

## **Chapter 7 Employment Land and Workspaces**

### **The Importance of Employment Land and Workspaces to the Sub-regional Economy**

- 7.1 The Government has stated that having a balanced supply of undeveloped employment land and available workspaces is an important precondition to maximise an area's economic performance. Employment land and workspaces play a vital role in a local economy by accommodating enterprises that create jobs and deliver goods and services to consumers and businesses.
- 7.2 A balanced supply is seen as having enough available employment land and premises in the right locations and of the right quality and size, at the right time to meet the future needs of existing and new firms and potential inward investors. It will also provide for the renewal of ageing and obsolete stock, respond to the structural changes taking place in the local economy and provide a pipeline of sites to enable the market to function effectively. A balanced supply will also provide a source of economic competitiveness for a local economy.
- 7.3 Public sector partners and local businesses in the Leicester and Leicestershire sub-region have long held the view that the area has suffered from a long-term, structural shortage of 'fit for purpose' employment land and workspaces. This has been a significant barrier to the sub-region being able to fulfil its economic potential. Achieving a balanced supply of employment land and workspaces cannot be addressed sensibly on a district by district basis. To this end, a joint approach to employment land and workspace planning and delivery has been developed across the sub-region and this must be maintained. This co-ordinated strategic approach is supported by East Midlands Development Agency (emda), Government Office for the East Midlands (GOEM) and the East Midlands Regional Assembly.

### **Evidence Base**

- 7.4 The process of assessing whether the sub-region has enough available employment land and workspaces of the right quality and size, at the right time and in the right location, involves consideration of the following evidence:
- The economic context
  - The property market context
  - Forecasts of future demand for employment land and workspaces in the sub-region, up to and beyond the current plan period of 2026
  - The effective supply of employment land and workspaces available within the sub-region
  - A demand-supply assessment and gap analysis of employment land and workspaces

- 7.5 It is important to clarify that this Economic Assessment has utilised the forecasts of future demand for employment land and workspaces produced in the PACEC Study. These are based on employment forecasts produced by Experian in 2008. This is consistent with the forecasts used in the Regional Spatial Strategy and the Leicester and Leicestershire Sub-regional Housing Market Assessment. Experian have subsequently produced further employment forecasts and there have also been further updates on population projections. However, in the interests of consistency these later forecasts have not been used. All forecasting models are subject to a degree of error and should always be used as an indicator rather than a precise guide. Nevertheless, consideration should be given to reviewing the PACEC Study at an appropriate time, possibly in line with the first review of the Local Development Frameworks. This will ensure forecasts of future demand for employment land remain relevant. Such a review must be undertaken on a sub-regional basis and maintain the co-ordinated approach to employment land planning and delivery.
- 7.6 The additional amount of previously undeveloped employment land that is required in the sub-region to achieve a balanced supply cannot be determined solely using the evidence outlined above. Partners engaged in economic development in the sub-region are in agreement that the strategic planning of employment land will also be influenced by the following key policy drivers for the sub-region, with the need to:
- Identify a balanced supply of employment sites and safeguard and protect these sites from competition from other uses.
  - Ensure new employment land allocations are in locations that can reduce the need to travel by aligning jobs with homes and services and, for necessary journeys, be accessible by sustainable modes of transport.
  - Ensure new employment land allocations are capable of supporting zero carbon development.
  - Make employment land a locally distinct source of economic and environmental competitive advantage.
  - Consider the need to plan beyond the current plan period, as recommended in key Government guidance on employment land reviews (ODPM<sup>1</sup>, 2004).

## **Economic Context**

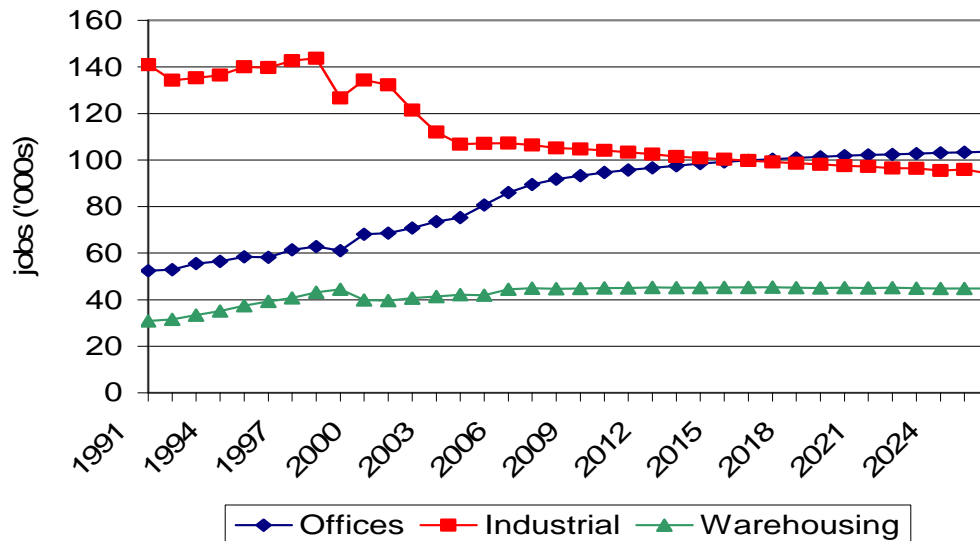
### **Changes in Office, Industrial and Warehousing Employment**

- 7.7 The changes that have taken place in the sub-region in terms of office, industrial and warehousing employment over time and the forecast trends over the rest of the current plan period to 2026 will have an important impact on the quality, type, location and size of employment land and premises that will be required in the future.

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<sup>1</sup> Office for the Deputy Prime Minister

Figure 7.1 Employment Change in Leicester and Leicestershire Sub-region, 1991-2026



Source: Experian; PACEC, 2008

7.8 Figure 7.1 summarises the changes in office, industrial and warehousing employment since 1991 in the Leicester and Leicestershire sub-region and the forecast trends up to 2026. It can be noted that:

- Employment trends in the sub-region have followed national trends
- Employment in offices has risen within the sub-region since the early 1990s and is forecast to continue to rise up to the end of the current plan period in 2026
- Generally, industrial employment has been in decline since the late 1990s and is forecast to continue to decline through the plan period
- Warehousing employment has increased, though it is forecast to level off towards the end of the plan period
- Employment in offices is forecast to exceed industrial employment from 2020 onwards

7.9 The main implication of this evidence is that there will be a continued increase in demand for office accommodation, a relative decline in the demand for industrial premises and a levelling-off of demand for warehousing. These trends will have a significant impact on the type, size and location of sites and premises required in the future. For example, it is unlikely that future requirements for offices will be met simply by a change of use of existing industrial land to offices as the requirements are likely to be different. This also raises the issue of what to do with surplus industrial land in the future.

7.10 The PACEC Study (2008) provides more detailed evidence on the pattern of employment change in each district since 1991. This revealed marked differences between each district and will have significant local implications on the type, size

and location of sites and workspaces required in the future. The main points from this evidence are:

- In Leicester, the decline in industrial employment accelerated in the early years of the current decade but has since slowed and been partially offset by a rise in office employment. Warehousing jobs have remained fairly constant since 1991.
- The trends in Blaby have been more erratic than elsewhere in the sub-region. Office employment decreased in the late 1990s but has since recovered and increased. Warehousing employment showed a sustained increase in the early 1990s, then declined and has held constant since. Industrial employment shows a less steep decline than elsewhere in the sub-region, with a recent recovery.
- Office and warehousing employment in Charnwood has shown mild growth since 1991, while industrial employment has shown the same marked decline as most of the sub-region.
- Office and warehousing employment have grown strongly in Harborough since 1991 and the trend is still upward. Unusually, the increase in office employment is greater than the decrease in industrial employment over the same period.
- Industrial employment in Hinckley and Bosworth peaked sharply in 1998, then declined steeply; but stabilised in recent years. Office employment has expanded modestly, and warehousing has shown a slight increase which may have reversed since 2003.
- Melton has shown sustained growth in office and warehousing employment but industrial employment has been more volatile with declines in the 1990s, strong increases in 2000 and 2001, followed by decline and subsequent recovery.
- Despite the rapid decline of the coal industry in North West Leicestershire in the late 1980s and early 1990s and its consequential impact on the local economy, the area was able to diversify its economic base and, overall, has experienced only a small reduction in industrial employment since 1991. Office and warehousing employment has been expanding since the mid 1990's. North West Leicestershire is the only district where there are more warehousing jobs than office jobs.
- Oadby and Wigston has lost office employment since 1991. Warehousing employment has remained largely constant and industrial employment has shown some volatility but, overall, a steep decline.

## Commuting Flows

7.11 Commuting flows provide a useful way of identifying the interdependencies of the districts and City on labour supply and demand and, consequently, the space required for business, with flows seen in both directions over administrative boundaries. Table 7.1 summarises the commuting flows for all the districts in 2001 (the most recent year for which this data is available). Appendix A in the PACEC Study also provides a series of maps illustrating the commuting flows between all the districts in the sub-region.

**Table 7.1 Commuting Flows, 2001**

	Out-commuters	In-commuters	Live and work in district	Net balance	% live & work in district as % of total jobs in district	% live & work in district as % of total working residents
Leicester City	27,600	70,800	83,900	43,200	54%	75%
NW Leicestershire	17,500	20,600	24,400	3,000	54%	58%
Melton	9,100	4,300	15,000	-4,800	78%	62%
Blaby	29,100	23,000	18,000	-6,100	44%	38%
Harborough	20,300	13,100	18,500	-7,200	59%	48%
Oadby & Wigston	17,500	9,900	9,100	-7,600	48%	34%
Hinckley & Bosworth	23,900	15,400	27,400	-8,600	64%	53%
Charnwood	31,700	20,200	41,700	-11,500	67%	57%

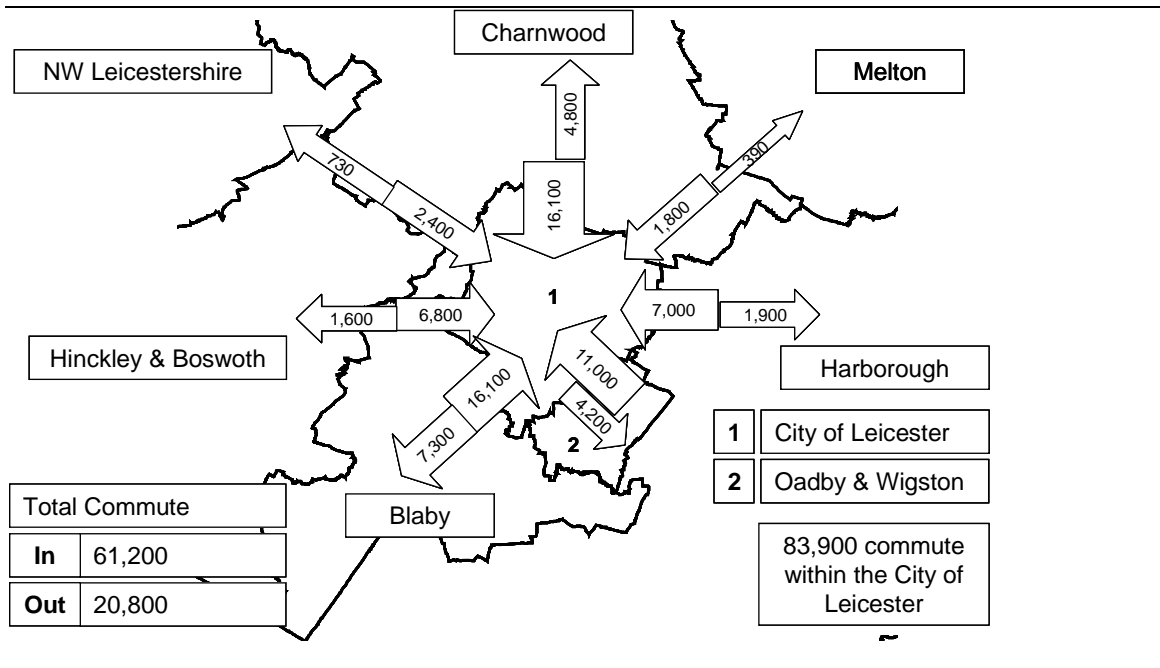
Source: Census 2001

7.12 The main points to be drawn from this evidence are that:

- There is a strong interdependency across all the districts and the City, with flows in both directions over administrative boundaries, indicating that there is a strong correlation between the land and premises needs of businesses in one district and the employment needs of workers in other areas.
- It is not always the case that net out-commuting is the best indicator of sustainable commuting patterns. Some people may travel only a short distance over a district boundary and count as an out-commuter, whilst other people may travel a much longer distance within a district and count as 'live and work in the same district'. This is the case in Charnwood, where many people live in Birstall (in Charnwood) and commute a short distance into Leicester, but count as out-commuters.
- Over the sub-region as a whole, there is a strong degree of containment of people who live and work within the sub-region.
- Leicester City is a strong draw for many residents in the sub-region who commute to the City, particularly from Charnwood, Blaby and Oadby & Wigston. There are 70,800 in-commuters to Leicester City, compared to just 27,600 out-commuters, giving a net balance of 43,200 in-commuters (see table 7.1).
- North West Leicestershire is the only other district to have a positive (3,000) net in-commuting balance (i.e. more in-commuters than out-commuters). In all of the other districts in the sub-region, more people out-commute than in-commute.
- Charnwood has the largest out-commuting net balance, with 11,500 more residents commuting out than workers travelling in. It is also worth noting that only 34% of Oadby and Wigston residents live and work in the district.
- Melton has the highest percentage of people who live and work in the same district (as a percentage of the total jobs in the district).

7.13 The commuting flows in and out of Leicester City are illustrated in figure 7.2 below.

Figure 7.2 Commuting Flows – City and County Interdependence



Source: Census 2001

## Property Market Context

### Stock of Office, Industrial and Warehousing Floorspace

7.14 The floorspace stock in the Leicester and Leicestershire sub-region has followed similar patterns to employment, with increasing stock for offices and warehousing and a declining stock for industrial. Table 7.2 identifies the stock of office, industrial and warehousing floorspace across the sub-region in 2007 and the change since 2000. It shows that, in 2007, there was 1.33 million sq.m. of office floorspace in the Leicester and Leicestershire sub-region, 5.75 million sq.m. of factory floorspace and 4.48 million sq.m. of warehousing floorspace. Of this total, 44% of this was in Leicester. Blaby, Charnwood and North West Leicestershire accounted for a further 38%.

**Table 7.2. Floorspace Stock in Leicester and Leicestershire, 2007**

	Floorspace Stock					
	Offices		Factories		Warehousing	
	Stock in 2007 ('000 sq.m.)	Change in Stock 2000 to 2007 ('000 sq.m.)	Stock in 2007 ('000 sq.m.)	Change in Stock 2000 to 2007 ('000 sq.m.)	Stock in 2007 ('000 sq.m.)	Change in Stock 2000 to 2007 ('000 sq.m.)
Blaby	217	60	315	-3	422	52
Charnwood	138	18	1,081	-20	404	-2
Harborough	75	18	237	-17	1,077	434
Hinckley & Bosworth	77	14	949	95	329	26
Melton	60	11	312	60	245	99
NW Leicestershire	146	39	588	97	819	329
Oadby & Wigston	37	4	288	-42	155	65
Leicester City	580	7	1,999	-221	1,031	49
<b>Sub-region</b>	<b>1,330</b>	<b>171</b>	<b>5,749</b>	<b>-58</b>	<b>4,482</b>	<b>1,052</b>

Source: PACEC

## Stock of Offices

7.15 In terms of the office stock, the key points to identify are:

- Office floorspace grew across the sub-region by around 171,000 sq.m. between 2000 and 2007.
- There has been an imbalance in the growth of office stock between out-of-town and City Centre locations from 2000 to 2007, with increases in office floorspace stock in out-of-town and suburban locations and stagnation in Leicester City.
- Growth in office stock was fastest in Blaby (60,000 sq.m.) and North West Leicestershire (39,000 sq.m.).
- In the districts with smaller stocks of offices, growth was also rapid in Harborough (18,000 sq.m.), Melton (11,000 sq.m.) and Hinckley and Bosworth (14,000 sq.m.).

7.16 The PACEC Study claims that the car parking standards for City Centre offices have deflected demand towards car-dependant out-of-town schemes, notably in Blaby where there is 20 years' supply of land for such development. Comments from local agents corroborate the view expressed by PACEC. However, further evidence is required before any firm conclusions can be made.

## Stock of Factories

7.17 In terms of the factory stock, the key points to identify from Table 7.2 are:

- Overall, the factory stock has declined marginally across the sub-region by 0.6%, or 58,000 sq.m. between 2000 and 2007, but there are significant variations within the sub-region.
- Leicester City has experienced the largest decline in factory floorspace, with a reduction of 221,000 sq.m. floorspace.
- There has been growth in North West Leicestershire, Hinckley and Bosworth and Melton (97,000 sq.m., 95,000 sq. m., and 60,000 sq. m. respectively).

- Harborough and Oadby and Wigston experienced declines in their factory stock, whilst Blaby's stock experienced a marginal decline.
- Charnwood experienced a drop in its stock between 2000 and 2004, followed by an increase up to 2007.

## Stock of Warehousing

- 7.18 In terms of the warehousing stock, the key points to identify from Table 7.2 are:
- Warehousing floorspace has increased by over 1.05m sq.m. between 2000 and 2007 across the sub-region.
  - Over 40% of the growth has been in Harborough (434,000 sq.m. fuelled by development of Magna Park).
  - 31% of the growth has been in North West Leicestershire (329,000 sq.m. including the development at Bardon and Castle Donington).
  - Growth in warehousing in Harborough and North West Leicestershire has been driven by their proximity to motorways.
  - Growth has also been strong in Melton (6.6% 2000-2004 and 13.0% 2005-2007), with growth of 99,000 sq.m., and in Oadby & Wigston, with growth of 65,000 sq.m., increasing the amount of floorspace by over 50%.

## Age of Floorspace

- 7.19 The relative age of office, industrial and warehousing property within an area can provide an indication of the capacity to meet the future needs of businesses. The PACEC Study investigated the relative age of office, industrial and warehousing floorspace in the sub-region and within each district and compared these with the averages for the East Midlands and England and Wales.
- 7.20 In terms of the **age of offices**:
- Average age of the office stock in the sub-region is older than the national average.
  - New office building since 1991 is above national average rates in Blaby, Hinckley and Bosworth and North West Leicestershire.
  - Blaby, in particular, has a very low level of pre-1940 office space.
  - Little office space has been built in Melton and Oadby and Wigston in recent years.
- 7.21 In terms of the **age of factories**:
- Leicester City and Melton have the highest proportions of old industrial stock.
  - The highest rates of recent factory building have been in North West Leicestershire, Melton, Blaby and Charnwood.
- 7.22 The evidence around the **age of warehousing** shows:
- Overall, the age of the warehousing stock in the sub-region is newer than the regional and national averages.

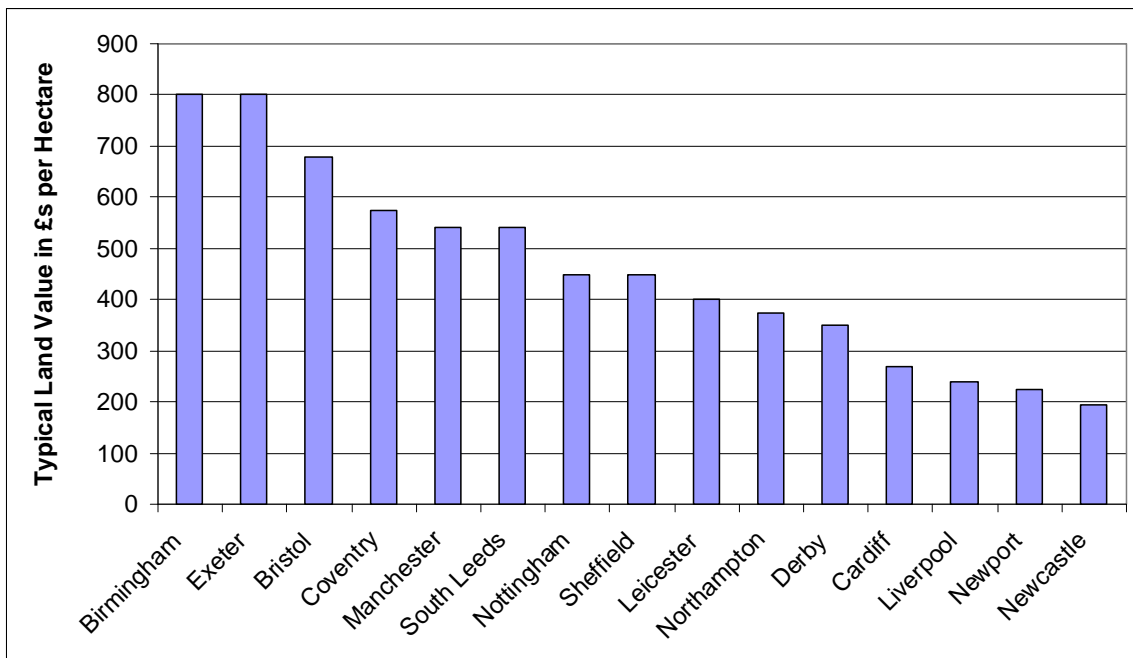


- Leicester City contains disproportionately older warehousing compared to regional and national standards, with relatively little new warehousing being built in the City.
- More than half the warehousing in North West Leicestershire and Harborough has been built since 1991.

### Value of Industrial Development Land

7.23 A comparison of the typical value of industrial development land in Leicester in July 2009 with a selection of cities across England and Wales is illustrated in Figure 7.3 and Table 7.3. The cities selected are those with which Leicester has competed for private and public sector inward investment in recent years. These show that land values in Leicester are very competitive compared to neighbouring cities such as Birmingham, Coventry and Nottingham. They are also extremely competitive when compared with other large cities such as Bristol, Sheffield, Manchester and Leeds. This presents the City with an advantage in attracting inward investment into the area.

Figure 7.3 Typical Value of Industrial Development Land in Comparator Cities, 1 July 2009



Source: Valuation Office (2009)

Table 7.3 Typical Value of Industrial Development Land in Comparator Cities, 1 July 2009

City	Typical Value in £s per Hectare
Birmingham	800
Exeter	800
Bristol	680
Coventry	575
Manchester	540
South Leeds	540
Nottingham	450
Sheffield	450
<b>Leicester</b>	<b>400</b>
Northampton	375
Derby	350
Cardiff	270
Liverpool	240
Newport	225
Newcastle	195

Source: Valuation Office (2009)

## Office Rental Values

7.24 Figure 7.4 and Table 7.4 indicate the headline rental values on full repairing terms with no inducements for two types of office accommodation in the same comparator cities across England and Wales in July 2008 (the latest figures available from the Valuation Office). Type 1 properties are classified as those in town centre location, in self contained suite over 1,000 sq.m, in an office block erected in last 10 years, with good standard of finish with a lift and good quality fittings to common parts, with limited car parking available. Type 2 properties are classified as per Type 1 but the suite size is in the range of 150sq.m-400sq.m.

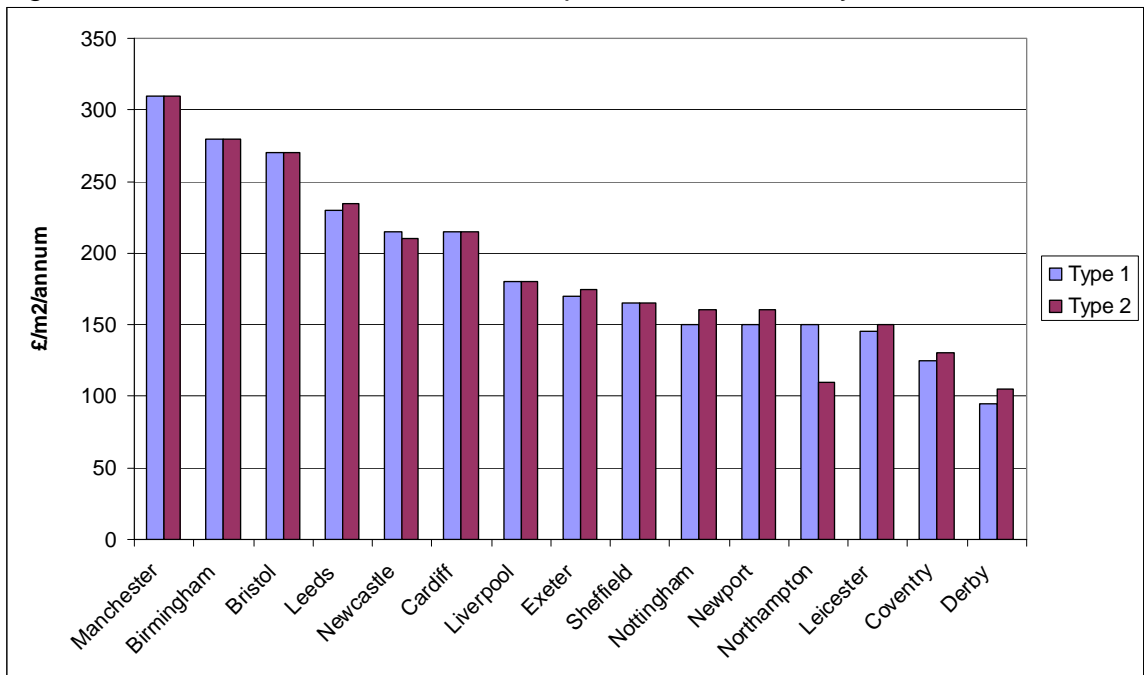
Table 7.4 Office Rental Values in Comparator Cities, 1 July 2008

City	£/m <sup>2</sup> /ann Type 1	£/m <sup>2</sup> /ann Type 2
Manchester	310	310
Birmingham	280	280
Bristol	270	270
Leeds	230	235
Newcastle	215	210
Cardiff	215	215
Liverpool	180	180
Exeter	170	175
Sheffield	165	165
Nottingham	150	160
Newport	150	160
Northampton	150	110
<b>Leicester</b>	<b>145</b>	<b>150</b>
Coventry	125	130
Derby	95	105

Source: Valuation Office (2008)

- 7.25 The figures show that the office rental values in Leicester are lower than most of the comparator cities identified. This is both good news and bad news for Leicester in terms of attracting businesses to the City. This is more likely to be seen as an attractive factor for “back office” users rather than those classed as “front door” users. This is because for the majority of “front door” users, image is important and this includes the quality of their accommodation and the surrounding environment. Cities that are able to sustain relatively high office rental values are often perceived as more prestigious locations offering high-quality, well-located office accommodation than those where average office rental values are comparatively low. This is borne out in evidence from other sources, including studies undertaken by Roger Tym & Partners and DTZ. These studies confirm that Leicester lags behind other urban centres in terms of a supply of well-located high-quality office accommodation. Much of the current supply of office stock in Leicester is low grade, sub-standard 1960/70s property which does not meet occupier requirements. Such accommodation continues to undermine the market headlining high availability of space and keeping rents artificially low (as confirmed in these figures). This is a major disincentive to developers and investors and creates a negative perception in the eyes of many businesses looking for a new location. This creates a vicious circle, whereby confidence remains low amongst investors and developers to not only work in the City but also to grow their commitments. Similarly, the low rents do not give existing investors and owners of property any incentive to redevelop as investment yields are low, making development economically unviable in many cases. In turn, this makes it difficult for the City to attract new business to the area.

Figure 7.4 Office Rental Values in Comparator Cities, 1 July 2008



Source: Valuation Office (2008)

7.26 The provision of new high quality Grade A offices at Colton Square as the first phase of the New Business Quarter has established a new quality for space and record rents for the City. However it alone does not have the critical mass to create the step change in the City and most importantly the perception of the City. A key priority for the City must be the completion of the next phases of the New Business Quarter and the attraction of new business into the City Centre. This would lift the property market and start to deliver the investment yields needed to make development economically viable again.

### Property Enquiries

7.27 Another source of evidence to help understand the property market context in the sub-region is the enquiries for office, industrial, serviced office/managed workspace and warehousing property in the sub-region. Table 7.5 summarises the enquiries received by Invest Leicestershire (the sub-region's inward investment agency) in 2008/09 by property type, size and location. While this evidence cannot be taken as a robust indication of demand across the sub-region, (for example, not all businesses requiring property will contact Invest Leicestershire); it nevertheless provides a useful indication of demand in terms of location and type/size of property.

Table 7.5 Number of Enquiries by Property Type, Size and Location, 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009

Location and Property Type	Number of Enquiries by Size of Unit Requested						Total Number of Enquiries
	0 to 500 sq.ft.	501 to 1,000 sq.ft.	1,001 to 2,500 sq.ft.	2,501 to 5,000 sq.ft.	5,001 to 10,000 sq.ft.	10,001+ sq.ft.	
<b>Blaby</b>							
Industrial	3		1		18	13	35
Office	43			2			45
Serviced Office/ Managed Workspace	40						40
Warehousing					13	13	26
<b>Total Enquiries</b>	<b>86</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>31</b>	<b>26</b>	<b>146</b>
<b>Charnwood</b>							
Industrial	70	37	35	4	33	16	195
Office	70		1	6	11		88
Serviced Office/ Managed Workspace	50						50
Warehousing		20	27		19	11	77
<b>Total Enquiries</b>	<b>190</b>	<b>57</b>	<b>63</b>	<b>10</b>	<b>63</b>	<b>27</b>	<b>410</b>
<b>Harborough</b>							
Industrial					1	4	5
Office	3	2	6				11
Warehousing			1				1
<b>Total Enquiries</b>	<b>3</b>	<b>2</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>17</b>
<b>Hinckley &amp; Bosworth</b>							
Industrial			1	2	2	10	15
Office	7		1			1	9
Serviced Office/ Managed Workspace	7						7
Warehousing			1				1
<b>Total Enquiries</b>	<b>14</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>11</b>	<b>32</b>
<b>Leicester</b>							
Industrial	2	13	35	16	4	14	84
Office	102	18	36	47	22	2	227
Serviced Office/ Managed Workspace	117	20	4				141
Warehousing			4	1		4	9
<b>Total Enquiries</b>	<b>221</b>	<b>51</b>	<b>79</b>	<b>64</b>	<b>26</b>	<b>20</b>	<b>461</b>
<b>Melton</b>							
Industrial						2	2
Warehousing			4			1	5
<b>Total Enquiries</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>7</b>
<b>NW Leicestershire</b>							
Industrial			15	1	1	1	18
Office	31	4	13		1	1	50
Serviced Office/ Managed Workspace	43	4					47
Warehousing					1	1	2
<b>Total Enquiries</b>	<b>74</b>	<b>8</b>	<b>28</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>117</b>
<b>Oadby &amp; Wigston</b>							
Industrial		5			3	1	9
Office	1	2					3
<b>Total Enquiries</b>	<b>1</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>12</b>
<b>Leicester &amp; Leicestershire</b>							
Industrial	75	55	87	23	62	61	363
Office	257	26	57	55	34	4	433
Serviced Office/ Managed Workspace	257	24	4	0	0	0	285
Warehousing	0	20	37	1	33	30	121
<b>Total Enquiries</b>	<b>589</b>	<b>125</b>	<b>185</b>	<b>79</b>	<b>129</b>	<b>95</b>	<b>1202</b>

Source: Invest Leicestershire – Tractivity Public Property Search

- 7.28 The key issues from this source of evidence are:
- The highest number of enquiries for industrial properties was in Charnwood (195), over twice the number for Leicester City (84) which had the second largest number of enquiries.
  - The overwhelming number of enquiries for Office property was in Leicester City (227), followed by Charnwood (88), NW Leicestershire (50) and Blaby (45).
  - Enquiries for serviced offices/managed workspace was highest in Leicester City (144), followed by Charnwood (50) and North West Leicestershire (47).
  - Enquiries for warehousing property was highest in Charnwood (77), followed by Blaby (26).
  - Overall, the highest number of enquiries for all types of property was for locations in Leicester (461), followed by Charnwood (410), Blaby (146) and North West Leicestershire (117).
  - The most common request for offices and serviced offices/managed workspace was for units of between up to 500 sq.ft.
  - There was roughly an even spread in terms of the size of industrial units required.
- 7.29 Requests for warehousing tended to be in two size bands, namely 500 sq.ft. to 2,500 sq.ft. and over 5,000 sq.ft.

## **Future Demand for Employment Land**

- 7.30 Government guidance recommends that the best approach for the quantitative assessment of the future demand for employment land is to consider evidence derived from three broad methodologies:
- Labour demand forecasts
  - Labour supply forecasts
  - Analyses based on the past take-up of employment land and property and/or future property market requirements
- 7.31 In considering future demand for employment land in the Leicester and Leicestershire sub-region, the PACEC Study followed government guidance and assessed demand on the basis of the above methodologies, but also supplemented this with the following:
- An estimate of the demand for previously undeveloped employment land arising from the renewal of existing stock
  - Evidence from stakeholder consultation
  - Studies of key and emerging business sectors
  - Monitoring and analysis of published business, employment and economic statistics

## Methodology 1 - Labour Demand Forecasts

7.32 Forecast changes in employment can be used to forecast future demand for employment land and premises. This is done in the following way:

- Employment forecasts for the sub-region up to 2016, prepared by Experian in May 2008, are translated into B-use class employment property (offices, industrial and warehousing) and then extended to 2026.
- The changes in employment in B-use class property are then translated to floorspace (using standard employment densities for offices [18 sq.m. per employee], industrial [31 sq.m. per employee] and warehousing [88 sq.m. per employee]).
- Floorspace is converted to site area (using standard plot ratios for industrial [4,200 sq.m. per hectare] and warehousing [5,000 sq.m. per hectare], although office requirements are expressed in square metres as plot ratios vary considerably from city centres to more rural and out of town locations.

7.33 In addition to using econometric data to forecast future demand for employment land and workspaces in Leicester and Leicestershire, PACEC also supplemented this by estimating the additional demand for previously undeveloped employment land arising from the renewal of ageing and obsolete industrial property, warehousing and offices.

Table 7.6 Forecast Demand for Employment Land in Leicester and Leicestershire, 2007-2026

Location	Offices, sq.m.	Industrial, ha	Warehousing, ha
Leicester	107,988	63.9	29.4
Blaby	42,177	17.8	12.0
Charnwood	21,171	18.3	11.5
Oadby & Wigston	11,522	4.5	4.4
Harborough	42,962	4.0	34.0*
Hinckley & Bosworth	33,742	16.1	9.8
Melton	9,396	5.3	7.0
NW Leicestershire	36,884	10.0	57.0
<b>Total Forecast Demand</b>	<b>305,842</b>	<b>139.9</b>	<b>165.1</b>

Source: PACEC

\*This demand may not reflect the situation on the ground as the standard renewal calculation may be an over-estimate due to relatively modern stock of warehousing in the area.

7.34 Table 7.6 summarises the forecast demand for employment land in Leicester and Leicestershire between 2007 and 2026, based on the econometric projections and the demand arising from the need for renewal. The main findings show that:

- There is a forecast need for an additional 306,000 sq.m. of office floorspace, 140 hectares of industrial land, 165 hectares of warehousing land in the sub-region.
- The greatest demand for office floorspace will be in Leicester (107,988 sq.m.), representing over a third of all the forecast demand for offices in the sub-region.
- Significant demand for office space is also forecast for Blaby, Harborough, North West Leicestershire and Hinckley and Bosworth.

- The highest demand for industrial land will be in Leicester (63.9 ha), representing nearly half of all future demand in the sub-region.
- There is also a fairly high demand forecast for industrial land in Charnwood, Blaby and Hinckley and Bosworth.
- The highest demand for warehousing is forecast in North West Leicestershire, representing nearly half of the demand in the sub-region. Demand is also forecast to be high in Harborough and Leicester.

7.35 It should be noted that the PACEC Study did not produce alternative sets of demand forecasts to reflect different forecasts for employment change (i.e. to reflect the alternative scenarios of housing growth in the sub-region). PACEC concluded that, in their opinion, the greatest impact on demand for employment land and premises will be from the renewal of industrial and warehousing stock rather than growth in demand for employment. Furthermore, no provision is made in the demand forecasts for large scale, one-off developments.

## **Methodology 2 - Labour Supply Forecasts**

7.36 The future supply of labour in an area is seen as an important factor in understanding whether an area is likely to have enough workers (and of the right skills) to fill the predicted number of jobs in the future. The future projections of total population in the sub-region indicate a growth of 84,600 in the period 2006 to 2026 (based on ONS statistics). However, the forecast growth in people of working age is only 2,300. Forecasts for growth in the demand for labour in the sub-region up to 2026 indicate a rise of 24,700. This highlights an imbalance between the future demand for labour in the sub-region and the available population of working age. In reality, there are a number of factors that could result in the projected employment increases being realised, through:

- An increase in net in-commuting into the sub-region
- An increase in the local employment rate (including fewer travelling out of the sub-region for employment)
- An increase in the number of people working above age 59/64
- An increase in the number of people with more than one job (a trend already evident with increases in agency working, part-time/flexible/casual working)

## **Methodology 3 Trend Based Forecasts**

7.37 The third recommended methodology to assess future demand for employment land and premises is to project from past take-up of employment land across the sub-region. Table 7.7 summarises the evidence contained in the PACEC Study of past take-up in each district since 1991 and the projected future need based on this methodology.

7.38 The key point from these projections is that an additional 893 hectares of employment land would be required across the sub-region between 2007 and 2026,



based on this methodology. However, the PACEC Study stresses that a degree of caution needs to be given to these projections, for the following reasons:

- The past take-up figures and trends for the sub-region are skewed by two major one-off large strategic warehousing schemes in Harborough (Magna Park) and North West Leicestershire (Bardon) which are unlikely to be repeated in the future.
- These projections do not take account of future changes in economic structure and policy that may affect the nature of future demand.
- These projections do not take account of past or future losses of land (figures for past losses of employment land are not available).
- The trend-based methodology also does not take account of the impact that a lack of available land would have on take-up rates and therefore lead to an under-estimate of future demand.

Table 7.7 Projected Future Requirements 2007 to 2026, Using Take-up Methodology

	<b>Total Past Take-up 1991 to 2007 (ha)</b>	<b>Past Take-up Mean (ha per annum)</b>	<b>Projected Future Need (ha) 2007 - 2026</b>
Blaby	91.3	5.7	108.5
Charnwood	66.3	4.1	78.7
Harborough	166.3	10.4	197.5
Hinckley & Bosworth	68.1	4.3	80.8
Leicester City	77.2	4.8	91.6
Melton	51.6	3.2	61.3
NW Leicestershire	225.1	14.1	267.3
Oadby & Wigston	6.3	0.4	7.5
<b>Total Sub-region</b>	<b>752.1</b>	<b>47.0</b>	<b>893.1</b>

Source: PACEC

7.39 According to PACEC, if large one-off schemes are excluded from the trend projections, the future take-up for the sub-region is estimated to be around 428 hectares. This forecast is within range of the econometric based forecast based on employment growth, renewal and pipeline. For example, if the demand for office space derived from the econometric data (shown in Table 7.6) is translated into hectares, then this would add between 60 hectares to 110 hectares (depending on plot ratio used and level of parking) to the 305 hectares needed for industrial and warehousing, giving a total need of between 365 to 415 hectares.

### Effective Supply of Available Employment Land

7.40 To assess whether the sub-region is able to meet the forecast demand for employment land up to 2026, there has to be an understanding of how much employment land is currently available in the sub-region. An assessment of supply cannot be determined simply by adding up all the outstanding employment land allocations and planning permissions across the sub-region. This is because not all sites that have either planning permission or outstanding allocations can be defined as truly available for development. Government guidance states that employment land reviews should take into consideration a range of factors to assess each site's

true “availability” in order to identify the ‘best’ employment sites to be protected and those sites that should be released or subject to further appraisal.

- 7.41 In line with government guidance, the PACEC Study applied five sets of criteria in its assessment of each district’s outstanding employment land allocations and planning permissions at March 2007 (the latest year for which monitoring data are available). This included an assessment of each site in relation to market attractiveness, sustainable development, accessibility, policy and strategic planning issues. The assessment by PACEC identified a number of existing sites in each district as unsuitable for future development (see the detailed PACEC Study for details of these sites). These sites were seen as unlikely to be brought forward for development, either because they are in poor locations or are unsuitable in some other way (e.g. prohibitively high costs of development). As a result, PACEC excluded these sites from the supply side calculations.
- 7.42 Table 7.8 summarises the effective supply of employment land available across the sub-region and in each district. This represents a portfolio of sites that are available within each district that serve the requirements of businesses and developers and meet local and strategic planning objectives.

Table 7.8 Effective Supply of Available Employment Land in Leicester and Leicestershire, 2007-2026

<b>Location</b>	<b>Offices, sq.m.</b>	<b>Industrial, ha</b>	<b>Warehousing, ha</b>
Leicester	91,960	24.7	0.0
Blaby	61,700	6.0	0.0
Charnwood	68,300*	28.9	0.0
Oadby & Wigston	0	1.3	0.0
Harborough	54,290	11.7	1.1
Hinckley & Bosworth	0	12.1	21.2**
Melton	8,920	1.4	0.0
NW Leicestershire	41,202	51.4	56.5
<b>Total Effective Supply</b>	<b>326,372</b>	<b>137.5</b>	<b>78.8</b>

Source: PACEC

\* This includes Loughborough Science Park, which is the subject of user criteria and, if excluded, the gap reduces to a small over-supply of around 4,100 sq.m.

\*\* This includes the 21.1 ha site at Nailstone Colliery which has planning permission for warehousing but is not rail-connected, has poor access to the motorway network and not seen as meeting the general warehousing needs of the area, therefore, if excluded, this would create a gap of 9.8 ha.

- 7.43 The salient issues from table 7.8 are described for each district below.

Blaby

- There is a substantial supply of land available for high quality office development, including Grove Park (capacity for 16,700 sq.m. of offices), Carlton Park (35,480 sq.m.) and Ratby Lane (Kirby Park Farm) (9,520 sq.m.).

- Given past take-up of around 2,800 sq.m. per annum<sup>2</sup>, the three development sites have the potential to provide a further 22 years of supply.

### Charnwood

- The proposal for 43,000 sq.m. under Phase 2 of the Science Park would provide one of the main sources of supply of B1b development in the sub-region. While Loughborough Science Park provides one of the most attractive sites for high technology based industry in the East Midlands, the University's current estate management criteria limit potential occupiers to those who have research and business links to the University. In light of this, the PACEC Study recommends that consideration should be given to additional allocations for open market B1b development in later phases of the Science Park.
- 29 hectares of industrial land is currently available in the district. Dishley Grange is the only current land allocation of note available in Loughborough, though this allocation is restricted to 8 hectares (down from 20 hectares) because of flood risk.
- Approximately 20,000 sq.m. of office space is available at Watermead Business Park, though little is available around Loughborough itself.

### Harborough

- Market Harborough has seen significant development in recent years with The Point providing 9,300 sq.m. of offices over the last 5 years, with an additional 55,700 sq.m. of office space available, which could provide up to 20 years of supply.
- Airfields Farm will provide around 27,900 sq.m. of commercial space. This may provide around 10 years' supply, assuming take-up of 2,800 sq.m. per annum.

### Hinckley & Bosworth

- There is no effective supply of land available at the present time to provide more offices.
- The PACEC Study recommended that further investigation should take place to establish the continued suitability of Barwell Business Park for employment use.
- The 21.1 ha site at Nailstone Colliery has planning permission for warehousing but is not rail connected and has poor access to the motorway network. The PACEC Study concluded that this site will not meet the general warehousing needs of the area and should be discounted from the effective supply, leaving no available land for additional warehousing.

### Melton

- The Borough has a limited supply of employment land currently available.
- PACEC have commented that Holwell Works is contaminated to such an extent that development would be costly.

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<sup>2</sup> Source: Mather Jamie, property consultants, that worked in partnership with PACEC on the employment land study.

- In addition, the PACEC Study concluded that both Holwell Works and Asfordby Business Park are isolated and therefore any development is likely to be slow. Both sites are assessed by PACEC as less sustainable development options than sites in and around the Leicester Road Industrial Estate.

#### North West Leicestershire

- North West Leicestershire has a significant supply of employment space available, including 18,000 sq.m. for offices and over 11 hectares for industrial and warehousing schemes at Ashby Park and Ivanhoe Business Park in Ashby, 27 hectares of office, industrial and warehousing development at Bardon/Coalville and additional allocations at Willow Farm and East Midlands Distribution Centre in Castle Donington, and Measham 42 and Westminster 42 in Measham.

#### Oadby and Wigston

- The Borough has only 1.3 hectares of industrial land available and no supply of land for offices or warehousing. Local employers may need to use second-hand space locally or seek property elsewhere in the City and surrounding districts.
- The development of the 3.1 hectare Wigston Railway Triangle site requires the construction of a road bridge over the railway, which is likely to make the development unviable.
- The remaining development site opportunities available are small infill sites.

#### Leicester City

- 10,000 sq.m. of office space has just been completed at Colton Square. A further phase of 30,000 sq.m. is being planned for the New Business Quarter. Overall, there is a current supply of land that will accommodate approximately 92,000 sq.m. of offices in the City.
- Leicester Science Park at Abbey Meadows can provide approximately 44,000 sq.m. of B1b development.
- A potential supply of 25 hectares of previously undeveloped employment land is currently in the development pipeline.
- There is currently no supply of land available for warehousing.

## **Supply-Demand Assessment and Gap Analysis on Employment Land**

- 7.44 There are two further steps to be taken to assess the need for additional allocations of undeveloped employment land to produce a balanced supply in the sub-region. This section summarises the first step, namely the assessment of the balance between the forecast demand outlined in Table 7.6 and the effective supply outlined in Table 7.8. This will identify any indicative “under-supply” or “over-supply” issues within the sub-region.
- 7.45 The PACEC Study argues that evidence derived from a supply-demand assessment and gap analysis is not sufficiently robust on its own to inform future policy decisions

on employment land allocations. According to PACEC, consideration must also be given to a number of additional market-led and policy-led factors.

Table 7.9 Supply and Demand Gap Analysis - Leicester and Leicestershire, 2007-2026

Location	Effective Gap		
	Offices (sq.m.)	Industrial (ha)	Warehousing (ha)
Leicester	-16,028	-39.3	-29.4
Blaby	19,523	-11.8	-12.0
Charnwood	47,129	10.6	-11.5
Oadby & Wigston	-11,522	-3.2	-4.4
Harborough	11,328	7.7	-32.9
Hinckley & Bosworth	-33,742	-4.0	11.5
Melton	-476	-3.9	-7.0
NW Leicestershire	4,318	41.4	-0.5
<b>Total Effective Gap</b>	<b>20,529</b>	<b>-2.6</b>	<b>-86.2</b>

Source: PACEC

- 7.46 Table 7.9 summarises the findings of the supply-demand assessment and gap analysis. The overarching conclusion for the sub-region is that office demand and supply are roughly in balance, there is a small under-supply of industrial land of around 2.6 hectares and there is a shortfall of 86.2 hectares of warehousing land.
- 7.47 The findings from the demand-supply assessment and gap analysis for each district highlight significant variations within the sub-region, with incidences of “under-supply” and “over-supply” in more local areas. This suggests that, while the sub-regional picture for office and industrial uses shows a relative balance between demand and supply, on the ground, the supply of land is not always in the right places to meet demand.
- 7.48 The key issues at the district level are:
- There is a large under-supply of industrial and warehousing land in Leicester.
  - There is a significant over-supply of industrial land in North West Leicestershire.
  - There is an over-supply of land for offices in Blaby but a shortfall of land for industrial and warehousing.
  - There is an under-supply of land for offices as well as a shortfall of land for the renewal of existing industrial and warehousing sites in Oadby and Wigston.
  - There is a notional over-supply of land for offices in Charnwood, though PACEC discount the supply at the Science Park as this is the subject of user criteria and therefore, they argue, not available to meet open market demand (note: the brief for the PACEC Study did not require the consultants to re-examine the feasibility of the Science Park extension).
  - The PACEC Study identifies that Charnwood needs to provide land promptly to avoid running out of land supply in the next 5-10 years, in all sub-areas.
  - There is an over-supply of land for offices in Harborough, a fairly balanced supply of industrial land and a theoretical shortfall in land available for

warehousing (PACEC caution that the renewal figure for warehousing may be an over-estimate given the relatively modern stock and likely future policy changes).

- There is an under-supply of land for offices and industrial uses in Hinckley and Bosworth.
- There is an under-supply of land to meet forecast demand for offices, industrial and warehousing uses in Melton.

7.49 The conclusions from the demand-supply assessment and gap analysis highlight the fact that employment land planning cannot satisfactorily be tackled at a local level. A strategic approach is required to ensure that the employment land and property needs of the sub-region as a whole are met, as well as for individual districts.

## **Consideration of Additional Market-related and Policy-related Factors**

7.50 The process of determining how the sub-region should plan to ensure it has enough available employment land and premises in the right locations and of the right quality and size, and available at the right time, is more complicated than simply looking at the evidence derived from the demand-supply assessment and gap analysis. There are a number of additional market-related and policy-related factors that need to be considered alongside the demand-supply gap evidence to determine how employment land planning should respond to issues of over-supply and under-supply in the sub-region.

### **Market-related Factors**

7.51 In addition to the evidence derived from the supply-demand assessment and gap analysis, the PACEC Study took into consideration the following market-related factors in determining their recommendations on the additional allocations of previously undeveloped land that need to be allocated within the sub-region, including:

- The need to plan for a pipeline of up to six times the annual take-up of land at the end of the plan period and beyond to provide a degree of flexibility or “margin of choice”. This is to enable the land market to function effectively, given the long lead-in times for development, particularly low carbon development that will be required after 2019. The PACEC Study identified the need to factor in, on top of the demand-supply gap, an additional requirement in the sub-region for an end of plan period pipeline of:
  - 97,000 sq.m. of offices
  - 48 hectares of industrial
  - 61 hectares for warehousing
- The need to plan for specific property sub-markets, including: the New Business Quarter in Leicester; the Science Parks at Loughborough and Leicester; and the potential need for a strategic road-rail distribution centre within the sub-region.
- The need to address local incidences of market shortages and over-supply requiring the need for a strategic response. For example, the shortage of available land in

Leicester and Oadby and Wigston means that unmet demand must be addressed by bringing forward employment land allocations in adjacent local authority areas.

## Policy-related Factors

- 7.52 The recommendations from PACEC on the amount and location of additional undeveloped land that needs to be allocated to achieve a balanced supply were also subject to the need for employment land planning to address a number of key sub-regional policy-drivers, with the need to:
- Identify a balanced supply of employment sites and safeguard and protect these sites from competition from other uses.
  - Ensure new employment land allocations are in locations that can reduce the need to travel by aligning jobs with homes and services and, for necessary journeys, be accessible by sustainable modes of transport.
  - Ensure new employment land allocations are capable of supporting zero carbon development.
  - Make employment land a locally distinct source of economic and environmental competitive advantage.
  - Consider the need to plan beyond the current plan period, as recommended in key Government guidance on employment land reviews (ODPM, 2004).
- 7.53 At the Stakeholder Workshop held as part of the PACEC Employment Land Study, stakeholders identified the proposed Sustainable Urban Extensions (SUEs) as the key to future supply of previously undeveloped employment land in the sub-region. This accords with the policy-drivers identified above. The stakeholders also identified the key considerations in taking forward employment sites within the SUEs, namely:
- The need for long lead-in times and investment-in-advance infrastructure (for on-site and off-site renewable energy generation and high quality public transport services) are required to enable private sector investment.
  - Employment schemes should front-load the development of the SUEs in order to create demand for homes and help establish patterns of short distance commuting.
  - The need for a clear public sector policy framework and structures to plan and co-ordinate investment in infrastructure for housing, employment and transport.
  - In order to realise the full economic and environmental benefits of employment land allocations within the SUEs, such allocations would need to be of a strategic scale.
- 7.54 In response to stakeholders' views that the employment allocations within the SUEs needed to be of a strategic scale, the PACEC Study recommended that they should be of at least 20 hectares in size, in order to:
- Provide economies of scale by spreading the advance infrastructure costs over a large site
  - Provide opportunities for developers to be able to meet the demand from appropriate market segments

- Provide the opportunity for businesses to move within the same area
- Enable institutional property investors to identify comparable rents and capital values

7.55 The Stakeholder Workshop also identified the key contributions the strategic employment sites will make to the SUEs. Namely, they will:

- Contribute towards a better alignment between homes and jobs and hence give people opportunities to live and work in close proximity and hence support a modal split dominated by walking, cycling and public transport.
- Generate demand and hence support the viability and vitality of settlement centers.
- Provide platforms to enable zero carbon development after 2019.
- Provide viable platforms for decentralised and renewable low carbon energy generation and its distribution by spreading demand for heating between (day time) commercial and (night time) domestic users.
- Replenish the development pipeline towards the end of and beyond the plan, taking into account the long lead-in times to large-scale mixed use, sustainable development.

## **Recommended Additional Allocations of Previously Undeveloped Employment Land**

7.56 The overall demand-supply assessment and gap analysis for the sub-region (Table 7.9) indicated that office stock is roughly in balance for the period to 2026 but that a further 89 hectares are required across the sub-region to meet demand for industrial and small scale and strategic warehousing development. In determining its recommendations for future allocations of additional previously undeveloped employment land, the PACEC Study also took into consideration a number of additional market-related and policy-related factors.

7.57 On the basis of an assessment of the evidence from the demand-supply gap analysis and consideration of a range of market-related and policy-related factors, the PACEC Study recommended the following allocations of additional previously undeveloped employment land:

- A minimum of 100,300 sq. m. of offices
- A minimum of 174 hectares of land for light industrial and small-scale warehousing
- 50 hectares for a road-rail strategic distribution centre.

7.58 Table 7.8 breaks down the spatial distribution of the additional allocations within the sub-region as recommended by PACEC.



**Table 7.8 Recommended Additional Allocations of Previously Undeveloped Employment Land to 2026 by PACEC**

Location	Offices	Light Industrial & Small Warehousing	Strategic Warehousing
Leicester City	60,000 sq. m.	10 ha	0
Charnwood South SUE	0	25 ha + 25 ha	0
Charnwood North SUE	0	20 ha	0
Blaby SUE	0	24 ha	0
Oadby & Wigston	5,800 sq. m.	0	0
North West Leicestershire	0	0	50 ha
Coalville SUE	0	20 ha	0
Hinckley & Bosworth	34,000 sq. m.	14 ha	0
Hinckley SUE	0	20 ha	0
Harborough	0	5 ha	0
Melton	500 sq. m.	11 ha	0
<b>Total</b>	<b>100,300 sq. m. (min)</b>	<b>174 ha (min)</b>	<b>50 ha</b>

Source: Experian/PACEC Leicester and Leicestershire Employment Land Study (page 96)

7.59 The key implications and rationale for the recommended allocations in each district are outlined below:

#### Leicester

- While the demand-supply assessment and gap analysis indicated an additional 16,000 sq.m. of office space is required, PACEC was concerned that 44,000 sq.m. of the identified existing supply (at the Leicester Science Park) will be restricted to high technology businesses and recommended that an additional 60,000 sq.m. should be allocated for open market office uses.
- The demand-supply assessment and gap analysis indicated an additional 69 hectares of land for industrial and warehousing uses is required in the City. However, only a maximum of 10 ha of additional land (at Ashton Green) can realistically be made available in the City. The PACEC Study recommended that the balance of 59 hectares should be provided through new strategic employment land allocations in the Sustainable Urban Extensions in South Charnwood and Blaby.

#### Charnwood

- The PACEC Study recommended a 20 hectare strategic employment land allocation for the North Charnwood SUE is needed in order to introduce competition and choice in the employment land market within Charnwood (particularly around Loughborough) for offices, industrial and small-scale warehousing.
- The PACEC Study also recommended the early development of a 50 hectare strategic employment land allocation at the proposed South Charnwood SUE to provide for the first low/zero carbon employment development in the sub-region and meet forecast demand from firms in Leicester. In light of its strategic location in relation to Leicester, PACEC recommend the early development of this site. Subsequent to the publication of the PACEC Study, the Charnwood LDF Core

Strategy Further Consultation Report has amended this recommendation to a 25 hectare site with 25 hectares held in reserve. The consultants who produced the PACEC Study confirmed they had no objection to that change.

### Blaby

- The PACEC Study recommended that a strategic employment land allocation of approximately 24 hectares is required within the built-up area of the district to meet the future demand as a result of the forecast growth in industrial employment and the need to make provision for the renewal of the existing stock. PACEC recommended that this allocation should also serve to accommodate a proportion of the demand that is unable to be met within Leicester and Oadby & Wigston.

### Oadby and Wigston

- The demand-supply assessment and gap analysis identified an under-supply of 5,700 sq.m. of offices and 7.6 hectares of industrial and warehousing land.
- An assessment of potential sites that could be brought forward to meet this under-supply revealed that there are currently no opportunities to increase the supply of land in the borough. The PACEC Study recommended that this unmet demand would need to be reflected within the proposed employment land allocations for the New Business Quarter and the Blaby and South Charnwood SUEs.

### North West Leicestershire

- The PACEC Study recommended a strategic allocation of 20 hectares of employment land should be made as part of a mixed-use development within the proposed Sustainable Urban Extension in Coalville. While the district has an over-supply of industrial land, the rationale behind the PACEC recommendation is based on policy-related factors outlined in paragraph 7.45 in relation to the role of strategic employment sites within the SUEs.
- The implications of the current over-supply of industrial land in the district needs to be considered further.

### Hinckley and Bosworth

- The PACEC Study recommended an additional six hectares of land in Hinckley needs to be allocated in order to address the current identified under-supply of around 34,000 sq.m. of new offices.
- The Study also recommended an additional four hectares of industrial land should be allocated to meet the current under-supply for industrial uses.
- The PACEC Study recommended an additional allocation of 10 hectares is required to meet the current under-supply of land for warehousing.
- The Study recommended a strategic allocation of 20 hectares of employment land is made as part of the proposed SUEs to ensure there are local employment opportunities for new residents, to minimise commuting from the SUEs, to replenish the development pipeline and provide for zero carbon development after 2019 and beyond the plan period.

### Harborough

- The supply-demand gap analysis found there to be an over-supply in terms of the consents and allocations for offices and industrial property. However, the PACEC Study recommended that an additional provision of five hectares of employment land may be needed to replenish the provision towards and beyond the end of the plan period arising from losses due to changes of use to higher value uses and the need to accommodate requirements for other employment generating occupiers, such as leisure. An option to be considered would be to identify a mixed-use employment site in conjunction with housing growth in Market Harborough.
- The demand-supply assessment and gap analysis identified the need for an additional 33 hectares of land for warehousing. However, PACEC indicated that they were concerned that this may be an overestimate, given the stock is relatively modern and that demand for further road-based national and regional distribution centres in Harborough is difficult to predict, given road-rail based schemes are likely to become more competitive in the future. Policy 21 of the Regional Spatial Strategy (RSS) seeks to promote the bringing forward of strategic multi-modal sites in the region and Harborough does not have a suitable site for a strategic road-rail based scheme.

### Melton

- The PACEC Study recommended that an allocation of 500 sq.m. of additional office space is required in Melton, along with an additional 11 hectares of land to address the under-supply of land for industrial and small-scale warehousing. PACEC also recommended that the additional land should be identified in sustainable locations, such as in and around the Leicester Road Industrial Estate.

7.60 The local planning authorities in the HMA are at various stages along the LDF developmental process. They have broadly accepted the findings in the PACEC Study with regard to the future requirements for employment land in the HMA. They are also being guided by PACEC's recommendations on additional allocations of previously undeveloped employment land in the development of employment land policies in their respective Core Strategy documents. However, as each local planning authority moves towards the site allocation stage, it is clear there is a need for further evidence to identify specific site locations where businesses wish to locate and the type of development required. The need for further evidence was acknowledged at the time of commissioning the PACEC Study as it was agreed that PACEC should focus on strategic recommendations and that specific site locations should be determined through the LDF process.

7.61 Subsequent to the publication of the PACEC Study, a number of concerns have been raised with regard to the PACEC recommendations on future allocations, particularly about the level and type of market demand for employment land in each SUE. This includes concerns that:

- a) The PACEC approach of focussing strategic employment sites within the SUEs may not provide sufficient choice in sites and locations that businesses and the market want, particularly in the Leicester PUA;
- b) The PACEC Study recommendation that the strategic employment sites in the SUEs should provide for light industrial and small scale warehousing ignores the possibility that there may be a demand for an amount of small scale office development;
- c) There may be insufficient market demand to justify the scale of the allocations recommended in the PACEC Study for the proposed SUEs – this assertion based on a view that:
  - i. The SUEs may not provide an attractive location for a significant proportion of relocations from older, poor quality industrial areas;
  - ii. The type of space to be provided in the SUEs (to create zero carbon, high quality employment) may also not be appropriate or attractive to many businesses looking to relocate from older, poor quality industrial areas (who are unlikely to create high quality jobs nor require zero carbon premises);

7.62 In light of these concerns, Prospect Leicestershire is considering the need for further work to be commissioned to provide additional evidence to ensure that new employment land is delivered in locations that are viable and sustainable and where businesses and the market want to be. In particular, there will be a need to clarify the type and amount of employment land required in each of the proposed SUEs and where best to deliver the future employment land requirement in the Leicester PUA. The employment land will need to be viable and sustainable, meet the needs of businesses and likely to be attractive to developers in the period to 2026 and beyond.

## **Forecasting Future Demand for Workspaces**

7.63 In addition to ensuring the sub-region has a balanced supply of undeveloped employment land available, there is also a need to ensure that the right balance of workspaces are also being provided in the sub-region. This will help ensure the sub-region is able to fulfil its economic potential. The Leicester and Leicestershire HMA Workspace Study was commissioned to follow on from the PACEC Employment Land Study.

7.64 The Workspace Study undertook a market assessment of future demand for workspaces across the sub-region. This includes the collection and analysis of quantitative and qualitative evidence on market trends and issues since October 2008. The key findings from the evidence gathered as part of this market assessment are:

- Take-up of workspace remains strong from different sub-markets across the sub-region.

- For basic workspaces and serviced offices, demand is arising from start-up and micro-businesses, notably amongst those serving local businesses and consumers.
- For the innovation centres at De Montfort University, Loughborough University and the LCB Depot in Leicester, demand is arising from technology and creative based firms seeking support services for business germination, incubation and growth as well as opportunities to network with other firms. These facilities and services will be key to securing inward investment from technical and knowledge-based industries, thus driving up productivity and achieving sustainable economic growth.
- For freehold premises and plots, demand is arising – on a more limited scale - from company directors who wish to either develop or acquire freehold premises for investment purposes.
- There is unmet demand for small office schemes in Waterside and St George's South in Leicester.

### **An Assessment of the Future Demand for Small Offices in the Leicester Principal Urban Area Sub-markets**

- 7.65 One of the early recommendations within the Workspace Study following discussions with the Leicester Regeneration Company and Leicester City Council was that a more detailed analysis should be undertaken of the small office market in Leicester (i.e. offices of less than 8,000 sq.ft.). This is in addition to the issue of the large floorplate office requirement that is being addressed in the New Business Quarter. In light of these discussions, Prospect Leicestershire subsequently commissioned the Small Office Study for the Leicester Principal Urban Area (PUA).
- 7.66 As part of this Study, Lambert Smith Hampton (LSH) undertook a market assessment of future annual demand for small offices within four sub-markets in the PUA:
- City Centre
  - Professional Quarter
  - Cultural Quarter
  - Out-of-town
- 7.67 The boundaries of the City Centre, Professional Quarter and Cultural Quarter sub-market locations are identified on the map at Appendix 1 of the final report on the Small Office Study for the Leicester Principal Urban Area.
- 7.68 The key points from the evidence derived from the market assessment are:
- Overall demand for small office floorspace in the Leicester PUA has held up during the period between January 2008 and June 2009, with take-up roughly evenly shared between the combined city centre sub-markets (46% of deals within the PUA) and the out-of-town sub-market (54% of deals).

- There is market demand for up to 20,000 sq.ft. per annum in the Leicester PUA of new speculative Grade A and high quality small offices up to 4,000 sq.ft. for mostly freehold tenure.
- Demand is likely to be higher, initially, in the City Centre than out-of-town due to pent-up demand following a shortage of Grade A and high-quality small offices over a number of years, increasing interest in individual and collective SIPP schemes and increasing demand in the City Centre from firms seeking design and build schemes up to 10,000 sq.ft.
- Evidence from interviews with the main developers active in this market indicates that the key source of demand is from local owner occupiers across a range of sectors including accountants and solicitors. Three of the four developers interviewed identified car parking as occupiers' most important requirement.

### **Current Supply of Workspaces**

7.69 The Leicester and Leicestershire HMA Workspace Study has also undertaken a detailed assessment of the current supply of workspaces in four distinct market segments: innovation centres, serviced offices, mixed-use workspaces, light industrial units. This included an assessment of:

- The size of schemes (and units within them)
- Facilities
- Services
- Tenure
- Ownership
- Rents and other charges

*The findings of the assessment of the current supply of workspaces are currently being written up and a summary of the findings will be included in this chapter at the earliest opportunity.*

7.70 The current supply of workspace will be greatly enhanced by the completion of the following pipeline schemes:

- New Business Quarter Phase Two
- Innovation Centre at Leicester Science Park
- Loughborough Innovation Centre Annex
- Harborough Innovation Centre
- Atkins Building, Hinckley
- Greenfields Business Park, Hinckley

### **Supply of Small Offices in the Leicester Principal Urban Area Sub-markets**

7.71 As part of the Small Office Study for the Leicester Principal Urban Area, Lambert Smith Hampton (LSH) also undertook an analysis of availability of small offices within the four sub-markets in the PUA. Table 7.9 shows the availability within the small office market across the Leicester PUA in January 2008 and in June 2009.

**Table 7.11 Availability of Small Office Units (up to 8,000 sq.ft.) in the Leicester Principal Urban Area in January 2008 and June 2009**

Location	January 2008		June 2009	
	Number of Units Available	Total Floorspace Available	Number of Units Available	Total Floorspace Available
Out-of-Town	48	132,638 sq.ft.	72	187,511 sq.ft.
City Centre	49	99,902 sq.ft.	58	109,734 sq.ft.
Professional Quarter	26	89,827 sq.ft.	45	93,478 sq.ft.
Cultural Quarter	5	14,557 sq.ft.	41	91,651 sq.ft.
<b>Total</b>	<b>128</b>	<b>336,924 sq.ft.</b>	<b>216</b>	<b>482,374 sq.ft.</b>

Source: Small Office Study for the Leicester Principal Urban Area, 2009

7.72 The main findings from the analysis of the small office market in the Leicester PUA are:

- There was a 69% increase in the number of available small offices and a 43% increase in available floorspace during this period across the PUA.
- The growth in available floorspace was reasonably balanced between the out-of-town and City locations, although much of the increase in the City was due to the Phoenix Square development in the Cultural Quarter.
- The largest increase in the available stock of small offices was in the up to 1,000 sq.ft. and 3,000 to 4,000 sq.ft. size ranges.
- In terms of quality, three quarters of the available stock of small offices is considered to be of poor quality.
- In 2008, the majority of available stock was being offered for lease, but by 2009 landlords had widened the tenure choice in response to rising stock levels and falling take-up.
- The pipeline of new small office schemes is focussed on out-of-town locations offering good communication links, high levels of car parking, high build specification, flexible layouts, efficient design, and support services.
- There are no proposed pipeline schemes for small office developments in the City Centre or edge of City Centre.

### Supply-Demand Assessment and Gap Analysis of Workspaces

7.73 The evidence produced by the Workspace Study on an assessment of the supply-demand balance and gap analysis of workspaces in the sub-region has highlighted the following factors in relation to the type of workspaces that will be required in the future:

- There continues to be market failure in the provision of certain types of workspaces and the need for public sector intervention.
- There continue to be gaps in the supply of a quality property offer across the sub-region, particularly in Leicester and Loughborough, for the germination, incubation and growth of businesses in the science, technology and creative sectors.

- There is a lack of co-ordination between the provision of a quality property offer and support services across the sub-region, particularly for creative industries and science and technology firms.
- In the face of reducing public sector resources and the impact of the recession on private sector investment, there is a need for a new approach within the public sector to the planning, funding, development and management of workspaces.

## **Identifying the Future Small Offices Needs in the Leicester Principal Urban Area Sub-market**

7.74 The Small Office Study for the Leicester Principal Urban Area undertook an assessment of the supply-demand balance and gap analysis of the small office market in the Leicester PUA. The main findings of this assessment are:

- The available stock of small offices within the PUA provides just less than two year's supply of small offices available on the market.
- There is a very limited amount of speculative development of small offices in the pipeline and none currently planned in Leicester City Centre.
- There is a significant oversupply of poorer quality accommodation in the City and professional quarter sub-markets, particularly of units of 3,000 to 5,000 sq.ft.
- There is an unmet demand for Grade A and high-quality small office accommodation of up to 4,000 sq.ft. in the City sub-markets for general occupiers on both freehold and very flexible terms with adequate levels of car parking in accessible and safe environments (this is in addition to the .

### **Additional Workspace Provision**

*The evidence base to substantiate the conclusions of the Workspace Study on the additional workspace provision required - to follow.*

### **Small Office Provision in Leicester**

7.75 The evidence produced by the Small Office Study for the Leicester Principal Urban Area shows that there is a need for a minimum of 10,000 sq. ft. of additional new small office space per annum over the next five years for three specific sub-markets:

- Speculative Grade A and high-quality offices up to 4,000 sq. ft. for mostly freehold purchase and on very flexible terms
- Development platforms for design and build schemes up to 10,000 sq. ft.
- Dedicated accommodation for firms in the creative, science and technology based industries on flexible terms.

7.76 The evidence also identifies the need to promote new small office developments in two general locations within Leicester City Centre:



- St George's South, the Cultural Quarter: this has the potential to attract investment in schemes for firms in the creative industries in three alternative formats:
  - The conversion of existing buildings
  - New build three – four storey flatted offices
  - New build two storey offices / studios in courtyards
- Waterside: new office schemes with appropriate car parking will be viable and provide an attractive alternative to existing city firms which would otherwise relocate to out-of-town locations. Development could be delivered in two alternative formats:
  - Two storey terraces of self-contained new build offices
  - Freestanding new build offices up to 1,000 sq. m.

## Retail

- 7.77 A number of retail studies have recently been undertaken for each of the districts and the City. These contain detailed evidence of the retail offer within the sub-region.
- 7.78 In general, the sub-region has a healthy retail offer that experiences relatively little loss of expenditure to areas outside of the HMA boundary. Loss of expenditure was primarily limited to the districts of Melton and North West Leicestershire on account of their proximity to Nottingham, Derby, Grantham etc. In Melton, this loss is approximately 24% to Nottingham for clothes and footwear and a significant loss of expenditure in the northern parts of the borough in respect of furniture and carpets. For North West Leicestershire, the district is severely challenged by the key sub-regional shopping centers. All these have recently been improved, thus increasing intensity of competition and resulting in a pull of retail expenditure from the district. This competition and loss is exacerbated by the declining performance of the town centres. For example, Coalville's ranking reduced from a high of 329<sup>th</sup> in 2003/04 to 352<sup>nd</sup> in the 2006 Venuescore index.
- 7.79 In general, from a retail perspective, the market towns and district centres perform well. The market towns generally have low vacancies, and there is a limited need for additional retail floor space to 2026 across the sub-region as a whole (See table 7.12). The only anomaly is North West Leicestershire, where significant additional floorspace is required. On the other hand, the Belgrave Road District Centre in Leicester City is of regional and national importance to the UK's Asian Communities and a key benefit to the sub-regional economy.
- 7.80 Leicester City Centre has improved its ranking to from 14<sup>th</sup> to 11<sup>th</sup> (Venuescore, 2009) following completion of the Highcross centre and is performing well as a regional shopping destination. Leicester has a strong (61%) market share of shoppers, and loses only 2% to Nottingham from its core catchment area. Fosse Park is Leicester's main competition taking 11% of its market share. However,

generally having few vacant units, it provides a strong retail offer for the sub-region and for Blaby District. It is a retail destination of sub-national significance and generally has few vacant units. However, in view of the continuing improvements being made to Derby and Nottingham's retail offers and the proximity of parts of the HMA to these centres, along with the inevitable competition from e-purchasing, it will be important to continue to build upon the strengths of these centres to further enhance the retail offer of the HMA. It is also important to continue to serve the needs of the new communities resulting from the planned housing growth anticipated for the sub-region. New retail provision to serve the new communities may also need to be considered.

Table 7.12 Retail Floor Space Requirements in Leicester and Leicestershire

	Floor space requirements to 2021/2026 (sqm)		
	Comparison	Convenience	
Leicester City	Little	10,772	
Harborough	8,200-10,300	2,250-6,400	
Hinckley and Bosworth	7,000-13,000	2,400-5,300	
Melton	542	Circa 2,000-9,000 Non bulky Circa 2,000-6,000 Bulky	To 2016
Charnwood	19,409 sq.m to 39,122 s	3,782 sq m to 6,636	
NWL	2770-5663	26,165 – 27,274	
Blaby	277-5,000	68-971	
Oadby&Wigston	1422- 3944	5878 -17906	

- 7.81 Leicester Market is a key part of the City Centre and a critical factor within the retail circuit, as stated within the Leicester City Retail Capacity Study (2008, CACI and Scott Wilson). It employs over 800 local people, attracting over two million visitors a year and has generated an income of around £1.7m a year. However as a result of deteriorating conditions, stall occupancy rates are declining. They have reduced from 86% in 2002/3 to 77% in 2008/09 for the outdoor market (and from a high of 95% between 2004 and 2006/7 to only 82% in 2008/09 for the indoor market). Forecasts (provided by Markets and Enterprise) have estimated that, without investment, income from both the outdoor and indoor market will decrease from £1.7million in 2007/08 to as low as £975,000 in 2012/13.
- 7.82 Furthermore, continued strength of the sub-regional offer, and development of the necessary retail infrastructure must go hand in hand with the provision of high quality public realm and environment to reinforce and further retain a high level of retail expenditure in the sub-region. The retail studies identify that spending on leisure is set to grow significantly to 2026, suggesting that £55.8m (Harborough) and £36m (Hinckley) will go to eating and drinking outside the home by 2026.

## Summary

- 7.83 A balanced supply of employment land and premises is a necessary pre-requisite for an area to be able to maximise its economic performance. Sub-regional partners are in agreement that the Leicester and Leicestershire sub-region has suffered from a structural shortage of employment land for many years and that this has been a barrier to maximising growth within the sub-region.
- 7.84 The evidence base used to identify the amount of additional undeveloped employment land required in the sub-region to provide a balanced supply includes forecasts of future demand for land, the current effective supply of land, an assessment of the gap between demand and supply and consideration of the current economic and property market context within the sub-region. The final recommendations on additional allocations of employment land required in each district also reflect a number of additional market-related and policy-related factors.
- 7.85 At the present time, the sub-region can be characterised as follows:
- There is an increasing demand for offices and a decline in demand for industrial space
  - There has been an imbalance in the growth of the office stock with significant increases in offices in out-of-town locations and stagnation in the City
  - Conversely, the greatest demand for offices is in Leicester
  - Leicester has seen the largest decline in industrial stock and also has the oldest industrial stock in the sub-region
  - Conversely, the greatest demand for land for new industrial stock is in Leicester
  - There is a 20 year supply of land for offices in Blaby
  - There is a substantial over-supply of industrial land in North West Leicestershire
  - There is a shortage of land for industrial and warehousing uses in Leicester
  - The unmet demand for industrial and warehousing land in Leicester must be found in the wider Leicester Principal Urban Area if the economic potential of the City and the whole sub-region is to be realised.
- 7.86 The overall demand-supply assessment and gap analysis for the sub-region indicated that offices are roughly in balance for the period to 2026 but that a further 89 hectares are required across the sub-region to meet demand for industrial and small scale and strategic warehousing development. However, following consideration of additional market-related and policy-related factors, the PACEC Study recommended the following additional allocations of previously undeveloped employment land are required, including:
- A minimum of 100,300 sq m of offices
  - A minimum of 174 hectares of land for light industrial and small scale warehousing
  - 50 hectares for a road-rail strategic distribution centre
- 7.87 At the local level, this includes:

- Strategic employment land allocations within the New Business Quarter, Ashton Green in Leicester, and the Sustainable Urban Extension proposed in North Charnwood, South Charnwood, Blaby, Coalville in North West Leicestershire and Barwell and Earl Shilton in Hinckley and Bosworth.
- Local employment land allocations in Oadby and Wigston, Hinckley, Harborough and Melton.
- Innovation space for the germination, incubation and growth of businesses in the science, technology and creative sectors.
- Development of speculative small Grade A and high-quality offices up to 4,000 sq. ft. on the edge of Leicester City Centre.
- A strategic road-rail distribution centre in North West Leicestershire.

7.88 The proposed Sustainable Urban Extensions (SUEs) were identified by the PACEC Study as the key to the future supply of previously undeveloped employment land in the sub-region. In order to realise the full economic and environmental benefits of employment land allocations within the SUEs, the PACEC Study recommended that such allocations need to be of a strategic scale and will require long lead-in times and investment-in-advance infrastructure to enable private sector investment. These strategic sites will help provide for sustainable development with a better alignment between homes and jobs, and provide development platforms for low carbon development, where critical mass is required for advance infrastructure. However, further evidence is required to determine the balance between the type and amount of employment land required in each of the proposed SUEs and in other parts of the sub-region to ensure that the delivery of new employment land is viable and sustainable, meets the needs of businesses and is likely to be attractive to developers in the period to 2026 and beyond.

7.89 The Leicester and Leicestershire sub-region has a healthy retail offer that experiences relatively little loss of expenditure to shopping centers outside of the area. Leicester City's retail ranking has improved from 14<sup>th</sup> to 11<sup>th</sup> nationally following completion of the Highcross centre and Fosse Park is a retail centre of national significance. Within Leicester, the market provides a distinctive element to the retail offer attracting two million visitors annually.

7.90 Industrial development land values in Leicester are very competitive compared to neighbouring cities such as Birmingham, Coventry and Nottingham. Moreover, they are extremely competitive compared with other large cities such as Bristol, Sheffield, Manchester and Leeds.

7.91 Office rental values in Leicester are relatively low compared to many other cities. In terms of business occupiers, this can be seen by some as a strength (particularly by those for whom "image" is less important), in that it will help a business to lower its costs by locating in Leicester. However, rental values are closely linked to the quality and range of accommodation on offer. Cities with lower average rental values are often perceived as less attractive for businesses where image is important. Much of the current office stock in Leicester is low grade and, as such,

Leicester lags behind other urban centres in terms of its offer and image. Furthermore, the low rental values do not give investors, developers and existing property owners any incentive to invest or redevelop as investment yields are low.

7.92 The key issues have been summarised within a SWOT framework.

## 7 SWOT EMPLOYMENT LAND AND WORKSPACES

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• A co-ordinated approach to employment land and workspace planning and delivery across the sub-region</li> <li>• Strong growth of industrial stock in North West Leicestershire, Hinckley &amp; Bosworth, Melton</li> <li>• Overall demand for small office floorspace in the Leicester PUA has held up during the last two years</li> <li>• Good supplies of undeveloped employment space in North West Leicestershire and Harborough</li> <li>• Creation of Prospect Leicestershire as the focus for the delivery of economic development in the sub-region</li> <li>• Strong retail offer, Highcross, Fosse Park, Leicester market, market towns - area retains high proportion of retail expenditure</li> <li>• Industrial development land is competitively priced in Leicester compared to many other cities</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Market failure causing long-term structural shortages of 'fit for purpose' employment land and workspaces across the sub-region</li> <li>• Stagnation in the office market in Leicester at the expense of out-of-town office development</li> <li>• Large stock of old, outdated industrial and commercial premises of little interest to business, particularly within the City</li> <li>• Limited supply of available Grade A and high-quality office accommodation in Leicester</li> <li>• Current shortage of undeveloped employment land available to the market in Leicester, Charnwood, Hinckley and Bosworth, Oadby and Wigston and Melton</li> <li>• Gaps in the supply of workspace for germination, incubation and growth of businesses, particularly in science, technology and creative sectors</li> <li>• Lack of overall co-ordination between the provision of workspaces and business support across the sub-region, however, some local exceptions</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Joined-up approach to employment land planning and delivery - a source of economic competitiveness for sub-regional economy</li> <li>• Promote sustainable development by aligning homes with jobs &amp; reducing the need to travel</li> <li>• Joined-up public sector approaches to the planning, funding &amp; delivery of employment land &amp; workspaces</li> <li>• Loughborough Science Park provides one of the most attractive sites for high technology-based industry in the East Midlands</li> <li>• Leicester Science Park to promote innovation employment in the City</li> <li>• Completion of Colton Square, which may increase rents and encourage further investment in Grade A offices</li> <li>• Substantial demand for employment land in Leicester and Charnwood</li> <li>• Unmet demand for small office schemes in Waterside and St George's South in Leicester</li> <li>• Strong demand for basic workspaces and serviced offices from start-up and micro-businesses</li> <li>• Strong demand for germination, incubation and grow-on space from businesses in science, technology &amp; creative sectors</li> <li>• Further development of retail offer and Leicester Market</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Abandonment of the strategic approach to the planning and delivery of employment land and workspaces, particularly for strategic employment sites in the Sustainable Urban Extensions</li> <li>• Inability to allocate additional undeveloped employment land outside the City boundary to meet unmet demand from within the City</li> <li>• Increasing demands on public sector resources and diminishing external funding programmes limiting the scope for future public sector interventions in employment land and workspaces</li> <li>• The need for advance investment and public sector intervention to bring forward strategic employment sites within the proposed Sustainable Urban Extensions</li> <li>• Car parking standards for City Centre offices deflecting demand for offices towards car-dependant out-of-town schemes</li> <li>• Urgent need to provide land in Charnwood to avoid it running out of land supply in the next 5-10 years, in all sub-areas</li> <li>• Identified additional allocations of undeveloped employment land not being brought to the market</li> <li>• Continued pressure for residential development on employment sites (especially in the City)</li> </ul>

