Defining the HMA and FEMA*[43] produced by GL Hearn on behalf of Greater Brighton and Coastal West Sussex Strategic Planning Board also provided analysis in order to define a FEMA. The conclusions of the assessment considered the 'Coastal Urban Area' FEMA, containing Brighton & Hove, to include all or a portion of the local authority areas, as shown in Figure 4-8, of: Lewes, Worthing, Mid Sussex, Adur, and Horsham.

[43] GL Hearn, (2017); Defining the HMA and FEMA: Greater Brighton and Coastal West Sussex Strategic Planning Board.

Figure 4-8 Coastal Urban Area FEMA



Source: GL Hearn, (2017); Defining the HMA and FEMA: Greater Brighton and Coastal West Sussex Strategic Planning Board.

4.8. Commercial property market area

4.8.1. The FEMA is also influenced by the commercial property market area in which Brighton & Hove lies.

4.8.2. Commercial property market areas are geographic boundaries that serve to define core areas that are competitive with each other. Markets are defined by buildings presenting similar characteristics and are formed of non-overlapping areas (i.e. a place cannot be part of two property market areas at the same time).

4.8.3. For the purposes of this ELS, it is relevant to look at both the office and industrial property markets.

4.8.4. CoStar, the most comprehensive database of real estate data throughout the UK, is a useful source of information and provides pre-defined office and industrial property market areas for the entire UK. CoStar defined markets have therefore been used as part of the analysis.

4.8.5. As shown in Figure 4-9, both the industrial and office markets are defined as comprising the local authority areas of: Adur, Arun, Brighton & Hove, Lewes, and Worthing.

Figure 4-9 Industrial property market area

Source: CoStar.

4.9. Economic governance and partnerships area

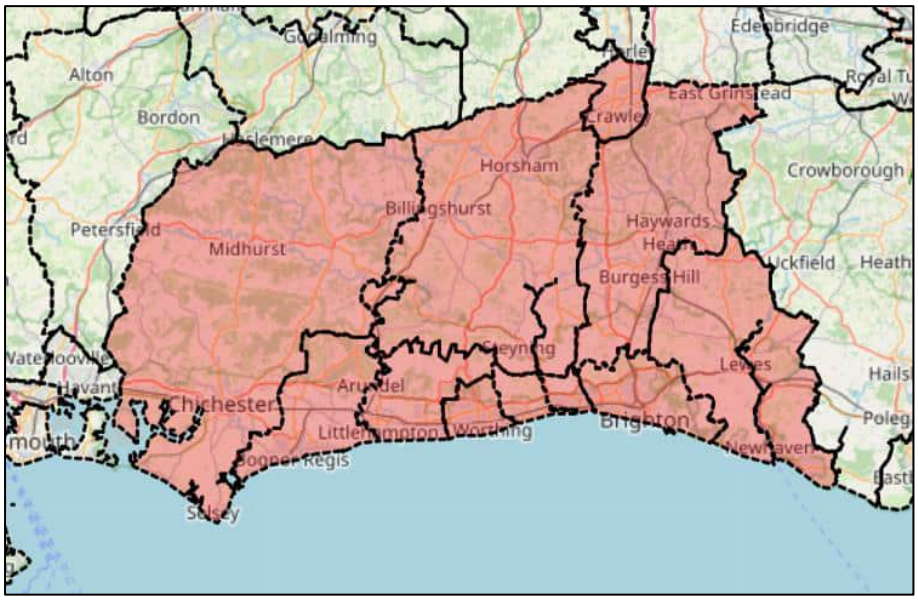
4.9.1. Brighton & Hove is within the Coast to Capital Local Enterprise Partnership (LEP) area which comprises fourteen local authorities: Croydon, Brighton & Hove, Crawley, Reigate and Banstead, Mid Sussex, Horsham, Mole Valley, Chichester, Worthing, Arun, Tandridge, Lewes, Epsom and Ewell, and Adur. Given the LEP will no longer receive funding after April 2024, and functions transferred to respective local authorities[44], the LEP has not been considered to be a relevant economic governance and partnership area for the purposes of this analysis.

4.9.2. The Greater Brighton Economic Board covers seven local authority areas, comprising: Arun, Worthing, Adur, Mid Sussex, Crawley, Brighton & Hove, and Lewes.

4.9.3. The Greater Brighton and Coastal West Sussex Strategic Planning Board is comprised of the eight local authority areas of: Brighton & Hove, Lewes, Worthing, Mid Sussex, Adur, Arun, Horsham, and Chichester. Figure 4-10 shows the geographical boundaries of these two economic governance and partnership areas.

[44] Department for Levelling Up, Housing and Communities / Department for Business and Trade, (2023); Guidance for Local Enterprise Partnerships (LEPs) and local and combined authorities: integration of LEP functions into local democratic institutions. Available at: https://www.gov.uk/government/publications/local-enterprise-partnerships-integration-of-lep-functions-into-local-democratic-institutions/guidance-for-local-enterprise-partnerships-leps-and-local-and-combined-authorities-integration-of-lep-functions-into-local-democratic-institutions

Figure 4-10 Economic governance and partnership areas by local authorities



Source: AECOM.

4.10. Summary

4.10.1. Brighton & Hove is relatively self-contained economically, with some important connections either from an economic governance perspective (administrative boundaries), market characteristics (housing and commercial property markets) and connectivity (travel to work and transport infrastructure).

4.10.2. Based on the assessment conducted in this section, and as summarised in Table 4-4, and presented in Figure 4-11, it can be reasonably concluded that Brighton & Hove is particularly connected to six other local authority areas:

- Lewes (by virtue of outflow self-containment, the road and rail network, the housing and property market area, economic governance partnerships, and previous analysis of the FEMA);
- Worthing (by virtue of the road and rail network, the housing and property market area, economic governance partnerships, and previous analysis of the FEMA);
- Mid Sussex (by virtue of the road and rail network, the housing market area, economic governance partnerships, and previous analysis of the FEMA);
- Adur (by virtue of the road and rail network, the housing and property market area, some economic governance partnerships, and previous analysis of the FEMA);
- Arun (by virtue of the road network, the housing and property market area, and economic governance partnerships[45]); and
- Horsham (by virtue of the road network, the housing market, economic governance partnerships, and previous analysis of the FEMA).

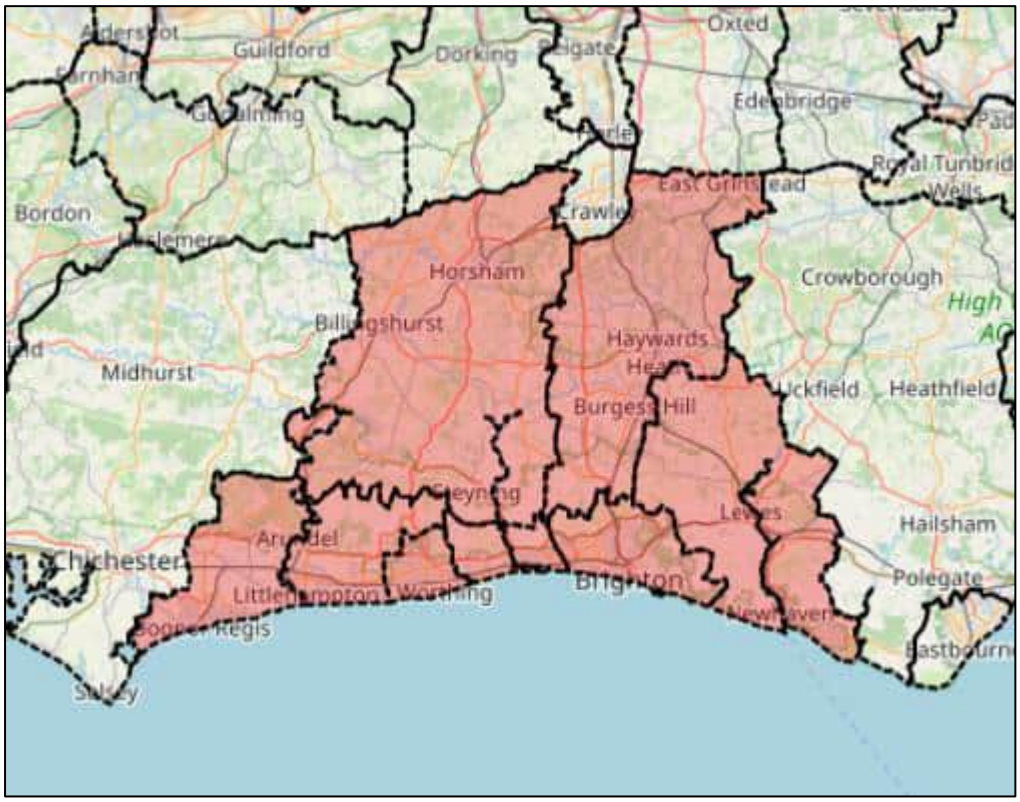
[45] For these reasons it is deemed reasonable to include Arun in the FEMA, whereas GL Hearn's 2017 analysis omits Arun from its 'Coastal Urban Area' FEMA.

Table 4-4 Summary of FEMA analysis

Local authority	Inflow self-containment	Outflow self-containment	Road network	Rail network	Housing market area (GL Hearn)	Previous FEMA analysis (GL Hearn)	Property market area	Greater Brighton Economic Board	Coastal Sussex and Greater Brighton Strategic Planning Board
Brighton & Hove	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
Lewes		**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
Worthing			**X**	**X**	**X**	**X**	**X**	**X**	**X**
Mid Sussex			**X**	**X**	**X**	**X**		**X**	**X**
Adur			**X**	**X**	**X**	**X**	**X**	**X**	**X**
Arun			**X**		**X**		**X**	**X**	**X**
Horsham			**X**		**X**	**X**			**X**
Crawley			X	X				X	
Chichester			X						X
Reigate and Banstead			X						
Wealden			X						
Eastbourne			X						
Croydon									
Mole Valley									
Tandridge			X						
Epsom and Ewell									

Source: AECOM.

Figure 4-11 Brighton & Hove FEMA



Source: AECOM.

5. Socio-economic profile

5.1. Introduction

5.1.1. This section provides a socio-economic profile of Brighton & Hove and its FEMA (as defined in the previous section) using key indicators. The analysis informs an understanding of the local economic strengths and weaknesses that may impact employment land and premises requirements. The key indicators covered include:

- Population, including the working population, earnings, skills and occupational profile of residents;
- Commuting patterns and origin-destination data;
- The workplace economy, by business stock and size; and
- Workplace employment by industry sector.

5.1.2. To provide a comparative assessment, Brighton & Hove is benchmarked against data for the FEMA, the South East region, and England and Wales as a whole.

5.2. Population

5.2.1. The future economic needs of Brighton & Hove will be driven in part by trends in the size of the resident population. In 2021, the population of Brighton & Hove was recorded at 277,103[46]; this represents a 1.4% increase from the population ten years prior, which was 273,369 in 2011[47]. This percentage change is outlined in Table 5-1, and benchmarked against population growth in the FEMA, the South East region, and England and Wales. Population growth between 2011-2021 has been considerably lower in Brighton & Hove (+1.4%) than the regional (+6.2%) and national (+6.3%) average change.

Table 5-1 Population change in Brighton & Hove (2011 – 2021)

	2011 population	2021 population	Population change (2011 – 2021)
Brighton & Hove	273,369	277,103	+1.4%
FEMA	957,372	1,017,123	+6.2%
South East	8,634,750	9,278,065	+7.5%
England and Wales	56,075,912	59,597,542	+6.3%

Source: Office for National Statistics, (2021); Census 2021. Office for National Statistics, (2011); Census 2011.

5.2.2. The population change of Brighton & Hove by age category, relative to the FEMA, regional and national averages is outlined in Table 5-2. The pattern of growth from 2011 to 2021 in Brighton & Hove reflects an ageing population. The 65+ population increased by 9.4% across the ten-year period, opposed to the 16-64 population in Brighton & Hove which grew by a far smaller proportion (+1.5%) across the same period. Notably, this trend of an ageing population is broadly reflected across the whole FEMA, and also in regional and national averages.

[46] Office for National Statistics, (2021); Census 2021.
[47] Office for National Statistics, (2011); Census 2011.

Table 5-2 Population change in Brighton & Hove, by age category (2011 – 2021)

	Aged 0 to 15	Aged 16 to 64	Aged 65+
Brighton & Hove	-6.5%	+1.5%	+9.4%
FEMA	+3.5%	+3.6%	+18.6%
South East	+4.8%	+4.4%	+21.5%
England and Wales	+4.1%	+3.3%	+19.8%

Source: Office for National Statistics, (2021); Census 2021. Office for National Statistics, (2011); Census 2011.

5.2.3. The most recent ONS population projections[48] show that the population of Brighton & Hove is expected to increase to 302,963 by 2030 and 310,189 by 2040. These changes in population represent a 2% increase overall in population from 2020 to 2040. Notably, the working age population (aged 16 to 64) is expected to grow to from 195,552 in 2021 to 212,649 in 2040, reflecting an 8.8% increase.

Employment

5.2.4. The 2021 Business Register and Employment Survey (BRES)[49] provides a detailed breakdown of jobs by industry sector in Brighton & Hove, the FEMA, the South East, and England and Wales. The breakdown of these industries is outlined in Figure 5-1.

5.2.5. The largest employment sectors in Brighton & Hove by broad industrial group, as of 2021, are health (16.3%), retail (11.3%), and education (11.3%), which reflects that these sectors are similarly the largest employers in the FEMA and region. Other significant industries within Brighton & Hove are the accommodation and food (9.9%) and professional, scientific, and technical services (8.5%) sectors.

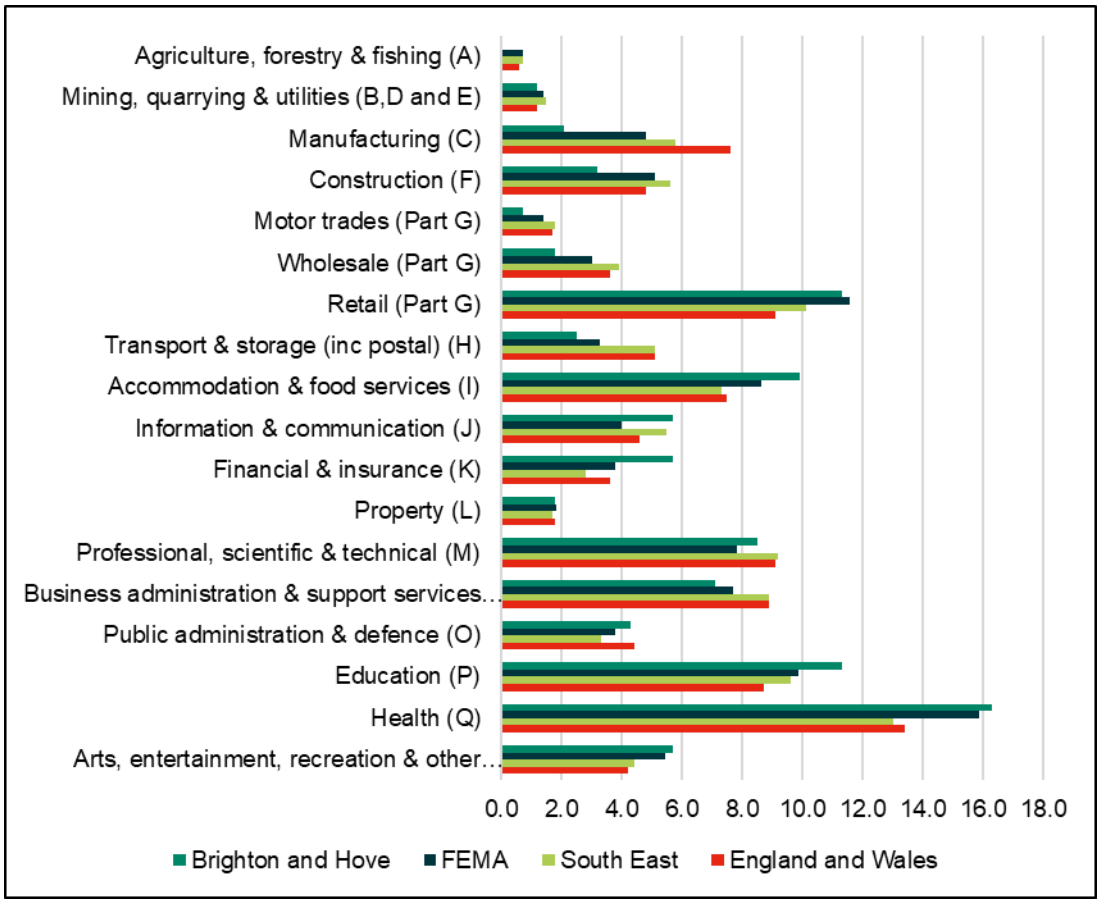
5.2.6. In absolute terms, Brighton & Hove accounts for the highest number of employees in the professional, scientific, and technical services sector, 12,000 employees, versus any of the constituent local authorities within the FEMA, with only 5,000 employees in this sector in Horsham and Mid Sussex respectively, and fewer in the remaining local authorities. Brighton & Hove could hence be positioned as a local leader in these services. However, it should be noted that the percentage of employees involved in professional, scientific, and technical services in Brighton & Hove (8.5%) is still less than the regional and national totals. Professional, scientific, and technical services account for 9.1% of employment in the South East and 9.2% across England and Wales.

5.2.7. The most significant proportional difference in terms of employment sector trends between Brighton & Hove and England and Wales is in manufacturing. The manufacturing sector accounts for 7.6% of employment in England and Wales, however only 2.1% in Brighton & Hove, reflecting historic predominance of leisure, tourism, services and entertainment in Brighton & Hove's economy.

5.2.8. Figure 5-1 shows that the proportion of employment in office-related service sectors including; information and communication; financial and insurance; professional, scientific and technical; and business administration and support is marginally higher in Brighton & Hove than both the South East and national averages. These sectors comprise 27% of Brighton & Hove's employment. Whereas, in comparison, these sectors account for 26.4% of the South East's total employment and 26.2% of England and Wales' total employment.

[48] Office for National Statistics, (2020); Population Projections.
[49] Office for National Statistics, (2022); Business Register and Employment Survey 2021.

Figure 5-1 Employment in Brighton & Hove by broad industrial group (%)



Source: Office for National Statistics, (2021); Business Register and Employment Survey 2021.

5.2.9. Table 5-3 shows the change in employment in Brighton & Hove and the FEMA between 2015 and 2021 by broad industrial group. The sector which experienced the largest proportional employment growth in Brighton & Hove was mining, quarrying and utilities (+150%) and this growth was reasonably reflected in the FEMA as well, having an experienced an increase of 50% during this period. More specifically, the majority of the additional employment recorded in this sector was contributed by jobs relating to the 'distribution of electricity' (SIC code 35130), although this could reflect the attribution of jobs to the location of their company's headquarters. Table 5-4 provides additional information on the detailed industries that recorded absolute growth (additional jobs) between 2015 and 2021.

5.2.10. The sector which experienced the largest proportional decrease in employment in Brighton & Hove was motor trades, which declined by 33% between 2015 and 2021. The FEMA experienced significantly less of decline in this sector, at only -9%. Instead, the sector which experienced the largest decrease in employment across the FEMA was wholesale, declining by 30% in the 6-year period.

5.2.11. Employment in office-related service sectors including: information and communication; financial and insurance; professional, scientific and technical; and business administration and support present a mixed picture. All of the sectors listed, excluding professional, scientific and technical, have experienced 0% change between 2015 and 2021. Professional, scientific and technical services is therefore an outlier in the otherwise stable office-related service sectors, having increased by 33% in the 9-year period. Comparatively, the FEMA has exhibited different trends, as the information and communication sector decreased by 12% and the finance and insurance sector decreased by 9% during this period.

Table 5-3 Change in employment in Brighton & and Hove, and FEMA, by broad industrial group (2015 – 2021, no. and %)

Broad industrial group	Brighton & Hove				FEMA
	Employment in 2015 (no.)	Employment in 2021 (no.)	Change (no., 2015 – 2021)	Change (%, 2015 – 2021)	Change (%, 2015 – 2021)
Agriculture, forestry & fishing	50	50	0	0%	-16%
Mining, quarrying & utilities	700	1,750	1,050	150%	50%
Manufacturing	2,500	3,000	500	20%	-8%
Construction	3,500	4,500	1,000	29%	34%
Motor trades	1,500	1,000	-500	-33%	-9%
Wholesale	3,000	2,500	-500	-17%	-30%
Retail	14,000	16,000	2,000	14%	6%
Transport & storage (incl. postal)	3,500	3,500	0	0%	28%
Accommodation & food services	14,000	14,000	0	0%	1%
Information & communication	8,000	8,000	0	0%	-12%
Financial & insurance	8,000	8,000	0	0%	-9%
Property	2,500	2,500	0	0%	-9%
Professional, scientific & technical	9,000	12,000	3,000	33%	19%
Business administration & support services	10,000	10,000	0	0%	20%
Public administration & defence	5,000	6,000	1,000	20%	17%
Education	17,000	16,000	-1,000	-6%	-2%
Health	23,000	23,000	0	0%	-1%
Arts, entertainment, recreation & other services	8,000	8,000	0	0%	2%
Total	133,250	139,800	6,550	5%	-16%

Source: Office for National Statistics, (2021); Business Register and Employment Survey 2021. Office for National Statistics, (2015); Business Register and Employment Survey 2015.

Table 5-4 Change in employment in Brighton & and Hove, by detailed industry (2015 – 2021, no.)

Industry	Change in employment (2015 – 2021, no.)
86900 : Other human health activities	3,500
64921 : Credit granting by non-deposit taking finance houses and other specialist consumer credit grantors	2,450
47910 : Retail sale via mail order houses or via Internet	1,300
35130 : Distribution of electricity	1,000
56101 : Licensed restaurants	1,000
65110 : Life insurance	1,000

Industry	Change in employment (2015 – 2021, no.)
84120 : Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security	1,000
82990 : Other business support service activities nec	800
56102 : Unlicensed restaurants and cafes	750
73110 : Advertising agencies	750
47110 : Retail sale in non-specialised stores with food, beverages or tobacco predominating	500
62012 : Business and domestic software development	500
70229 : Management consultancy activities (other than financial management)	500
41100 : Development of building projects	375
95110 : Repair of computers and peripheral equipment	325
69203 : Tax consultancy	300

Source: Office for National Statistics, (2021); Business Register and Employment Survey 2021. Office for National Statistics, (2015); Business Register and Employment Survey 2015.

Earnings

5.2.12. Table 5-5 presents the median gross weekly earnings recorded by the Annual Survey of Hours and Earnings (ASHE) (2022)[50]. It shows that the median gross weekly resident-based earnings are approximately £641, which is the equivalent to the median earnings across the FEMA, albeit £44 lower than residents in the South East, which is recorded as £685.

5.2.13. The median gross weekly workplace-based earnings in Brighton & Hove are lower than residence-based earnings, at approximately £620. The median workplace-based earnings of those that work in the FEMA is lower, at approximately £596. Workplace-based earnings across the South East (approximately £664) are higher than both Brighton & Hove and the FEMA suggesting residents of these geographies may access higher earnings elsewhere within the South East, or London.

Table 5-5 Residence-based and workplace-based median earnings in Brighton & Hove

Earnings	Brighton & Hove	FEMA	South East
Residence-based (£)	640.5	640.3	685.3
Workplace-based (£)	619.7	596.0	664.3

Source: Office for National Statistics, (2022); Annual Survey of Hours and Earnings 2022.

Deprivation

5.2.14. Based on the English Indices of Multiple Deprivation (IMD) 2019[51], Brighton & Hove is the 140th most deprived local authority out of the 317 local authorities in England (where 1st is the most deprived). Fifteen of Brighton & Hove's 165 Lower Super Output Areas (LSOAs)[52] are within the top 10% most deprived LSOAs nationally, with a further fourteen ranking in the 10-20% most deprived (totalling 17.6% of total LSOAs). Table 5-6 outlines the rank of Brighton & Hove with respect to overall

[50] Office for National Statistics, (2021); Annual Survey of Hours and Earnings (ASHE).
[51] Ministry of Housing, Communities and Local Government, (2019); Index of Multiple Deprivation.
[52] Lower Super Output Areas (LSOAs) are small geographical units with broadly similar population sizes used in the reporting of statistics.

deprivation in comparison to local authorities across England, proportion of LSOAs ranked amongst 10% most deprived nationally, and average score.

Table 5-6 Multiple Deprivation in Brighton & Hove and other local authorities

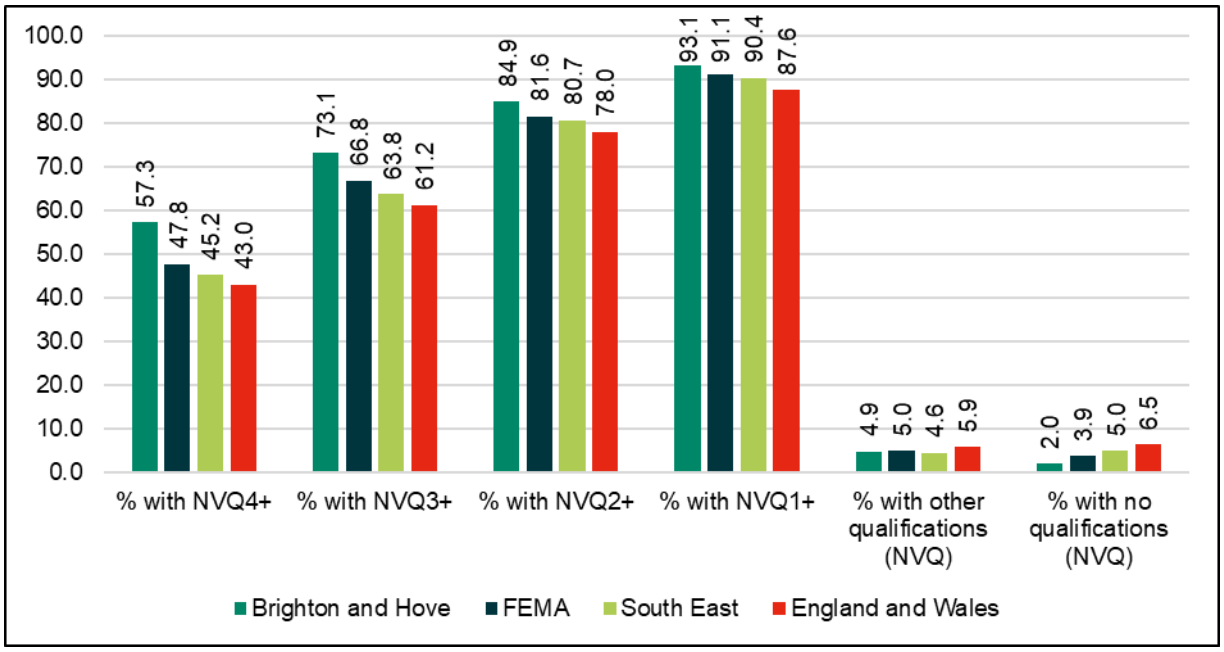
Local authority (2019)	Local authority rank (out of 317)	IMD average score	Proportion of LSOAs in most deprived 10% nationally
Brighton & Hove	140	20.8	9.1%
Lewes	194	12.8	0%
Adur	164	17.6	0%
Arun	149	18.6	4.3%
Horsham	290	9.9	0%
Mid Sussex	311	7.7	0%
Worthing	174	17.0	0%

Source: Ministry of Housing, Communities, and Local Government, (2019); Index of Multiple Deprivation

Skills and training

5.2.15. The proportion of Brighton & Hove's working age population that hold an NVQ4 (higher education) level qualification and above in 2021 was 57.3%, which reflects a higher proportion than in 2011, which was 46.2%. A breakdown of the educational attainment of residents in Brighton & Hove, the FEMA, the South East, and England and Wales is shown in Figure 5-2.

Figure 5-2 Qualification profile in Brighton & Hove: proportion of the population who hold an NVQ qualification (aged 16 – 64, %)



Source: Office for National Statistics, (2021); RM047 – Highest level of qualification by country of birth

Occupational profile

5.2.16. The Annual Population Survey[53] conducted by the ONS provides the most recent available economic activity, employment, and unemployment statistics. As of March 2023, the economic activity rate in Brighton & Hove was recorded at 78.7%, which was slightly lower than the South East (80.7%), but marginally higher than England

[53] Office for National Statistics, (2023); Annual Population Survey.

as a whole (78.6%). The economic activity rate of 78.7% reflects 169,200 economically active people, with 161,100 people in employment.

5.2.17. Table 5-7 outlines the changes in the number of working age residents economically inactive in Brighton & Hove between 2012 and 2022, benchmarked against the South East and England. When the last Employment Land Study was undertaken in 2012, 21.5% of the population (aged 16-64) were inactive, compared to 20.8% in 2022. Therefore, proportionally, the number of economically inactive people in Brighton & Hove has marginally decreased across the 10-year period. Conversely, in 2022, a higher proportion of South East's population as a whole were economically inactive, compared to the proportion that were economically inactive in 2012. Whilst Brighton & Hove has a smaller proportion of its population that are economically inactive than across the South East generally, as of 2022, England has an even smaller proportion of its population that are economically inactive at 19.3%.

Table 5-7 Change in economic inactivity (aged 16-64) in Brighton & Hove (2012 – 2022)

Location	Economically inactive (Jan 2012 – Dec 2012)	Economically inactive (Jan 2022 – Dec 2022)	Percentage Point Change
Brighton & Hove	21.5%	20.8%	-0.7%
South East	20.4%	21.3%	+0.9%
England	23.1%	19.3%	-3.8%

Source: Office for National Statistics, (2023); Annual Population Survey (2023). Office for National Statistics, (2013); Annual Population Survey (2012).

5.2.18. The employment rate in Brighton & Hove is slightly lower (75%) than the national average (75.5%) and also lower than in the South East (78%).

5.2.19. Between April 2022 and March 2023 there were 6,500 people unemployed, accounting for an unemployment rate of 3.9%. Brighton & Hove's unemployment rate is therefore higher is than both the regional (3.4%) and national (3.6%) averages.

5.2.20. Data for the unemployment rate for all geographies in 2023, compared to 2012 when the previous Employment Land Study was conducted, is summarised in Table 5-8. The percentage point decrease in the unemployment rate in Brighton & Hove (-4.2%) from 2012 to 2023 is in line with the national average (-4.2%), both starting with similar unemployment rates of 8.1% and 7.9% and dropping similarly to 3.9% and 3.7%.

Table 5-8 Change in unemployment in Brighton & Hove (2012 – 2023)

Location	Unemployment rate (Jan 2012 – Dec 2012)	Unemployment rate (Apr 2022 – Mar 2023)	Percentage point change
Brighton & Hove	8.1%	3.9%	-4.2%
South East	6.0%	3.4%	-2.6%
England	7.9%	3.7%	-4.2%

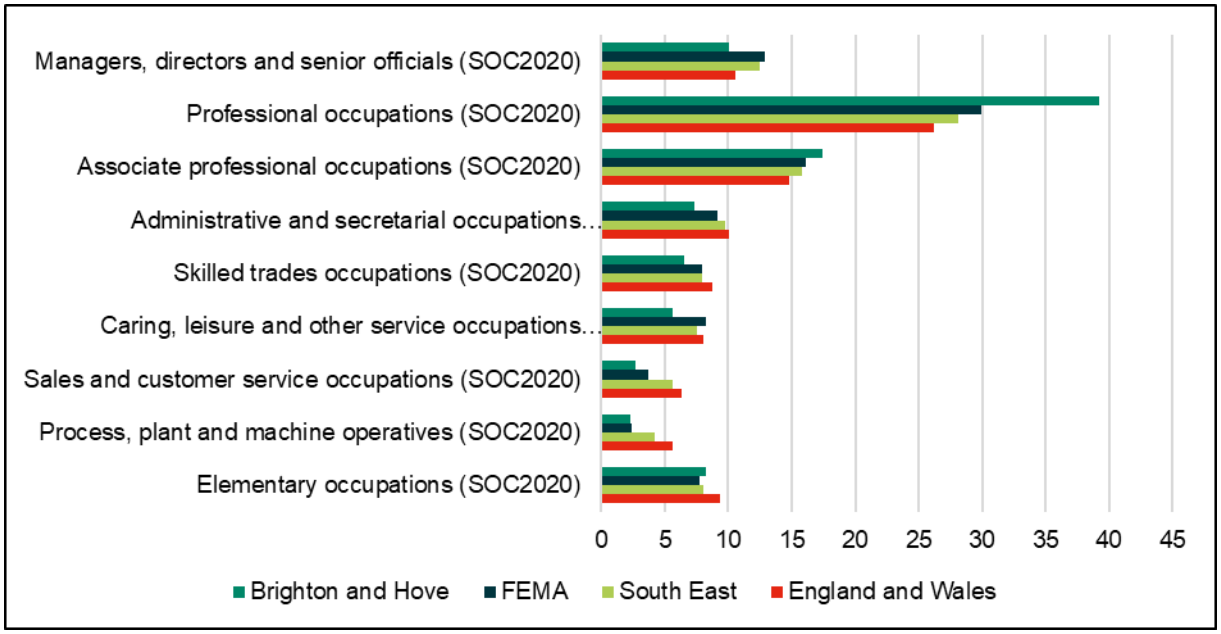
Source: Office for National Statistics, (2023); Annual Population Survey (2023); Office for National Statistics, (2011); Annual Population Survey (2012)

5.2.21. Figure 5-3 sets out the occupational profile of Brighton & Hove residents in comparison to the South East and England as a whole. It shows that 68.3% of Brighton & Hove residents work in managerial, professional and technical occupations (standard industrial classification (SOC) groups 1-3) compared to approximately 56.6% across the South East and 52% across England as a whole. The proportion of Brighton residents working in occupations in SOC groups 4-5

(which include skilled trades and administrative occupations) is slightly lower (13%) than both the South East average (17.6%) and national average (18.5%).

5.2.22. The proportion of Brighton & Hove residents with occupations in SOC groups 6-9 (which primarily comprise of lower skilled occupations) is lower (18.7%) than both the South East average (25.8%) and national average (29.4%).

Figure 5-3 Occupational profile: proportion of working age population in employment, by occupation (aged 16 - 64, %)



Source: Office for National Statistics, (2023); Annual Population Survey – April 2022 – March 2023.

Commuting patterns

5.2.23. As stated previously, Origin-Destination data derived from the 2021 Census was released in October 2023. However, as set out, the ONS recommend that this data should be treated with a degree of caution owing to the peculiar circumstances associated with the COVID-19 pandemic at the time of data collection. Therefore, for the purposes of this study, it is deemed that the most recent comprehensive commuting data derives from 2011 Census data. While the data is now more than ten years old, the figures give the best available indication of the pattern of movement of residents and workers into and out of the City of Brighton & Hove for work at a high level of geographical granularity. This study has taken the view that due to the effect of measures implemented during the pandemic, the proportion of the population working mainly at or from home was a temporary maximum in 2021, and that gradually this proportion will tend towards the rates exhibited in 2011.

5.2.24. According to the 2011 Census, a significant proportion of the workforce of Brighton & Hove derives from in-commuting, as workers in-commute notably from Lewes (8,478) and Adur (6,615). Mid Sussex and Worthing also represented significant sources of in-commuting to Brighton & Hove (3,000 workers respectively).

5.2.25. The most common destinations for out-commuting from the area were Lewes (4,407 Brighton & Hove residents) and Mid Sussex (2,803). Despite some of Brighton & Hove's working population commuting out of the area, it remains a net importer of workers across the region. Overall, 16,708 residents commute out to work in Adur, Arun, Horsham, Lewes, Mid Sussex or Worthing, whereas 24,685 commute into Brighton & Hove from these areas. It should be noted that there are other destinations beyond those named, that contribute to Brighton & Hove's in and out flow of labour supply, either as an origin source or destination.

Origin-Destination data

5.2.26. According, to the latest ONS workplace population data (2021)[54] the majority of Brighton & Hove's population worked from home as 59,494 people were recorded as '*working mainly from home*'[55] in 2021. It is worth noting this data was recorded in 2021, during the COVID-19 pandemic which will undoubtedly have had a significant impact on the data. Nevertheless, 59,494 represents a striking contrast from 2011, wherein 17,356 people cited that they worked at or from home.

5.2.27. Of Brighton & Hove's working population that travel to work, the significant majority travel from less than 10 km away, at 47,197 people. There are significantly less people that travel from more than 10 km away to work in Brighton & Hove, with only 8,680 people recorded in 2023 as travelling between 10 km to 30 km to work in Brighton & Hove.

5.3. Workplace economy

Job density

5.3.1. According to the 2021 Census, job density data for Brighton & Hove, which represents the number of jobs in an area per resident population aged 16 to 64, job density is estimated at 0.88 compared to 0.85 for the South East and 0.86 for England and Wales.

5.3.2. It is useful to compare Brighton & Hove's job density to the FEMA, which has an average density of 0.69. Job density is also higher in Brighton & Hove, given its dense urban nature, than in any other neighbouring local authority, with the exception of Worthing which has the same job density of 0.88. After Worthing, the closest comparator to Brighton & Hove is Lewes, which has an estimated job density of 0.86. Brighton & Hove therefore has more densely configured employment supply, with there being a higher number of jobs in the city per its resident population. Job density is calculated by dividing the number of jobs in an area by the resident population aged 16-64 in that area.

5.3.3. Over the past 10 years, job density in Brighton & Hove has increased to a greater extent than that of job density in the South East and England & Wales, as demonstrated in Table 5-9.

Table 5-9 Job density change in Brighton & Hove (2011 – 2021)

Location	Job density in 2011	Job density in 2021	Percentage change
Brighton & Hove	0.76	0.88	+12%
South East	0.81	0.85	+4%
England and Wales	0.78	0.86	+8%

Source: Office for National Statistics, (2021); Census 2021. Office for National Statistics, (2011); Census 2011.

Business sectors, stock, and scale

5.3.4. The latest ONS UK Business Counts (2023)[56] dataset indicates there are 14,410 businesses located in in Brighton & Hove. Table 5-10 presents the composition of the employment size of these businesses. Micro-businesses (defined as companies employing up to nine employees) represent the vast majority (90.2%) of all businesses in Brighton & Hove, which is slightly above the FEMA (89.9%), the

[54] Office for National Statistics (2021) Distance travelled to work (Workplace population)
[55] Office for National Statistics collects origin-destination data on workplace by asking in the Census about the "usual" workplace in the week before the Census date. 'Working mainly at or from home' reflects a quasi-workplace and a category of work that includes those who work from home or remotely for the majority of their working hours.
[56] Office for National Statistics, (2023); UK Business Counts.

South East (89.5%) and England and Wales averages (89.2%). Small, medium and large businesses comprise 9.8% of businesses in Brighton & Hove, compared to 10.2% in the FEMA, 10.5% in the South East and 10.8% across England and Wales as a whole. A summary of business by employment size in Brighton & Hove, the FEMA, the South East, and England and Wales is shown in Table 5-10.

Table 5-10 Businesses in Brighton & Hove, by employment size (2023)

Employment size	Brighton & Hove		FEMA	South East	England and Wales
	No. of businesses	% of total	% of total	% of total	% of total
1 to 9 (Micro)	13,000	90.2%	89.9%	89.5%	89.2%
10 to 49 (Small)	1,210	8.4%	8.6%	8.6%	8.9%
50 to 249 (Medium)	160	1.1%	1.2%	1.5%	1.6%
250 + (Large)	40	0.3%	0.3%	0.4%	0.4%
Total	**14,410**	-	-	-	-

Source: Office for National Statistics, (2023); UK Business Counts.

5.3.5. Within Brighton & Hove's economy, the professional, scientific and technical sector accounts for the largest proportion of businesses in Brighton & Hove (18%). This is followed by the retail sector (14%), information & communication (11%), the construction sector (10%), arts, entertainment, recreation, and other services (8%), and then accommodation & food sector (8%) and business administration and support services (8%). There are approximately 40 large businesses located in Brighton & Hove, of which ten are based in the education sector. Five of these 40 large businesses are based in accommodation and food services, information and communication, professional, scientific and technical, and health sectors apiece.

5.3.6. Further detail is provided by the UK Business Counts dataset regarding more specific industrial activities being undertaken by businesses in Brighton & Hove. Table 5-11 shows the twenty most prevalent detailed sectors in terms of number of businesses. E-commerce is a prominent contributor to the number of businesses in Brighton & Hove, accounting for around 8% of all businesses. There are also multiple businesses across sectors typically requiring office space, spanning consultancy services, computer programming, digital and creative focussed businesses and financial services.

Table 5-11 Businesses in Brighton & Hove, by detailed industrial sector (2023)

Industry	Number of enterprises
4791 : Retail sale via mail order houses or via Internet	1,090
7022 : Business and other management consultancy activities	895
5610 : Restaurants and mobile food service activities	770
8299 : Other business support service activities n.e.c.	475
6202 : Computer consultancy activities	460
6201 : Computer programming activities	330
5911 : Motion picture, video and television programme production activities	315
4120 : Construction of residential and non-residential buildings	295
9003 : Artistic creation	285
7410 : Specialised design activities	275
6820 : Renting and operating of own or leased real estate	265

Industry	Number of enterprises
5630 : Beverage serving activities	235
4711 : Retail sale in non-specialised stores with food, beverages or tobacco predominating	215
7490 : Other professional, scientific and technical activities n.e.c.	215
4110 : Development of building projects	210
6910 : Legal activities	210
9602 : Hairdressing and other beauty treatment	210
4322 : Plumbing, heat and air-conditioning installation	200
6920 : Accounting, bookkeeping and auditing activities; tax consultancy	200
7112 : Engineering activities and related technical consultancy	200

Source: Office for National Statistics, (2023); UK Business Counts.

5.3.7. Between 2010 and 2023, an additional 4,055 businesses in Brighton & Hove were registered, reflecting a growth of 39% from 10,355 to 14,410 enterprises. The twenty detailed industrial sectors which grew by the most businesses, in absolute terms, are shown in Table 5-12. Significant growth in the number of e-commerce businesses was recorded over this time frame, which has likely been driven in part by acceleration in the sector as a result of the COVID-19 pandemic[57] and wider digital transformation affecting spending habits[58,59]. Additional net growth in businesses has been contributed by restaurant and mobile food services (potentially reflecting growth in dark kitchen and delivery-based restaurants and takeaway businesses), business and other management consultancy activities, and computer programming activities (comprising ready-made interactive leisure and entertainment software development, and business and domestic software development).

Table 5-12 Growth in number of businesses in Brighton & Hove, by detailed industrial sector (2023)

Industry	Number of enterprises in 2010	Number of enterprises in 2023	Change (no.)
4791 : Retail sale via mail order houses or via Internet	70	1,090	1,020
5610 : Restaurants and mobile food service activities	450	770	320
7022 : Business and other management consultancy activities	675	895	220
6201 : Computer programming activities	135	330	195
5911 : Motion picture, video and television programme production activities	165	315	150
8299 : Other business support service activities n.e.c.	330	475	145
7810 : Activities of employment placement agencies	45	170	125
4120 : Construction of residential and non-residential buildings	180	295	115
7490 : Other professional, scientific and technical activities n.e.c.	110	215	105
7410 : Specialised design activities	170	275	105
4322 : Plumbing, heat and air-conditioning installation	115	200	85
6910 : Legal activities	125	210	85

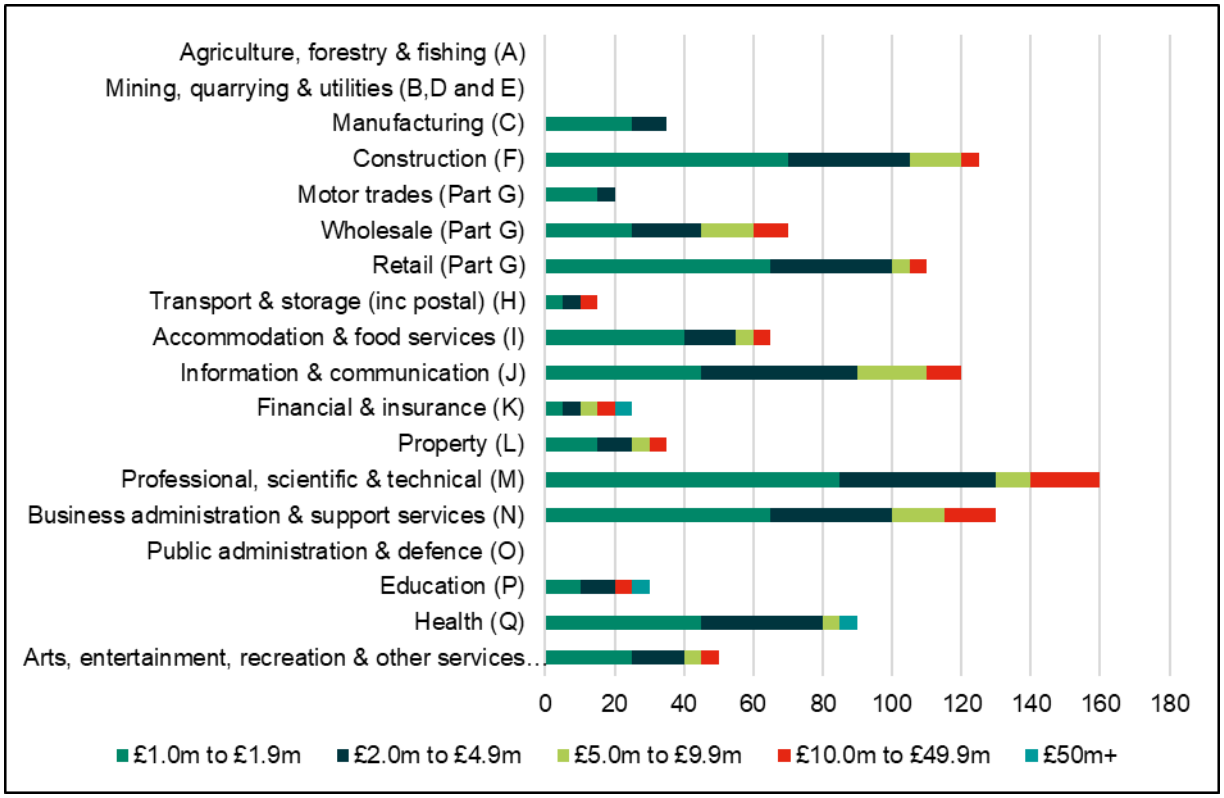
[57] UN Conference on Trade and Development, (2021); COVID-19 and E-Commerce: A Global Review.
[58] Office for National Statistics, (2022); How our spending has changed since the end of coronavirus (COVID-19) restrictions.
[59] Office for National Statistics, (2023); Digital Economy Survey: 2021.

Industry	Number of enterprises in 2010	Number of enterprises in 2023	Change (no.)
9602 : Hairdressing and other beauty treatment	125	210	85
7311 : Advertising agencies	80	150	70
6820 : Renting and operating of own or leased real estate	195	265	70
9002 : Support activities to performing arts	15	80	65
4711 : Retail sale in non-specialised stores with food, beverages or tobacco predominating	150	215	65
8690 : Other human health activities	95	155	60
6831 : Real estate agencies	110	170	60
7021 : Public relations and communication activities	30	85	55

Source: Office for National Statistics, (2023); UK Business Counts.

5.3.8. In terms of economic performance, the highest proportion (31.7%) of businesses in Brighton & Hove generate turnover of between £100,000-£199,000. Figure 5-4 shows a breakdown of the businesses in Brighton & Hove which have generated over £1 million in turnover. There are 1,090 businesses that generated over £1 million in turnover, of which professional, scientific & technical services had the highest number of businesses (160 businesses) followed by business administration & support services (130 businesses) and construction (125 businesses).

Figure 5-4 Businesses in Brighton & Hove with a turnover over £1 million, by broad industrial group (no. of businesses)

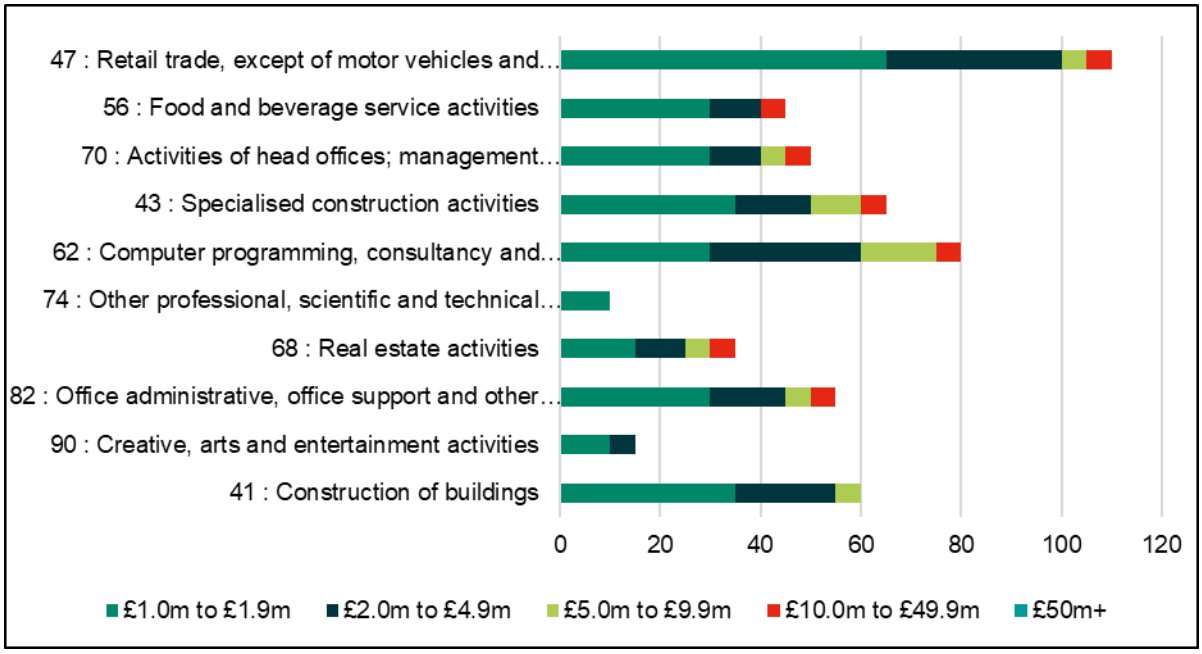


Source: Office for National Statistics, (2023); UK Business Counts.

5.3.9. Further analysis of detailed industrial activities is presented in Figure 5-5, wherein the top 10 industrial activities (by 2-digit SIC code) in terms of number of businesses in Brighton & Hove have been selected; those businesses with a turnover in excess of £1 million have been shown within the figure. Alongside

'retail', 'computer programming, consultancy and related activities' contributes the greatest number of businesses with a turnover of over £1million.

Figure 5-5 Businesses in Brighton & Hove with a turnover over £1 million, by detailed industrial (no. of businesses[60])



Source: Office for National Statistics, (2023); UK Business Counts.

Business registrations and de-registrations

5.3.10. Drawing on ONS business demography[61] data for Brighton & Hove provides an indication of the entrepreneurial characteristics of the city. As shown in Table 5-13 below, between 2016 and 2021 there were more business registrations in Brighton & Hove than de-registrations. The year with the highest net change was 2018 where a net total increase of 1,300 business registrations occurred. The trend in net positive business registrations appears to be slowing and de-registrations exceeded registrations in 2022, although this likely reflects the effects of the COVID-19 pandemic; further monitoring of data for 2023 once released would enlighten understanding of a longer-term trend.

Table 5-13 Business registrations and de-registrations in Brighton & Hove (2016 – 2021)

Year	Registrations	De-registrations	Net change
2016	2,075	1,620	+455
2017	2,020	1,640	+380
2018	2,775	1,475	+1,300
2019	2,720	1,685	+1,035
2020	2,885	1,670	+1,215
2021	2,360	2,125	+235
2022	2,165	2,200	-35

Source: Office for National Statistics, (2021); Business Demography.

[60] The detailed industries highlighted in this figure have been selected because they contribute the greatest number of businesses overall (all turnovers). The figure shows those businesses within these key sectors that have turnovers of >£1million i.e. the most significant businesses within the key industries.
[61] Office of National Statistics, (2021); Business Demography.

5.4. Summary

5.4.1. This section has provided an analysis of the socio-economic profile of Brighton & Hove, drawing on the latest available data, and set out comparisons with socio-economic conditions within the FEMA, the South East region, and England and Wales. This provides context when considering the changes to the supply and demand for employment land as analysed in the following sections.

5.4.2. Brighton & Hove's population is increasing, but at a considerably lower rate of growth than across the FEMA (7.5%), the South East (6.2%) and England and Wales (6.3%) recorded between 2011 and 2021. Looking forward, ONS projections forecast population growth of 3% between 2020 and 2040, with notable contributions to overall population growth attributed to the working age population (+8.8% between 2021 and 2040). However, demographic change in Brighton & Hove is not dominated solely by the working age population given the exhibited trend of an ageing population, with a 9.4% increase of the over 65+ population from 2011 to 2021 recorded, reflecting regional and national trends, and expected to continue.

5.4.3. In terms of earnings, resident-based median weekly earnings in Brighton & Hove and the FEMA are broadly in line (£640.50 and £640.30 respectively) albeit earnings in these geographies are notably lower than recorded across the South East (£685). In turn, median resident-based earnings in Brighton & Hove are £45 less than the average across the region.

5.4.4. Brighton & Hove's population is highly skilled and mostly employed in senior professional occupations; the proportion of residents educated to a NVQ4 (higher education) level and above in 2021 was 57.3%. This reflects 11.1 percentage point increase from the equivalent rate in 2011, which was 46.2% of the population. Furthermore, 68.3% of Brighton & Hove residents work in managerial, professional and technical occupations (SOC groups 1-3).

5.4.5. As of March 2023, the economic activity rate in Brighton & Hove was recorded at 78.7%. The largest employment sectors by broad industrial groups, as of 2021, are health (16.3%), retail (11.3%), and education (11.3%). Brighton & Hove and the FEMA region are similarly matched within these three industries being the largest employment sectors in the region. Brighton & Hove accounts for the highest numbers of employees in the professional, scientific and technical sector (12,000) compared to any of the local authority areas which constitute the FEMA, suggesting Brighton & Hove is a hub of employment for such sectors.

5.4.6. As of 2022, the total business stock of Brighton & Hove is recorded at 14,410. The majority of this business stock is comprised of micro-sized businesses, with 90.2% of local businesses falling into this category. Furthermore, the average turnover revenue of all Brighton & Hove-based businesses is £100,000-£199,000. There are 1,090 businesses that generate over £1 million in turnover, of which 50 are classified within the arts, entertainment & recreation services. The 1,270 businesses within this sector reflect Brighton & Hove's strong cultural and creative economy which is primarily focused on micro-businesses and SMEs.

6. Supply of employment land

6.1. Introduction

6.1.1. This section provides a summary of the key findings and characteristics of the supply of employment land in Brighton & Hove. The analysis of employment land supply was completed through site surveys and desk-based research. The analysis considers which employment and occupier types these sites are currently supporting, as well as identifying sites which are unsuitable or have potential for intensification and redevelopment.

6.1.2. This section of the report sets out commentary on the supply of employment land at the site level, with further information on their identification presented below. Additionally, a more general discussion focussing on office and workspace in Central Brighton, and in non-designated areas which lie outside the identified sites is detailed in Section 5.8 and 5.9.

6.2. Site data and identification

6.2.1. Two types of broad employment uses are considered in this analysis: office and industrial.

6.2.2. Office employment uses are defined as space, and land occupied by, the following use classes:

- E(g)(i) Offices;
- E(g)(ii) Research and Development (R&D); and
- Sui Generis office uses – (for example office space used by taxi businesses).

6.2.3. Industrial employment uses are defined as space, and land occupied by, the following use classes (which correspond to former B class uses under previous land use classifications):

- E(g)(iii) Light industrial;
- B2 General industrial;
- B8 Storage or distribution; and
- Sui Generis industrial uses – (for example, dark kitchens[62]).

6.2.4. Employment sites were identified via a review of local planning policy and property market information. Sites were selected on the basis that they are allocated/identified within policy, or non-allocated and of a strategic scale (typically greater than 0.25 ha). In addition to the CoStar property market database, the following documents were reviewed:

- Brighton & Hove City Council City Plan Part One (CPP1) (2016);
- Brighton & Hove City Council City Plan Part Two (CPP2) (2022);
- Brighton & Hove City Council Employment Land Study (2012);
- Housing and Employment Land Availability Assessment (2018); and
- Brighton & Hove City Council Industrial Estates Audit (2017).

[62] Dark kitchens are delivery only restaurants which prepare food to be consumed elsewhere. Sales do not take place from these units and there is no ability for customers to collect an order at the sites themselves.

6.2.5. Following a review of the information provided by the council and reflecting on the listed sources, the survey was composed of 48 sites (each suffixed with 'C' within this study):

- Fourteen safeguarded employment estates/business parks;
- Thirteen mixed use site allocations in CPP1 and CPP2 (identified in Policy CP3 Employment Land[63]);
- Eighteen strategic site allocations; and
- Three non-allocated sites.

6.2.6. The importance of employment sites within Shoreham Harbour and South Portslade Industrial Estate for the city is acknowledged in paragraphs 3.5.14 - 3.5.17 but the sites listed in Table 3-6 are not included in this review due to their role in delivering modern employment floorspace for the Shoreham Harbour JAAP area.

6.2.7. Of the sites listed, 45 were confirmed by the council as being currently in employment use or proposed for such uses, and AECOM identified three further sites from the review of documents set out above, which were checked using online mapping to verify that they remain in employment use. These three additional sites, and their rationale for selection, are:

- Knoll Business Park (C46) was identified through the 2012 Employment Land Study, but is unallocated;
- Cambridge Mews (Grove) (C47) was identified through the 2012 Employment Land Study, and is similarly unallocated;
- City Park, Hove (C48) identified through review of CoStar property market database and discussion with the council.

6.2.8. Additionally it was proposed that two high-level assessments were conducted in order capture broader areas which accommodate notable amounts of employment floorspace. These high-level assessment areas are:

- Central Brighton (aligning with the area described by Policy SA2 of CPP1) office and workspace; and
- Outside City Centre non-allocated employment space.

6.2.9. The total area of land within the 48 sites (i.e. not including the latter two areas) is estimated to be 123.1 ha. This is broadly indicative of the supply of allocated employment land in Brighton & Hove. Although the sites are comprised primarily of employment land uses of relevance to this study (office and industrial), there is some incidence of alternative uses within allocated sites. This includes residential uses (for example where ground floor employment uses are topped with residential), retail uses (for example providing ancillary amenities) and sui generis uses (for example co-located builders' merchants). However, this should be considered to comprise a small portion of the total stock of employment land identified. Table 6-1 lists all 48 surveyed areas. Figure 6-1 and Figure 6-2 show the 48 surveyed sites.

[63] Three sites that are outlined in Policy CP3.4 are excluded from analysis on the basis that redevelopment has already occurred.

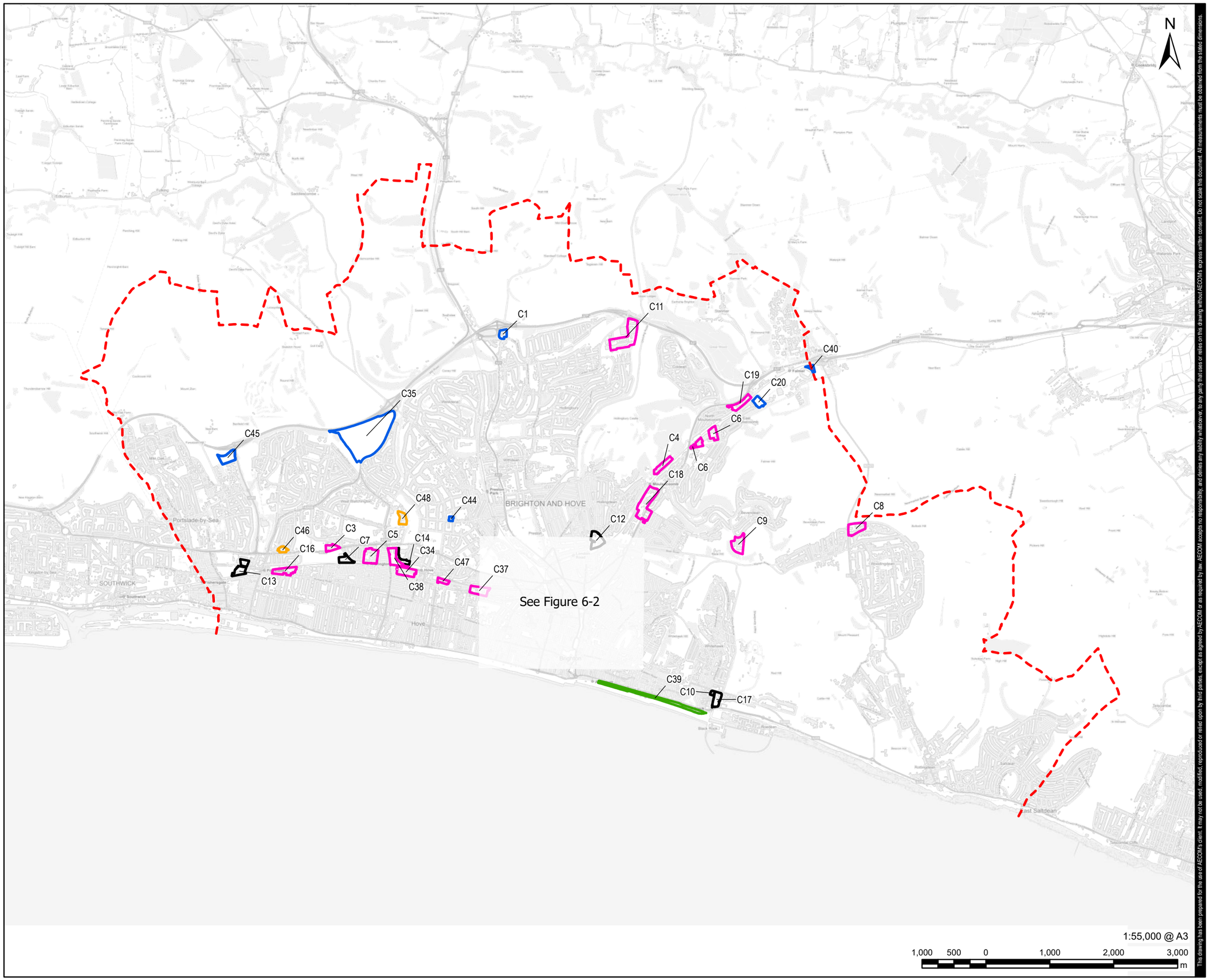
Table 6-1 Surveyed employment sites

Site reference	Name	Policy allocation	Employment use	Site area (ha)
C1	Patcham Court Farm	CP3.1	N/A – derelict	**1.44**
C2	Centenary Industrial Estate	CP3.3	B2, B8, E(g) (office), Sui Generis	**1.14**
C3	English Close Industrial Estate Area, Old Shoreham Road	CP3.3	B8, E(g) (light industrial and office), Sui Generis	**1.57**
C4	Home Farm Industrial Area	CP3.3	E(g) (light industrial, office, and R&D)	**2.50**
C5	Hove Technology Park, St Joseph's Close, Old Shoreham Road	CP3.3	B8, E(g) (light industrial and office)	**4.59**
C6	Moulsecoomb & Fairways Industrial Estate	CP3.3	B8, E(g) (light industrial and office)	**3.46**
C7	Sussex House (including BT depot)	CP3.3	B8, E(g) (light industrial)	**1.86**
C8	Woodingdean Business Park	CP3.3	B8, E(g) (light industrial and office)	**3.90**
C9	Hyde Business Park, Bevendean	CP3.3	B2, E(g) (light industrial and office), Sui Generis	**4.17**
C10	Bell Tower Industrial Estate	CP3.3	B2, B8, E(g) (light industrial)	**0.37**
C11	Hollingbury Industrial Estate	CP3.3	B2, B8, E(g) (light industrial and office), Sui Generis	**9.93**
C12	Holllingdean Industrial Estate	CP3.3	B2, B8	**3.94**
C13	Victoria Road Industrial Estate	CP3.3	B2, B8, E(g) (light industrial), Sui Generis	**2.18**
C14	Newtown Road Industrial Estate	CP3.3	B2, B8, E(g) (light industrial)	**1.8**
C15	Melbourne Street Industrial Area	CP3.4	E(g) (light industrial and offices)	**0.55**
C16	Portland Road Trading Estate (including EDF and Martello House)	CP3.4	B2, B8, E(g) (offices)	**3.26**
C17	Gas Works Site	DA2.C.2	B8, predominantly brownfield	**2.35**
C18	Preston Barracks	DA3.C.1	Sui Generis (education), E(g) (co-working offices)	**8.89**
C19	Woollards Field South	DA3.C.2	Sui Generis (education, community uses)	**2.69**
C20	Falmer Released Land	DA3.C.3	N/A – brownfield	**1.92**
C21	Vantage Point, Elder Place (including Circus Parade)	DA4.C.1.a)	E(g) (offices), Sui Generis	**0.36**
C22	Trade Warehousing (Longley Industrial Estate), 4-6 New England Street	DA4.C.1.b)	E(g) (offices), residential units	**0.28**
C23	Richardson's Scrapyard and Brewers Paint Merchant Site, New England Street	DA4.C.1.c)	B8, E(g) (light industrial and office), Sui Generis	**0.26**
C24	Cheapside (south between Blackman Street and Whitecross Street)	DA4.C.1.d)	E(g) (light industrial and office), Sui Generis	**0.16**

Site reference	Name	Policy allocation	Employment use	Site area (ha)
C25	Blackman Street Site (land adjacent to Britannia House)	DA4.C.1.e)	E(g) (offices)	**0.11**
C26	Block J, Brighton Station Site	DA4.C.1.f)	E(g) (offices)	**0.44**
C27	Block K, Brighton Station Site	DA4.C.1.g)	E(g) (offices)	**0.07**
C28	GB Liners Site, Blackman Street	DA4.C.1.h)	B8	**0.08**
C29	New England House	DA4.C.2	E(g) (offices)	**0.30**
C30	125 – 163 Preston Road	DA4.C.3	E(g) (offices)	**2.02**
C31	Edward Street Quarter	DA5.C.2	E(g) (offices)	**1.73**
C32	Circus Street Site	DA5.C.3	E(g) (offices)	**0.87**
C33	Freshfield Road Business Park and Gala Bingo Hall	DA5.C.4	B8, E(g) (light industrial), Sui Generis	**4.15**
C34	Conway Street Industrial Area	DA6.C.1	B8, E(g) (offices), Sui Generis	**3.44**
C35	Toad's Hole Valley	DA7	N/A – greenfield	**36.98**
C36	Combined Engineering Depot, New England Road	SSA2	B2, E(g) (office)	**1.19**
C37	Lyon Close	SSA3	E(g) (light industrial and office)	**3.30**
C38	Sackville Trading Estate and Coal Yard	SSA4	B2, B8, E(g) (offices), Sui Generis	**3.62**
C39	Madeira Terrace and Madeira Drive	SSA5	N/A – brownfield	**6.46**
C40	Land Adj American Express Community Stadium, Village Way	SSA7/E2[64]	N/A - brownfield	**0.71**
C41	71 – 76 Church Street Brighton	H1	B8	**0.22**
C42	Post Office Site, 62 North Road	H1	B8	**0.48**
C43	27 – 31 Church Street (corner with Portland Street)	H1	N/A – brownfield under construction	**0.12**
C44	Former Dairy Crest Site, 35 – 39 The Droveway Hove	H1	N/A – brownfield under construction	**0.44**
C45	Hangleton Bottom	E1	B8, predominantly greenfield	**3.37**
C46	Knoll Business Park	No allocation	E(g) (offices)	**1.00**
C47	Cambridge Mews (Grove)	No allocation	E(g) (light industrial and office)	**1.06**
C48	City Park, Hove	No allocation	E(g) (offices)	**2.06**
Wider surveyed areas				
-	Central Brighton (office and workspace)	SA2	E(g) (office and light industrial)	-
-	Outside City Centre (non-allocated employment sites)	SA6	All employment uses	-

Source: AECOM, (2024).

[64] This allocation is bisected by the district boundary of Brighton & Hove and Lewes. Policy E2 is the policy reference applicable to the portion of the 'Land Adjacent to American Express Community Stadium, Village Way, Falmer' allocation that lies within Lewes District, as set out in Lewes District, (2020); Lewes District Local Plan Part 2: Site Allocations and Development Management Policies.



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AECOM

PROJECT

Brighton & Hove Employment Land Study

CLIENT

Brighton & Hove City Council

CONSULTANT

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2 Leman Street
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LEGEND

- Brighton & Hove Boundary
- Office
- Industrial & Warehousing
- Mixed Employment
- Potential Development
- Other Site with Employment Use Potential

NOTES

ISSUE PURPOSE

Final

PROJECT NUMBER

60712408

FIGURE TITLE

Sites Surveyed

FIGURE NUMBER

Figure 6-1

Revision: 0 Drawn: JG Checked: SB Approved: JH Date: 2024-04-02

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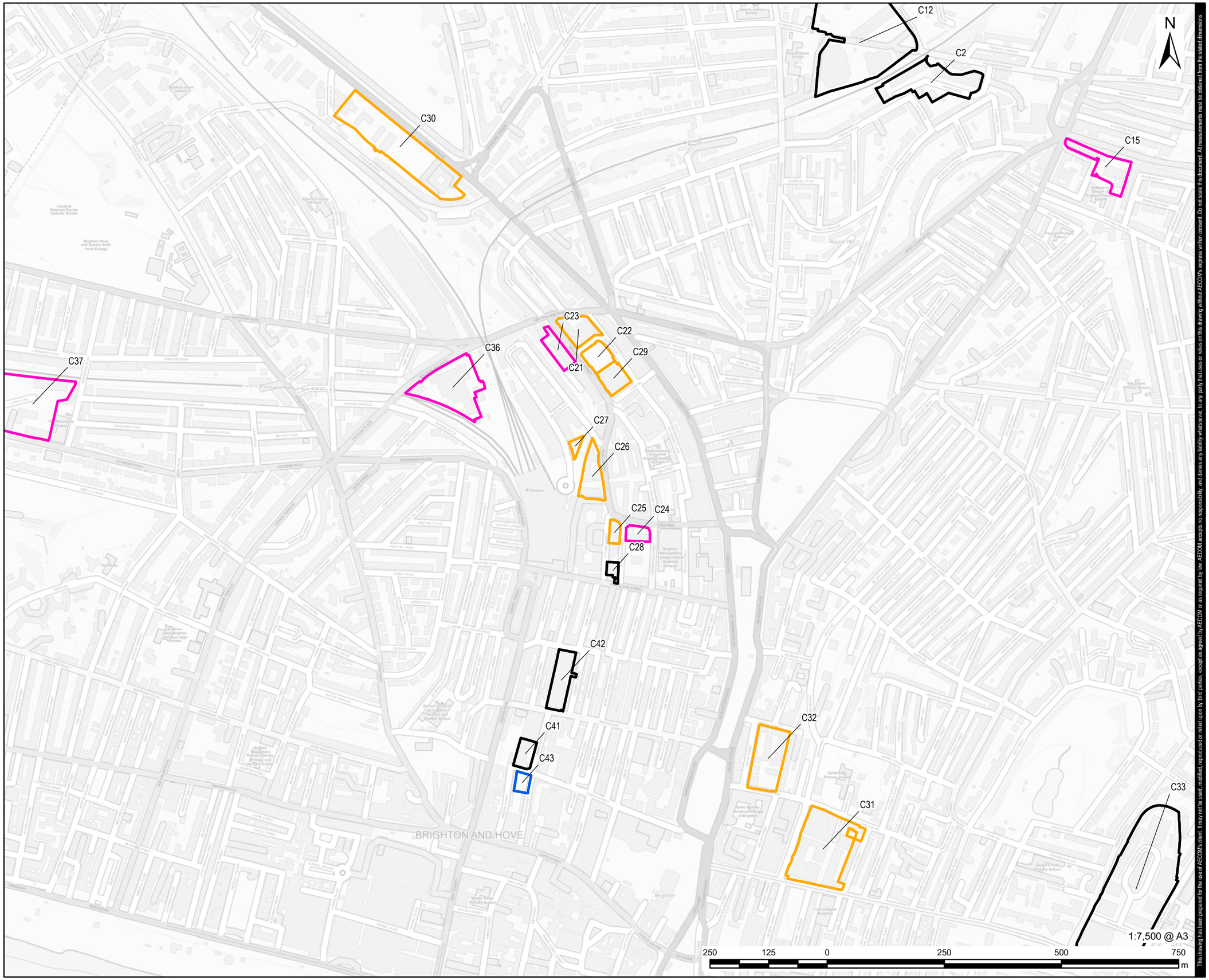

AECOM

PROJECT

Brighton & Hove Employment Land Study

CLIENT

Brighton & Hove City Council

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LEGEND

Site Categorisation

- Office
- Industrial & Warehousing
- Mixed Employment
- Potential Development

NOTES

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ISSUE PURPOSE

Final

PROJECT NUMBER

60712408

FIGURE TITLE

Inset Map: Sites Surveyed

FIGURE NUMBER

Figure 6-2

6.3. Criteria identification

6.3.1. In order to characterise the function, quality and development potential of each of the employment sites in Brighton & Hove, a series of indicative criteria were developed in order to conduct a detailed assessment. The site appraisal criteria have been tailored based on the consultancy team's experience and the specific local context, and were subsequently agreed with the council. The following criteria were applied to the appraisal of both office and industrial sites:

- Business use/occupier typology;
- Main employment / land uses;
- Presence of affordable workspace;
- Quality of environment and public realm;
- Access to facilities and amenities;
- Negative effects of businesses on neighbouring sensitive uses;
- Physical site constraints;
- Land uses in close proximity;
- Servicing of businesses in site;
- Potential for 24 hour working;
- Parking facilities;
- Strategic road access;
- Strategic access to public transport;
- Access to railheads;
- Condition of buildings;
- Visible impression of age of buildings;
- Employment site/cluster density;
- Presence of vacant developable/derelict buildings within site;
- Suitability for redevelopment to alternative uses;
- Evidence of redevelopment to residential/mixed uses and/or non-employment generating uses;
- Possibilities/opportunities for redevelopment;
- Possibilities/opportunities for intensification;
- Recent relevant planning history;
- Barriers to delivery.

6.3.2 A detailed assessment of each of the criteria set out above was undertaken for each site, comprising both desk-based investigation and site visits which took place in August 2023. The site visits were undertaken to confirm and enhance information about the sites, thus picking up any potential information missed from the desktop research.

6.4. Supply of office floorspace

6.4.1 The following section provides a description of the employment sites that represent the majority of the planned supply of office space in Brighton & Hove. Table 6-2 provides a list of the ten sites.

Table 6-2 List of sites that represent office floorspace

Site reference	Name	Policy allocation	Employment use	Site area (ha)
C21	Vantage Point, Elder Place (including Circus Parade)	DA4.C.1.a)	E(g) (offices)	0.36
C22	Trade Warehousing (Longley Industrial Estate), 4-6 New England Street	DA4.C.1.b)	E(g) (offices), residential units	0.28
C25	Blackman Street Site (land adjacent to Britannia House)	DA4.C.1.e)	E(g) (offices)	0.11
C26	Block J, Brighton Station Site	DA4.C.1.f)	E(g) (offices)	0.44
C27	Block K, Brighton Station Site	DA4.C.1.g)	E(g) (offices)	0.07
C29	New England House	DA4.C.2	E(g) (offices)	0.30
C30	125 - 163 Preston Road	DA4.C.3	E(g) (offices)	2.02
C31	Edward Street Quarter	DA5.C.3	E(g) (offices)	1.93
C32	Circus Street Site	DA5.C.3	E(g) (offices)	0.87
C46	Knoll Business Park	No allocation	E(g) (offices)	1.00
C48	City Park	No allocation	E(g) (offices)	2.08

Source: AECOM (2023)

Sites within DA4 New England Quarter and London Road

6.4.2. The following sites are located within the CPP1 development area DA4 New England Quarter and London Road, which sets out the aspiration for this area to provide a catalyst for regeneration/redevelopment of the area adjacent to Brighton station. This area benefits from neighbouring public transport infrastructure which offers connectivity across Brighton & Hove and regionally/nationally. CPP1 identifies the capacity of this area to deliver 20,000 m^2 of new office floorspace, and the area has seen extensive redevelopment recently.

6.4.3. Site C21, **Vantage Point, Elder Place (including Circus Parade)** is a 1960s mixed use development, with around 50% comprising of a nine-storey office block known as Vantage Point. CPP1 policy DA4 allocates the site for mixed-use development, specifying “no net loss of B1a (now E(g)(i)) floorspace”. The office block appears in poor condition with visible signs of ageing, however there is some recently developed office space within it that available for customisable floorplates between 25m^2 to 200m^2 in size[65]. The active marketing emphasises the range of SMEs already located within Vantage Point, including startups, recruitment agencies, and workspace for music and film services. The public realm surrounding the entrance to the office block is in relatively poor condition with evidence of vandalism. Its allocation supports comprehensive redevelopment, however there appears to be some potential for renovation to improve the office’s exterior condition. As a highly accessible site it presents obvious potential for redevelopment, and, despite currently offering accommodation that is attractive to occupiers seeking low-cost

[65] Brighton Pod Lettings, (2023), Your Next Workspace. Available at: https://vantagepointoffices.co.uk/ [Accessed November 2023].

accommodation, given the age of the stock, this may be necessary to deliver floorspace that can meet economic needs in the long-term.

6.4.4. Employment space within Site C22, **Trade Warehousing (Longley Industrial Estate), 4-6 New England Street,** comprises office space of co-working area typology (approximately 3,000m^2) within a recently built mixed-use development. This provision aligns with the identified capacity of 3,000m^2 of additional employment floorspace identified for the site within CPP1's DA4 allocation. Coming onto the market in 2023, the premises are currently under offer from a co-working space operator. The space and public realm surrounding it are new and therefore in excellent condition with bespoke artwork spread across two flank walls. Reflecting this, the site is well functioning and there is no remaining further opportunity for redevelopment or intensification.

6.4.5. Site C25, **Blackman Street Site (land adjacent to Britannia House)** is located adjacent to a cluster of employment sites in Brighton city centre between the North Laine area and Brighton station. The site comprises of a recently developed seven-storey office building (B1), known as the Brinell Building, which aligns with the identified capacity of 2,000m^2 of employment floorspace identified for the site within CPP1's DA4 allocation, having received planning permission in 2017. The floorspace is occupied by the lead-tenant Unity Technologies, the event management company Diversified Communications UK and the patent law firm Dehns. The site is in excellent, modern condition, with a high-quality public realm. There is no evidence of vacancy on site and no further opportunity for redevelopment or intensification. Overall, the site appears to be both well occupied, well-functioning and in a prime location for office use.

6.4.6. Employment uses within Site C26, **Block J Brighton Station Site** consists of an office space component of a mixed-use development for which planning permission was granted in 2011 for 2,973m^2 of commercial office space. This provision aligns with the identified CPP1 policy DA4 which stipulates that the site should be safeguarded for office use only. The office floorspace and associated public realm are both in excellent condition, with high quality landscaping and modern appearance. At the time of the survey, none of the employment space on-site appeared to be occupied or marketed. Notwithstanding this, overall its excellent location and newly built high-quality floorspace make it highly-suitable as an employment site.

6.4.7. Site C27, **Block K Brighton Station Site** comprises a single recently built office block, known as CityView for which planning permission was granted in 2016 and aligns with CPP1's DA4 allocation. Reflecting its recent construction both the office floorspace and surrounding public realm are in excellent condition, with public transport connections directly neighbouring the site. Some actively marketed vacant floorspace was evident at the time of survey. Overall, the site appears to be well-functioning, well located and offering high quality office accommodation to the market in an excellent location.

6.4.8. Site C29, **New England House** is located adjacent to Site C22 north of Brighton city centre. The site comprises of a mix of uses, with employment space for more than a hundred creative businesses and organisations, including digital media industries and artist studios, within an eight-storey former office block. New England House is strategically allocated within CPP1 policy DA4 as a site safeguarded for creative and digital and information technology industries. The range of business functions is a part of the continued character of the building, dating back to its initial construction as a high-rise business centre in 1963. In recent times, there has been some limited changes to the building's use and the building itself appears dated, showing signs of dilapidation. The quality of the immediate local environment is also poor, with evidence of vandalism. Overall, the site shows evidence of being significant to the provision of affordable employment space for Brighton & Hove's

creative industries, as per the CPP1 policy DA4. However, New England House itself and its surrounding public realm is poorly maintained and could benefit from renovation to improve its functionality. The council intention to upgrade and refurbish New England House to support investment in the asset and additional floorspace is reflected in the supporting text to the allocation.

6.4.9. Site C30, **125-163 Preston Road** is a site (multiple sites forming the allocation within policy DA4 of CPP1) located opposite Preston Park, to the west of the A23 Preston Road, which is strategically located in the vicinity of office floorspace clusters in the New England Quarter and at Edward Street. This overall site comprises of development sites: 125-135 Preston Road (Telecom House) and 137-147 Preston Road which should re-provide a minimum of 3,000m^2 of office floorspace each; and 149-151, 153, 157-159, 161-163 Preston Road which should re-provide a minimum of 2,000m^2 each as part of mixed-use redevelopment to contribute to meeting the city's housing need. The employment space currently consists of a range of office-based SMEs and some larger companies with small offices such as AIG and Royal HaskoningDHV within Telecom House and Park Gate offices. The office buildings are in average condition, being relatively well-maintained but showing some signs of ageing. The quality of the paving and landscaping surrounding the office space is average. Notably, the former Anston House site, which has been derelict since the 1980s, is under construction and will bring forward 1,400m^2 of coworking space and build-to-rent residential units. Although policy DA4 sets out the aspiration for the future re-development of the sites to comprise 450 residential units and 14,000m^2 of office floorspace, 157-159 Preston Road has been converted through prior approval to residential use. Nonetheless, the CPP1 allocation is for comprehensive mixed-use redevelopment, retaining a minimum of 14,000m^2 of office floorspace across the development sites. Some office blocks are serviced with car parks for office-users; however, the majority appear to have limited dedicated parking space. Overall, Telecom House and Park Gate offices support a range of office-space for different SMEs and appear well-functioning for office use.

Additional office-led sites

6.4.10. Site C31, **Edward Street Quarter** is a relatively small site consisting of the American Express headquarters office building, a further stand-alone office block and further office space within other blocks in the recently constructed mixed-use development reflecting the CPP1 site allocation. The new provision of office floorspace reflects policy DA5 which identified the whole site to provide 15,000-20,000m^2 of high-quality office floorspace. The new office space is marketed as providing Grade A office space in a central location for start-ups, entrepreneurs, as well as established employers. Both the public realm and remaining employment buildings are recently developed and in very good condition.. Overall, the site is in good condition and offers a large amount of high-quality specification office space in a central location. The remaining part of the site allocation to come forward is the former job centre on the corner of John Street and Edward Street to deliver the remaining employment floorspace allocation.

6.4.11. Site C32, **Circus Street Quarter** is a small central site near Site C31. The employment space consists of an office block and the South East Dance Studio within a recently completed mixed-use re-development of the former fruit and vegetable market and Kingswood Street Car Park. The office and dance studio represent valuable creative space provision in the city centre; and the site is being marketed as fostering a new 'innovation community' with several floors having secured pre-lets. However, the new provision of office floorspace does not fully align with policy DA5 which identified the site to provide a minimum of 750m^2 of the proposed 3,200m^2 office space to be B1 affordable managed workspace. it is understood that the site was considered to be too small for premises suitable for

offering affordable space provision. The commercial buildings and surrounding public realm are in very good condition meaning they are attractive to a diverse range of occupiers. Overall, the site provides modern employment floorspace in a good location within an emerging cluster of high specification buildings, however, development has not met the policy allocation requirement for affordable workspace.

6.4.12. Site C46, **Knoll Business Park**, is a small business park in west Hove, located within a predominantly residential area. A non-allocated site, it predominantly provides office floorspace within a converted school in average to good condition, owing to renovations. It also offers small scale workshops, and some storage and spaces potentially available for light industrial functions. There are also co-working spaces present. The public realm surrounding the commercial buildings is in average condition; paved and with signage. However, there is some irregular and overcrowded parking which suggests a significant portion of office users access the site by car, using the adjacent A270 road. Access to local amenities is limited for the predominantly office-based employees using the site. Overall, the site appears well-functioning and in average to good condition, likely offering more affordable small scale and flexible spaces for expanding SMEs, and is suitable for consideration for allocation.

6.4.13. Site C48, **City Park Hove**, is located 0.6 miles from Hove Station, adjacent to Hove Park. A non-allocated site, it offers Grade A quality office floorspace, which is currently host to multiple financial and professional services businesses. The surrounding public realm is in good condition, with paving, signage, and plentiful on-site car parking. There is good accessibility through nearby bus and rail services, access to the A27, and the National Cycle Route 2 which passes by the entrance. The site is fully-built-out and there is some space marketed as available at the time of writing. Overall, the site represents an important location in the City for high-quality campus-style office space, in an out of city-centre setting with no further development potential based on the form and size of premises present.

6.5. Supply of industrial floorspace

6.5.1. The following discussion provides a description of the employment sites that represent the supply of industrial floorspace in Brighton & Hove. Table 6-3 presents a list of these eleven sites that are predominantly in industrial use. Most are protected for industrial and related uses through policy CPP1 policy CP3.3. The remainder are allocated for mixed-use redevelopment of varying form identified in each description.

Table 6-3 List of sites that represent industrial floorspace

Site reference	Name	Policy allocation	Employment use	Site area (ha)
C2	Centenary Industrial Estate	CP3.3	B2, B8, E(g) (office), Sui Generis	1.14
C7	Sussex House (including BT depot)	CP3.3	B8, E(g) (light industrial)	1.86
C10	Bell Tower Industrial Estate	CP3.3	B2, B8, E(g) (light industrial)	0.37
C12	Hollingdean Industrial Estate	CP3.3	B2, B8	3.94
C13	Victoria Road Industrial Estate	CP3.3	B2, B8, E(g) (light industrial), Sui Generis	2.18
C14	Newtown Road Industrial Estate	CP3.3	B2, B8, E(g) (light industrial)	1.80
C17	Gas Works Site	CP3.4	B8, predominantly brownfield	2.35

Site reference	Name	Policy allocation	Employment use	Site area (ha)
C28	GB Liners Site, Blackman Street	DA4.C.2	B8	0.08
C33	Freshfield Road Business Park	DA5.C.4	B8, E(g) (light industrial), Sui Generis	4.15
C41	71 - 76 Church Street, Brighton	H1	B8	0.22
C42	Post Office Site, 62 North Road	H1	B8	0.48

Source: AECOM (2023)

6.5.2. Site C2, **Centenary Industrial Estate**, is located north of Brighton city centre comprising light and general industrial premises and a notable presence of trade counter occupiers. Established occupants include Amplicon and the council's Print and Sign services. In general, the buildings are in average to good condition. Most units have loading bays and ancillary offices. Parking overflows the designated areas, creating overcrowding on Hughes Road. The site is adjacent to the A270. Overall, Centenary Industrial Estate site appears to function well as an industrial site, though maintenance could be improved to increase its durability. There is limited intensification potential.

6.5.3. Site C7, **Sussex House Industrial Estate (including BT depot)**, is in Hove near to Site C3. The employment space consists of a dense cluster of light industrial and storage premises, currently occupied by printers, events management and audio-visual suppliers. The premises range from average to poor in their condition, with some showing signs of ageing. The public realm is not well-maintained, with limited paving, no lighting, irregular parking, and uneven terrain. The dense layout would make access for larger vehicles difficult. The site has direct access to the A270, which maintains light goods vehicle access. Overall, the site functions well as an industrial site but remains in relatively poor condition impacting its long-term durability. As there is new self-storage led employment development adjacent to but outside the present allocation boundary, immediately to the north abutting Old Shoreham Road/A270, the boundary would benefit from being redrawn to include it to protect the use and capacity that this portion of land offers. There is limited intensification potential due to the site being constrained to the west by Hove Cemetery.

6.5.4. Site C10, **Bell Tower Industrial Estate**, is located nearby to Brighton Marina and adjacent to Site C17. The site is a small industrial area with its employment space hosting a range of general industrial, and light industrial occupiers including microbreweries open to the public, and storage and distribution businesses. The buildings are in consistently average condition; however, the public realm is poor with no paving and irregular hardstanding. The dedicated parking appears inadequate, with irregular, overflowing car parking. Strategic road access is indirect via theA259 around 300m away. Overall the Bell Tower Industrial Estate is a functional employment location, but attractiveness is diminished by the limited parking facilities and potentially its poor public realm. There is limited intensification potential.

6.5.5. Site C12, **Hollingdean Industrial Estate**, is located north of Brighton city centre, adjacent to Site C2. The site accommodates a waste transfer and processing facility operated by Veolia and the council's City Clean depot, with some further employment space consisting of storage and distribution units occupied by meat wholesalers. It is identified as an Area of Opportunity for further waste uses in the Waste & Minerals Sites Plan, though it is not safeguarded for waste use. The buildings are in mostly poor and very poor condition, appearing old and not well-kept with the exception of the newer Veolia facility. The public realm is also in poor condition on the portion of the site north of Hollingdean Lane. The site, with the exception of the Veolia facility, appears to have negative noise, air, smell, and HGV

traffic impact on neighbouring sensitive uses. There is adequate servicing on site through off road loading/unloading bays, however parking is irregular and unmarked. The site has no direct strategic network road access, being approximately 500m from the A270. Overall, despite its poor condition and public realm, the site appears to function adequately as an industrial estate. There is potential for redevelopment of the northern portion of the Industrial Estate to improve its condition and public realm.

6.5.6. Site C13, **Victoria Road Industrial Estate**, is located in Portslade. The site is a highly dense industrial area, bisected by a road and with employment space consisting of general and light industrial premises, storage and distribution facilities, with one premises in use as a climbing centre. The site primarily represents a cluster of car dealerships/showrooms and repairs. However, the buildings are in good condition, with around 20% being newly built. The public realm is in average condition, being well-lit, paved, and containing an EV charging point. The site has loading bays for industrial uses, however, there is limited parking for general use despite having extensive parking bays. There is no strategic road access. A number of adjoining areas to the site are in car dealership use, but not identified within a policy allocation. These sites are in good condition and have potential for future additional industrial uses if required and safeguarded in policy. Overall, the site is in good condition and well-functioning as an industrial site.

6.5.7. Site C14, **Newtown Road Industrial Estate**, is located near Hove railway station and Site C38. The site's employment space consists of a range of storage and distribution type buildings, wholesalers and builders merchant including Clarks Trading Estate. The buildings are all in average condition, each of which have their own public realm, which in general is well-paved, well-lit, and spacious. The site is equipped with off road loading/unloading bays, however general parking is irregular and overflowing in part. The site has virtually direct access to the A270. However, new residential development in the vicinity may limit the types of industrial activity at this site and any intensification potential. Overall, Site C14 is a well-connected and well-functioning industrial site.

6.5.8. Site C17, **Gas Works Site**, is located adjacent to site C10, near to Brighton Marina. The site is fairly large and predominantly disused, except from some employment space being used for storage in containers, open storage in yards, and vehicle storage. Most buildings on site are dilapidated or temporary and the public realm is largely unpaved and in poor condition. There are identified configuration and land contamination issues. A large portion of the site is occupied by decommissioned gas holders. Parking on site is irregular and unmarked. The site has direct access to the seafront A259 offering connectivity along the coast eastwards of Brighton. A strategic site allocation within CPP1 (DA2) the site is identified for approximately 2,000m^2 of business floorspace with the aspiration to provide a mix of uses 'ranging from office to light industrial, including small starter units or managed units' along with residential use. A planning application submitted in 2021 is under consideration for a comprehensive mixed-use redevelopment of the site to include 2,791 m^2 GIA, including the demolition of the existing buildings and construction of some flexible non-residential floorspace (Use Class E). Overall, the site is predominantly in a state of disuse but its location and size provide some potential for a range of intensified industrial and non-industrial uses in the future. These should complement neighbouring allocations/sites at Brighton Marina and Bell Tower Industrial Estate.

6.5.9. Site C28, **GB Liners Site, Blackman Street** is in Brighton city centre. The site is small and council-owned, with the only employment space being a single large self-storage unit. Both the buildings and public realm are in average to good condition, being well-kept, paved, and clearly signposted. Parking is irregularly arranged, impacting users' access by car. There is indirect road access to the A270 via the narrower road of Blackman Street. Generally, the site is in good condition and

appears to function well for its current employment use, albeit there is a lack of parking space. As the site functions as a self-storage unit it therefore does not currently align with the CPP1 Policy DA4 allocation for office uses and realisation of new office space may depend on relocation of current business. Overall, subject to the relocation of the existing use, the site has potential for redevelopment for office use (as indicated by lapsed planning permission) due to its location being suitable to attractive office occupiers.

6.5.10. Site C33, **Freshfield Road Business Park and Gala Bingo Hall**, is in the Kemptown area of Brighton. The site is medium-sized, with the employment space consisting of mostly light industrial premises, trade counter units, and some storage and distribution space. In general, the buildings and public realm are in average to good condition, with paving, clear signage, and loading bays. There is not enough dedicated parking on-site, with parking overflowing onto the street. There is no direct strategic road network access, though it is directly adjacent to Freshfield Road. The site is identified within CPP1 policy DA5 to have redevelopment potential, particularly on the bingo hall portion of the site, which could comprise employment space and residential development. CPP1 policy DA5 allocation indicates an aspiration for the site to include office or light industrial floorspace and warehousing floorspace, although, it is noted that the existing uses on site serve an important function. Overall, the industrial site is in good condition and, aside from a potential lack of parking spaces, appears to function well for its range of industrial uses with no obvious constraints to the redevelopment of the bingo hall portion evident.

6.5.11. Site C41, **71 – 76 Church Street Brighton** is a mixed-use residential and light industrial use allocation in City Plan Part Two, located in the city centre. It is currently in use as a storage and distribution unit for an antiques business. The former drill hall to the rear of the site is a Grade II Listed Building. The public realm is in average condition, being well-lit and paved, however with some evidence of vandalism. In general, the buildings are in average condition. Parking is dedicated within the site, with additional paid parking adjacent to the site and onsite loading bays. Overall, the site is well-located and well-connected due to its city centre location however it has no strategic road network access and is surrounded by narrow roads characteristic of the North Laine area. The site is allocated in CPP2 H1 for mixed use redevelopment, with a minimum requirement for employment floorspace in the northern portion of the site. Overall, the site has potential for redevelopment and intensification for a higher-density employment use and mix of uses due to its strategic location and accessibility to office-users.

6.5.12. Site C42, **Post Office Site, 62 North Road** is located in Brighton city centre consisting of a storage and distribution warehouse for Royal Mail and an ancillary office. Its CPP2 H1 policy allocation anticipates a comprehensive redevelopment for an indicative 110 residential units and 3,000m^2 of E(g) floorspace. Overall, similar to Site C41, the site is well-located and well-connected to public transport being in the city centre, however it has no strategic road network access and is surrounded by narrow roads characteristic of the North Laine area. Redevelopment of the site as envisaged by its allocation will be contingent on Royal Mail vacating the site, with office/R&D or light industrial floorspace considered to be an appropriate reprovision given the lack of strategic road access for heavier uses.

6.6. Supply of office and industrial mixed floorspace

6.6.1. The following discussion provides a description of employment sites that provide a supply of both industrial and office floorspace within the same site across Brighton & Hove. Table 6-4 is the list of eighteen sites that represent the supply of mixed office and industrial floorspace. Several are protected for industrial and related uses

through policy CPP1 policy CP3.3 or CP3.4. The remainder are allocated for mixed-use redevelopment of varying form identified in each description.

Table 6-4 List of sites that represent office and industrial mixed floorspace

Site reference	Name	Policy allocation	Employment use	Site area (ha)
C3	English Close Industrial Area, Old Shoreham Road	CP3.3	B8, E(g) (light industrial and office), Sui Generis	1.57
C4	Home Farm Industrial Area	CP3.3	E(g) (light industrial, office, and R&D)	2.50
C5	Hove Technology Park, St Joseph's Close, Old Shoreham Road	CP3.3	B8, E(g) (light industrial and office)	4.59
C6	Moulsecoomb & Fairways Industrial Estate	CP3.3	B8, E(g) (light industrial and office)	3.46
C8	Woodingdean Business Park	CP3.3	B8, E(g) (light industrial and office)	3.90
C9	Hyde Business Park, Bevendean	CP3.3	B2, E(g) (light industrial and office), Sui Generis	4.17
C11	Hollingbury Industrial Estate	CP3.3	B2, B8, E(g) (light industrial and office), Sui Generis	9.93
C15	Melbourne Street Industrial Estate	CP3.4	E(g) (light industrial and office)	0.55
C16	Portland Road Trading Estate (including EDF and Martello House)	CP3.4	B2, B8	3.26
C18	Preston Barracks	DA3.C.1	E(g) (office/co-working space, light-industrial),Sui Generis	8.89
C19	Woollards Field South	DA3.C.2	Sui Generis (education, community uses)	2.69
C23	Richardson's Scrapyard and Brewers Paint Merchant Site, New England Street	DA4.C.1.e)	B8, E(g) (light industrial and office), Sui Generis	0.26
C24	Cheapside (south between Blackman Street and Whitecross Street)	DA4.C.1.d)	E(g) (light industrial and office), Sui Generis	0.16
C34	Conway Street Industrial Area	DA6.C.1	B8, E(g) (offices), Sui Generis	3.44
C36	Combined Engineering Depot, New England Road	SSA2	B2, E(g) (office)	1.19
C37	Lyon Close	SSA3	E(g) (light industrial and office)	3.30
C38	Sackville Trading Estate and Coal Yard	SSA4	B2, B8, E(g) (industrial), Sui Generis	3.62
C44	Former Dairy Crest Site, 35-39 The Droveway	H1	Brownfield - under construction	0.44
C47	Cambridge Mews (Grove)	No allocation	E(g) (light industrial and office)	1.14

Source: AECOM (2023)

6.6.2. Site C3, **English Close Industrial Estate Area**, is located between Aldrington and Portslade stations. The employment space on site consists of light industrial and wholesale premises, including Majestic Wine, and a builders merchant; PR Industrial Tool Shop. There is also office floorspace on site in the English Close Business Park. The buildings are in average condition, including the Business Park which is in reasonable condition with some signs of ageing. The English Close Business Park has no signs of vacancy. Some of the industrial buildings have off road loading bays, and there is a reasonable amount of dedicated parking available. The public realm surrounding the industrial and wholesale premises and English Close Industrial Park is in average condition, being paved, with clear signage, and relatively well-maintained. The site has good accessibility indicating its functionality for both industrial and office uses. Overall, the site is in average condition and well-connected, being well-functioning for its mix of uses. A prior approval under Permitted Development Rights for the addition of two storeys of self-contained residential units above the English Business Park offices, represents, if implemented, an introduction of sensitive users within the site. Although well used, the portions containing older premises may represent some potential for redevelopment, given the presence of newer premises within the site boundary.

6.6.3. Site C4, **Home Farm Industrial Area**, is located adjacent to the railway line north of Moulsecoomb station. The site consists of light industrial premises, research and development space, and office floorspace. Notably, the manufacturer Paxton Access have an office block alongside Paxton Technology Centre, which appears to be a custom-built manufacturing and innovation space. Both the industrial and office buildings are in good to very good condition, appearing new and well-kept. The public realm surrounding all buildings is in good condition, with lighting and paving and security features across all properties. Parking appears overcrowded with overflowing on Home Farm Road. The site is not well-connected to local amenities, and there is an element of separation from neighbouring uses due to its location adjacent to the South Downs National Park and physical severance by the railway line. The A270 is less than 500m from the site, where bus stops on Lewes Road can be found. Overall, the site is in good condition and is well-functioning for both its industrial and office uses. However, the lack of public transport and local amenities connections, suggest the site is somewhat less attractive to office than industrial use. Intensification and redevelopment potential is very limited owing to the good use of plots by existing premises and the presence of the South Downs National Park adjacent.

6.6.4. Site C5, **Hove Technology Park**, St Joseph's Close is adjacent to Aldrington station, between Site C38 and Site C7 along the Old Shoreham Road corridor west of Hove station. The site is a medium to large industrial estate with employment space comprising of light industrial, general industrial and builders' merchants premises. There has been a recent change of use from an Ambulance station on site to a B8 use with ancillary trade counter. Building quality is variable; most buildings to the south-east of the site within St Joseph's Business Park area are in very good condition and appear to be relatively new, with good facilities such as loading bays. This area of the site has a good quality public realm, is well-maintained, and serves a range of purposes well. Buildings to the north-west of the site are clearly older. This portion of the site has separate access which also serves Hove Recycling Centre. Both access routes allow for direct access to the A270 Old Shoreham Road. Overall, the site is in a very good location and appears to be well functioning for the variety of employment uses accommodated, in particular St Joseph's Business Park area. It is noted that the new B8 unit that abuts the site's northern boundary and retail units fronting Old Shoreham Road would appear suitable for incorporation within the boundary of the employment area, potentially increasing floorspace capacity and strengthening its integrity as a predominantly industrial location.

6.6.5. Site C6, **Moulsecoomb & Fairways Industrial Estate**, is a mid-sized site consisting of three separate areas accessed from Moulsecoomb Way. These are: in the east, light industrial and storage and distribution premises across a large building known as Fairway Industrial Estate; in the centre, further light industrial premises within Fairway Business Park, office space within Westergate Business Centre and the adjacent 3 Moulsecoomb Way industrial building; and to the west, 1 Moulsecoomb Way which is newly built student accommodation with some business space at ground floor (the redevelopment reflects that part of the 1 Moulsecoomb site was did not fall within the Industrial Estate allocation containing cottages and a community building). Business space in 1 Moulsecoomb Way is in good, new condition contrasting with 3 Moulsecoomb Way which is in dated, poor condition, with a poor public realm. The rest of the business premises are in good, functional condition. The site has poor access to amenities, although has nearly direct access to the A270. Overall, the site is functioning for both industrial and office premises.

6.6.6. The removal of 1 Moulsecoomb Way due to the residential use from the site boundary should be considered as part of any review. The adjacent former bingo hall (being developed by Custom Pharmaceuticals) and the large cash and carry sites in the centre would be appropriate for inclusion within a revised site boundary given their existing or planned employment use function.

6.6.7. Site C8, **Woodingdean Business Park**, is located on the periphery of the Woodingdean settlement adjacent to the South Downs and the B2123. The site's employment space comprises of a mix of light industrial, storage and wholesale units, and office floorspace with purpose-built facilities for Reflex Nutrition and GB Liners. The buildings are in excellent condition, with a high-quality public realm, and adequate on-site parking. Brighton Office Campus in particular offers very high quality stock. There is limited access to amenities immediately nearby. There is no evidence of vacancy. Overall, the site is of very high quality and appears to be both well-occupied and well-functioning. There are no obvious constraints to intensification where viable proposals are brought forward.

6.6.8. Site C9, **Hyde Business Park, Bevendean** is located in the Bevendean residential area, with very poor road access along residential streets with traffic calming measures. There is a mix of uses, with employment space in light industrial, wholesale units, office floorspace, a soft play centre, and more recently data centres, a water pool and an education space for Brighton Film School. The public realm within the whole business park is in average condition, being landscaped and well-lit, but parking is irregular and in unmarked bays. Buildings condition varies with some having been renovated, particularly the light industrial space known as Brighton Works. Others appear aged and not well-maintained, and would benefit from renovation. Buildings comprising office floorspace, such as Spiral Sussex Media Centre, are in the best condition. There is some active marketing on site for the recently renovated Brighton Works industrial units. The site overall is constrained from significant expansion or intensification owing to being surrounded on three sides by the South Downs National Park and the constrained main road access being via residential areas which considerably limit HGV traffic. Overall, Hyde Business Park is well-functioning for a range of business uses albeit not activities requiring intensive traffic or HGV access; this may serve to limit potential for intensification at the site.

6.6.9. Site C11, **Hollingbury Industrial Estate**, is located to the north of Brighton adjacent to a junction of the A27. The site is a large, self-contained industrial estate consisting of a comprehensive range of uses. The employment space consists of light and general industrial, storage and distribution, wholesale office space, a car dealership and a police and ambulance station. The industrial buildings range from poor (e.g. Talbot Tools Co.) to average quality (e.g. Bestway), with office buildings (e.g. purpose built Exion 27) and light industrial buildings tend to be in better condition. The public realm is in average condition, and is paved and signed. There

is adequate provision of loading bays and general parking for industrial and office uses. The site has direct access to the strategic road network via an adjacent junction of the A27. HGVs can directly access the site without passing through residential areas. Indicating the area's' attractiveness as an employment location, the former Argus House has recently been redeveloped for car dealership, builders merchants (Sui Generis), with some warehouse and trade counter units. The developer, Hanbury Developments, have also requested a 250 year lease be granted to facilitate redevelopment of the Talbot Tools site to provide new industrial and warehousing premises, in keeping with the site's CPP1 policy CP3.3 allocation. Overall, the site is large and well-functioning, there may be some potential for intensification of employment uses due to the marketed vacancies on site and the planned redevelopment discussed above.

6.6.10. Site C15, **Melbourne Street Industrial Area**, is located north of Brighton city centre. The employment space on site consists of an office block known as 'Enterprise Point' and a vehicle repair shop that has been demolished. The condition of both 'Enterprise Point' office space and the surrounding public realm is especially poor and there is evidence of vandalism, littering and physical dilapidation of the buildings. The site has indirect access to the A270 along unconstrained roads, however local access immediately surrounding the site is constrained via narrow Melbourne Street leading on to a congested junction. This immediate local constraint on access would be significant to office users who would seek to park in the Enterprise Point car park, as well as the original vehicle shop before its demolition. The Enterprise Point car park is in poor condition, with irregular and unmarked bays and uneven terrain. The site is surrounded by residential use, making it suitable for its office use or light industrial use but not heavier industrial uses or warehousing. A large portion of the site is vacant, and there have been various planning applications for mixed-use redevelopment given its CP3.4 policy allocation permitting employment-led mixed use schemes. Planning permission has been granted for 19-24 Melbourne Street comprising of 587m^2 of coworking (office) space alongside co-living residential units and more recently for Enterprise Point and 16-18 Melbourne Street for an additional 941m^2 of co-working space alongside further co-living units. Overall, the site has potential for further redevelopment, owing to Enterprise Point's poor building condition and its CP3.4 policy allocation overall. Melbourne Street Industrial Area appears to offer potential to re-provide an element of office space in appropriate buildings with some public transport connections and good amenity connections. However it is understood that Enterprise Point had provided low cost space for small, start up businesses and creative industries which has been lost and the policy intention for no net loss of employment floorspace has not been achieved.

6.6.11. Site C16, **Portland Road Trading Estate (including EDF and Martello House)** is located east of Portslade station and comprises primarily of EDF Energy premises within a large office building and additional industrial and storage buildings on site. The remaining employment floorspace within the eastern part of the site includes a number of small industrial and trade counter units including Saxon Works. A former office block called 'Martello House' was converted to residential use through permitted development rights. The EDF offices and the industrial units are in good condition, appearing well-maintained and the corresponding public realm is in good condition with some evidence of landscaping and well-marked car parking space for all employment areas. Saxon Works, that fronts onto Olive Road is of lesser quality. The site benefits from indirect access to the A270 and both portions of the site are accessed separately. The majority use of the site by a single occupier and a large amount of the site area is covered by open car parking, which presents potential for intensification. Indeed, the site is designated under policy CP3.4 in CPP1 for mixed-use redevelopment. It is noted that a planning application for the redevelopment of Saxon Works, land to the rear of 303-305 Portland Road into mixed-use redevelopment was refused in November 2023. The site is 10-minutes' walk from

the ‘high street’ area of Portslade (Boundary Road) which includes amenities, multiple bus stops and Portslade train station. Overall, the site is well-maintained and appears to function well as an employment area for both its industrial and office uses, with opportunity for intensification provided by its extensive car parking areas supported by its CP3.4 policy allocation. The boundary could be revised to remove Martello House as it is now in residential use.

6.6.12 Site C18, **Preston Barracks**, is located south of Moulsecoomb and directly on the A270, within the academic corridor of educational institutions and facilities within the CPP1 DA3 Lewes Road development area, which identifies capacity of the site for ‘*employment-led development comprising…10,600 m^2 B1 employment floorspace*’. Comprehensive mixed-use redevelopment of the former barracks site and adjacent University of Brighton land commenced in 2018 and is nearing completion. It has provided the University of Brighton engineering campus, student accommodation, office space for a range of businesses and a co-working space, called Plus X innovation; a scheme which did not bring forward as much employment space as the policy envisaged due to viability issues. The seven storey Plus X innovation hub opened in 2020 and appears to be of excellent quality, blending flexible work spaces with media studios, prototype workshops and product labs. There is vacant space being actively marketed as available to rent within Plus X innovation. The office space for the range of SMEs on the site appears in good condition and the surrounding public realm is very well-maintained, being landscaped, paved and clean. There is some construction work on site that temporarily limits the quality of the public realm. There are no parking facilities, however the site is within immediate proximity of multiple bus stops and local amenities, and the northern boundary of the site is adjacent to Moulsecoomb train station, making it attractive for office use. The office space and co-working space on site appears well-functioning and of excellent quality.

6.6.13. Site C19, **Woollards Field South**, is located on the north-east edge of Brighton, directly on the A27. Woollards Field South is a mixed-use site consisting of a County archive centre for community use called ‘The Keep’ and a recently opened ambulance centre. The site is designated within the CPP1 DA3 Lewes Road development area. The site’s public realm is in good condition, being well-maintained with a sizeable car park for visitors and/or employees. There are very limited amenities nearby. The CPP1 site allocation identifies the potential provision of ‘5,000m^2 of B1 business space or alternative employment generating development’, although given the recent completion of the Ambulance Centre, this strategic site allocation likely has no further employment land development potential to deliver this provision.

6.6.14. Site C23, **Richardson’s Scrapyard and Brewers Paint Merchant Site** is located north of Brighton city centre, directly adjacent to Vantage Point a short walk from Brighton station. The site consists of mostly light industrial units with off road loading/unloading and an office unit. Current occupiers include sui generis metal waste operator, car hire and builder's merchant. Allocated as a mixed use strategic allocation in CPP1 DA4.C.1.b) the policy envisages the provision of 3,000m^2 of Eg (i) and (ii) floorspace through mixed use redevelopment. The site is small, and both the public realm surrounding the employment space and the buildings themselves are in average to poor condition and would benefit from the completion of the Longley Place development which will enhance the local setting and potentially encourage the realisation of the site allocation. The servicing and parking seem to be inadequate, with limited space dedicated within the site and activities overflowing on to New England Street, though the site does benefit from adjoining the A270. Overall, the site is densely organised and utilised, and despite good connectivity, is limited in terms of future durability due to the poor condition of buildings which are increasingly unsuitable for a city centre location.

6.6.15. Site C24, **Cheapside (south between Blackman Street and Whitecross Street)** is located adjacent to Site C25 in Brighton city centre. The site comprises of a mix of light industrial, an events venue known as Ironworks, and office floorspace which appears fully occupied. CPP1 policy DA4.C.1.d) strategically allocates the site for 2,000m^2 office floorspace as part of mixed use redevelopment. The public realm is in average condition but with some graffiti evident. The buildings vary from average to good condition, with the office floorspace and events venue being the most well-kept. There is direct access to the A270 but limited dedicated parking on site. Overall, the site appears be both well occupied and well-functioning, and realisation of the site allocation may be constrained by the demand for the current space onsite as affordable creative spaces.

6.6.16. Site C34, **Conway Street Industrial Area**, is located along the railway line adjacent to Hove station. Around 30% of the site is under construction for a mixed use development of residential and office space, called Hove Gardens. The rest of the site consists of the council-owned Industrial House, a bus station, and a builder's merchant. As such, the buildings are in highly variable condition across the site. Industrial House shows signs of vandalism and disrepair, and there is no active marketing on site. It has provided workspace units for a range of companies and the council is supportive of the site being part of the wider comprehensive regeneration of the area. In general, the public realm is in average condition and showing signs of ageing. There is no strategic road network access but there are bus and train routes nearby. The aspiration for the future development of the area described in CPP1 policy DA6 is for employment-led regeneration, of which some new office space is already under construction. The policy specifies the retention/replacement of 12,000m^2 of employment floorspace, targeting a higher employment density than currently present. This is a part of CPP1 aspirations for the area set out in the Hove Station Area Masterplan. Recent planning applications on the site (Second Phase Ellen Street under consideration (BH2022/01605) E use class, and B&H Bus Garage, 43 Conway Street BH2021/01731 approved 5 Jan 2023), attest to the development potential of the site being fully realised. Overall, the site continues to present opportunity for both redevelopment and intensification of its older portions, whilst also being identified in CPP1 as having potential for this area to accommodate additional creative industry businesses.

6.6.17. Site C36, **Combined Engineering Depot**, is located north of Brighton city centre, adjacent to the A270. The site is small to medium in size but is tightly constrained by railway lines and adjacent railhead infrastructure. The site operates as a rail depot with ancillary office and general industrial/maintenance buildings. The site is designated under the CPP2 policy allocation SSA2 for comprehensive mixed-use development, which must include a minimum of 1,000m^2 of workspace and managed starter office units (either provided or retained). In relation to quality, the buildings are in average condition; however, the public realm is poorly maintained with graffiti and irregular parking. There is adequate servicing on site with loading bays and EV charging points. Overall, the site is functioning, but in poor condition partly reflecting the established nature of its use. Redevelopment of the site to provide commercial floorspace is contingent on resolving uncertainty regarding the occupier's mid-term need for this site.

6.6.18. Site C37, Land at **Lyon Close,** is located north of Western Road in Hove, and consists of office premises in the south-west corner of the site, wholesale premises in the north-east of the site, and land under redevelopment for residential uses. The buildings are in average condition, whilst the public realm is good, with well-kept landscaping, paving, and lighting. In addition, there is a large car park and loading bays on site. The site is allocated in CPP2 under policy SSA3 for comprehensive mixed-use redevelopment, to facilitate more coordinated development on site. SSA3 includes the retention or replacement of office floorspace at various locations; 1,000m^2 at Spitfire House, 700m^2 at 113-119 Davigdor Road, 1,000m^2 at P&H

House, 2,000m^2 at Preece House, and 1,000m^2 at Peacock Industrial Estate. It is noted that some development has come forward under permitted development rights for residential use at the time of this report, at P&H House, Preece House, and Spitfire House, which could inhibit the coordinated nature of future redevelopment on site and re-provision of office floorspace as envisaged in the policy. However, overall, the site is in good condition and presents coordinated redevelopment potential.

6.6.19. Site C38, **Sackville Trading Estate and Coal Yard**, is near Hove station and is adjacent to Site C14. Approximately 70% of the site is currently under construction to provide high-rise, modern build-to-rent residential space with some office space provision. There is active marketing on site with the remaining northern part of the site part of the wider permitted scheme for 260 care community homes. The site is designated under CPP2 policy SSA4 for comprehensive mixed use development, including a minimum of 6,000m^2 of employment floorspace. Overall, the majority of the site is under construction and will provide employment floorspace, consistent with its SSA4 policy allocation.

6.6.20. Site C44, **Former Dairy Crest Site**, is a predominantly residential area located in Hove, north-west of Hove railway station. The site consists of a derelict Dairy Crest depot that is currently under construction. Planning Permission was granted for the change of use from former dairy depot (B8) to mixed-use development comprising 19 dwellings (Use Class C3) and c.700 m commercial space (Use Class E) mixed-use redevelopment and the site is under construction. This provision[2] aligns with site's policy allocation in CPP1 under H1 for mixed use redevelopment, with a minimum requirement of 500 m^2 of Use Class E floorspace. The site has no strategic road access or nearby amenities, with the nearest A road being the A23 Preston Road 900m away. However, there are nearby bus stops and Hove train station is 20-minutes' walk away. The site is constrained by residential uses, preventing further expansion beyond the current redevelopment. Overall, the site presents employment space potential through its current redevelopment with no opportunity for further intensification.

6.6.21. Site C47, **Cambridge Mews (Grove),** is located in Central Hove, nearby to Site C37. The site consists of a range of small office space uses and some light industrial premises. All occupying businesses are in small-scale premises and are constrained by both the surrounding residential use and its presence within the Willett Estate Conservation Area. The site has no policy allocation. The buildings appear in good condition, being well-kept and clearly sign-posted. The public realm is also in good condition, equipped with paving and lighting. There is no clearly marked parking on site and no strategic road network access. Overall, the site is in good condition and represents a range of office-based businesses. However due to being constrained by residential uses on all sides and the heritage constraints of being located within the Willett Estate Conservation Area there is no clear opportunity for intensification or other justification for allocating the site.

6.7. Other site with employment use potential

6.7.1. Site C39, **Madeira Terrace and Madeira Drive**, is an approximately 800m stretch of Grade II* listed arches and promenade along Madeira Drive on Brighton seafront. The site has significant historic and cultural significance to the city, with the archways dating back to 1890 and the Drive is used as an event space. The Terrace is in poor condition and has been closed to the public since 2014 due to no longer being structurally safe. However, the public realm is in good condition, being well-kept, paved and in close proximity to multiple tourist attractions. There is paid parking on site and a bus stop 200m away. The site is designated under CPP2 policy SSA5 for 'refurbishment, restoration, and revitalisation' for a range of potential uses, including commercial space (Use Class E(g)). Planning permission

to begin Phase One of Madeira Terrace's restoration was approved in 2022. Phase One involves a plan to restore the 40 arches between the Royal Crescent Steps at the west of the site and Shelter Hall at the east of the site. There is development potential to 'insert' businesses within the archways, once restored. However, consideration of the heritage sensitivities of the site are fundamental and will constrain the type of employment use. The site's potential to act as employment land is limited as it is likely to only support small scale workspace/creative space industries. Accordingly, the priority for this site is its restoration and rejuvenation. The unique structure of Madeira Terrace makes it potentially suitable for small-scale opportunities within the arches.

6.8. Supply of development land

6.8.1. The following discussion provides a description of employment sites that represent the supply of development land across Brighton & Hove. Table 6-5 presents the list of six development land sites.

Table 6-5 List of sites that represent development land

Site reference	Name	Policy allocation	Comment on stie type	Site area (ha)
C1	Patcham Court Farm	CP3.1	Derelict	1.44
C20	Falmer Released Land	DA3.C.3	Brownfield	1.92
C35	Toad's Hole Valley	DA7	Greenfield	36.98
C40	Land adj. to American Express Community Stadium	SSA7E2	Brownfield	0.71
C43	27-31 Church Street (corner with Portland Street)	H1	Brownfield - under construction	0.12
C45	Hangleton Bottom	E1	Greenfield	3.37

Source: AECOM (2023)

6.8.2. Site C1, **Patcham Court Farm**, is located north of Patcham Village to the north of the City. The site has been derelict for 30 years and is used for open storage[66]. The site contains vacant agricultural buildings and the buildings and public realm are in a poor, dilapidated condition. The site is directly south of the A27 with indirect access along the residential Vale Road and then a narrow road which forms part of the site. In July 2022, Royal Mail Group Ltd submitted a planning application for the development of a storage and distribution centre (B8 use class) with a floorspace of 4,145m^2 on the site. The site is designated under CPP2 policy allocation CP3.3 for strategic proposals and allocations for B Use Class employment floorspace, with the specific requirement for 6,500m^2 of E(g) (i) and (ii) employment floorspace. As of November 2023, this planning application remains under consideration. Overall, the site has good redevelopment potential for either office or industrial use, assuming connectivity can be provided.

6.8.3. Site C20, **Falmer Released Land**, is located in north east Brighton, adjacent to Site C19. It is a medium-sized, brownfield site consisting of a large temporary car park. The site is located alongside Brighton Aldridge Community Academy and South Downs National Park, both of which act as neighbouring sensitive uses and is allocated under CPP1 DA3 Lewes Road. Potential uses identified by this policy include 'a range of uses including student accommodation, offices and/or educational use', as part of the wider academic corridor along Lewes Road o. Despite the fact the site is very close to the A27, access is limited by constrained residential roads and a low-height tunnel at the entrance of the site. However, there

[66] Brighton & Hove City Council, (2023); Patcham Court Farm. Available at: https://www.brighton-hove.gov.uk/planning/major-developments/patcham-court-farm . [Accessed: November 2023].

is good public transport access, with a bus stop 200m from the site, and Falmer train station within walkable distance. There are limited amenities located nearby, however there is good public transport access making the site attractive to potential office use. Overall, the site offers good development potential for a range of uses, as stipulated by the CPP1 DA3 policy allocation. However, it is noted that there are some constraints to development, with the adjacent Academy, South Downs National Park, and the low-height tunnel limiting access.

6.8.4 Site C35, **Toad's Hole Valley**, is located on the northern edge of Hove. It is a 47 hectare high-profile privately owned greenfield site, characterised by a steep wooded bank at its western and northern boundaries and a flat-bottomed valley floor rising up again towards the east. The site is bounded by residential areas of Hangleton and Goldstone Valley and the A27 road. The site has strategic and local access to the A27; however, any development would likely require specific access arrangements to this road. The nearest public transport access are bus stops located within a 20-minutes' walk in Hangleton. The site is designated under CPP1 policy allocation DA7 for 'modern, high quality, and sustainable mixed-use development'[67], with the aim of providing 3.5 - 4.5ha of employment space (B1 use class) by 2030. An outline planning application was approved in March 2023[68] for the majority of the site (excluding land at Court Farm) for 880 homes, community uses, and open space. As part of the outline permission 3.5ha of employment land will be provided, meeting the lower end of the policy requirement but capable of delivering 25,000m^2 of employment floorspace and associated parking. Actual delivery of the floorspace is not proposed until later phases of the development, with some delivery post 2030. Overall, the outline planning permission aligns with minimum employment floorspace requirements in the CPP1 policy allocation for the site. The offer, type and use strategy if tailored to meet local needs will represent attractive development for sectors demanding space in the City The location would also be suitable for other employment use, such as light industrial space as an alternative. It is noted delivery of the site based on the outline planning permission will not be until later in the Local Plan period.

6.8.5 Site C40, **Land adj. to American Express Community Stadium**, is a site directly adjacent to the north east of the American Express Community Stadium, Village Way, Falmer, within the boundaries of Brighton & Hove City Council and Lewes District Council. It is noted that an adjacent site to the east was approved in October 2022 on appeal for purpose-built student accommodation (Sui Generis Use) hosting 555 bedrooms[69], which will represent a neighbouring sensitive use. Site C40 is currently used as a car park for the adjacent football stadium. The public realm is of excellent quality, adjacent to a well-maintained sports stadium. The site is well served by bus routes and the Falmer railway station located in close proximity. The site also has indirect access to the A270 and A27.The strategic site allocation in the City Plan Part Two identifies the site for B1a (offices), D1 (health/education) and/or associated uses to do with the Brighton of Sussex university or the Stadium. The site has similarly been identified in Policy E2 in the Lewes Local Plan[70]. Overall, the site has development potential for a mix of employment space uses.

6.8.6. Site C43, **27 – 31 Church Street** (corner with Portland Street) is located in Brighton city centre, adjacent to Site 41. The site is small and recently built-out by MRP developers to create approximately 2,800m^2 of office space, which is being actively marketed[71]. Similar to Site 41, the public realm is in average condition being well-lit

[67] Brighton and Hove City Council, (2016); City Plan Part One.
[68] Brighton and Hove City Council, (2023); Toads Hole Valley planning application. Available at: https://www.brighton-hove.gov.uk/news/2022/toads-hole-valley-planning-application. [Accessed: November 2023].
[69] Lewes District Council, (2023); Lewes District Council Planning Register. Reference: L1/22/0175.
[70] Lewes District Council, (2023); Lewes District Local Plan Part 2: Site Allocations and Development Management Policies
[71] Insider Media Limited, (2022), 'Construction underway on £28m Brighton office project'. Available at: https://www.insidermedia.com/news/york%20%20%20%20re/construction-underway-on-28m-brighton-office-project. [Accessed: November 2023].

and paved. The site is well-connected through indirect access to the A2010 and its city centre location. Overall, the site is well-connected and once completed the new office space will provide valuable employment land in the city centre, aligning with its CPP1 H1 policy allocation for mixed use redevelopment including employment space.

6.8.7. Site C45, **Hangleton Bottom**, is located in north-west Hove. The site is predominantly greenfield, consisting of around five fields of varying sizes. Approximately 5% of the site is a small storage area and car park, used for council storage bins. This paved car park area is reached by a short, offroad track. The site is in a strategic location with direct access to the A27, there is also a bus stop nearby but no nearby train station or local amenities. Hangleton Bottom is allocated under CPP2 E1 policy as an opportunity site for business and warehouse uses (Use Classes E(g), and B8). Notably, Policy SP6 in the East Sussex, South Downs, and Brighton & Hove Waste and Minerals Sites Plan (2017)[72] safeguards the site for waste management use. Overall, the site presents development potential, being a good size and with strategic road access, suggesting it can meet the E1 policy and Policy SP6 requirements for waste management use in the future. There is currently no active marketing on site.

6.9. Central Brighton (office and workspace)

6.9.1. The study has identified Brighton city centre, hereinafter referred to as Central Brighton, as a key area of office space within Brighton & Hove. As such, a separate assessment of supply of office floorspace within this area has been conducted. This assessment has been predominantly conducted through an evaluation of CoStar property data[73] in addition to site visits, and consultation with local property market agents.

6.9.2. The boundary of the Central Brighton area is derived from the ‘SA2 Central Brighton’ policy allocation within CPP1. This boundary and the location of office properties within it is shown on Figure 6-3. This area contains a total of 224 office properties that are occupied or under renovation. The 224 properties reflect 161,641m^2 of office floorspace, with the average floorspace per property being 722m^2. Average rental values range from £235p/m^2 to £279p/m^2. Location is a key driver for demand, which has been persistent in Central Brighton even when availability of high-quality stock is more scarce; evidence from property agents suggests that prospective tenants are willing to pay a premium and compromise on quality of space in order to be located centrally.

[72] East Sussex County Council; South Downs National Park Authority; Brighton & Hove City Council, (2017); East Sussex, South Downs and Brighton & Hove Waste and Minerals Sites Plan.
[73] CoStar is the most comprehensive database of real estate data in the UK and hence is a highly useful and reliable source of information for the evaluation of office floorspace.

Revision: 0 Drawn: JG Checked: SB Approved: JH Date: 2024-04-02

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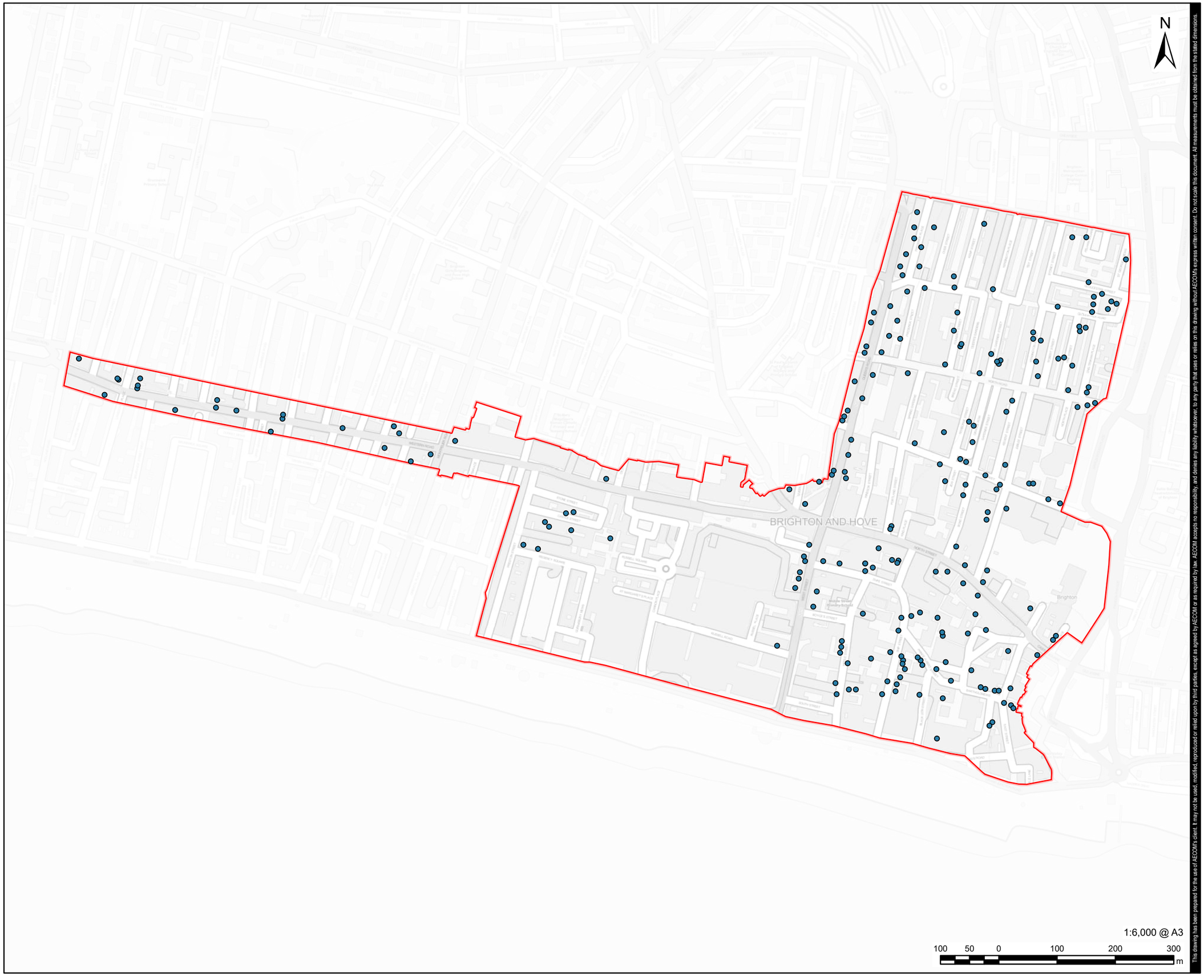

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Brighton & Hove Employment Land Study

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LEGEND

- Central Brighton
- Office Property

NOTES

ISSUE PURPOSE

Final

PROJECT NUMBER

60712408

FIGURE TITLE

Office and Workspace Properties in Central Brighton

FIGURE NUMBER

Figure 6-3

6.9.3. The office properties in Central Brighton are concentrated in three primary clusters; one area stretches along Western Road towards Hove, the second is concentrated in the North Laines east of Queens Road and in The Lanes,/ Old Town area south of North Street, and the third stretches from West Street north along Queens Road up to Brighton station.

6.9.4. Office properties on or near Western Road mostly comprise low-rise buildings many with retail/restaurant uses at ground level, with some other provision within non-purpose built space above shops. Sheridan House represents one of the larger office spaces within the cluster. Stock is generally older in character, although there are good levels of occupancy despite quality and condition of office floorspaces being average to poor overall. Occupiers include estate agents, professional services and health businesses, often in conjunction with ground floor uses. Other occupiers include SMEs such as Brighton Training Provider (business development service) and Ibilleve Business Consulting. Notably, BIMM (Brighton Institute of Modern Music) is located nearby representing a key creative incubator in the city, both in terms of creative space provision and creative skills development.

6.9.5. The office premises concentrating around the Old Town area south of North Street occupy a range of building sizes, ranging from large purpose-built facilities such as Bartholomew House (council-use, and some recently developed flexible/co-working spaces operated by Freedom Works), Moore House and Priory House to smaller premises above ground floor retail/leisure uses representing converted spaces from prior residential use. The majority of office space in this cluster reflects the latter and is within older building stock, given the historic nature of the area. Many of the buildings in this area are listed. This cluster of offices is scattered across a densely built up and busy area. Notable occupiers of floorspace are the council reflected in a high density of employment in public administration in the area. Additional sectors present are business administration, law, and other professional services. Other occupiers include the Creative Law and Business firm on Middle Street. Projects The Lanes is a highly popular flexible Grade A workspace offering space on a membership basis suitable for freelancers, start-ups and scale-ups across serviced offices and collaboration spaces.

6.9.6. Office provision in the North Laine, above North Street is also primarily set within historic or old buildings, despite there being fewer listed buildings here compared to the area to the south. The terraced buildings are densely arranged, and this area of the city is popular with visitors and businesses. Notable tenants in this area are BusinessHub Consultants on North Street and Sage Business Training Company Accountancy Firm on Church Street. Other occupiers include small solicitors and legal services firms, estate agents, and architecture firms. Evidence from consultations with agents suggests that from their experience, particularly around The Lanes/Old Town and North Laine area, demand is pronounced among the digital media sector compared to other industries. This is viewed as a reflection of the established strength/ and growth of IT services, software development, digital media and computer gaming companies. Vacancy rates in this cluster (both Old Town and North Laine) are currently approaching 10.0% (9.6% in 2023 Q3), the highest level in at least 15 years, and 4.1% above the 10-year average (5.3%, 2013 Q1 – 2023 Q3). However, this aligns with the wider trend of vacancy of office properties, as detailed in Section 7.2 later in this report.

6.9.7. Lastly, the cluster of office spaces that lead up to Brighton station also contains a high concentration of consultancy firms engaged in financial and business services. This cluster is primarily characterised by a greater presence of larger, purpose built buildings; the largest of which include: Queen Square House, International House, Queensbury House, and Aspect House. Typically the purpose-built office blocks in this cluster date to the 1970s/80s, although some have recently been renovated and some are providing serviced or flexible space, such as Queensbury House (Regus) and WRAP co-working space (Peerspace). There has also been recent

uptake in this area, representing some of the largest leasing deals in Brighton & Hove in 2023[74]. Evidence from property consultants suggests that a dual outlook in the Central Brighton market is arising; on one hand there is strong demand for new and refurbished Grade A space owing to occupier interest in high quality environments for staff, as well as increased importance on sustainability credentials of leased stock; conversely, second-hand stock which lacks attention or refurbishment is increasingly unpopular and difficult to lease. Occupiers of space in this cluster include the Department for Levelling Up, Housing and Communities (DLUHC), Bold Decisions Business, Sustainable Business Partnership CIC Environmental Consultants, and Savants Financial Advisory. There are currently (2023 Q3) significant amounts of vacant available space in this cluster, particularly within International House (1,800m^2), Queens Road Quadrant (988m^2), and Hanover House (987m^2). The vacancy rate of the cluster as a whole could be as high as 20.0%.

6.9.8. The CoStar building rating scale is national rating system for commercial buildings, ranging from one to five stars, with highest being five stars[75]. In Central Brighton, the majority, 54% of properties, hold a three-star rating, whilst 40.6% of properties hold a two-star rating and 5.3% of properties hold the lowest possible rating of one-star, with no properties holding a rating of 4 or 5. There is a lack of the highest quality (as determined by CoStar) stock within the Central Brighton area, although nearby stock in Edward Street quarter, Circus Street and New England Quarter contributes brand-new high-quality office premises in a central location. The stock in Central Brighton is showing some signs of ageing, office properties generally contain standard amenities with limited landscaping and exterior space. A range of renovations have taken place to serviced offices to bring building condition in line with demand of occupiers, although there is ongoing need to upgrade office stock, particularly in light of a 'flight to quality' trend observed across office markets nationally if Brighton & Hove is to continue to attract and retain tenants. Property market agents note that some landlords are reluctant to, or not engaging to, refurbish second-hand stock with the result that some stock has remained vacant for long periods of time.

6.9.9. The relatively average to poor condition of the quality of office buildings in Central Brighton can be viewed as a symptom of the age of stock: 89 properties, accounting for 39.7% of the total, were built before 1950, of which only five have been recorded as having been renovated since 1950. Just twelve properties are recorded as having been built in the city centre since 2000, however 18 building renovations are recorded as having occurred in the city centre as well since 2000. Overall, the majority of office floorspace in Brighton city centre was built pre-1950s, with 37.5% of properties being built after post-1950, it is notable that a large portion of office floorspace available in the city centre is of a relatively old age which is likely to limit quality and viability of renovation.

6.10. Non-designated areas

6.10.1. Across the Brighton & Hove area there is a substantial portion of the total employment floorspace which is not located within strategic allocated employment sites or identified in the above site-specific analysis owing to its location within very small sites. However some of the identified floorspace is protected as secondary employment sites by part 5 of CPP1 Policy CP3, or lies within CPP1 Development Areas.

[74] Flude Property Consultants, (2023); Brighton & Hove Office Market Report Q1 & Q2 2023.

[75] For additional description of the building characteristics which determine its CoStar quality rating, refer to guidance available at https://www.costar.com/sites/costar.com.na/files/2023-09/costar_buildingratingsystem-definition.pdf#:~:text=The%20CoStar%20Building%20Rating%20SystemSM%20is%20a%20national,using%20specific%20standards%20developed%20for%20each%20property%20type .

6.10.2. An overview of the building stock located in non-designated areas by employment use type is provided in Table 6-6.

Table 6-6 Non-designated areas property market information

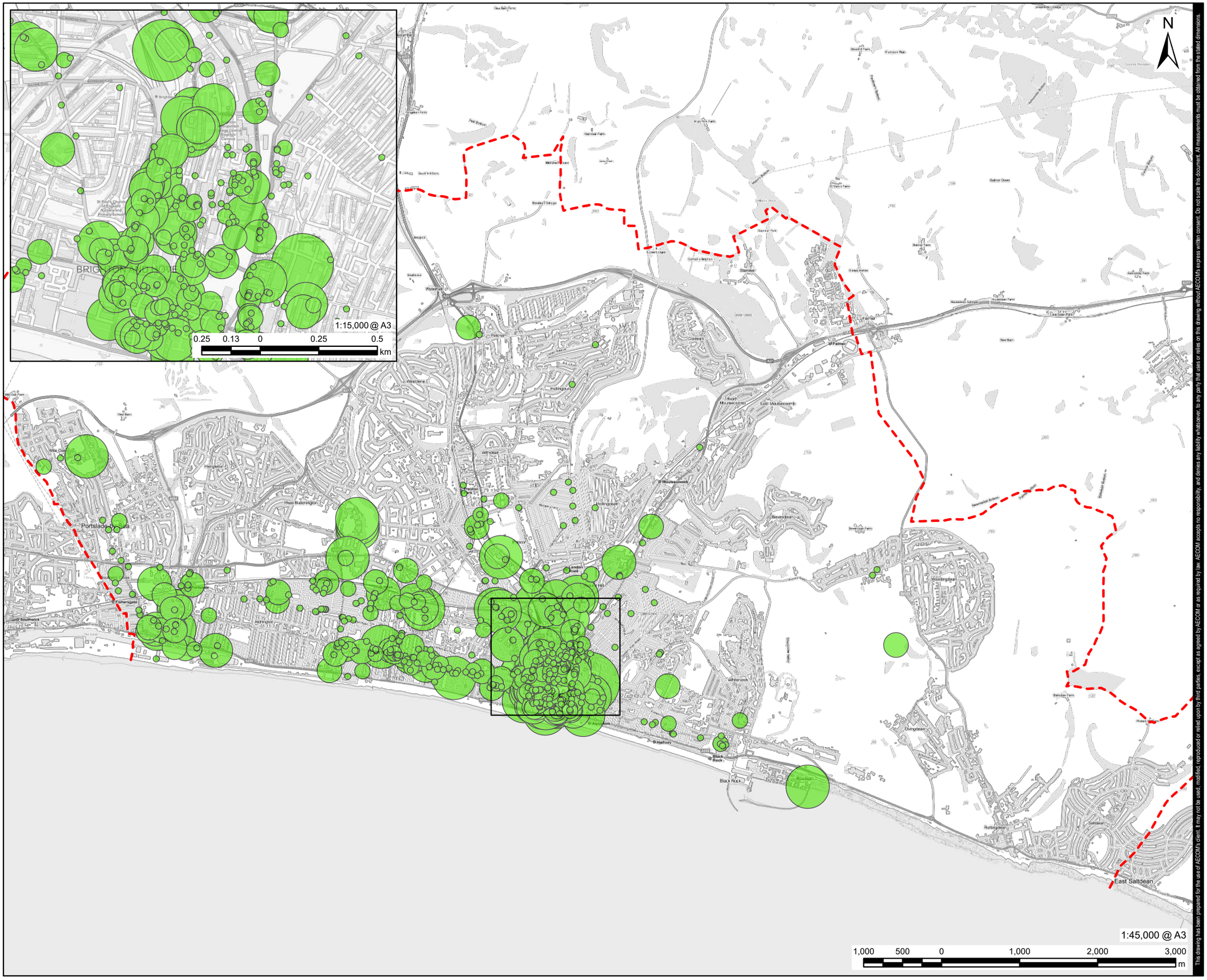
Indicator	Office	Light industrial	General industrial	Storage and distribution
Number of properties	625	46	94	36
Floorspace (m^2)	381,401	43,883	29,463	67,544
Floorspace as a % of total	68%	58%	60%	52%
Average rental value, lower estimate (£/m^2/yr)	£216	£215	£104	£109
Average rental value, upper estimate (£/m^2/yr)	£259	£245	£126	£130
Average year built	1939	1961	1962	1975

Source: CoStar, (2023). AECOM analysis.

6.10.3. A significant proportion of office workspace is located outside of allocated employment sites. Figure 6-4 shows office properties by floorspace size which are located outside of allocated employment sites. The spatial distribution of this space indicates that the majority of this office floorspace is located within the Central Brighton area, including along Western Road. Additionally, there is a cluster of such office floorspace to the east of Shoreham Harbour in Portslade.

Revision: 0 Drawn: JG Checked: SB Approved: JH Date: 2024-04-02

Filename: \\ukbhm2pfln001.na.aecomnet.com\Local\Birmingham\UKLegacy\BM-MAN-002\Birmingham-Technical\Birmingham-GIS\Brighton and Hove Employment Land Study\02_Maps\ELSReport\Fig4_OfficeProperitiesInNonDesignatedAreas_20240312_02.aprx



AECOM

PROJECT

Brighton & Hove Employment Land Study

CLIENT

Brighton & Hove City Council

CONSULTANT

AECOM Limited
Aldgate Tower
2 Leman Street
London, E1 8FA
www.aecom.com

LEGEND

- Brighton & Hove Boundary

Office Properties in Non-Designated Areas (NIA sqm)

- Under 250
- 250 - 499
- 500 - 999
- 1,000 - 1,999
- 2,000 - 9,999
- Over 10,000

NOTES

ISSUE PURPOSE

Final

PROJECT NUMBER

60712408

FIGURE TITLE

Office Properties in Brighton & Hove Located Outside of Allocated Employment Sites, by Premises Size (2023 Q2)

FIGURE NUMBER

Figure 6-4

7. Property market analysis: conditions

7.1. Introduction

7.1.1. This section provides a review of property market indicators in Brighton & Hove. Reference is also made to comparator geographies, namely the FEMA, the South East region as a whole, and England. This reflects the fact that the commercial property market in Brighton & Hove is not self-contained, and instead forms part of a much wider market area encompassing the FEMA, county, and region to some extent, varying somewhat by type of floorspace.

7.1.2. Data presented in this section is derived from CoStar which represents a comprehensive database of up-to-date property market data. Trends are presented where applicable, otherwise data for 2023 Q2 is shown, being the most recent period for which complete data is available. Analysis presented considers all properties for which information is available and no minimum threshold of size has been applied to the data included which is contrary to most market reports which do not include office stock under certain sizes, commonly 500m^2. All data presented reflects that which is available and is subject to gaps and inaccuracies.

7.1.3. Employment-generating properties comprised of office, light industrial, general industrial, and storage and distribution types are considered, in line with the definition of employment land. The relationship between historic and new planning use classes, their relationship to CoStar primary and secondary property type classification, and nomenclature adopted for this report, are shown in Table 7-1 below. It is recognised that there are other property types which may contribute to employment, but these will not be analysed for the purposes of this evidence base.

7.1.4. There are no properties which are predominantly in research and development (R&D which would fall within the revoked B1b use class or E(g)(ii)) use identified in Brighton & Hove, according to CoStar records.

Table 7-1 Property type classification

Pre-2021 planning Use Class	New planning Use Class	CoStar primary type	CoStar secondary type
B1a (revoked) – Offices	E(g)(i) – Offices to carry out any operational or administrative function	Office	• All
B1c (revoked) – Industrial Processes	E(g)(iii) – Uses which can be carried out in a residential area without detriment to its amenity: industrial processes	Light industrial	• Light industrial • Light manufacturing • Showroom (light industrial) • No secondary type
		Industrial	• Light industrial
B2 – General industrial (other than E(g))	B2	Industrial	• Food processing • Manufacturing • Service
B8 – Storage and Distribution	B8	Industrial	• Distribution • Warehouse • Refrigeration/Cold storage • Truck terminal • Showroom (industrial)

Source: AECOM.

7.1.5. This section considers the following property market indicators for each property type:

- Total building stock and floorspace;
- Building stock size;
- Vacancy rate and vacant floorspace;
- Market rent;
- Net absorption;
- Affordability; and
- Recent market activities.

7.2. Office market

7.2.1. This section presents findings relating to the office property market in Brighton & Hove.

Buildings and floorspace

7.2.2. There are around 800 office properties in Brighton & Hove, comprising circa. 560,000m^2 of floorspace, as shown in Table 7-2. This office floorspace represents 41.7% of the office floorspace within the FEMA, and 3.4% within South East region. The average premises size is approximately 700m^2 in size.

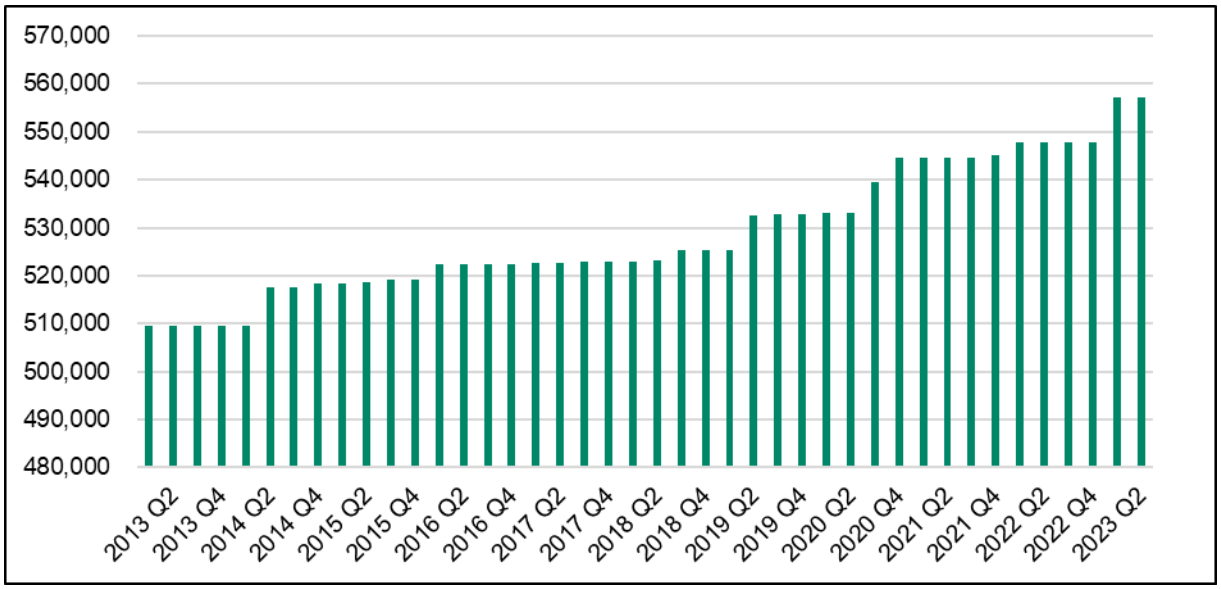
Table 7-2 Office properties in Brighton & Hove - buildings and floorspace (2023 Q2)

	Brighton & Hove	FEMA	South East	England
Number of properties	808	1,855	16,890	95,016
Floorspace (m^2)	557,132	1,335,855	16,362,539	109,703,944
Average premises size	690	720	969	1,155

Source: CoStar, (2023).

7.2.3. Between 2013 and 2023 Q2, an additional 48,000m^2 of office floorspace was added to the overall office floorspace in Brighton & Hove, which represents growth of 9.4%. This reflects the net position on overall floorspace and gives a perspective on change over time in the overall amount of space, allowing for any space which undergoes change of use, is constructed, abandoned, or demolished. This is shown in Figure 7-1. Comparatively, office floorspace grew by 6.9% in the FEMA, and 5.3% in the South East region over the same period.

Figure 7-1 Change in office floorspace in Brighton & Hove (2013 Q2 - 2023 Q2, m²)



Source: CoStar, (2023).

7.2.4. As detailed in Table 7-3, the majority of office properties (around 52%) are less than 250m² in size (by NIA), although with the exception of office properties over 10,000m² in size, there are a range of office property sizes with significant proportions of the overall stock in each of the stated bands. Activity within the property market, in terms of demand, and leasing activity is indicated by one property agent operating in Brighton & Hove to be strongest for office suites up to 1,000m², likely driven by the prevalence of these sized properties. Serviced office providers (including local independents and national operators such as Regus) typically operate spaces between 500m² and 2,000m².

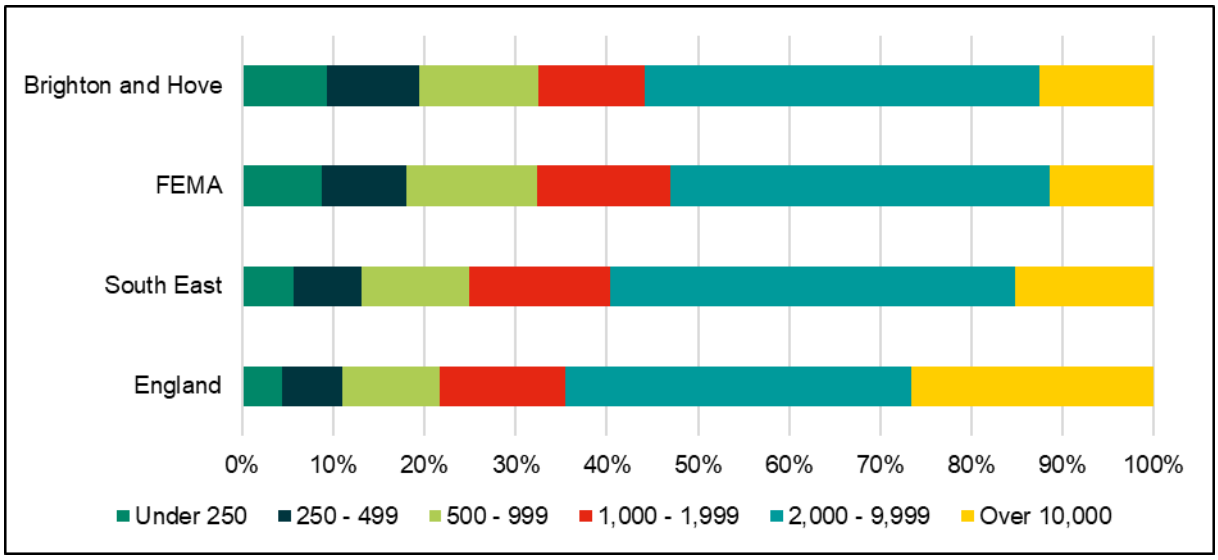
Table 7-3 Office stock in Brighton & Hove by premises size

Property size (m²)	Properties (no.)	Proportion of properties (%)	Floorspace (m²)	Proportion of floorspace (%)
Under 250	423	52%	51,540	9%
250 – 499	162	20%	56,318	10%
500 – 999	102	13%	73,505	13%
1,000 – 1,999	49	6%	64,308	12%
2,000 – 9,999	67	8%	241,535	43%
Over 10,000	5	1%	69,926	13%
Total	**808**	**-**	**557,132**	**-**

Source: CoStar, (2023).

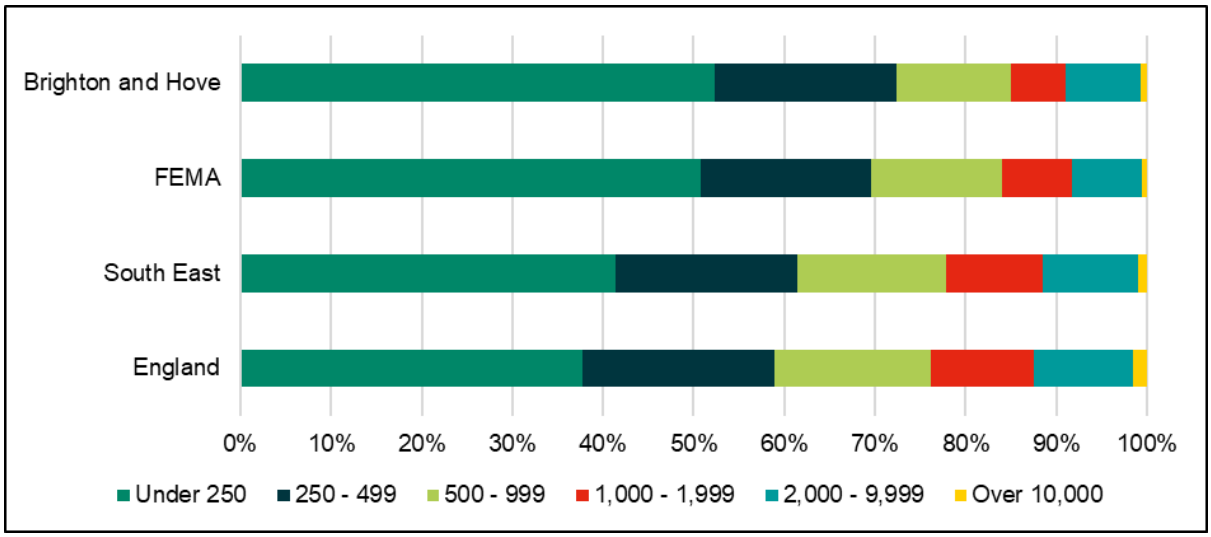
7.2.5. In terms of premises size, a greater proportion of the number of buildings in Brighton & Hove have floorspaces of less than 500m² than is typical for the FEMA and South East region. Conversely, less than 10% of buildings in Brighton & Hove are greater than 2,000m² in size: a feedback loop whereby lack of supply reinforces lack of/unmet demand for larger office floorplates is highlighted by property agents. There is the view that if there were high quality larger buildings to accommodate occupiers with larger space requirements, such occupiers could be attracted to the city.

Figure 7-2 Office stock in Brighton & Hove by premises size (% of floorspace)



Source: CoStar, (2023).

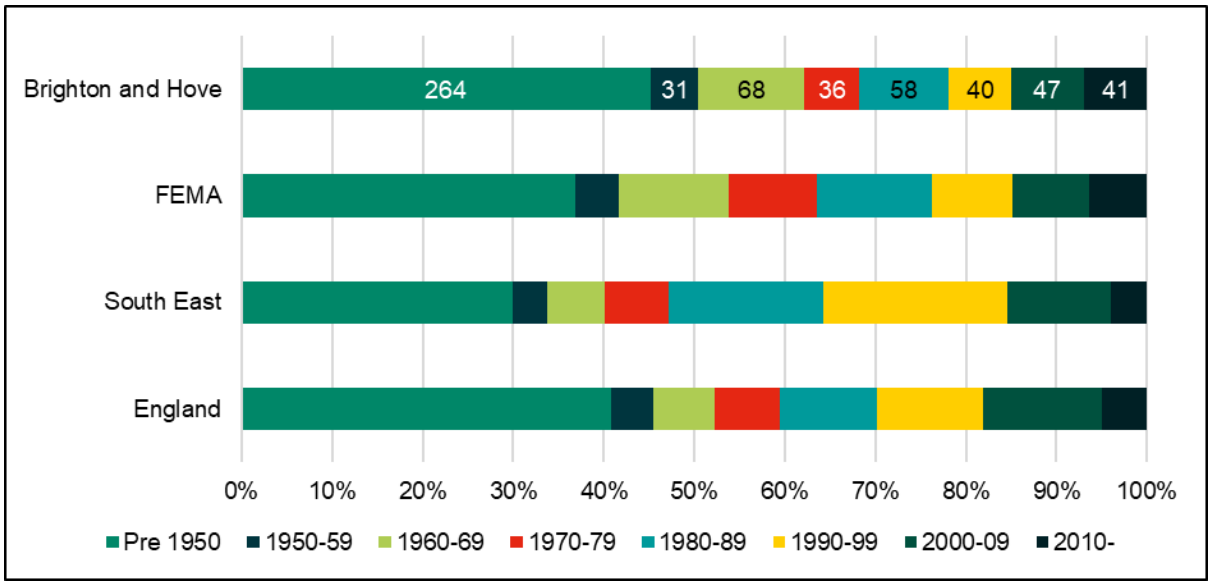
Figure 7-3 Office stock in Brighton & Hove by premises size (% of buildings)



Source: CoStar, (2023).

7.2.6. A greater number of office properties in Brighton & Hove were constructed or last renovated before 1950 than is typical for the FEMA, region and England; around 45% of office properties fall within this size band. This is shown in Figure 7-4.

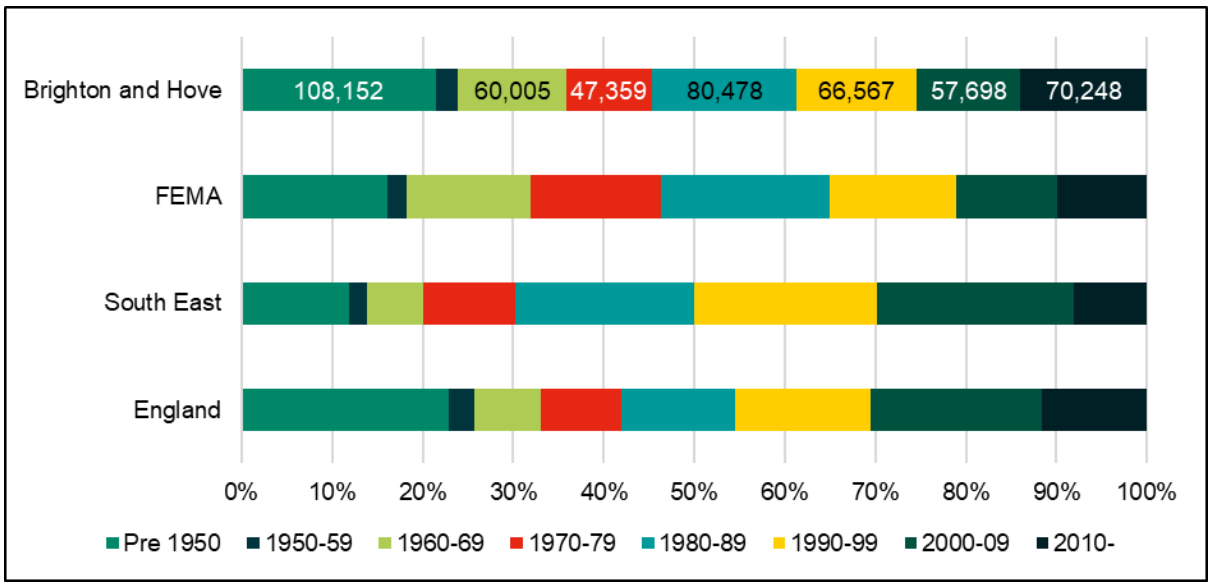
Figure 7-4 Office properties in Brighton & Hove - number of properties by age band



Source: CoStar, (2023).

7.2.7. Similarly, a greater proportion of office floorspace in Brighton & Hove was constructed or last renovated before 1950 than is recorded across the FEMA and South East region. However, a greater proportion of the office floorspace stock in Brighton & Hove (14%) was constructed or last renovated since 2010 than the comparator geographies. This is shown in Figure 7-5. A related consideration to the age of property is the size and configuration of the floorplate; occupiers are increasingly seeking more contiguous floorplates i.e. that are not organised on multiple levels, or have the ability to be open plan and customisable, which the typically separated and contained layout of older properties often inhibits.

Figure 7-5 Office properties in Brighton & Hove - amount of floorspace by age band (m^2)



Source: CoStar, (2023).

Vacancy, availability and absorption rates

7.2.8. DLUHC guidance requires that evidence of market failure such as physical or ownership constraints that prevent employment sites being used effectively is considered. Therefore, this section presents data on the vacancy, availability, and absorption rates of office premises in Brighton & Hove, the FEMA, the South East

region, and England. CoStar records vacancy in terms of space which is unoccupied and marketed.

7.2.9. As recorded in 2023 Q2, there was circa. 49,000 m^2 of vacant office floorspace, meaning the vacancy rate in Brighton & Hove was 8.9%. This exceeds the typical vacancy rate recorded regionally (7.4%) and nationally (7.3%).

7.2.10. Availability as recorded in CoStar encompasses floorspace that is available for re-let, i.e. including both vacant space and space being let but occupied[76]. As shown in Table 7-4, available office floorspace represented approximately 53,000 m^2, and the availability rate was 9.6%. This rate is also greater than is exhibited in the South East and across England.

7.2.11. The FEMA exhibits lower rates of vacancy and availability than the comparator geographies.

Table 7-4 Office properties in Brighton & Hove - vacancy (2023 Q2)

	Brighton & Hove	FEMA	South East	England
Vacancy rate (%)	8.9%	6.4%	7.4%	7.3%
Vacant floorspace (m^2)	49,431	85,861	1,204,593	8,038,444
Availability rate (%)	9.6%	7.0%	8.7%	9.1%
Available floorspace (m^2)	53,482	92,904	1,416,192	10,202,356

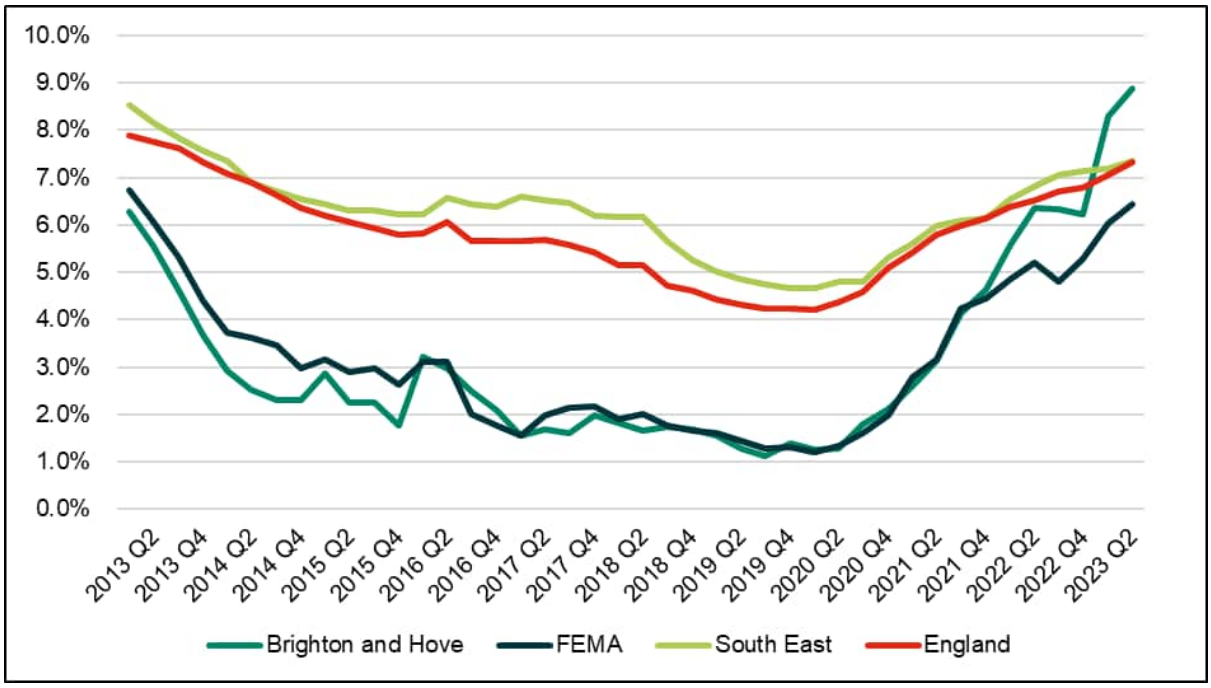
Source: CoStar, (2023).

7.2.12. The vacancy rate of office properties has remained relatively low, and below the regional and national rate consistently over the period between 2013 and 2023 Q2 with the exception of the period since 2022, when the vacancy rate has aligned and exceeded the regional and national rate. This is shown in Figure 7-6. On closer inspection, the recent hike in vacancy appears to have been contributed to in part by a notable amount of vacant floorspace at 125-135 Preston Road and a number of recently constructed properties on Edward Street including (at the time of writing): The Clubhouse and Two Edward Square coming onto the market.

7.2.13. Between 2013 and 2020 Q2, the average vacancy rate of office properties was 2.4%. The effects of the COVID-19 pandemic on the property market are acutely reflected in the office property market nationally as well as more locally in Brighton & Hove. Consultations with property agents operating in Brighton & Hove have indicated that the current level of vacancy is relatively higher than the norm, and that it is expected that a long-term average vacancy rate will be achieved in future, subject to short term uncertainty amongst occupiers around evolving hybrid working models and associated consolidation/review of lease portfolios. It was expressed that market conditions may take a number of years to settle given existing incomplete lease periods expiring over coming years may give tenants opportunities to reevaluate requirements for space.

[76] CoStar defines available space as 'the total amount of space that is currently being marketed as available for lease or sale in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date. CoStar includes only existing, under construction, and under renovation buildings in its statistical calculations of available space.'

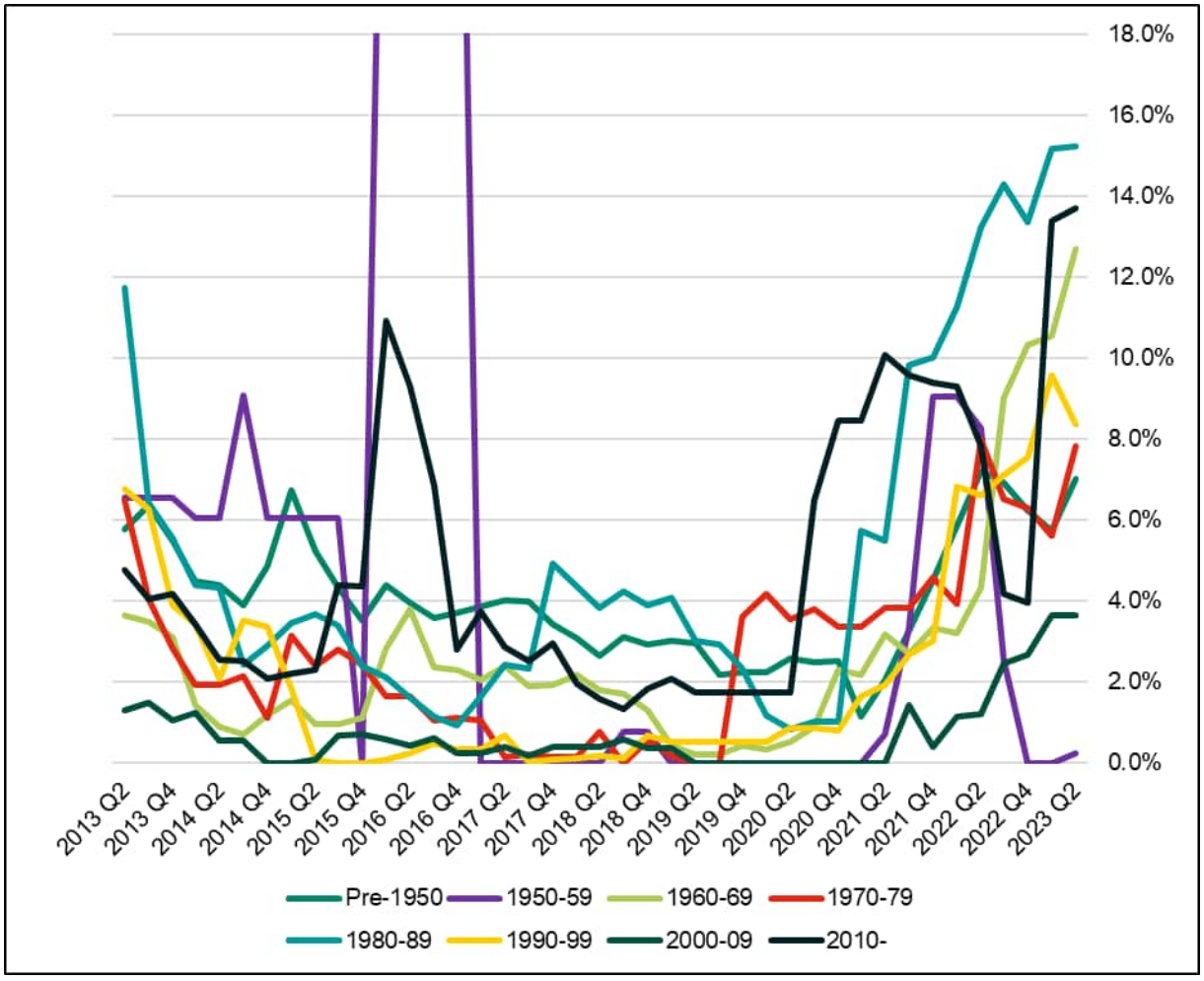
Figure 7-6 Office properties in Brighton & Hove - vacancy rate (%, 2013 Q2 – 2023 Q2)



Source: CoStar, (2023).

7.2.14. It is observed that the overall wider recent trend of increasing vacancy of office floorspace since 2020 is reflected across properties within most age bands. This is shown in Figure 7-7. However, this is subject to large variations and volatility within the data, reflecting (in particular for stock delivered since 2010) new vacant stock coming on to the market and lease terms concluding. Smaller amounts of floorspace/properties have the ability to influence the trends more readily when compared to the city-wide trend in vacancy shown above. Nonetheless, vacancy of stock constructed or last renovated between 1960-1969 and 1980-89 appears to be steadily increasing; the suitability and attractiveness of this stock may have an influence on persistent lack of up-take/vacation. There is a prevalence of second-hand office stock in Brighton & Hove; property agents have indicated that where this is not refurbished by landlords, it can remain unlet for long periods of time. The vacancy of other age bands should be observed over longer time periods to ascertain long-term trends given the high levels of interannual variability or more subdued trends overall. It is highly likely, for example, that the newest stock will be occupied and the vacancy rate for that age band will accordingly decrease substantially.

Figure 7-7 Office properties in Brighton & Hove – vacancy rate by age of property (2013 Q2 – 2023 Q2)

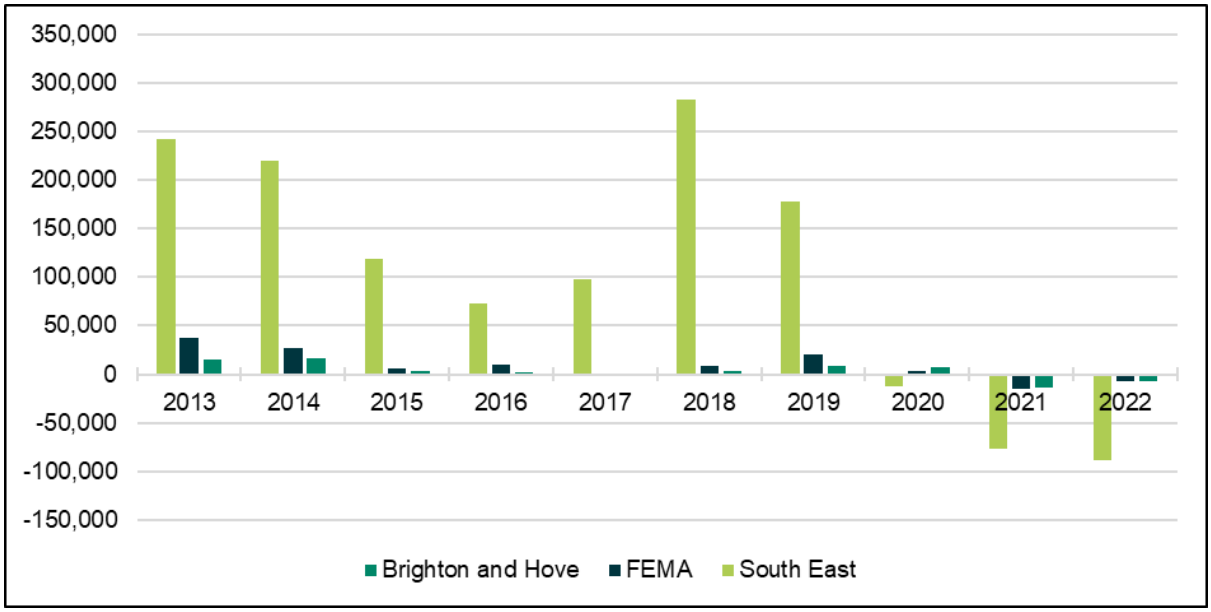


Source: CoStar, (2023). Note for the period between 2016 Q1 and 2016 Q4, the vacancy rate for office properties built or last renovated between 1950 and 1959 was recorded as 30.3% to 30.6%, although this data is omitted from the figure to aid interpretation.

7.2.15. Net absorption provides another angle on demand. The measure expresses the total floorspace occupied less the total floorspace vacated, typically recorded year-on-year. Pre-leasing of under construction space is not included. Annual net absorption above 0 means that a greater amount of space has been occupied from a given year to the next. Net absorption therefore indicates the amount of take-up of additional space within the property market.

7.2.16. Figure 7-8 presents the net absorption of office floorspace in Brighton & Hove, the FEMA and the South East. It is shown that in Brighton & Hove since 2020, less office floorspace has been taken-up (leased) each year than the last, which may be indicative of constrained appropriate supply. However, this is symptomatic of the office market more widely and could indicate that occupiers are consolidating their property portfolio, occupying less space, or uncertainty in the market is inhibiting new leases being secured at present.

Figure 7-8 Net absorption rate of office floorspace in Brighton & Hove, FEMA, and South East (m2, 2013 Q2 – 2022 Q2)



Source: CoStar, (2023).

Rental values

7.2.17. The market rental value of the office stock of Brighton & Hove (£263/m^2) is, on average, higher than recorded across the FEMA (£224/m^2) and South East region (£236/m^2). However, these values are much lower than is typical for England as a whole (£319/m^2). This is shown in Table 7-5.

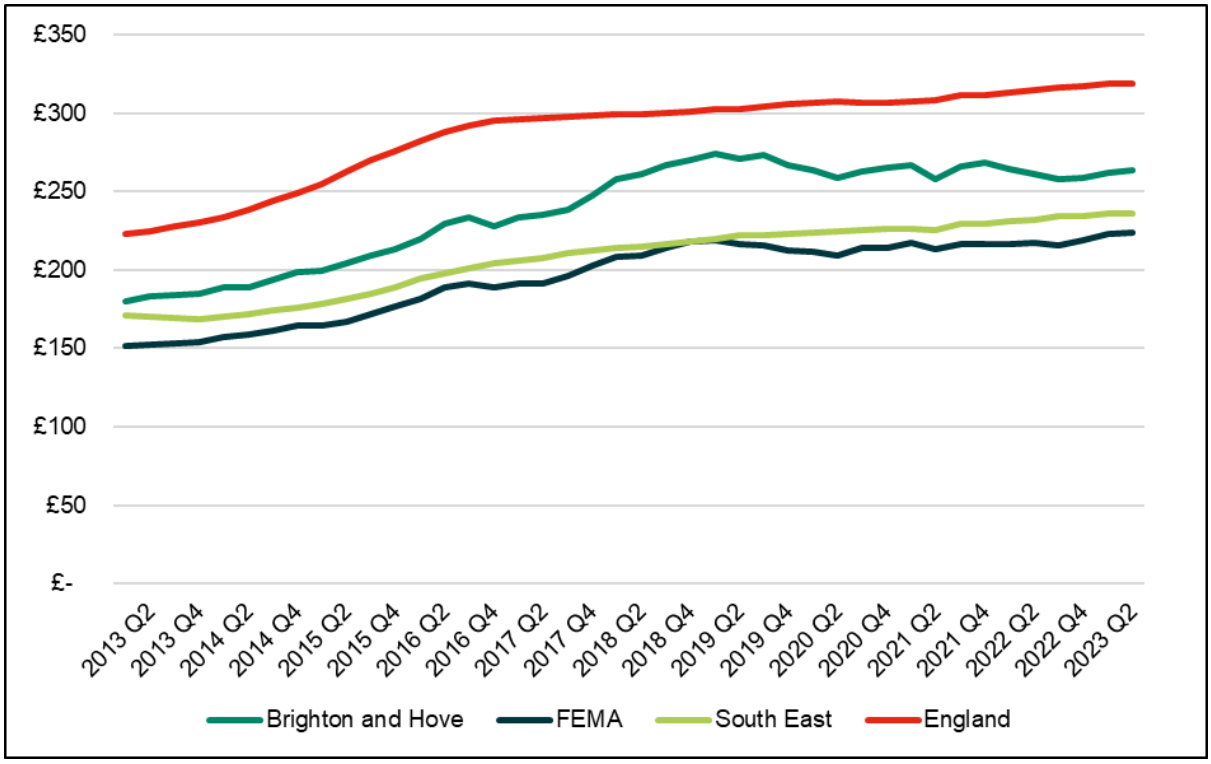
Table 7-5 Office properties in Brighton & Hove - market rental values (2023 Q2)

	Brighton & Hove	FEMA	South East	England
Market rent (£/m^2)	263	224	236	319

Source: CoStar, (2023).

Over the period between 2013 and 2023, the market rental value of the office stock of Brighton & Hove has remained above the recorded value within the FEMA and South East region. This is shown in Figure 7-9.

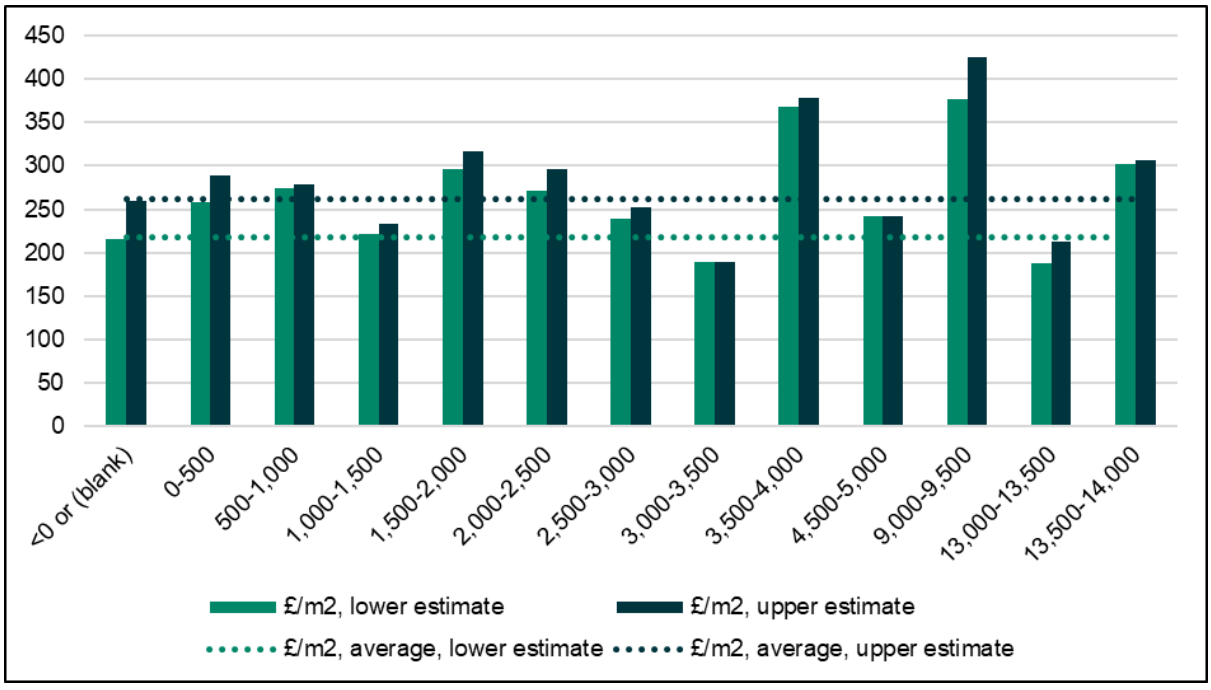
Figure 7-9 Office properties in Brighton & Hove - market rental values (£/m^2, 2013 Q2 – 2023 Q2)



Source: CoStar, (2023).

7.2.18. There is observed variability in the market rental values of office properties such that office properties with floorspaces between 3,500 and 4,000m^2, and particularly 9,000 and 9,500m^2 tend to attract the highest market rental values. There is a strong relationship between the properties identified within these size brackets and age of properties, i.e. the majority of the properties within these size brackets which achieve highest rental values have been constructed or most recently renovated since 2008. The lower and upper estimates of market rent with respect to the average for all office properties in Brighton & Hove is shown in Figure 7-10.

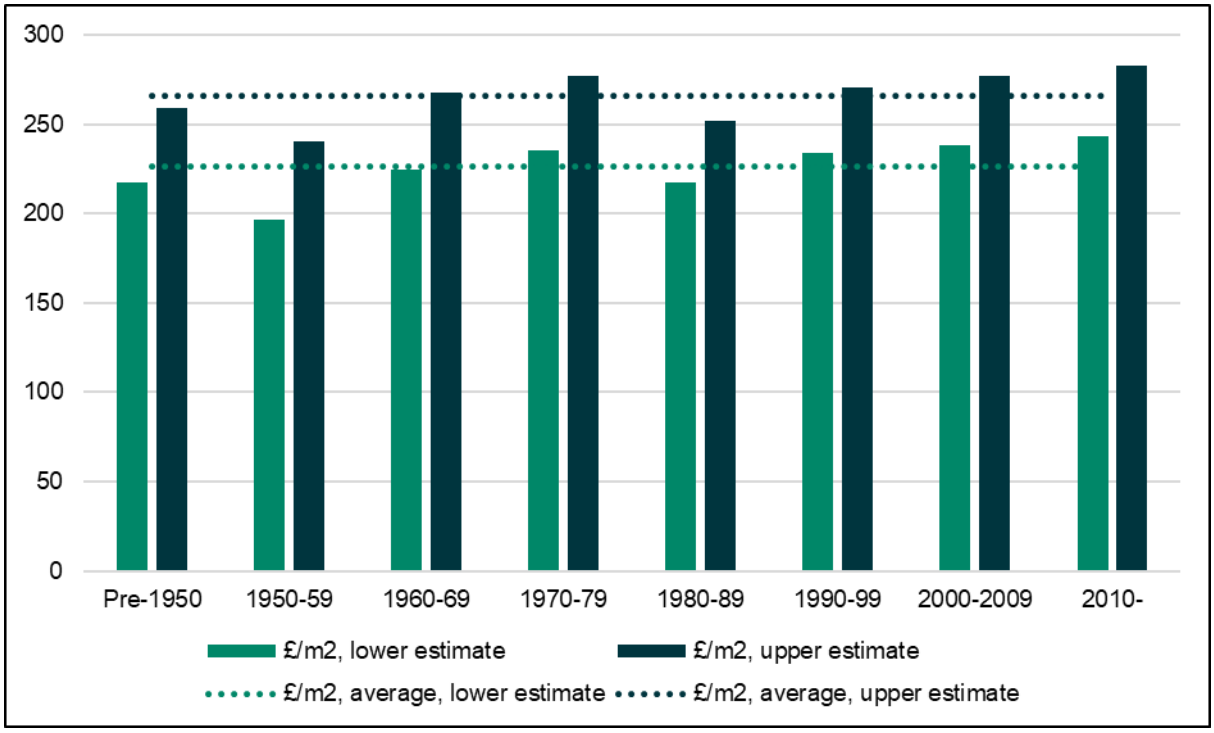
Figure 7-10 Lower and upper estimates of the average market rental value (£/m^2) of office properties in Brighton & Hove, by size band (2023 Q3 QTD)



Source: CoStar, (2023).

7.2.19. In order to test the interpretation that properties which were recently constructed or most recently renovated attract higher market rental values, Figure 7-11 presents the upper and lower bounds for estimated rental values by age of property. It is clear that those properties which were built or last renovated after 1990 attract higher rents relative to the average for Brighton & Hove. This supports evidence from consultation with local property agents that demand for office space reflects increasing value attributed by prospective tenants to quality of environment and sustainability credentials of buildings.

Figure 7-11 Lower and upper estimates of the average market rental value (£/m^2) of office properties in Brighton & Hove, by age (2023 Q3 QTD)

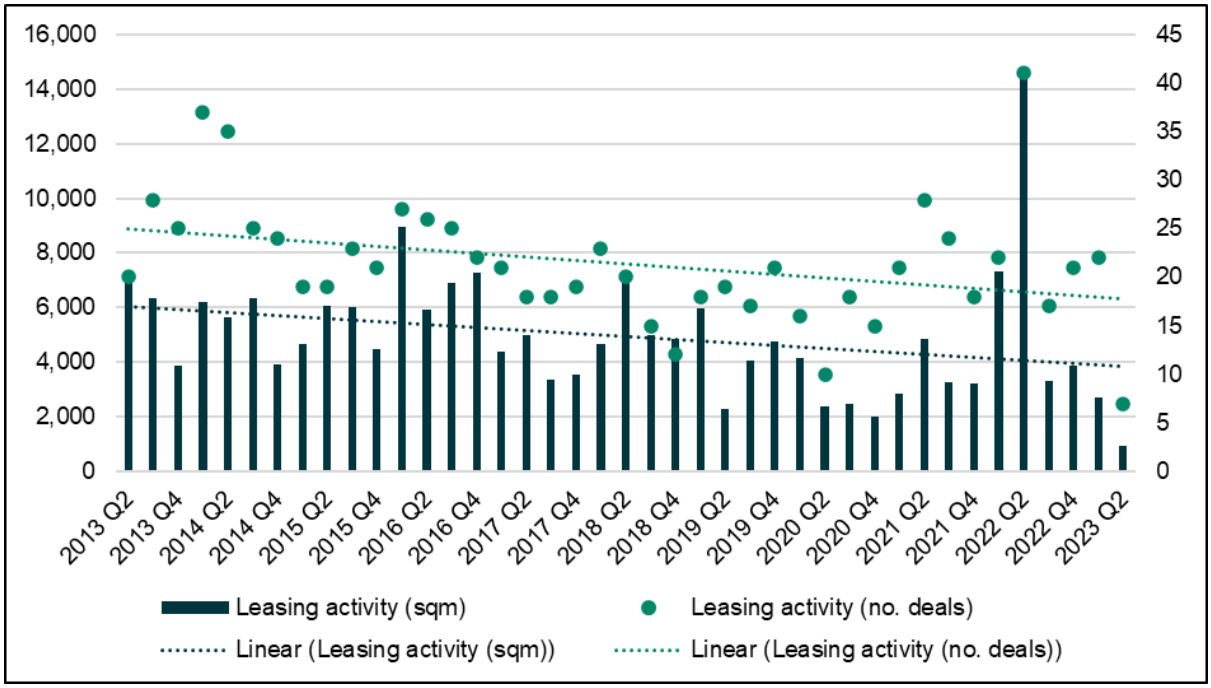


Source: CoStar, (2023).

Recent market activities

7.2.20. On average, between 2013 Q2 and 2023 Q2, around 4,500m^2 of office floorspace was leased per quarter, comprised of an average of 20 deals. Over this period, a decreasing trend in the number of deals and floorspace leased is observed. This is shown in Figure 7-12. A reduction in leasing activity can be indicative of constrained appropriate supply, waning market interest in a location, or reflective of macroeconomic trends affecting economic conditions pertaining to (prospective) tenants. Variability and uncertainty in the office market may be driven by emerging lifestyle and working arrangement factors, which may cause tenant firms to reconsider space requirements. Nonetheless, in the context of Brighton & Hove, there have been recent completions of new space which may not be fully reflected in leasing information until they are fully let and occupied.

Figure 7-12 Office properties leasing activity - floorspace (m^2) and number of deals (2013 Q2 – 2023 Q2)



Source: CoStar, (2023).

7.3. Light industrial market

7.3.1. This section presents findings relating to the light industrial property market in Brighton & Hove.

Buildings and floorspace

7.3.2 There are around 70 light industrial properties in Brighton & Hove, comprising around 76,000m^2 of floorspace. As shown in Table 7-6, this reflects an average premises size of 1,120m^2. The light industrial stock in Brighton & Hove represents around 20% of the light industrial floorspace within the FEMA.

Table 7-6 Light industrial properties in Brighton & Hove - buildings and floorspace (2023 Q2)

	Brighton & Hove	FEMA	South East	England
Number of buildings	68	271	2,140	14,382
Floorspace (m^2)	76,189	371,826	2,745,917	20,043,703
Average premises size (m^2)	1,120	1,372	1,283	1,394

Source: CoStar, (2023).

7.3.3 The majority of light industrial properties (59% of properties) in Brighton & Hove are less than 500m^2 in size indicating that the size requirements of light industrial functions tend to be less than other industrial activities. This is also indicative of the amount of employment space historically available within Brighton & Hove such that space is necessarily used efficiently and intensively. A breakdown of the size of light industrial properties is provided in Table 7-7.

7.3.4

Table 7-7 Light industrial stock in Brighton & Hove by premises size

Property size (m^2)	Properties (no.)	Proportion of properties (%)	Floorspace (m^2)	Proportion of floorspace (%)
Under 250	30	44%	2,466	3%
250 – 499	10	15%	3,865	5%
500 – 999	6	9%	4,285	6%
1,000 – 1,999	12	18%	18,983	25%
2,000 – 9,999	9	13%	29,987	39%
Over 10,000	1	1%	16,630	22%
Total	**68**	**-**	**76,216**	**-**

Source: CoStar, (2023).

Vacancy, availability and absorption rates

7.3.5 The vacancy rate of light industrial properties in Brighton & Hove (4.2%), albeit marginally lower than is typical for the FEMA (4.7%), is broadly in line with the regional rate (4.0%). However, in absolute terms this represents a very small amount of vacant light industrial floorspace (circa. 3,100m^2).

7.3.6 As set out previously, availability takes into account vacant and marketed floorspace. In Brighton & Hove there is similarly circa. 3,100m^2 of available floorspace.

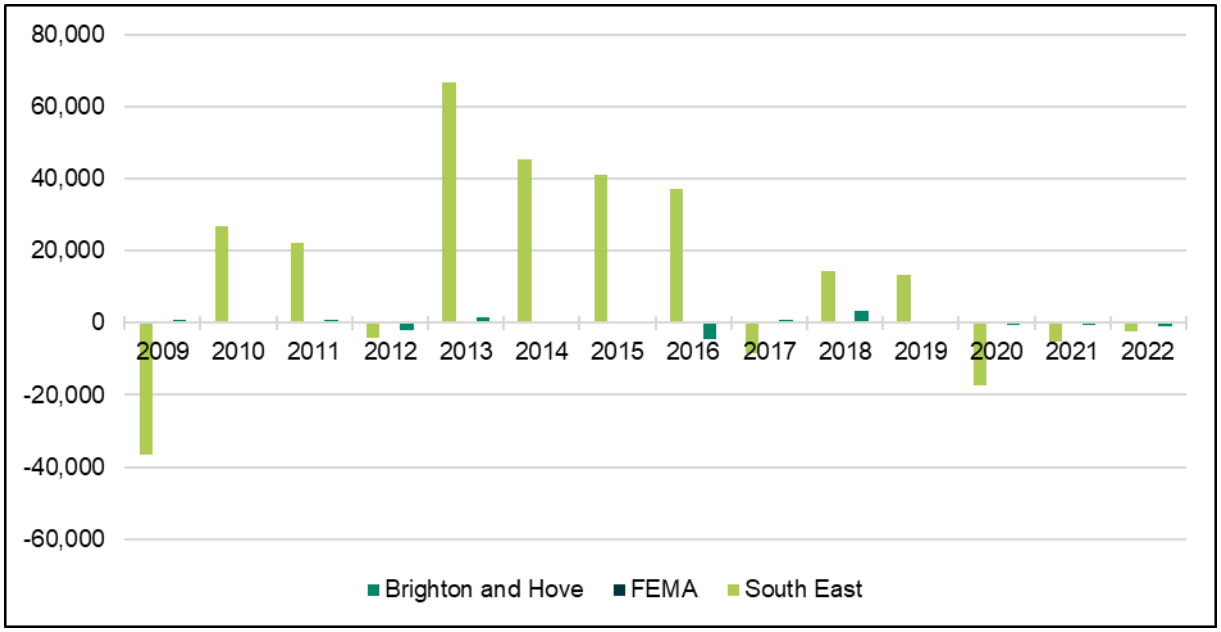
Table 7-8 Light industrial properties in Brighton & Hove - vacancy (2023 Q2)

	Brighton & Hove	FEMA	South East	England
Vacancy rate (%)	4.2%	4.7%	4.0%	2.5%
Vacant floorspace (m^2)	3,076	17,523	108,530	501,796
Availability rate (%)	4.0%	4.4%	4.9%	3.2%
Available floorspace (m^2)	3,076	16,532	134,129	641,869

Source: CoStar, (2023).

7.3.7 Net absorption shows the amount of space leased less the amount of space vacated. Positive net absorption shows a net increase in take-up of space. As shown in Figure 7-13, since 2019 negative net absorption has been recorded in Brighton & Hove, indicating that the total quantum of occupied floorspace has been consistently lower than in the previous year. However, the trend in net absorption of light industrial properties in Brighton & Hove, although typically varying between net take-up and net vacation, is very subdued when considering a longer time period. There is typically very little vacant space, disproportionate amounts of vacation of space or new space coming to market.

Figure 7-13 Net absorption rate of light industrial floorspace in Brighton & Hove, FEMA, and South East (m^2, 2019 – 2022)



Source: CoStar, (2023).

Rental values

7.3.8 The market rental value of light industrial properties in Brighton & Hove (£126/m^2) is on average greater than is recorded across the FEMA (£112/m^2) and England (£114/m^2), although broadly in line with the regional rental value (£127/m^2). This is shown in Table 7-9.

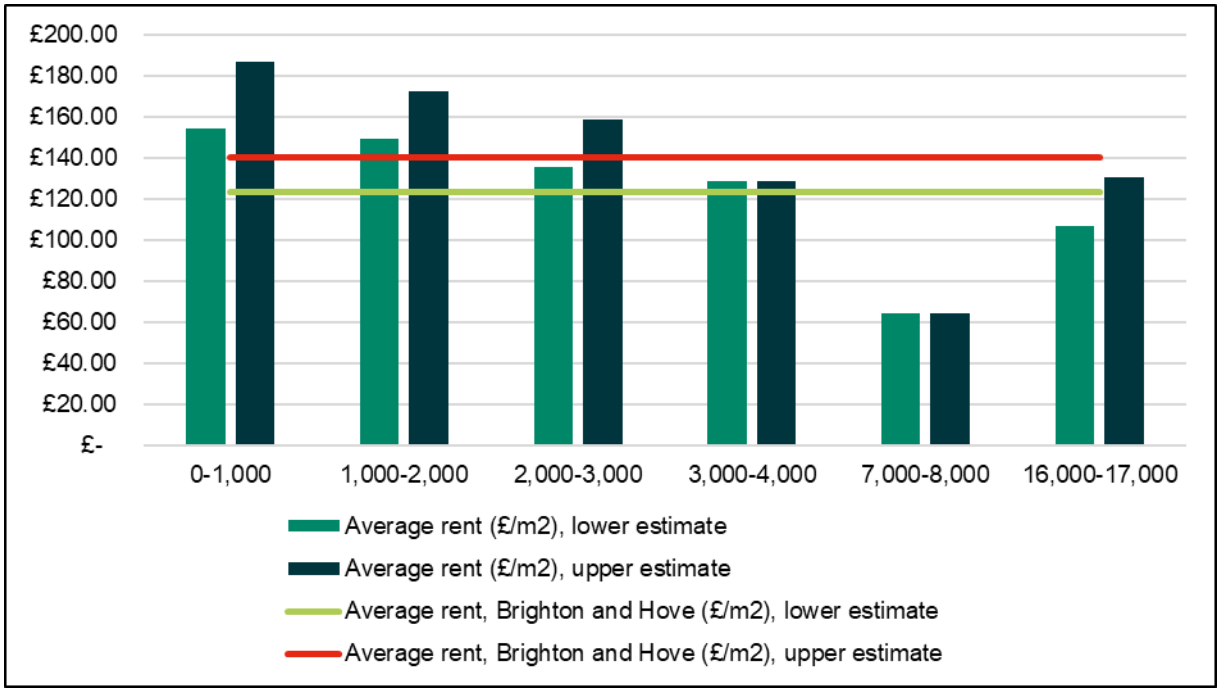
Table 7-9 Light industrial properties in Brighton & Hove - market rental values (2023 Q2)

	Brighton & Hove	FEMA	South East	England
Market rent (£/m^2)	126	112	127	114

Source: CoStar, (2023).

7.3.9 With respect to the upper and lower estimates of the rental value of light industrial properties in Brighton & Hove, it is observed that properties with smaller floorspaces attract greater market rental values; properties below 3,000m^2 attract higher market rental values than the average for Brighton & Hove, whereas those greater than 3,000m^2 attract below average market rental values. Buildings which typify the latter category are New England House and Former Telephone Exchange, Freshfield Road. As there are very few properties within this size bracket, recorded rental values are reflective of the condition of the buildings identified rather than indicating the inherent value of light industrial properties of this size. Further detail is shown in Figure 7-14.

Figure 7-14 Lower and upper estimates of the average market rental value (£/m^2) of light industrial properties in Brighton & Hove, by size band (2023 Q3 QTD)

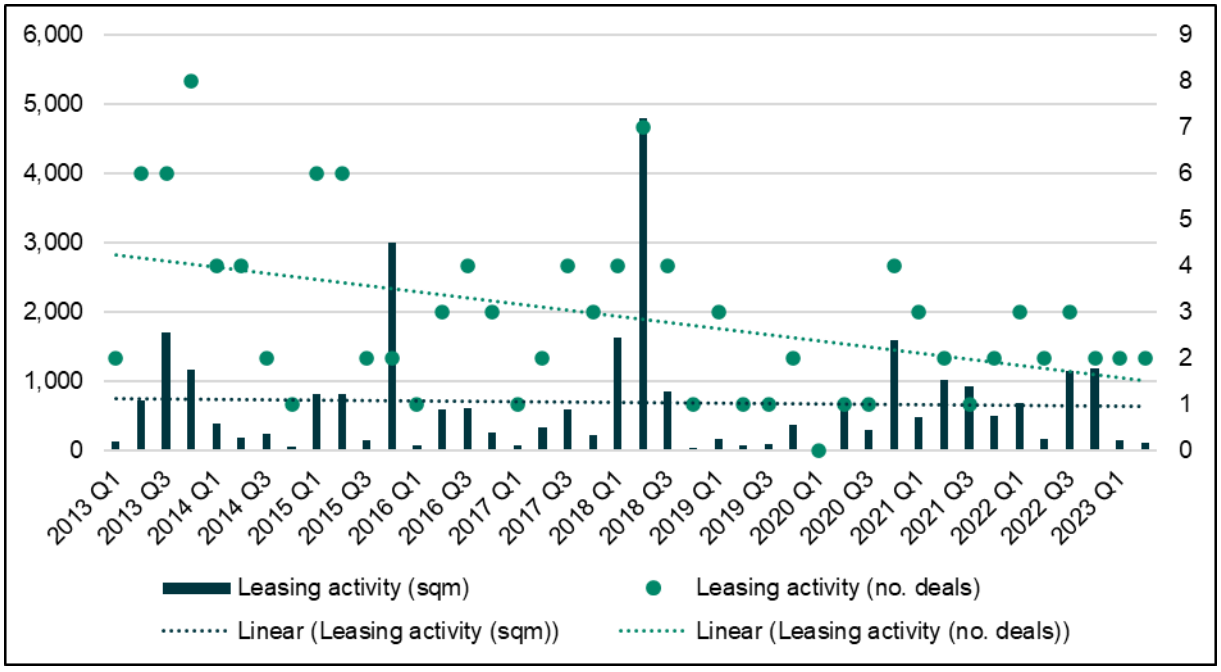


Source: CoStar, (2023).

Recent market activities

7.3.10 With regard to leasing activity of light industrial properties, approximately 3 leasing deals were completed per quarter over the period between 2013 and 2023, reflecting an average floorspace per deal of 710m^2. As indicated by the trendlines shown in Figure 7-15, the amount of floorspace leased in a given quarter has remained on average fairly constant over this time period. The number of leasing deals in a given period has shown a decreasing trend, however this pertains to a small number of deals. The small number of leases concerning a small amount of floorspace confirms earlier findings that constraints on (vacant) supply means the light industrial market is typically subdued. Occupiers with appropriate space are likely to retain it; little significant new space is coming on to the market.. As a result of constrained supply, occupiers may seek available follow-on/expansion space in alternative locations outside of the city.

Figure 7-15 Light industrial properties in Brighton & Hove leasing activity - floorspace (m^2) and number of deals (2013 Q2 – 2023 Q2)



Source: CoStar, (2023).

7.4. General industrial market

7.4.1 This section presents findings relating to the general industrial property market in Brighton & Hove.

Buildings and floorspace

7.4.2 There are 124 general industrial buildings in Brighton & Hove, comprising circa. 50,000m^2 of floorspace, or approximately 12.1% of the general industrial floorspace in the FEMA. The average premises size of general industrial properties in Brighton & Hove (circa. 400m^2) is much smaller than is typical for the FEMA (circa. 700m^2) and region (1,100m^2) reflecting considerable spatial constraints on industrial sites. This shown in Table 7-10.

Table 7-10 General industrial properties in Brighton & Hove - buildings and floorspace (2023 Q2)

	Brighton & Hove	FEMA	South East	England
Number of properties	124	580	5,465	40,023
Floorspace (m^2)	49,444	408,939	6,187,246	63,595,570
Average premises size	399	705	1,132	1,589

Source: CoStar, (2023).

Nearly all of the general industrial properties in Brighton & Hove (96% of properties) are less than 1,000m^2, and there are no general industrial properties over 10,000m^2 in size, as shown in Table 7-11.

Table 7-11 General industrial stock in Brighton & Hove by premises size

Property size (m^2)	Properties (no.)	Proportion of properties (%)	Floorspace (m^2)	Proportion of floorspace (%)
Under 250	59	48%	7,512	15%
250 – 499	31	25%	11,525	23%

Property size (m^2)	Properties (no.)	Proportion of properties (%)	Floorspace (m^2)	Proportion of floorspace (%)
500 – 999	28	23%	19,581	40%
1,000 – 1,999	3	2%	4,112	8%
2,000 – 9,999	3	2%	6,714	14%
Over 10,000	0	0%	0	0%
Total	**124**	**-**	**49,444**	**-**

Source: CoStar, (2023).

Vacancy, availability and absorption rate

7.4.3 As recorded in 2023 Q2, there is virtually no vacant or available floorspace amongst general industrial properties in Brighton & Hove. The vacancy rate is recorded to be 0.2%. This reflects the low vacancy rate amongst this property type in the South East region and across England, although there is a relatively higher amount of general industrial floorspace in the FEMA. This shown in Table 7-12.

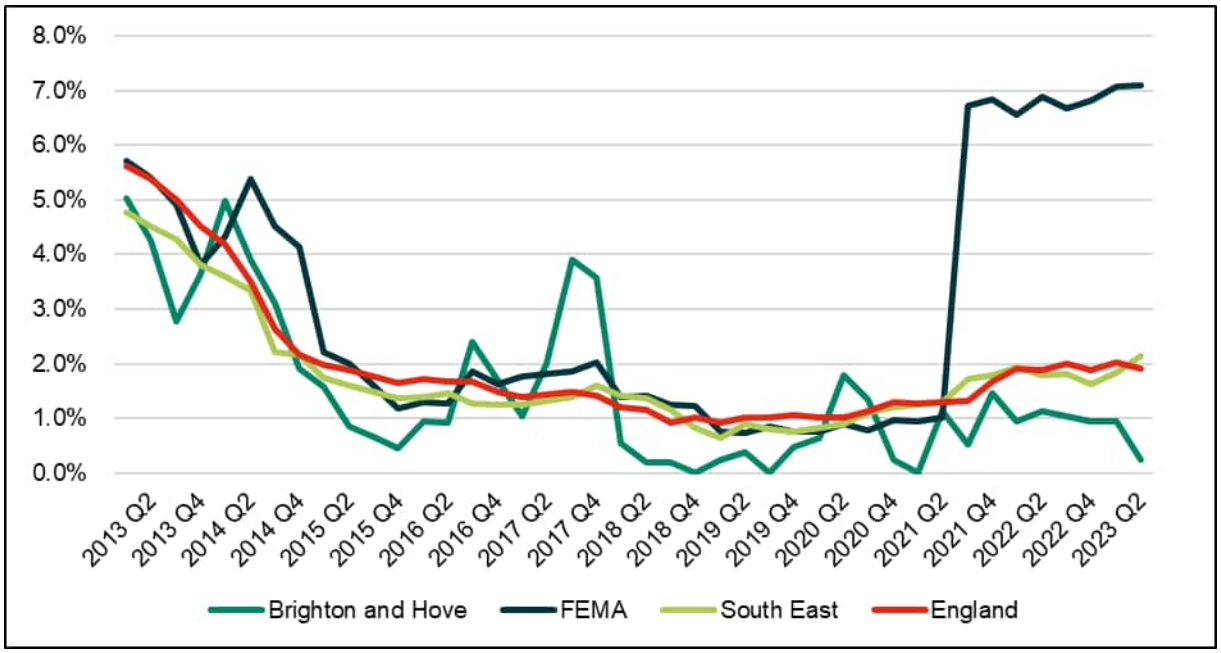
Table 7-12 General industrial properties in Brighton & Hove - vacancy (2023 Q2)

	Brighton & Hove	FEMA	South East	England
Vacancy rate (%)	0.2%	7.1%	2.1%	1.9%
Vacant floorspace (m^2)	120	29,045	132,340	1,215,004
Availability rate (%)	0.2%	7.6%	2.7%	2.0%
Available floorspace (m^2)	120	31,269	166,641	1,247,836

Source: CoStar, (2023).

7.4.4 Over the period between 2013 and 2013, the vacancy rate of general industrial properties in Brighton & Hove has remained lower than 5.0%, and mostly below 2.0%. This reflects a similar trend across the South East region and England. The relatively higher vacancy rate in the FEMA has only occurred since 2021 and is primarily driven by a small number of very large vacant properties at the time of writing (such as 1-3 Faraday Close, Cignet Trading Estate, Worthing).

Figure 7-16 General industrial floorspace - vacancy rate (%, 2013 Q2 – 2023 Q2)

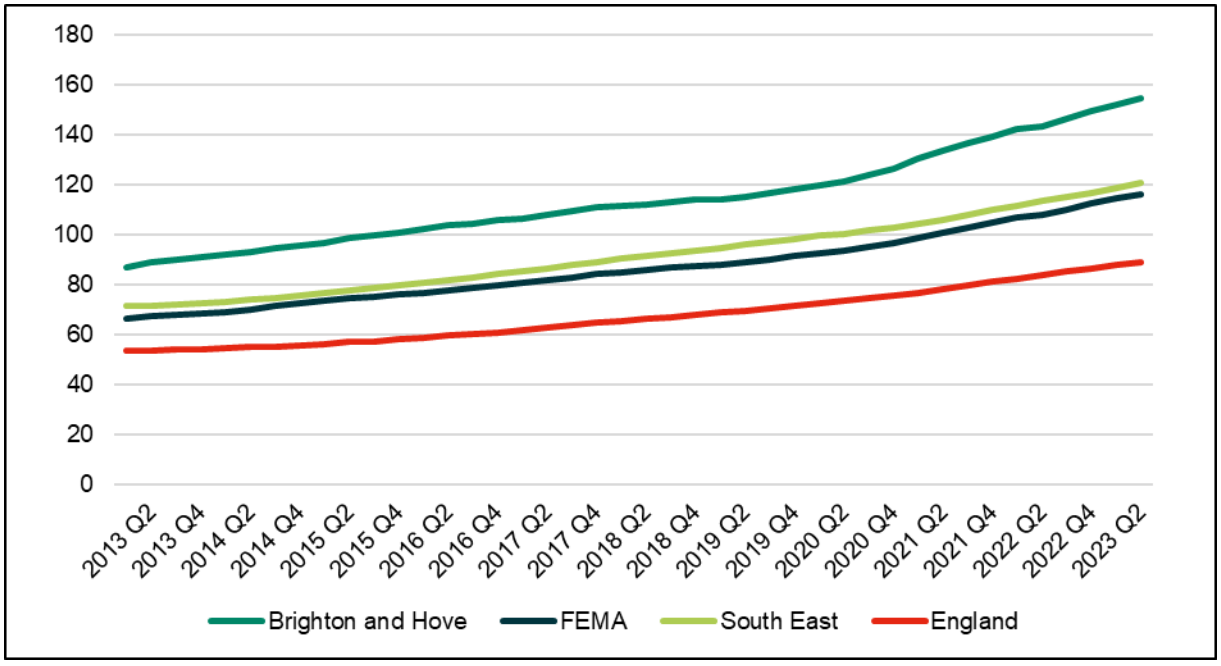


Source: CoStar, (2023).

Rental values

7.4.5 The market rental value of general industrial properties is on average higher in Brighton & Hove (£155/m^2) than is typical for the FEMA (£116/m^2), South East region (£121/m^2) and nationally (£89/m^2). This is shown in Figure 7-17.

Figure 7-17 General industrial properties in Brighton & Hove – market rental values (£/m^2/yr, 2023 Q2)

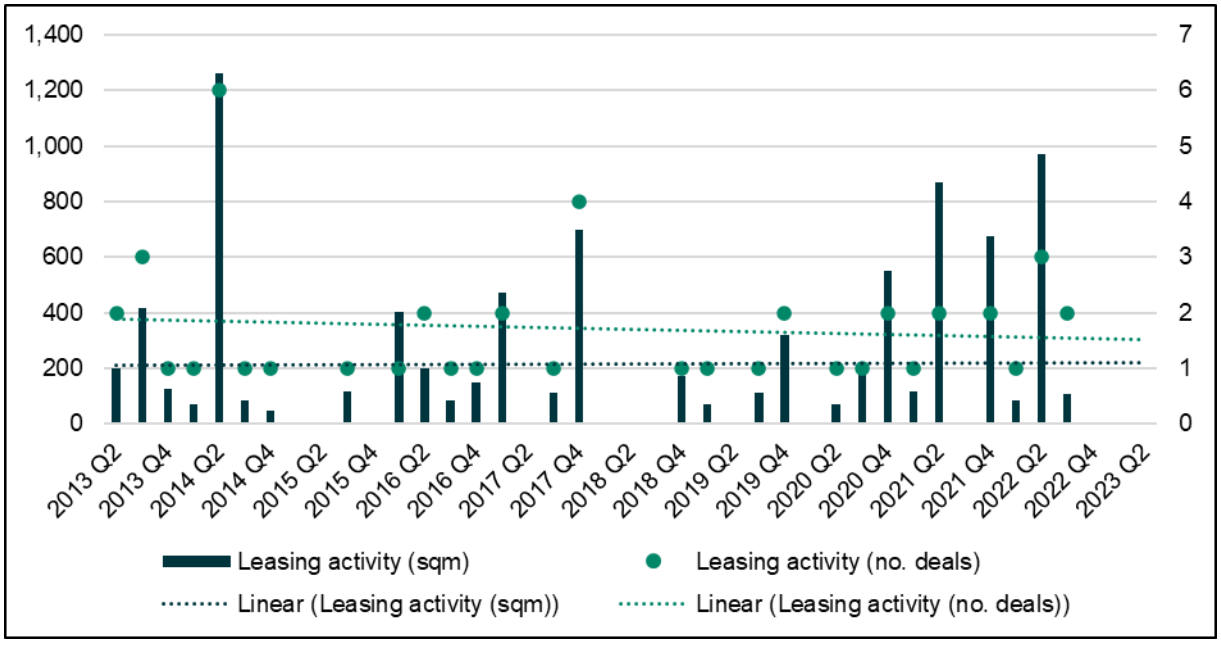


Source: CoStar, (2023).

Recent market activities

7.4.6 In terms of leasing activity of the general industrial stock in Brighton & Hove, between 2013 and 2023 Q2, approximately 48 deals were completed comprising 8,795m^2 of floorspace, reflecting an average leasing deal involving 215m^2 of floorspace. As indicated by the trendlines shown in Figure 7-18, leasing activity both in terms of stock and number of deals has remained fairly constant since 2013 on average, notwithstanding relatively larger amount of activity in certain quarters in 2021 and 2022.

Figure 7-18 General industrial properties in Brighton & Hove leasing activity - floorspace (m^2) and number of deals (2013 Q2 - 2023 Q2)



Source: CoStar, (2023).

7.5. Storage and distribution market

7.5.1 This section presents the findings relating to the storage and distribution property market in Brighton & Hove.

Buildings and floorspace

7.5.2 There are 63 storage and distribution properties in Brighton & Hove, comprising circa 130,000m^2 of floorspace. As shown in Table 7-13, this represents approximately 10% of the storage and distribution floorspace in the FEMA. The average premises size is approximately 2,100m^2.

Table 7-13 Storage and distribution properties in Brighton & Hove - buildings and floorspace (2023 Q2)

	Brighton & Hove	FEMA	South East	England
Number of buildings	63	585	6,861	46,349
Floorspace (m^2)	129,966	1,238,506	22,067,071	176,736,697
Average premises size (m^2)	2,063	2,117	3,216	3,813

Source: CoStar, (2023).

7.5.3 The majority of storage and distribution properties (81%) have floorspaces between 1,000 and 10,000m^2 in size. There are very few properties (7) with floorspace size of less than 500m^2 owing to the tendency for storage and distribution functions to require larger amounts of space than other industrial functions. More details are shown in Table 7-14.

Table 7-14 Storage and distribution stock in Brighton & Hove by premises size

	Properties (no.)	Proportion of properties (%)	Floorspace (m^2)	Proportion of floorspace (%)
Under 250	3	5%	3,143	0%
250 – 499	4	6%	16,643	1%
500 – 999	4	6%	37,819	3%
1,000 – 1,999	28	44%	428,028	31%
2,000 – 9,999	23	37%	800,020	57%
Over 10,000	1	2%	113,572	8%
Total	**63**	**-**	**1,398,946**	**-**

Source: CoStar, (2023).

Vacancy, availability and net absorption

7.5.4 The vacancy rate of storage and distribution properties in Brighton & Hove (2.7%) reflects the equivalent rate in the FEMA (2.4%), although there is a notably lower vacancy rate across these geographies than is typical regionally (4.5%). More details are shown in Table 7-15.

Table 7-15 Storage and distribution properties in Brighton & Hove - vacancy (2023 Q2)

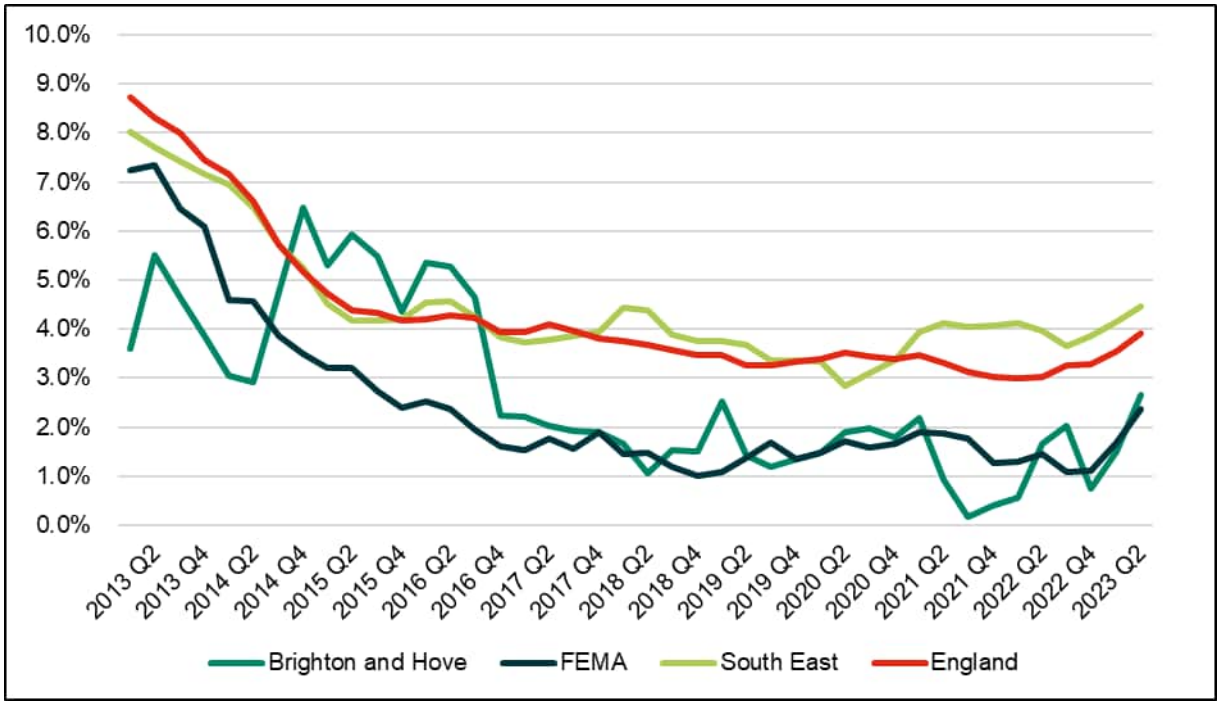
	Brighton & Hove	FEMA	South East	England
Vacancy rate (%)	2.7%	2.4%	4.5%	3.9%
Vacant floorspace (m^2)	3,450	29,334	985,567	6,919,647
Availability rate (%)	2.7%	3.6%	5.4%	5.0%
Available floorspace (m^2)	3,450	29,334	985,567	6,919,647

Source: CoStar, (2023).

7.5.5 Over the period between 2013 and 2023, the vacancy rate of storage and distribution floorspace in Brighton & Hove has remained mostly below 5.0%, and mostly below the equivalent rate recorded for the South East region and England. Overall, the observed trend indicates broadly decreasing vacancy over this period, suggesting persistent strong demand for storage and distribution space.

7.5.6 Property agents operating in Brighton & Hove identified the period between 2020 and 2022 as being characterised by extreme demand for storage and distribution properties, exacerbated by the growth of e-commerce businesses. This is reflected in vacancy rates approaching 0% in that period. It was also suggested by consultants that this demand is softening and approaching more typical levels, which is reflected in marginally increasing trend in vacancy rate shown in Figure 7-19.

Figure 7-19 Storage and distribution floorspace in Brighton & Hove - vacancy rate (%, 2013 Q2 - 2023 Q2)



Source: CoStar, (2023).

Rental values

7.5.7 The average market rental value of storage and distribution properties is higher in Brighton & Hove (£139/m^2) than recorded for the FEMA (£117/m^2), South East region (£128/m^2) and England (£95/m^2). This is shown in Table 7-16.

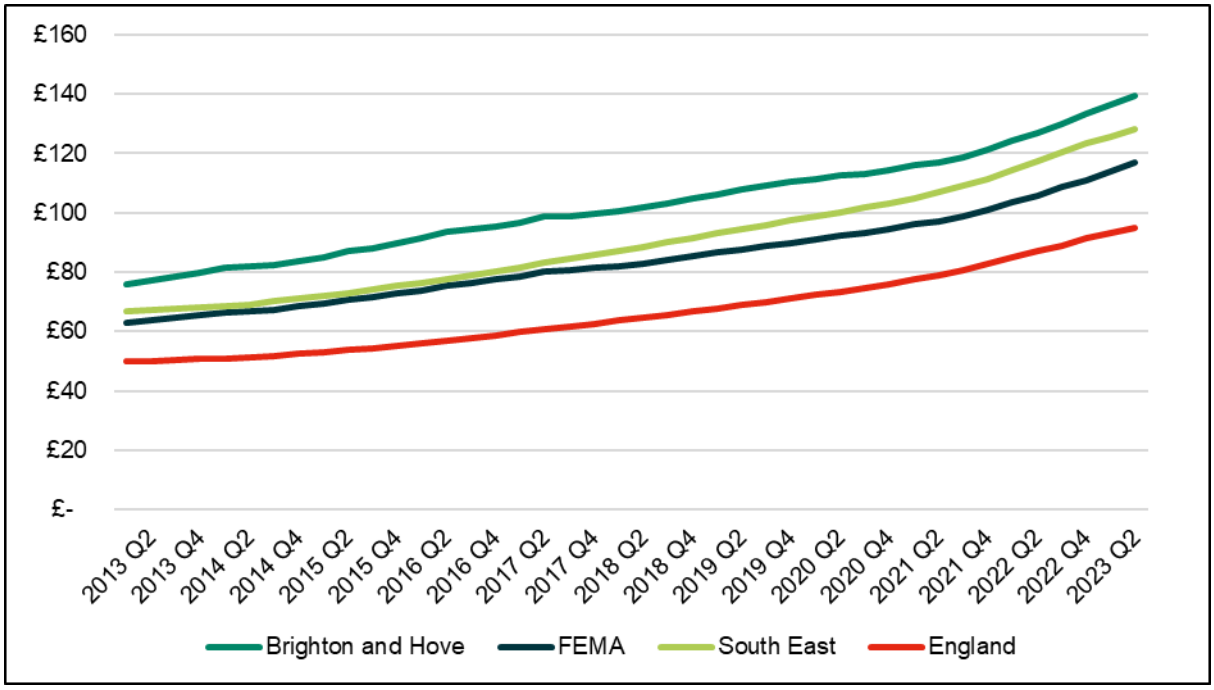
Table 7-16 Storage and distribution properties in Brighton & Hove - market rental values (£/m^2), 2023 Q2)

	Brighton & Hove	FEMA	South East	England
Market rent (£/m^2)	139	117	128	95

Source: CoStar, (2023).

7.5.8 In line with strong demand for storage and distribution use property, the market rental value of storage and distribution properties in Brighton & Hove has remained consistently higher than comparator geographies over the period between 2013 and 2023 Q2, as shown in Figure 7-20.

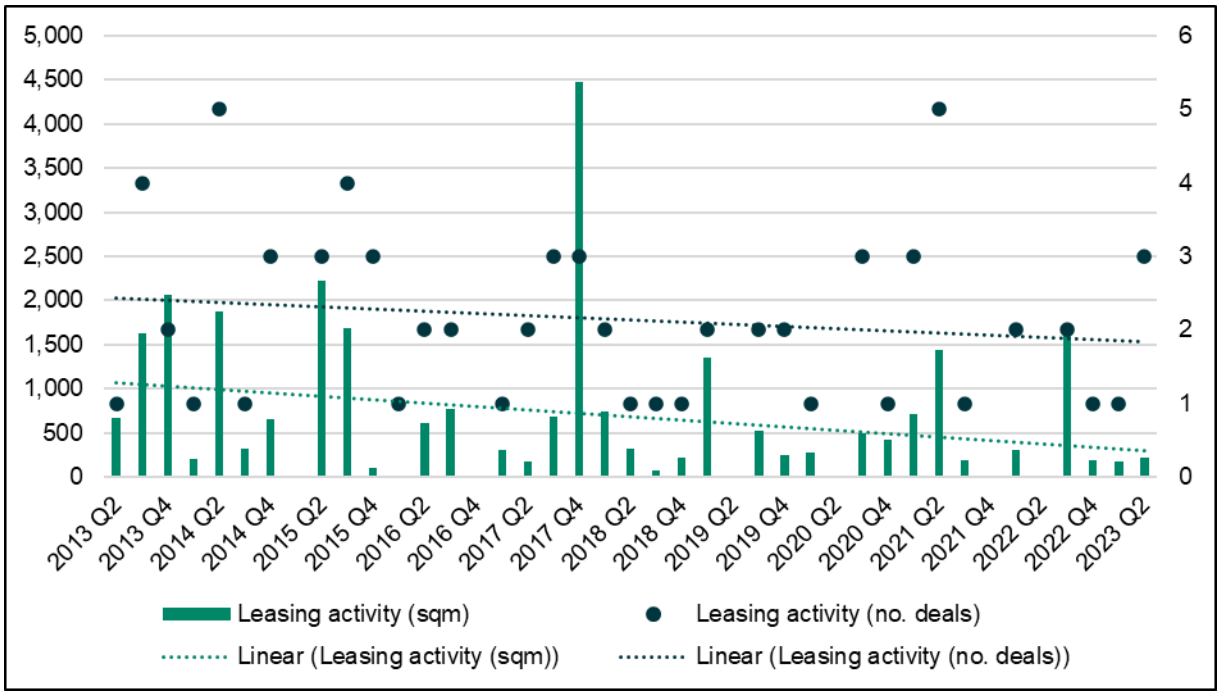
Figure 7-20 Storage and distribution properties in Brighton & Hove - market rental values (£/m², 2013 Q2 – 2023 Q2)



Source: CoStar, (2023).

7.5.9 Over the ten-year period between 2013 Q2 and 2023 Q2, there were approximately 75 leasing deals, comprising circa. 28,000 m² of storage and distribution floorspace. The average floorspace per deal was 374m². In the average quarter, approximately 2 deals were completed. This is shown in Figure 7-21. There is an observed marginally decreasing trend in the amount of floorspace and number of deals completed although this is based on very few deals and therefore unlikely to reflect a wider trend in demand but rather lack of available floorspace.

Figure 7-21 Storage and distribution properties in Brighton & Hove leasing activity - floorspace (m²) and number of deals (2013 Q2 – 2023 Q2)



Source: CoStar, (2023).

7.6. Summary

Office market summary

7.6.1 The circa 560,000m^2 of office floorspace across approximately 800 properties in Brighton & Hove represents 41.7% of the office floorspace in the FEMA, highlighting the importance of the office market in the City to regional supply of employment-generating office floorspace.

7.6.2 Vacancy rates of office stock are typically lower in Brighton & Hove when compared to regional levels. However, since 2021 vacancy rates have reached a 10-year high; this is likely a reflection of tenants reassessing space requirements as lease terms end in light of the adoption of hybrid working models, co-working/flexible space, as well as new stock coming to market. Assessment of vacancy trends over a longer time period is necessary to establish how the office property market will respond to these shifts in lifestyle and the nature of work, albeit it is currently evident that older stock has generally higher vacancy rates as occupiers seek high quality, modern accommodation, and observed 'flight to quality' persists.

7.6.3 Persistent interest in new stock with modern amenities and excellent sustainability credentials may prove challenging in Brighton & Hove where stock is old in part, necessitating upgrade/renovation or replacement. Nonetheless, new stock is being delivered and the profile of office floorspace is relatively younger when compared to the FEMA or South East region.

7.6.4 Constrained suitable supply, indicated by leasing activity and net absorption, is contributing to higher market rental values which are on average £39/m^2/yr higher than recorded in the FEMA, and £27/m^2/yr higher than recorded across the South East region.

Light industrial market summary

7.6.5 The stock of light industrial floorspace contributes around 9% of the employment-generating floorspace in Brighton & Hove of relevance to this study, reflecting 76,000m^2 of floorspace across approximately 70 properties. This represents around 20% of the light industrial floorspace in the FEMA.

7.6.6 The vacancy rate of light industrial floorspace in Brighton & Hove broadly reflects that recorded in the FEMA and South East region, although in absolute terms there is presently very little vacant floorspace of this use type. Past take-up as indicated by net absorption has been relatively subdued/negative over the three years preceding 2023, showing a highly constrained market and limited relocations. Property agents confirm that occupiers are reluctant to relocate once (reasonably) suitable light industrial premises are secured, compounded by lack of alternative supply, and/or new light industrial floorspace coming to market. Space in appropriate locations i.e. proximity to customer bases is also a key consideration for businesses which typically occupy light industrial space.

7.6.7 Overall, the market rental value of light industrial properties in Brighton & Hove is on average greater than in the FEMA and across England, however broadly in line with the regional rental value. It is noted that properties with smaller floorspaces attract greater market rental values, potentially reflecting requirement of space suited to typically non-disruptive small scale industrial activities that occupy light industrial type buildings.

General industrial market summary

7.6.8 Relative to the other employment-generating use types of relevance to this study, floorspace attributed to being principally in general industrial use contributes a small proportion (6%) of relevant floorspace in Brighton & Hove. This is likely representative of the suitability of available land and proximity of employment land in Brighton & Hove to sensitive surrounding uses such as residential areas, limiting the range of industrial activities which can be appropriately accommodated. Therein around 124 general industrial properties in Brighton & Hove contribute around 50,000m^2 of floorspace.

7.6.9 The average premises size of general industrial properties in Brighton & Hove (circa. 400m^2) is much smaller than is typical for the FEMA (circa. 700m^2) and regionally (1,100m^2). In turn, 96% of general industrial properties in Brighton & Hove are less than 1,000m^2. This also reflects considerable spatial constraints on industrial sites.

7.6.10 A lack of general industrial floorspace in Brighton & Hove is reflected in a consistently low vacancy rate (<5% between 2013 and 2023). There is presently virtually no vacant general industrial space, which is likely to persist. High demand for limited space has the effect of driving higher market rental values when compared to regional and national averages, and leads to prospective occupiers seeking space in alternative locations across the South East.

Storage and distribution market summary

7.6.11 Occupiers of storage and distribution properties typically have greater requirements for space pertaining to space-intensive uses. In line with this the average premises size of such properties in Brighton & Hove is approximately 2,100m^2, with 81% of the premises having floorspaces between 1,000 and 10,000m^2 in size. Nonetheless the average premises size is smaller when compared to the FEMA, South East region and nationally, in line with the condition of constrained land supply in Brighton & Hove.

7.6.12 There are 63 storage and distribution properties recorded in Brighton & Hove, amounting to 130,000m^2 of floorspace. This represents 10% of the storage and distribution floorspace within the FEMA. High and persistent levels of demand for storage and distribution floorspace, compounded by the rise of e-commerce, is reflected in low and declining vacancy rates across all geographies. In Brighton & Hove, the vacancy rate remains below the regional and national average.

7.6.13 Occupiers of storage and distribution floorspace pay a premium for such space, i.e. the average market rental value of storage and distribution floorspace in Brighton & Hove exceeds the recorded rates exhibited in the FEMA and South East region. Similarly to general industrial floorspace, property agents confirm that prospective tenants in conditions of high rents and lack of available suitable space are seeking premises in alternative locations in the South East.

8. Property market analysis: sectors and market demands

8.1. Introduction

8.1.1. This section of the report considers current interactions and future influences on the ways in which the property market and employment needs in Brighton & Hove interact. Firstly, key requirements and considerations of key sectors within the City creative industries, digital technology, knowledge, green and circular economy, are described. The future trends within the logistics sector and its relevance on employment land and premises requirements in Brighton & Hove are also considered. Secondly, discussion on affordable workspace including types, needs and approaches is provided. Lastly, the implications of minimum energy efficiency standards and strategies for retrofitting are discussed in order to appreciate how wider trends could affect the availability of suitable employment space.

8.2. Requirements of particular sectors

8.2.1. This section sets out the profile and space/land requirements of specialist sectors promoted in the council's policies and strategies, namely the creative industries, digital and information technology, knowledge, green and renewable energy sectors. The purpose of this analysis is to understand the importance and future role of these sectors in Brighton & Hove's economy, as well as their strengths, weaknesses and particular needs in terms of location and space typologies.

Creative industries

8.2.2. Creative spaces are where culture is '*consumed (experienced, participated in, showcased, exhibited, and sometimes sold), spaces where culture is produced (usually by artists, performers, or makers), and workspaces'* including '*theatre, dance and music venues, museums, galleries and arts centres, cinemas, rehearsal space, workshops and co-working spaces*'[77].

8.2.3. The We Made That Space for Culture report'[78] is an important resource for understanding the development, nature and demands of the creative industries in Brighton & Hove. The report notes the long-standing reputation of Brighton & Hove as an incubator for the cultural and creative industries, including that 19% of businesses and 7% of jobs in Brighton & Hove are considered to be in the creative and cultural sectors.

8.2.4. Creative spaces are located disparately across Brighton & Hove although there is a clear clustering of businesses in the city centre. It is noted that despite the industry demand in the city for creative and cultural space, constrained supply means that these industries are increasingly under pressure. The report outlines that for many businesses in the creative industries sector, the most in-demand space requirements are managed space and incubators and co-working spaces, all of which offer affordable and flexible options that encourage entrepreneurial activity. Additionally, these types of spaces can offer supporting infrastructure such as business advice and mentoring, or networking and collaboration opportunities.

8.2.5. The We Made That Report further identifies the six key types of space that are in demand by the creative industries; artist studios, creative clean office space,

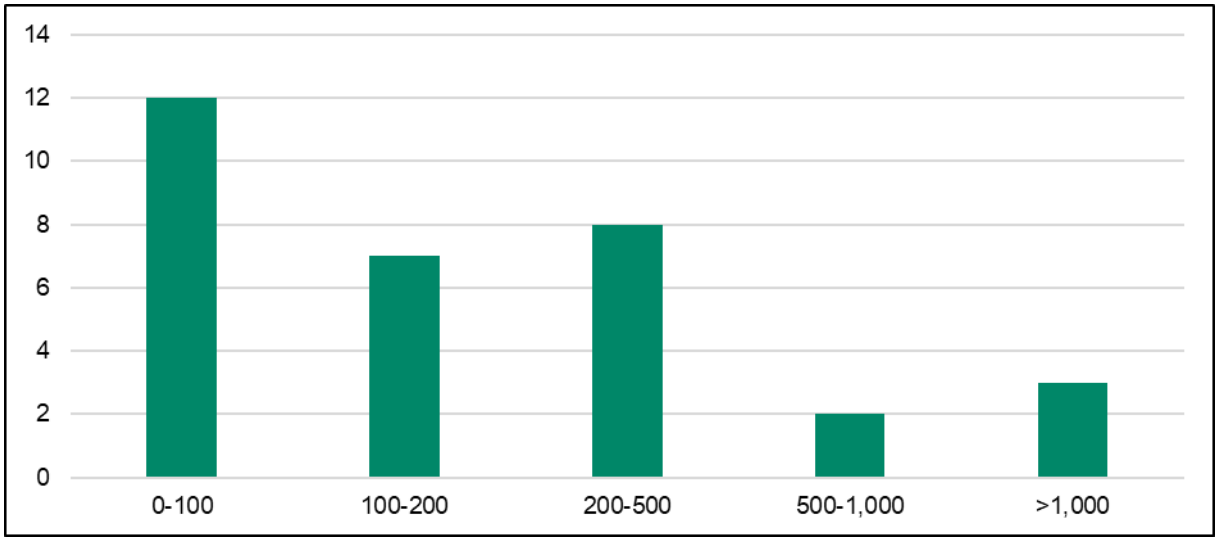
[77] We Made That Urban Research Unit, (2023); Brighton and Hove Space For Culture.
[78] We Made That Urban Research Unit, (2023); Brighton and Hove Space For Culture.

rehearsal space, production space, performance space, and presentation space. As is evident, there is huge variety in the nature and size of these space requirements dependent on the types of creative production or consumption activities undertaken. Subsequently, creative industry space cannot be considered a homogenous category of requirement, reflecting need for both office and industrial floorspace.

8.2.6. Brighton & Hove Cultural Alliance is a network of residents that are either involved in or seeking to support the creative industries in the city. The Cultural Alliance was established independent of Brighton & Hove City Council and is completely self-run by the creative sector. The primary aim of the Alliance is to promote cross-cultural collaboration between the creative industries. Greater collaboration within and between creative industries in the arts sector is significant to its locational requirements, as this may allow for resource pooling and sharing.

8.2.7. The following analysis is with respect to data available within the CoStar database, for new leases (rather than renewals) signed since January 2013, where the tenant is identified within the 'arts, entertainment and recreation' sector (as defined by CoStar), and the use is relevant to this study (office or industrial, excluding retail)[79]. The arts, entertainment and recreation sector, assumed here to reflect the requirements of the creative and cultural sector, has requirement typically for floorspaces less than 100m^2 in size, as reflected in the modal average leasing activity of the ten years preceding 2023. This is shown in Figure 8-1.

Figure 8-1 Modal average floorspace requirements by lease deals for the arts, entertainment and recreation sector in Brighton & Hove (m^2, 2013 – 2023)

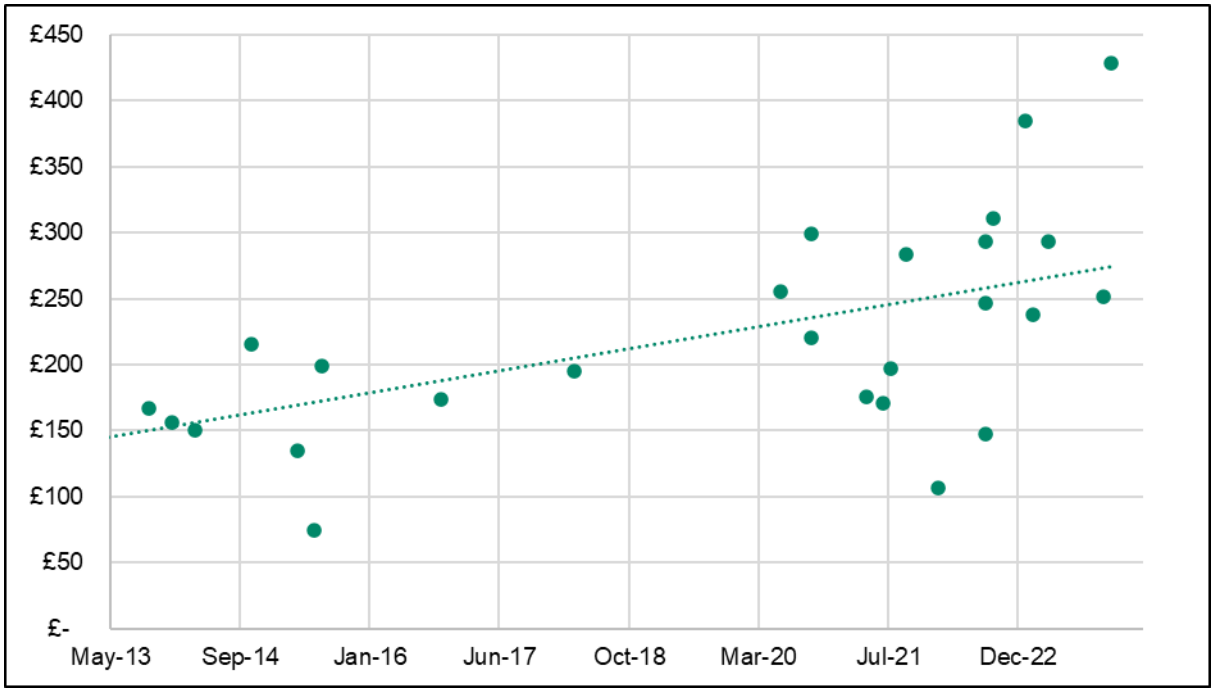


Source: CoStar, (2023).

8.2.8. Within this sector, there has been more leasing activity and variability in achieved rents since 2020, as shown in Figure 8-2. Achieved rents are expectedly increasing over time, although more recently relatively very high rents have been achieved across two specific deals (properties on Gloucester Road, Brighton and Westbourne Park, Hove).

[79] The analysis of lease deals is subject to some limitations relating to the attribution of lease deals to specific sectors whereby assumptions have been made by CoStar about the nature of activities undertaken by firms. Moreover, the total number of leases presented in each figure may not equate due to gaps in the data, although these instances are few.

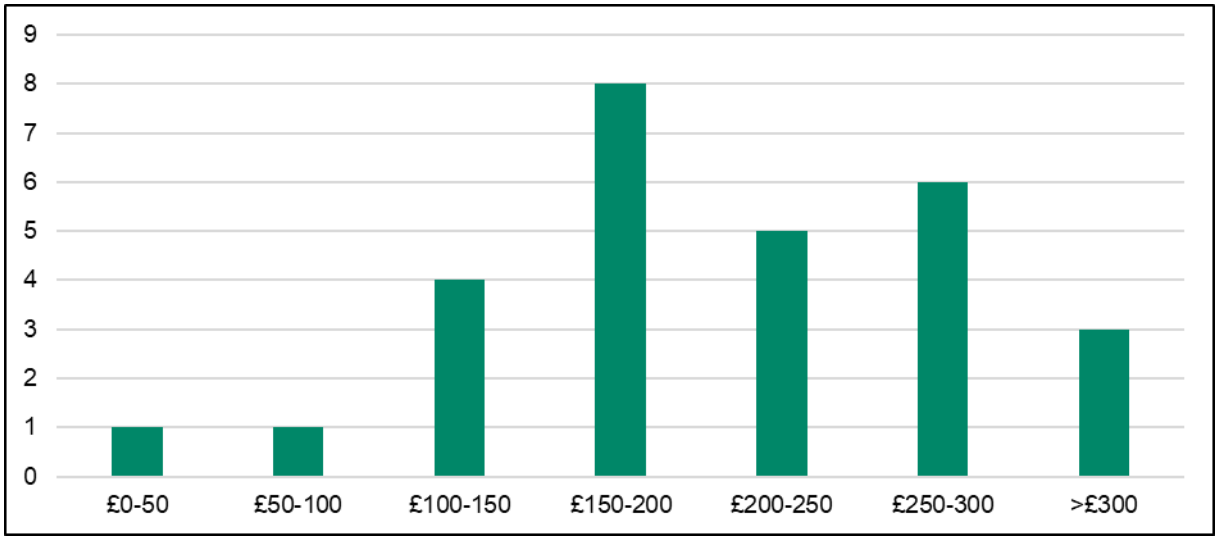
Figure 8-2 Trend in achieved rents by lease deals for the arts, entertainment and recreation sector in Brighton & Hove (£/m²/yr, 2013 – 2023)



Source: CoStar, (2023).

8.2.9. The most common achieved rents in lease deals by tenants in the creative and cultural industries are between £150-200/m²/yr. This is shown in Figure 8-3.

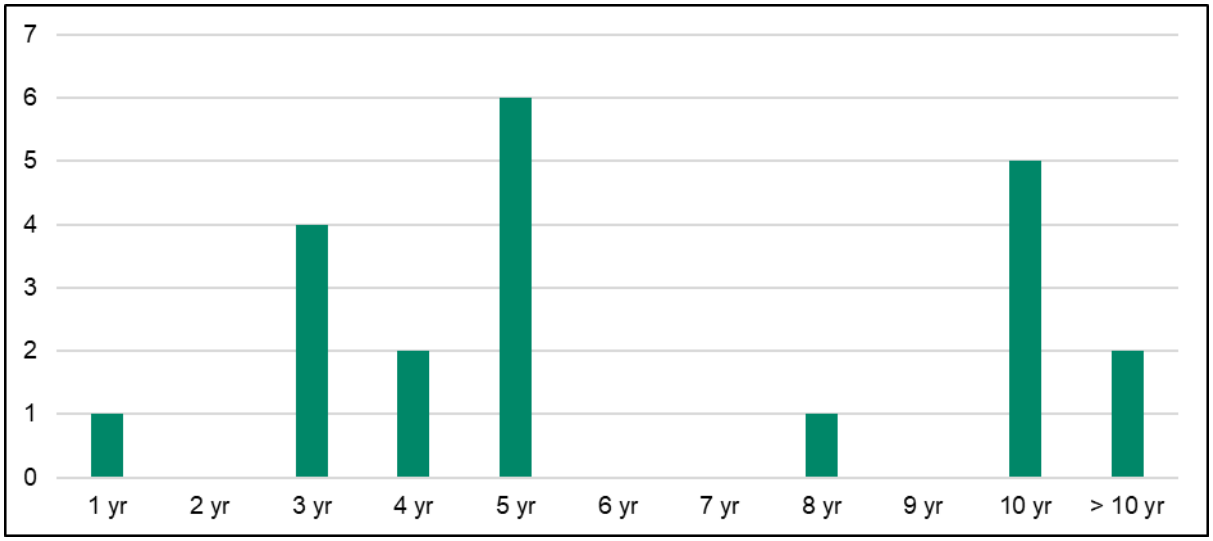
Figure 8-3 Modal average achieved rents by lease deals for the arts, entertainment and recreation sector in Brighton & Hove (£/m²/yr, 2013 – 2023)



Source: CoStar, (2023).

8.2.10. The tenure duration of lease deals within the creative and cultural sector is typically five, ten or three years, in order of prevalence. There is a preference for shorter-term leases, highlighting favourability of flexibility among such occupiers. The preference of shorter leases by occupiers can have various implications on the commercial property market, namely: proliferation of shorter leases in response to demand can reduce stability and predictability which may affect investor confidence in future development/uptake of such stock; and uncertainty could lead to fluctuations in rental values and therein yield. This is shown in Figure 8-4.

Figure 8-4 Modal average tenure duration by lease deals for the arts, entertainment and recreation sector in Brighton & Hove (2013 – 2023)



Source: CoStar, (2023).

Digital

8.2.11. As set out in the UK's Digital Strategy[80], the UK's economic future, jobs, wage levels, prosperity, national security, cost of living, productivity, ability to compete globally and geo-political standing are all reliant on continued and growing success in digital technology. Growth in the digital economy has the potential to drive requirements for office space as noted by CBRE[81], who highlight the tech sector's growing adoption of flexible space with access to shared amenities, which offer agility and cost effectiveness.

8.2.12. The technological changes associated with a 'fourth industrial revolution' will see increased digitisation and application of artificial intelligence, big data, data science and data analytics, as well as robotics, across the manufacturing and logistics sectors. This could have implications for manufacturing and warehousing floorspace, with technologies having the potential to increase productivity and the efficiency of space utilisation. Demand for data centres will increase as the rapid growth of data in domestic and commercial spheres continues[82]. There may also be demand for smart warehouses in proximity to urban centres[83], which have (automated) micro-fulfilment capabilities, typically occupying small warehouse facilities. Smart enablement is viewed as one option for maximising limited space in urban centres and offering building resilience.

8.2.13. Brighton & Hove has a high location quotient (amount of employment relative to national average) in gaming software development. In a competitive labour market exemplified by the gaming sector, the commercial property market is seen as crucial as a tool for securing recruitment[84]. In terms of locational preferences, the gaming sector favours proximity to talent, industrial clusters, proximity to market and amenities conducive to higher quality of life[85]. Employees in gaming software development, as more widely in the digital sector, are highly mobile and increasingly the attractiveness and character of buildings or studio workspaces are seen as more essential than the shiniest Grade A office space, notwithstanding that the

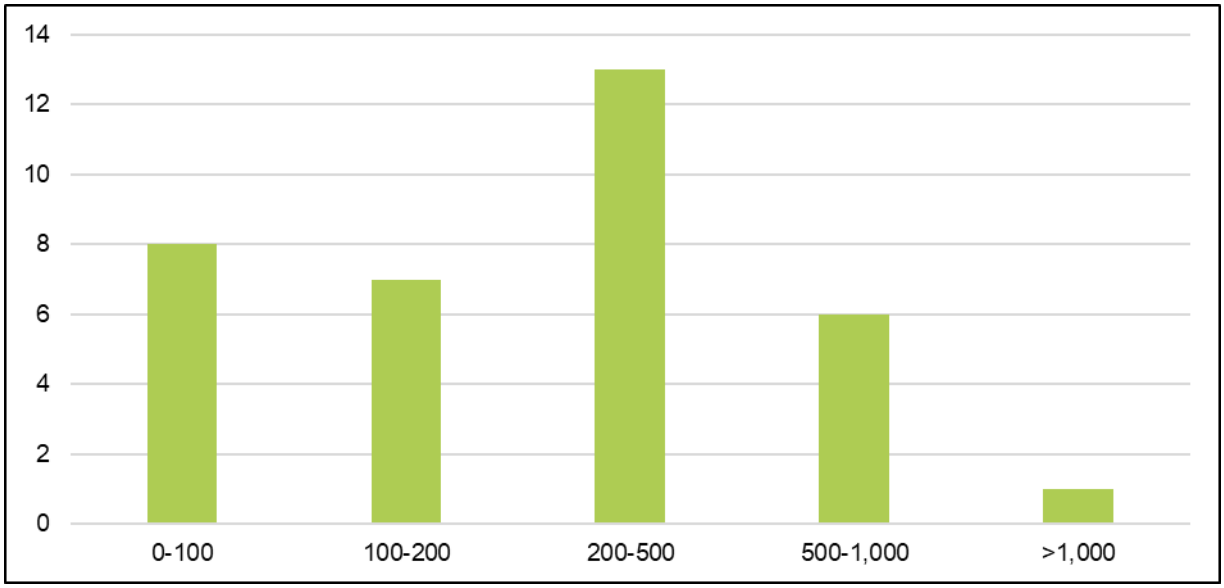
[80] Department for Digital, Culture, Media & Sport, (2022); UK's Digital Strategy.
[81] CBRE, (2023); Flexible Office Trends in Tech 2023. Available at: https://www.cbre.co.uk/insights/reports/flexible-office-trends-in-tech-2022
[82] Savills, (2022); European Data Centres. Deep dive in the data sphere.
[83] Knight Frank, (2021); Tech solutions enabling better use of small, urban spaces. Available at: https://www.knightfrank.com/research/article/2021-10-21-tech-solutions-enabling-better-use-of-small-urban-spaces
[84] CBRE, (2022); Game changer: how real estate and location decisions will help the gaming sector keep on winning.
[85] CBRE, (2022); Game changer: how real estate and location decisions will help the gaming sector keep on winning.

correct facilities are available including strong energy and network connectivity, bespoke studio facilities comprising individual and team space, audio rooms, play/test rooms and outlier spaces such as motion capture studios[86,87,88].

8.2.14. Research around the adoption of artificial intelligence[89] suggests impacts on employment space demand might include: physical clustering of companies around established markets, including where skills are prevalent near tech hubs, innovation centres and universities; demand for data centres and properties with digital infrastructure connectivity; intelligent or smart buildings; and the expansion of 'space as a service' lease models.

8.2.15. Consultation with property agents in Brighton & Hove revealed that demand is perhaps strongest and most persistent within the digital sector, with very high interest amongst prospective occupiers comprising IT, software development, and gaming firms. The following analysis is with respect to data available within the CoStar database, for new leases (rather than renewals) signed since January 2013, where the tenant is identified within the 'information' sector (as defined by CoStar), and the use is relevant to this study (office or industrial, excluding retail)[90]. The information sector, assumed here to reflect the requirements of the digital sector, has requirement typically for floorspaces between 200-500m^2 in size, as reflected in the modal average leasing activity of the ten years preceding 2023. This is shown in Figure 8-5.

Figure 8-5 Modal average floorspace requirements by lease deals for information sector in Brighton & Hove (m^2, 2013 – 2023)



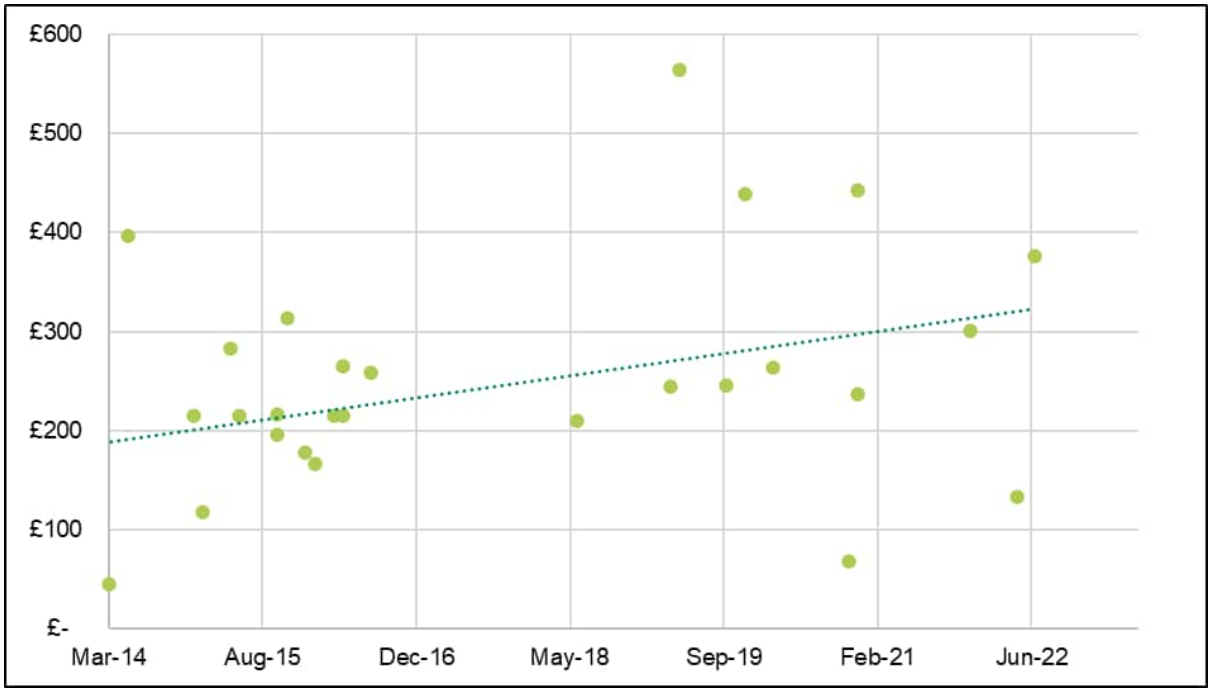
Source: CoStar, (2023).

8.2.16. Within this sector, there has been increasing variability in achieved rents over the ten years preceding 2023, despite showing a broadly increasing trend. This is shown in Figure 8-6. The highest achieved rents (over £400/m^2/yr) were for properties on Trafalgar Mews, North Street, and Middle Street. Digital industries are clustered in the New England Quarter area (New England House) and in central

[86] Savills, (2021); The growth of the video gaming industry and the vital role of real estate.
[87] Savills, (2020); Gaming: a new player on the real estate market.
[88] CBRE, (2022); Game changer: how real estate and location decisions will help the gaming sector keep on winning.
[89] JLL, (2023); Artificial Intelligence: Real Estate Revolution or Evolution? Available at: https://www.jll.co.uk/en/trends-and-insights/research/artificial-intelligence-and-its-implications-for-real-estate#impact-in-the-real-estate
[90] The analysis of lease deals is subject to some limitations relating to the attribution of lease deals to specific sectors whereby assumptions have been made by CoStar about the nature of activities undertaken by firms. Moreover, the total number of leases presented in each figure may not equate due to gaps in the data, although these instances are few.

Brighton. New England House is hosting the digital catapult centre and Brighton 5G Testbed.

Figure 8-6 Trend in achieved rents by lease deals for the information sector in Brighton & Hove (£/m²/yr, 2013 – 2023)



Source: CoStar, (2023).

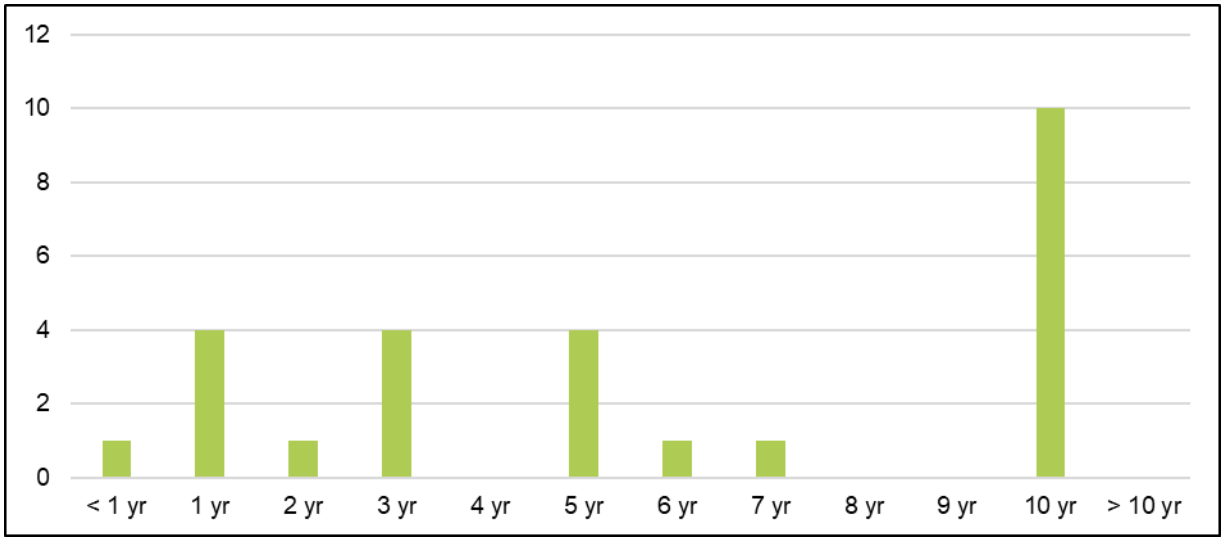
8.2.17. There are relatively high rental values achieved within leases involving the information sector; typically rental values involving this sector are between £200-250m²/yr. This is shown in Figure 8-7.

Figure 8-7 Modal average achieved rents by lease deals for the information sector in Brighton & Hove (£/m²/yr, 2013 – 2023)

Source: CoStar, (2023).

8.2.18. There is a clear trend for tenants operating in the information sector to prefer leases of ten years in duration, reflecting the vast majority of lease deals in the ten years preceding 2023, as shown in Figure 8-8.

Figure 8-8 Modal average tenure duration by lease deals for the information sector in Brighton & Hove (2013 – 2023)



Source: CoStar, (2023).

Knowledge sector

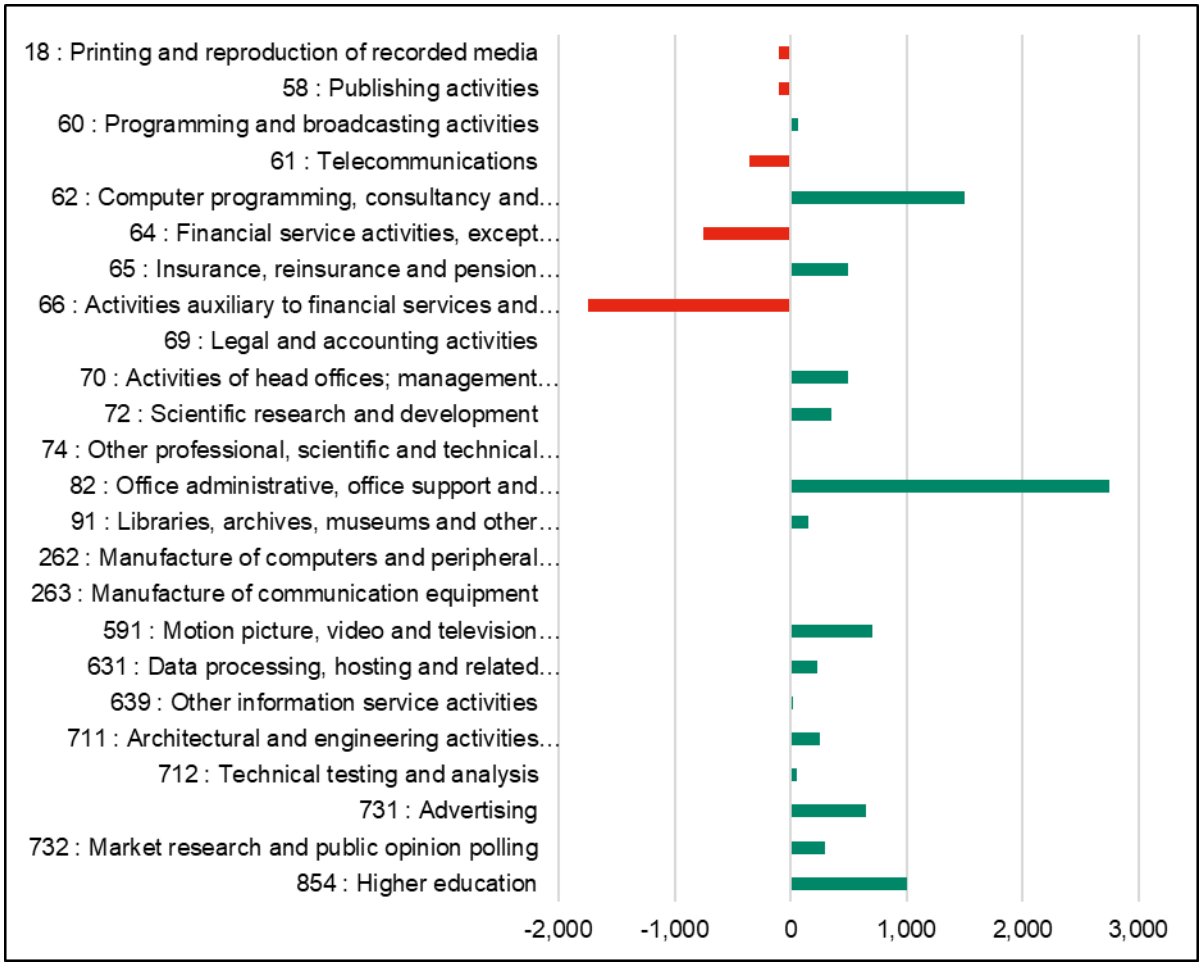
8.2.19. The role of innovation is highlighted in the UK's Innovation Strategy[91] for securing prosperity and addressing challenges relating to climate, biodiversity and security. Economic growth at the local level is secured through innovation and R&D investment; and competitiveness predicated on retaining talent and knowledge within local workforce.

8.2.20. Brighton & Hove contains two primary universities: University of Brighton and University of Sussex. These universities are significant employers and incubators for Brighton & Hove's knowledge economy. The city contains 35,000 students. Key facilities include the Sussex Innovation Centre on the University of Sussex campus which supports entrepreneurs, start-ups and scale-up businesses with advice, incubation networking and consultancy, as well as workspaces. There is increasing demand on the city to facilitate the universities' expansion, particularly in the provision of student accommodation. Currently, the University of Brighton is made up of three campuses; City, Falmer, and Moulsecoomb, it also has a connecting campus in Eastbourne (which is due to close at the end of the 2023-24 academic year, with all courses being relocated to the Brighton campuses). Recent developments at Preston Barracks have significantly increased the provision of high-quality learning and R&D space, particularly relating to the Plus X facility which offers a range of serviced and flexible workspaces to facilitate close collaboration with university research. Physical co-location and agglomeration of synergistic activities are essential for knowledge sharing and catalysing innovation[92].

8.2.21. Employment in the knowledge economy in Brighton & Hove is growing. Kent County Council's definition[93] of the knowledge economy highlights industrial activities by standard classification code. As shown in Figure 8-9, most of these activities have exhibited increasing employment in Brighton & Hove over the period between 2015 and 2022, including an additional 1,000 jobs in higher education. Growth in these sectors necessitates appropriate space, preferably in proximity to existing clusters. The CPP1 recognises the role of the Lewes Road corridor as the city's academic corridor.

[91] Department for Business, Energy and Industrial Strategy, (2021); UK Innovation Strategy: Leading the Future by Creating It.
[92] HM Government, (2020); UK Research and Development Roadmap.
[93] Kent Analytics/Kent County Council, (2023); The Knowledge Economy. Statistical Bulletin April 2023.

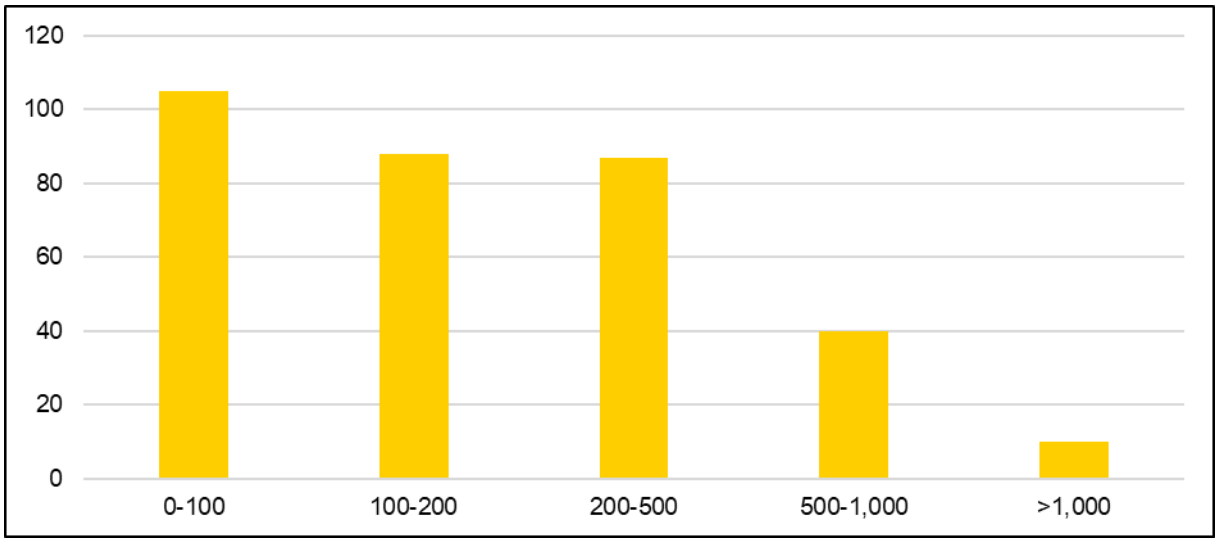
Figure 8-9 Change in employment in knowledge sector in Brighton & Hove (2015 – 2022)



Source: Office for National Statistics, (2022); Business Register and Employment Survey 2022. Office for National Statistics, (2015); Business Register and Employment Survey 2015.

8.2.22. The following analysis is with respect to data available within the CoStar database, for new leases (rather than renewals) signed since January 2013, where the tenant is identified within the 'education' and 'professional, scientific and technical' sectors (as defined by CoStar), and the use is relevant to this study (office or industrial, excluding retail). As shown in Figure 8-10, space requirements in terms of floorspace size are indicated to be highly variable and therefore reflect the range of activities within these sectors depending on suitable facilities.

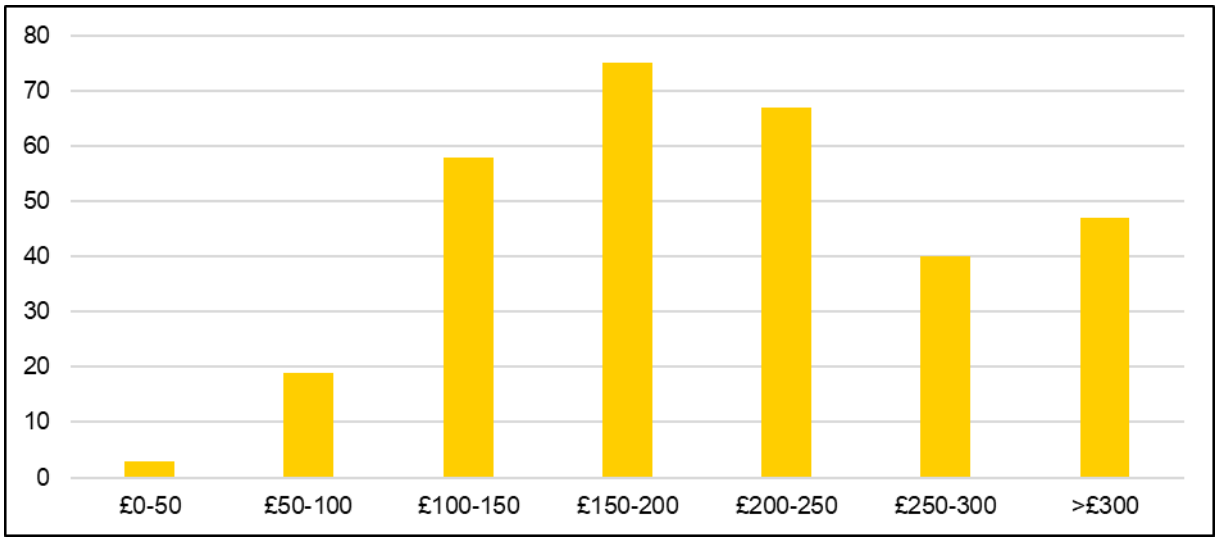
Figure 8-10 Modal average floorspace requirements by lease deals for the education, and professional, scientific and technical sectors in Brighton & Hove (m^2, 2013 – 2023)



Source: CoStar, (2023).

8.2.23. The modal average rental values achieved in lease deals associated with the knowledge sector are between £150-250/m^2/yr, as shown in Figure 8-11. There is evidence to suggest that although price point is an important consideration in accommodating start-up style businesses, co-location and more favourable lease terms can also be attractive benefits that warrant premiums placed[94].

Figure 8-11 Modal average achieved rents by lease deals for the education, and professional, scientific and technical sectors in Brighton & Hove (£/m^2/yr, 2013 – 2023)

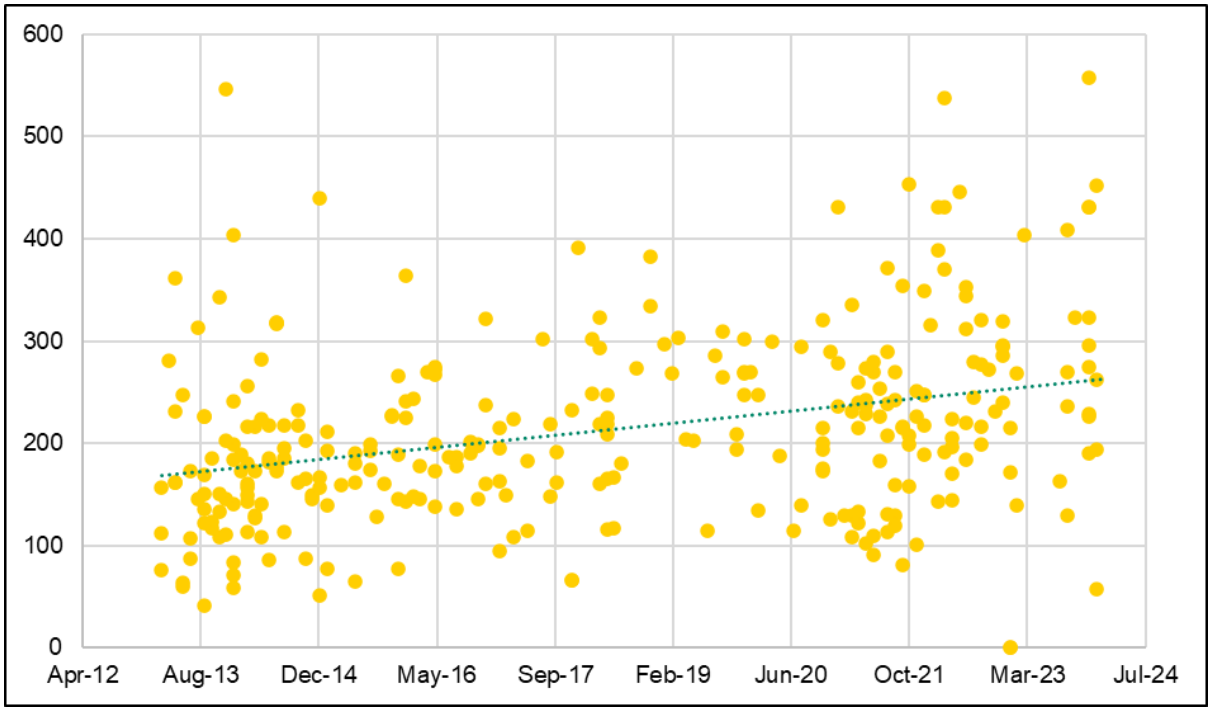


Source: CoStar, (2023).

8.2.24. The range of premises associated with occupiers within the knowledge economy is reflected in the variability within the trend in achieved rents. This is shown in Figure 8-12. The highest recent achieved rents within lease deals were for properties on Middle Street and Queens Road.

[94] Cambridge Ahead, (2017); Cambridge Incubator Space: Engineering, IT & Digital.

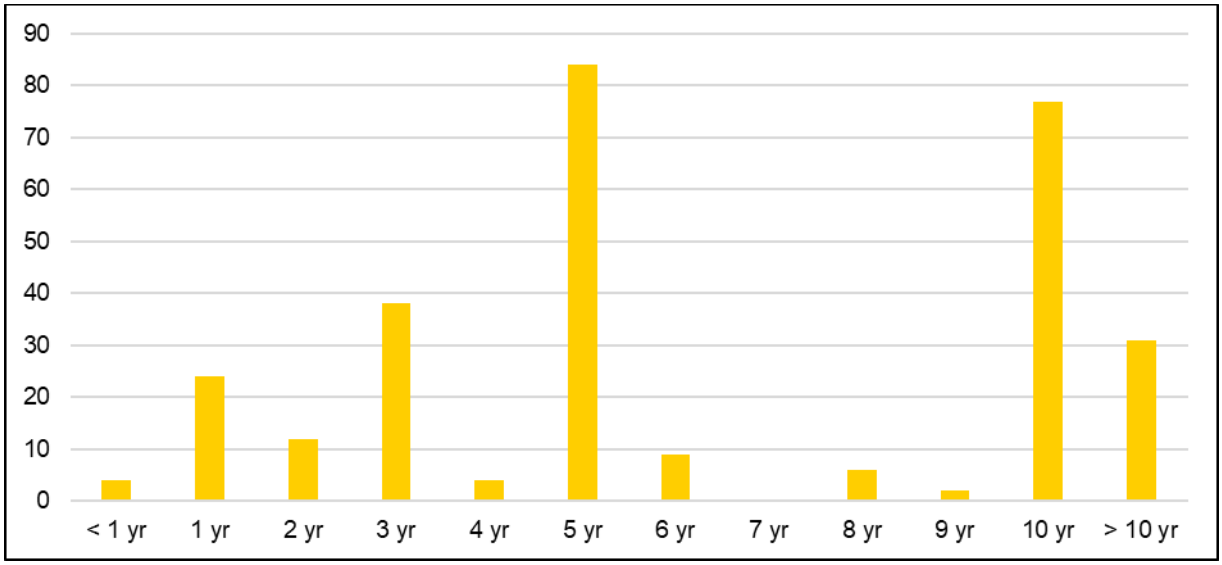
Figure 8-12 Trend in achieved rents by lease deals for the education, and professional, scientific and technical sectors in Brighton & Hove (£/m^2/yr, 2013 – 2023)



Source: CoStar, (2023).

8.2.25. Most of the tenure duration of lease deals secured within the ten years preceding 2023 were for either five or ten years. This is shown in Figure 8-13.

Figure 8-13 Modal average tenure duration by lease deals for the education, and professional, scientific and technical sectors in Brighton & Hove (2013 – 2023)



Source: CoStar, (2023).

Green and Circular Economy, construction trades

8.2.26. In order to meet the UK's Net Zero commitments, there will be a requirement for the transformation of all sectors of the economy. Net Zero therefore has key a number of implications, including becoming a likely driver of inward investment. The Economy 2030 Inquiry[95] has reported the number of additional workers required in specific sectors for the country to achieve Net Zero status:

[95] The Economy 2030 Inquiry, (2022); Net Zero Jobs: The impact of the transition to net zero on the UK labour market.

- Power: 260,000 energy jobs are needed between now and 2050. These jobs will require skills in both smart and traditional networks engineering. The Government is planning to mobilise additional public and private investment of £150-£270 billion across the power sector, in line with its 2037 delivery pathway[96].
- Buildings retrofit: 230,000 jobs needed by 2030 to improve building fabric, energy efficiency and the integration of low carbon systems such as heat pumps.
- Smart systems technologies: the domestic market for smart systems and flexibility solutions could support 10,000 jobs by 2050.
- Automotive: jobs in automotive and electric vehicle (EV) battery sector could grow by 29% by 2040.
- Circular economy: up to 102,000 jobs needed in repair, re-manufacture, and refill sectors by 2030.

8.2.27. The scale of investment and job creation associated with Net Zero and decarbonisation across the UK economy has the potential to open opportunities for growth and inward investment in Brighton & Hove. As noted by McKinsey[97], three sector groups are due to account for approximately 75% of the total spending on physical asset under certain Net Zero scenarios: power, mobility and buildings. This has potential implications for space requirements in Brighton & Hove:

- Power: the scale of investment suggests the potential for more land to be needed to support electricity infrastructure and substations in order to achieve the decarbonisation of homes and workplaces
- Mobility: land requirements to support the electrification of UK vehicles and supply chains, and the industrialisation of zero emission vehicle technologies. EV charging and green refuelling are driving demand for land across the industrial and logistics industries and require significant supporting infrastructure
- Buildings: with 230,000 jobs needed across the UK by 2030 and forecast public and private investment of approximately £200 billion by 2037, the decarbonisation of buildings will require additional land to support construction businesses and their supply chains, with storage/yard space a key requirement as set out earlier within this section

8.2.28. Given the scale of retrofitting likely to be required within Brighton & Hove in the coming years and the limited supply of industrial land, it may prove challenging to retain the employment needed to support this. While some of Brighton & Hove's existing businesses operate within the Green and Circular Economy on a day-to-day basis, the lack of development opportunities and low vacancy rates among industrial premises will make it challenging for the authority to be able to capture a commensurate share of the employment opportunities arising from the need for premises.

8.2.29. The construction sector in Brighton & Hove grew by 29% between 2015-2021[98], although this is a notable increase, it is still below the average of the FEMA which increased by 34% over the same time period. Increased demand for retrofitting in accordance with green and circular economic regulations is likely to continue to bolster employment within this sector.

8.2.30. Nonetheless, against the backdrop of declared climate emergency and political impetus to engage with decarbonisation of the economy, there remains important opportunities within Brighton & Hove to harness renewable and low carbon

[96] HM Government, (2021); Net Zero Strategy: Build Back Greener.
[97] McKinsey, (2022); The economic transformation: What would change in the net-zero transition.
[98] Office of National Statistics, (2021); Business Register and Employment Survey 2021.

technologies and promote employment within the growing sector, particularly through collaboration with neighbouring authorities[99].

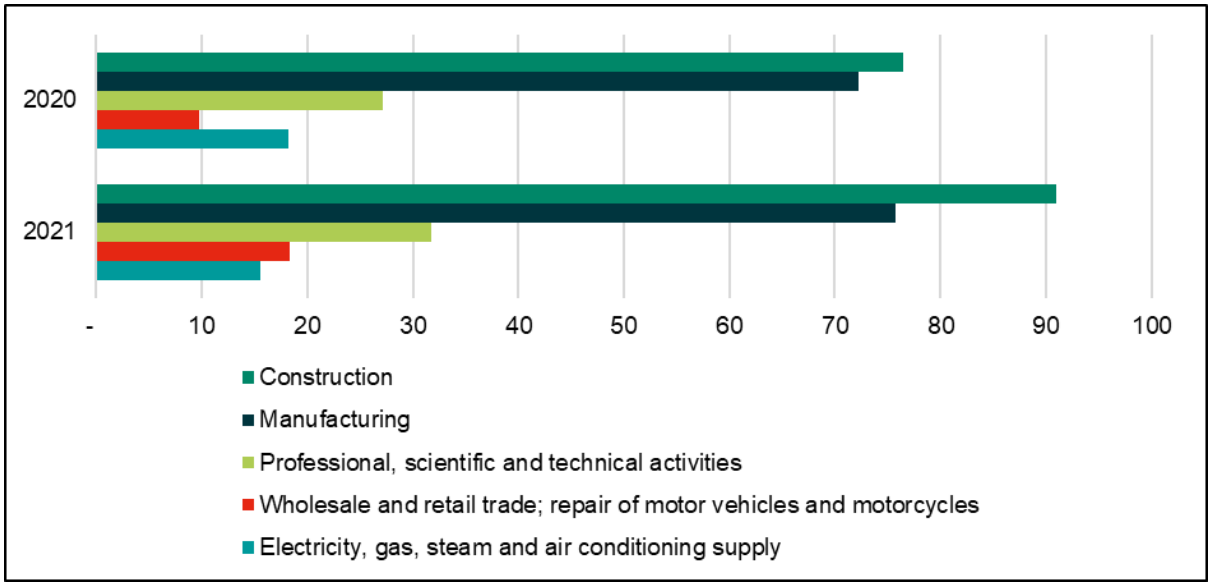
8.2.31. The Greater Brighton and wider Sussex area is well represented in advanced engineering, education and research and is home to several hydrogen technology companies and has a strong capacity for innovation which could be developed to expand its engineering excellence. A number of local initiatives are underway; for example, Shoreham Port is working on the development of a Local Industrial Decarbonisation Plan, focusing on the activities of its tenants and the opportunities that green energy may present. Similarly, Shoreham Port Industrial Cluster was successful in securing a share of funding allocated to the competitive competition and have brought together expertise from partners including Brighton & Hove City Council, the University of Sussex, Ricardo, Adur & Worthing Councils, Barrett Steel Limited, Local Fuels and CEMEX UK[100]. Also Hydrogen Sussex have identified a strategy for targeting opportunities for inward investment in the local hydrogen sector[101].

8.2.32. The CPP1 identifies small scale renewable energy provision such as solar and wind technologies at the seafront, and new opportunities at Shoreham Harbour. The Rampion Offshore Wind Farm operational and maintenance functions are based nearby at Newhaven Port in Lewes. Businesses in Brighton & Hove could also support decarbonisation at the local scale in terms of retrofitting, installation of heat pumps, district heat networks and other domestic technologies. A Decarbonisation Pathways Study is being conducted in order to, amongst other objectives, look at energy and fuel use in homes, businesses and public services; identify areas of the city that might be suitable for heat networks; and consider future changes to government regulations such as improved building standards. The potential outcome of the Study could lead to measures taken to make energy systems and buildings more efficient, increase renewable energy generation, which would have direct and indirect benefits for supporting local employment.

8.2.33. Due to the recognised difficulties in defining this emerging and evolving sector using established statistical categories of industrial activities[102], it is challenging to track property requirements/trends, such as rental values, at a low level of geographical granularity. Based on consultation exercises, the Office for National Statistics record that the preferred definition of a green job is *'employment in an activity that directly contributes to - or indirectly supports – the achievement of the UK's net zero emissions target and other environmental goals, such as nature restoration and mitigation against climate risks'*[103]. Statistical datasets therefore focus on the Low Carbon and Renewable Energy Economy (LCREE) and Environmental Goods and Services Sector (EGSS). It is reported at the national level, that between 2020 and 2021, LCREE industrial activities grew in employment most prominently within the construction sector. This is shown in Figure 8-14.

[99] Greater Brighton Economic Board, (2020); Greater Brighton Energy Plan.
[100] Brighton & Hove City Council, (2024); Successful funding bid to cut emissions and energy bills at Shoreham Port. Available at: https://www.brighton-hove.gov.uk/news/2024/successful-funding-bid-cut-emissions-and-energy-bills-shoreham-port
[101] Ricardo, (2022); Greater Brighton Hydrogen Strategy: Targeting opportunities for inward investment.
[102] Office for National Statistics, (2022); The challenges of defining a "green job". Available at: https://www.ons.gov.uk/economy/environmentalaccounts/methodologies/thechallengesofdefiningagreenjob
[103] Office for National Statistics, (2022); Response summary: Defining and measuring green jobs. Available at: https://consultations.ons.gov.uk/external-affairs/defining-and-measuring-green-jobs/results/responsesummary-definingandmeasuringgreenjobs.pdf

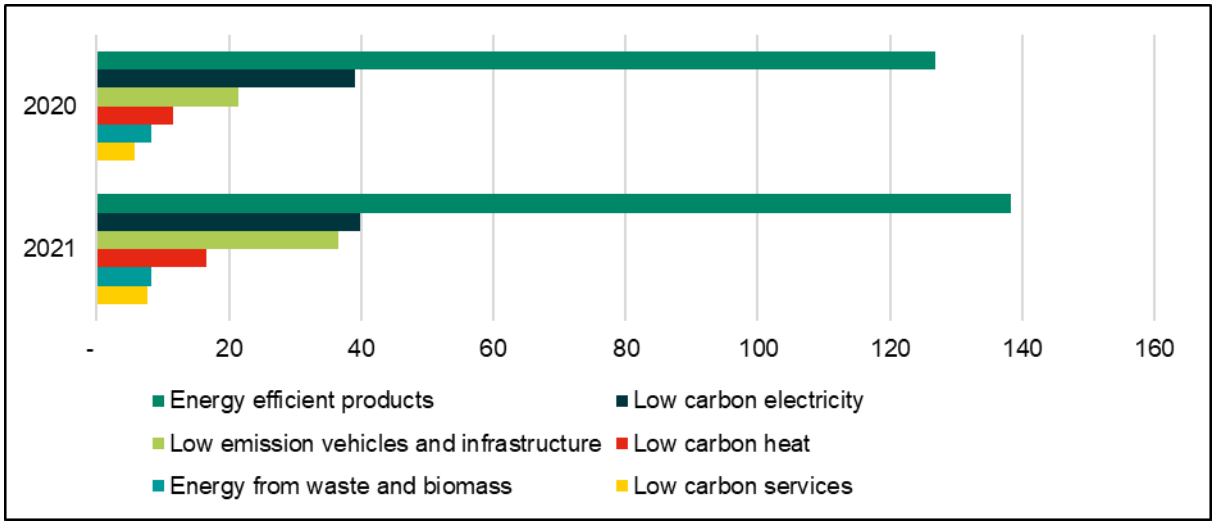
Figure 8-14 Change in LCREE industry employment in UK (FTEs in thousands, 2020 to 2021)



Source: Office for National Statistics, (2023); Low carbon and renewable energy economy, UK: 2021. Figure 4: LCREE industry employment and change, UK, 2020 and 2021, full-time equivalents (FTEs) in thousands.

8.2.34. Growth in employment in LCREE jobs is further categorised by more specific industrial activities, whereby jobs relating to energy efficient products represents the most employment nationally, albeit jobs in low emissions vehicles and infrastructure have recorded the highest proportional growth over the period between 2020 and 2021. This is shown in Figure 8-15.

Figure 8-15 Change in LCREE groups employment in UK (FTEs in thousands, 2020 to 2021)

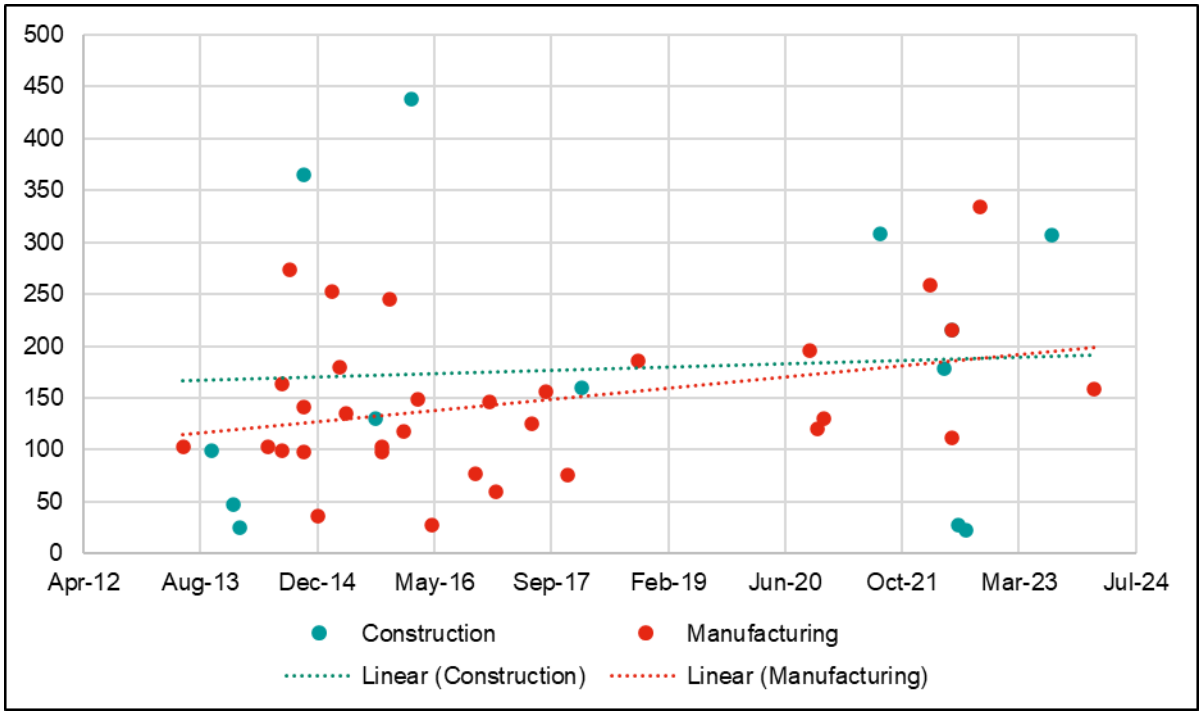


Source: Office for National Statistics, (2023); Low carbon and renewable energy economy, UK: 2021. Figure 2: LCREE group employment and change, UK, 2020 and 2021, full-time equivalents (FTEs) in thousands.

8.2.35. On the basis of the above highlighted sectors and activities, it is deemed appropriate to consider the property market trends pertaining to the construction and manufacturing sectors (as defined by CoStar) as reasonable, albeit imperfect, proxies for applicable considerations within the LCREE. The following analysis is with respect to data available within the CoStar database, for new leases (rather than renewals) signed since January 2013, where the tenant is identified as within the 'construction' or 'manufacturing' sectors (as defined by CoStar), and the use is

relevant to this study (office or industrial, excluding retail)[104]. There are fewer deals attributed to these sectors according to the CoStar database when compared with other key sectors previously highlighted, which is indicative of fewer suitable spaces and/or little new space coming to market. Upward trends in achieved rental values are subdued, as shown in Figure 8-16.

Figure 8-16 Trend in achieved rents by lease deals for the construction and manufacturing sectors in Brighton & Hove (£/m²/yr, 2013 – 2023)

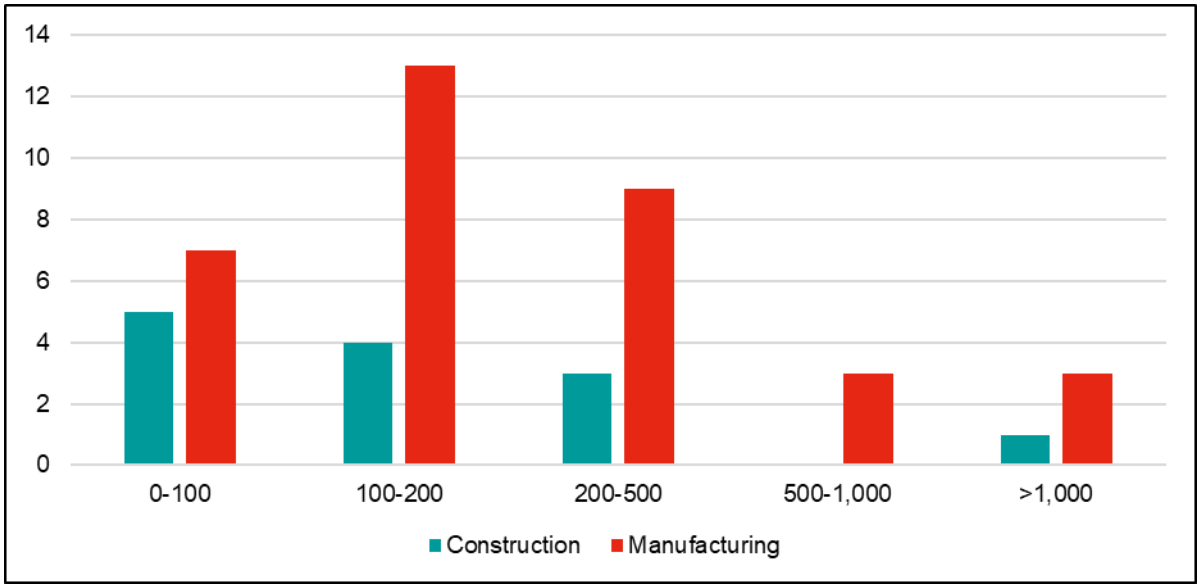


Source: CoStar, (2023).

8.2.36. In terms of space requirements, leasing deals indicate that uptake of smaller space has been most prevalent, although this likely reflects office premises and that suitable spaces for more space-intensive activities is limited. This is shown in Figure 8-17. Considerations for businesses concerned with manufacture of energy efficient products are likely to be locational (close or accessible to customer base) and related to activities undertaken (adaptable, and able to be repurposed for manufacturing of emerging technologies).

[104] The analysis of lease deals is subject to some limitations relating to the attribution of lease deals to specific sectors whereby assumptions have been made by CoStar about the nature of activities undertaken by firms. Moreover, the total number of leases presented in each figure may not equate due to gaps in the data, although these instances are few.

Figure 8-17 Modal average floorspace requirements by lease deals for the construction and manufacturing sectors in Brighton & Hove (m^2, 2013 – 2023)



Source: CoStar, (2023).

Logistics operations

8.2.37. The logistics sector is seen as essential to securing prosperity, achieving levelling up ambitions, and enabling domestic and international trade[105]. Brighton & Hove is strategically located in proximity to a range of infrastructures: by road, the A23 and A27 offer connectivity with major ports and cities along the south coast as well as London to the north; by rail, Gatwick Airport, London and the South East is accessible for goods and passengers; by air, Gatwick Airport is the UK's second busiest airport; by sea, Newhaven Port and Shoreham Harbour are in close proximity. Newhaven Port handles circa 860,000 tonnes per annum on average; Shoreham handles circa 1.9 million tonnes per annum on average (based on five-year average 2017 to 2022)[106].

8.2.38. Logistics operations require premises with desirable attributes: motorway access, proximity to markets, proximity to appropriate skills, proximity to amenities, developable capacious sites, potential for unimpeded 24-hour working, good availability of services including broadband connectivity, and inter-modal facilities[107]. It is recommended by the British Property Federation[108] that sites meeting these criteria should be protected/brought forward by policy. Additionally, it is recognised that the delivery of homes should not be to the detriment of availability of land for freight and logistics, both in terms of competing needs for land and environmental constraints.

8.2.39. Third-party logistics ('3PL')/transport and high street retail are the primary occupiers of warehouse space nationally; 3PL and online retail have represented the main uses which have taken on considerable amounts of additional space in the period between 2015 and 2020[109]. The popularity of e-commerce requires last-mile delivery fulfilment centres near to customer bases. The impact of this is increased demand for distribution premises in central locations. Demand is also focussed on

[105] Department for Transport, (2022); Future of Freight: a long term plan.
[106] Department for Transport, (2023); Port and domestic waterborne freight statistics: data tables (PORT). Tables PORT0101 and PORT0602.
[107] British Property Federation/Savills, (2022); Levelling Up – The Logic of Logistics. A report demonstrating the wider economic, social and environmental benefits of the industrial and logistics sector.
[108] British Property Federation, (2021); BPF Employment Land Manifesto.
[109] UKWA, (2021); The size and make-up of the UK warehousing sector – 2021.

(increasingly) larger floorplates, which are necessarily accommodated where space is less constrained.

8.2.40. Despite Brighton & Hove's strategic locational advantages, evidence from leasing deals completed in the ten years preceding 2023 shows very little activity within the logistics sector. This is indicative that existing sites suitable for the logistics sector are in low supply and not of sufficient scale to allow land assembly to enable such (re)development. Property market agents operating in Brighton & Hove have indicated that significant demand during the COVID-19 pandemic has since subdued slightly, and an acute lack of supply of suitable premises in Brighton & Hove has led to occupiers seeking available premises in Mid Sussex and Newhaven in particular. Locations where there are ongoing new developments such as Crawley are also drawing occupiers from Brighton & Hove once their searches for space are exhausted. Looking forward, although the logistics sector will continue to play a role in the national economy, it is not clear that Brighton & Hove will have appropriate space to establish the City as a regionally significant location for such activities.

8.3. Affordable workspace

8.3.1. This sub-section provides an overview of definitions of affordable workspace, types of affordable workspace and typical sectors which occupy such space. The policy and strategic context for the provision of affordable workspace in Brighton & Hove will then be presented, before considering the market context and wider influences on supply and demand. A view on future demand for affordable workspace will be provided, highlighting typical occupiers and their requirements. Comparable policies around affordable workspace being put forward by local authorities will also be outlined, with a view to informing the council on the development of affordable workspace policies for Brighton & Hove.

What is affordable workspace?

8.3.2. There are a number of available definitions of affordable workspace. For example, the Greater London Authority within the London Plan[110] provide a detailed definition of affordable workspace which forms a helpful basis for further investigation in this context. Affordable workspace is '*workspace that is provided at rents maintained below the market rate for the space for a specific social, cultural, or economic development purpose such as:*

- *for specific sectors that have cultural value such as charities, voluntary and community organisations or social enterprises;*
- *for specific sectors that have cultural value such as creative and artists' workspace, rehearsal and performance space and makerspace;*
- *for disadvantaged groups starting up in any sector;*
- *supporting educational outcomes through connections to schools, colleges or higher education; and*
- *supporting start-up and early stage businesses or regeneration'*.

8.3.3. However, beyond a focus solely on discounted rents, affordability of space is affected by a firm's property needs in relation to their operations. The affordability of commercial property reflects a number of considerations undertaken by firms in the context of their own specific operations, including but not limited to the complex interaction of: labour availability and affordability, property costs and specification, and locational influences on customer base, supply chain, and transportation costs. Therefore, the leasing and building characteristics of workspace also impact on

[110] Greater London Authority, (2021); London Plan.

achieving more affordable conditions, including: rent free periods, flexible lease terms, all inclusive rents, turnover rents, fit out support, shared equipment, unit sizing, and business rates[111].

Background and strategic context

8.3.4. The rationale for supporting affordable workspace can be framed in terms of economic and social value. From an economic perspective, the availability of affordable workspace is intended to provide accommodation for businesses which would otherwise be prohibited by cost of rent from occupying space. In that way, affordable workspace can '*generate economic growth by supporting ventures in early stages, regenerate places by bringing activity and identity to neighbourhoods, offer space to artists and creative professionals who sustain…cultural capital, address disadvantage by supporting community organisations and offering work and training opportunities'*[112]. The British Council for Offices (BCO)[113] have also stated that the availability of affordable and flexible office space is vital for innovation and growth. It helps generate economic growth and jobs by supporting entrepreneurs in the early stages of establishing/growing new businesses.

8.3.5. From a social perspective, there are both wellbeing and productivity benefits from co-location[114]. Accommodating occupiers who would otherwise be prohibited by cost from occupying space, such as voluntary organisations, educational organisations, disadvantaged groups is supportive of social value outputs such as addressing inequality, providing skills and training, and community wealth building[115]. This promotes diversity and inclusion in the workforce[116].

8.3.6. Workspace affordability has become an area of strategic focus across Brighton & Hove in recent years, reflecting constraints in the overall levels of supply, rising rents and evolution of the type and spatial demand across the city. This evidence is set out in the following relevant documents:

- The Brighton & Hove City Plan Part One[117] sets out the ambition to 'retain existing businesses and support indigenous business growth' by bringing 'forward a mix of employment floorspace including the provision of small and medium sized, flexible floorspace and start up business space' which aim to support the 'knowledge-based economy, creative industries and environmental technologies'. Smaller industrial units and workshops throughout the city provide affordable accommodation but are under pressure from redevelopment to other uses, primarily residential uses. With reference to the arts and creative industries, it is indicated that there is a shortage of workspace suitable for medium to large size enterprises operating in these sectors; provision of appropriate space will contribute to maintaining and enhancing the cultural offer of the city.
- The Brighton & Hove City Plan Part Two[118] emphasises within 'Policy DM11 New Business Floorspace' the importance of flexible workspaces being 'designed in' to new business floorspace to allow for sub-division, change of use and meeting diverse and evolving employment needs. Flexibility is encouraged through incorporation of 'flexible occupancy terms; flexible layouts; a mix of offices, studios; workshop space; as well as networking, socialising and meeting space'.

[111] Avison Young, (unknown); What is 'affordable' workspace?
[112] Institute for Public Policy Research, (2016); Start Me Up: The Value of Workspaces for Small Businesses, Entrepreneurs and Artists in London.
[113] British Council of Offices, (2021); July 2021 Briefing note.
[114] Savills, (2021); UK Flex Office Perspectives.
[115] London Borough of Islington, (2022); Delivering impact: Social value in Islington's Affordable Workspaces.
[116] London Borough of Islington, (2022); Delivering impact: Social value in Islington's Affordable Workspaces.
[117] Brighton and Hove City Council, (2016); City Plan Part One.
[118] Brighton and Hove City Council, (2022); City Plan Part Two.

8.3.7. The We Made That *Space for Culture*[119] report highlights that affordability concerns are not only discouraging occupiers from taking up space in Brighton & Hove but causing occupiers, particularly those creative and cultural industry occupiers, to vacate the city entirely. It is clear from this research that unmet demand in the city is highly skewed towards affordable spaces. Affordability in the context of creative industries in Brighton & Hove is a product of: rent, all-in rent, shared facilities, lease incentives, location, lease terms, size and fit-out. Engagement with creative industries in Brighton & Hove conducted by Augarde & Partners as part of a commissioned feasibility study into the establishment of a creative land trust, found that the following market rental values were considered affordable, which should be viewed in the context of the typical rental values reported in the *Space for Culture* report shown in Table 8-1):

- £30-35/ft^2 considered market rent for office/office and retail by Knight Frank;
- £17.50/ft^2 for makerspace at New England House;
- £6-9/ft^2 for industrial production space in Hove;
- £200-300 for a studio at Phoenix Art Space; and
- £250 for music studio at Audio Collective.

Table 8-1 Affordability of creative workspace in Brighton & Hove

Workspace type	Cost	Comments on affordability
Artists' studios	£110 - £350 per month for studios ranging from 7m^2 to 15m^2	Fine artists can afford to pay less than makers and designers; level of fit out important depending on creative output
Creative (clean) office space	£150 to £350 per desk space per month	Affordability more important for freelancers, young businesses and social enterprises
Rehearsal space	Dance and theatre: hourly rate in large studio (100m^2) between £15 to £25. Soundproofed music rehearsal: hourly £10 to £20.	Size, quality, fit-out and union standards. Flexibility important and availability at short notice on a temporary basis.
Production space	Variable by facilities	Open access and professional workshops. Highly variable pricing.

Source: We Made That Urban Research Unit, (2023); Brighton and Hove Space For Culture.

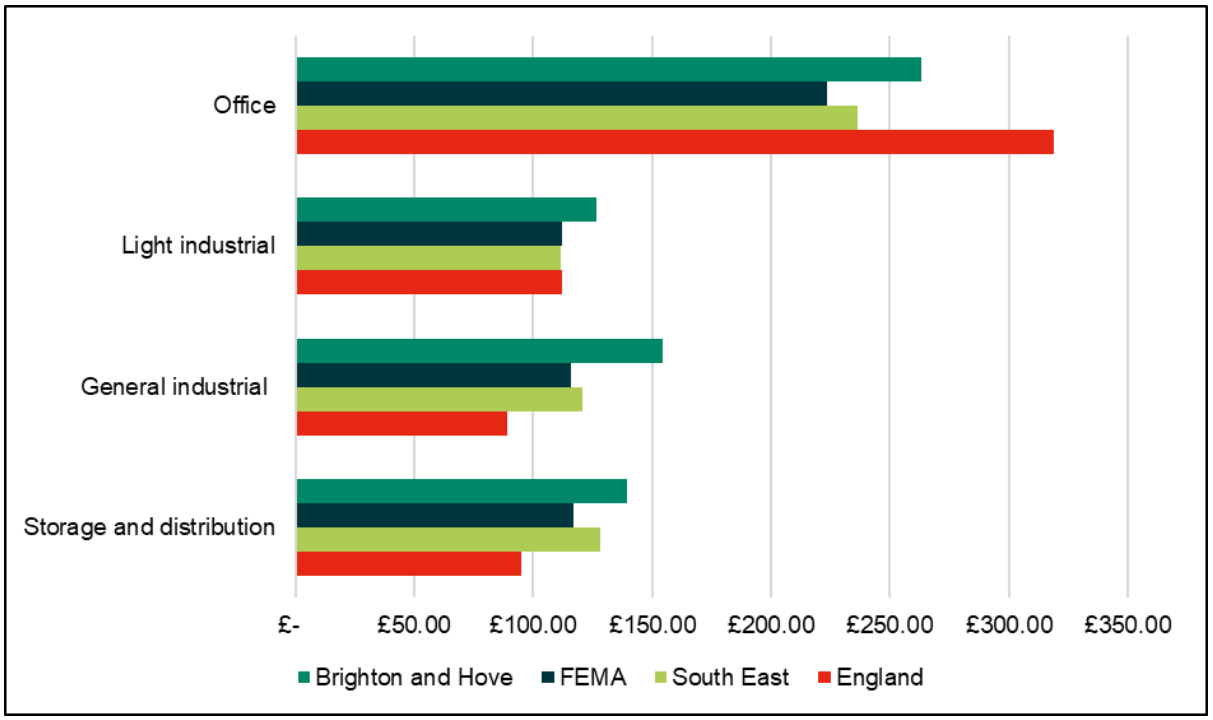
Market context

8.3.8. Acknowledging that although market rental value is a key component of affordability it is not the only constituent, and it is therefore pertinent to consider in further detail how the property market in Brighton & Hove compares to wider geographies in terms of market rental values, and how the qualities of properties (age and size) influence this.

8.3.9. Figure 8-18 provides a breakdown of market rental values by property type in Brighton & Hove in comparison to wider geographies. This corroborates that rental values are typically higher than across the FEMA as a whole; these are also in excess of the South East region where rental values are typically already high. It should be noted that with respect to office rental values, the figure for England is largely inflated by the prevalence of floorspace within London. This would suggest that relative to the FEMA and regional average, there is a higher cost associated with rent for occupiers of commercial property in Brighton & Hove.

[119] We Made That Urban Research Unit, (2023); Brighton and Hove Space For Culture.

Figure 8-18 Market rental value by property type (£/m²/yr, 2023 Quarter 2)

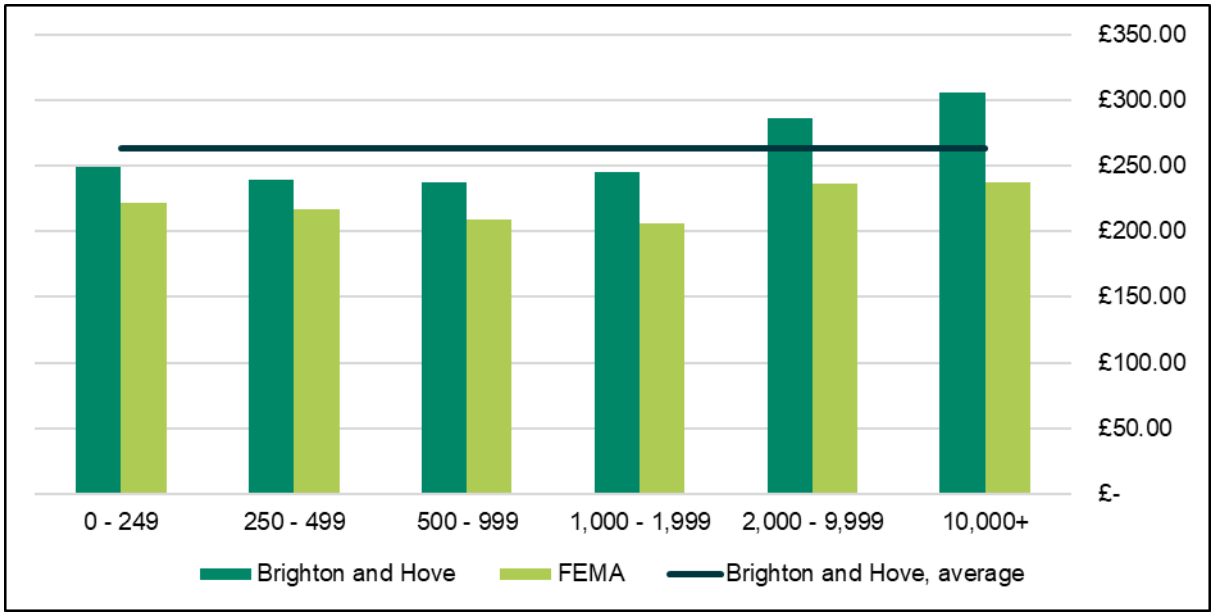


Source: CoStar, (2023).

8.3.10. As set out previously, the technical specifications of commercial properties contribute to the market rental values achieved. The following graphs represents the influence of floorspace size on market rental value, and presents this for Brighton & Hove in comparison to the FEMA.

8.3.11. When considering floorspace size, it is evident, as shown in Figure 8-19, that larger floorspace office properties attract higher market rental values. Properties with floorspaces in excess of 2,000m^2 typically attract higher market rental values than is typical for office properties on the whole in Brighton & Hove. This likely reflects the scarcity of larger floorplate properties, which also influences the average market rental value for the size bracket in the instance of the very largest properties.

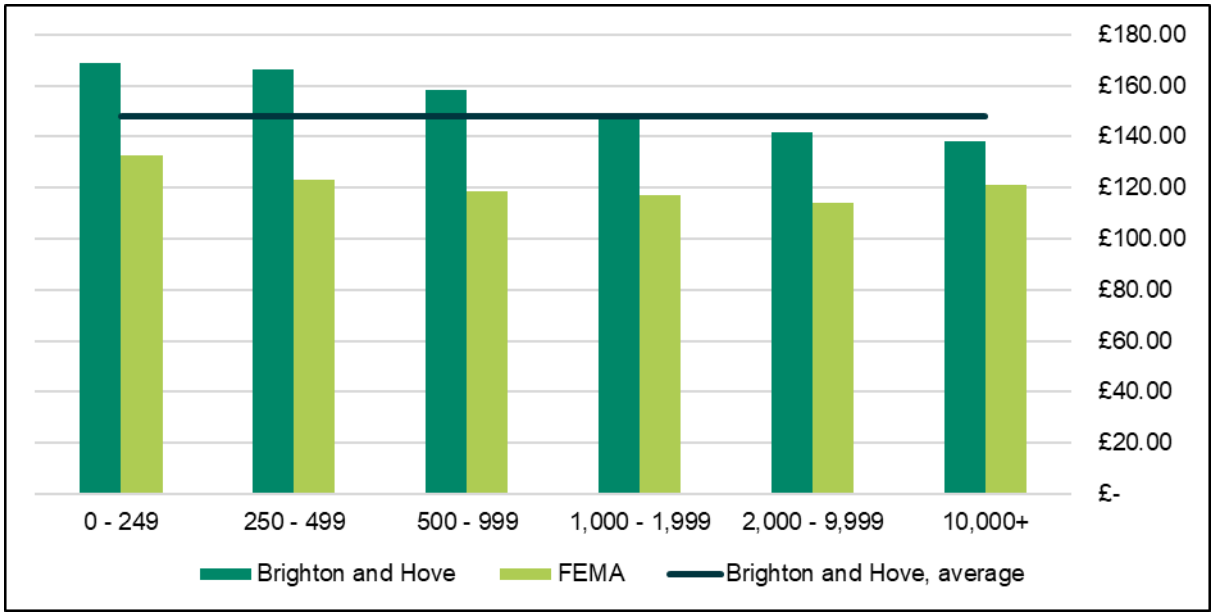
Figure 8-19 Market rental value of office properties in Brighton & Hove, by floorspace size (£/m²/yr, 2023 Quarter 2)



Source: CoStar, (2023).

8.3.12. Conversely, when considering all industrial use types, smaller properties attract higher rental values, with properties smaller than 1,000 m^2 tending to attract above average rental values for industrial properties across Brighton & Hove, as shown in Figure 8-20. This reflects the types of industrial activities undertaken in Brighton & Hove, with larger scale storage and distribution premises being rarer owing to space constraints. Smaller floorspaces are attractive, and in high demand, by smaller scale businesses, although this drives higher rents amongst these properties.

Figure 8-20 Market rental value of industrial properties in Brighton & Hove, by floorspace size (£/m^2/yr, 2023 Quarter 2)

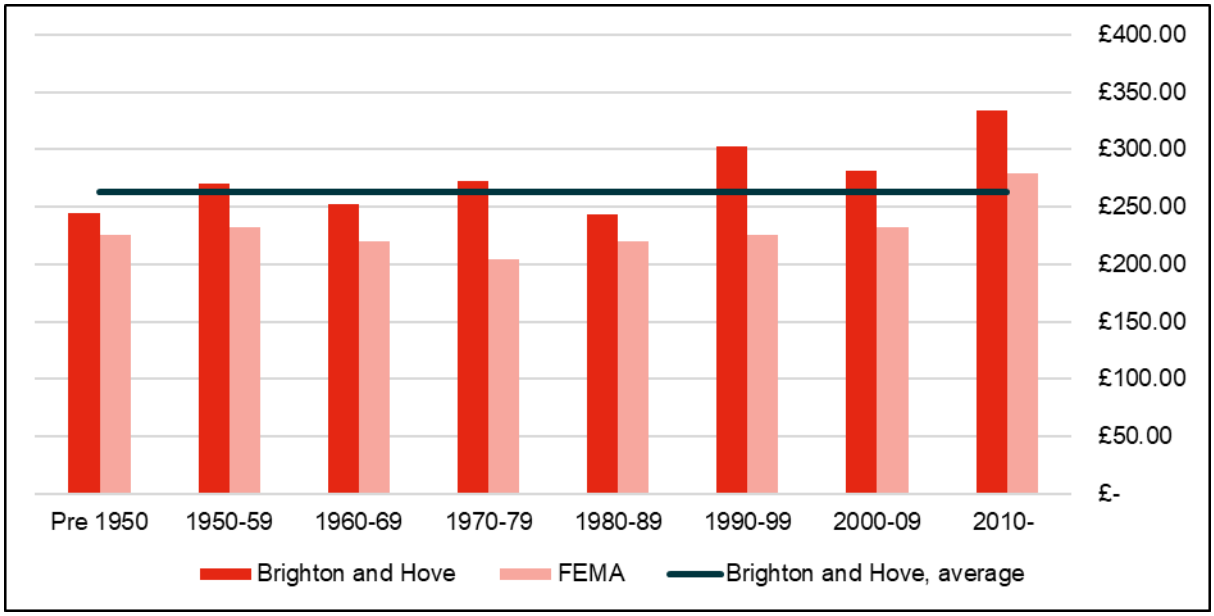


Source: CoStar, (2023).

8.3.13. Another consideration that influences affordability of employment premises is the age of the building. Figure 8-21 presents the market rental value of office properties in Brighton & Hove, by the age the property was built or last renovated. Perhaps unsurprisingly, properties that were built or renovated after 1990 attract the highest market rental value of any age of office building, with each age cohort attracting higher rents than the average for Brighton & Hove. A number of considerations are relevant in this, including demand for modern, attractive and energy efficient buildings.

8.3.14. The City's stock of office floorspace space which is older and/or of a lower quality has been reduced through conversion to other uses also in competition for space, namely to residential uses through permitted development rights. Where employment-generating floorspace has been intended to be re-provided as part of larger mixed-use redevelopment, evidence suggests that this is variable in quality, ranging from good examples to space not well designed or not flexibly designed such that their offer is limited, e.g. co-working type models. It is often re-provided at a different rental value meaning low-cost workspace is lost without reprovision.

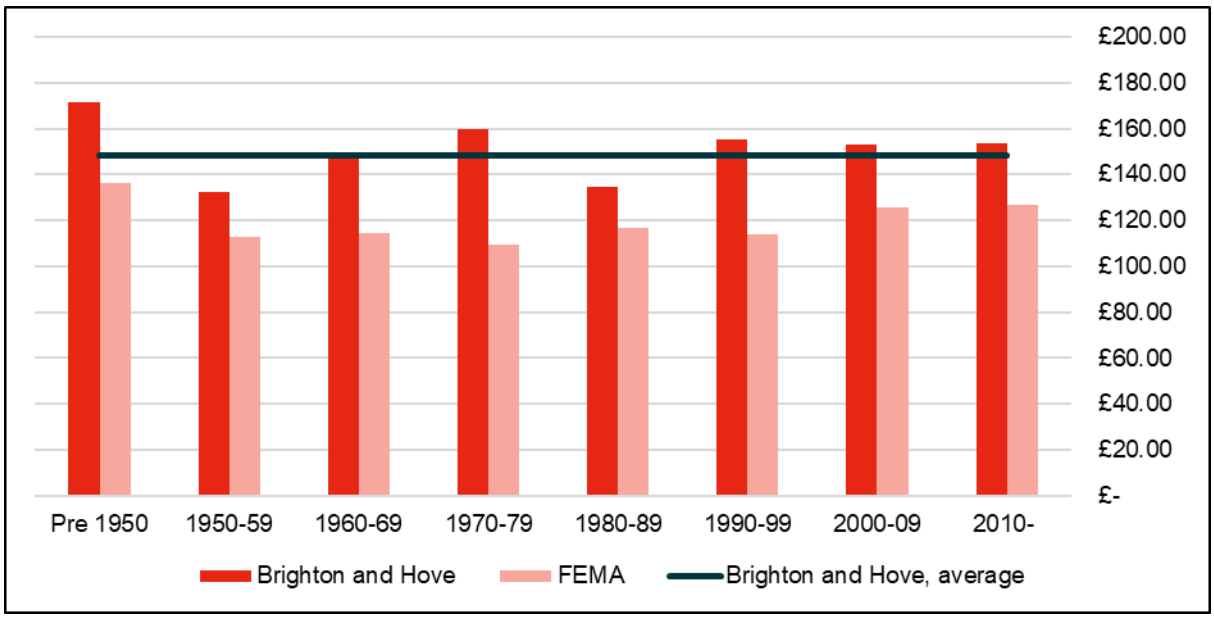
Figure 8-21 Market rental value of office properties in Brighton & Hove, by age (£/m²/yr, 2023 Quarter 2)



Source: CoStar, (2023).

8.3.15. With regard to industrial properties in Brighton & Hove, there is a less clear trend relating to age of building and market rental values. As shown in Figure 8-22, the highest market rental values, for example, are attributed to buildings which were built or last renovated before 1950. This reflects the availability of stock in Brighton & Hove in relation to requirement, i.e. suitable buildings may be those of this age. This is also reflective of the overall age of stock. Nonetheless, industrial properties which post-date 1990 in age are also associated with higher than average market rental values, most likely reflecting higher quality and demand from occupiers for such space to help attract employees.

Figure 8-22 Market rental value of industrial properties in Brighton & Hove, by age (£/m²/yr, 2023 Quarter 2)



Source: CoStar, (2023).

8.3.16. Flexible leasing arrangements may address affordability constraints. Increasing attention has been paid to leasing models that allow occupiers to respond to evolving working and lifestyle habits including hybrid homeworking, and space requirements within offices that result. There is evidence for persistent demand for

flexible office space. In 2023 across the UK, it was found that 78% of landlords have seen an increase in demand for 'flex' space over the previous year, 50% of landlords were planning to expand their own 'flex' brand[120].

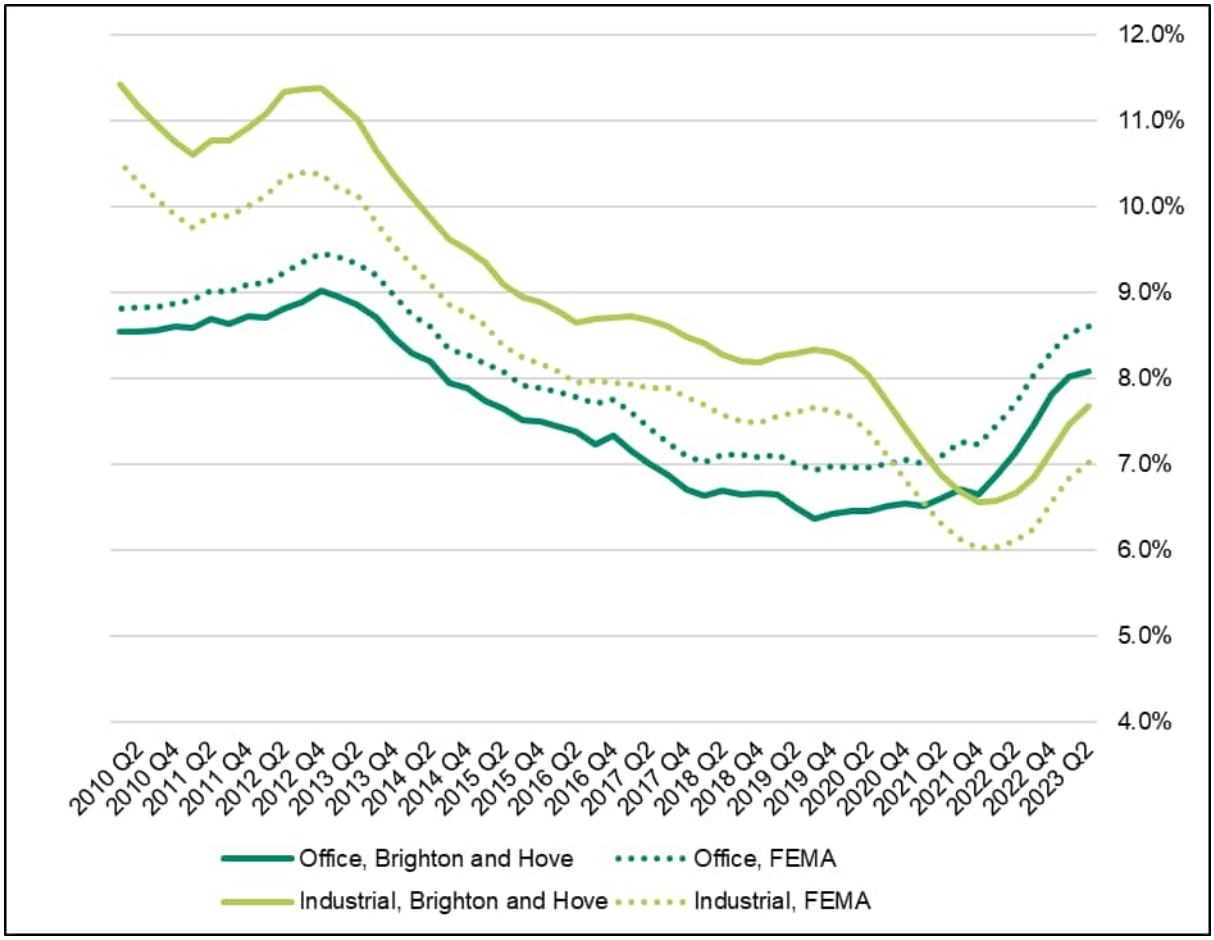
Wider influences on supply and demand

8.3.17. There are a range of ways affordable workspace can be delivered. Demand-side initiatives such as requiring developers to provide space can be achieved through the planning system. This may take the form of a proportion of space secured at below market rent as part of wider developments, or in-lieu contributions for off-site provisions using mechanisms such as S106. There is evidence of differing views arising from S106 as mode of delivery, however: where the developer is originator of the proposal, this can be seen or operationalised by developers as an opportunity for enhancing the offer of commercial space; where the local planning authority is the originator, developers may see the offer as a way to secure/negotiate permission despite there being a lack of intrinsic value to them; where prior planning permissions with affordable elements are inherited, developers can see the requirement as a burden[121].

8.3.18. Factors impacting viability, such as fixed proportions of affordable space at below market rent may affect viability and developer interest, which may result in lower amounts of space, both at and below market rent, being delivered[122]. Market yield provides an angle on viability of future development which in turn influences future supply of employment floorspace. Higher market yield values indicate that a higher proportion of a property's value is generated in annual rent. Figure 8-23 shows in relation to the FEMA, office properties in Brighton & Hove generate lower market yields. Lower than average market rental yields could influence developer interest and confidence in future development, given a reasonable return on investment could be seen as less achievable. An obligation to provide space at lower than market rate could exacerbate this. Moreover, it should be considered whether the overall development plan deliverability is impacted by the implementation of additional developer contribution requirements. It is noted, that new commercial/business developments were recommended at the time of preparation of the last CIL Viability Assessment (2017) [123] to warrant a £nil CIL rate on account of overwhelming viability constraints. This study was completed in 2017 based on assumptions and parameters derived from market information from that time.

[120] Instant Group, (2023); 2023 State of the UK Flex Space Market.
[121] Ferm, J. (2014); Delivering affordable workspace: Perspectives of developers and workspace providers in London.
[122] British Council of Offices, (2021); July 2021 Briefing note.
[123] Brighton and Hove City Council/DixonSearle Partnership, (2017); CIL Viability Assessment.

Figure 8-23 Market rental yield of office and industrial properties in Brighton & Hove, and FEMA (%, 2010 – 2023 Q2)



Source: CoStar, (2023).

8.3.19. Affordable space could also be delivered from supply-side. Operators of affordable space, which may include local authorities or social enterprises, may procure space, or repurpose existing assets. This could take the form of incubators, accelerators or co-working spaces[124]. Repurposing and bringing back into use disused assets can be seen as a potential avenue for expanding affordable provision in conditions of constrained supply, or unviable new development[125]. The return on investment may be framed in social value outcomes, or measured in terms of community wealth building, (re)entrants to the labour market, or participation in education[126].

8.3.20. The affordable workspace market in the city has had to be footlose/ agile? in order to respond to locational pressures on rental values. Evidence from property agents suggests that a large portion of affordable stock has historically been provided by landlords with additional motivations than solely maximising achieved rental value. For example, Red Herring Studios which operates as a Special Industrial and Provident Society (not-for-profit, charitable cooperative) have relocated to various properties since their formation in 1985[127]. This has comprised disused office blocks, old school buildings, distribution depots, and a sweet warehouse. Its core focus is providing affordable space and the history of the organisation is characterised by relocation and negotiation of leasing agreements to achieve this. This demand for affordable workspace can be mutually beneficial to landlords by

[124] Greater London Authority, (2014); Supporting Places of Work: Incubators, Accelerators and Co-working Spaces.
[125] Savills, (2021); Global affordable workspaces – a solution, not a problem.
[126] London Borough of Islington, (2022); Delivering impact: Social value in Islington's Affordable Workspaces.
[127] Red Herring Studios, (2024); History. Available at: https://www.redherringstudios.org/history

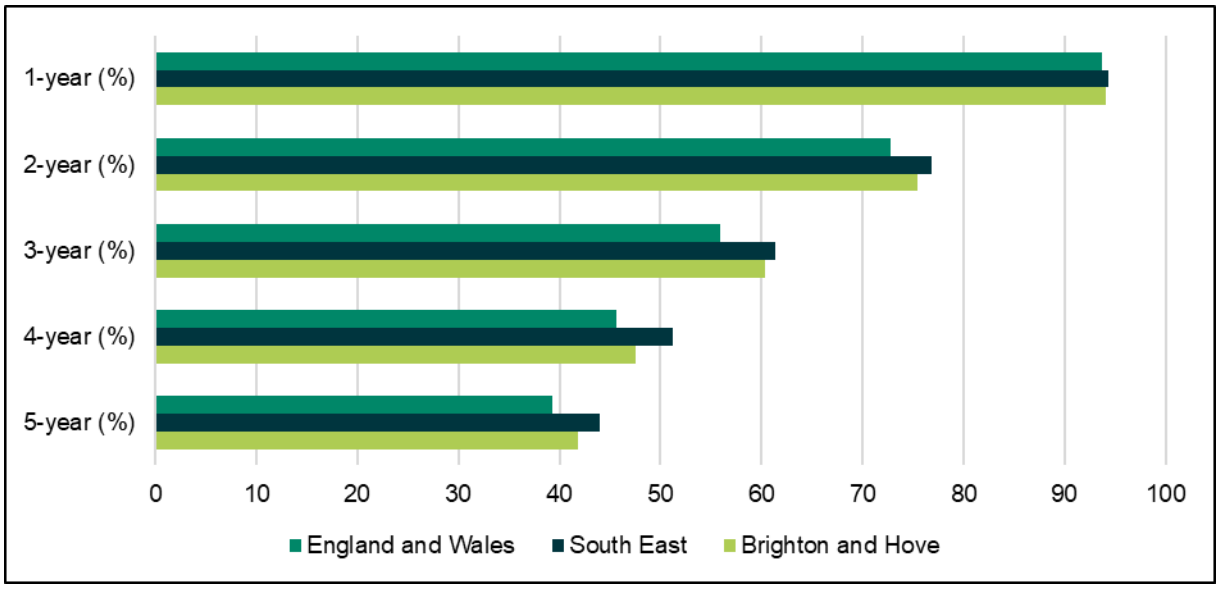
providing occupiers and income in poor market conditions or to provide meanwhile uses during planning consent process.

8.3.21. When maximising rental values is not the sole motivation of landlords, affordable space provision can provide space which is in high demand for a diverse range of businesses/industries. Property agents point to Hove Technology Centre, Sussex Innovation Centre, Westergate Business Centre, New England House and Ditchling Rise Business Centre as locations where landlords are supportive of providing lower cost space for small local businesses and where rental values are not being driven as high as might be achievable, or alternative redevelopment pursued.

Projections for future demand

8.3.22. Understanding future demand for affordable workspace in Brighton & Hove must necessarily appreciate the economic outlook of the types of occupiers of such space. Although there is not a definitive statistical classification of occupiers of affordable space, the GLA definition does give a broad indication of the range of occupiers that have requirement for affordable workspace. For example, start-up and early stage businesses are highlighted. Brighton & Hove represents a positive environment for start-up businesses, evidenced by consistently net positive business registrations; over the period between 2016 and 2021, there were on average 770 net additional businesses registered per year[128]. Businesses that start in Brighton & Hove are also more likely to survive, when compared to the national level, although the performance of businesses is less successful on the whole when compared to the South East. This is shown in Figure 8-24. New and growing businesses often face constraints with acquiring premises at appropriate costs that allow them to foster business growth with accessible networks and collaboration opportunities[129].

Figure 8-24 Survival rates of new businesses in Brighton & Hove (%, from 2017)



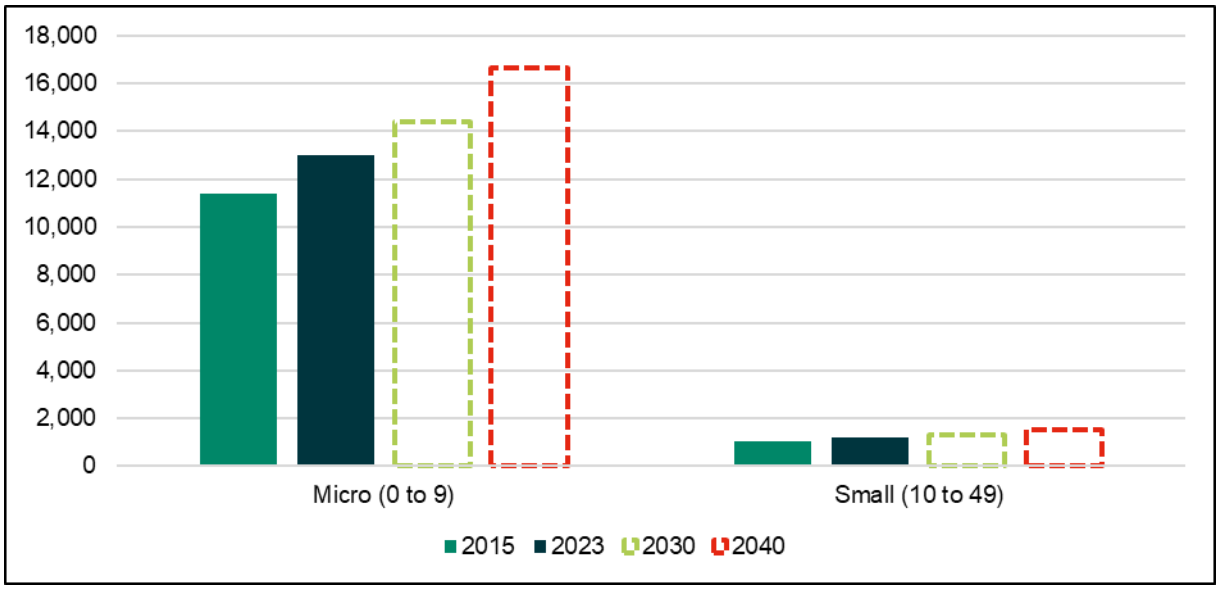
Source: Office for National Statistics, (2022); Business Demography 2022. Business births, deaths, actives, survivals, high growth and employer demography from 2017 to 2022.

8.3.23. Small (employing between 10 and 49 people) and micro (employing between 0 and 9 people) businesses may have budget constraints that limit the accessibility of suitable workspace, despite contributing 98.6% of Brighton & Hove's businesses. Affordable workspace may address issues faced by such businesses regarding competition with larger firms, and flexibility requirements in terms of lease

[128] Office for National Statistics, (2021); Business Demography.
[129] Greater London Authority, (2014); Supporting Places of Work: Incubators, Accelerators and Co-working Spaces.

agreements and space. Based on an extrapolation of the growth trend of micro and small businesses between 2015 and 2023[130], the number of such businesses could exceed 16,000 and 1,500 respectively[131], as shown in Figure 8-25. Given the importance of affordable workspace to micro and small businesses, a potential lack of suitable supply relating to constraints on land availability may prove a limiting factor on the indicative positive trend in growth of these businesses.

Figure 8-25 Indicative extrapolation of growth trend of micro and small businesses in Brighton & Hove

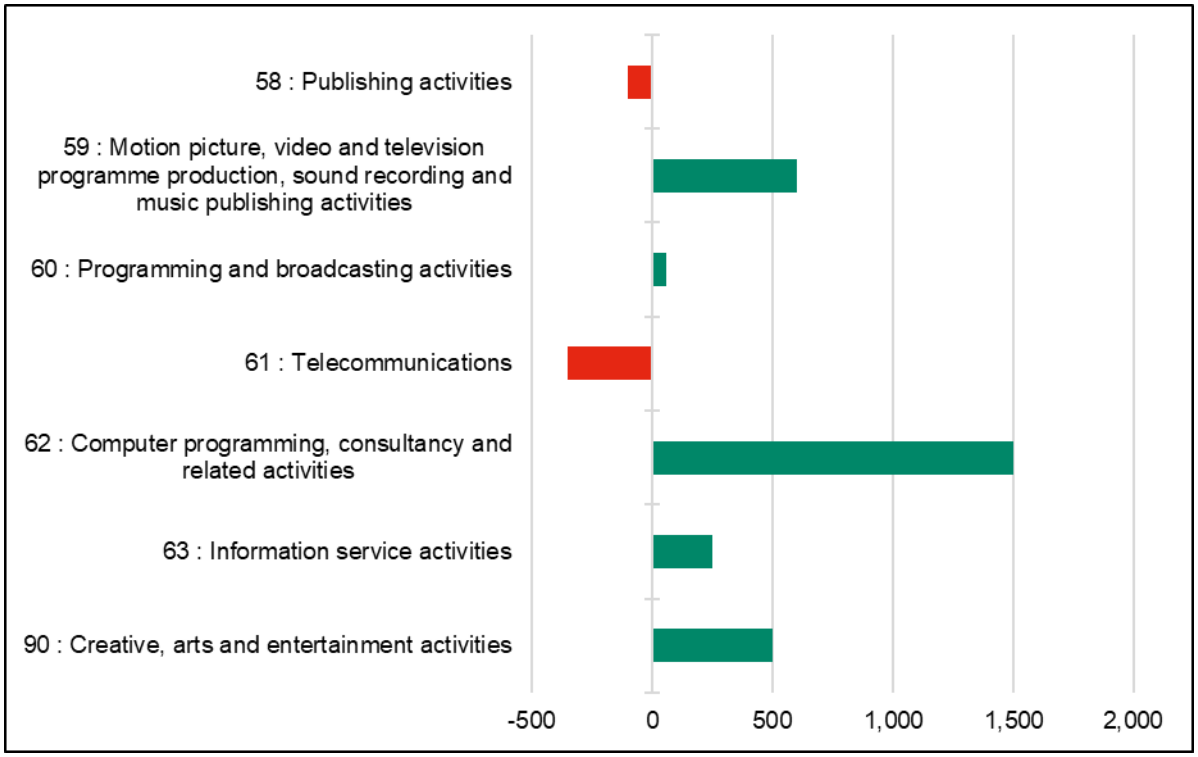


Source: Office for National Statistics, (2023); UK Business Counts. Office for National Statistics, (2015); UK Business Counts.

8.3.24. The Institute for Public Policy Research[132] provides a definition of the types of occupiers of 'open' workspace which supports small businesses, entrepreneurs and artists, which aligns well with the economic development policy aspirations of Brighton & Hove to promote the creative and digital sectors. An overview of the change in the amount of employment by applicable sectors between 2015 and 2022 in Brighton & Hove is shown in Figure 8-26. Employment has increased overall in computing-related sectors, media production and creative industries over this period. If this trend continues as anticipated there will be associated additional space requirements to accommodate further employment growth. Evidence from property agents suggest that demand for affordable workspace is not specific to any one sector, namely most recent demand encountered was coming from a range of small local businesses comprising IT/digital firms, online retailers, specialist/bespoke manufacturers, jewellers, and theatre production companies.

[130] Office for National Statistics, (2023); UK Business Counts. Office for National Statistics, (2015); UK Business Counts.
[131] This is a simple extrapolation for indicative purposes and does not take into account wider policy, demographic, planning or economic trends.
[132] Institute for Public Policy Research, (2016); Start Me Up: The Value of Workspaces for Small Businesses, Entrepreneurs and Artists in London.

Figure 8-26 Change in employment in sectors requiring affordable workspace (no., 2015 – 2022)

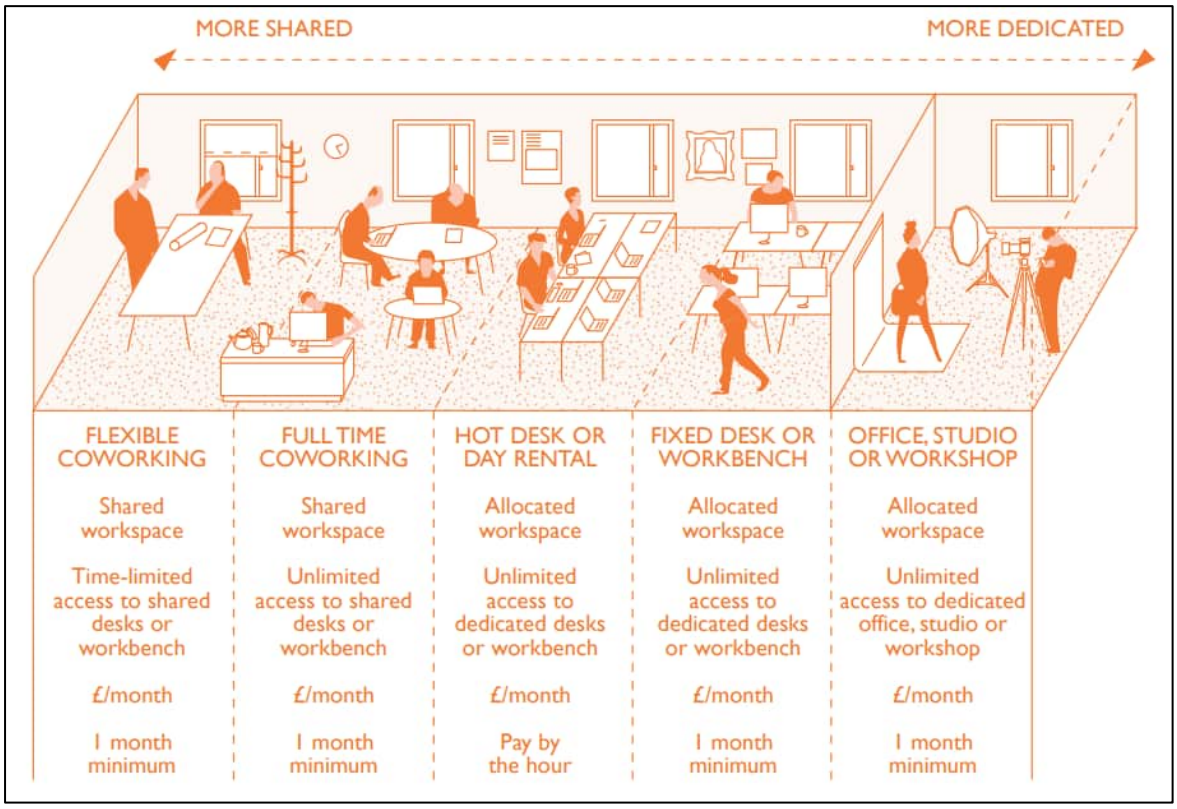


Office for National Statistics, (2022); Business Register and Employment Survey 2022. Office for National Statistics, (2015); Business Register and Employment Survey 2015.

8.3.25. Flexible workspace may also represent more affordable options for occupiers more widely than these identified sectors. 'Flexible' or 'open' style workspaces include co-working spaces and short-term rentals on an ad hoc basis[133]. An indicative typology of flexible/open style workspaces which may allow for as-required occupation is shown in Figure 8-27. Flexible lease terms may also be sought to allow small businesses who use affordable workspace to relocate to more affordable options in response to pressures from rising rental values. Property agents note that affordable 'communities' or clusters tend to be highly transient within the city over time and creatively respond to economic pressures imposed by the property market in terms of location. This includes both the geographical location and types of buildings occupied. Notably, organisations such as Red Herring Studios have formed with the purpose of curating dedicated spaces which can be more messy, ad hoc, or specialised to the types of creative production undertaken. Disused, brownfield or abandoned buildings may also be brought into productive use as evidenced.

[133] Institute for Public Policy Research, (2016); Start Me Up: The Value of Workspaces for Small Businesses, Entrepreneurs and Artists in London.

Figure 8-27 Typology of flexible/open workspace



Source: Institute for Public Policy Research, (2016); Start Me Up: The Value of Workspaces for Small Businesses, Entrepreneurs and Artists in London. Adapted from: Greater London Authority, (2015); Creating Open Workspaces.

Comparable policy

8.3.26. Based on the above analysis, it is considered appropriate that the council consider further the potential for the delivery of affordable workspace as part of the review of the Local Plan. To inform this, recently adopted policies in other comparable local authority areas have been reviewed, and summarised below. Policies pertaining to local authorities in London have been deemed appropriate to include here, given the similar contexts of constrained space, and increasing affordability concerns. The We Made That *Space for Culture*[134] report corroborates this view and states that *'Brighton & Hove shares similar affordability and workspace pressures and can draw lessons from London's affordable workspace policies'*.

- London Borough of Hackney Council[135] indicates that new major employment (defined as over 1,000m^2) or mixed-used development in the Borough's designated employment areas and town centres should provide affordable or low-cost workspace. Developments in the Shoreditch Priority Office Area (POA) should provide at least 10% of the new floorspace (gross) and it should be at no more than 40% of the locality's market rent in perpetuity, subject to viability. In the remaining POAs, at least 10% of the new floorspace (gross) should be affordable at no more than 60% of the locality's market rent in perpetuity, subject to viability. The Local Plan states that only in exceptional circumstances where it can be demonstrated robustly that the provision of 'affordable' workspace is not appropriate in terms of the policies in the Plan, it may be provided off-site. A cash-in-lieu contribution will only be accepted where this would have demonstrable benefits in furthering affordable workspace in the Borough and support other policies in the Local Plan.

[134] We Made That Urban Research Unit, (2023); Brighton and Hove Space For Culture.
[135] Hackney Council, (2020); Local Plan 2033.

- London Borough of Brent Council, in its *Affordable Workspace Strategy*[136], indicates that in mixed-use developments totalling 3,000m^2 or more in growth areas, the affordable workspace should total 10% of the total floorspace delivered. The applicable discount should not exceed 50% of open market rents. Off-site provision is only allowed in exceptional circumstances and cash-in-lieu is possible with case made. In acknowledgement that exceptional circumstances can exist, the Council in its *Affordable Workspace Supplementary Planning Document*[137], sets out a financial contribution in lieu of onsite provision:

  *"[50% of market rent/sqft/annum * floor area (GIA) of proposed Affordable Workspace as per policies BE1 - 4 (sf)] * [1 / yield]"*

- London Borough of Lambeth Council[138], in accordance with the London Plan policy E3, requires major developments (over 1,000m^2) that include B1 floorspace to provide a proportion of affordable workspace ranging by location from 10% of floorspace at 50-80% market rents for a period of 15-25 years. Affordable workspace should be provided on-site and be designed to meet a local need. A payment in lieu may be accepted in limited circumstances where it can be demonstrated to the satisfaction of the Council that a greater economic impact could be secured through off-site provision.

- In London Borough of Southwark[139], the Council requires a proportion of at least 10% of commercial floorspace (of developments proposing 500m^2 or more employment floorspace) to be provided as affordable workspace at discounted market rent, for a period of at least 30 years. If it is not feasible to provide affordable workspace on site, an in-lieu payment will be required for off-site affordable workspace.

- In London Borough of Islington's approach to affordable workspace[140], it is recognised that affordability must be determined on a case-by-case basis, given that often subsidised or below market value rents may still not be achievable for occupiers. LB Islington therefore takes the approach that peppercorn rents are secured through Section 106 Agreement for workspaces within wider developments. These spaces are then made available and operated by the Council or partners. The key metric and focus for output of these spaces is social value and community wealth building, rather than monetary returns for the Council. As such, themes such as local skills and employment, growth of responsible local businesses, healthier, safer and more resilient communities, decarbonisation, and social innovation are prioritised.

8.3.27. A number of recommendations were made within the We Made That *Space for Culture*[141] report relating to planning tools which may be utilised to promote affordable workspace provision. These included potentially:

- Allocating sites within Local Plan policy;
- Setting out funding mechanism through developer contributions/S106 obligations;
- Producing area-based guidance using supplementary planning documents; and
- Removing permitted development rights;

[136] Brent Council, (2020); Affordable Workspace Strategy.
[137] Brent Council, (2022); Affordable Workspace Supplementary Planning Document.
[138] Lambeth Council, (2021); Lambeth Local Plan 2020 – 2035. Policy ED2.
[139] Southwark Council, (2022); The Southwark Plan 2019 – 2036. Policy P31.
[140] LB Islington, (2022); Delivering impact: social value in Islington's Affordable Workspaces. April 2020 – April 2022.
[141] We Made That Urban Research Unit, (2023); Brighton and Hove Space For Culture.

Findings and discussion on approaches

8.3.28. There is a clear economic and social benefit to affordable workspace forming part of the employment space portfolio. In Brighton & Hove, this is particularly beneficial to key sectors which are promoted in economic development policy aspirations, namely creative, cultural, and digital technology industries, as well as start-up businesses and social enterprises. The efficacy of approaches to delivering affordable workspace however will be determined by whether the right kinds of space in the right location can be delivered at the right cost with the right lease terms.

8.3.29. As a result of the recommendations set out in the We Made That report relating to planning tools which could be used to secure affordable workspace for creative industries, a further study was commissioned to assess the feasibility of establishing a creative land trust/ other delivery vehicle to address need for affordable workspace. Research as part of this study is ongoing.

8.3.30. Local Plan policies promoting on-site provision of affordable workspace have the benefit of reducing/sharing risk yet reduces l a local authority's control over quality, types of space, admitted occupiers and rental values. A key consideration for adopting a policy which mandates a percentage provision of affordable workspace, for a specified duration, as per some London borough policies, is the viability of development and concerns surrounding developer confidence in delivering employment space. Conditions to alleviate requirement of affordable workspace depending on viability may be included in policies, although to what extent this would discourage overall delivery of affordable workspace is unclear. Conversely, seeking off-site contributions may allow for resource pooling to deliver appropriate scale and co-location of affordable spaces, yet means a degree of risk is accepted by the council with regard to returns on investment, and responsibility for delivery (notwithstanding options for land trust or other social enterprise organisations managing space).

8.3.31. With regard to the example policy approaches highlighted, these refer to contexts (in London) where large amounts of floorspace are being delivered by permissions. In such scenarios, a dedicated proportion of overall space being secured at affordable rates may still result proportionally in a reasonable size/amount of affordable floorspace being delivered. In Brighton & Hove, the amount of floorspace being delivered is likely more limited, both per development and in aggregate. Therefore, there may be some concern raised that an apportionment policy may not deliver a sufficient amount of affordable floorspace overall to meet demand and achieve benefits of affordable workspace as described. Moreover, the amount of floorspace, location, and co-location with complementary uses and businesses may be piecemeal and subject to other market conditions which encourage/discourage development of office space more widely.

8.3.32. Should developer contributions be considered as a better approach to bring forward affordable workspace offsite, it should be considered whether the overall development plan deliverability is impacted by the implementation of additional developer contribution requirements. The most recent CIL Viability Study[142] was conducted in 2017 at which point that Study recommended that viability concerns would warrant a £nil CIL rate for commercial/business development. It is recommended that further investigation is undertaken as part of the Local Plan review with the specific focus of assessing the viability of a range of policy options.

[142] Brighton and Hove City Council/DixonSearle Partnership, (2017); CIL Viability Assessment.

8.4. Retrofitting, Minimum Energy Efficiency Standards (MEES)

Context

8.4.1. In response to the environmental, economic, social and political impetus to limit the damaging consequences of climate change, Brighton & Hove City Council declared a climate and biodiversity emergency in 2018 in order to recognise the importance of reducing carbon emissions. Brighton & Hove City Council sets out in its 2030 Carbon Neutral Programme[143] the ambition to become 'carbon neutral by 2030'.

8.4.2. The contribution of buildings to greenhouse gas emissions is increasingly recognised. This understanding presents both challenges and opportunities, given the potential for emissions savings to be made. It is estimated that buildings are responsible for between 17% and 31%[144,145] of national emissions. In Brighton & Hove, it is stated within the Carbon Neutral Programme document that the built environment is responsible for '36% of all carbon emissions' and '40% of energy consumption'.

8.4.3. The energy performance of buildings in the UK is monitored through the Energy Performance Certificate (EPC) system. Non-domestic private rented properties, meaning commercial office and industrial/warehousing premises in this context, are awarded a certificate rating between A+ (most efficient) and G (least efficient). Properties awarded an A+ rating are considered to achieve Net Zero CO_2. In order to drive the decarbonisation of the UK's non-domestic stock, commitments have been made to encourage the construction of more energy efficient buildings and upgrading/retrofitting existing buildings through the implementation of restrictions of private lettings based on energy performance. Non-domestic buildings must comply with Minimum Energy Efficiency Standards (MEES) in order to be lawfully leased. At the time of writing (September 2023), MEES regulations apply to those non-domestic buildings which have been awarded an EPC rating of F or G, whereby these properties cannot be leased until improvements have been made. A number of exemptions apply[146,147] including that improvements must be 'permissible', 'appropriate' and 'cost effective'. As of 1st April 2023, MEES apply to existing leases, not solely new leases as had been the case previously.

Present ratings and compliance

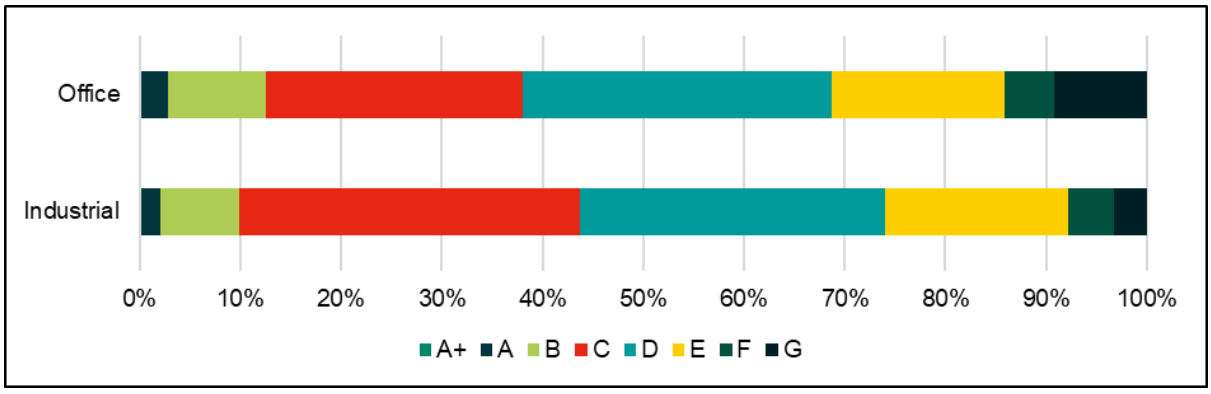
8.4.4. A breakdown of the EPCs awarded by use type[148] in Brighton & Hove is shown in Figure 8-28. The following commentary is based on the application of the relative proportion of EPC ratings, as provided by Department for Levelling Up, Housing and Communities to the building stock information derived from CoStar, as presented in Section 7, in order to indicate the energy performance of the building stock of Brighton & Hove. This approach allows for the indicative characterisation of the entire building stock of Brighton & Hove, given that CoStar represents a robust

[143] Brighton and Hove City Council, (2021); 2030 Carbon Neutral Programme.
[144] HM Government, (2021); Net Zero Strategy: Build Back Greener.
[145] This figure includes only emissions from direct energy use in buildings.
[146] https://www.gov.uk/energy-performance-certificate-commercial-property/exemptions
[147] Additional exemptions to the new regulations are set out by RICS at https://ww3.rics.org/uk/en/journals/property-journal/epc-requirements-commercial-property.html. Exemptions apply: to leases less than 6 months or greater than 99 years; to the need to perform upgrading works until a new EPC is triggered; where the costs of works would be greater than the energy saving over seven years; where third-party consent precludes works e.g. planning permission refusal where reasonably sought; where works would devalue property by over 5%; where the landlord has recently become one.
[148] It should be noted that the use types employed by DLUHC to categorise buildings do not directly align with those categories applicable to CoStar data presented in the property market analysis section of the report. Data is therefore presented by considering the broad use types shown to comprise buildings categorised by DLUHC as follows: Office: 'B1 Office and Workshop Businesses', 'Office and Workshop Businesses' and 'Office'; Industrial: 'B2 to B7 General Industrial and Special Industrial Groups', 'General Industrial and Special Industrial Groups', 'Industrial process building', 'B8 Storage or distribution', 'Storage and distribution' and 'Warehouse and storage'.

and comprehensive dataset of building stock. However, this commentary does not take into account the stock of non-domestic buildings which are exempt from MEES regulations; the Government is engaging in further consultation on the development of a robust 'exemptions database' such that the scale of current and future exemptions can be further understood[149].

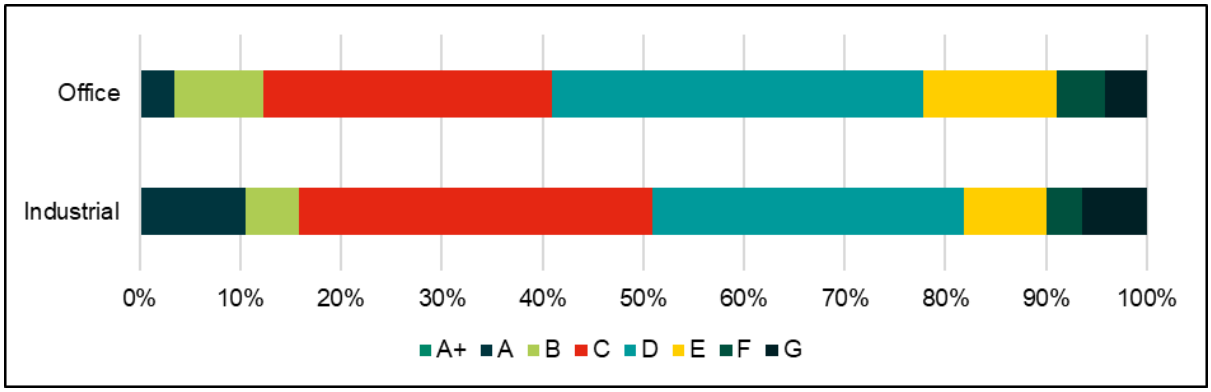
8.4.5. Figure 8-28 shows that in Brighton & Hove, around 14% of office property EPC certificates are not MEES compliant (i.e. are associated with a rating of F or G). Floorspace information attached to these certificates indicates that 9% of the floorspace associated with an EPC certificate is not MEES compliant (as per the definition above). To estimate the number of non-compliant buildings, and non-compliant floorspace, the proportion of certificates and the proportion of floorspace associated with EPC certificates is applied to the identified office properties and floorspace in the property market analysis section. This approach is subject to the limitations set out above. This approach would suggest that around 114 properties do not meet MEES, reflecting circa. 50,000m^2 of floorspace. In relation to industrial properties[150], approximately 8% of building certificates, and 10% of floorspace associated with an EPC certificate, indicate non-compliance with MEES. Applying the same proportions to CoStar property market information would suggest that around 20 properties do not meet MEES, reflecting around 26,000m^2, although this observation is subject to a small number of properties.

Figure 8-28 EPC certificates in Brighton & Hove by building use type



Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

Figure 8-29 Floorspace associated with EPC certificates in Brighton & Hove by building use type



Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales.

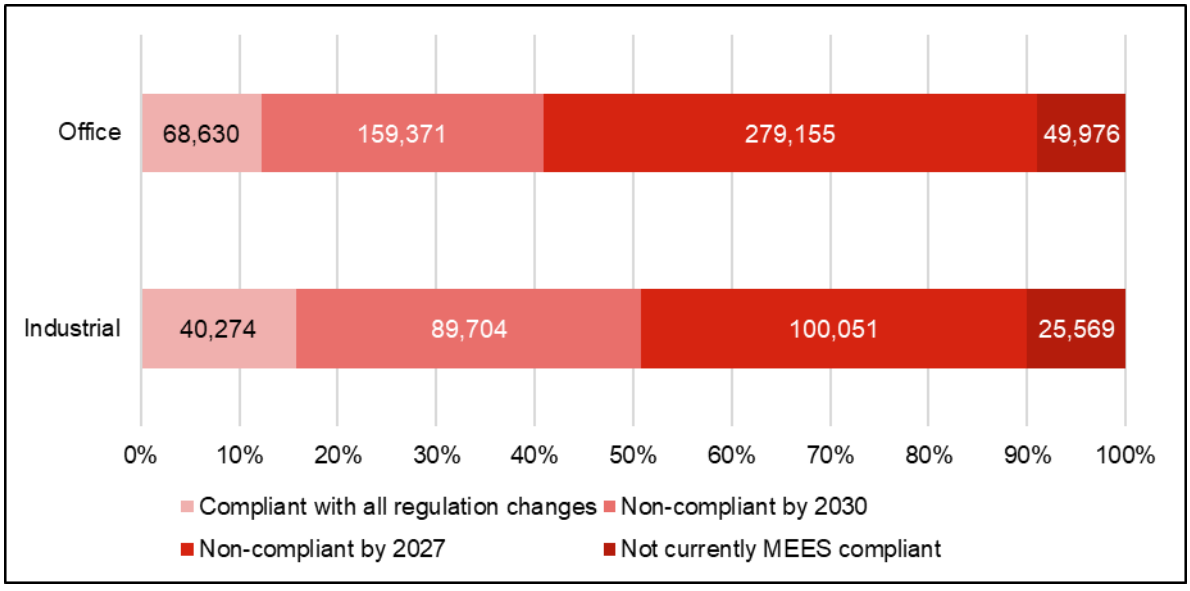
[149] Department for Business, Energy and Industrial Strategy, (2021); The Non-Domestic Private Rented Sector Minimum Energy Efficiency Standards: Implementation of the EPC B Future Target.
[150] The definition of 'industrial' properties for the purpose of presenting MEES information aligns with the aggregation of 'light industrial', 'general industrial', and 'storage and distribution' stock as reported in the property market analysis section.

Ratings and compliance in 2027/2030

8.4.6. It is anticipated that the minimum standard will be sequentially increased such that building efficiency expectations are raised in line with Government ambitions to deliver against net zero commitments[151], as the minimum EPC rating for non-domestic properties to be leased will be raised to C by 1st April 2027, and to B by April 2030. Figure 8-30 shows the current proportion of floorspace that will be non-compliant with MEES in relation to these anticipated dates for the raising of minimum EPC rating. This proportion has been applied to property market floorspace information to indicate applicable floorspace in these scenarios. It is clearly evident that the scale of upgrading, retrofitting and relacing building stock to comply with MEES is considerable. As set out, current and potential future exemptions may apply, nonetheless the significant proportion of buildings which are likely to not meet the correct standard presents challenges in terms of implementation, enforcement and compliance.

8.4.7. In 2021, the Department for Business, Energy and Industrial Strategy (BEIS) engaged in consultation on implementation of the EPC B target by 2030[152] which highlighted the significant implementation issues that would need to be addressed. It is recognised nationally that the proportion of non-domestic stock within the scope of the regulations would increase from approximately 10% to 85% (1,000,000 buildings across England and Wales). The building stock of Brighton & Hove which falls within the scope of tightening regulations to 2030 is therefore greater than the national average, reflecting 88% of office properties and 90% of industrial properties. The use of phased 'compliance windows' is viewed to encourage the market to respond positively to regulation changes, and enforcement measures such as the development of a compliance and exemptions database, financial penalties, and powers to local authorities to inspect properties are being development by the Government.

Figure 8-30 MEES compliance with anticipated regulation changes of present EPC certificates applied to property market information (m²)



Source: Department for Levelling Up, Homes and Communities, (2023); Energy Performance of Buildings Data: England and Wales. CoStar, (2023). AECOM analysis.

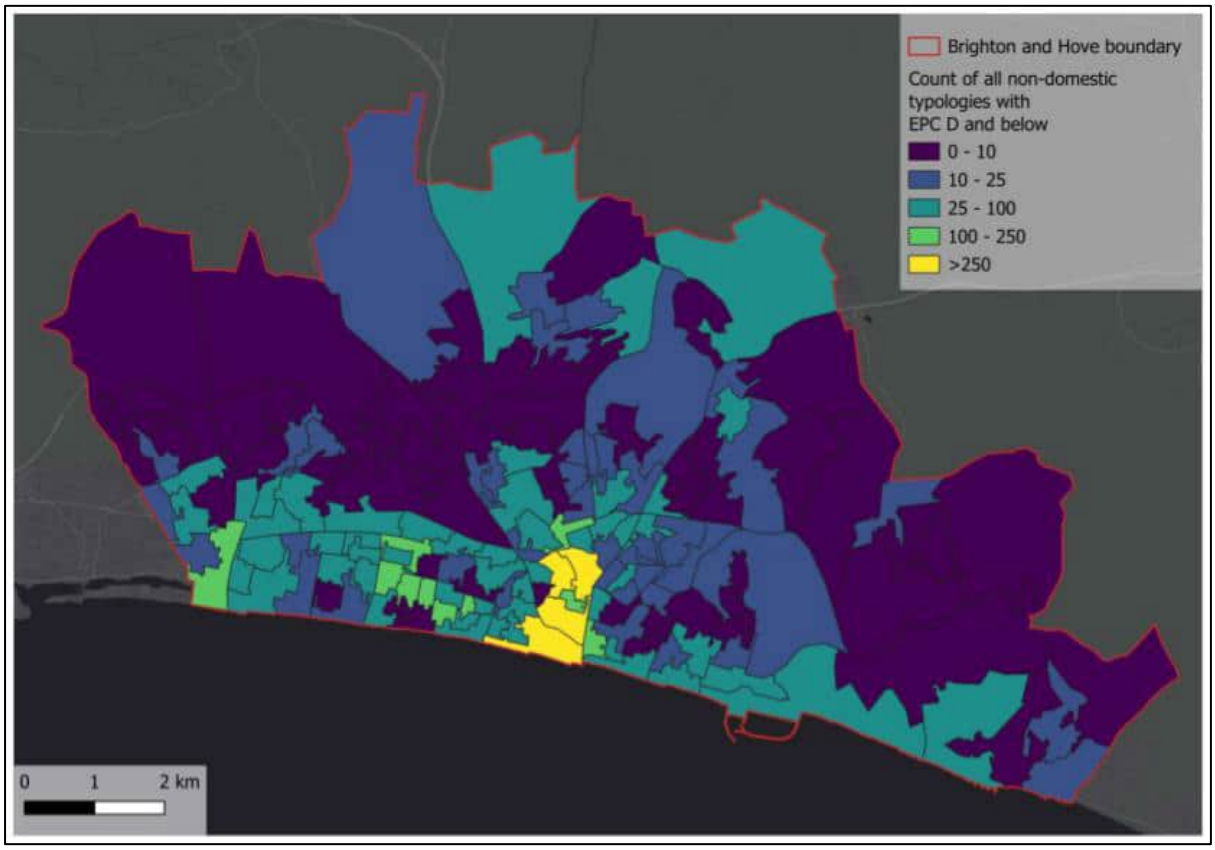
8.4.8. The distribution of energy performance of buildings is spatially variable across Brighton & Hove. This is indicated by the count of EPC certificates of rating D or below by small area. The following figures indicate the distribution of such ratings

[151] HM Government, (2020); Energy White Paper: Powering our Net Zero Future.
[152] Department for Business, Energy and Industrial Strategy, (2021); The Non-Domestic Private Rented Sector Minimum Energy Efficiency Standards: Implementation of the EPC B Future Target.

pertaining to all non-domestic certificates (Figure 8-31), office certificates (Figure 8-32), and industrial certificates (Figure 8-33). The figures should be interpreted as indicative of the spatial distribution of certificates and viewed as distinct from the analysis conducted above given the precise classification of use types is unclear.

8.4.9. When considering all non-domestic certificates, the distribution of certificates with EPC rating D or below (i.e. non-compliant by 2027), is concentrated the central Brighton area, as shown in Figure 8-31. Although this reflects the higher count of certificates in this location, this trend nonetheless indicates where the greatest level of investment and intervention will be required in order to upgrade/retrofit/replace properties in order to meet performance requirements. This is also indicative of the challenge required to bring non-domestic properties to required standard over the short term, given the timescales required to meet intended 2027 regulations.

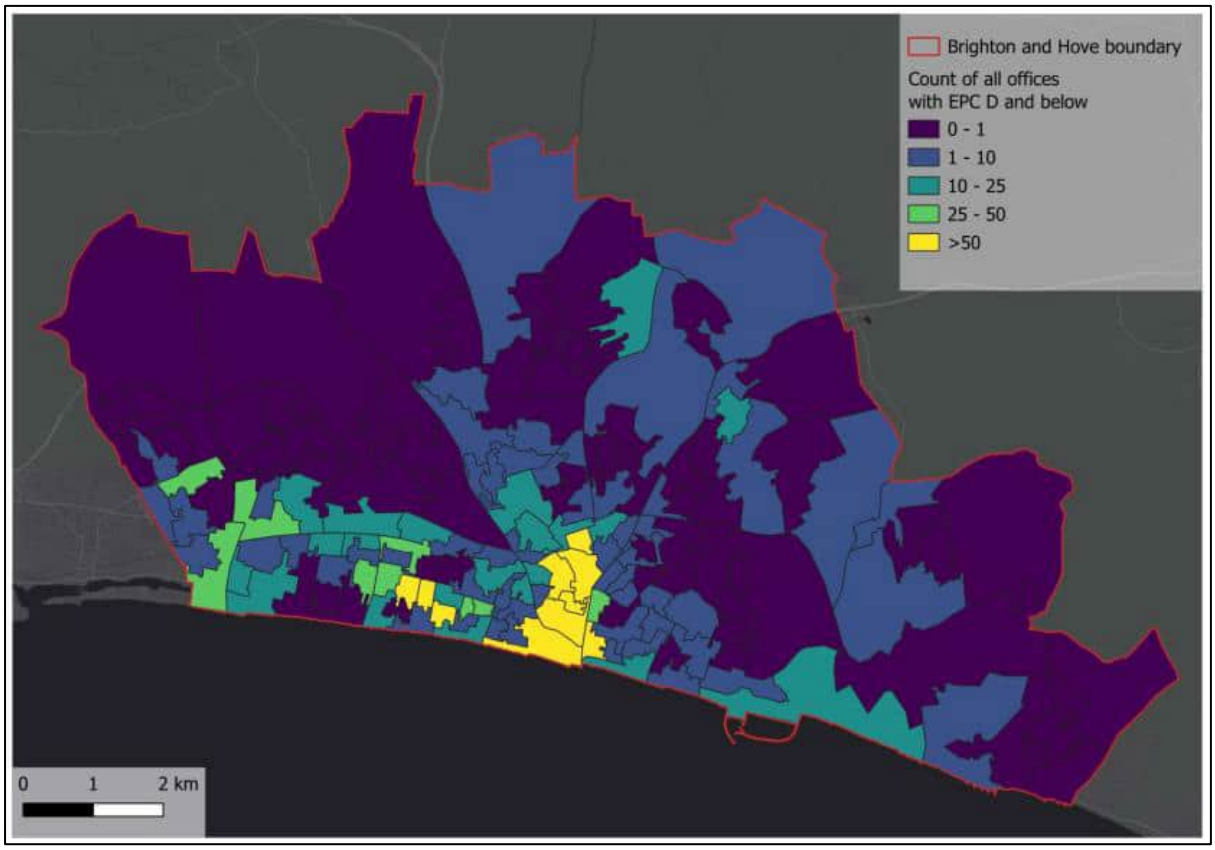
Figure 8-31 Spatial distribution of EPC rating D and below certificates in Brighton & Hove, all non-domestic certificates



Source: Brighton and Hove City Council.

8.4.10. Similarly, with regard to office property certificates, the highest amount of certificates with EPC rating D or below is concentrated in the central Brighton area, with additional hotspots of certificates likely to be non-compliant by 2027 located to the west of central Brighton (Church Road). This is shown in Figure 8-32. These areas are characterised by older properties; discussion on the range of suitable measures to address deficiencies in energy performance and ways to improve EPC ratings for (historic and older) properties in office use is provided in subsequent sub-sections.

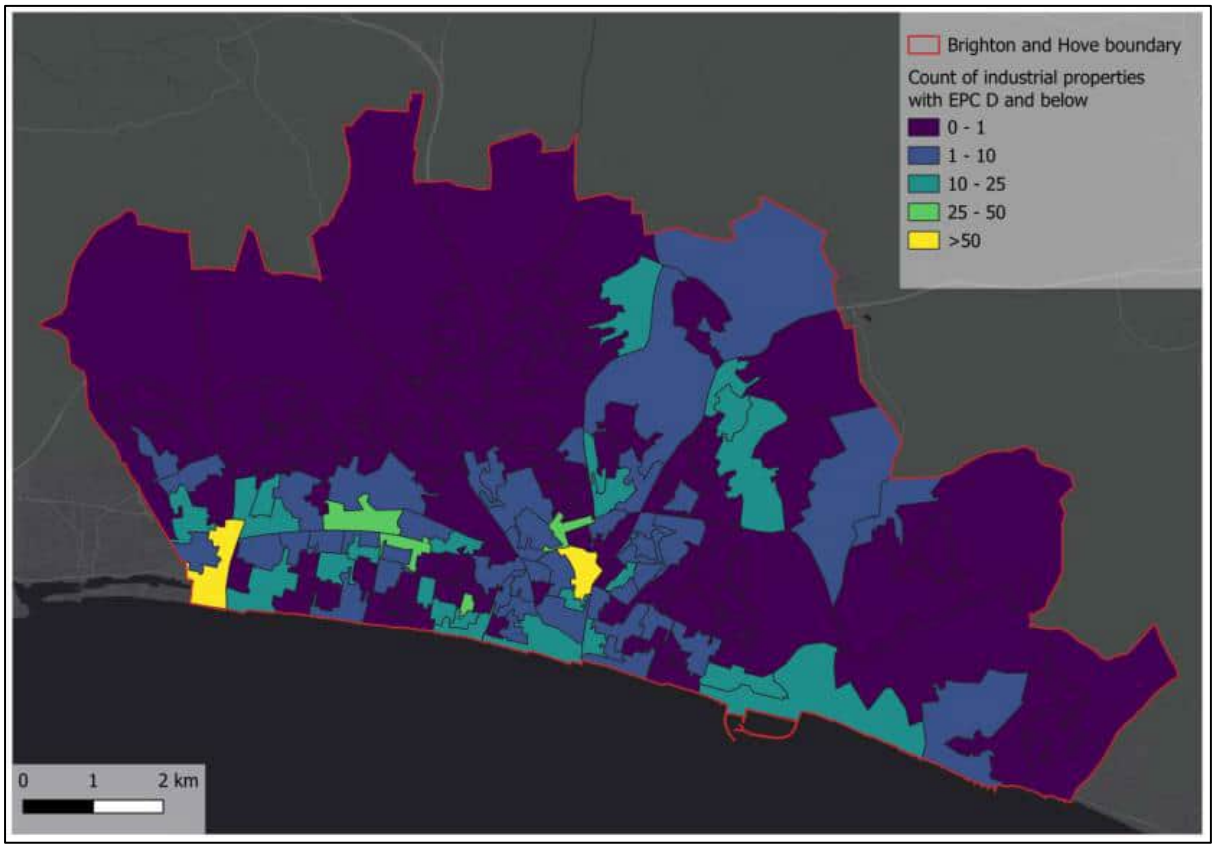
Figure 8-32 Spatial distribution of EPC rating D and below certificates in Brighton & Hove, office certificates



Source: Brighton and Hove City Council.

8.4.11. There are hotspots of certificates with EPC rating D or below pertaining to industrial use properties around Brighton station, in South Portslade, and surrounding Hove station. This is shown in Figure 8-33. Measures to improve energy performance ratings are discussed in subsequent sub-sections.

Figure 8-33 Spatial distribution of EPC rating D and below certificates in Brighton & Hove, industrial certificates



Source: Brighton and Hove City Council.

Implications for future needs

8.4.12. For several decades, buildings such as office blocks were not designed or built with longevity in mind. When parts of the building such as windows or lifts became worn, landlords would opt for demolition over refurbishment[153]. However, employment spaces not solely in Brighton & Hove, but also nationally, are now increasingly subject to retrofitting considerations as a means of minimising their carbon footprint and addressing contributions to the climate crisis, in line with Environmental, Social, and Governance (ESG) strategies.

8.4.13. For the purposes of this study it is therefore important to consider which space typologies are likely to be most affected by retrofitting issues and what the implications of this are. This will provide us with a spatial understanding of the stock that is most at risk.

8.4.14. There is substantial variation in both the scale and composition of energy use within building types (whether the building is used for offices, industrial, retail, warehousing or storage). Typical challenges and issues associated with the addressing the energy performance/retrofitting of properties in Brighton & Hove (primarily its office stock), are set out below[154] by construction date:

1980s – 1990s

- Poor thermal performance
- Inefficient building layout

[153] The Guardian, (2022): Drive for net zero fuels UK boom in retrofitting buildings for new use. Accessed here: https://www.theguardian.com/business/2022/apr/24/drive-for-net-zero-fuels-uk-boom-in-retrofitting-buildings-for-new-use
[154] JLL, (2023): Retrofit First, Not Retrofit Only. Accessed here: https://issuu.com/ldnpropalliance/docs/wpa_retrofit_first_031223/6?ff&experiment=flat-plan

- Deteriorating / poorly maintained building fabric

1950s – 1970s

- Poor structural integrity
- Low floor to ceiling heights
- Asbestos risk

1910s – 1940s

- Poor thermal insulation
- Poor window performance (from the size and specification of the windows)
- Outdated heating and electrical systems

8.4.15. Historic buildings are the most challenging to improve thermally because of their use of lime mortar and porous construction, which makes them more susceptible to the effects of moisture ingress. A key difference between modern buildings and older stock is how each building type manages air flow and moisture; new buildings are built to be airtight, but this capability has not always been possible. Common features of older office stock are aged windows, which are one of the main contributors to heat loss. New windows are crucial to improved energy performance and tend to make a greater contribution to minimising heat loss than wall insulation.

8.4.16. The above list presents some of the challenges facing buildings built in the last century, however some of the most difficult buildings to upgrade were constructed prior to this. This is because they not only have the challenge of balancing cost and environmental impact, but additional considerations such as the aesthetic and cultural significance of the building and place must also be accounted for, as well as any context as part of wider built heritage. It is recognised that there is a limit to the extent of changes made to improve a building's thermal performance before jeopardising its appearance and historical fabric. This creates a tension between the '*competing demands of heritage preservation and the pressures to reduce the environmental impact of buildings in use*'[155].

8.4.17. This is a pertinent issue to Brighton & Hove's built environment, particularly with reference to the Central Brighton area which is characterised by a range of historic properties and layouts, which encourage tourism and foster economic activity. Heritage England has recently consulted on draft advice pertaining to the adaptation of historic buildings[156]. The draft advice sets out a range of measures which may be suitable to improve the energy efficiency of historic buildings, including internal works and external works, addressing windows, doors, insulation (supported by a suite of guidance[157,158]), heating systems, renewables, heat pumps, and EV charging points. The advice is positive about the impact beneficial and acceptable adaptations can make on reducing carbon impact of historic buildings.

Retrofitting requirements

8.4.18. Key considerations in a retrofit strategy for commercial buildings include: understanding the building; assessing what is required; making the business case; identifying barriers and opportunities; setting performance targets; establishing an approach; addressing building management and optimisation; low carbon building

[155] Institute of Historic Building Conservation, (2020); How to deal with retrofit risks. Accessed here: https://www.designingbuildings.co.uk/wiki/How_to_deal_with_retrofit_risks#:~:text=Traditional%20buildings%20are%20the%20most,the%20effects%20of%20moisture%20ingress.

[156] Historic England, (2023); Climate Change and Historic Building Adaptation. Historic England Advice Note: Public Consultation Version. Accessed here: https://historicengland.org.uk/content/docs/guidance/climate-change-historic-building-adaptation-consultation-draft/

[157] Historic England, (2022); Energy Efficiency Research. Accessed here: https://historicengland.org.uk/research/current/conservation-research/energy-efficiency/

[158] Specific guidance is available from Historic England pertaining to improving energy efficiency via pitched roofs, thatched roofs, flat roofs, timber-framed walls, solid walls, early cavity walls, solid ground floors and suspended timber floors.

services and energy efficient fabric upgrades; reducing embodied carbon and promoting circularity of materials; and monitoring and performance verification[159]. *A report on Building the Case for Net Zero: Retrofitting Office Buildings*[160] published by the UK Green Building Council in 2024 also includes further considerations to take into account in any retrofitting strategy: developing a golden thread of information/data; incorporating resilience to climate change; incorporating benefits to the natural environment; improving health, wellbeing and social value; and supporting transition to a net zero carbon electricity grid.

8.4.19. For those looking to retrofit buildings physical considerations will include: massing (this is how the building looks in terms of its shape or mass), floor-to-ceiling heights, the depth of the floorplate and the positioning and size of the core[161]. To raise the EPC rating of a building, multiple measures are likely to required, some of which may be related to optimisation, light retrofit, deep retrofit or incorporation of renewables. A range of typical measures pertaining to the retrofit of office buildings and their likely mean impact on baseline Energy Use Intensity, EPC impact, and associated cost, as reported by the UKGBC are provided in Table 8-2 below. A definition of the reported EPC impact in scoring terms is shown in Table 8-3. include double/triple glazing, LED lighting, a new gas boiler, new heat pump and a new high efficiency air handling unit (AHU), among others. A report in to *Costing Energy Efficiency Improvements in Existing Commercial Buildings* by the IPF[162] offers multiple examples whereby a combination of such measures would improve the EPC rating of a given building. Table 8-2 provides an example for an office building:

Table 8-2 Example packages for EPC improvement for office buildings

Strategy	Measure type	Mean impact on Energy Use Intensity (EUI)	EPC impact	Cost (£/m^2)
Optimisation	Reduce tenant loads	-23.1%	n/a	Variable
	Building Management System (BMS) health check/upgrade	-4.0%	Low	£1 - £3
Light retrofit	Pump motor replacement	-1.2%	Low	£2 - £5
	Lighting controls	-5.7%	Medium	£1 - £5
	Low energy lighting	-8.5%	Medium	£10 - £60
Deep retrofit	Building airtightness	-7.2%	Medium	£2 - £10
	Window replacement	-7.4%	Low	£60 - £150
	Roof insulation	-1.5%	Low	£10 - £50
	Wall insulation	-4.1%	Low – Medium	£20 - £60
	Façade replacement	-11.4%	Low	£640 and over (GIFA)
	Mechanical Ventilation and Heat Recovery (MVHR)	-5.8%	Low	£40 - £100
	CO_2 ventilation control	-6.5%	Low	£2 - £10
	Air Source Heat Pump (ASHP) for Domestic Hot Water (DHW)	-4.8%	Low	£10 - £20

[159] UK Green Building Council, (2022); Delivering Net Zero: Key Considerations for Commercial Retrofit. Accessed here: https://ukgbc.org/resources/delivering-net-zero-key-considerations-for-commercial-retrofits/
[160] UK Green Building Council, (2024); Building The Case For Net Zero: Retrofitting Office Buildings. Accessed here: https://ukgbc.org/resources/building-the-case-for-net-zero-retrofitting-office-buildings/
[161] AECOM, (2023): The carbon and business case for choosing refurbishment over new build. Accessed here: https://aecom.com/without-limits/article/refurbishment-vs-new-build-the-carbon-and-business-case/

Strategy	Measure type	Mean impact on Energy Use Intensity (EUI)	EPC impact	Cost (£/m²)
	Decarbonisation of heat	-17.6%	High	£50 - £220
Renewables	Solar photovoltaic (PV)	-5.3%	Low	£3 - £30

Source: UK Green Building Council, (2024); Building The Case For Net Zero: Retrofitting Office Buildings.

Table 8-3 EPC impact definition

EPC impact category	EPC impact score (added to baseline EPC rating score)
Low	0 – 5
Medium	5 – 15
High	15+

Source: UK Green Building Council, (2024); Building The Case For Net Zero: Retrofitting Office Buildings.

8.4.20. A report in to *Costing Energy Efficiency Improvements in Existing Commercial Buildings* by the IPF[163] offers multiple examples whereby a combination of such measures would improve the EPC rating of a given building. Having provided various cost benchmarks after studying six building archetypes (including four offices, a retail warehouse and an industrial building), and assessed combined packages of improvement measures for their impact on EPC ratings, in all buildings, it was possible to identify some measures that met the MEES regulations' cost effectiveness test and brought the rating of the building to and EPC rating of E or above – these measures cost between £10 and £20 per m^2. It was also found that replacing older, less efficient lights (such as T8 compact fluorescent tubes) with more efficient versions with the same luminaire is highly cost effective in improving EPC rating and making cost savings; this is reflected by a typical Internal Rate of Return (IRR) of at least 20%.

What this means for Brighton & Hove

8.4.21. A key challenge that occupiers face is that they are just tenants, i.e. they often do not own the buildings that they occupy. Therefore, tenants require landlord buy-in before any retrofitting can take place. This can create tensions as tenants with short-term interest (which is often the case in the UK's leasing model) may not have enough of an incentive to invest sufficiently in green technologies. A landlord may feel similarly disinclined if it has a full roster of tenants and a steady rental stream[164].

8.4.22. This presents a challenge given the trend that the higher the investment cost, the greater the improvement to the building and its EPC rating. This is a challenge that will be present nationally, not just within Brighton & Hove. However, Brighton & Hove has a large stock of older office premises, and therefore a way must be found to encourage landlords of these properties to review the opportunities to improve these assets before they become non-compliant with EPC standards. Otherwise, Brighton & Hove could face a situation where it has offices which are 'stranded assets' that are both non-compliant and undesirable to retrofit. Industrial properties are expected to prove less difficult to retrofit but as shown earlier, there is nevertheless a significant portion of stock which does not or will not meet existing and planned minimum energy efficiency standards.

8.4.23. The Royal Institute of British Architects (RIBA) also recently launched the Retrofit First campaign, which champions the reuse of buildings. The campaign highlights the long-running problem of a 20% levy on refurbishments as opposed to the 0-5% levy on new builds; this also acts as a disincentive for refurbishing instead of

[164] Lewis Silkin, (2022): A case for retro-fitting. Accessed here: https://www.lewissilkin.com/en/insights/a-case-for-retrofitting

building new. RIBA is campaigning to cut this tax to 5% for refurbishments to bring some alignment between the two types[165].

8.4.24. To add to the challenge, there has so far been a lack of central Government steer around how commercial premises should tackle the retrofitting issue, which increases the possibility of stranded assets in the future. Expectations on funding and support for retrofits and energy efficiency improvements being unveiled in the Spring 2023 Budget Statement went unmet with no measures proposed. In response it was suggested that the Government could be doing more to 'boost retrofit demand' and create a generation of skilled retrofit workers[166]. With the next EPC rating compliance milestone for commercial properties set at 2027, uncertainty around what standards will be in place has the potential to cause wider impacts on investments in commercial property generally.

8.4.25. In addition to national directives there are steps that the council, and other local authorities, can take to support occupiers/landlords throughout this process. Councils are uniquely places to drive forward the retrofitting agenda locally. They can do this through acting on their own stock and utilising their local connections with landlords and occupiers within the local authority area. Councils face funding constraints that can limit their resource and capacity to lead, however, there are several different roles they can play, including:

- Facilitation: acting as convenor to bring a 'coalition' of willing individuals and groups together;
- Marketing and communication: a key, relatively resource-light role, providing trusted information to landlords and occupiers;
- Co-ordination: acting as the 'lynchpin' in terms of co-ordinating action;
- Being a trusted partner: local authorities are often more trusted than national government and other stakeholders;
- Partnering with the private sector: to facilitate retrofit finance to all occupiers, regardless of tenure.

8.5. Conclusions

8.5.1. This section of the report has presented a number of implications of future trends in key sectors for the property market and employment space needs in Brighton & Hove. This included consideration of the impact of affordable workspace and minimum energy efficiency standards on the commercial property market. An overview of how these influences interact and affect economic development prospects in Brighton & Hove are summarised in Table 8-4 overleaf.

[165] AECOM, (2023): The carbon and business case for choosing refurbishment over new build. Accessed here: https://aecom.com/without-limits/article/refurbishment-vs-new-build-the-carbon-and-business-case/
[166] Building, (2023): Spring Budget broadly welcomed but criticised for lack of retrofit progress. Accessed here: https://www.building.co.uk/news/spring-budget-broadly-welcomed-but-criticised-for-lack-of-retrofit-progress/5122302.article

Table 8-4 SWOT analysis of key sectors and market demands in Brighton & Hove in relation to employment land needs

Strengths	Weaknesses
• Highly educated population and healthy knowledge economy. • Prevalence/clustering of creative industry businesses • Increasing demand for space from digital media, software, gaming and IT firms. • Highly entrepreneurial business environment, with consistent net positive business registrations. • Recent office developments have provided some high-quality stock within the city centre with exceptional sustainability credentials. • Development of co-working and flexible office type buildings.	• Unaffordability/availability of workspaces of varying typologies to suit needs of all enterprise sizes. • Ageing city centre office stock creating mismatch of supply with demand for higher quality offices. • Continued pressure on employment space from residential development; highly constrained supply of land. • Poorer quality and/or older stock re-provided as part of mixed-use regeneration less affordable and of different kind to previous uses. • Notable retrofit/refurbishment challenge to address minimum energy efficiency standards, particularly within central Brighton
Opportunities	**Threats**
• Role as regional centre of business activity could be enhanced through ensuring availability of appropriate space. • Emerging sectors (digital, knowledge) exhibiting degree of clustering, further development could position Brighton & Hove as chosen or preferable location for innovation. • Net zero and decarbonisation agenda has the potential to drive investment in green/clean energy sector. • Retaining graduate population, collaboration of businesses with universities. Building on new Plus X Innovation Space style co-location of education and workspace. • Implementation of an affordable workspace policy or establishment of novel delivery method to provide affordable workspace e.g. developer contributions or creative land trust.	• Changes in minimum energy efficiency standards (MEES) necessitating the upgrading, retrofitting and/or replacement of building stock, particularly office stock. • Variable engagement of landlords with refurbishment/energy efficiency upgrading. • Impact of working/lifestyle changes towards hybrid working models impacting demand for office space. • Difficulty in establishing appropriate affordable workspace policies to effectively different correct amount and type of space could inhibit growth of relevant sectors (creative, cultural, social enterprise).

9. Future demand

9.1. Introduction

9.1.1 The approach to assessing future employment floorspace and land requirements below is in line with Planning Practice Guidance on Economic Needs Assessments. The analysis in this section considers three possible employment growth scenarios:

- Scenario 1 – Labour demand scenario: based on the floorspace and land needed to accommodate expected employment growth in Brighton & Hove, as per the latest employment forecasts derived from Oxford Economics data.
- Scenario 2 – Labour supply scenario: based on the latest population and housing growth projections, as derived from ONS data and the 2023 Strategic Housing Market Assessment.
- Scenario 3 – Past take-up scenario: trend-based scenario based on the continuation of historical take-up rates, sourced from CoStar. This analyses take-up rates by use class over the last 10 years and extrapolates these trends over the assessment period.
- The assessment of future need has also been informed by analysis of market signals, engagement with commercial agents and business sector and discussions with officers from the city council.

9.1.2 Employment sectors have been aligned with the current core B and E(g) use classes:

- Office uses (former B1a, former B1b):
  - E(g)(i) Offices; and
  - E(g)(ii) Research and development
- Industrial uses (former B1c, B2, B8):
  - E(g)(iii) Light industrial;
  - B2 General industrial; and
  - B8 Storage and distribution.

9.1.3 Job numbers for each use class have been calculated and converted to floorspace requirements by applying appropriate employment density assumptions. To calculate land requirements for industrial uses, plot ratios have been applied in order to convert floorspace into land (hectares). The employment densities and plot ratios used draw on the HCA Employment Densities Guide 3rd Edition (2015) and the consultants' appreciation of prevailing rates/ratios. These are summarised in Table 9-1 below.

Table 9-1 Employment density and plot ratio assumptions

Use class	HCA Employment Densities Guide (2015)	Employment density assumption uses (m^2 per full time equivalent (FTE) job)	Plot ratio (% of site area)
E(g)(i)	Offices – 8-13m^2 Net Internal Area (NIA) per FTE job	11.3	185%
E(g)(ii)	R&D space – 40-60m^2 NIA per FTE job	40	65%
E(g)(iii)	Light industrial – 47m^2 NIA per FTE job	47	65%

Use class	HCA Employment Densities Guide (2015)	Employment density assumption uses (m^2 per full time equivalent (FTE) job)	Plot ratio (% of site area)
B2	Industrial and manufacturing – 36m^2 GIA per FTE job	36	55%
B8	Storage and distribution – 70-95m^2 GEA per FTE job	70	50%

9.1.4. It should be noted that employment ratios can vary significantly depending on location and the exact type of use. The HCA Employment Densities Guide allows for this variation by providing density ranges against uses. Where ranges are provided by the guidance, this study has taken with regards to office space a mid-point approach to reflect emerging trends around the nature of office working including the rise of hybrid and co-working models. As the latter gain in normality, it is likely that further changes in average employment densities for office floorspace use occur. At present there are no studies or guidance which examine this in sufficient detail to draw firm conclusions from. For example, whilst desk space per employee may have declined, the requirement for collaborative and meeting space may have increased; flexible workspaces which inherently change in arrangement and occupation over time problematise this further. With regards to R&D, and storage and distribution space employment density, the lower band of the suggested range has been adopted in order to reflect the dense and highly land-constrained urban landscape of Brighton & Hove, especially with regard to employment land.

9.1.5. The employment land requirement forecast delineates growth into major sectors which, in turn, are aggregated into land use types. Space requirements in terms of floorspace use type of each of the considered sectors have been assigned. This approach provides a land and floorspace requirement for office [E(g)(i), E(g)(ii)] and industrial [E(g)(iii), B2, B8] activity. Whilst this approach aligns with the guidance provided by the NPPF and PPG and provides a robust basis for planning purposes, it should be recognised that future delivery may not be as neatly categorised.

9.1.6. The scenarios discussed in this chapter should be treated as broadly indicative. Predicting future economic trends and corresponding employment land requirements is not an exact science. The assessment needs to be based on a series of assumptions, including the future performance of individual business sectors, the proportion of employment in each sector that corresponds to each of the B and E(g) use classes, and the future employment densities and plot ratios for each use class. Furthermore, the future economic performance of Brighton & Hove's economy is subject to external factors that are hard to predict in the context of this study, such as political and economic changes at the national and international levels.

9.1.7. Moreover, the nature of work is subject to change over the study period. This could relate, as discussed, to alternative models of hybrid and remote working. Co-working, flexible and 'open' style workplaces may become more prominent. Data suggests that part-time work is becoming increasingly common in the UK[167]. The adoption of novel technologies could have disruptive implications on sectors and the workforce. These trends, if found in reality, may imply different space requirements to present requirements.

9.1.8. With the above caveats in place, the scenarios presented in this chapter provide an indication of future economic trends and are a useful tool for informing employment

[167] Office for National Statistics, (1993;2023) Labour Force Survey.

land policy. It should also be noted that all figures presented in this chapter have been rounded and therefore may not sum exactly.

9.2. Scenario 1: Labour demand scenario

9.2.1 The 'labour demand' scenario is based on Oxford Economics' economic forecasts for Brighton & Hove. Oxford Economics' Local Authority District (LAD) model represents a comprehensive dataset which enables the analysis of the local economy in detail. The model is shaped by three elements:

- international, national and regional outlook projections which capture global events impacting on the performance of UK economies, along with monetary policy effects on consumer spending and government spending;
- historical trends pertaining to the local area, including levels of competitiveness in particular activities; and
- fundamental economic relationships including indicators relating to changes in employment and assumptions about migration, commuting and economic activity rates.

9.2.2 According to Oxford Economics' August 2023 employment forecasts, employment across all sectors in Brighton & Hove is forecast to increase from 174,377 in 2023 to 195,984 in 2041, as shown in Table 9-2.

9.2.3 In absolute terms, the largest growth in employment is anticipated in the 'human health and social work activities', 'professional, scientific and technical activities', and 'administrative and support service activities' sectors. Conversely, in absolute terms the largest reduction in employment is forecast in the 'manufacturing' and 'public administration and defence' sectors.

Table 9-2 Forecast change in employment by sector (2023 – 2041)

Employment sector	Employment change (2023 – 2041)
Q : Human health and social work activities	6,228
M : Professional, scientific and technical activities	3,788
N : Administrative and support service activities	3,058
R : Arts, entertainment and recreation	1,933
P : Education	1,910
I : Accommodation and food service activities	1,580
F : Construction	1,345
J : Information and communication	1,133
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	1,127
S : Other service activities	879
L : Real estate activities	334
K : Financial and insurance activities	145
B : Mining and quarrying	0
A : Agriculture, forestry and fishing	-8
E : Water supply; sewerage, waste management and remediation activities	-109
D : Electricity, gas, steam and air conditioning supply	-169
H : Transportation and storage	-191

Employment sector	Employment change (2023 – 2041)
O : Public administration and defence; compulsory social security	-316
C : Manufacturing	-1,059
Total	**+21,607**

Source: Oxford Economics, (2023) / AECOM analysis

9.2.4. Oxford Economics data for 2023 is based on a projection. In order to provide a forecast of future employment based on observed data, the year-on-year employment growth rate derived from the Oxford Economics dataset has been applied to the observed Business Register and Employment Survey baseline data for 2021, and projected forwards.

9.2.5. Employment in office and industrial use class sectors makes up approximately 39.0% of all employment in Brighton & Hove in 2023 (58,348 out of a total of 149,737 jobs). According to calculations undertaken by AECOM based on Oxford Economics data, it is forecast that employment in office and industrial sectors will increase by 4,376 jobs over the period between 2023 and 2041, an increase of approximately 8%.

Table 9-3 Demand-based scenario - employment forecasts by use class (2023 – 2041)

Use class	Total jobs					Change (2023 – 2041)
	2023	2028	2033	2038	2041	
E(g)(i)	36,083	37,678	38,801	39,583	40,006	+3,923
E(g)(ii)	3,106	3,278	3,393	3,483	3,533	+427
Total office jobs	**39,189**	**40,956**	**42,194**	**43,066**	**43,539**	**+4,350**
E(g)(iii)	2,049	2,001	1,903	1,811	1,760	-289
B2	2,554	2,489	2,402	2,322	2,278	-276
B8	14,531	14,924	15,023	15,113	15,148	+617
Total industrial jobs	**19,134**	**19,414**	**19,327**	**19,246**	**19,186**	**+52**
Total office and industrial jobs	**58,348**	**60,371**	**61,521**	**62,312**	**62,725**	**+4,376**

Source: AECOM, (2023).

9.2.6. The greatest increase in absolute terms is forecast to take place in E(g)(i) office use class jobs (+3,923 jobs), followed by B8 storage and distribution jobs (+617 jobs). Employment in E(g)(ii) research and development is also forecast to increase (+427 jobs), however employment in E(g)(iii) light industrial and B2 general industrial sectors is forecast to decrease (-289 and -276 jobs respectively).

9.2.7. It is noted that employment in use class E(g)(ii) research and development is forecast to increase by +427, however there are currently limited premises in Brighton & Hove in this use (based on CoStar data). However, it is likely that research and development activities are taking place, although these are not captured by the primary and secondary use types defined by CoStar, potentially because they are not the predominant use of buildings.

9.2.8. Based on the above employment forecasts and the employment density assumptions summarised in Table 9-3, Brighton & Hove floorspace requirement forecasts over the period between 2023 and 2041 are presented in Table 9-4 and Table 9-5 below.

Table 9-4 Demand-based scenario – additional office floorspace need in Brighton & Hove (m^2, 2023 – 2041)

Use class	2028	2033	2038	2041	% change (2023 – 2041)
E(g)(i)	18,030	30,713	39,558	44,333	+11%
E(g)(ii)	6,887	11,498	15,075	17,078	+14%
Office floorspace need	**24,917**	**42,211**	**54,633**	**61,411**	**+12%**

Source: AECOM, (2023).

Table 9-5 Demand-based scenario - additional industrial floorspace need in Brighton & Hove (m^2, 2023 – 2041)

Use class	2028	2033	2038	2041	% change (2023 – 2041)
E(g)(iii)	-2,246	-6,889	-11,188	-13,594	-14%
B2	-2,323	-5,468	-8,345	-9,933	-11%
B8	27,509	34,424	40,729	43,217	+4%
Industrial floorspace need	**22,940**	**22,066**	**21,196**	**19,690**	**+2%**

Source: AECOM, (2023).

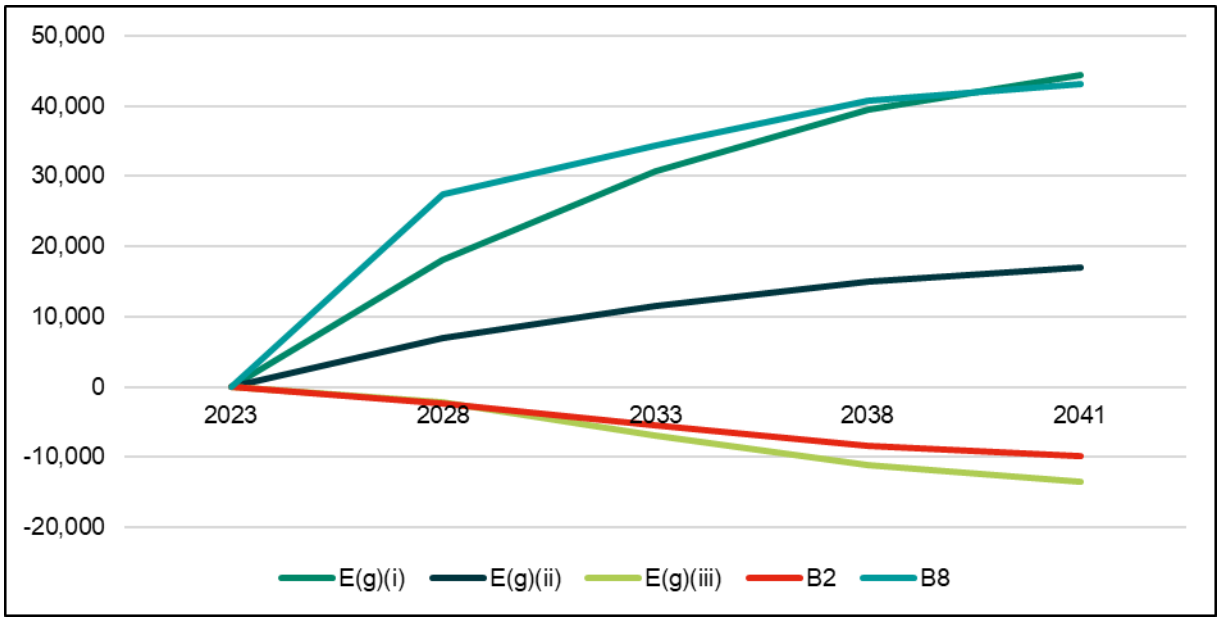
9.2.9. Overall, based on the Oxford Economics derived labour demand scenario, Brighton & Hove is projected to experience a modest change in office floorspace requirements over the period between 2023 and 2041, reflecting an additional circa. 44,300m^2 of floorspace demand. Similarly, an additional circa. 17,100m^2 of research and development floorspace and 43,200m^2 of storage and distribution floorspace is anticipated to be required.

9.2.10. Conversely, there is projected to be a reduction in demand for light industrial floorspace (circa. -13,600 m^2) and general industrial floorspace (circa. -9,300m^2) over the same period.

9.2.11. Figure 9-1 shows the evolution of floorspace requirements in Brighton & Hove to 2041. Precise requirements for each use type are as follows:

- +44,333m^2 of E(g)(i) floorspace;
- +17,078m^2 of E(g)(ii) floorspace;
- -13,594m^2 of E(g)(iii) floorspace;
- -9,933m^2 of B2 floorspace; and
- +43,217m^2 of B8 floorspace.

Figure 9-1 Demand-based scenario: floorspace requirement forecast (m^2, 2023 – 2041)



Source: Oxford Economics, (2023)/ AECOM analysis.

9.2.12. Finally, by applying relevant plot ratios, floorspace requirements can be converted into land requirements (presented in hectares).

9.2.13. Based on this, the evolution of land requirements in Brighton & Hove indicates a requirement in the labour demand scenario for:

- +2.4 ha of land for E(g)(i) use;
- +2.6 ha of land for E(g)(ii) use;
- -2.1 ha of land for E(g)(iii) use;
- -1.8 ha of land for B2 use; and
- +8.6 ha of land for B8 use.

9.3. Scenario 2: Labour supply scenario

9.3.1. The labour supply scenario is based on the latest population and housing growth projections, utilising the employment forecast underpinning Scenario 1 in respect of sector trends in employment. This provides an indication of the minimum amount of employment land required to maintain a balance between population and economic growth.

9.3.2. The labour supply scenario considers the potential local employment requirements arising from an initial assessment of growth driven by demographic factors. This has been informed by recent population projections provided by the 2023 Brighton & Hove Strategic Housing Market Assessment (SHMA). The SHMA notes that the Standard Method '*results in an unreliable figure to use in estimating housing need'* and therein population change. As such, a number of projections were developed within the SHMA.

9.3.3. The preferred housing need scenario, as determined by the SHMA, considered housing need for 810 dw.p.a. over the period to 2041. This was developed used 5-year population trends derived from Mid-Year Estimates (MYE) provided by the Office for National Statistics. This was performed on the basis that an exceptional circumstance to departing from the Standard Method was evidenced by a clear difference between population projection data and recorded population growth. The

resulting population change derived from the preferred housing need scenario between 2022 and 2041, as assessed by the SHMA, is shown in Table 9-6.

Table 9-6. Strategic Housing Market Assessment population change projection linked to preferred housing need scenario

Age range	Population in 2022	Population in 2041	Change in population (no.)	Change in population (%, 2022 – 2041)
Under 16	41,624	35,913	-5,711	-13.7%
16 – 64	**198,731**	**203,791**	**5,060**	**2.5%**
65 and over	39,831	58,568	18,736	47.0%
Total	280,187	298,272	18,085	6.5%

Source: Brighton & Hove City Council/Iceni, (2023); Strategic Housing Market Assessment. Table 8.14.

9.3.4. For the purposes of developing the labour supply scenario, this study is concerned with the projection of the working age population. The following assumptions have been applied to generate employment growth projections arising from expected population growth in Brighton & Hove between 2023 and 2041:

- Total working age population change between 2023 and 2041 reflects the SHMA preferred housing need scenario derived population projection;
- In the absence of further annual breakdown of population change over this period that the rate of change is constant;
- Proportion of the working age population that is economically active is 79.2%[168] as per the rate for 2022. This is assumed to remain constant over the study period given there are no published projections of this to factor change in robustly; and
- Labour force ratio of 79.1%[169], as per Census 2011 data. This is also assumed to remain constant over the study period again given there are no projections of this to factor change in robustly. The ratio is calculated by totalling the number of residents of Brighton & Hove who also work there (including working from home, no fixed place of work, working outside of the UK and working in offshore installations) with the workers who commute in to Brighton & Hove to work.

9.3.5. Applying the above, the total employment is expected to increase by a total of 3,005 between 2023 and 2041. This conversion is presented in Table 9-7 for 2023 and 2041.

Table 9-7 Conversion of population projection to local labour

	2023	2041	Change	CAGR (%)
Working age population	198,994	203,791	5,060	0.13%
Economically active population	157,603	161,402	4,008	0.13%
Local labour supply	124,664	127,669	3,005	0.13%

9.3.6. Additional annual local labour supply has been mapped proportionally to each sector. This was achieved by considering the overall change in number of jobs as derived from Oxford Economics forecasts. The proportion of this change represented by each sector was then applied to the annual employment change calculated above. The amount of change in employment therefore reflects

[168] Office for National Statistics, (2023); Annual Population Survey 2022.
[169] Office for National Statistics, (2012); Census 2011 – Origin Destination data.

forecasted sectoral trends transposed on to annual labour supply derived from the trajectory-led population forecast.

9.3.7. The labour supply scenario therefore projects an increase of 730 office jobs and an increase of 89 industrial jobs over the period between 2023 and 2041, totalling a net increase of 149 jobs, or an increase of approximately 0.3%. This is shown in Table 9-8.

Table 9-8 Labour supply scenario – employment forecasts by use class (2023 – 2041)

Use class	Total jobs					Change (2023 – 2041)
	2023	2028	2033	2038	2041	
E(g)(i)	35,108	35,316	35,506	35,672	35,768	+660
E(g)(ii)	3,039	3,057	3,077	3,097	3,109	+70
Total office jobs	**38,147**	**38,373**	**38,583**	**38,770**	**38,877**	**+730**
E(g)(iii)	2,051	2,061	2,046	2,029	2,019	-31
B2	2,554	2,571	2,560	2,549	2,542	-12
B8	14,422	14,506	14,524	14,545	14,554	+132
Total industrial jobs	**19,027**	**19,137**	**19,130**	**19,123**	**19,115**	**+89**
Total office and industrial jobs	**57,174**	**57,510**	**57,713**	**57,893**	**57,993**	**+819**

Source: AECOM, (2023). Note figures may not sum due to rounding.

9.3.8. The same assumptions regarding floorspace use type requirements of sectors as the labour demand scenario were then applied in order to derive floorspace requirements.

9.3.9. Based on the above employment forecasts and the employment density and plot ratio assumptions, floorspace requirements in Brighton & Hove generated by the labour supply scenario over the period between 2023 and 2041 are presented in Table 9-9 and Table 9-10.

Table 9-9 Labour supply scenario – cumulative additional office floorspace need (m^2, 2023 – 2041)

Use class	2028	2033	2038	2041	% change (2023 – 2041)
E(g)(i)	2,352	4,494	6,376	7,456	+2.0%
E(g)(ii)	706	1,530	2,332	2,811	+2.3%
Office floorspace need	**3,059**	**6,024**	**8,709**	**10,267**	**+2.0%**

Source: AECOM, (2023).

Table 9-10 Labour supply scenario – cumulative additional industrial floorspace need (m^2, 2023 – 2041)

Use class	2028	2033	2038	2041	% change (2023 – 2041)
E(g)(iii)	480	-234	-1,011	-1,480	-1.5%
B2	601	220	-183	-420	-0.5%
B8	5,856	7,151	8,599	9,218	+0.9%
Industrial floorspace need	**6,937**	**7,137**	**7,406**	**7,317**	**+0.6%**

Source: AECOM, (2023).

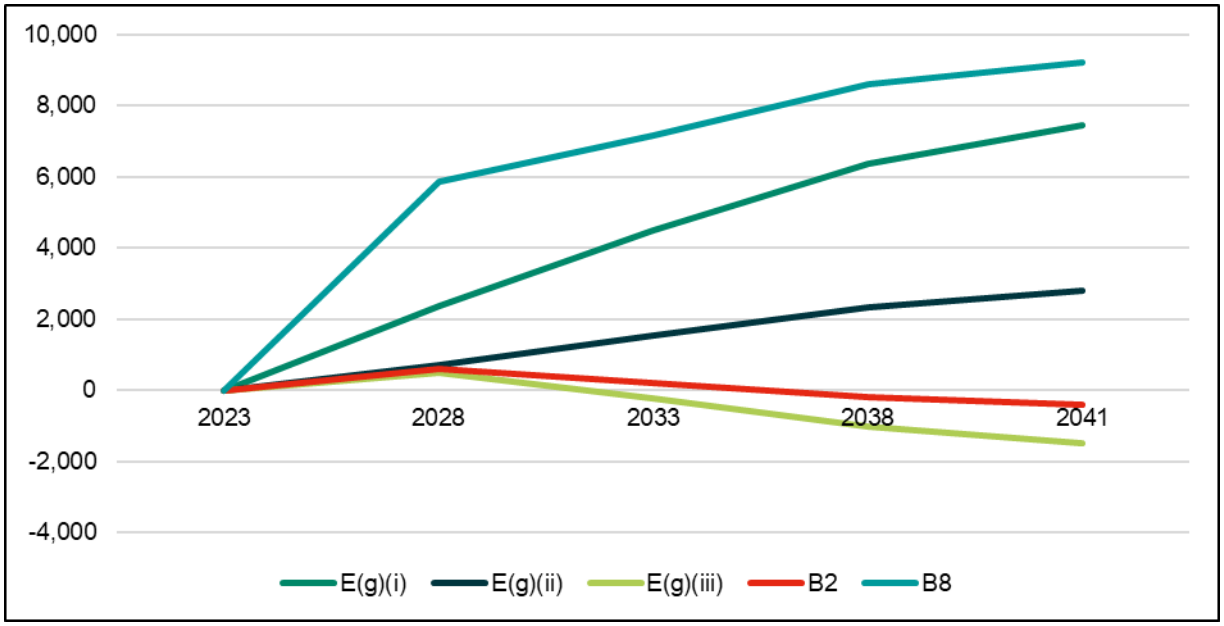
9.3.10. Overall, this scenario estimates an additional need between 2023 and 2041 for circa. 10,300m^2 of office (E(g)(i)) floorspace, circa. 2,800m^2 of research and

development (E(g)(ii)) space and 9,200m^2 of storage and distribution (B8) space. This contrasts with a decrease in need for light industrial (E(g)(iii)) and general industrial (B2) floorspace of 1,500m^2 and 400m^2 respectively over the same time period.

9.3.11. Figure 9-2 shows the evolution of floorspace requirements in Brighton & Hove to 2041. Precise requirements for each use type are as follows:

- +7,456m^2 of E(g)(i) floorspace;
- +2,811m^2 of E(g)(ii) floorspace;
- -1,480m^2 of E(g)(iii) floorspace;
- -420m^2 of B2 floorspace; and
- +9,218m^2 of B8 floorspace.

Figure 9-2 Labour supply scenario - floorspace requirement (m^2, 2023 – 2041)



Source: AECOM, (2023).

9.3.12. Finally, applying relevant plot ratios, floorspace requirements can be converted into land requirements (presented in hectares), which has been done for industrial uses only.

9.3.13. Based on this, the evolution of land requirements in Brighton & Hove to 2041 indicates a requirement for:

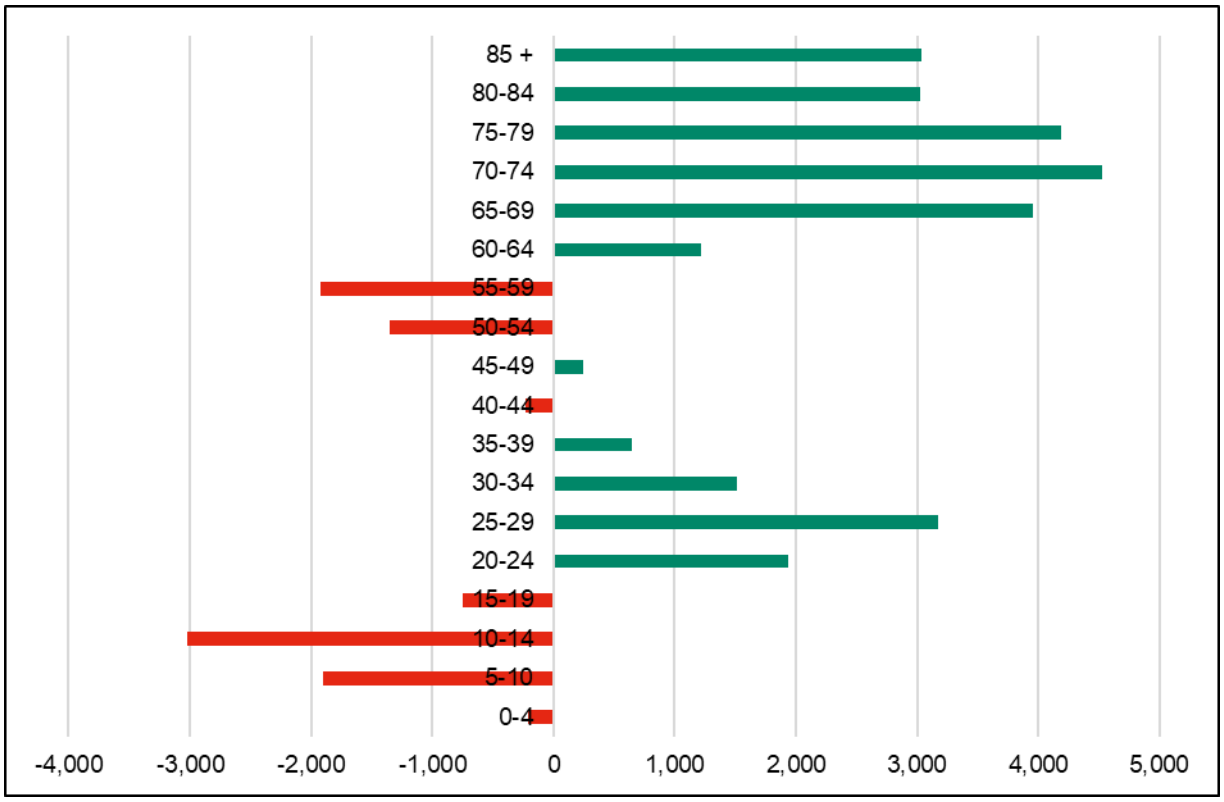
- +0.4 ha of land for E(g)(i) use;
- +0.4 ha of land for E(g)(ii) use;
- -0.2 ha of land for E(g)(iii) use;
- -0.1 ha of land for B2 use; and
- +1.8 ha of land for B8 use.

Implications of working age policy changes

9.3.14. Changes to the State Pension age under the Pensions Act 2014 will be implemented during the period between 2023 and 2041. A phased increase for both men and women will increase the State Pension age to 67 by 2028. There is no longer a ‘default retirement age’.

9.3.15. Demographic data typically considers working age to be between ages 16 to 64, and 'pensionable' age to be ages 65 and over. The demographic trends linked to a 'constrained' housing supply set out in the SHMA (which form the baseline population projection of the labour supply scenario) predict much greater growth in the 65+ age cohort (+46.3%) than the working age cohort (+0.4%). A further breakdown of predicted population change by smaller age cohorts is shown in Figure 9-3.

Figure 9-3 Demographic change derived from SHMA preferred housing need scenario (2022 – 2041)



Source: Brighton & Hove City Council/Iceni, (2023); Strategic Housing Market Assessment. Adapted from Table 8.15.

9.3.16. In order to assess the potential implications of the changing nature of work, it is assumed that the population growth in the 65-69 age cohort is contributed equally by each year of age (65, 66, 67, 68, and 69), and the forecasted population growth for ages 65, 66, and 67 (+2,377) is subject to the current economic activity characteristics[170], as set out in Table 9-11. It should be noted that the economic activity rates may differ as individuals' working lifestyles change in line with policy changes around the State Pension age. There is evidence that the economic inactivity rate of people over 65 years old has been decreasing over time[171].However, for the purposes of developing an indicative sensitivity test, it is deemed an appropriate approach to assume that the inactivity rate remains constant, in line with the approach taken for the original scenario.

[170] Department for Work and Pensions, (2023); Economic labour market status of individuals aged 50 and over, trend over time: September 2023.
[171] Department for Work and Pensions, (2023); Economic labour market status of individuals aged 50 and over, trend over time: September 2023.

Table 9-11 Working age sensitivity testing assumptions (ages 65 - 67)

Year of age	Projected population growth (2022 – 2041) derived from SHMA preferred housing need scenario	Economic activity rate, 2023
65	792	42.7%
66	792	32.8%
67	792	24.1%

Source: Brighton & Hove City Council/Iceni, (2023); Strategic Housing Market Assessment. Adapted from Table 8.15. Department for Work and Pensions, (2023); Economic labour market status of individuals aged 50 and over, trend over time: September 2023.

9.3.17. As a result of the extension of the labour supply pool through consideration of working age changes, there is an impact on the employment floorspace requirements. These are shown in comparison to the original labour demand scenario in Table 9-5.

9.3.18. It is shown that as a result of considering an additional population to be economically active and in employment, the overall requirement for employment floorspace increases versus the original labour supply scenario. The amount of additional office-based jobs forecast increases to 284 (an increase of 155), and the amount of industrial-based jobs forecast increases to 316 (an increase of 167). There is therefore instead in this instance a requirement for circa 4,000m^2 of office floorspace (an increase of circa 2,100m^2), and circa 2,700m^2 of industrial floorspace (an increase of circa 1,400m^2). In this scenario, the overall additional land requirement is +0.9 ha (rather than +0.4 ha).

Table 9-12 Working age change sensitivity test implications on employment, floorspace and land requirement

Use class	Original labour supply scenario jobs change (no., 2023 – 2041)	**Working age change sensitivity test jobs change (no., 2023 – 2041)**	Original labour supply scenario floorspace demand change (m^2, 2023 – 2041)	**Working age change sensitivity test floorspace demand change (m^2, 2023 – 2041)**	Original labour supply scenario land demand change (ha, 2023 – 2041)	**Working age change sensitivity test land demand change (ha, 2023 – 2041)**
E(g)(i)	660	789	7,456	8,921	+0.4	+0.5
E(g)(ii)	70	84	2,811	3,370	+0.4	+0.5
Office need	730	**874**	10,267	**12,291**	+0.8	**+1.0**
E(g)(iii)	-31	-38	-1,480	-1,803	-0.2	-0.3
B2	-12	-15	-420	-527	-0.1	-0.1
B8	132	156	9,218	10,939	+1.8	+2.2
Industrial need	89	**103**	7,317	**8,610**	+0.3	**+1.8**
Total	819	**977**	17,584	**20,901**	+0.4	**+2.8**

Source: AECOM analysis. Note figures may not sum due to rounding.

9.4. Scenario 3: Past take-up scenario

9.4.1 To determine the needs arising from a scenario of change based on 'past take-up', AECOM has used data derived from CoStar on net absorption of employment floorspace by planning use class. Data for Brighton & Hove over the period between 2010 to 2022 has been considered.

9.4.2 The historical net absorption (annual average) by planning use class indicates the quantum of net floorspace occupied over a period of time (i.e. move-ins minus

move-outs). The 'move-in' component includes new space to the market once it is occupied. Net absorption is a proxy for demand as it shows, if positive, additional occupation of space in one year to the next. If negative, less floorspace is occupied in one year to the next. Persistent positive net absorption is therefore broadly indicative that more space is being occupied overall over time and the property market is in a condition of strong demand and generally good health. For the purposes of developing a projection, net absorption is a representative basis of how the property market is responding in practice to wider trends, as well as indicating how demand is influencing take up of space.

9.4.3 Recorded net absorption in Brighton & Hove can be projected forwards to inform the future demand for employment floorspace. As part of this exercise, several historical periods were considered (past 5 years, past 10 years, past 13 years). It was considered that the past 10-year average was the most robust, as it was not overly impacted by the 2008 financial crisis is long enough to suppress, to a good degree, the impact of the COVID-19 pandemic (unlike the past 5-year average). As shown by the variation in take-up depending on the time frame under consideration, past trends in take-up are representative of their respective economic conditions. In this way, the analysis conducted within this scenario should be viewed as reflective of the projected future condition of the market based on a point in time extrapolation and is subject to limitation in its ability to appreciate potential for future events, influences or interventions to affect future employment needs; a limitation particularly acute in a location with constrained supply such as Brighton & Hove.

9.4.4 Table 9-13 provides a summary of the average net absorption of employment floorspace planning use class over the past 5, 10 and 13 years.

Table 9-13 Average annual net absorption of floorspace (m^2, 2012 - 2022)

Use class	5-year	10-year	13-year
Office (E(g)(i))	-367	3,535	4,024
R&D (E(g)(ii))	-	-	-
Light industrial (E(g)(iii))	411	31	-75
General industrial (B2)	259	337	752
Storage and distribution (B8)	1,058	752	584

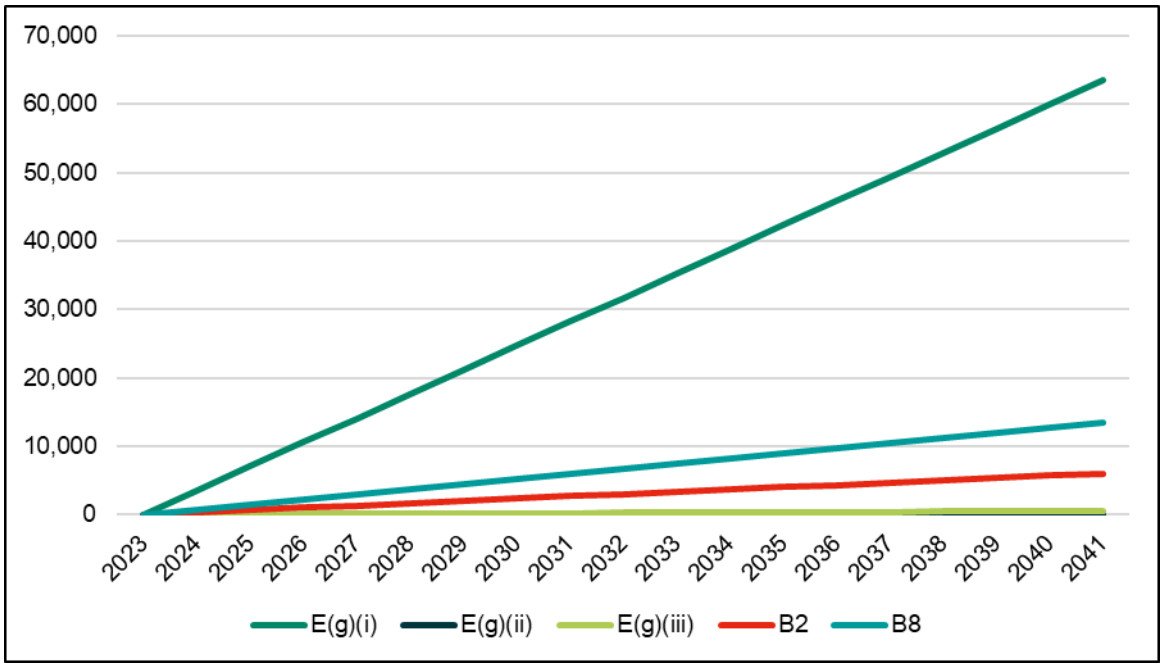
Source: CoStar, (2023).

9.4.5 The average historical annual absorption of employment floorspace was projected forward to 2041 from the 2023 baseline position. Overall, based on the continuation of the average annual trend over the ten-year period preceding 2023, by 2041 there is a projected requirement for circa. 63,400m^2 of office (E(g)(i)) floorspace, light industrial (E(g)(iii)) and general industrial (B2) floorspace of circa. 600m^2 and 6,000m^2 respectively and circa. 13,500m^2 of warehousing (B8) floorspace.

9.4.6 Figure 9-4 shows this projected evolution of floorspace requirements in Brighton & Hove to 2041. Precise requirements for each use type are as follows:

- +63,448m^2 of E(g)(i) floorspace;
- +0m^2 of E(g)(ii) floorspace;
- +556m^2 of E(g)(iii) floorspace;
- +6,061m^2 of B2 floorspace; and
- +13,541m^2 of B8 floorspace.

Figure 9-4 Past take-up scenario - floorspace requirement (m^2, 2023 – 2041)



Source: CoStar, (2023).

9.4.7. Finally, applying relevant plot ratios, floorspace requirements can be converted into land requirements (presented in hectares) for industrial uses.

9.4.8. Based on this, the evolution of land requirements in Brighton & Hove to 2041 indicates a requirement for:

- +3.4 ha of land for E(g)(i) use;
- +/-0 ha for E(g)(ii) use;
- +0.1 ha for E(g)(iii) use;
- +0.8 ha for B2 use; and
- +1.8 ha for B8 use.

9.5. Replacement of losses

9.5.1. The forecasting exercise has also taken into account replacement of losses, i.e. the requirement to replace employment floorspace which has been converted into alternative uses.

9.5.2. It is likely that over the period between 2023 to 2041, the types of employment recorded in Brighton & Hove will change. This could relate to behavioural and lifestyle changes concerning the rise of hybrid/remote working models, and the degree to which novel technologies and macroeconomic trends affect the performance of particular sectors. This concurs with the forecasts set out in Table 9-2, which indicate that there could be notable growth in the human health, professional scientific and technical activities, and administrative sectors, and decline in employment in manufacturing. It is possible that as employment requirements change, depending on suitability and viability, properties may be able to meet alternative demands via change of use.

9.5.3. Planning policy changes and the impact of Permitted Development Rights (PDR), which allow for changes of use with less stringent planning permission (subject to conditions and prior approval), also impact on the amount of employment floorspace lost to alternative uses. This is also the case for compliance of stock with minimum energy efficiency standards (which are due to become sequentially more

stringent) whereby alternative uses for stock are explored by landlords when considering the viability of retrofitting for continued employment use.

9.5.4. The *Authority Monitoring Reports* from Brighton & Hove for the years 2016/17 to 2021/22[172,173,174,175,176,177] provide information on changes in floorspace by use type annually over this period. This is shown in Table 9-14 by floorspace type, including the average annual loss recorded across the time period.

Table 9-14 Employment floorspace losses (m², 2016/17 - 2021/22)

Year	B1a	B1b	B1c	B2	B8
2016/17	-5,325	-309	0	-130	-886
2017/18	-7,583	0	-4,504	-480	-1,906
2018/19	-9,645	-128	-256	-4,194	-711
2019/20	-3,548	0	-33	-460	-318
2020/21	-1,539	0	-741	-2,438	-80
2021/22	-6,332	0	-2,439	-252	-3,396
Annual average	**-5,662**	**-73**	**-1,329**	**-1,326**	**-1,216**

Source: Brighton & Hove City Council, (2017); Authority Monitoring Report 2016/17. Brighton & Hove City Council, (2018); Authority Monitoring Report 2017/18. Brighton & Hove City Council, (2019); Authority Monitoring Report 2018/19. Brighton & Hove City Council, (2020); Authority Monitoring Report 2019/20. Brighton & Hove City Council, (2021); Authority Monitoring Report 2020/21. Brighton & Hove City Council, (2022); Authority Monitoring Report 2021/22.

9.5.5. In order to estimate the replacement rate of losses of floorspace required each year, assumptions have been applied to the annual average loss as follows:

- 50% of industrial floorspace (E(g)(iii), B2, B8 uses) losses will be replaced each year; and
- 25% of office floorspace (E(g)(i)/E(g)(ii) uses) losses will be replaced each year.

9.5.6. The data and assumptions set out above have been applied to the labour demand and labour supply scenario, with the outcome presented in Section 8.6 where necessary. A replacement of losses adjustment has not been applied to the past take-up rates scenario as market conditions are already inherently taken into account, given this scenario is a reflection of net leasing position and how the property market is restructuring over time.

9.6. Summary

Preferred scenario

9.6.1 The three scenarios outlined above (demand-based, labour supply, and past take-up rates) suggest three different projections for employment in Brighton & Hove over the period between 2023 and 2041. These have been considered alongside the consideration of qualitative needs, market signals and economic data analysed in this study. This study considers the preferred scenario relating to office floorspace and land requirements to be the labour demand scenario (Scenario 1). The preferred scenario relating to industrial floorspace and land requirements is considered to derive from the labour supply scenario (Scenario 2). The different

[172] Brighton & Hove City Council, (2017); Authority Monitoring Report 2016/17.
[173] Brighton & Hove City Council, (2018); Authority Monitoring Report 2017/18.
[174] Brighton & Hove City Council, (2019); Authority Monitoring Report 2018/19.
[175] Brighton & Hove City Council, (2020); Authority Monitoring Report 2019/20.
[176] Brighton & Hove City Council, (2021); Authority Monitoring Report 2020/21.
[177] Brighton & Hove City Council, (2022); Authority Monitoring Report 2021/22.

implications of these preferred scenarios in terms of employment floorspace and land requirements, and justification for their selection, are outlined below.

Summary of office floorspace forecast preferred scenario

9.6.2 The labour demand scenario (Scenario 1) utilises data derived from a robust nationwide model which takes into account a wide range of economic trends and also appreciates local economic and demographic factors. The scenario therefore results in a robust and reliable projection of future need for office floorspace.

9.6.3 The projected need for office floorspace represents an ambitious scenario which aligns well with aspirations for economic development within Brighton & Hove, including continuing to foster business growth and attracting inward investment. The strategic aspirations for economic development set out in planning policies and strategies necessitate Brighton & Hove to build on its desirability as an entrepreneurial business environment which fosters start-up and innovative businesses. Economic growth will be predicated on having available the correct employment spaces to support business needs; delivering additional office floorspace is a vital element of this to retain/meet high levels of demand. Given that almost 42% of the office floorspace in the FEMA is found in Brighton & Hove, there are opportunities to further support clustering of key emerging sectors to position the City to capture this potential for growth. Prospective occupiers of space are increasingly seeking high quality floorspace with exceptional sustainability credentials; enabling the development of appropriate space will be essential to retain and attract businesses. These spaces have been especially effective in attracting tenants moving from within Brighton & Hove from second-hand space, and new occupiers from elsewhere. Property agents in Brighton & Hove note the interest garnered by recent developments within Brighton & Hove in terms of piquing interest among prospective tenants and developers. The labour demand scenario is therefore deemed to be the preferred scenario with respect to office floorspace/land needs given it is based on robust forecasting and produces an aspirational scenario with the view to securing economic growth.

9.6.4 Table 9-15 shows the office and R&D floorspace requirements which result from the labour demand scenario, without factoring in replacement of losses. It is shown that this scenario results in a requirement for 44,333m^2 of office floorspace and 17,078m^2 of R&D floorspace, totalling 61,411m^2 of floorspace.

Table 9-15 Preferred scenario for additional office floorspace demand, excluding replacement of losses

Use class	Floorspace requirement (m^2)	Land requirement (ha)
General Office (E(g)(i))	44,333	2.4
R&D (E(g)(ii))	17,078	2.6
Total Office	**61,411**	**5.0**

9.6.5. Once replacement for losses has been taken into consideration, the requirement derived from the labour demand scenario becomes 71,228m^2 of office floorspace and 17,424m^2 of R&D floorspace, totalling 88,651m^2 of office floorspace. This is shown in Table 9-16.

Table 9-16 Preferred scenario for additional office floorspace demand, including replacement of losses

Use class	Floorspace requirement (m^2)	Land requirement (ha)
General Office (E(g)(i))	71,228	3.9
R&D (E(g)(ii))	17,424	2.7
Total Office	**88,651**	**6.5**

9.6.6. The quantum of floorspace required by the labour demand scenario is equivalent to 16% of the current total stock of office floorspace in Brighton & Hove. This reflects approximately 4,925m^2 per annum over the study period, although further analysis taking into account available supply of floorspace (development pipeline/ existing allocations) is set out in later sections of this report.

Summary of industrial land forecast preferred scenario

9.6.7 The labour supply scenario (Scenario 2), whilst being based on the nationwide forecasting model utilised as part of the labour demand scenario (Scenario 1) taking into account economic and employment trends, further appreciates the population implications of housing delivery trajectory at the local scale. In the context of known and detailed constraints with respect to availability of land for industrial uses in Brighton & Hove, this scenario should be viewed as more 'achievable' and 'realistic'. Therefore, it is deemed appropriate to adopt this scenario as the preferred scenario for industrial floorspace/needs as it both considers likely employment trends and appreciates the challenges of space constraints in practice.

9.6.8 Table 9-17 shows the light industrial, general industrial and storage and distribution floorspace and land requirements which result from the labour supply scenario, without taking to account replacement of losses. It is shown that the scenario results in a requirement for -1,480m^2 of light industrial floorspace, -420m^2 of general industrial floorspace, and 9,218m^2 of storage and distribution floorspace, totalling 7,317m^2 of industrial floorspace. This corroborates wider sectoral trends whereby employment in traditional manufacturing roles tends to be decreasing; conversely warehousing and distribution floorspace serving expansion of e-commerce is in high demand nationally. Demand has markedly softened in Brighton & Hove from a temporary maximum of developer and occupier interest in response to heightened e-commerce needs during the COVID-19 pandemic. Concurrently, vacancy rates are at historically low rates suggesting constrained supply.

9.6.9 It is recognised that a range of employment space typologies, including industrial space which can often be readily adapted to meet needs of emerging sectors, will be necessary to support the strategic aspiration to foster the low carbon sector within Brighton & Hove. There are often competing demands for limited land, yet ensuring an appropriate range for a variety of industrial activities is necessary for maintaining diversity within the local economy. Appropriate industrial spaces of a reasonable quality are therefore essential for any vision of economic development to be realised. In order to positively address demand for quality spaces and continue to provide employment generating space appropriate to needs, the labour supply scenario is viewed to proactively support industrial business development as well as ensuring stock is available to meet needs of new/emerging sectors (low carbon), and those sectors with variable/adaptable needs (creative, knowledge, digital). In such a scenario, depending on the suitability of premises and viability of renovation, properties may be able to meet alternative/changing demand via change of use.

Table 9-17 Preferred scenario for additional industrial floorspace demand, excluding replacement of losses

Use class	Floorspace requirement (m^2)	Land requirement (ha)
Light industrial (E(g)(iii))	-1,480	-0.2
General industrial (B2)	-420	-0.1
Storage and distribution (B8)	9,218	1.8
Total Industrial	**7,317**	**1.5**

9.6.10. Once replacement for losses has been taken into consideration, the requirement derived from the labour supply scenario becomes 11,144m^2 of light industrial floorspace, 12,174m^2 of general industrial floorspace, and 24,859m^2 of storage and distribution floorspace, totalling 48,176m^2 of industrial floorspace.

Table 9-18 Preferred scenario for additional industrial floorspace demand, including replacement of losses

Use class	Floorspace requirement (m^2)	Land requirement (ha)
Light industrial (E(g)(iii))	11,144	1.7
General industrial (B2)	12,174	2.2
Storage and distribution (B8)	24,859	5.0
Total Industrial	**48,176**	**8.9**

9.6.11 The quantum of floorspace required by the labour supply scenario is equivalent to 19% of the current total stock of industrial floorspace in Brighton & Hove. This reflects need of approximately 2,676m^2 per annum over the study period, although further analysis factoring in available supply of floorspace (development pipeline/ existing allocations) is set out in later sections of this report.

10. Comparison between supply and demand

10.1.1 This section compares the projected future demand for office and industrial floorspace between 2023 and 2041, as described in Section 8, with existing and projected supply conditions in Brighton & Hove, as earlier described in Section 6. This section also analyses the pipeline for development of office and industrial floorspace within the City to inform a position of how supply may change over the planning period, and how that influences the overall supply and demand balance.

10.1.2 Broadly, supply in excess of demand suggests a demand constrained position; and where demand is in excess of supply, a supply constrained position with the requirement to identify additional floorspace for employment use activities and ensure growth is adequately supported.

10.1.3 The analysis presented here reflects the preferred scenario for respective uses (i.e. labour demand scenario for office and labour supply scenario for industrial). Further consideration of the balance of supply and demand in terms of quantitative and quality requirements is provided in the conclusions and recommendations section.

10.1. Office floorspace

Net requirement for office floorspace

10.1.1 The forecast net requirement for office floorspace (E(g)(i) and E(g)(ii) uses) is set out in Table 10-1. The table identifies the parameters which are used to inform the supply/demand balance. The existing supply position is informed by CoStar data on supply of office floorspace (in m^2) and vacancy of floorspace (% of total stock available) as of Q2 2023.

10.1.2 The current supply of vacant floorspace is factored into the assessment after it is netted off against the optimum frictional vacancy rate[178] (assumed to be 8% for office floorspace). This is because vacant employment floorspace could help to meet some of the identified needs.

Table 10-1 Supply/demand balance for office floorspace (2023 – 2041)

Parameters	Floorspace (m^2)
A. Supply of occupied office floorspace	507,701
B. Current vacant office floorspace	49,431
C. Total stock of office floorspace [A+B]	557,132
Forecast	
D. Gross floorspace demand to 2041 (labour demand scenario)	88,651
E. Optimum frictional vacancy at 2041 [8% of A+D]	47,708
F. Surplus/deficit of vacant floorspace in 2041 [E-B]	-1,723
G. Gross requirement for office floorspace (2023 to 2041) [C+D+F]	644,060
H. Net requirement for office floorspace (2023 to 2041) [G-C]	86,928

[178] An allowance for frictional floorspace has been included in the assessment. To operate efficiently, a property market requires a small proportion of total floorspace to be readily available for take-up to allow businesses expanding or contracting to move to suitable premises. This available space is called frictional floorspace. The optimal rate is assumed to currently be around 8%.

10.1.3 This shows that up to 2041 there is a projected (net) requirement for approximately 86,928m^2 of office floorspace in Brighton & Hove.

Available supply of office floorspace

10.1.4 Table 10-2 shows the available supply of floorspace (or pipeline supply) comprised by that provided by consented/extant planning permissions not yet completed and that in Local Plan site allocations once any duplication between the two has been factored in. This represents the current potential available supply of floorspace capable of contributing to meeting the net requirement for floorspace over the period to 2041.

Table 10-2 Available supply of office floorspace

Available supply source	Floorspace (m^2)
Extant permissions[179] (net change accounting for gains and losses)	34,213 (35,959 under construction/ commenced[180])
CPP1 + CPP2 allocations potential supply (net of extant permissions)	47,500
Total	**81,713**

10.2. Industrial floorspace

Net requirement for industrial floorspace

10.2.1 The forecast net requirement for industrial floorspace is set out below in Table 10-3. The table identifies the parameters which are used to inform the supply/demand balance. The existing supply position is informed by CoStar data. The current supply of vacant floorspace is factored into the assessment after it is netted off against the optimum frictional vacancy rate (assumed to be 5% for industrial floorspace). This is because vacant employment floorspace could help meet some of the identified needs.

Table 10-3 Supply/demand balance for industrial floorspace (2023 – 2041)

Parameters	Floorspace (m^2)
A. Supply of occupied industrial floorspace	248,953
B. Current vacant industrial floorspace	6,646
C. Total stock of industrial floorspace [A+B]	255,599
Forecast	
D. Gross floorspace demand to 2041 (labour supply scenario)	48,176
E. Optimum frictional vacancy at 2041 [5% of A+D][181]	14,856
F. Surplus/deficit of vacant floorspace in 2041 [E-B]	8,210
G. Gross requirement for industrial floorspace (2023 to 2041) [C+D+F]	311,985
H. Net requirement for industrial floorspace (2023 to 2041) [G-C]	56,386

[179] Extant permissions have been considered where there is net gain or loss of greater than 500m^2 of relevant floorspace.
[180] The potential supply deriving from extant permissions takes into account the net position i.e. appreciates both gains and losses in floorspace over a certain size threshold. The current 'under construction/commenced' figure may therefore be higher given some permissions not yet commenced may involve a net loss of space overall.
[181] A suitable frictional industrial floorspace vacancy rate is commonly considered to by 5%.

10.2.2 Between 2023 and 2041, the analysis predicts a net requirement of 56,386m^2 of industrial floorspace.

Available supply of industrial floorspace

10.2.3 Table 10-4 shows the available supply of floorspace (or pipeline supply) comprised by that provided by consented/extant planning permissions not yet completed and that in Local Plan site allocations once any duplication between the two has been factored in. This represents the currently potential available supply of floorspace capable of contributing to meeting the net requirement for floorspace over the period to 2041.

Table 10-4 Available supply of industrial floorspace

Available supply source	Floorspace (m^2)
Extant permissions[182] (net change accounting for gains and losses)	-5,009 (-1,241 under construction/ commenced[183])
CPP1 + CPP2 allocations potential supply (net of extant permissions)	8,500
Total	**3,491**

[182] Extant permissions have been considered where there is net gain or loss of greater than 500m^2 of relevant floorspace.
[183] The potential supply deriving from extant permissions takes into account the net position i.e. appreciates both gains and losses in floorspace over a certain size threshold. The current 'under construction/commenced' figure may therefore be higher given some permissions not yet commenced may involve a net loss of space overall.

11. Conclusions and recommendations

11.1. Introduction

11.1.1 This section concludes the assessment by reviewing the balance of projected demand, existing supply and, drawing on the findings from preceding chapters, and provides recommendations for how qualitative and quantitative need can be best met in Brighton & Hove over the Local Plan period to 2041.

11.1.2 When forming employment land policies, the council should follow a balanced approach such that the employment activities of all business sizes, from start-ups to headquarters, are supported and encouraged. The council should also recognise that demand will vary by type of space and will therefore be geographically varied.

11.1.3 This is one of a number of evidence base documents the council will be considering that will feed into and inform its Local Plan review evidence base. These are AECOM's independent recommendations and the council will subsequently consider these before drafting its own Local Plan policies.

11.2. Office space (E(g)(i), E(g)(ii) Use Classes)

Conclusions

11.2.1 The latest published CoStar data shows there is approximately 557,123m^2 office floorspace across Brighton & Hove. The analysis identified that in general, employment land within Brighton & Hove is dominated by office floorspace, which is largely concentrated in central Brighton and ranges from headquarters, co-working spaces and flexible offices, to studios and small office floorplates taken up by SMEs.

11.2.2 The majority of office floorspace is currently occupied, albeit with vacancy rates exhibiting a relatively high level compared to the ten years preceding 2023, contributed in part by new floorspace being delivered. Consultation with property agents has indicated that demand is strongest for office floorspace sizes of up to 1,000m^2 which reflects the size profile of offices across Brighton & Hove. Demand is considered to reflect available stock (which is primarily within this size bracket) and agents consider that large floorplates in appropriate central locations would be readily let should they become available. Recent market interest has been confirmed to favour the newest office stock which has good sustainability credentials (including high energy efficiency performance) as well as a good range of amenities and adaptable layouts suitable for collaborative working. This 'flight to quality' is highlighted by second hand stock remaining unlet should landlords not undertake refurbishments and upgrades. A notable portion of the total office stock, particularly of the smaller floorplates, are operated as serviced offices by independent and national providers.

11.2.3 A moderate need for additional office floorspace in the City over the period to 2041 has been identified in the net needs requirement of approximately 86,900m^2 of floorspace. This is set against supply identified to come forward either from those sites currently under construction, through extant unimplemented planning permissions or potential supply identified through outstanding CPP1 and CPP2 allocations, where not accounted for by the former, amounting to 81,700m$^{2.}$ This suggests that this pipeline supply could be mostly sufficient to meet forecast need if it is all realised. However, there is a possibility that some extant planning permissions may not come forward at all or be developed in different quantities by use class than has been consented, for example if amendments to the planning applications are made. It has also been noted in Section 6 of this report that a

number of CPP1 strategic allocations came forward for development with employment floorspace lower than that anticipated by the policy. It is therefore important that the deliverability of the pipeline supply is reviewed when formulating policy, particularly allocations where there is no planning permission or where planning permission has potential to lapse.

Overall Policy Approach

11.2.4 In respect of office floorspace, CPP1 contains policies which safeguard existing office accommodation in Central Brighton (Policy SA2) and non-designated sites outside Central Brighton (CP3 Employment Land). CPP1 promotes new office floorspace, through strategic site allocations within Development Areas adjacent to Central Brighton (DA4 New England Quarter and London Road and DA5 Edward Street and Eastern Road) but also at Hove Station (DA6), at Toad's Hole Valley (DA7) and at Patcham Court Farm along with mixed use allocations.

11.2.5 Based on the findings of this report that there is moderate demand for additional floorspace to 2041.Recognising that the pipeline supply delivery of new office space is not guaranteed, it is recommended that the focus of the policy approach in the Local Plan review be on protecting both existing office space and new space as far as is possible, which will serve to ensure that a core of supply always remains, in highly accessible locations such as Central Brighton, New England Quarter, Edward Street Quarter and Hove Station area. This is mindful of the challenges in doing so presented by Permitted Development Rights (PDR). However the council introduced an Article 4 Direction in 2023 that covers these important clusters of offices and this should help to manage the loss of office space in these areas. The important need to balance provision of employment space with other uses in the context of a constrained land supply will be an important consideration for the Local Plan review.

11.2.6 With the existing supply safeguarded as much as possible, through encouraging the delivery of extant permissions, intensifying and re-providing on existing sites where possible, appropriate policies can ensure that the additional need identified in this report can largely be met. It is recommended however that allocations without extant planning permissions be reviewed for the suitability in meeting needs, which is discussed further below.

11.2.7 A large proportion of the demand for additional space projected will be for newer or refurbished office stock (Grade A), given the present demand for space to attract staff and need for premises which are compliant with Minimum Energy Efficiency Standards (MEES). Whilst there is some uncertainty on future office usage patterns given the evidence of downsizing and prevalence of hybrid working patterns, demand for high quality stock remains strong as evidenced by good take-up rates at new developments in the City, in highly accessible locations.

11.2.8 On this basis, as well as encouraging the completion of remaining permissions, and realising remaining space from allocations where appropriate, it is recommended that the delivery of high-quality space on existing sites with second-hand office accommodation should be encouraged and reviewed when determining planning applications. This should be principally through refurbishing or retrofitting, rather than redevelopment, subject to viability. This approach would also support the City's drive to transition towards a circular built environment that minimises the use of new materials. A degree of loss of space can be expected, including through PDR and through space becoming non-compliant with MEES; a change which could itself represent a significant pressure on the supply of second-hand office premises. An assumption on replacement of losses has been factored into the needs assessment in response to this. Loss should nevertheless generally be resisted but continue to be considered through tests of redundancy/suitability. It is therefore recommended that the existing redundancy/suitability test be adapted to consider the potential for

retrofitting and/or refurbishment. Key considerations in determining the potential for this include massing, floor-to-ceiling heights, the depth of the floor plate and the positioning and size of the building core; all of which impact on the ability/viability of incorporating improved lighting, heating systems and double/triple glazing that are key to raising energy efficiency.

11.2.9 Where condition of premises and/or the inability to lawfully lease premises due to energy efficiency performance is given as a reason for justifying development for other uses, the council could, either as part of a policy test or by separate appropriate means, request viability evidence to demonstrate it is not possible for such works to be undertaken.

11.2.10 Further to this, while there has so far been limited government steer into how commercial premises should tackle the retrofitting issue, with findings from the 2021 consultation remaining unpublished, there are steps that the council can take to support occupiers and landlords throughout this process. The council could seek to drive forward the retrofitting agenda locally by acting on its stock and utilising local connections with occupiers and landlords, all while keeping abreast of national policy on the topic. It is anticipated that the government will release some form of guidance into a retrofitting approach given the national reach of this issue and the council should seek to promptly apply this at the local level.

11.2.11 A recent feature of development activity in the City are applications for the repurposing of office space on some floors of a single-use building for residential use, with other levels remaining in office use. Whilst such vertical co-location of uses can provide viable employment space in new developments of appropriate specification, conversions of space can introduce conflict in respect of the respective amenity of the office and residential components, leading to the attractiveness of the remaining office space becoming compromised. When determining planning applications for such conversions, the council should consider applying planning conditions to individual planning applications which ensure that any works considered necessary to retain functionality of the office space, such as retrofitting are undertaken, and are phased to take place before the conversion of space to residential use.

Existing Site Allocations

11.2.12 When realising the remaining office space from allocations, the delivery of good-quality space that will best meet occupier requirements should be sought when determining planning applications.

11.2.13 Most of the existing site allocations are for mixed-use development with an assumption that office space will be co-located with other uses in the same building(s). Where stand alone office developments in the City have been recently developed, they have successfully delivered Grade A quality space, given the need to generate good rental returns coupled with demand levels for such space being enduringly strong.

11.2.14 Where office space is realised from mixed-use typologies this is typically integrated within buildings at ground or lower ground floors. Based on difficulties observed by the council and confirmed by agents in letting space provided at some of these developments, the council should consider the efficacy of this approach when reviewing outstanding site allocations and in forming any new site allocations that require office space be provided/re-provided. It is recommended that, where possible in terms of site layout and viability considerations, office space should be provided within stand-alone buildings. This is on the basis that this will minimise potential conflict with sensitive uses within the same building and likely maximise the attractiveness of the space to prospective occupiers. Further to this, the flexibility offered by the E use class is such that the risk of substandard floorspace

being provided within multi-use buildings (especially residential) is heightened, with evidence of such development occurring in the City, with development management Policy DM11 in CPP2 seeking to address this specifically.

11.2.15 Where it is practical only for office space to be provided as part of multi-use buildings it is critical that space provided is of good quality, of appropriate sizes / divisible into usable spaces, and, ideally, meets a fit-out specification which aligns with current and future demand, which is increasingly for high quality space which will prove the most durable in meeting requirements over time. The provision of office space as part of site allocations is a critical component of meeting current and future needs for this employment space arising in the City, and so planning for and monitoring delivery in this way will be important in minimising the subsequent loss or redundancy of any new floorspace which comes forward through these sites.

11.2.16 It is recognised that the quantum of space available in such developments may mean that high-quality space cannot be viably provided and space delivered should be merely of a good standard such that it meets with requirements for low-cost workspace – an important feature of the office market in Brighton & Hove given its prevalences of creative sector and voluntary/charity enterprises among other applicable occupiers.

11.2.17 Notwithstanding that care should be taken in ensuring that space delivered in mixed-use developments is fit-for-purpose and future-proofed in terms of specification, the Plan's strategic site allocations have played an important role in delivering office employment space within mostly mixed-use developments. It would be desirable to ensure that new office floorspace delivered by SSAs is protected.

11.2.18 Several of the council's CPP1 strategic site allocations have not yet come forward for development to provide employment uses as envisaged. Where there is developer interest in sites, but concern has been expressed in viably providing the quantum of floorspace envisaged, the council should seek to maximise the amount of floorspace provided and ensure that the quality of space is sufficiently good whilst being low-cost to maximise its potential for use by prospective occupiers. It is therefore recommended that the flexibility currently provided by Policy CP3 of CPP1 in respect of proposals which do not meet floorspace provision requirements be retained, alongside close monitoring of delivery against trajectories – see later recommendation. This study notes that the majority of the remaining sites are currently occupied with other employment uses which would need either to be re-provided/ relocated to bring forward these sites. As the realisation of the expected provision/replacement of floorspace through redevelopment is sufficiently key to meeting needs, any reconsideration of the overall requirements of the site allocation through the Local Plan review in terms of office space should still prioritise the provision and/or replacement of what is currently there as appropriate. This reflects the key role that the supply identified within SSAs has in meeting the identified needs requirement such that the utmost must be done both to ensure its realisation and resist the future loss of it.

11.2.19 Of the built-out sites in the City, City Park, Hove, is an exemplar site accommodating high-quality space, which, despite not being brand new meets the needs of occupiers and is likely to continue to do so. The policy protection afforded to non-designated employment sites currently should be revisited to ensure that redevelopment of high-quality sites such as this or well-located second-hand quality sites can be resisted, providing as they do the supply of in-demand space and/or the reservoir of opportunities from where such space can best be delivered. Such sites often provide low-cost options close to mostly residential areas where needs for flexible space to support hybrid working provide support for retaining these sites where ongoing use is generally viable. No other changes to the test of

redundancy/suitability tests have been identified in respect of non-designated office employment sites.

New Floorspace Provision/Opportunities

11.2.20 Given the need for additional office floorspace identified in this study, recommendations are required regarding opportunities for provision of, or securing of additional employment land beyond the delivery of extant permissions and SSAs which have an identified floorspace requirement. This includes specific types of floorspace as well as quantum of floorspace.

11.2.21 There are allocations in CPP1 and CPP2 where office forms part of the potential uses that could be provided as part of a mixed-use development yet no indicative quantum of floorspace has been specified. As redevelopment proposals have not yet come forward on these sites, it could be appropriate for the council to consider specifying a requirement for some or all of these sites to deliver a certain amount of office floorspace to ensure they contribute to meeting the overall identified floorspace needs of the City. Where the potential for a specified quantum of floorspace is being assessed through the local plan review, consideration should be given to the transport accessibility of the site, recognising the importance of office locations being highly accessible to attract long-term occupiers.

11.2.22 Knoll Business Park (C46) is a small business park in west Hove, accommodating predominantly office floorspace for expanding SMEs. It is well-functioning and is suitable for recommendation for allocation. Whilst allocating it will not deliver new floorspace as it is already in employment use, it would protect the capacity offered by the site from redevelopment to other uses and ensure it meets needs over the Plan period.

11.2.23 Other potential sources of new floorspace are through ‘windfall’ office site opportunities and proposals for extension or refurbishment of existing office buildings. It is recommended that these should be supported where they come forward in highly accessible locations such as Central Brighton. Precisely identifying the contribution which could be made by these sites to meeting needs is inherently difficult, but is considered well justified on the grounds that it provides further flexibility around supply in a situation where pipeline provision through extant permissions and SSAs is insufficient to meet needs on its own, is not certain to be delivered and in some instances may not be realised until later in the Local Plan period.

11.2.24 In respect of specific types of provision, the evidence has clearly established that there is unmet need for affordable workspace in the City with the lack of affordable workspace being a threat to community wealth-building as well as the economic vision of the City if left not addressed. With regards to the development of an affordable workspace policy and/or strategy that could help secure the delivery of affordable workspace, several recommendations are made. Consideration of appropriate policy options should:

- Take a lead from established affordable workspace policies elsewhere in both successes and lessons learnt in formulation;
- Be assessed for viability and impact on delivery of employment floorspace.
- Should ensure a mix of suitable types, sizes and rents are provided;
- Be flexible to the nuances of different types of spaces required;
- Not be overly prescriptive in terms of locations preferred;

- Provide clarity on where on-site contributions are required if such an approach is sought and/or provide a formula by which off-site contributions could be levied; and
- Set out approved occupier lists for whom space can be taken up by to ensure space meets the needs of those who require it most.

11.2.25 The Policy review should also take account the potential role of a creative land trust/ other delivery vehicle to support with delivery of space, which stakeholders in the City are currently exploring, if this progresses suitably.

11.2.26 To stay competitive and to ensure the City's economy continues to be diverse, the council should take a proactive approach to promoting inclusive growth by ensuring Brighton & Hove's businesses and not-for-profits can access the right workspaces and on affordable and fair terms. This fostering of inclusion and diversity will be important for the City's community wealth building.

11.3. Industrial space (E(g)(iii), B2, and B8 Use Classes)

Conclusions

11.3.1 The latest published CoStar data indicates there is approximately 255,599m^2 of industrial floorspace in Brighton & Hove, comprised of 76,189m^2 of light industrial floorspace, 49,444m^2 of general industrial floorspace, and 129,966m^2 of storage and distribution floorspace. As indicated by surveying and assessment of property market information, space is highly constrained with respect to availability of land and potential for future expansion of industrial floorspace.

11.3.2 Appraisal of Brighton & Hove's industrial sites revealed the majority to be built to reasonable densities, predominantly occupied by single-storey light industrial and warehousing type units. The assessment found that the current supply is largely fit-for-purpose for existing occupiers, and vacancy rates are generally very low in proportional and absolute terms given the size of the market. The largest industrial sites which contribute industrial floorspace are Hollingbury Industrial Estate (C11), Hollingdean Industrial Estate (C12), and Hove Technology Park (C5).

11.3.3 Consultation with commercial property agents have confirmed that demand, for light and general industrial space, is for the smaller units that already characterises the supply of space in the City. Vacancy is generally very low for this space which is compounded by the lack of churn in the market due to the limited supply of alternative space to move to given the City's supply constraints and related lack of new floorspace becoming available. Rental values are relatively high, though this is skewed by smaller units generally commanding higher rents as a rule. There is a lack of workspace for creative industries, resulting in unmet need that pushes occupiers outside Brighton & Hove. Similarly, the supply of storage and distribution space in the City is limited to smaller premises. Whilst vacancy is again low, prospective tenants are faced with high rents for very few premises of sufficient scale to meet most current requirements, with limited possibility of these coming forward and as such enquiries for such space in the City are muted and will in every likelihood remain so within the Local Plan period.

11.3.4 The potential to provide additional industrial land supply within the City is highly limited as there is little suitable developable vacant land, of the size and in the location preferable for industrial and storage and distribution occupiers. There is also pressure due to the competing demands for residential development. It is therefore considered appropriate to continue to safeguard existing stock in identified industrial estates/ business parks and to safeguard non-designated sites as far as possible, especially where it is of good quality in appropriate locations. The council

will need to regularly monitor changes to industrial floorspace, particularly in light of pressures introduced by (emerging) permitted development rights, in order to be able to respond appropriately to competing demands for limited land. Safeguarding of industrial land should be balanced with meeting wider objectives including other development needs in the context of a constrained land supply.

11.3.5 A need for additional industrial floorspace in the City over the period to 2041 has been identified in the net needs requirement of approximately 56,800m^2 of floorspace. This is set against supply identified to come forward either as part of unimplemented planning permissions or through development at CPP1 and CPP2 allocations, where not accounted for by the former, amounting to approximately 3,491 m^2, which alone is insufficient to meet the additional needs, assuming this space is realised. Therefore additional floorspace to meet the needs of industrial occupiers should be identified as part of the Local Plan review

Overall policy approach

11.3.6 In respect of industrial floorspace, CPP1 safeguards the existing primary industrial estates and business parks within the City through Policy CP3 Employment Land, with further protection awarded to non-designated sites through the redundancy/suitability tests, and provision of new space supported in strategic site allocations. Both CPP1 and CPP2 acknowledge there is a shortfall of sites to meet the forecast demand for industrial floorspace over the plan period to 2030. Opportunity for industrial floorspace to be delivered alongside the strategic waste facility allocation at Hangleton Bottom is reflected in CPP2 Policy E1.

11.3.7 Based on the findings of this report that there is demand for additional floorspace to 2041, it is evident and recommended that the focus of the policy approach in the Local Plan review be on protecting existing industrial space from redevelopment for other uses. As with offices, this is mindful of the challenges in doing so presented by PDR and the important need to balance provision of employment space with other uses in the context of a constrained land supply.

11.3.8 National government policy proposals regarding the decarbonising of sectors of the UK economy to meet the national net zero target by 2050, including regulations around minimum energy efficiency standards, is likely to impact on the viability of employment space, including industrial space over the coming years. This study has evidenced the degree to which premises are or could become non-compliant with such regulations. The council could seek to support this through developing services to provide support for industrial businesses in implementing retrofitting and refurbishment, depending ultimately on central Government direction on these support mechanisms and any associated funding streams accessible to councils/businesses to help deliver change.

11.3.9 Related to this is the opportunity presented to industrial businesses to provide retrofitting services, not only to industrial landlords but to all non-domestic providers of space, as well as the domestic residential market. The potential for new demand arising to meet requirements for retrofitting supply chains identified in this Study underscores the justification for protecting the small and medium-sized industrial sites that characterise supply in the City and that will be well-placed to accommodate such businesses where premises are available.

11.3.10 With the existing supply safeguarded as much as possible, intensifying and re-providing on existing sites where practical should continue to be encouraged as it is currently through CPP2 Policy DM11, pertaining to development on primary industrial estates and business parks. This will ensure that the key locations for industrial use in the City remain the focus areas for new industrial development, especially B2 and B8 uses, in keeping with their location segregated from sensitive uses and having good access to strategic roads; essential site characteristics for

modern well-functioning industrial employment areas. Intensification will not be viable on all sites and there would likely be merit in the council undertaking more research into viability and a closer look at the sites identified in this study as having observed potential for more productive or intensive use.

11.3.11 Given the identified need for industrial floorspace over the Local Plan period, the council should in reviewing these policies consider whether a distinction should be made in Policy that restricts development of office uses within industrial estates to those areas which already contain office premises. This would be in line with the distinction made in this study between such sites. Whilst there is also an identified need for office floorspace in the City over the Local Plan period with limited options to meet this, as there are even fewer options for providing new industrial floorspace it is recommended that care should be taken to protect the best opportunities to intensify sites, which will generally be achieved through protecting those sites/estates currently in industrial use with clearly definable/legible boundaries between them and sensitive uses.

11.3.12 Intensification and reprovision on existing sites will help meet needs over the Plan period in support of a principal policy of protection as proposed above, but it is recommended that the overall policy approach needs to support opportunities for additional provision at sites which are not currently in industrial use, which is discussed in more detail in the sections below.

Existing site allocations

11.3.13 Provision of industrial employment space as part of strategic site allocations is typically either retention or reprovision of smaller units suitable for light-industrial or small-scale storage. This is reflective of the incompatibility of heavier employment uses or those requiring 24 hour road access and HGV movements with what are mostly mixed-use developments containing sensitive uses. Whilst these sites do not deliver large amounts of floorspace, in the context of there being a moderate additional need for industrial floorspace, they make an important contribution towards this requirement. These uses are typically suitable for provision within intensified space typologies suitable for small sites.

11.3.14 Of the remaining city plan site allocations that are required to bring forward new industrial floorspace which have not already done so or a subject to planning application/permission it is recommended that the maximum appropriate industrial floorspace is provided, given the scale of the identified need. New industrial premises delivered through strategic site allocations that are set apart from sensitive uses warrant protection in policy given the needs requirement identified in this study.

11.3.15 Reviewing the primary industrial estates and business parks that make up the core of industrial supply in the City, it is considered that these are generally performing well in attracting new occupiers, partly due simply to the general lack of space in the City in sustainable locations. To ensure that sites attract higher-value added sectors, there could be the potential to promote well performing sites for these uses through appropriate wording in Plan policies/justifications. The text would not need to be prescriptive in terms of naming sites but Hollingbury Industrial Estate (C11), Home Farm Industrial Area (C4), and Hove Technology Park (C5), as some of the main reservoirs of industrial supply in the City, could be highlighted as suitable locations.

11.3.16 In light of the need for industrial floorspace over the period to 2041, this study does not recommend the revision of boundaries of safeguarded employment sites to exclude non-industrial uses (except residential), on the basis that these sites represent potential industrial capacity were their existing occupier or user to vacate. The exceptions to this, where residential use has been identified within sites

protected by CP3.3 and CP3.4 respectively, are Moulsecoomb & Fairways Industrial Estate (C6) and at Portland Road Trading Estate (including EDF and Martello House) (C16). Residential use has been introduced to the, separate, parcel of land in the west of the site at C6 (1 Moulsecoomb Way, circa 0.5 ha, noting that employment space has been provided as part of this redevelopment) and at Martello House, through permitted development rights, within C16 (circa 0.25ha) It is therefore recommended that these areas are removed from the adopted site boundaries in each instance.

New floorspace opportunities

11.3.17 Given the need for additional industrial floorspace identified in this study, recommendations are required regarding opportunities for provision of or securing of additional employment land beyond that achievable through intensification and the delivery of extant permissions. These are described below.

11.3.18 The review identified several protected employment sites where boundaries could be expanded to accommodate land suitable for industrial use with potential for being delivered during the Local Plan period. These, and the reasons for their identification are as follows, noting that not all represent net new employment floorspace where they are currently in employment use:

- Hove Technology Park (C5): expansion of boundary to include site in existing industrial use (trade counter) and retail units fronting Old Shoreham Road/A270 (0.53ha or 2,650m^2 [184])
- Moulsecoomb & Fairways Industrial Estate (C6): expansion of boundary to include two sites not in existing industrial use separating site parcels (Cash and Carry and site being developed for pharmaceuticals use) (2.58ha or 12,900m^2)
- Sussex House Industrial Estate (C7): expansion of boundary to include recently built self-storage and industrial workspace units fronting Old Shoreham Road (0.33ha or 1,650m^2)
- Victoria Road Industrial Estate (C13) expansion of boundary to include car dealerships (1.15ha or 5,750m^2).

11.3.19 A further source of additional industrial floorspace supply presents itself in the allocation of surplus sites for other uses for which industrial use could be suitable. The principal opportunities for these are likely to be retail sites and retail parks at out of town centre locations; sites which often abut industrial areas as evidenced at para 11.3.18 above. Other uses could present opportunity such as leisure centres, where the size of site is likely to be appropriate for accommodating sustainable industrial use. Regarding change of use from office use to industrial use, whilst care should be taken in determining planning applications that seek this given the evidenced need for office floorspace over the Local Plan period, it is recommended overall that the potential for this change provided by policy CP3.5 be retained in a review of policies given the balance of needs across employment uses which the Local Plan will need to address.

11.3.20 Any non-industrial sites identified for potential protection should be considered for strategic site allocation as part of the plan subject to review against key criteria against which their suitability should be assessed. These key criteria are proposed to be:

- Access to the strategic road network;
- Adequate separation from sensitive uses to ideally permit 24-hour working;

[184] Assuming 0.5 plot ratio for new development as a ready reckoner to provide indicative floorspace capacity

- Type and mix of existing industrial businesses that could operate including an estimation of site floorspace capacity;
- Land ownership structure/complexity; and
- Market interest.

11.3.21 The identified need for floorspace over the plan period is sufficient for this study to recommend that a detailed assessment of industrial capacity from sources such as SHLAA submissions and other land registers also be undertaken to identify opportunities for meeting the evidence demand for sites, whilst recognising that the need is characterised by storage and warehousing use whose needs may not be met by smaller sites. The assessment criteria set out above should be used to review suitability of sites.

11.3.22 A number of secondary employment sites are identified in CPP1 for mixed use redevelopment with no net loss of employment floorspace (CP3.4 sites). While it is recognised that there is the potential for such sites to provide modern office floorspace with potentially higher job densities as well as housing and therefore contribute to meeting the city's housing need and office needs, analysis has shown that the expected re-provision (with no net loss) of employment floorspace on some of the CP3.4 sites has fallen far short of expectations and contributed to the net loss of industrial floorspace. Overall, in the context of the scale of need for industrial space identified by this site, this policy approach should be reconsidered through the Local Plan review.

11.3.23 Recognising that meeting all the evidenced need for industrial floorspace in the City over the Local Plan period may remain challenging even where all recommendations set out above are followed, it is also recommended that the council continues to address this as a duty to co-operate matter, to bring about collaboration with neighbouring authorities to address shared strategic demand as a means of partially meeting its needs. This would be at sites located outside its boundaries which are able to readily serve markets in the City and provide accessible employment opportunities, reflecting the constraints of realising such sites at scale within its jurisdiction.

11.4. Other recommendations

Monitoring

11.4.1 The council should monitor changes of employment land through planning permissions to ensure that sufficient land is available for economic growth over the plan period to 2041. A routinely updated Employment Land Trajectory would be beneficial given the range of sources of supply that have been outlined above is sufficiently varied to warrant the closer monitoring that would be required to ensure needs are met. This is whilst being dynamic enough to allow planning applications to be determined with the best available information to hand. This includes ensuring that Class E changes of use do not have an outsized impact on the integrity of employment areas through facilitating the introduction of non-employment uses.

Appendix A Consultees

Name of Organisation
Flude Property Consultants
Stiles Harold Williams LLP
Avison Young
Eightfold
The Packwood
Brighton & Hove Economic Partnership
Brighton Chamber of Commerce
Brighton BID
Mayo Wynne Baxter
Haydon Consulting
Wired Sussex
Sussex Innovation Centre
Churchill Square
Churchill Square
Brighton and Hove News
Brighton Dome and Brighton Festival
BHT Sussex
Tourism Alliance
Shoreham Port
Regency Society
ECE Planning
University of Brighton
Nairne Consultancy Ltd
Woodhart Construction
MacConvilles Surveying
Project Centre
Sussex University
Posture People
Wholesale Wood Flooring Ltd
Pilbeam Construction