

Medway

Employment Land Needs Assessment

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Quality Assurance

This report has been prepared within the quality system operated at Rapleys LLP according to British Standard ISO 9001:2015.

We confirm that the undersigned is an appropriately qualified and experienced Chartered Planner experienced in the commercial property sector.

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Executive Summary

This Employment Land Needs Assessment has been commissioned by Medway Council to inform the preparation of economic development and employment land policies in its emerging local plan (2024-41). Once adopted the new Local Plan will replace the 2003 Medway Local Plan.

The Economy

The Medway economy broadly tracks the County, but the County lags behind the region. Workplace wages in Medway are slightly below residents' earnings with the balance attributed to commuting. New Census data suggests that Medway has reduced its commuting imbalance, but 34,000 people still commute out of Medway for work and only 18,000 commute into Medway.

Supply of Economic Land and Floorspace

Medway has looked to positively intervene in the market and, at Innovation Park, promoted new, high quality space via an innovative LDO. While this is currently under review with agents suggesting the 'hybrid industrial' model selected may have too much office space, the site represents a significant asset. Subject to some market-led re-scoping the site is capable of delivering high quality space that should boost Medway's attractiveness for higher value employment sectors.

The promotion of high quality space at Innovation Park helps balance Medway's portfolio as the area also benefits from a very large supply of brownfield land promoted for larger industrial formats including logistics, energy and possible data centres. The availability of land allowed Medway to capture logistics sectors in the recent past, and there remains a considerable land supply. Much of this land benefits from planning permission. If developed the pipeline would almost double Medway's industrial stock.

In addition, there is continued renewal of land within the urban area with extensive waterside regeneration underway. Extensive, residential-led, mixed use redevelopment presents an opportunity to further boost the economic land supply within the urban area and particularly for light industrial and workshop uses together with any office demand.

Despite a large supply of land in the pipeline we do not recommend de-allocating existing sites. This is because new land is not substitutable for built space and especially space at secondary rents. However, we recommend the Council start thinking strategically about the long term future of Medway City Estate. There is ongoing pressure for piecemeal redevelopment that introduces conflicting uses that, over time will undermine the integrity of the estate to operate. At the same time the estate serves a vital industrial function associated with operational port uses that would struggle to be re-located given their site requirements. As a critical site in urban Medway, it needs a clear 'direction of travel' that, subject to supply being secured elsewhere, could involve releases of poorer quality sites that do not benefit from the waterside location.

Demand for Economic Floorspace - Offices

This assessment reviews the existing office quantum and reflect on the continued weak outlook for the office sector. Whether firms fully return to their offices or not, and the extent to which future office job growth is 'spaceless' (including working from home) remains unclear. However, while the past and the foreseeable future may be very challenging, the

Council is required to plan positively, build-in scope for flexibility and needs to consider the whole plan period to 2041. The plan period spans economic cycles and, at some point, the established trend of floorspace losses (facilitated by PDR) must come to an end. We have observed that post-Covid the remaining stock of space in Medway is occupied at 1:8 sq m per office sector worker – a reduction from the 1:12 observed in 2015. Using this post-Covid density we generate a modest need for additional office space (36,500 sq m GIA), derived from a 2024 economic forecast. For built space we have assumed that the market will return to growth albeit using space much more intensively than pre-Covid.

With a weak market the Council may struggle to robustly demonstrate a plan period supply for offices. In a weak market developers are reluctant to promote sites for offices. Most of the office pipeline is associated with Innovation Park, an out of town site and we suggest the Council explore whether further allocations can be made in the urban area to provide plan period flexibility on sequentially preferable sites.

Demand for Economic Floorspace - Industrial

For industrial uses, the market was strengthening pre-Covid which was partly a product of the re-shoring of some manufacturing sectors, particularly high tech/ advanced manufacturing, but also the logistics / distribution market that was already growing in response to e-commerce. The pandemic 'super-charged' the logistics market as more activity moved away from the High Streets and manufacturers looked to build more resilience into their UK based supply chains. The forecast approach generates a need for 30 ha of land whereas, if Medway were to maintain its recent (10 year) rate of delivery this past trends based approach generates a requirement for 50 ha or 200,000 sq m. Given the availability of land and continued market appetite for new industrial space in Medway we recommend the Council plan for this higher, more positive figure.

To meet our assessment of need the Council has a very large pipeline that approaches 900,000 sq m. There is a large caveat associated with this land because around 600,000 sq m is accounted for on only two sites – National Grid Grain Road and Medway One (Kingsnorth). Timing and the ultimate end format of development is unclear for these strategic sites, but even without these sites delivering, there is a range of alternative sites throughout Medway.

Conclusions

There is scope to deliver more new jobs and more economic land should the Council successfully deliver its housing need in full and look to address its commuting imbalance. With high quality land available within urban Medway, most notably at Innovation Park, and a large pipeline of industrial land awaiting development, there is scope to do so.

Despite the adopted Medway plan being from 2003, this does not appear to have constrained delivery by constraining land supply. The ability of the market to absorb this large pipeline looking over the plan period, would appear relevant on non-land use planning factors including the strength of the advanced manufacturing sectors, ongoing logistics demand and the availability of competing space elsewhere.

Future scoping Innovation Park so that it compliments the wider Kent R&D/Advanced Manufacturing offer, will be vital to provide a range of property and economic opportunity in Medway.

1 INTRODUCTION

- 1.1 This Employment Land Needs Assessment has been commissioned by Medway Council to inform the preparation of economic development and employment land policies in its emerging local plan (2024-41). The study comes after the Council carried out a Regulation 18 stage consultation entitled - Your Medway, your future, your say - that focused on the key issues for the new Local Plan and prior to the drafting of the new Local Plan and consultation (Regulation 19) later in 2025.
- 1.2 Once adopted the new Local Plan will replace the 2003 Medway Local Plan.
- 1.3 At the outset it is important to reference the on-going impact of the Covid pandemic that has had a substantial impact on the UK commercial property market, and impact that is still emerging and how working practices, particularly office-based working, but also wider societal changes affecting shopping habits are still adjusting to a new post-Covid 'normal'.
- 1.4 Pre-Covid there were already signs that the way firms used office space was changing. Most areas, like Medway have seen a reduction in built office space, but a continued increase in office sector jobs. Rather than seek additional space to accommodate job growth, many firms were making more efficient use of their existing space, working at higher worker to space densities. For planning, which seeks to allocate (or de-allocate) land based on the need for net additional floorspace, floorspace efficiencies are critical to the amount of new land needed.
- 1.5 In this assessment we review the existing office quantum and reflect on the continued weak outlook for the office sector. Whether firms fully return to their offices or not, and the extent to which future office job growth is spaceless (including working from home) remains unclear. However, while the past and the foreseeable future may be very challenging, the Council is required to plan positively, build-in scope for flexibility and needs to consider the whole plan period to 2041. Given that these market signals will change at some point, it is necessary for the Plan to maintain flexibility to accommodate future office floorspace need should that arise over the full course of the Plan.
- 1.6 For industrial uses, the market was strengthening pre-Covid which was partly a product of the re-shoring of some manufacturing sectors, particularly high tech/ advanced manufacturing, but also the logistics / distribution market that was already growing in response to e-commerce. The pandemic 'super-charged' the logistics market as more activity moved away from the High Streets and manufacturers looked to build more resilience into their UK based supply chains.
- 1.7 These nation-wide trends are very relevant to Medway added to which this part of north Kent has played an increasing role in providing logistics/distribution floorspace to help support London's economy. The logistics/distribution sector cannot be ignored for two principal reasons – firstly because logistics operators can generally outbid manufacturers for premises/land and therefore sufficient land is needed to avoid losing out on manufacturing jobs, and secondly the new NPPF provides renewed impetus to support the sector, albeit little in the way of guidance as to how to assess and deliver the types of space needed to enable a modern economy.
- 1.8 A factor that sets Medway apart from many other Local Authority areas is that the Local Plan has for many years identified a large supply of suitable and available land for economic purposes. Take-up in the recent past has been largely warehousing servicing the logistics/distribution sector. New floorspace has been focused in the north at Kingsnorth where there is more land to come, and more land identified further north on the Isle of Grain. Land is available at Innovation Park Medway and a number of other locations offering a good range of geographical areas, types of land providing choice and flexibility in the market. We consider the attraction of these locations from a market perspective in our property market review.
- 1.9 This study is policy compliant with the December 2024 NPPF and corresponding PPG. It assesses Medway's economic need drawing on an economic forecast (a labour demand approach), a labour supply approach where we align the new Standard Method housing number with labour and jobs supply, and also an assessment of a range of past trends in new floorspace completions.
- 1.10 We also test the commercial property market from the perspective of a wide range of property professionals to get a rounded view of the market now and where it is heading in the future. To that end, it is useful to note that our emerging findings were sense tested at a market consultation event

held in late 2024, where the 'direction of travel' and drivers of demand were tested on agents/developers.

STRUCTURE

- 1.11 The report firstly provides the policy context, summarising national policy and practice, and the neighbouring boroughs' approaches to employment planning (Chapter 2). This is important as it identifies the themes that the study needs to review. Then Chapter 3 sets out Medway's socio-economic context, looking at the indicators of resident, workforce and business performance. Chapter 4 reports the property market analysis, and Chapter 5 considers the industrial and warehouse markets, considering the balance between industrial demand and supply and assessing future need. Chapter 6 considers the office market balance and future need. The supply of land for future economic need is considered in Chapter 7. Chapter 8 sets out the conclusions and recommendations.

2 POLICY CONTEXT

INTRODUCTION

2.1 This section reviews national policy and guidance and local planning authority policy and evidence for Medway's neighbouring councils, to firstly to establish the requirements and guidance when planning for economic development and secondly to draw out the policy approaches in neighbouring authorities, the scale of need identified and the consequential provision of employment land.

2.2 Relevant national and local policy is set out below. In summary:

- Economic policies need to be positive while realistic;
- Policies can be aspirational, but land should not be sterilised for an economic use that has no reasonable prospect of being delivered in the Plan period;
- Recent changes to the Planning Practice Guidance (PPG) have increased the prominence given to logistics as an economic land use capable of commanding considerable weight in the planning balance;
- It is reasonably clear from the direction of travel, most obviously Permitted Development Rights (PDR), that where there is a possible conflict between economic and housing priorities the need for homes carries significant weight; and
- Councils should, within the limits of their sustainable capacity, work with neighbours to meet economic needs in full.

NATIONAL PLANNING POLICY AND GUIDANCE

2.3 This section sets out and summarises relevant National Planning Policy Framework (NPPF) and Planning Policy Guidance (PPG) as it affects planning for employment land.

2.4 The NPPF was originally published in March 2012 and sets out the principal policies and goals for the planning system. It has been revised a number of times since, most recently in December 2024.

2.5 The NPPF seeks to support the development of a strong, responsive, and competitive economy by: identifying and coordinating the provision of infrastructure; ensuring that there is enough land (of the right type, in the right place, and at the right time) to support growth; and encouraging innovation and improved productivity.

Economic Development

2.6 Planning policy and decisions should support business investment, economic growth and productivity, both for local businesses and wider opportunities for development, which means inward investment. All areas should build on strengths, counter weaknesses and address future challenges. This is particularly important where there is opportunity to drive innovation, and in areas with high productivity, LPAs should seek to capitalise on this performance and potential.

2.7 The Framework states i) what plans should address (paragraph 86), ii) identifies the specific modern economy sectors that should be supported (87), and guidance for supporting the rural economy (88).

2.8 Plans should:

- set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth (having regard to the national¹ and Local Industrial Strategies, and other local policies for economic development and regeneration);

¹ NPPF footnote 43 details the sectors identified - Invest 2035: The UK's Modern Industrial Strategy identifies priority sectors for growth and support as: advanced manufacturing; clean energy industries; creative industries; defence industries; digital and technology businesses; financial services; life sciences; and professional and business services.

- set criteria and identify strategic sites, for local and inward investment to match the strategy and meet anticipated needs over the plan period;
- pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics;
- seek to address potential barriers to investment (e.g. poor environment; inadequate infrastructure, services, housing); and
- be flexible enough to accommodate needs not anticipated in the plan and allow for new and flexible working practices and spaces to enable a rapid response to changes in economic circumstances.

- 2.9 The key recent change introduced (third bullet above), identifies the new or expanding activities that are needed to support a modern economy. The specific locational requirements of all economic sectors should be recognised and addressed. Three particular sectors/ issues are highlighted:
- a) Provision for clusters or networks of knowledge and data-driven, creative or high technology industries – this can be; for new, expanded or upgraded facilities and infrastructure to support the growth of these industries (including data centres and grid connections);
 - b) storage and distribution operations at a variety of scales and in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation; and
 - c) the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience.
- 2.10 Points (a) and (b) above are land use and activity specific, albeit there is debate about whether specific land use classes are needed for some of these activities, whereas (c) is a general point to for Plans to support growth opportunities.
- 2.11 The section on supporting a prosperous rural economy remains unaltered and in summary supports the sustainable growth and expansion of all types of business, the development and diversification of agricultural and other land-based rural businesses, while also supporting sustainable tourism/leisure and the retention/development of local services / facilities.
- 2.12 The PPG provides guidance on how LPAs should assess the future need for economic development, and although the NPPF was recently revised the guidance remains unaltered from that issued in 2019.
- 2.13 Current guidance states that key to assessing economic needs is understanding existing business needs, local circumstances and market conditions as national trends will not necessarily 'translate'.
- 2.14 The Guidance lists a raft of measures suitable for the assessment of business needs, which we do not repeat here, but highlight the suggested need for close liaison with the business community and taking account of Local Industrial Strategies.
- 2.15 The Guidance identifies appropriate approaches and data for the assessment of future need:
- for labour demand - sectoral and employment projections that look at likely changes in skills needed;
 - for labour supply - demographically derived assessments of current and future local supply;
 - analysis of past take-up of employment land/property and/or future property market requirements; and
 - stakeholder engagement, business trend analysis, changing business models (particularly for sectors making use of online platforms), and monitoring of business, economic and employment statistics.
- 2.16 The assessments will need to take account of longer term economic cycles and consider the implications of alternative economic scenarios.

- 2.17 Analysis of market demand should involve a comparison between the available stock of land and the particular requirements of an area to identify gaps and the under/ over-supply of land. The guidance on market demand goes on to state that the need assessment approaches will help with an understanding of the requirements for specifically – office, general business and distribution space, and indicate any mismatches between types of supply and demand. This understanding can then form the context for appraising individual sites.
- 2.18 The Guidance advises the data/approaches that can be used to translate from economic sector to land use. This involves Standard Industrial Classification (SIC) data, Employment/floorspace ratios and Floorspace/site area ratios, all of which we incorporate in our sector ‘mapping, method.
- 2.19 The needs and space requirements for the logistics industry are specifically referenced. The PPG notes that the sector ‘plays a critical role in enabling an efficient, sustainable and effective supply of goods for consumers and businesses’, and contributes to local employment opportunities. It has distinct locational requirements, and these need to be considered separately from general industrial land.
- 2.20 For logistics facilities with national/regional significance, a significant quantum of land (with good access to strategic transport networks, and sufficient access to power and skilled local labour) is likely to be required. Where such a need exists, LPAs responsible for strategic policy should collaborate with others (LPAs, infrastructure providers, relevant interests) to identify scale. This can be informed by:
- Engagement with logistics developers/occupiers to understand changing requirements (type, size, location, impact of new/emerging technology);
 - Analysis of market signals (trends in take-up, availability of logistics land/floorspace);
 - Analysis of economic forecasts (identifying: potential changes in demand, anticipated growth in sectors likely to occupy or rely on logistics facilities; and
 - Engagement with LEPs (reviewing their plans and strategies, including economic priorities within Local Industrial Strategies)².
- 2.21 Once logistics need has been assessed, LPAs responsible for strategic policy need to consider how to meet it (by expanding existing sites and/or identifying new ones).
- 2.22 Beyond national/regional need, LPAs should also assess other requirements in the logistics sector (for example SMEs and ‘last mile’ facilities serving local markets). Any such assessment may need to consider a range of up-to-date evidence to provide an appropriate provision (amount, type, and location). This can include market signals, anticipated changes in the local population/housing stock, the local business base, and infrastructure availability.
- 2.23 The final issue considered by the current (2019) Guidance addresses the specific locational requirements of specialist or new sectors of a modern economy. The Guidance underlines that these sectors may have specific requirements in terms of land/premises needed. The example is given of how the clustering of some industries (high tech, creative digital etc) can support collaboration, innovation and productivity as well as raising economic prospects in an area. The Guidance gives examples of these requirements, that may be more qualitative in nature and be identified through business engagement, as a need for greater studio capacity, co-working spaces or research facilities. Recent changes to Use Class and the General Permitted Development Order
- 2.24 The Government revised the 1987 Use Class Order in 2020, introducing Use Class E, a new class combining ‘commercial, business and service’. This merged:
- Office, R&D and light industrial (formerly Class B1; now Class E(g);
 - Shops, commercial services, restaurants, public houses and hot food (formerly Class A; now Class E(a) to (c)); and

² In 2024 the LEP functions transferred to Councils.

- Non-residential institutions and assembly and leisure (formerly Class D; now Class E(d) to (f)).
- 2.25 Buildings can change between any of these uses without planning permission, something likely to impact the supply of Class E(g) uses. Whilst it may encourage hybrid workspace facilities, it may reduce the availability of low-rent Class E uses (e.g. light industrial).
- 2.26 Use Classes B2 (general industrial) and B8 (storage and distribution) are unaffected.
- 2.27 As amended, the GPDO 2015 allows for:
- change from office to residential (Class O);
 - demolition of Class E(g) buildings, replacement by residential (Class ZA);
 - construction of up to two residential storeys above detached buildings in Class E use (Class AA); and
 - change of Class E to residential (Class MA).
- 2.28 These changes were largely driven by Government concerns of office over-supply and shortages of homes. However, a consequence is that residential can be introduced in employment areas that could generate considerable disruption for businesses.
- 2.29 Current PDR legislation ultimately restricts the power LPAs have to prevent loss of Class E(g) uses. Regardless of need and supply assessments an LPA cannot prevent the loss of existing stock, including on sites that are, from a policy perspective, the most preferable for economic growth, unless they are able to introduce specific and targeted Article 4 Directions.

LOCAL PLANNING POLICY

- 2.30 The Medway Local Plan was adopted in 2003, replacing the Medway Towns Local Plan 1992 and the Medway Local Plan Deposit Version 1999. At that time the Kent Structure Plan identified how much floorspace should be provided, and over the 1991-06 period the total requirement was 570,000 sq m split equally between office and industrial (B2/B8) with total supply stood at just short of 580,000 sq m. Thus, demand and supply were in balance, added to which the Isle of Grain had an additional 192 ha potentially available. The 2003 Plan requirement equates to 19,000 sq m per annum for office and the same amount for industrial/warehousing.
- 2.31 The Council consulted on a new Regulation 18 draft Local Plan in summer 2024. The draft Regulation 19 Local Plan is timed to be published in June 2025.
- 2.32 The Regulation 18 consultation document is currently guided by four strategic objectives. The third, concerning the local economy, includes the following:
- To strengthen Medway's regional economic role through boosting the performance of the local economy by supporting local businesses to grow and innovate; and attracting inward investment and re-locations, through the provision of a portfolio of good quality employment land that meets the needs of businesses; and to secure and extend higher value employment opportunities; and reduce out-commuting;
 - Build on existing strengths and expertise, such as engineering, energy and creative industries, and raise the profile of key sectors, including environmental and land-based industries, to attract and develop the jobs of the future;
 - To significantly improve the skills of the local workforce and capitalise upon the benefits to local businesses; and improve graduate retention;
 - To gain wide recognition of Medway as a centre for learning and its student base; and realise economic and place-making opportunities associated with the cluster of universities and colleges in Medway;
 - To deliver the infrastructure needed for business growth, to provide accessible employment locations, and excellent high speed broadband services;
 - To maximise the opportunities to support growth in tourism, cultural and creative industries, providing workspace, venues and facilities, extending the offer to include green tourism, maritime

and city breaks, including realising opportunities in the domestic tourism market, further contributing to the diversity of Medway's economy.

- 2.33 The Spatial Development Strategy in the Plan seeks to provide for sustained economic growth, through providing a mixed portfolio of employment sites, supporting business growth and capitalising upon a skilled workforce, benefitting from the local Universities and Colleges.
- 2.34 The Reg 18 Consultation Draft Plan acknowledges that the Innovation Centre Medway provides for technology and other high value industries, but that further employment sites will be needed to contribute to meeting the needs of businesses in Medway.
- 2.35 Draft Policy S10 sets out the economic strategy for the plan period and directs where employment land will be located. Offices will be directed towards main town centres and key regeneration opportunity areas, industrial will be located on the periphery close to the Strategic Road Network.
- 2.36 The Reg.18 Draft Local Plan refers to the commissioning of this new Employment Land Needs Assessment, which will update on a previous study that identified a need for 320,000 sq m of office / industrial and warehousing floorspace up to 2040, equivalent to 69 ha of employment land that would deliver over 4,000 new jobs.
- 2.37 The Plan currently sets out the need to protect employment sites where possible; support for enhancing and consolidating current sites to better meet the market's requirements and make better use of land; and identify additional locations that can provide attractive accessible sites for business growth.

Innovation Park Medway

- 2.38 To address the need to widen economic opportunity in Medway through the provision of higher value jobs the Council identified Innovation Park Medway (IPM), located within the Rochester Airfield employment designation as a location capable of attracting a new generation of high profile employment sectors bringing higher value jobs to Medway within a high quality environment.
- 2.39 IPM splits into a northern and a southern area, each with two land parcels. The northern area comprises the majority (c14 ha) of the 18.5 ha total, with part of the area in neighbouring Tonbridge and Malling District. Three of the four land parcels are owned by Medway Council with the other (Woolmans Wood caravan/self-storage facility) privately owned. An evidence base was developed to identify the types and formats of floor space to be provided, and to assess market attractiveness and viability³.
- 2.40 The evidence identified a number of high-tech growth sectors that could be attracted to IPM, albeit it also identified that there are also a number of existing parks and locations in Kent where businesses in these sectors are already clustering.
- 2.41 The Council took a proactive stance to the delivery of IPM, adopting a Local Development Order to simplify and fast track the planning requirements providing much more certainty to developers, and with development guided by a masterplan and design code.
- 2.42 The 2019 Masterplan adopted a *hybrid industrial estate* model over both the northern and southern areas. The main difference from a traditional industrial estate is that the hybrid estate would include a larger share of standalone office space and collaboration space to foster innovation. The assumption made in the evidence base was that high-quality, high-tech firms of the nature the Park wished to attract, need a 'high quality' environment and want to co-locate standalone offices adjacent to industrial processes on the same site. This also led to the need for multi-storey car parking within the master plan which had cost implications.
- 2.43 However in practice, the fundamental shift in the economic context caused by the macro-economic shocks of Brexit and the Covid pandemic has curtailed the opportunity for a hybrid Industrial Estate in the format proposed in the masterplan, despite the Council's best endeavours. The one exception to

³ Innovation Park Medway Development options study' (Final Report by Lichfields for Medway Council, 30 July 2018).

this is BAE's commitment to build a new factory unit of 32,000 sq m on land within the northern LDO area immediately adjacent to the rest of their estate.

- 2.44 In early 2024 the Council resolved to pause efforts to deliver the master-planned scheme (based on the 2019 masterplan concepts) and to review how best to take IPM forward.
- 2.45 The Council have instructed a new commercial team to undertake a review of the site and its future progress, and this advice which is anticipated in the spring 2025 will help the Council determine how to move forward with IPM. The earlier evidence suggested the Council could, subject to the caveats we refer to above, attract higher value sectors to the site (the Northern Site), with a refreshed approach to the masterplan. Although the end uses are similar, the type of buildings in which they would be accommodated, and so meet many of the main objectives IPM set out to achieve, would need to be very different to the 2019 masterplan concept with reduced site capacity to allow for service yards, circulation space and ground level parking. This is an important consideration for this study because it addresses the future supply of employment land, and industrial land in particular.
- 2.46 Turning to the consideration of office uses, this study will reassess need as in the context of the post-Covid work environment and a town centres first policy stance, scope for out-of-town office provision, as originally proposed at IPM now seems a much less likely prospect over the forthcoming plan period.
- 2.47 Thus, in conclusion this study will reconsider the quantum of space assumed to come forward at IPM, assuming a more generic industrial floorspace and that, if there is a need for new office style space, this should be directed to the town centres in the urban area in the first instance.
- 2.48 We should not totally discount future demand for a hybrid format as currently promoted but suggest that this format is not relied upon to meet any quantified need because there is no track record of delivery, a view certainly reinforced post-Covid.
- 2.49 Again, given the proximity of the southern parcel to the innovation hub on Maidstone Road, from an economic development perspective, we suggest the area should remain 'grow on' space, space that could be largely office/R&D formats, although alternative end uses could be considered.

NEIGHBOURING AUTHORITIES

GRAVESHAM

- 2.50 The Gravesham Local Plan was adopted in 2014, and in 2018 the Council commenced a Partial Review. The 2020 Regulation 18 Local Plan document was supported by a Strategic Housing and Economic Needs Assessment that found: to 2037 15 ha of land (rounded) was needed for employment purposes in total. This comprised 5 ha office, 5 ha industrial and 4 ha warehouse.
- 2.51 The Council's 2020 Strategic Land Availability Assessment identifies that more land is required to meet the Borough's economic development requirements. The Regulation 18 consultation document identifies high levels of out-commuting to locations including Medway, and the risk of investment going elsewhere if more land is not provided to meet business needs. The Council are seeking to move on later this year with the Regulation 19 Local Plan..

TONBRIDGE & MALLING

- 2.52 The Core Strategy and Development Land Allocations documents date from 2007 and 2008. Regulation 18 consultation took place for a new Local Plan at the end of 2022.
- 2.53 The District has one of the largest stocks of employment space across Kent, albeit this has been reduced significantly over the last few years. It also states that there is currently strong demand for new industrial and warehouse premises in the Borough.
- 2.54 The Regulation 18 document was supported by an Economic Development Needs Study covering the 2021-2040 plan period, and identifies a need for 296,260 sq m (69.8ha) of employment space over that period. The floorspace expected to accommodate an additional 12,400 total workforce jobs with office and distribution sectors accounting for a high proportion of that growth.

- 2.55 An element of the northern area at IPM lies within the District boundary, and the Council also adopted the LDO and masterplan for the whole area.

MAIDSTONE

- 2.56 The Maidstone Local Plan Review (2021-38) was adopted in March 2024, following adoption of the Local Plan in 2017.
- 2.57 The Plan was underpinned by a 2020 Economic Development Needs Study that identified that the minimum floorspace required to meet need based on job growth forecasts (labour demand) was 101,555 sq m (gross) for employment uses over the period 2022-2037, which in the Plan was extrapolated to 119,250 sq m over the Plan period.
- 2.58 To meet the identified need the Local Plan allocates a number of sites, some of which are carried forward from the earlier Local Plan and a number where the capacity for additional floorspace is not clarified. Those sites with an identified floorspace quantum in aggregate will deliver 105,000 sq m employment floorspace, and these together with the other sites where the capacity is to be determined are considered to be sufficient to meet anticipated employment needs over the plan period.

SWALE

- 2.59 The Swale Local Plan was adopted in 2017, and the Council have commenced a Local Plan Review, albeit that has been delayed.
- 2.60 The 2021 Regulation 19 consultation and a subsequent Issues and Preferred Options consultation (Regulation 18) on the Local Plan Review have been undertaken. Those documents consulted on employment need requirements based on a 2018 ELR that identified a need for 41 ha of B2/B8 and 15 ha of B1 office.
- 2.61 A 2024 Employment Land Review update revised these figures up in the case of industrial and substantially down in the case of office. Need is identified for:
- 72.7 ha of industrial land (47.8 ha minimum) and
 - just 1.1 ha of office land.

PLANNING POLICY & GUIDANCE - CONCLUSIONS

- 2.62 In order to ensure that national policy and guidance is followed, the economic need assessment for Medway needs to include:
- a clear assessment of historic trends (involving data that considers both economic/employment and population/demography);
 - a forecast of future needs that offers a range of different scenarios;
 - analysis of the existing stock; and
 - assessment of existing supply.
- 2.63 Any such assessment needs to ensure that it provides a strategic direction that is flexible enough to accommodate changing situations in the local area, and robust enough to provide for Medway's needs over the duration of the plan period. Fundamentally it needs to identify a strategy that is sustainable, and which makes the best use of available land.
- 2.64 The Local Plan when adopted will set out strategic and development management policies that shall ultimately come to supersede those in the currently adopted Plan.
- 2.65 The future direction for the IPM is currently under review. From an economic growth perspective it is clear that the 2019 masterplan aspiration for office buildings supported by multi-storey car parks is no longer an approach to pursue. While a traditional industrial approach would be market attractive and could deliver some of the range of high tech sector uses that offer the desired higher waged jobs, it is entirely possible that a hybrid 'mid-tech' format combining industrial and office floorspace could

also be market attractive, albeit there would be stiff competition for the provision of this type of space from other locations in Kent.

3 SOCIO-ECONOMIC BACKGROUND

INTRODUCTION

3.1 This section reviews Medway's socio-economic background, benchmarking the performance across the authority, and highlighting any issues in the local economy. It looks at past and present economic performance, considering the following:

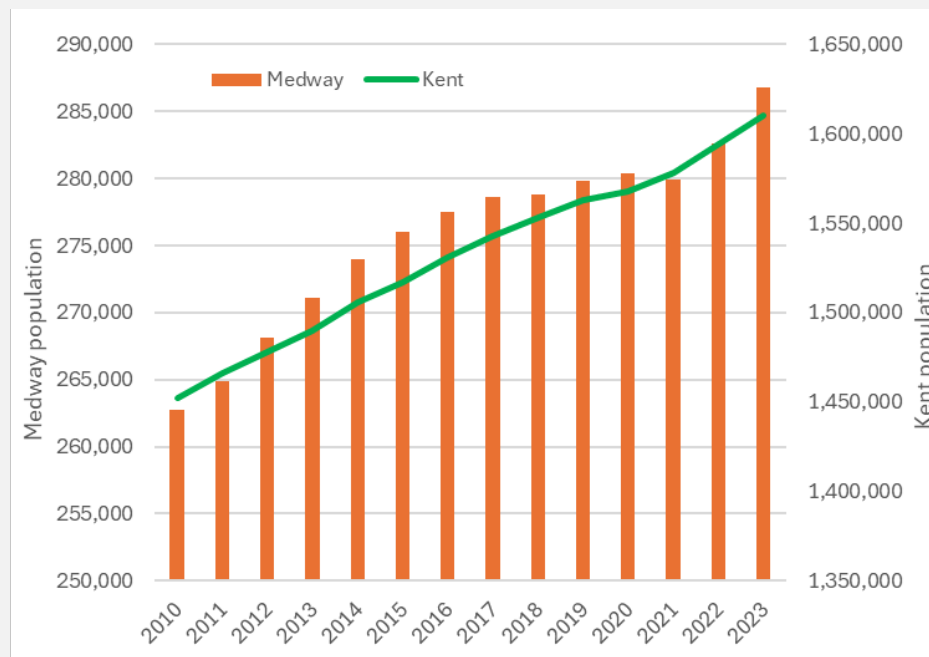
- Resident economy;
- Workplace economy;
- Commuting; and
- Business demography.

RESIDENT ECONOMY

POPULATION

3.2 Figure 3.1 shows the change in population in Medway and in Kent over the period 2010-2023. It shows a consistent rise over time with a sharp rise to a peak level in 2022-23.

Figure 3.1 – Medway - population



Source: ONS Mid-year population estimates

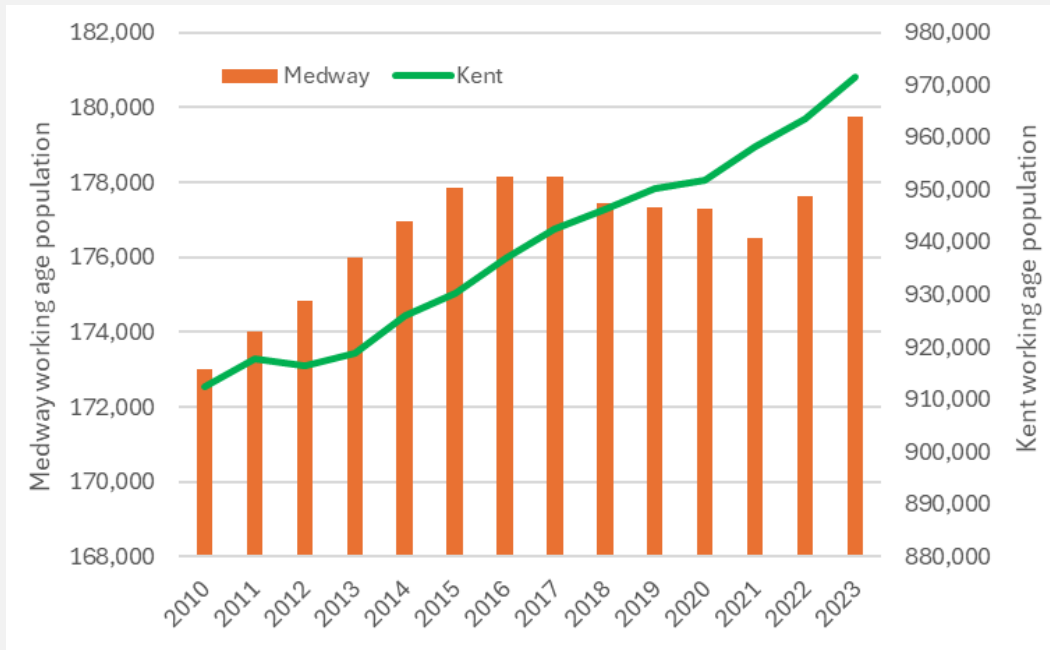
3.3 Figure 3.2 below shows the change in the working age population. Medway's working age population grew faster than the Kent average to 2016 (3% compared to 2.7%), but then declined for a number of years, before a sharp rise in 2023⁴. Over the 2017-23 period Medway's working age population grew by just 0.9% compared with 3.1% for Kent as a whole.

3.4 While working age is only a broad indicator of labour supply the data shows Medway has grown its labour supply – unlike some areas where the ageing of the population results in little/no/declining labour supply.

⁴ Note – we are aware that some Medway population data is being tested as part of the housing evidence workstream because there are concerns that the population has been inflated by temporary students, international workers and short term migrants in particular those from Ukraine.

3.5 We return to labour supply in detail when considering economic scenarios. Here we note that the size /structure of the national population is fixed and any assumptions to positively grow labour supply in one area must, mathematically, be at the expense of another area.

Figure 3.2 – Medway – working age population



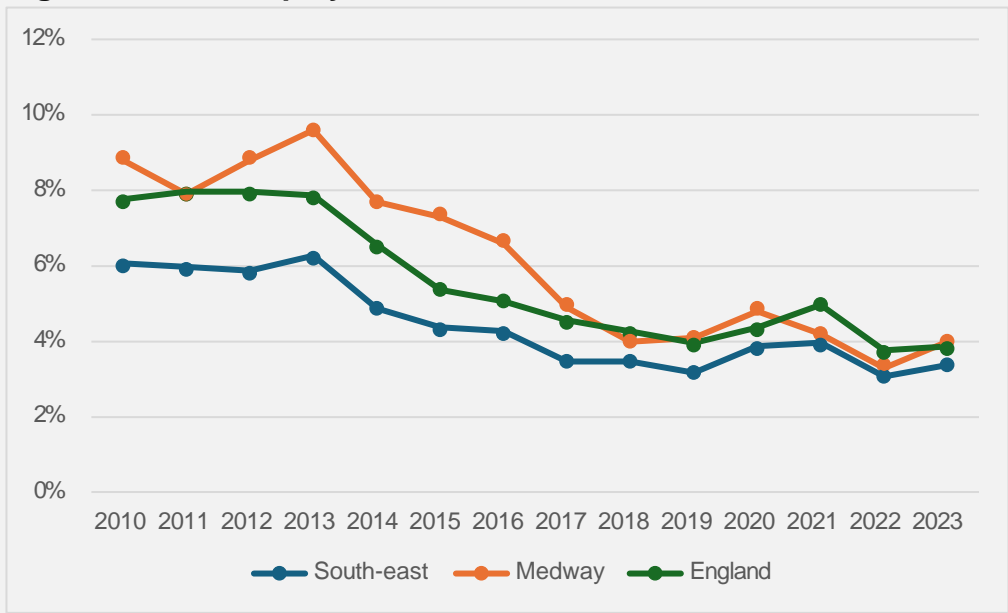
Source: ONS Mid-year population estimates

UNEMPLOYMENT

3.6 Unemployment as a core measure of labour market health has often been relatively higher in Medway in comparison with both the south-east and the national average, as shown in Figure 3.3. However, it has been on a steady downward trajectory, falling from 9.6% in 2013, to 4% in 2023. The picture is now therefore relatively healthy, in line with the national average (albeit still slightly higher).

This would not suggest that there is a strong rationale to simply increase the number of jobs in Medway, beyond those needed to align with housing, – but cannot confirm any qualitative need.

Figure 3.3 – Unemployment rate

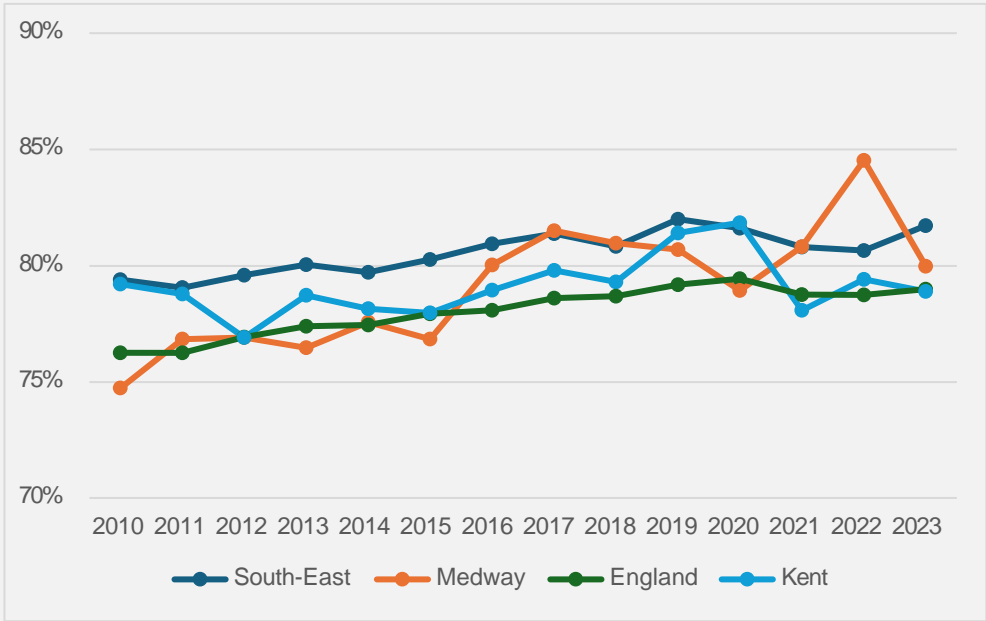


Source: ONS Annual Population Survey

ECONOMIC ACTIVITY

- 3.7 Economic activity rates (as shown below in Figure 3.4 below) are also slightly lower than the south-east average following a peak in 2022. There appears to have been a large spike in economic activity in 2022, which may have been a data anomaly.
- 3.8 Nonetheless, economic activity rates in Medway have increased over the last decade, and rates in both Medway and the south-east region remain higher than the national average in England and the Kent average.

Figure 3.4 – Economic Activity Rates (aged 16-64)

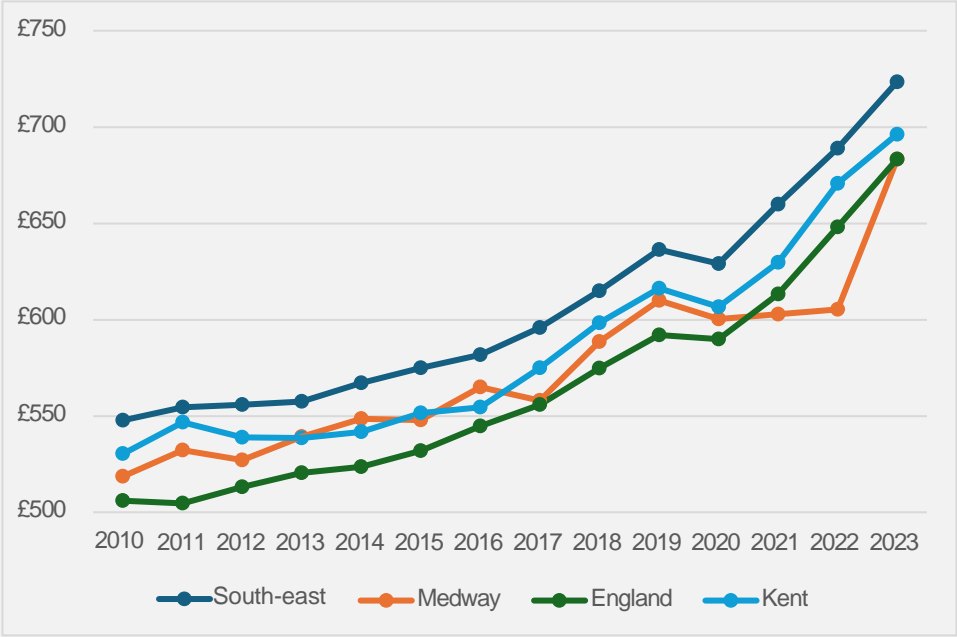


Source: ONS Annual Population Survey

RESIDENT WAGES

- 3.9 As noted above residents are employed but this simple fact does not illustrate the quality of the local employment offer.
- 3.10 Resident earnings in 2023 are slightly lower than those within England and Kent as shown in Figure 3.5 below. Overtime they were broadly in line with Kent but at times higher than the England average, but from 2020-2022 saw a level off against comparators.
- 3.11 Resident earnings have always been consistently higher in the south-east in comparison with Kent, Medway and the national average in England.

Figure 3.5 – Resident earnings– Median, weekly gross



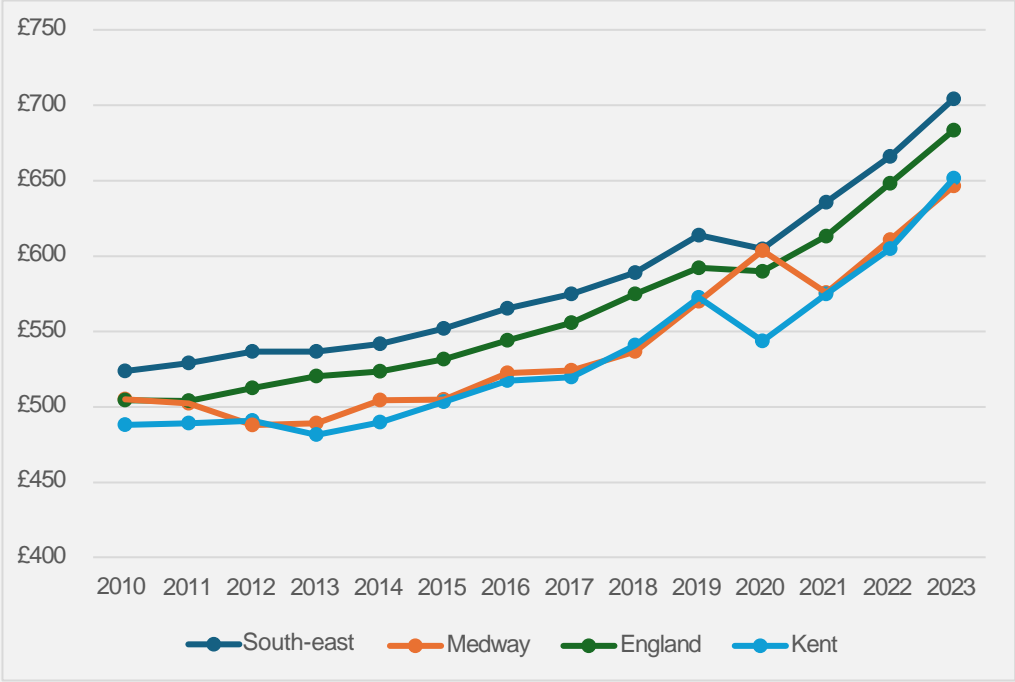
Source: ASHE ONS

WORKPLACE ECONOMY

Workplace Wages

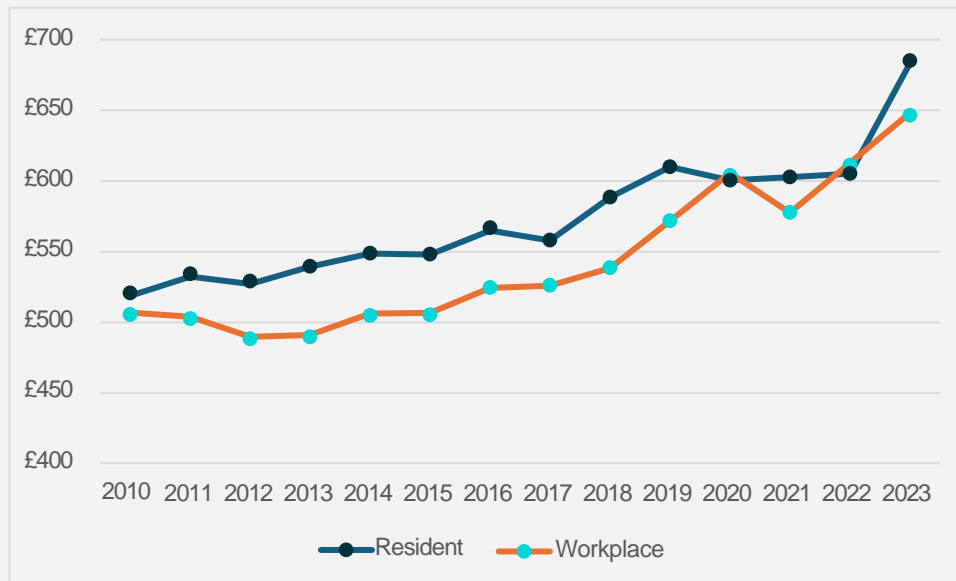
3.12 Workplace wages have consistently been below England and the south-east but have remained broadly in line with Kent, sitting slightly below in 2023 as shown in Figure 3.6

Figure 3.6 – Workplace Earnings– Median, weekly gross



Source: ASHE ONS

3.13 Figure 3.7 below shows that resident wages in Medway have consistently been higher than workplace wages across the period 2010-2023. This discrepancy suggests that residents in Medway have been travelling elsewhere in the south-east region for work and taking home slightly higher wages.

Figure 3.7 - Medway workplace and resident earnings– Median, weekly gross

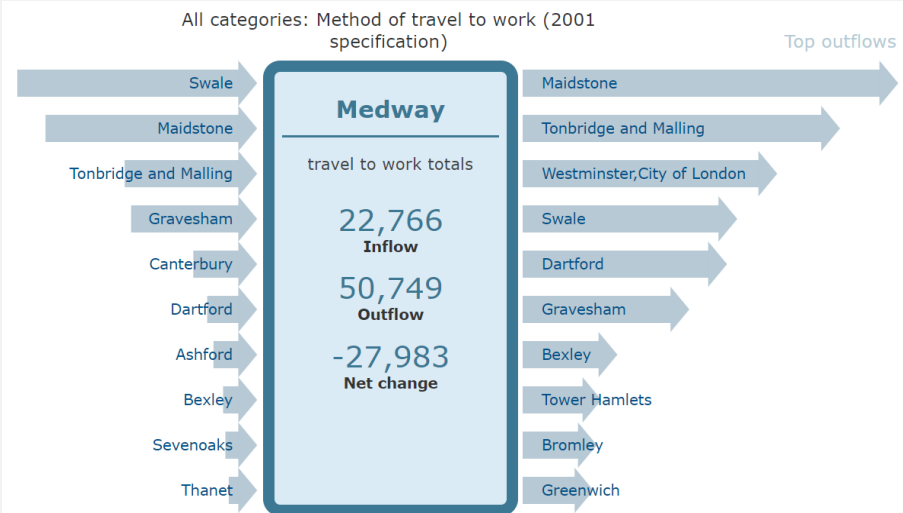
Source: ASHE ONS

- 3.14 The package of labour data discussed above highlights that Medway residents earn less than the Regional average but in line with Kent as a whole. Workplace wages are slightly lower than England and the Region and, as we discuss below, residents are only tracking the region due to commuting.
- 3.15 Before we discuss commuting in detail it is important to note that the vast majority of commuting is internal to Kent where workplace wages are generally lower than the region. This makes it harder for residents to improve their wages without reliance on long distance commuting. Here there is some evidence of London commuting but this is minor in scale compared to the inter-Kent flows.

COMMUTING

- 3.16 Figure 3.8 below provides the commuting flows in/out of Medway from the 2011 Census, and then the following figure updates the flows from the 2021 Census. In 2011, Medway had a net outflow of commuters of around 28,000, which is 16% of the 174,000 resident workforce. The largest outflows at that time, 5 out of the top 6, were to other authorities in Kent, with flows into central London only marginally higher than those to Swale. Flows to London boroughs (all on the eastern side of London) are comparatively low. If a large net outflow of commuting out of Medway remains (and we next turn to commuting rates identified in the 2021 census), then it would explain why resident wages are higher than workplace wages.
- 3.17 2021 Census data is now available on commuting inflow and outflows and a similar picture to that from the 2011 Census is building. It comes with a heavy caveat in that the census was in the middle of the Covid pandemic when working patterns were heavily disrupted, and therefore the data will not be truly reflective of 'normal' conditions and will not be truly comparable with previous Census data.
- 3.18 As shown on Figure 3.9 below there is still a large net commuting outflow, with the largest commuting flows out of Medway to Maidstone (5,462 people), followed by Tonbridge and Malling (4,483 people) and Swale (3,771 people), reflecting the commuting flows shown within the 2011 Census.

Figure 3.8 – Medway Commuting Flows 2011



Source: 2011 Census

Figure 3.9 – Medway Commuting Flows 2021



Source: 2021 Census

- 3.19 Despite the size of the Medway population increasing – the latest census shows weaker commuting flows with just short of 18,000 inward, compared to almost 23,000 in 2011. Outflows reduced from 51,000 in 2011 to 34,000 in 2021. While caveated for the reasons explained above this improvement would appear to be reflected in ONS job density data which reports for Medway in 2021 0.64 jobs per working age resident – an improvement from 0.55 in 2011, but still below the 0.81 recorded for Kent and well below the 0.85 jobs per working age resident regionally and 0.86 nationally.
- 3.20 It is clear that the rate of out commuting is still a significant factor here, but also that commuting is generally short distance to Kent as opposed to into Central London. So, as noted above, commuted labour here is not attracting the high wages that may flow into the economy were the flows Central London related.

SKILLS

3.21 The skill-level of a workforce is assessed using the Registered Qualifications Framework (RQF) following the withdrawal of the regulatory framework supporting NVQs in 2015. There are four RQF levels, which are given comparative qualifications below

Table 3.1 – Related Vocational Qualification Levels

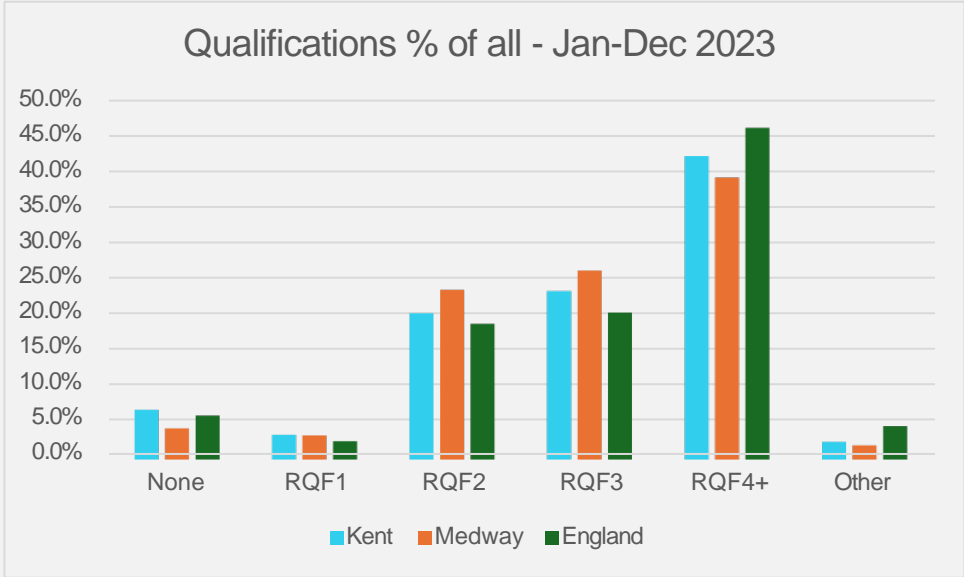
RQF levels
Level 1: fewer than 5 GCSEs at grades A-C, foundation GNVQ, NVQ 1
Level 2: 5 or more GCSEs at grades A-C, intermediate GNVQ, NVQ 2
Level 3: 2 or more A levels, advanced GNVQ, NVQ 3
Level 4: HND, Degree and Higher Degree and above

3.22 Figure 3.10 shows the percentage distribution of RQF qualifications of all 16-64 year olds in Medway area in 2023, alongside comparators.

3.23 It shows that the number of people with no qualifications is very low, and that there are more residents in Medway at RQF2 level and RQF3 level than comparators. However, there are fewer residents with higher level qualifications (RQF4+).

3.24 Medway's residents are therefore less skilled than comparators at graduate level, which may be reflected in the slightly lower resident earnings, but does not appear to harm the overall income or employment level of residents to a great degree.

Figure 3.10 – Qualifications 16-64 (% of all qualifications 2023)

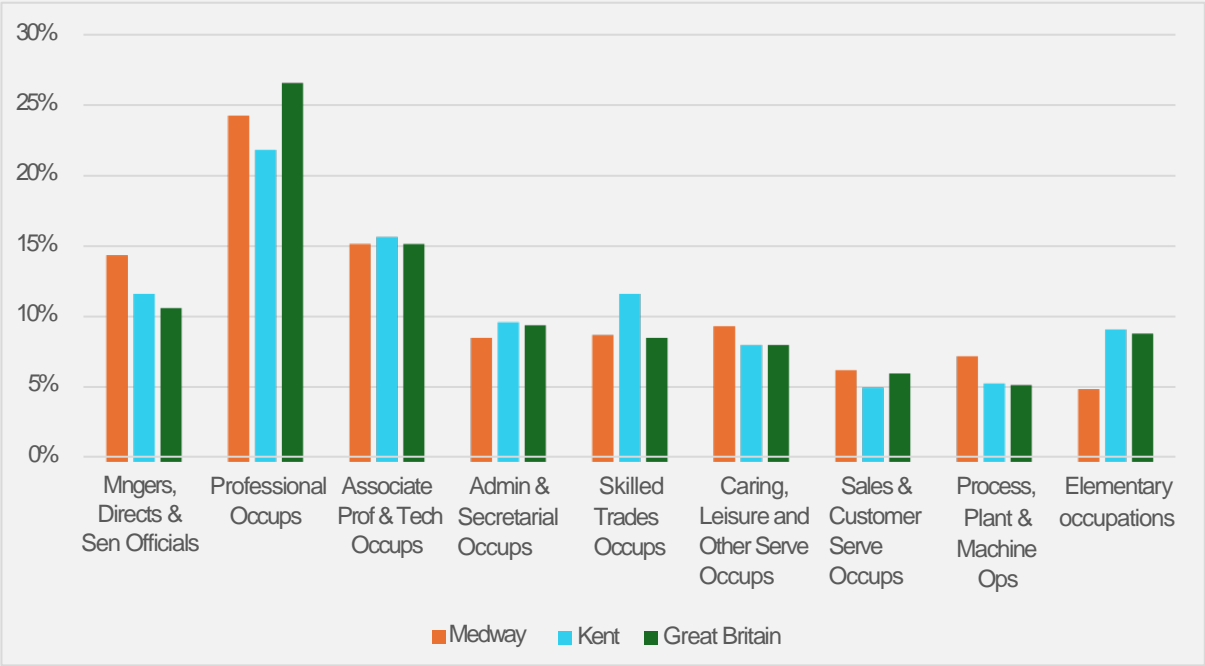


OCCUPATION PROFILE

3.25 Figure 3.11 below compares the occupation profile of Medway residents in comparison to Kent and Great Britain.

- 3.26 It shows the largest sector for Medway is in professional occupations, and associate professional and tech. It is higher than average in managers, directors and officials. It is lower than Kent in terms of admin and sectoral occupations and skilled trade occupants.
- 3.27 The relatively high number of managers and directors, and professional occupants would reflect the skills profile in Medway summarised in the previous section, however, the business demography section suggests they are in more medium level industries.

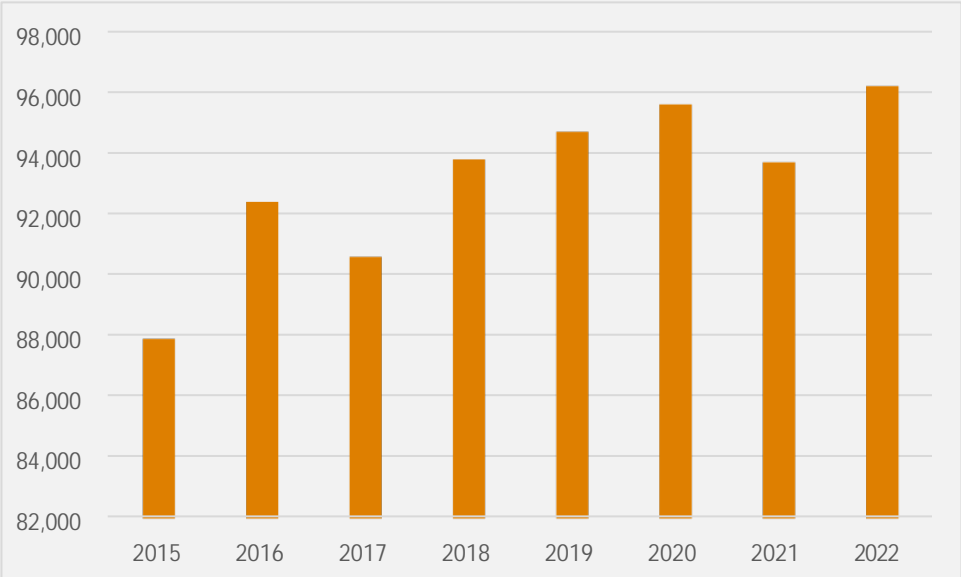
Figure 3.11 – Occupation Profile – 2023-24



JOB DENSITY

- 3.28 Job density measures the ratio between workplace jobs and residents in the labour force. Nationally there are around 0.85 jobs per working age resident - the national density is always less than 100% because not every worker is in active work (for example those in education or on extended leave).
- 3.29 Figure 3.12 shows that over-time there has been a slight fluctuation, but an overall increase in employee jobs in Medway over the last decade.

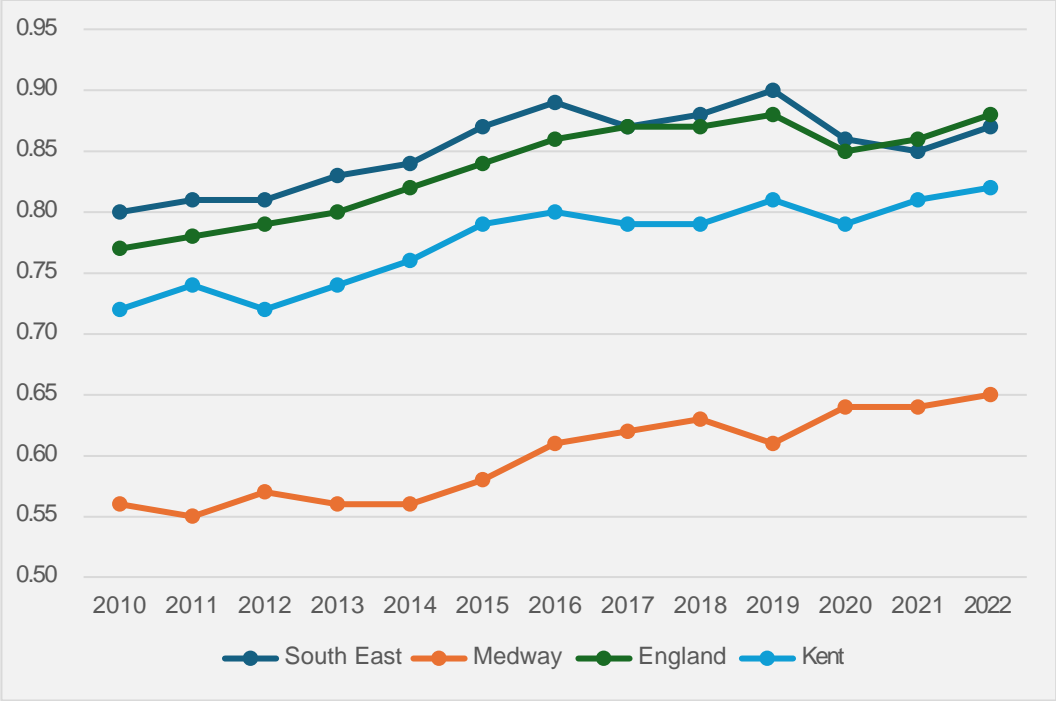
Figure 3.12 – Employee Jobs in Medway 2015-2022



Source: ONS BRES – Kent and Medway Economic Dashboard 2024

- 3.30 Figure 3.13 shows in 2021, the job density in Medway was 0.64, in comparison with 0.85 in the south-east and 0.86 in England. Therefore, although there has been a slight increase in recent years, it is still below the national and regional average.
- 3.31 Given unemployment in Medway is a relatively healthy picture, this again confirms a high level of outward commuting, although this is not being reflected in higher wages.

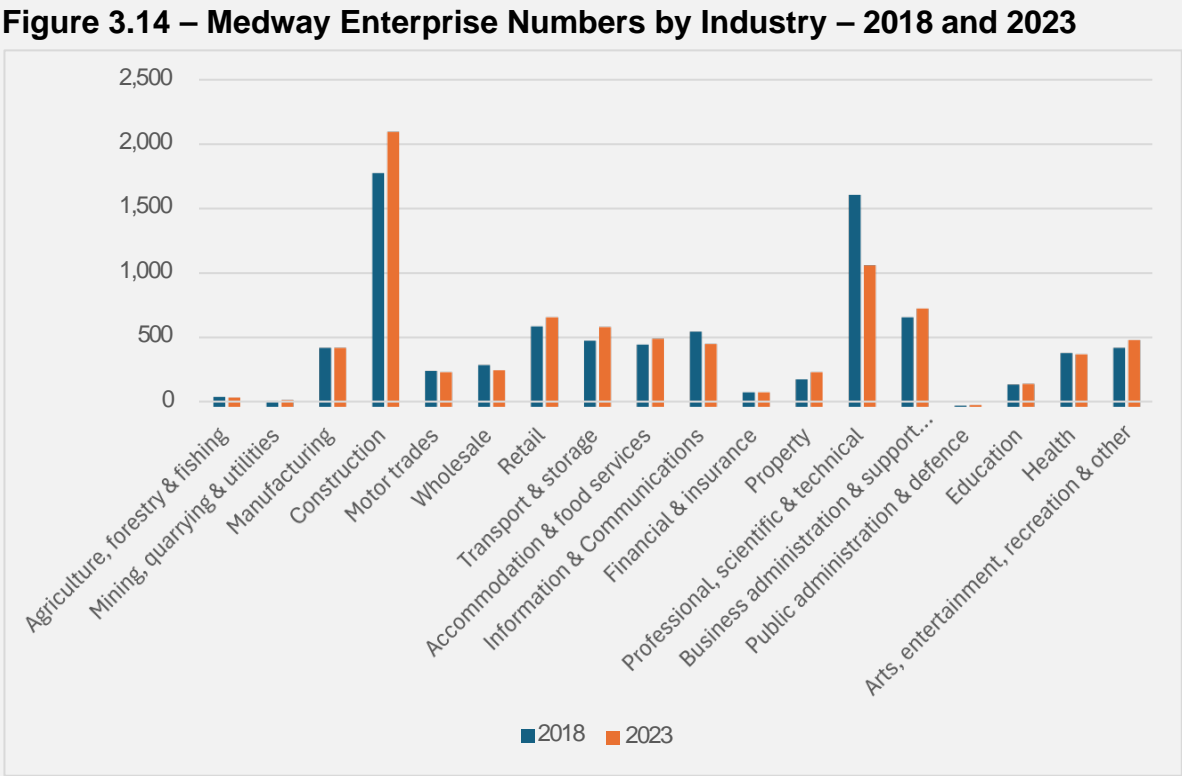
Figure 3.13 – Job Density



Source: ONS Jobs Density

BUSINESS DEMOGRAPHY

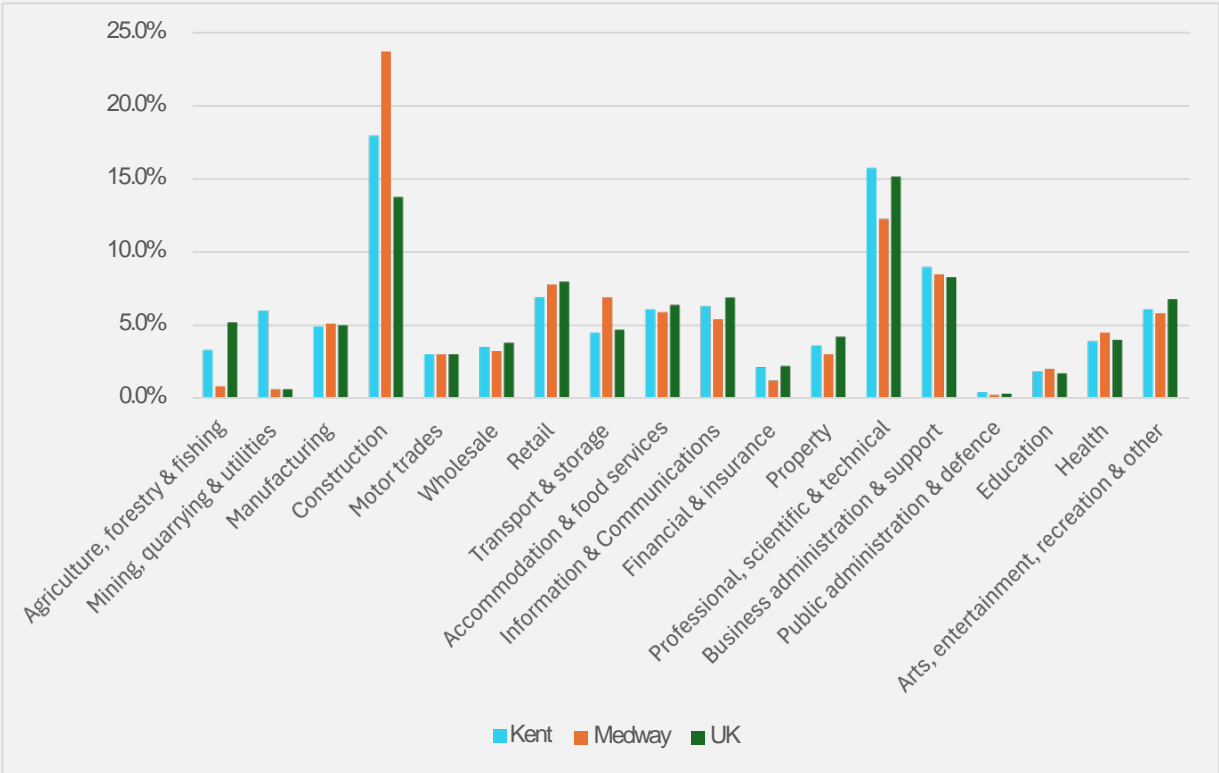
- 3.32 Figure 3.14 below shows how the enterprise numbers by industry in Medway have changed across a 5 year period. There has been a growth in construction and a decline in professional, scientific and technical.



Source: UK Business Counts, Kent and Medway Economic Dashboard 2024

- 3.33
- Figure 3.15 below shows that the enterprise % by industry in Medway is very much in line with the average in Kent and in the UK, with the exception of construction which is very high. Medway enterprises are overrepresented in primary, less skilled industry groups.
- 3.34
- Medway enterprises are also slightly under average in the higher skilled industries such as in financial & insurance and information & communications. This aligns with the skills data, given that there are fewer graduates of higher education in Medway. The commuting data shows that there is a trend of the workforce commuting locally i.e. elsewhere in Kent, and the overall workplace economy picture suggests that there is a high level of commuting to the south-east for medium skilled jobs in the overrepresented industries shown below (construction, transport and storage, manufacturing) rather than to higher-tier and higher pay London jobs.

Figure 3.15 – Enterprise % by Industry, 2024



Source: UK Business Counts, Kent and Medway Economic Dashboard 2024

CONCLUSIONS

- 3.35 Medway’s unemployment rate has improved over the last decade, a period in which there has also been a steady rise in economic activity rates. Resident and workplace earnings have also been lower than the south-east average, but still broadly in line with the average in Kent and the national average in England. There is nonetheless a discrepancy in wages in Medway, with resident earnings driven by out-commuters consistently higher than workplace earnings.
- 3.36 The business demography is a complex picture, but the lower proportions in the higher skilled industries reflect the qualification profile in comparison with Kent and England. Medway is over-represented in the primary industries and slightly under-represented in the more skilled industries.
- 3.37 Although the high net commuting outflows do show a commuting relationship with London, the effect of the proximity to London as a Kent authority is not as strong as the commuting relationship with other Kent authorities. This explains why resident wages are higher than workplace wages, but not above the average for Kent, with commuting across the county to jobs in the medium skilled industries that Medway residents are overrepresented in, rather than to London for higher skilled jobs.
- 3.38 Overall, Medway’s job profile matches skills, and there are no fundamental issues that stand out, other than consistently lower socio-economic measures in comparison with the wider South-East, which is to be expected.
- 3.39 Looking forward, in a business-as-usual scenario, the lower wages and enterprise structure is indicative of a generally weak economy reflective of Medway being part of Kent. Whilst planning policy aspires to provide the land to attract investment, higher wages and an increase in higher-skilled industries, it does point to the fact that simply allocating land and policy alone will not secure this, because the main barrier to delivering an uplift in the local economy is the skills in the workforce.
- 3.40 However, if population growth continues as projected this may attract new migration flows. The standard method provides more homes than trend-based approaches, and new homes may facilitate higher inward migration into Medway from the wider south-east, which is a higher skilled workforce. We may therefore have to consider a future that provides opportunities for the higher skilled regional workforce. This suggests that we may need to plan for an over and above business as usual projection

to allow for either the local workforce to be more skilled, or for the attraction of higher waged economic migrants.

4 PROPERTY MARKET REVIEW

Overview

4.1 This chapter reviews the property market for employment space in Medway - industrial/ warehouse and office space. For industrial/warehouse and office space, we consider in turn demand, supply and the balance of the market. The main purpose of the analysis is to identify where there is potential demand for new employment floorspace, and hence a need for development land to be identified in the emerging plan.

4.2 In relation to demand, we identify the types of businesses that are taking space in the area or may consider doing so, and what property they are looking for in terms of size and quality. In relation to supply and market balance, we analyse the stock which is currently available, recently developed and in the pipeline, and the rental values and yields that properties in the area are achieving. The purpose of our analysis is to determine:

- How far the existing floorspace stock is meeting current and foreseeable occupier requirements;
- Hence, how far there is likely to be demand for more or different space, now and in the future;
- Conversely, if property and land are oversupplied, overall or in particular sections of the market.

4.3 These findings help assess the potential demand for new employment floorspace, and hence the quantity and qualitative mix of development sites that the emerging plan should identify for employment uses.

4.4 A strength of the market-facing analysis is that it considers real-life property transactions, including the values (rents) realised in such transactions, and whether these values are enough to support viable development. This provides evidence of effective, or viable, demand – which means that potential occupiers will pay enough, and (where relevant) provide sufficient covenant strength⁵ to support financially viable development.

Sources and definitions

4.5 Our property market research has drawn primarily on the following information:

- The property market database CoStar and commercial property research reports for evidence of take-up, availability and values (rents and yields), both for the market overall and individual properties. For the supply-side analysis in the report, we have relied on properties advertised for let or for sale (excluding investments).
- Total stock figures across the authority area have been derived from an analysis of VOA Non-Domestic Rating statistics. This data provides a round figure of total business floorspace in square metres. We have cross-referenced this data with advertised space on CoStar to provide an indication of the availability of space. Cross-referencing the CoStar and VOA data does have limitations, as there is no guarantee that the two sources are consistent regarding unit sizes and descriptions. The reason why there may be discrepancies is that the VOA data has 117 description codes which do not always correspond with the definition of employment premises as classified by CoStar. By contrast, properties listed on CoStar have just three categories and some of these descriptions may fall outside the VOA definition of industrial, warehouse or office units. Due to the VOA figures being provided in aggregate, it is not possible to “iron out” these discrepancies.
- We undertook telephone consultations with a number of agents and developers to gain an understanding of the Medway market.
- Site visits – we have visited the core employment areas to gain an understanding of the quality of space, type of occupiers and vacancy rates.

⁵ A business tenant has strong covenant if there is good evidence that they will be in good financial health, and able to pay the rent, through the period of the tenancy.

- For a greater qualitative understanding of the market, we held a virtual stakeholder workshop via MS Teams on 06 December 2024 bringing together a mix of local active agents and developers, with the views presented helping to inform our understanding of the local market.

Employment areas in Medway

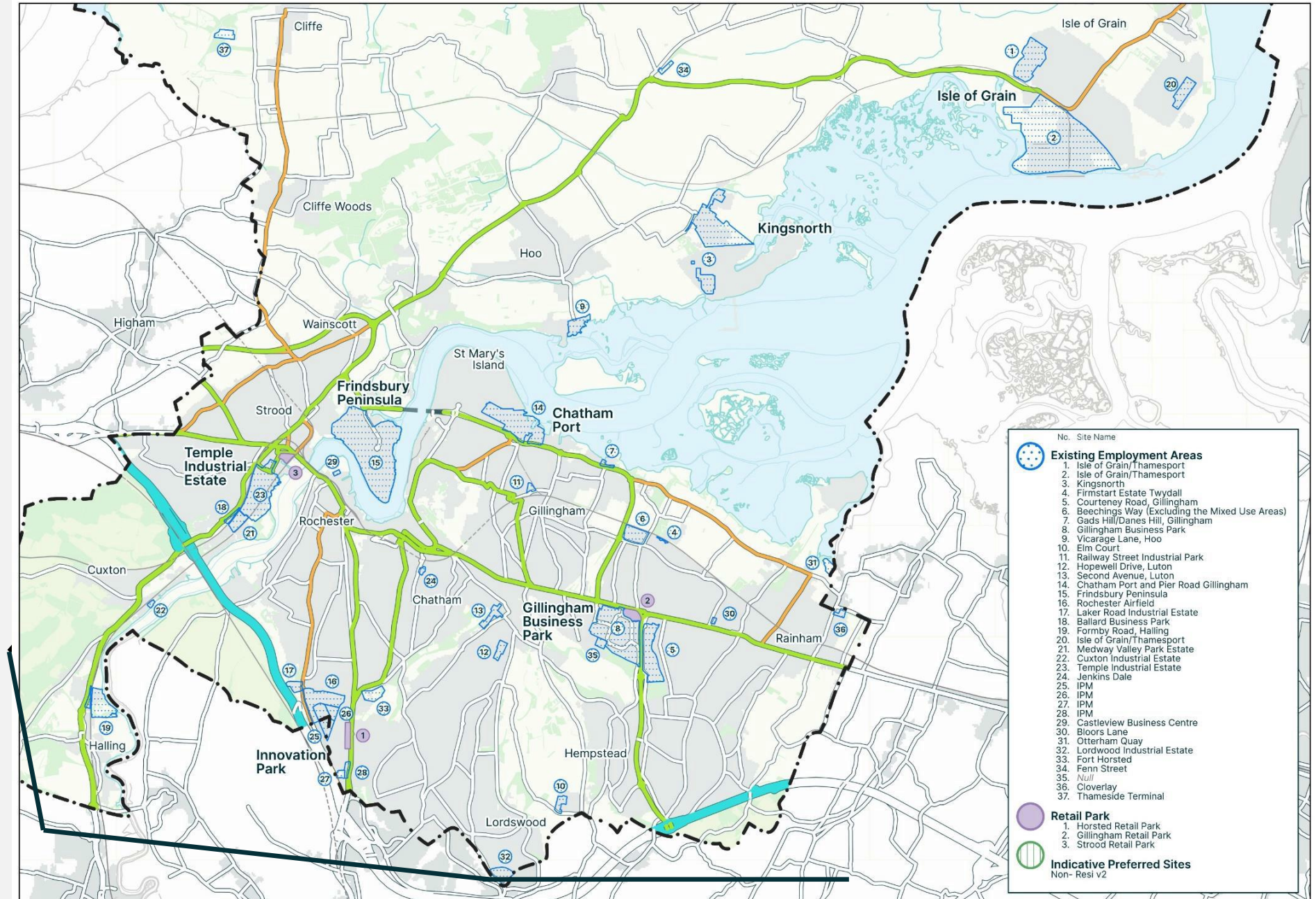
4.6 For our analysis, we have divided Medway into the existing employment areas as set out in Figure 4-1, and they can be summarised as:

- North
 - Isle of Grain/Thamesport - the area located to the far northeast and at the end of the A228, mainly comprising London Thamesport the container terminal (and low carbon construction hub), Grain combined heat and power station and Grain LNG (Europe's largest liquified natural gas terminal⁶).
 - Kingsnorth – located off the A228 at the Ropers Lane roundabout. The area mainly comprises the London Medway Commercial Park and Kingsnorth Industrial Estate. Located here are also Damhead Creek Power Station and the former Kingsnorth Power Station, now the MedwayOne regeneration site.
 - Vicarage Lane – located to the south of Hoo off Vicarage Lane, comprises a purpose-built industrial estate.
- Southwest
 - Frindsbury Peninsula – comprises the large industrial/office area of Medway City Estate which is primarily accessed off the A289 Anthony's Way Roundabout.
 - Temple Industrial Estate/Medway Valley Park/Ballard Business Park -- contiguous mixed industrial/office area located to the west of Medway City Estate
 - Cuxton Industrial Estate – a small industrial estate located off Station Road, Cuxton, adjacent to the wharf.
 - Oscar Innovation Centre - a small industrial estate located on Formby Road, Halling.
- Southeast
 - Chatham Docks/Pier Road – the wider area comprises Chatham Maritime and located within this is the former Navy docks located to the north of Gillingham, accessed from Pier Road.
 - Gillingham Business Park/Courteney Road – large mixed industrial/office area located on the A2 London Road between Gillingham and Rainham.
 - Rochester Airfield/Laker Road Industrial Estate and Innovation Park - large mixed industrial/office area located around Rochester Airfield close to junction 3 of the M2.
 - Smaller industrial areas – the southeast has several smaller industrial areas such as Street End Road, Elm Court and Hopewell Drive. Due to the number of smaller estates, we have covered a sample to give an idea of the quality and type of occupiers.

⁶ <https://www.nationalgrid.com/national-grid-ventures/grain-lng>

Figure 4-1 Areas of property market analysis

Source: Rapley's, QGIS, Urbā, Medway Council



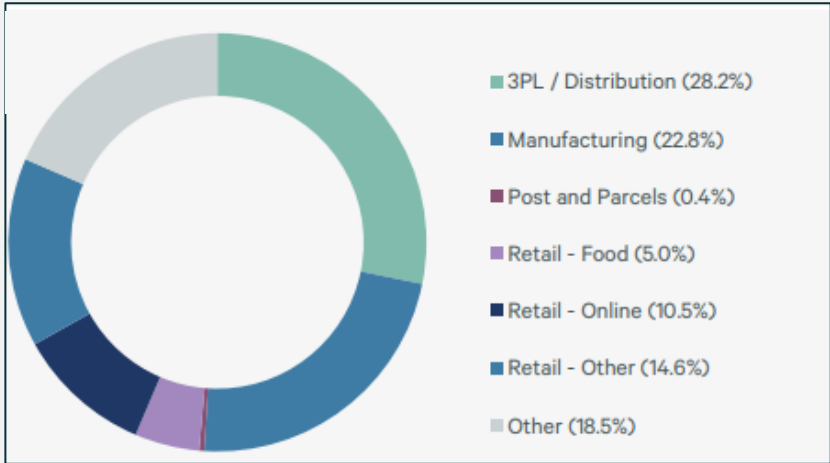
INDUSTRIAL/WAREHOUSE MARKET

4.7 For our market analysis, we consider industrial and logistics uses (E(g) i, ii and iii; B2; and B8) as one property market sector rather than separating industrial from logistics. This is because Medway does not see a large concentration of strategic warehousing, as a result, there is not sufficient data to provide meaningful analysis. Furthermore, occupiers for large warehousing are seeking a “box” to configure the space how they wish to use it e.g., manufacturing, storage and distribution or general industrial therefore there is no defined way in how the space is used to allow for specific analysis of a particular sector. We therefore have analysed the market as a whole and we draw out the relevant data where available.

General Profile –industrial and warehouse market

4.8 Prior to the Covid-19 global pandemic nation-wide demand for strategic warehouse units of over 9,300 sq m was strong, driven by retailers, e-tailers, and third-party logistic (3PLs) companies. During the pandemic demand for space increased due to the further growth in online sales, but following the pandemic, we have seen demand cool due to a fall in internet sales (compared to the pandemic peak) and occupiers growing into their newly acquired space. More recently agents are reporting that nation-wide demand has been increasing from the manufacturing sector – this is supported by CBRE research (see Figure 4-2) that shows in the 12 months, to the end of Q3 2024, manufacturing reflected around 23% of all UK take-up.

Figure 4-2 UK Logistics take-up by sector, 12 months to end Q3 2024



Source: CBRE UK Logistics Market Summary (Q3, 2024)

4.9 CBRE take-up data (see Figure 4-3) shows that due to this cooling of demand, take-up of space in 2023 was below the 10-year average and it appears that 2024 will remain below this as well.

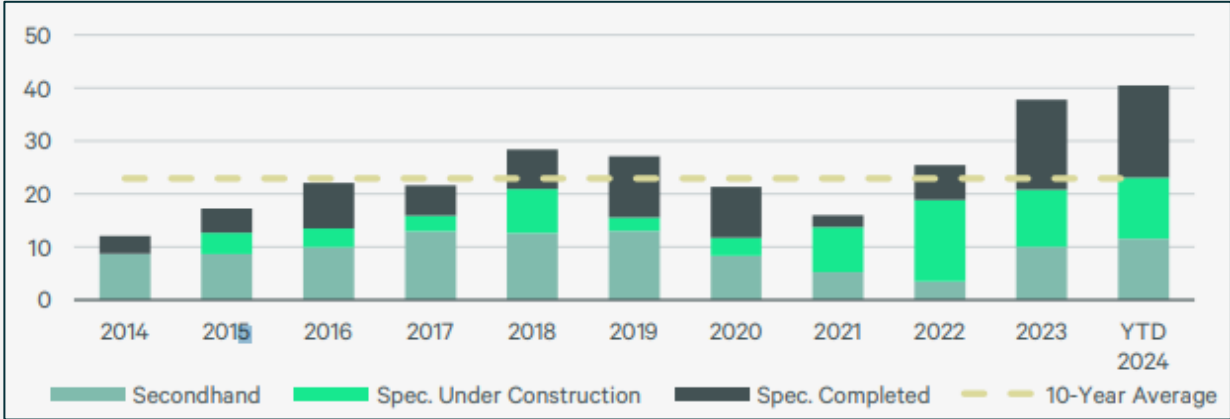
Figure 4-3 UK annual logistics take-up (million sq ft)



Source: CBRE UK Logistics Market Summary (Q3, 2024)

- 4.10 In recent studies⁷ we are finding that strategic warehouse occupiers are increasingly seeking high-quality space with “green credentials” such as BREEAM Excellent and zero carbon, to help meet their Environmental, Social, and Governance (ESG) targets, also occupiers are seeking a good quality environment to help attract and retain staff. Our consultations have confirmed that these requirements are the same in Medway. Furthermore, there are proposed changes to the EPC Regulations, currently non-domestic properties require a rating of E or above and it is proposed from 01 April 2027 the minimum requirement will be C. Therefore, we are seeing a need for greater levels of sustainability both on the demand and supply side, as such the existing stock that does not meet these requirements may become redundant at a quicker rate.
- 4.11 Due to a combination of the weakening demand and more speculative development becoming available, the availability of strategic warehousing space has increased significantly and is now well above the 10-year average – see Figure 4-4.

Figure 4-4 UK annual logistics availability (million sq ft)



Source: CBRE UK Logistics Market Summary (Q3, 2024)

- 4.12 With regards to the non-strategic industrial/warehouse market, we have seen this market becoming tight as the poorer stock has been lost to alternative uses such as residential and a lack of new build. The lack of non-strategic new build is due to viability issues (higher build costs and less security of income (weaker covenants and shorter-term leases)) compared to strategic warehousing, therefore unable to competitively bid for sites. What development we do see occurring is on existing industrial estates or greenfield sites that cannot accommodate the footprint of a strategic warehouse unit. These occupiers also require higher quality space for the same reasons as strategic warehousing.
- General Profile – Medway
- 4.13 The Medway general industrial/warehouse market is mixed in terms of quality and size of stock as well as the type of occupiers. It was evident through our site visit that some of the general industrial/warehouse units/estates are lacking investment into the external elevations and environment which is not common compared to other areas parts of the country where we have undertaken similar studies. The profile of this stock is not the type occupiers typically seek, but there is a lack of credible alternatives, so it remains well occupied. But occupiers are seeking flexibility, committing to leases of between 5 – 10 years with a break clause.
- 4.14 With regards to larger units, this is broadly split into modern or dated strategic warehousing and specialist stock servicing the port and energy sector. The nature of these occupiers means some are located in Medway either for historical reasons or to benefit from the unique characteristics of the area e.g. heavy industry in a remote location.
- 4.15 We now consider each of the three areas of analysis:

⁷ Our recent studies include: West Berkshire ELR, Addendum, December 2022; Swale ELR Update July 2023 and Employment Land & Economic Needs Assessment, London Borough of Sutton April 2023

NORTH

- 4.16 The industrial/warehouse offer in the north of Medway comprises a mix of heavy industrial uses, that are not typically seen in other parts of the country, as well as strategic warehousing and small to mid-sized industrial/warehouse units (non-strategic warehousing).
- 4.17 The heavy industry is found at the Isle of Grain/Thamesport, which is located towards the most north-eastern part of Medway. Thamesport was built on a former oil refinery⁸ as a deep-sea container and cargo port capable of handling the largest post Panamax vessel.⁹ But with the more recent development at Tilbury Docks (London Gateway), which is located closer to London and the M25, as well as being bigger in several ways such as 1,250 metres of quayside and 60 stacking cranes, Thamesport now focuses on short sea services to/from continental Europe and bulk cargo¹⁰ and also diversified/expanded into other commercial uses on site, and continues to do so; linked to port facility, e.g., processing of aggregates.
- 4.18 Around the Isle of Grain, we find national significant energy infrastructure such as the Grain Combined Heat and Power Station and Grain LNG (Europe’s largest liquified natural gas terminal¹¹). It was clear from our site visit (and illustrated in Figure 4-5) the impact this has on the area with large gas holders found in multiple locations.

Figure 4-5 Examples of industrial/warehouse Isle of Grain/Thamesport



Source: Urbà (November 2024)

- 4.19 As we move further west from the Isle of Grain, we find the purpose built estates of London Medway Commercial Park and Kingsnorth Industrial Estate - these employment areas have good access onto Peninsula Way and then onto A289 and M2.
- 4.20 London Medway Commercial Park is a modern purpose built strategic warehousing park. The combination of the recently built units and the quality of landscaping means these are some of the best quality units in Medway – see example in Figure 4-6. Feedback during our consultations indicated that London Medway Commercial Park is targeting the larger international and national occupiers with current enquiries from the food sector and contact-led requirements from 3PLs. What demand there is from manufacturing is a preference for freehold, which cannot be accommodated at London Medway Commercial Park.
- 4.21 Feedback received from the consultation was that there are currently no requirements from occupiers or sectors located at the Isle of Grain/Thamesport.
- 4.22 London Medway Commercial Park is competing against the wider southeast market, with specific reference made in our consultations to neighbouring Swale which has seen new build development at

⁸ <https://shipnext.com/port/london-thamesport-gbthp-gbr>
⁹ Ibid
¹⁰ <https://www.londonthamesport.co.uk/>
¹¹ <https://www.nationalgrid.com/national-grid-ventures/grain-lng>

Eurolink and on the Isle of Sheppey. London Medway Commercial Park is attractive to occupiers because of:

- The availability of large plots in close proximity to London.
- The availability of comparatively “cheap” power supply.
- The ability to deliver high eaves up to 21 metres (maximising cubic capacity).
- Competitive pricing compared to other locations - rents here are a maximum of £118 psm compared to Panattoni Park Sittingbourne which was suggested is quoting £135 psm.

4.23 London Medway Commercial Park has attracted three key occupiers:

- Amazon (online retailer) took a 34,000 sq m unit on a pre-let basis in 2018. Feedback during our consultation explained Amazon was attracted to this location because of the availability of the large plot, in and around London at a comparatively low price. Amazon has a dedicated bus service for staff to meet their shift patterns.
- Noatum Maritime (3PL) took a 14,000 sq unit in 2020 on a 15-year lease at a rent of £85 psm. It is reported that the unit incorporates multiple mezzanines to add a further 21,000 sq m of capacity, primarily for automation, eCommerce order picking and fulfilment.¹²
- Wincanton (3PL) took a 25,000 sq m unit in 2016 on an initial 5-year lease.

Figure 4-6 Examples of industrial/warehouse units at Commercial Park & Kingsnorth



Source: Urbà (November 2024)

- 4.24 Kingsnorth Industrial Estate is an established industrial/warehouse estate. Co-located here is the Damhead Creek Power Station and nearby is the former Kingsnorth Power Station.
- 4.25 Kingsnorth provides a mix of size and quality of units – see example in Figure 4-6. Through our site visit, it was clear that the presentation of some areas of the estate is poor, such as landscaping and the estate road. Plus, there is open storage, in the form of BCA Fleet Solution (vehicle repairs), which gives the impression the area is underutilised. Despite our concerns, the estate is well occupied with occupiers such as QMRE (recycling), Composting Facilities Services (waste management), Trinity Surfacing (civil engineering) in a 315 sq m unit and Pro Environmental (recycling centre) in a 2,300 sq m unit.
- 4.26 Also, in the north of Medway, at Vicarage Lane, is a small, dated purpose-built industrial estate co-located with the Marina. The industrial estate has poor access, and the units have high site coverage and low eaves heights for modern occupier requirements. The estate attracts local companies that include Farleigh Coaches (coach & mini-bus hire), Shower Seal (bathroom supplier) and Plus 39 (tile retailer) in a 1,000 sq m unit. Despite the concerns, it appears that the area is performing well, with very little vacancy shown through our site visit.

¹² <https://www.logisticsbusiness.com/transport-distribution/haulage-freight-forwarding/noatum-agrees-terms-on-london-medway-ecommerce-facility/>

- 4.27 Overall, the employment areas in the north of Medway need to be protected for employment uses because they are performing well. This area has the ability to satisfy large requirements and specialist industries such as energy.
- SOUTHWEST
- 4.28 In the southwest of Medway, the industrial/warehouse offer is found on several established estates, with the main area being Medway City Estate followed by the contiguous estates of Temple Industrial Estate/Medway Valley Park/Ballard Business Park and the smaller estates of Cuxton Industrial Estate and Oscar Innovation Centre.
- 4.29 Medway City Estate is an established industrial/warehouse area with a mix of age and quality of units – see examples in Figure 4-7. Some units are dated and do not appear to be well maintained compared to estates of similar ages that we have seen in other parts of the country. The main issues appear to be a lack of investment into the older units – with poor external environment (estate roads, landscaping and car parking) and external appearance of the units (faded paint on cladding and multiple signage on units). Also, the combination of wharfage facilities (timber and aggregates), waste management, open storage, numerous vehicle repairs, a concrete supplier and a scaffolding company point towards more “dirty” lower value industries. It was evident through our site visit that some of the units have high site coverage and low eaves height meaning the estate, in parts, is not suitable for modern occupier requirements. Although there is evidence of better-quality units at Neptune Close and Laser Quay that do meet modern occupier requirements.
- 4.30 The location and site access of Medway City Estates are not optimal for industrial/warehouse users – it was mentioned during our consultations that there are only two entry/exit points into the estate and if one of these is blocked, then it can take a significant period to exit, leading to business delays. It was also mentioned that that the estate has flood risk issues which has deterred some investors.
- 4.31 Despite the challenges, the estate is well occupied, and this is a reflection that there is little in the way of credible alternative locations. The main occupier here is Veetee (food manufacturer) in three separate units, also here is Euro Car Parts (car part supplier) in a 580 sq m unit, Auto legacy (vehicle repair) in a 220 sq m unit and Capital Construction Supplies (work clothing) in a 175 sq m unit.

Figure 4-7 Examples of industrial/warehouse units at Medway City Estate



Source: Urbà (November 2024)

- 4.32 Around Temple Industrial Estate/Medway Valley Park Estate/Ballard Park is another well-established industrial/warehouse area. The location provides good access to junction 2, M2. Again, we see issues in terms of dated units, poor estate road, landscaping and external appearance – see examples in

- 4.33 Figure 4-8. There are also issues with site topography, which restricts loading and circulation. The older units have high site coverage and low eaves height for modern occupier requirements. The more modern units, found at Saxon Place provide the specification that modern occupiers are seeking.

Figure 4-8 Examples of industrial/warehouse units Temple Industrial Estate/Medway Valley Park Estate/Ballard Park.

Sleepeeze unit, Knight Rd	Deacon Trading Centre, Knight Rd

Source: Urbà (November 2024)

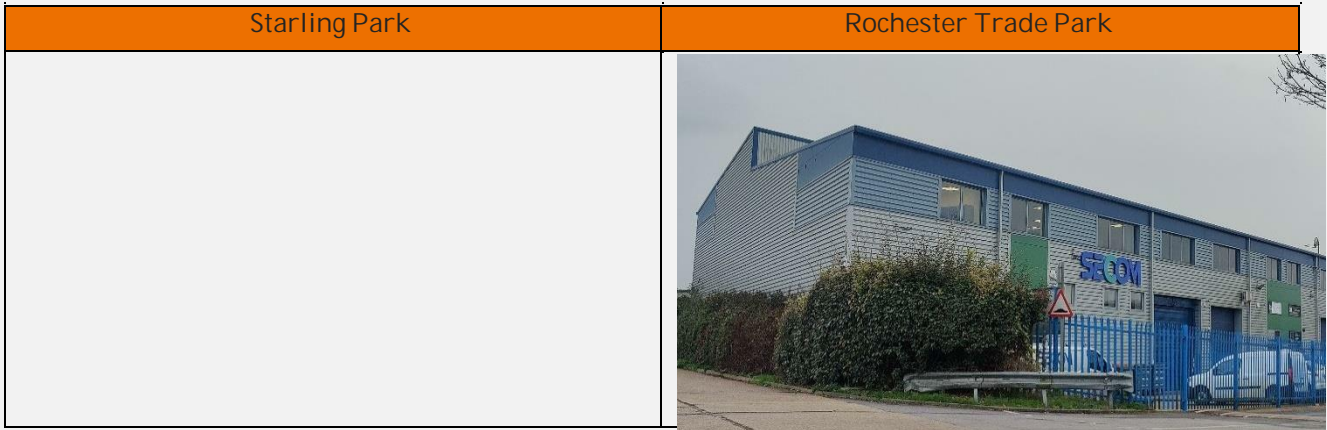
- 4.34 The main occupier here is Royal Mail (postal service) in a modern 16,600 sq m unit, along with Sleepeeze (bed manufacturer) in a dated 8,000 sq m unit. Other smaller occupiers include British Oxygen Co. (portable gas supplier) in a 1,000 sq m unit, Rako (lighting manufacturer) and STAP (structural engineers).
- 4.35 Cuxton Industrial Estate is a small industrial estate located adjacent to the wharf. The estate has restricted access (single access road over level crossing) and dated units with high site coverage but appears well maintained. Occupiers include Rubix (removals) in a 1,400 sq m unit and Avagrow (hydroponics) in a 100 sq m unit. Oscar Innovation Centre is located in Halling and is a new industrial development of six units ranging in size between 40 – 64 sq m. The units are developed adjacent to Oscar Acoustics (acoustic manufacturer) new headquarters. The centre provides good quality accommodation that modern occupiers are seeking.
- 4.36 Overall, these employment areas in the southwest of Medway need to be protected for employment uses because they are performing well. Over the longer term, we recommend consideration for a strategic release of Medway City Estate, but only if new suitable alternative site(s) are found to decant the floorspace because there remains a need. The reason being Medway City Estate does not meet modern occupier requirements and is likely to see a continued lack of investment due to its constraints.

SOUTHEAST

- 4.37 The main industrial/warehouse offer in the southeast of Medway is at Chatham Docks/Pier Road, Gillingham Business Park/Courteney Road, Rochester Airfield/Laker Road Industrial Estate and Innovation Park. There are also smaller estates such as Street End Road, Elm Court and Hopewell Drive.
- 4.38 The Chatham Docks and Pier Road area comprises the former Navy docks owned by Peel L&P. In this area, Peel has already delivered a new Asda superstore, University Technical College, public house, retail and residential uses. ArcelorMittal (steel manufacturer) remains a major occupier here. Peel has secured an outline planning consent for demolition and redevelopment of the site to provide a new waterside business and enterprise campus (the Basin 3 scheme). This will deliver up to 30,000 sq m of flexible, replacement employment floorspace in the form of a mix of E(g), B2 and B8 floorspace. The consent is currently subject to a legal challenge, which places some uncertainty on whether it will be delivered.
- 4.39 Gillingham Business Park/Courteney Road is a large and well established industrial area located just off the A2/A278 roundabout, with the A278 providing direct access to the M2 at junction 4. The industrial area has a mix of size and quality of units – see examples in Figure 4-9. Some of the units have much better landscaping compared to other Medway estates, but the external appearance of the units is variable. The better landscaping is due to the previous comprehensive planning of the estate, and the fact of single ownership for example Zurich Property AP own the estates of Saracen Close, Chieftain Close, Sabre Court, Valentine Close and units on Bailey Drive and Grosvenor Road. Occupiers

here include London Fire Solutions (fire protection) in a 1,900 sq m unit and Howden (trade counter) in a 185 sq m unit.

Figure 4-9 Examples of industrial/warehouse units Gillingham Business Park/Courteney Road



Source: Urbà (November 2024)

- 4.40
- Rochester Airfield/Laker Road Industrial Estate is another large industrial area located around the airfield. The main occupier here is the BAE systems factory, along with several separate estates and standalone units. Rochester Airport Industrial Estate has older units around Laker Road, with some units having high site coverage and low eaves height for modern occupier requirements – see examples in Figure 4-10. Occupiers here include: Aeromet International (aerospace parts manufacturer) in a 3,700 sq m unit and Sinclair & Rush (plastic manufacturer) in a 1,600 sq m unit.
- 4.41
- There is evidence of some units being re-purposed to meet modern occupier requirements, this has happened at Stirling Park where units have been partly demolished to provide larger yard space, as well as the units being refurbished. As a result, these are some of the better quality units here, along with Rochester Trade Park. Some occupiers here have taken multiple units such as The Generator Company (plant and machinery hire) in three units that total 1,330 sq m, along with Regent (electrical wholesaler) and Performance Paddack (car dealer) in single units. The area has seen some encroachment from non-employment uses such as a Sikh temple, children’s play area, gym and indoor skate park.

Figure 4-10 Examples of industrial/warehouse units on Laker Road



Source: Urbà (November 2024)

- 4.42
- Innovation Park forms part of the North Kent Enterprise Zone (NKEZ), which has a focus on office, research and design (R&D) and light industrial use. To date, the Innovation Centre has been developed which provides coworking/start-up space and a data centre. The development proposal for the balance of the site (circa 100,000 sq m of floor space) is for a high-density development with multi storey car park, but the council has paused this, as it reconsiders its approach.
- 4.43
- There are also the smaller estates such as Street End Road, Elm Court and Hopewell Drive that provide a mix of sizes of units, but most are dated. Again, we see the typography on some estates not meeting

modern occupier requirements e.g. low eaves and high site coverage. But the stock meets an important local need (servicing the local market) in providing “affordable space.” Occupiers here include Morris & Turner (trade counter) & B&M (car repairs).

- 4.44 Overall, the exiting employment areas in the southeast of Medway need to be protected for employment uses because they have high occupancy, are performing well and there is evidence of regeneration occurring to meet modern occupier requirements. Basin 3 at Chatham Docks has an opportunity to provide new high quality industrial workspace, but this will be better suited to clean industries rather than some of the more traditional industries seen on some of the estates in Medway. Take-up & demand
- 4.45 In this section we analyse the take-up and demand of industrial/warehouse floorspace in Medway over the last five years, drawing on the CoStar database. This floorspace take-up is the space that business occupiers move into. It takes no account of floorspace vacated as businesses move out or close down.
- 4.46 Table 4.1 shows that in the five years to 2023, take-up of industrial/warehouse space in Medway averaged 29,862 sq m per annum, over an average of 36 units. We would consider this volume of transactions and average floorspace in Medway to be in line with other areas of the country where we have done similar studies¹³, but higher than in Swale where we recorded a five-year average between 2018 – 2022 of 15,000 sq m/25 units.
- 4.47 Take-up both in terms of transactions and total floorspace fell in 2023 and has remained down, with 2024 potentially setting a new low – this reflects a general slowdown in the market.

Table 4.1 Past Industrial/warehouse take-up, 2019-24, Medway

Calendar year	No. of transactions	Total floorspace take-up sq m	Minimum floorspace take up sq m	Maximum floorspace take up sq m
2019	35	20,533	42	3,363
2020	42	63,183	27	13,935
2021	45	40,860	22	9,841
2022	39	18,746	35	2,157
2023	18	5,988	32	841
2024 – until 13/11	11	3,629	94	765
Total	190	152,937		
Annual Average 2019 - 2023	36	29,862		

Source: CoStar, Urbà, November 2024

During the five years, the following large transactions were recorded:

- 4.48
- Jan 2020: Arcelor Mittal (steel manufacturer) took two units with a combined floor area of 19,300 sq m at Chatham Docks on undisclosed terms.
 - Dec 2020: Noatum Maritime (3PL) took a 13,935 sq m unit at London Medway Commercial Park on a 15-year lease at a rent of £82 psm.
 - Dec 2020: Wozair Limited (manufacturer of heating, ventilating and air conditioning) took an 8,000 sq m unit at Gillingham Business Park on a 10-year lease at an undisclosed rent.
 - Sept 2021: Argos (retailer) took a 9,800 sq m unit at London Medway Commercial Park on a 15-year lease with 22 months rent free at a rent of £67 psm.

¹³ for example, in our work in Basingstoke we recorded a seven-year average between 2016 – 2023 of 36,500 sq m/38 transactions and in West Berkshire we recorded a five-year average between 2017 – 2021 of 27,500 sq m/35 units.

- 4.49 Other deals in the general industrial/warehouse market during the five-year period include:
- Dec 2022: VeeTee (manufacturer) took a 1,500 sq m at Medway City Estate, on a 10-year lease with a break in year five at a rent of £137 psm.
 - June 2023: Auguste Noel (wholesaler) has a lease renewal on their 780 sq m unit at Medway Valley Park on a 10-year lease with a break in year 5 at a rent of £126 psm.
 - Dec 2023: Green World Recycling (clothing recycling) took a 205 sq m unit at Medway City Estate on a 5-year lease with a break in year 3 at a rent of £100 psm.
 - Mar 2024: LF & E Refrigerated Transport (3PL) took a 175 sq m unit at Medway City Estate on a 6-year lease with a break in year 3 at a rent of £170 psm.
 - June 2024: Oscar Acoustics (acoustic manufacturer) took a 275 sq m unit at Oscar Innovation Centre as their headquarters on undisclosed terms.
- 4.50 Our consultations indicate that demand for industrial/warehouse space has cooled recently following a sustained period of strong demand, in line with the wider market. Demand in Medway has specifically fallen for the smaller units (up to 465 sq m), and this slowdown in demand has combined with vacancy rates increasing, due to lease events occurring, such as break clauses or lease expiry.
- 4.51 For units between 465 -1,858 sq m, there are few enquiries and very few above 4,650 sq m. For what demand remains, this is both local and regional occupiers with no specific sector driving demand. There remains a strong demand for freehold units, but there are few opportunities in the market.
- 4.52 With regard to strategic warehousing, demand is coming from those occupiers considering the wider southeast market. The consultations confirmed that demand has cooled from the pandemic peak. Demand is coming from the food sector and 3PLs (contract-led requirements), from manufacturing, as identified above this has been growing in the wider market, but in Medway, the consultations indicated that this tends to be for freehold units. Demand is for space up to 14,000 sq m and eaves height up to 21 metres. Occupiers are seeking cubic capacity to allow for mezzanine floor or racking, and also to provide flexibility to re-purpose to respond to changes in the market.

SUPPLY AND MARKET BALANCE

- 4.53 Table 4.2 sets out the change in total stock, as recorded on the VOA, compared to the vacancy floorspace recorded on CoStar. The data shows that in recent years stock has increased but the vacancy rate has remained low. Taking more recent data (January 2025) from CoStar, the vacancy has increased to 33,500 sq m, and assuming the total stock figure has remained unchanged, vacancy remains low at 3% despite the increase in floorspace. When we cross-reference the vacancy of 33,500 sq m with the five-year annual take-up in Error! Reference source not found. Table 4.1 of 29,862 sq m it equates to just around 13 months' supply, which indicates a tight market. Not only is there an issue in terms of the quantum of available space, but also a quality issue. Both ourselves, through our site visit, and agents, through the consultations, have questioned the quality of some of the units/estates being suitable to meet modern occupier requirements. We consider there is a quality imbalance in the market which is only partially being addressed by the likes of L&G with their proactive re-positioning of the units around the airfield.

Table 4.2 Change in total stock & vacancy rate, Medway

Date	2020	2021	2022	2023	2024
Total stock sq m 01 March	1,060,000	1,073,000	1,066,000	1,113,000	N/a
Change in floorspace sq m		13,000	-7,000	47,000	
Change in floorspace %		1.23%	-0.65%	4.41%	
Vacancy Q.1 floorspace sq m	958	987	20,874	22,955	23,963
% of vacant space against total stock	0.09%	0.09%	1.96%	2.06%	

Source: CoStar, VOA, Urbà, November 2024

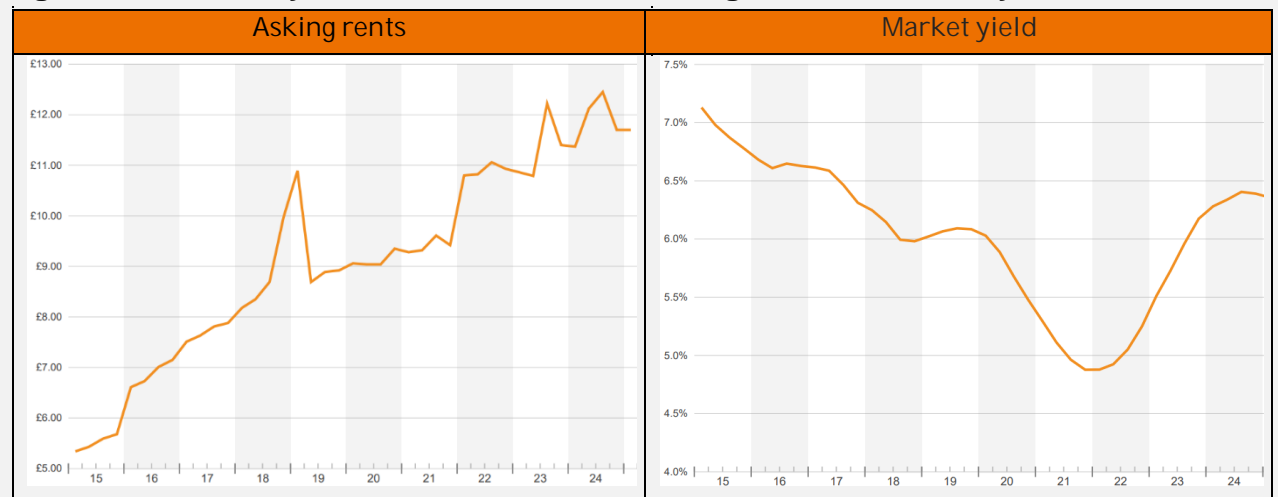
DEVELOPMENT OPPORTUNITIES

- 4.54 In terms of advertised space, or previously advertised space, there are two main development opportunities in Medway:
- London Medway Commercial Park - there are currently three plots advertised as available to provide units between 5,625 and 40,515 sq m. The units are not coming forward speculatively and are waiting for occupiers to commit. The plots are ‘plateaued’, and suggested that once an occupier is secured, they could be in occupation within 18 months. The consultation indicated that it could take several years for this supply to be taken-up given the “lumpy” nature of these types of requirements and the current weakening of the market.
 - Innovation Park – the Local Development Order, adopted in 2020, allows for up to circa 100,000 sq m of a mix of Class E(g) and B2. As we have explained above, the current approach has paused as the Council reconsiders its strategy for the site. Given the tight nature of the industrial/warehouse market, this site provides scope to deliver high-quality small/mid-size industrial/warehouse units for which there is viable demand.

RENTS, YIELDS AND THE ECONOMICS OF DEVELOPMENT

- 4.55 Market rents in Medway have been through a period of strong growth. The evidence in Figure 4-11 shows that asking rents have been on an upward trend since 2015 with the occasion dip. Since 2019 asking rents have moved from £93.65 psm (£8.70 psf) peaking in mid-2024 to £134.55 psm (£12.50 psf), with a slight cooling towards the end of 2024 to £126 psm (£11.70 psf). The rents reported by CoStar coincide with feedback received in our consultations which indicated rents are currently between £130 - £150 psm. Freehold values are indicated to be around £2,150 psm, but there is little evidence of this.
- 4.56 The evidence in Figure 4-11 shows that the market yield in Medway fell as low as 4.9% in 2021/2022, this was against a backdrop of a strong occupier market and rising rents. In turn, the market yield in Medway fell as rents increased, the combination of falling yields and increasing rents meant development and refurbishment of units was viable. As the market has now cooled the market yield has increased to around 6.3%. The current rent/yield dynamic in Medway means industrial/warehouse development is not viable on a speculative basis, but development could come forward with a pre-let/pre-sale in place. The current rent is sufficient to maintain the current stock.

Figure 4-11 Medway industrial/warehouse asking rent and market yield



Source: CoStar (January 2025)

CONCLUSIONS ON INDUSTRIAL

- 4.57 Medway has a strong industrial/warehouse market, which has been driven by the availability of large sites with good access to London at competitive prices with access to power. The industrial/warehouse market at Isle of Grain/Thamesport is unique in that its more remote location is ideal to accommodate the heavier industry activities here and this needs to be protected and developed to attract the same or similar industries.

- 4.58 Kingsnorth provides the main opportunity in Medway to deliver strategic warehousing, due to the availability of land, infrastructure and the same uses located here – its role should be protected over the plan period.
- 4.59 The strategic warehousing market in Medway is mixed; London Medway Commercial Park provides the prime stock and although it has attracted some blue-chip occupiers, take-up has been slow as it competes against the wider southeast market. The balance of the strategic warehousing stock in Medway tends to be dated and not suitable for modern occupier requirements. But despite the poorer quality of this stock, it is well occupied, because these occupiers are prepared to compromise on quality in order to pay lower rents than a new build.
- 4.60 Our analysis has shown with the general industrial/warehouse market in Medway there is a clear imbalance not just on a quantitative basis, just 15 months' supply, but also on a qualitative basis. The current stock is well occupied but some, or parts, of the estates and units are poorly maintained and do not meet modern occupiers' requirements. This issue is less acute at Gillingham Business Park/Courteney Road (better maintained) and around Rochester Airfield/Laker Road Industrial Estate (units are being re-purposed/refurbished) but more acute at Medway City Estate, which is also constrained by its location.
- 4.61 Overall, all of the existing employment areas need to be protected and alternative uses resisted to ensure the integrity is maintained for employment uses in the short to medium term. But over the longer-term consideration should be given to a managed release to Medway City Estate, but only on the basis that an alternative site(s) is provided to decant occupiers. Innovation Park's role should also be reconsidered to meet the general industrial/warehouse demand by providing high-quality small and mid-size units but it's not suited to deliver strategic warehousing, given the availability of land at Kingsnorth. This does not suggest a change in approach to attract quality occupiers to Medway. Only that this objective may be better achieved if the site is rescoped to make it more attractive to advanced manufacturing which we think reduces the proportion of office to industrial floorspace.

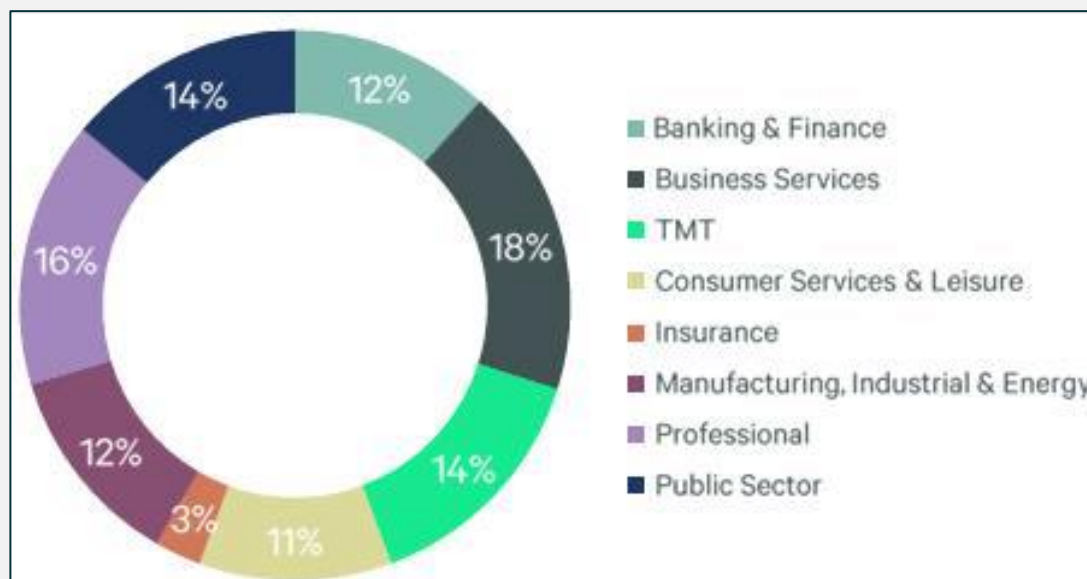
THE OFFICE MARKET

- 4.62 In our analysis of the Medway office market, we have concentrated on the same geography used in the analysis of the industrial/warehouse market. But offices are largely confined to the southeast and southwest areas.

General Profile - office market

- 4.63 Before the pandemic, developers were finding it difficult to fund office development due to the restricted availability of loans. Speculative office development was only occurring in strong and established office markets such as in London, Thames Valley (e.g. around Reading) and key regional centres such as Birmingham and Manchester. In other markets, new development required a pre-let in place to a blue-chip covenant. At this time, we were seeing a shift in office requirements from out-of-town locations to town and city centres. This was driven by staff wanting to be closer to public transport links and amenities.
- 4.64 During the Covid-19 pandemic, the government encouraged working from home measures, leading to many offices being left unoccupied or at greatly reduced occupancy. Companies were forced to embrace video conferencing and other measures to ensure business continuity. At the time it was unclear how the change in working practices would have on the long-term office market. What we did see was vacancy rates increase, as occupiers delayed making decisions on taking space or reduced footprint.
- 4.65 Since 2021 there has been greater clarity as to how changes in working patterns have affected the office market, with some form of working from home now common practice. As a result, we are now seeing that occupiers are seeking smaller units, but of better quality, hence creating surplus space through downsizing. The focus on quality is around sustainability and energy efficiency, as occupiers try to meet increasingly ambitious ESG aspirations and also to help attract and retain staff.
- 4.66 As shown in the CBRE research in Figure 4-12 the main drivers of demand for new office space have been business services, followed by technology, media and telecommunications TMTs and the public sector.

Figure 4-12 UK markets take-up by sector, 12 months to end Q3 2024



Source: CBRE Research, November 2024

General Profile – Medway

- 4.67 In terms of space the office market in Medway is much smaller than the industrial/warehouse market. Medway does not have a town centre office market, with office stock found at out-of-town business parks, some of which are co-located with the industrial/warehouse estate. This stock is dated and there is little in the way of new build. The units are typically part of larger buildings, which have been subdivided on a floor by floor or part floor basis.
- 4.68 Some of this space is being refurbished, but not all, which is a shift change to say 10 – 15 years ago when most space would be refurbished to attract a new tenant. The un-refurbished space is sometimes offered to the market with existing desks, chairs and meeting rooms left in situ – which on the one hand provides some flexibility to an occupier but also shows a lack of clarity in occupier requirements. The general specification of the space is reasonable, with some units having raised floor, cooling of some form and onsite car park but most units lack nearby amenities.
- 4.69 While there is some evidence of headquarter office buildings in Medway (these being the public sector and education in the form of three university campuses), these are the exception and not the norm, and it is clear that Medway does not generally attract large corporate occupiers.
- 4.70 The low rents achievable in Medway mean that new development is unviable and refurbishment marginal. Due to the weak nature of the office market space is also being redeveloped for residential through permitted development rights (PDR).
- 4.71 We now explore the main office locations in Medway.

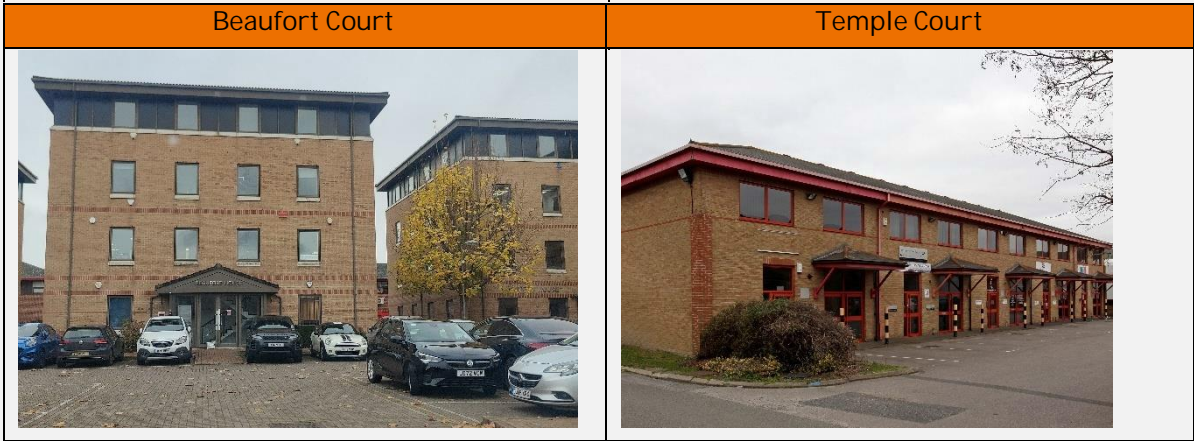
SOUTHWEST

- 4.72 Offices in the southwest are found at Medway City Estate and Temple Industrial Estate/ Medway Valley Park/Ballard Business Park.
- 4.73 The offices at Medway City Estate are dated pavilion style offices with dedicated car parking in separate office parks e.g., Beaufort Court and Riverside Estate. Typically, the offices are large units of up to four floors (see example in Figure 4-13) that have been subdivided to let into floors or part floors. Occupiers here include GCS Compliance (professional service) in a 132 sq m unit, Plumwood (TMT) in a 110 sq m unit and DMA (building maintenance) in a 55 sq m unit.
- 4.74 The offices around Temple Industrial Estate/Medway Valley Park/Ballard Business Park are also pavilion style, but smaller units (typically two floors) to those found at Medway City Estate – see example in Figure 4-13. Again, the offices are dated with dedicated car parking in separate business parks e.g., Temple Court. Despite the offices here being smaller, they are still subdivided into small

units, which highlights the small nature of the requirement in Medway. Occupiers include Allteks (TMTT) in a 190 sq m unit, Home Start (charity) and Constantine Construction (civil engineering).

- 4.75 Overall, the co-location with industrial/warehouse users for offices in the southwest of Medway is not ideal for office users to attract and retain staff. Furthermore, the space lacks the quality and amenities for modern occupier requirements, but given the lack of suitable alternatives it is meeting a need for those companies servicing the local market.

Figure 4-13 Examples of offices in the southwest

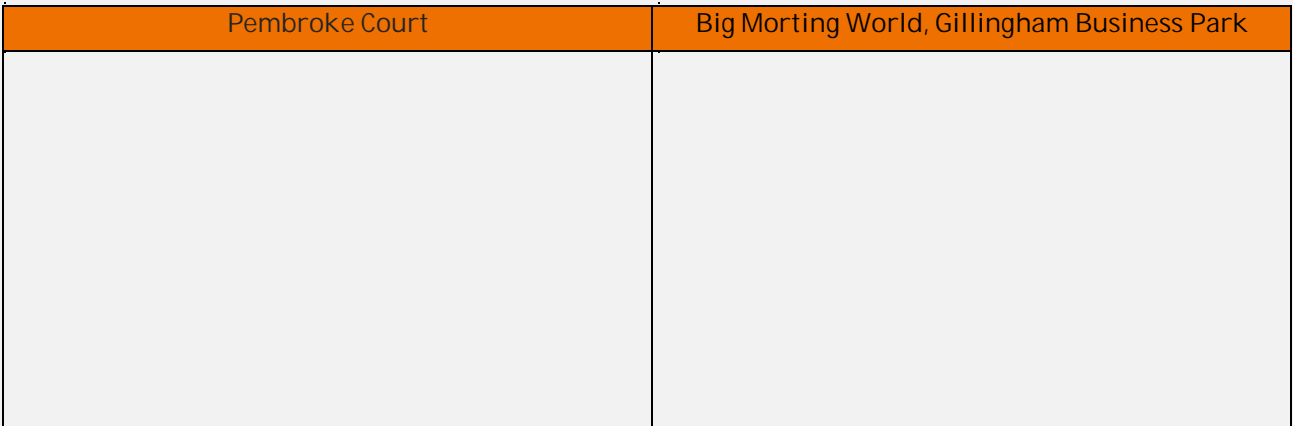


Source: Urbà (November 2024), CoStar (December 2024)

SOUTHEAST

- 4.76 The offices in the southeast Chatham Maritime, and Innovation Park. We have already mentioned Innovation Park above so we will not repeat it here.
- 4.77 The offices at Chatham Maritime are pavilion style offices with dedicated car parking, and we would consider them to be some of the best offices in Medway – see examples in Figure 4-14. The offices have a “campus” feel in a well landscaped environment away from industrial/ warehouse uses. Although, the offices lack on-site amenities, but is closely located to Dockside (Retail Outlet) and St Mary’s Island which do provide those amenities. The area has an education focus having attracted campuses for the universities of Greenwich, Canterbury Christ Church and Kent. Other occupiers here include: Natwest (financial services) in a 1,600 sq m unit and The Insolvency Service (professional services) in a 790 sq m unit.

Figure 4-14 Examples of offices in the southeast



Source: Urbà (November 2024)

- 4.78 The offices at Gillingham Business Park/Courteney Road are a combination of large headquarters and mid to small units. The large units are well maintained in a landscaped environment with on-site carparking. Large occupiers include Big Motoring World (car sales) with their headquarters and Henry Schein One in a 7,000 sq m Park for their Software of Excellence.

- 4.79 The mid and small units at Gillingham Business Park/Courteney Road are dated, but appear well-maintained. Despite their smaller size, they are offered on a floor by floor or part floor basis to attract the smaller requirements. Smaller occupiers include GE Vernova (utilities) in 198 sq m unit, Sussex Partnership NHS Foundation Trust (healthcare) in a 430 sqm unit and CityFibre (TMT) took a 140 sq m unit.
- 4.80 Gillingham Business Park/Courteney Road is attractive to occupiers because of the combination of the quality of stock, its location and nearby amenities of Tesco Superstore and Hempstead Valley Shopping Centre.
- 4.81 Overall, there appears to be quite a low vacancy rate for offices in the southwest of Medway. Our concern is that should one of the single occupied larger headquarters buildings become vacant then this could be difficult to re-let because there are no large requirements in the market. The unit would have to be offered on a floor by floor or part floor basis and would compete against the wider market, with the total floor area representing a large amount of space for the local market to absorb at once. Demand & take-up
- 4.82 In this section we analyse the take-up of office floorspace (the space that business occupiers move into) drawing on the CoStar database. It covers both new and second-hand space and takes no account of floorspace vacated as businesses move out or close down.
- 4.83 As shown in Table 4-3, the five years to 2023 take-up of office space in Medway averaged 4,857 sq m over an average of 18 units. The data shows that take-up during the pandemic was in line with the five-year average, which suggests that structural changes were occurring in the market beforehand and the pandemic has not had a significant impact on a market which has relatively weak take-up. We would consider office take-up in Medway to be comparatively weak¹⁴. Although the Medway market has been more active compared to neighbouring Swale where we saw a five-year annual average of 852 sq m across 6 transactions between 2018 – 2022.

Table 4-3 Office floorspace take-up, 2019-24, Medway

Calendar year	No. of transactions	Total take-up sq m	Minimum take up sq m	Maximum take up sq m
2019	20	3,488	30	681
2020	16	4,579	53	1,600
2021	19	3,600	22	699
2022	22	10,305	8	6,972
2023	11	2,313	33	588
2024 – until 13/11	5	707	31	295
Total	93	24,993		
Annual Average 2019 - 2023	18	4,857		

Source: CoStar, Urbā, November 2024

During the five year period the following transactions were recorded:

- 4.84
- Nov 2022: Henry Schein One (TMT) took 7,000 sq m at Gillingham Business Park for their Software of Excellence.

¹⁴ in a similar study for West Berkshire, we saw a five-year annual average of 17,365 sq m across 41 transactions between 2017 and 2021 and in Basingstoke we saw a seven-year annual average of 23,639 sq m across 45 transactions between 2016 – 2023.

- Feb 2022: Secretary of State For Housing Communities & Local Communities (County and Family Court - public sector) took 1,300 sq m at Medway Council's office on Gun Wharf Dock on a 15-year lease at a nominal rent of £17 psm with retail price index increases.
- Feb 2023: Martin Tolhurst (professional services) took 590 sq m at Gillingham Business Park on a 1-year lease with break in year 5 at a rent of £136 psm.
- May 2023: Pentalac (engineers) took 410 sq m at Gillingham Business Park on a 6-year lease with a break in year 3 at a rent of £138 psm.
- May 2023: Morrison Telecom Services (TMT) took 400 sq m at Gillingham Business Park on a 5-year lease with a break in year 3 at a rent of £145 psm.
- Jan 2024: Elco Group (energy) took 220 sq m at Medway City Estate on undisclosed terms.

4.85 As evidenced in the take-up data, demand for office space in Medway is typically for smaller units from local companies or regional or national companies seeking to service the local market. Demand is coming from a range of sectors, with no one sector driving demand. Our consultations indicate that occupiers are seeking good quality space (in line with the national picture) but they cannot necessarily find this space in Medway.

Supply and market balance

4.86 Table 4-4 sets out the change in total stock as recorded on the VOA and compared to the vacancy floorspace recorded on CoStar. In recent years stock has been decreasing, and this is due to PDR. The vacancy rate on 01 March 2023 was 1.6%, around 2,700 sq m of floorspace. More recent (January 2025) vacancy data recorded on CoStar indicates that it has risen further to 10,610 sq m, assuming that the total stock figure has remained unchanged the vacancy rate is around 6%, which we would consider to be more balanced. When we cross-reference the vacancy of 10,610 sq m with the five-year annual take-up in Table 4-3 of 4,857 sq m it equates to just around 2 years and 2 months' supply, which also supports our assessment of a balanced market.

Table 4-4 Change in total stock & vacancy rate, Medway

Date	2020	2021	2022	2023	2024
Total stock sq m 01 March	174,000	172,000	170,000	168,000	n/a
Change in floorspace sq m		-2,000	-2,000	-2,000	
Change in floorspace %		-1.15%	-1.16%	-1.18%	
Vacancy Q.1 floorspace sq m	1,890	1,648	1,625	2,708	2,852
% of vacant space against total stock	1.09%	0.96%	0.96%	1.61%	

Source: CoStar, VOA, Urbà, November 2024

DEVELOPMENT OPPORTUNITIES

4.87 There are no obvious immediate development opportunities for new standalone office space in Medway with no direct developer interest due to the weak market. Where offices may come forward is at Innovation Park and Basin 3, Chatham Docks, but development on both these locations will require some form of cross-subsidy due the unviable nature of this type of development or if an occupier led requirement is found. Longer term, the wider Chatham Maritime area provides an opportunity to deliver new offices as part of a mixed-use development – this area is suitable due to the existing critical mass of offices (with universities and corporate occupier) the on-going regeneration of Chatham Docks and the amenities available.

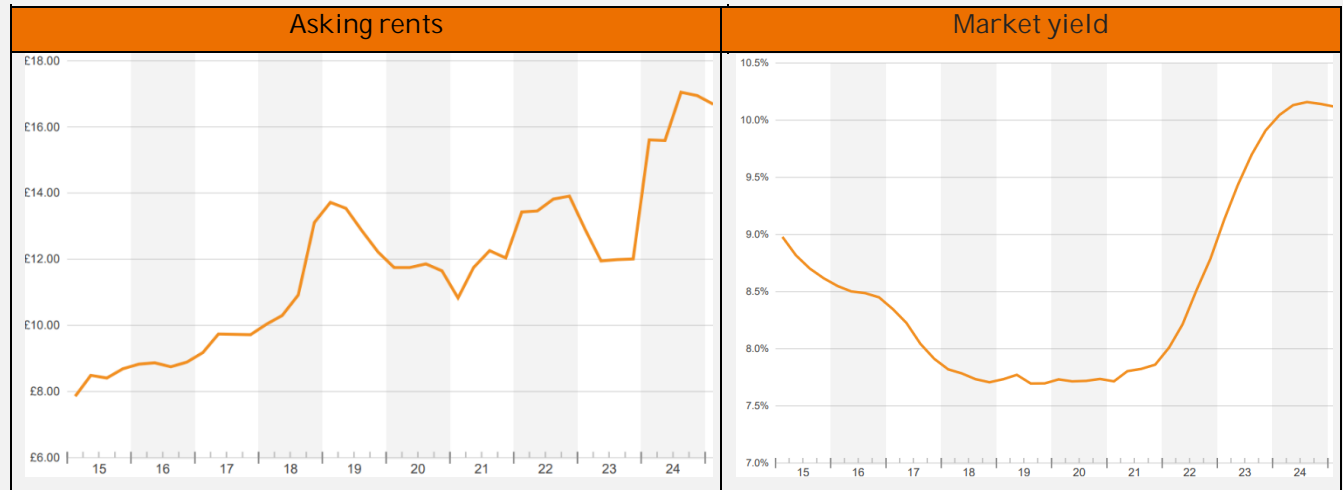
RENTS, YIELDS AND THE ECONOMICS OF DEVELOPMENT

4.88 Market rents in Medway have increased, but this was from a very low base. The evidence in Figure 4-15 shows that asking rents increased from £86 psm (£8.00 psf) in 2015 to around £183 psm (£17.00 psf) in 2024, although for around a five-year period between 2019 and 2023 they hovered between

£129 - £150 psm (£12 - £14 psf). As borne out through our consultations the more recent increase in the market rent is driven by occupiers seeking quality space, which they are prepared to pay for i.e., some occupiers are not price sensitive for the right stock.

4.89 The evidence in Figure 4-15 shows that the market yield has been high for the last 10 years in Medway – the lowest it has been during this period is around 7.75% and is currently just above 10%. In comparison, the Knight Frank yield guide¹⁵ reports prime office yields for major regional cities with a 10-year lease at 6.5% and a five-year lease at 7.5%. The current rent/yield dynamic in Medway means office development is not viable on a speculative basis. Rents would have to be around £375 psm and yields below 6% to enable viable speculative development of quality space. New development would only come forward with a pre-let/pre-sale in place which would enable the development to come forward. The current rent is sufficient to maintain the current stock.

Figure 4-15 Medway office asking rent and market yield



Source: CoStar (January 2025)

CONCLUSIONS ON OFFICES

4.90 The office market in Medway is clearly weak, characterised by low levels of take-up and secondary stock availability. But this is not unique to Medway because the market has been going through structural changes caused by the Covid-19 pandemic. Medway does see the occasional large requirement, but predominantly it is for small units on short, flexible terms – this combined with the low rents and high yields means that new development is substantially unviable. The achievable rents are sufficient to deliver co-working space in existing buildings.

4.91 The strength of Medway’s office market is that they have managed to attract the three university campuses and Gillingham Business Park – these are the better-performing office locations and need to be protected. In other locations such as Medway City Estate and Temple Industrial Estate/Medway Valley Park/Ballard Business Park the offices are not performing well due to the quality of space, co-location of industrial/warehouse uses (environment) and lack of amenities and these areas should be considered for managed release for alternative uses.

¹⁵ December 2024

5 THE DEMAND FOR INDUSTRIAL LAND

5.1 In this section we review the future need for land to support industrial uses. Industrial uses include manufacturing, specialist construction activities, other general and light industrial activities plus logistics and distribution uses. These uses are included within the E(giii), B2 and B8 land use classes.

Has Demand been met in the past?

5.2 Before looking at future need, we first, briefly consider whether economic need was met in the past. This is relevant because our analysis is informed by an assessment of past trends. Also, how an economy has performed in the past informs economic models which tend to build on pre-existing strengths.

5.3 There is a risk that gaps in plan coverage, and evidence base updating, can result in an undersupply position as plans, and land allocations, are not reviewed or updated. Plans are normally adopted with 15+ years land supply, which provides considerable comfort should plan reviews be delayed, but here the adopted plan is 20 years old.

5.4 In Medway's case, while the adopted plan is from 2003, there is a suite of regular evidence base updates that provide a historic view of the demand/supply balance.

5.5 Most obviously the Council commissioned a series of work from GVA Bilfinger (now Avison Young) around 10 years ago – the North Kent housing and economic needs assessments, which culminated in the 2015 Integrated Growth Needs Assessment. It provides an independent assessment of the past land balance and so, should confirm whether in the past there has been an under-supply of land. The report concluded that Medway had a surplus of identified economic land. This was particularly for larger scale manufacturing and logistics uses given the large land supply at the Hoo Peninsula. The Consultants did note a lack of supply for 'other' employment uses, and particularly for those looking for space in urban Medway.

5.6 Avison Young updated their advice in 2020 identifying the need for warehousing and logistics space at around 200,000 sq m – so significantly lower than the available supply at the time, which as with 2015 and to a large extent now, remained clustered on the Hoo Peninsula.

5.7 So, by reference to earlier Medway employment studies, there is no suggestion that larger format units have historically been undersupplied. While there have been qualitative concerns that were partly to be addressed at Innovation Park and ongoing viability issues, the planning system here can evidence a quantitative land supply in the past and particularly for larger units.

5.8 In our work we have re-considered the qualitative needs of the market (as expressed in the preceding chapter) as well as an updated quantum. But here we simply conclude that, despite no new employment land allocations since 2003, Medway has continued to offer a sizable quantum of land that has been available to meet the changing needs of firms and the economy.

Reviewing future need for industrial land

5.9 The PPG identifies three alternative approaches for estimating the demand for industrial land – i) past trends, ii) the labour demand approach and iii) labour supply. This study has employed all three approaches using data on floorspace completions to assess past trends, an Oxford Economics economic forecast to assess labour demand and the Standard Method aligned housing requirement number and Census 2021 population data to assess labour supply.

PAST TRENDS

5.10 Here we consider change over time in industrial floorspace resulting from completed development and gains/losses of floorspace through demolition or change of use. We analyse the past to help project the future.

5.11 Past trends is perhaps the simplest of the three approaches used to assess economic needs because it simply projects forward past change. However, this cannot be done 'blindly', and some consideration needs to be given to the data, and also selection of trend periods, which can have a major effect on the outcome.

- 5.12 The data used for this is the Local Authority Plan monitoring data that identifies the gains and losses of employment floorspace through completed development, and also the Valuation Office Agency (VOA) aggregate annual net change in floorspace for the whole local authority area.
- 5.13 Depending on the data available our general approach is to look at a range of past trend periods, with preference that the period spans an economic cycle. This is particularly difficult at the moment because Covid, coupled with Brexit are themselves unusual, and may (hopefully) not repeat. Generally, a longer trend period is preferred because these better span economic cycles, 'evening out' the impact of any economic shocks (and booms) that did occur.
- 5.14 We firstly review the past, compare this with what the adopted plan forecast, then consider different trend periods and any 'outliers' that should be removed from the trend, following which we use what we consider to be the most appropriate trend period to project forward the need over the plan period.

The past

- 5.15 For context we consider what the current 2003 local plan says about employment land need and how much land was allocated for employment uses. The caveat to this is that the current plan only ran to 2006. However, reviewing land availability will help us address the issue of market constraint ie has a lack of supply in the past constrained the delivery of employment floorspace? This is important to know when projecting forward the past.
- 5.16 We noted earlier that the demand and supply of industrial land/floorspace identified in the currently adopted 2003 Local Plan was in balance. Supply stood at c304,000 sq m, sufficient to deliver the 19,000 sq m per annum forecast to be required over the Plan period to 2006.
- 5.17 The table below shows the annual gains and losses in industrial floorspace stock over the 17 years since 2007/08, with the rows at the end identifying the per annum averages for the various trend periods. Below on page 47 is a chart (Figure 5.16) showing the total industrial stock figure for Medway over time based on VOA data.

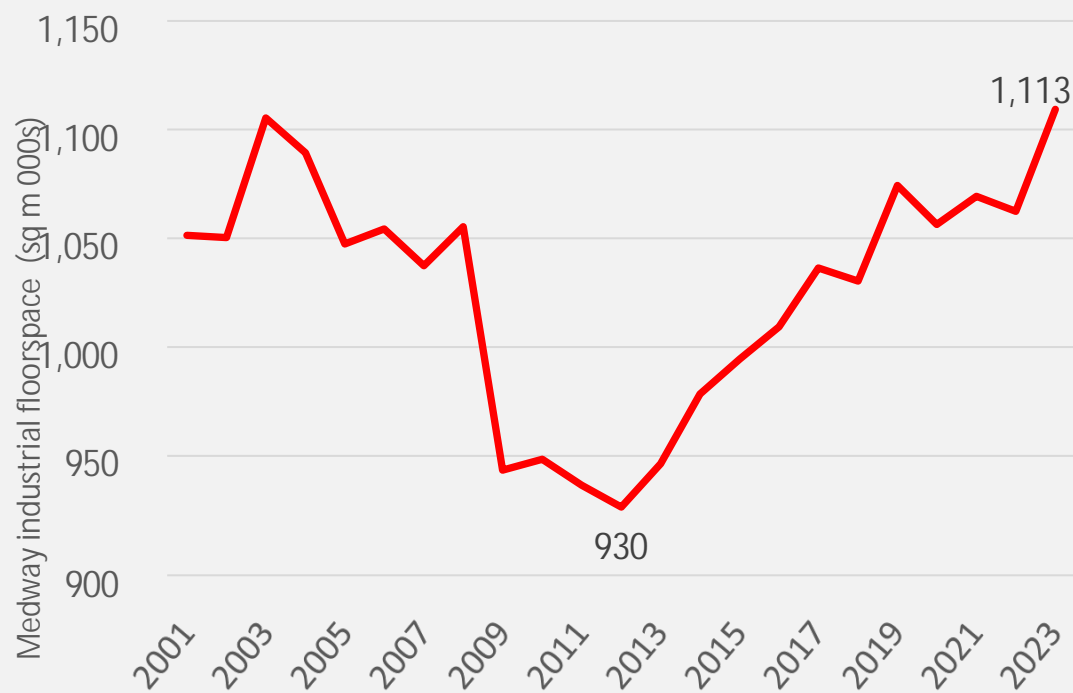
Table 5.5 Past trends in Medway industrial floorspace completions

Total Indl	Gross gains (sq m)	Gross losses (sq m)	Net change (sq m)
2007/08	19,811	21,410	-1,599
2008/09	5,210	6,917	-1,707
2009/10	2,688	27,159	-24,471
2010/11	7,495	36,191	-28,696
2011/12	506	6,316	-5,810
2012/13	7,511	4,270	3,241
2013/14	10,739	22,016	-11,277
2014/15	9,927	7,656	2,271
2015/16	34,792	7,532	27,260
2016/17	9,911	10,632	-721
2017/18	11,564	32,531	-20,967
2018/19	50,602	2,098	48,504
2019/20	2,577	3,869	-1,292
2020/21	7,537	8,089	-552
2021/22	35,710	6,469	29,241
2022/23	2,506	7,144	-4,638
2023/24	4,480	466	4,014
Per ann ave 2007/08-10/11	8,801	22,919	-14,118
Per ann ave 2007/08-23/24	13,151	12,398	753
Per ann ave 2014/15-23/24	16,961	8,649	8,312
Per ann ave 2019/20-23/24	10,562	5,207	5,355

Source: MC Plan monitoring data, and Rapleys analysis

- 5.18 We referred earlier to ‘outliers’, and because trend-based assessments can be influenced by one-off, never likely to repeat events, where these exist a view needs to be taken as to whether they should/should not be included in the trend period. On review we find that we have not identified any such developments here.
- 5.19 On a per annum basis the data is ‘lumpy’ and ranges from big losses to big gains which is the nature of the stock, and this demonstrates why it is more advisable to look at trends over a number of years. We have used the monitoring data to look at average change in the period up until the end of the present plan period (2011) and then to develop three trend-based projections as shown in the final three rows of the table above.
- 5.20 The first average is for 2007/08 to 2010/11, the last four years of the plan period. We see that over this relatively short period, rather than the net addition of 19,000 sq m per annum as planned for in the 2003 Local Plan, Medway saw an average per annum loss of c14,000 sq m. That period included the 2008 financial crash, which may well have been a significant factor in some heavy losses over that period, but is also likely to reflect regenerative land use changes.
- 5.21 Over the full time series (the second per annum average) gains and losses broadly match one another, with some big gains over the more recent years, which are largely attributable to the London Medway developments. The third trend period covers the past ten years and is the most positive, more positive than the fourth and final most recent five-year trend period.
- 5.22 As a sense check to the Council data, we turn to the VOA floorspace data that as shown in Figure 5.16 below, that charts the total industrial stock. This shows a rapid reduction in stock of c100,000 sq m from 2008 to 2012, and a steady rise in overall stock since 2012.
- 5.23 While the two data sources do not perfectly align in quantum due to differences in definitions such as how change of use is recorded and timelines, in a general sense it is clear that the reduction in floorspace around 2008-2012 corresponds with the Council’s monitoring data, and the positive change over the past decade is clear in both data sets.

Figure 5.16:Medway industrial floorspace change



Source: VOA with Rapleys’ analysis

Job change

- 5.24 Next, we turn to the change in the total stock of Medway’s industrial jobs to examine whether the increase in floorspace corresponds with change in job numbers, and this assessment is shown in the table below.
- 5.25 The table identifies the two broad categories of industrial activities – core industrial (manufacturing, specialist construction etc) and logistics/distribution activities that commonly operate from warehouses. For each activity the total number of jobs in Medway is given in each of the years, also the change over the period and the per annum average, and in the final column a guide figure for the quantum of space required to accommodate the jobs based on average floorspace densities.

Table 5.6 Industrial job change, Medway 2015-2024

Jobs	2015 Total	2024 Total	2015-24 Change	per ann.	Sq m
<i>Industrial</i>	16,242	16,810	568	63	25,564
<i>Logistics / distribution</i>	7,191	8,550	1,359	151	94,904
Industrial total	23,433	25,360	1,927	214	120,468

- 5.26 Source: Oxford Economics, Sept 2024
- Job floorspace densities applied: 45 sq m / job and 69.8 sq m / job respectively for core industrial and logistics/distribution.
- 5.27 The table shows that the growth in industrial jobs has been largely (70%) through logistics/ distribution, but both sectors have seen positive growth that aligns with the floorspace data, albeit more closely with the VOA floorspace data that unfortunately¹⁶ we cannot interrogate to check and validate. However, the job data does reflect changes on the ground, most notably London Medway.
- 5.28 The ‘take away’ is that Medway has seen floorspace and jobs growth in the wider industrial sectors for over a decade, with this predominantly, but not exclusively in the logistics/distribution sector.
- The projection
- 5.29 Through the assessment of the past we have seen that the ten-year trend in both industrial floorspace and jobs is the most positive, and aligns with our review of the direction of travel for the property market generally.
- 5.30 The projection has two broad elements:
- Firstly, it projects the trend period over the 17 year plan period to 2041; and
 - Secondly, it corrects for any existing shortfall by making a stock vacancy adjustment to bring the available stock up to the industry standard optimum 7.5% availability. We have retained this adjustment, but note that its logic is questionable given that the market has not corrected for this vacancy rate despite the supply of available land (as we shall see later) – including, more recently, at the Innovation Park.
- 5.31 The results of these calculations are set out in the table below. The preferred ten-year trend period projected over the 17 years, and the stock vacancy adjustment based on the current vacancy rate (2.9%) as discussed in the preceding Property Market review chapter, plus an allowance for any committed pipeline floorspace losses. The resultant need figures are presented as floorspace (sq m) and land (Ha).

¹⁶ The VOA data is bound by confidentiality restrictions and is not available to us below the overall aggregate data level.

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Table 5.7 Past trends based need for industrial floorspace / land, Medway 2024-2041

	Per ann Average sq m	Projection 2024-41 sq m	Net need 2024-41 sq m	Ha
Core industrial	289	4,918	4,918	1.23
Logistics / distribution	8,023	136,386	136,386	34.10
Existing stock vacancy adjustment			51,662	12.92
Re-provision of committed planning permission losses			10,982	
Total industrial gross demand		141,304	203,948	50.99

Source: MC Plan monitoring data, and Rapleys analysis

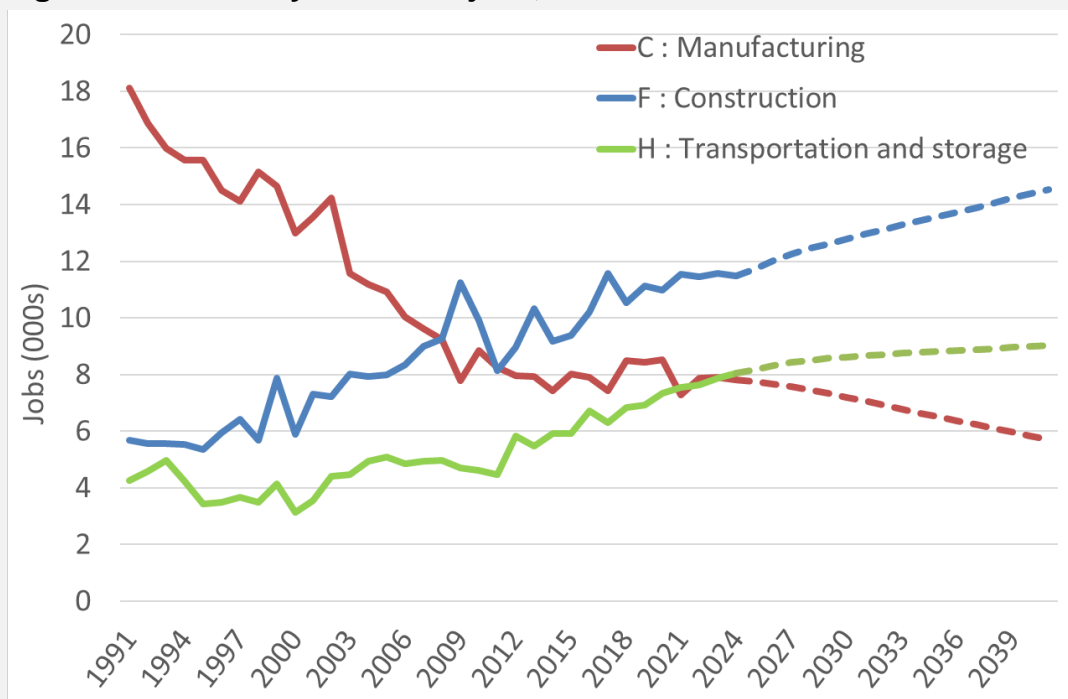
Note: the land requirement calculation is based on an industry standard 40:60 ratio between floorspace and outdoor circulation, parking, storage and landscaping area.

- 5.32 Thus, on a past trends' basis, to meet the need for industrial uses over the plan period to 2041 will require a minimum of 204,000 sq m of new additional floorspace that at an average plot ratio of 40% equates to approximately 51 ha. On a per annum basis the need is 12,000 sq m or 3 ha.
- 5.33 While 204,000 sq m is the total requirement to accommodate the future need in aggregate for all the industrial uses - light industrial, general industrial and logistics/distribution, as shown in the table above, the overwhelming need is for logistics/distribution space rather than either light or general industrial. With a rounded half share of the existing stock vacancy adjustment (26,000 sq m) and including a two-thirds share of the core industrial re-provision (8,000 sq m) the share of the requirement for light/general industrial is a rounded 40,000 sq m.
- 5.34 In terms of the jobs that this amount of floorspace could deliver, if we apply the latest average job densities, the 204,000 sq m of floorspace could accommodate 2,600 jobs, which is equivalent to c150 jobs per annum, and is a similar rate to actual job change over the past decade.
- 5.35 In the above calculation we have still made a stock vacancy adjustment but the merit of doing so here is questionable given the large pipeline of land. The lack of vacant space here does not appear to be due to a shortage of land. We have however retained the adjustment being cautious and to allow additional flexibility over the plan period.

THE LABOUR DEMAND APPROACH

- 5.36 This approach is based on an economic forecast that identifies job change by year from 2024 through to 2041. The raw data annual forecasts for all the economic sectors¹⁷ are presented at Appendix 1.
- 5.37 Below we present change over time of jobs in three sectors key to industrial activity to show how the past, which is actual data (solid line) compares to change in the future - the forecast (dashed line).

¹⁷ Oxford Economics identify 19 economic sectors

Figure 5.17: Medway industrial jobs, selected industrial sectors

Source: Oxford Economics (Sept 2024) with Rapleys' analysis

- 5.38 Of note is that after years of decline, since around 2009 manufacturing job numbers have stabilised, and this together with the steady increase in construction related jobs reflects the growth in core industrial jobs referred to earlier. However, in the forecast (dashed line) the forecaster predicts a return to the long term decline in manufacturing jobs, the net effect of which will dampen the overall forecast for industrial jobs and floorspace.
- 5.39 The chart shows that jobs in the transport and storage sector have increased steadily over the period since circa 2000, roughly doubling since 2011 to 8,000 jobs now. Increase in this sector has fuelled logistics and distribution jobs, also referred to earlier. The green dashed line on the chart shows that the forecaster considers that the growth in jobs in this sector will continue, but at a much slower rate.
- 5.40 Thus, our review of some of the key economic sectors shows that the forecast is likely to point to much lower job growth in the future in the industrial employment sectors.
- 5.41 We 'translate' these economic sector forecasts into planning land use categories using our bespoke sector to space 'mapping' method (the explanation of how this is undertaken is set out in Appendix 2). It is necessary to disaggregate the jobs within all economic sectors because there are many SIC classes/sub-classes within each sector not all of which will be attributable to industrial (E(giii)/B2 or B8 use classes).
- 5.42 Table 5.8 below summarises the overall 'translation', identifying the total job change in the forecast for industrial type activities, separately for core industrial and logistics/ distribution jobs.

Table 5.8: Medway - economic forecast job change 2024-41

Forecast job change	2024-41	
	Total	p.a.
Core industrial	-239	-14
Logistics / distribution	922	54
Industrial total	683	40

Source: Oxford Economics, published September 2024

5.43 The most striking observation is how much lower the jobs forecast is compared to growth over the past decade as shown above in Table 5.6, and as discussed above. The past decade saw industrial jobs growth of 214 jobs per annum and the forecast is for growth of just 40 jobs per annum – much lower than the recent past. Overall total jobs in Medway are forecast to increase from 115,800 to 129,400 between 2024 and 2041 (see Appendix 1), an increase of 12% over 17 years. To put this in context this is only a little lower than the forecast 14% job growth for the whole southeast region.

5.44 We will return to the issue of job forecast and population when we turn to labour supply, but it should be noted here that no economic forecaster embeds the Standard Method housing numbers in their model, and that Oxford Economics use their own population data. We note here that the difference in population in the forecasts are likely to be substantial as the 2018 Sub-national Population Projections (SNPPs) that are the official population generate a c13,000 higher population compared with the Oxford Forecasting model. We return to this later because there may be opportunity for an uplift in economic need to address this.

The forecast

5.45 Next, we take the labour demand approach to assess the demand for future industrial floorspace.

5.46 Table 5.9 presents the economic forecast for Medway's future industrial floorspace need. The text that follows explains the method and data used at each stage – rows a to j, following which we interpret the outcomes.

Table 5.9: Medway – future industrial need 2024-41 – labour demand approach

INDUSTRIAL	Core industrial	Ware-housing	Total Industrial	p.a.
a Jobs change (2024-41)	-239	922	683	40
b Job density factor (sq m GIA /job)	45.0	69.8		
c Occupier demand (sq m GIA) [a*b]	-10,763	64,392	53,629	
d Vacancy factor (sq m GIA) [c*8.1%]		5,216	5,216	
e Total occupier demand (sq m GIA) [c+d]		69,608	58,844	3,461
f Existing stock vacancy adjustment (sq m GIA)			51,662	
g Net demand (sq m GIA) [e+f]			110,506	6,500
h Re-provision of committed planning permission losses			10,982	
Gross demand (sq m GIA) [g+h]			121,488	7,146
j Gross demand (hectare) [g @40% plot ratio]			30.4	1.8

Source: Oxford Economics economic forecast (Sept 2024) and Rapleys analysis

- Forecast job change for the 17 year 2024-41 period. The overall numbers are much lower than the jobs delivered over the past decade, and marginally negative for core industrial. The forecast change for all 19 individual economic sectors are set out in Appendix 1.
- Job density factors are averages from the HCA Employment Density Guide (2015)¹⁸.
- Occupier demand is the sum of a * b. Negative for core industrial and mildly positive for warehousing.
- To allow for choice, competition and flexibility in the market we allow for some additional floor space over and above that generated by the new jobs, this is referred to as the vacancy factor¹⁹.
- Total occupier demand is the sum of c + d.

¹⁸ Section 6, Homes and Communities Agency Employment Density Guide 2015

¹⁹ The vacancy factor is calculated by adding 8.1% to the occupier demand, that being the proportion required to deliver 7.5% unoccupied floorspace. 7.5% is the industry-wide accepted vacancy rate for a market operating at optimal efficiency. For the vacancy rate to stay at 7.5% over the plan period, for every 92.5 sq m of additional space that will be taken up by occupiers, developers should provide a further 7.5 sq m that will remain vacant. Therefore, developer demand will be $7.5 / 92.5 = 8.1\%$ above occupier demand.

- f. The existing stock vacancy adjustment is the floor space factor needed to return the vacancy rate for the whole existing stock to 7.5%, thereby allowing choice and flexibility in the existing market; effectively correcting for current under-supply. This is assessed for all industrial activity because the data is not divided into core industrial and logistics/ distribution. With industrial floorspace vacancy in Medway currently running at 2.9%, an additional 52,000 sq m is required to return the vacant available floorspace to the optimum 7.5% rate.
- g. Net demand for development sums e + f, and in this case is the same as occupier demand.
- h. The re-provision of committed (via planning consents) industrial floorspace losses. Given availability is very low at just 2.9% these future floorspace losses, which may well involve the displacement of jobs, need to be replaced.
- i-j Gross demand sums the re-provision and the net demand. The output is given as floorspace (i) and land (j).

5.47 The labour demand (economic forecast) approach identifies a net demand figure of c59,000 sq m (e), which expands to a gross demand for 122,000 sq m, requiring 30 ha over the Plan period. This is a lower total requirement compared with the past trends approach that identifies 204,000 sq m or 51 ha. National Guidance advises Councils to explore the alternative approaches, and for plan-making to adopt the most positive (and realistic) approach, and in Medway's case this means the requirement calculated on a labour demand for industrial activity basis is set aside.

LABOUR SUPPLY APPROACH

- 5.48 As noted in the introduction while Government boosts housing supply, this boost is not necessarily to accommodate more people in total – rather improve access to housing and better household formation. So, it does not automatically follow that every new home will provide a boost to labour supply.
- 5.49 For Medway HDH (Planning & Development consultants) have modelled the size of the economically active population associated with delivery of the standard method²⁰.
- 5.50 When estimating the future population HDH have first assumed that any boost in local housing supply is available to improve household formation. But once the formation rate reaches that observed in 1991, HDH have assumed homes are available to new migrants. This approach would appear to best align with Government's objectives to improve housing accessibility. In this case the assumed population and workforce in the economic model are very similar to that calculated by HDH.
- 5.51 HDH identifies an additional 21,809 working residents over the plan period (using the 2021 Census data by age and gender and the OBR figures) and applying an unemployment rate to the economically active population (4.4% is the latest figure according to Nomis).
- 5.52 The comparative Oxford Economics figure is 21,142 [resident employment], and thus the two estimates of labour supply are very similar with the Standard Method just c650 higher. For these purposes such a small difference is well within tolerance.
- 5.53 So, we know that there is sufficient labour supply to meet the economic forecast in full. But, for industrial and logistics use we prefer a past trends approach – this generates a job need higher than that in the forecast.
- 5.54 The economic forecast identified a net gain in industrial jobs 2024-41 of 683 (as shown on Table 5.9 above). The floorspace projection (204,000 sq m) is capable of delivering 2,600 jobs at standard core industrial and warehousing densities – assuming all the space is occupied. So, by planning for Past Trends as opposed to the forecast our recommendations are around 2,000 higher. But it is noticeable that the forecast assumed that commuting would deteriorate over the plan period and increase by 6,000 people. Adopting the past trends approach would reduce this growing imbalance.
- 5.55 We have considered developing a scenario whereby Medway could seek to 'recall' it's still considerable outflow of commuters. But this would require significant work with neighbours because any major assumptions made by Medway will impact their plans and strategies. Other Councils will be assuming a continued flow of Medway workers. So, we have not adjusted our need calculation to

²⁰ This calculation was done before the move to a stock based approach, but the difference is minor (4%).

‘recall’ these commuters. But with such strong out commuting there is a continued rationale to take a positive view to economic land allocations, continuing to promote regeneration, and providing scope or opportunity for these workers to, over the plan period, work locally.

CONCLUSIONS ON INDUSTRIAL DEMAND

- 5.56 We have assessed the approaches to establishing future need for employment floorspace/ land required by Government Guidance.
- 5.57 We have identified that the view presented in the economic forecast (labour demand) does not accord with the faster growth we have seen over the past decade. Our qualitative assessment would not support a slowdown in take-up which lends support to the higher Past Trends approach.
- 5.58 The past trends approach identifies a requirement for a minimum 204,000 sq m over the plan period, which in land terms equates to 51 ha. This requirement assumes no further industrial losses through reconfigure or regeneration. This amount of floorspace / land is capable at industry average densities of delivering c2,600 industrial jobs – a mix of core industrial and logistics/distribution.
- 5.59 We have tested the supply of labour, associated with the delivery of the Standard Method, and this would also support the delivery a higher (than forecast) take-up of industrial floorspace. If only the level of growth shown in the forecast is met, then commuting will further deteriorate over the plan period.
- 5.60 Quantitatively Medway has more land in its pipeline than needed to meet economic needs. The strong regeneration agenda would support overprovision compared to need and we do not recommend releasing the pipeline noting that much of the land promotion aligns with the new and growing sectors noted in the new NPPF.
- 5.61 Medway may wish to engage with neighbouring Councils who may have a more constrained land supply as part of a wider sub-regional approach.

6 THE DEMAND FOR OFFICE SPACE

- 6.1 In this section we review the space requirements to support the future need for office uses in Medway. Office uses are activities requiring office (E(g)i uses), and research and development space (E(g)ii).
- 6.2 Earlier we discussed the impact of Covid on office need, and here we point out that a consequence of Covid has been that the existing stock is now being used more efficiently, albeit that the impact of homeworking may exaggerate this. As we shall see the improvement in job densities means that the market is now/ or is now close to being in 'balance', and has largely already adjusted to a longer-term post-Covid position. While the office floorspace vacancy rate has fluctuated and is currently comparatively high, the relatively small size of the overall stock may mean that there is little further capacity in the stock (with homeworking) to accommodate further job growth (referred to as spaceless growth) without firms seeking net additional space.
- 6.3 Here as for industrial need, we assess the three Policy Guidance approaches to estimating employment space need, and as the method follows a very similar approach to that described above for industrial need, we do not repeat the process descriptions, instead we focus on any differences and the outcomes.

PAST TRENDS

- 6.4 Here we again use the Local Authority Plan monitoring data and the VOA floorspace data, reviewing the past and considering the different trend periods to identify which if any is the most appropriate period to project forward the need for office floor space over the plan period.
- The past
- 6.5 The current local plan identified a need for 285,000 sq m of A2/B1 space over the 1991-2006 period, exactly the same as the forecast for industrial need, and averages to a requirement for 19,000 sq m per annum over the Plan period to 2006²¹. Total supply was a close match to the identified need.
- 6.6 The table below shows the annual gains and losses in industrial floorspace stock since 2007/08, with the rows at the end identifying per annum averages for the various trend periods. Over the page is a chart based on VOA data showing Medway's total office stock on an annual basis.

²¹21 [Medway Local Plan 2003 | Medway Council](#) paragraph 4.2.12

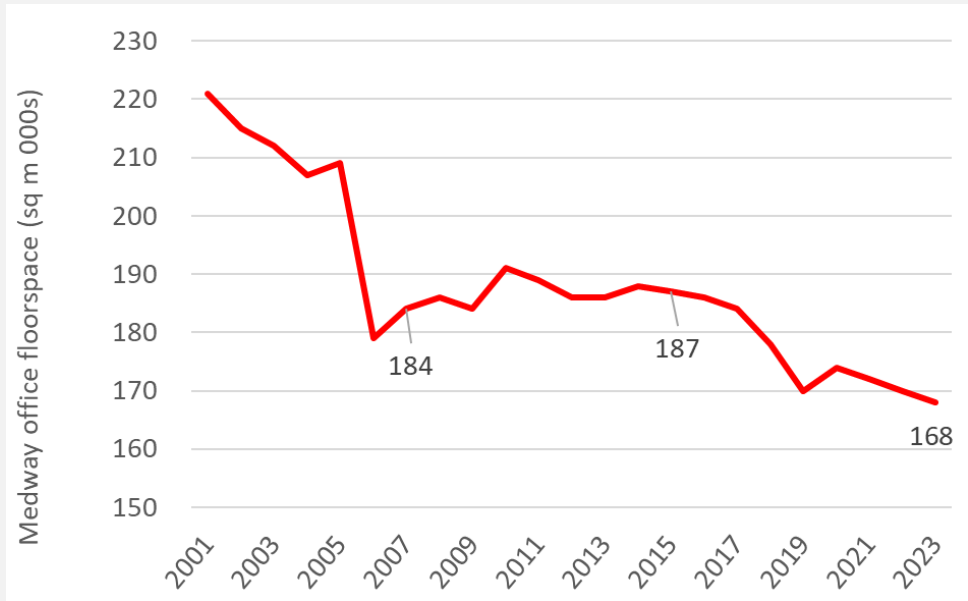
Table 6.10 Past trends in Medway office floorspace completions

Office	Gross gains (sq m)	Gross losses (sq m)	Net change (sq m)
2007/08	738	2,458	-1,720
2008/09	4,711	2,779	1,932
2009/10	580	910	-330
2010/11	1,421	1,993	-572
2011/12	1,105	1,231	-126
2012/13	1,757	6,787	-5,030
2013/14	910	4,402	-3,492
2014/15	3,097	6,054	-2,957
2015/16	807	7,174	-6,367
2016/17	1,733	1,651	82
2017/18	186	4,302	-4,116
2018/19	8,980	3,799	5,181
2019/20	860	1,894	-1,034
2020/21	1,672	4,663	-2,991
2021/22	1,555	4,654	-3,099
2022/23	997	7,789	-6,792
2023/24	0	5,886	-5,886
Per ann ave 2007/08-23/24	1,830	4,025	-2,195
Per ann ave 2014/15-23/24	1,989	4,787	-2,798
Per ann ave 2019/20-23/24	1,017	4,977	-3,960

Source: MC Plan monitoring data, and Rapleys' analysis

- 6.7 What is most evident from the data is that change has been overwhelmingly negative, indeed in only three of the 17 years is there a net gain. There is also far less 'lumpiness' in the data compared to the data for industrial, which is also evident from the trend period averages.
- 6.8 The first average is for the full period for which we have data 2007/08 to 2023/24 with overall losses broadly 2:1 compared to gains. The net change since 2007/08 is -28,000 sq m. The introduction of PDR office to residential in 2013 appears to be a major factor with losses rising from 2012/13 onwards. The second per annum average – most recent ten years saw accelerated losses, but this was balanced to some degree by a significant gain in 2018/19 that was very largely a conversion to offices on upper floors at 2 Anchor Wharf in Chatham Dockyard. The most recent five years have seen the highest loss and net change rates.
- 6.9 Below, are the VOA floorspace data to sense check the Council's monitoring data. The VOA data shows a declining stock (2007-23 shows a loss of 16,000 sq m) albeit not as rapid a decline as shown in the monitoring data, but a loss of one quarter of total stock since 2001 and a 10% decline since 2015.

Figure 6.18:Medway office floorspace change



Source: VOA with Rapleys’ analysis

6.10 What is clear is that the past trends do not provide a positive route to projecting future need for office floorspace.

Office job change

6.11 Next, we turn to assess the change in office job numbers over the recent past. The table below identifies the total number of office-based jobs in Medway and average densities in 2015 and 2024.

Table 6.11 Change in office-based jobs, Medway 2015-2024

Jobs	2015	2024	2015-24 Change	per ann.
Office jobs	17,449	20,693	3,244	360
Office job densities (sq m / job)	10.7	8.1		

Source: Oxford Economics, Sept 2024 and Rapleys analysis

6.12 Compared to the floorspace lost the table shows that the number of office-based jobs over the period has increased, with change averaging an additional 360 jobs per annum. The resultant job densities have improved from 10.7 sq m per job in 2015 to 8.1 sq m in 2024, which is quite significant. But this is a 2024 calculation so takes into account post covid homeworking and office trends in the current market.

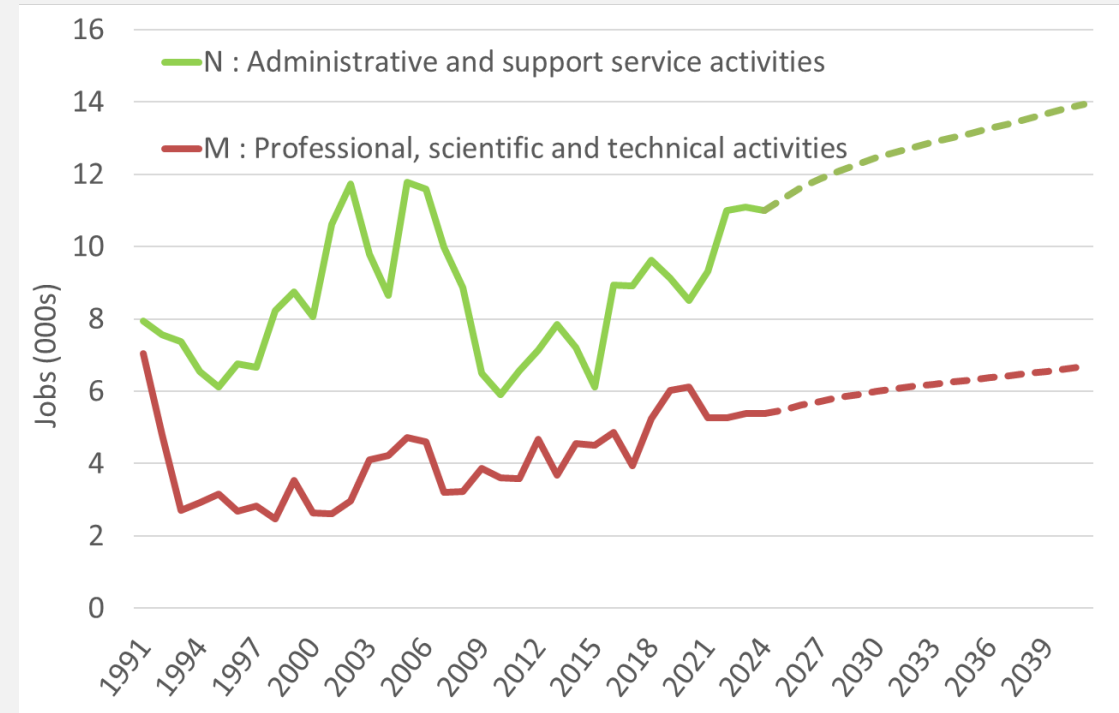
THE LABOUR DEMAND APPROACH

6.13 Here we consider the change in job numbers within the economic forecast between 2024 and 2041. The raw economic forecast data for individual years for each economic sectors are presented at Appendix 1.

6.14 To help understanding of the economic data, below we present change over time of jobs in the two main economic sectors that generate office jobs. The chart presents data covering the past, which is actual data²² (solid line) and the forecast (dashed line).

²² Data from official sources.

Figure 6.19:Medway office jobs, selected predominantly office-based sectors



Source: Oxford Economics (Sept 2024) with Rapleys' analysis

- 6.15 In the past both sectors have generally seen a rise in jobs over time, albeit there have been some reductions - admin office jobs fell very sharply around the 2008/9 banking crisis and the sharp drop in professional office jobs in the early 1990s also coincided with a recession. However, the longer term trend for both sectors is increasing job numbers.
- 6.16 It is clear that the forecasts (dashed lines) are broadly continuations of the past, but the forecast for both 'tail off' in the latter years. However, overall job change in classes/sectors requiring office space is likely to broadly align with the past.

The forecast

- 6.17 Next, we 'translate' these economic sector data into forecast office job and floorspace change. The method explanation is set out in Appendix 2, and Table 6.12 below summarises forecast total office job change for office-based activities.

Table 6.12: Medway office jobs change 2024-41 (economic forecast)

Jobs	2024	2041	2024-41	Change per ann.
Office jobs	20,693	23,936	3,243	191

Source: Oxford Economics, published September 2024

- 6.18 Comparing the above tables (Table 6.11 and Table 6.12) shows that the forecast change in office job numbers is less buoyant than the recent past – ie averaging 191 jobs/annum compared to 360/annum seen in the past. This again is likely to be the forecaster taking a longer term view. We think this more cautious forecast is an appropriate basis to plan for floorspace change as it may in practice account for how working from home impacts on office-based activity.
- 6.19 Next, we calculate floorspace demand based on the forecast job change as presented in Table 6.13 below. The text that follows explains the method and data used at each stage – rows a to j, following which we interpret the outcomes.

Table 6.13: Medway – future office floorspace need 2024-41 – labour demand approach

OFFICE	Total	p.a.
a Jobs change (2024-41)	3,243	191
b Density factor (sq m NIA /job)	8.1	
c Occupier demand (sq m NIA) [a*b]	26,329	
d Vacancy factor (sq m NIA) [c*8.1%]	2,133	
e Total occupier demand (sq m NIA) [c+d]	28,462	
f Stock vacancy adjustment (sq m NIA)	2,520	
g Net demand (sq m NIA) [e+f]	30,982	
h Net demand (sq m GIA) [g/0.85]	36,449	2,144
Re-provision of committed planning permission losses	0	
j Gross demand (sq m GIA) [h+i]	36,449	2,144

Source: Oxford Economics economic forecast (Sept 2024) and Rapleys analysis

- a. The office job change forecast 3,243, or 191 per annum. The economic sector detail for this is set out in Appendix 1.
- b. Job density factor. We apply the 2024 Medway average as calculated in Table 6.11 above. This is an average that reflects the shifts in office working - the predominantly three day/week hot desking 'new normal' that generates densities higher than those pre-Covid. The density factor applied is Net Internal Area (NIA) rather than GIA because it is based on the VOA's floorspace estimate which for offices is NIA as explained on page 6 of the explanatory notes - [Background Information.pdf](#)
- c. Occupier demand is the sum of a * b.
- d. The vacancy factor²³ builds-in an allowance in addition to the new floorspace need generated by the new jobs, to provide some choice, competition and flexibility in the market.
- e. Total occupier demand is the sum of c + d.
- f. The existing office stock floorspace vacancy rate is currently around 6%, but has been much lower over the past four-five years (as shown in Table 4-4 above), thus we make an allowance to return the rate to 7.5%.
- g. Net demand for development sums e + f.
- h. Because commercial floorspace areas in Local Plans and Development Management are generally given in terms of Gross Internal Area (GIA), we convert the NIA to GIA by dividing by 0.85 (GIA being 15-20% greater than NIA), as advised by the Homes and Communities Agency²⁴.
- i. If necessary, we would make an allowance to re-provide for any future office floorspace losses ie schemes in the pipeline. While there is a total of c15,000 sq m office with planning permission for other uses (a schedule is set out at Appendix 3), because the prevailing vacancy rate (12%) is approaching double the 7.5% optimum and market signals are weak, we do not consider it sensible to make an allowance to replace any of this space.
- j. Gross demand is the product of (h) plus (i).

6.20 Overall, the approach identifies a net office demand figure of c36,500 sq m, which over the Plan period is equivalent to a 22% addition to Medway's current office floor space. That would be a reversal of change over the past 20 years, but given the job densities this is not an unreasonable possibility. To deliver this amount of floor space at a reasonable town centre plot ratio of 2:1 (i.e. 2 sq m of floorspace for every 1 sq m of site area) would require 1.8 ha of land.

²³ See footnote 19

²⁴ Paragraph 2.10 Homes and Communities Agency Employment Density Guide 2015

LABOUR SUPPLY

- 6.21 The approach to labour supply is discussed above in the section assessing industrial need. The population assumed in the model is broadly aligned with that expected via Standard Method homes in Medway.

Conclusions on office need

- 6.22 Above we have noted that for office past floor space change trends are negative, but job change has been positive. The economic forecast-based labour demand scenario is positive over the plan period, albeit modest compared to the past. The forecast adds 191 jobs per annum – which if we assume the homeworking economy is now maximised and all these jobs will require floorspace (8.1 sq m / job) generates a plan period need for c36,500 sq m. We are also clear that consideration of the labour supply approach does not justify an economic uplift over and above the labour demand outcome.
- 6.23 For the Local Plan this approach is positive albeit modest, requires floorspace to be identified to accommodate office job growth, thus avoiding the risk of harming economic growth prospects. In the current economic outlook, a positive approach may be viewed as rather cautious in identifying a need to identify land for office, but the requirement is modest and over a 17-year horizon the outlook for offices may well improve.
- 6.24 The labour demand approach is therefore preferred and generates an office need for 36,500 sq m GIA (equivalent to 1.8 ha) over the 2024-41 plan period. This uses post covid employment densities for Medway that reflect how space is being used in 2024.

7 MEETING THE NEED FOR EMPLOYMENT LAND – FUTURE SUPPLY

INTRODUCTION

- 7.1 In this section we set out how the Council can address its employment land needs over the 2024-41 plan period. As identified in the earlier chapters the demand for employment space is as follows:
- 51 ha to accommodate 204,000 sq m of net additional industrial stock; and
 - 36,500 sq m of future office need that in land terms would need 1.8 ha.
- 7.2 Both are minimums, and as noted there is strong rationale to over-provide land in order to provide the best opportunity to boost job growth, address commuting and improve wages via new sectors.
- 7.3 However, we still need to demonstrate how much land is needed to address Medway's identified need. The Local Plan will need to know how much land is needed for employment purposes, but the employment demand calculations are based on either specific job to floorspace ratios or past trends in floorspace delivery. Thus, we consider the available supply in floorspace terms using specific plot ratios to convert land to a floorspace requirement.
- 7.4 The committed floorspace / land supply for employment uses consists of
- sites with employment use planning permissions (as at 31 December 2024),
 - remaining allocated land in the current plan.
- 7.5 The most up to date plan monitoring data has been used to calculate commitments from all these sources.

WITH PLANNING PERMISSION

- 7.6 The table below identifies the sites with the largest permitted floorspace, plus in the final row all the other permissions. Detail of these 'other' schemes are provided at Appendix 3

Table 7.1: Medway – Committed Supply – extant planning permissions

	LAA reference	Office / R&D Sq m	Light Sq m	B2 Sq m	B8 Sq m	Mixed B Sq m	Total Industrial Sq m
National Grid Grain Road	AS24/26		99,537	99,658	99,658		298,853
London Medway	HHH37/38/39		5,607	603	58,288		64,498
Innovation Park	FH1	23,700		44,920			44,920
BAE Systems	FH1		8,465	32,028	2,871		43,364
Chatham Docks	SM15					28,516	28,516
Basin 3 Dock Road	SM15					12,649	12,649
All other extant permissions		3,086	6,239	5,934	18,435	10,104	40,712
Total permissions		26,786	119,848	183,143	179,252	51,269	533,512

Source: MC Plan monitoring data, and Rapleys' analysis

- 7.7 Over half a million square metres of permitted employment space is considerable, albeit over half of this is located in the north of Medway and so more remote for the established population. However, having c230,000 sq m of committed floor space in five different locations plus 40,000 sq m of smaller sites, is considerable and on its own sufficient to meet identified need.
- 7.8 Where the land identified for office and hybrid use at Innovation Park to be available for industrial uses this would be likely to be attractive to the market further bolstering supply. As referred to elsewhere, Medway lacks a town centre office market. However, office need should be most appropriately met within the five town centre areas and could be used to support regeneration including SMEs and creative sectors – we would note that while this assessment focused on 'offices' following the PPG approach the nature of the office market has shifted and occupiers are looking for more flexibility in format including workspace and workshops with the E class. So, our 'office'

recommendations in regard to future floorspace should be assumed to be all traditional B1a formats, and our analysis would support a more open E class approach to meeting ‘office’ needs. When we consider a possible future office supply this flexibility should be considered to make sure space is as attractive to the fullest range of E class occupiers as possible.

7.9 The Council should look for regenerative opportunities within the town centres to provide a consolidated area of office as part of a mix of uses, most obviously in Chatham. Alternatively, office can be encouraged in the best existing edge of town centre locations. Our market review points to the success of Chatham Maritime as an office location linked to the Universities, where pavilion style offices deliver some of the best office stock in the area in a “campus” environment. The regeneration of areas such as Chatham Waters present opportunities to capitalise on the higher education linkages, extending and focusing commercial activity in this area.

WITHIN EXISTING DESIGNATED /ALLOCATED SITES

7.10 The table below identifies the three allocated sites with available supply.

Table 7.2: Medway – Committed Supply – allocations

	LAA reference	Office / R&D Sq m	Light Sq m	B2 Sq m	B8 Sq m	Mixed B Sq m	Total Industrial Sq m
Medway One - Kingsnorth Power Station (KN1)	HHH36					315,000	315,000
Diggerland, Roman Way, Strood	CHR16			12,650	12,650		25,300
Pit 2, Roman Way, Strood	CHR17					10,000	10,000
Total allocations		0	0	12,650	12,650	325,000	350,300

Source: MC Plan monitoring data, and Rapleys’ analysis

7.11 Kingsnorth Medway One comprises of the bulk of the 350,300 sq m of identified floor space and closely relates to the London Medway area. The other two sites are close to the M2 junction 2 and comprise part of larger mixed use redevelopment sites that are certainly suited to industrial uses. All three sites are therefore likely to be suitable and attractive to industrial developers and occupiers.

7.12 The sites referred to in the two tables above are combined in the summary total supply table below.

Table 7.3: Medway – Total Supply

	LAA reference	Office / R&D Sq m	Light Sq m	B2 Sq m	B8 Sq m	Mixed B Sq m	Total Industrial Sq m
Permissions							
National Grid Grain Road	AS24/26		99,537	99,658	99,658		298,853
London Medway	HHH37/38/39		5,607	603	58,288		64,498
Innovation Park	FH1	23,700		44,920			44,920
BAE Systems	FH1		8,465	32,028	2,871		43,364
Chatham Docks	SM15					28,516	28,516
Basin 3 Dock Road	SM15					12,649	12,649
All other extant permissions		3,086	6,239	5,934	18,435	10,104	40,712
Total permissions		26,786	119,848	183,143	179,252	51,269	533,512
Allocations							
Medway One - Kingsnorth Power Station (KN1)	HHH36					315,000	315,000
Diggerland, Roman Way, Strood	CHR16			12,650	12,650		25,300
Pit 2, Roman Way, Strood	CHR17					10,000	10,000
Total allocations		0	0	12,650	12,650	325,000	350,300
TOTAL SUPPLY		26,786	119,848	195,793	191,902	376,269	883,812

Source: MC Plan monitoring data, and Rapleys' analysis

- 7.13 Thus, in summary set against an industrial requirement for 204,000 sq m the Council has identified more than four times that amount, albeit two locations account for two-thirds of this, including the c300,000 sq m at Isle of Grain that is remote with poor quality transport infrastructure and better suited to energy generation and/or economic uses that offer very low levels of employment. Medway One (Kingsnorth) is a site in the planning pipeline and could come forward for a range of economic uses providing different amounts of employment. The form that development at Medway One will come forward is currently unclear, but it is an attractive location for logistics and distribution in particular and we recommend in meeting the general employment need this should be the prime objective.
- 7.14 All other sites in combination stand to contribute c270,000 sq m of future supply. Thus, comfortably more than the general employment requirement, and widely distributed, thus offering choice of area and site characteristics.
- 7.15 It is clear that the existing supply can continue the growth trajectory and could accommodate higher growth, and on the assumption that there are no further industrial losses through reconfigure or regeneration, there is no need to increase the industrial supply.
- 7.16 The office requirement is relatively modest at 36,500 sq m, and should be met through town centre regeneration as part of mixed use schemes, or failing that should be met through expansion of existing edge of centre office hubs such as that associated with the Universities at Chatham Maritime.

8 CONCLUSIONS AND RECOMMENDATIONS

- 8.1 Medway is a large Local Authority area with a strong regeneration and renewal agenda. This is partly driven by a poor-quality legacy stock and waterside regeneration opportunities – but also a need to boost local employment opportunities.
- 8.2 Perhaps the critical issue for residents is that resident wages are lower than the County average and there remains a strong out-commuting flow. This flow is not generally to London, but other areas of Kent – so the high London commuted wages are much less here.
- 8.3 These are not new findings – there is extensive evidence around the regeneration need here. For our purposes, what is noticeable is that Medway has made significant economic land allocations in previous plans, positively intervened in the market, but the availability of built stock (outside offices) remains very low.
- 8.4 Here the general line that new undeveloped land does not substitute for released built floorspace appears especially true. While past take-up rates have been strong the profile of this new stock has been for larger occupiers; especially logistics. So regardless of the pipeline of new space the existing stock still needs careful protection for the foreseeable future. But, over the longer term the Council will need to consider the role of some established estates – with the Medway City Estate a particular dilemma given the clear regeneration / 'Opportunity Area' potential, and need for investment and renewal. But the secondary stock is still well occupied with no alternative space to relocate should sites be proactively de-allocated.

Industrial land and property

- 8.5 The Medway pipeline of economic space is approaching 1 million square metres of new space – most with planning permission for 'flexible' uses. If all the sites were to be developed, this would almost double Medway's stock of industrial property. Much of this land is brownfield and has been a priority for regeneration for many years. In the recent past major logistics firms have started to be attracted to Medway and take-up of land increased.
- 8.6 As referred to previously a concern with this large pipeline is that, by its nature and location, Isle of Grain in particular may come forward providing little or no employment. But employment counts are not the only way to measure economic success, and the remote location means resourcing a labour supply from urban Medway would be more difficult, and therefore the area is less attractive to the general employment market. Thus, as matters stand it is not a location we would expect to see higher employment generating uses to be accommodated – without a significant increase in local labour supply and associated infrastructure.
- 8.7 Closer to urban Medway, the response to previous calls to provide high quality industrial stock, resulted in the Innovation Park proposal, which is currently under-review with the outcome awaited. Our analysis still supports a high quality industrial-led development because the original rationale to provide new, high quality industrial stock in Urban Medway remains, albeit of a different form and mix of functions.

Industrial quantitative balance

- 8.8 The sum of the land supply exceeds any assessment of industrial land need here. We have developed a 'past trends' scenario and, when doing so, considered to what extent land supply may have constrained development.
- 8.9 However, even using a past trends approach, using the most favourable past trend period, we generate a minimum need for 204,000 sq m over the plan period – broadly a 20% increase in Medway's stock of industrial floorspace and would result in the stock growing from around 1.1m sq m to 1.3m.
- 8.10 It is the case that we retain a stock vacancy adjustment in our assessment of need. This is used where the vacancy rate in the stock is observed to be lower than would be observed in a healthy market. So, adjusts for the fact that the needs assessment may not commence from a 'balanced market'. We have retained this adjustment, but note that its logic is questionable given the large supply of land – the market has not corrected for this vacancy rate despite the supply of land – including, more recently, at the Innovation Park.

Qualitative considerations:

- 8.11 As noted, the pipeline is highly biased to a small number of large brownfield opportunities with by far the biggest being at Medway One (Kingsnorth) and at Isle of Grain.
- 8.12 But within the nearly 1m square metres of supply, Innovation Park and Basin 3 at Chatham Docks should deliver nearly 70,000 sq m of new 'urban' Medway supply. In addition, there remains a 25,000 sq m outstanding allocation at Diggerland – expected to deliver a mix of B2/B8 property and a number of smaller permitted schemes throughout Medway that collectively sum to over 120,000 sq m of new industrial floor space.
- 8.13 So, there would not appear to be a pressing need for further allocations to address a qualitative deficiency.
- 8.14 However, while we would note that there is no pressing need for new sites to be added to the pipeline there remains a shortage of built stock. When making provision for major housing schemes, where the inclusion of economic floorspace would assist with placemaking and its viable to do so the Council should consider additional local scale and quality employment space.

Deallocating sites:

- 8.15 Despite this over-supply in the pipeline, we do not suggest de-allocating sites while there remain active efforts to promote and develop them by their respective owners. There are efforts to develop much of this land for new industries and sectors and building on their energy connections for example. Given the strong outward commuting flows we have identified, which as noted are generally to lower wage Kent economies, there is a strong case for over-providing economic land where other policies would also support their continued promotion in Medway's land supply.

Protecting sites

- 8.16 With limited available stock and recognising that undeveloped land is not substitutable for built stock there remains a need for the next plan to protect its stock via a strong marketing and viability testing policy.

Affordable workspace products

- 8.17 We have considered whether Medway should seek to secure affordable workspace as part of new economic development proposals. Such policies are found elsewhere and particularly in London. They seek to secure new 'affordable' workspace and often aimed at social sectors and creatives and offer this space at below commercial rents.
- 8.18 Given the generally fragile state of the commercial market in Medway seeking affordable workspace from economic schemes does not appear pragmatic – even if desirable. Also, here there remains a large stock of value secondary stock, and we consider that the best route to support local firms is to protect the secondary stock including using policy to encourage owners to re-configure their space to new markets when needed. This could include exploring routes to subdivide larger floorplates.
- 8.19 There is scope to boost the supply of workspace products, at cost efficient rents, as a route to re-use office or retail stock. Workspace and workshop style space – suitable for SME firms including the creative sector – should be encouraged in major redevelopment proposals.

Longer term actions:

- 8.20 Finally, we have as part of our review assessed the existing stock of land/property. While we do not make any immediate recommendations to release stock, mainly due to very low vacancy rates, the Council may need to start looking at the long term future of its poorer quality sites. In our assessment we raise concerns with the long term future of the Medway City Estate as its critical mass becomes eroded and regeneration introduces more new homes. The lack of available similar property in Medway, should sites be de-allocated is a concern in the short term, which may – depending on the take-up of the pipeline land, allow more strategic land releases here in the future.

Offices

- 8.21

We have identified a positive office need. Following the PPG this generates a need for c36,500 sq m of net additional space. This is E class office space, including R&D. Light industrial is considered in our industrial calculations, but as noted the E class is by design flexible, and we would encourage the Council to consider E class more widely than traditional office formats. There are obvious concerns with a post-Covid office market, but here office vacancy has been at very low rates, albeit rates do fluctuate it is currently at 6%.
- 8.22

Our advice regarding office is that any office requirements be directed towards urban regeneration opportunities and be used to help activate residential-led regeneration. In a weak office market with little or no positive site promotion, provision should be made for E class (offices & workshops, plus R&D) to be integrated into those schemes.

Appendix A





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Appendix 1: Economic Forecast for Medway - Oxford Economics

SIC	Job numbers		Change 2024-41		Change in jobs by employment activity			
	2024	2041	Jobs	%	Office	Industrial	Whsing	Other
A : Agriculture, forestry and fishing	604	552	-52	-	0	0	0	-52
B : Mining and quarrying	109	70	-39	-36	0	0	0	-39
C : Manufacturing	7,806	5,709	-2,097	-27	0	-2,097	0	0
D : Electricity, gas, steam and air conditioning supply	564	515	-49	-	0	0	0	-49
E : Water supply; sewerage, waste management and remediation activities	1,164	1,105	-59	-	0	-48	0	-11
F : Construction	11,494	14,520	3,026	26	0	1,763	0	1,263
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	14,046	15,140	1,095	-	0	83	236	776
H : Transportation and storage	8,061	9,016	955	-	0	0	629	327
I : Accommodation and food service activities	7,171	7,770	599	-	0	0	0	599
J : Information and communication	2,718	3,215	497	18	363	0	0	134
K : Financial and insurance activities	3,708	4,069	360	10	360	0	0	0
L : Real estate activities	1,842	1,950	108	6	108	0	0	0
M : Professional, scientific and technical activities	5,379	6,676	1,297	24	1,181	0	0	116
N : Administrative and support service activities	10,993	13,939	2,946	-	1,219	45	57	1,626
O : Public administration and defence; compulsory social security	4,535	4,366	-169	-4	-102	0	0	-67
P : Education	12,772	13,847	1,076	8	0	0	0	1,076
Q : Human health and social work activities	17,018	20,306	3,288	19	0	0	0	3,288
R : Arts, entertainment and recreation	3,023	3,483	460	15	0	0	0	460
S : Other service activities	2,843	3,175	332	12	114	15	0	202
T : Households as employers...	0	0	0	0	0	0	0	0
U: Extraterritorial....	0	0	0	0	0	0	0	0
TOTALS	115,849	129,422	13,573	12	3,243	-239	922	9,647

Nb blue text denotes sectors requiring predominately industrial floorspace,
green sectors requiring predominately warehouse/logistics floorspace and
pink sectors requiring predominantly office floorspace

The total forecast job change 2024-41 over all economic sectors sums to 13,573. The right-hand set of columns show how this forecast is distributed across the land use types.

Source: Oxford Economics, September 2024

Appendix 2: SECTOR TO LAND USE MAPPING

1. Economic statistics and forecasts tell us nothing directly about employment space, because they do not classify jobs according to the type of space they occupy. Rather, the statistics split jobs into economic sectors (industries and services), according to the Standard Industrial Classification (SIC). To estimate how many jobs will be based in offices and industrial space, and how many in 'non-B' spaces such as retail premises, schools and hospitals, we need to translate sectors into land uses.
2. For this, we have used a method developed by the PBA team (formerly Roger Tym & Partners) over a series of employment land reviews, and tested in a large-scale study of the Yorkshire and Humber region in 2010¹. To our knowledge there is no other published empirical research on the relationship between activity sectors and land uses.
3. The tables below show the sectors that are classified to industrial (subdivided into manufacturing and warehousing) and offices respectively. The names and numbers that identify each activity sector are from the UK Standard Classification of Economic Activities 2007 (SIC 2007)². These tables aggregate the data from the finest grain 5 digit SIC level which is the base for the mapping. The reason we use the 5-digit level is that within each sector there may be activities that are industrial based and others that are office or manufacturing. Further on in this note we cite construction activity as an example of a sector containing different land use activities.
4. The Annex that follows drills down to the lowest level SIC (5-digit categories) that is used to build up to the sectors. For each of the 700 SIC 5-digit job class/sub-classes we identify the appropriate employment land use. Many of the SIC classes are non-B uses, and the Annex includes only the SICs in B use classes. The Annex also identifies the corresponding job category in the Experian Economic forecast data.

¹ Roger Tym & Partners with King Sturge for Yorkshire Forward, Planning for Employment Land: Translating Jobs into Land, March 2010

² <http://www.businessballs.com/freespecialresources/SIC-2007-explanation.pdf>

Table A1 Industrial sectors

Manufacturing		
Manufacturing and repairs	10-33	All manufacturing
	95.00	Repair of computers and personal and household goods
Other industrial		
Construction	43.2	Electrical, plumbing and other construction installation activities
	43.3	Building completion and finishing
	43.9	Other specialised construction activities not elsewhere specified (nec)
Motor vehicle activities	45.2	Maintenance and repair of motor vehicles
	45.4	Sale, maintenance and repair of motor cycles and related parts and accessories
Sewage and refuse disposal	37	Sewage
	38	Waste collection, treatment and disposal activities
Employment activities (part)	78	
Warehousing		
Wholesale trade except of motor vehicles and motorcycles	46	
Freight transport by road	49.41	
Removal services	49.42	
Storage and warehousing	52.10	
Other supporting land transport activities	52.21	
Cargo handling	52.24	
Post and courier activities	53.00	
Packaging activities	82.92	
Employment activities (part)	78	

Note

SIC 78, Employment Activities, covers workers employed through agencies in all activity sectors. They should be redistributed across the whole economy, both to B-class sectors and other sectors, in proportion to each sector's share of total employment.

Table A2 Office sectors

Office sectors		
Publishing	58	Motion picture production activities
Motion picture, video and TV programme activities	59.11	Motion picture, video and TV programme production activities
	59.12	Motion picture, video and TV programme post-production activities
	59.13	Motion picture, video and TV programme distribution activities
	59.20	Sound recording and music publishing activities
Programming and broadcasting activities	60	
Computer programming, consultancy and related activities	62	
Information service activities	63	
Financial service activities except insurance and pension funding	64	
Insurance, reinsurance and pension funding except compulsory social security	65	
Activities auxiliary to financial services and insurance activities	66	
Real estate activities	68	
Legal and accounting activities	69	
Activities of head offices, management consultancy activities	70.	
Architectural and engineering activities, technical testing and analysis	71	
Scientific research and development	72	
Advertising and market research	73	
Other professional, scientific and technical activities	74	
Renting and leasing activities	77.40	Leasing of intellectual property and similar products
Employment activities (part)	78	
Security and investigation activities	80	
Office admin, office support and other business support activities	82	
Public administration and defence; compulsory social security	84.1	Administration of the State and the economic and social policy of the community
	84.3	Compulsory social security activities

Note

SIC 78, Employment Activities, covers workers employed through agencies in all activity sectors. They should be redistributed across the whole economy, both to B-class sectors and other sectors, in proportion to each sector's share of total employment

5. On a technical note, most economic forecasts show around 20-30 broad activity sectors, a much coarser-grained classification than the SIC sectors in the table above, and the 5 digit SIC level we use that is set out in the Annex below. For example, the table counts as a B-space activity only part of the Construction industry (SIC 43.2, 43.3 and 43.9), whereas forecasts typically show only Construction as a whole (SIC 43). To estimate future employment in sub-sectors such as SIC 43.2, we assume that the share of each sub-sector's employment in its 'parent' sector stays constant.
6. There are two further technical difficulties with the relationship of sectors to land uses. The first is that the line between production space (factories and workshops) and warehousing is blurred. This is not surprising, because manufacturing and warehousing largely occupy the same kinds of buildings, many units combine both functions in proportions that vary over time, and smaller buildings are allowed to shift between the two without planning permission.
7. In setting total land provision targets, therefore, factories, workshops and warehouses, should be merged into a single 'industrial' category. This should not cause any problems, because these uses operate in similar buildings and at similar employment densities, except for very large units including strategic warehousing. In areas where they form a significant part of the stock, these large units should be allowed for separately.
8. The other problem with the tables is that some of the jobs which the table allocates to industrial space are in fact in offices. These jobs are probably in administration, sales and marketing functions of industrial and related businesses. A construction or plumbing business, for example, will often have an office that deals with orders, appointments, record-keeping and the like. In some cases this will be ancillary to an industrial unit and therefore not count as office space, but in other cases it will be free-standing. If the business is small, the office may be its only premises.
9. In total, the Yorkshire and Humber survey found that around one tenth of the jobs which our method allocates to industrial space (factories, workshops and warehouses) are in fact in offices. For a large area such as the region, this is too small a proportion to distort land provision targets. But in some local authority areas, especially the more highly urbanised, it is likely that the distortion is significant. Employment land reviews should aim to correct these distortions, using local knowledge to adjust the relationships shown in the tables above.
10. There are many other, place-specific factors why the sector-to-land-use relationships in the tables above may be invalid. For example, in some places large business units are assigned to the wrong sector or the wrong side of the local authority boundary. In other places, particular sectors are untypical and do not occupy the kinds of space that one would normally expect. In one local authority area in England, for example, there are many jobs classified to Other Supporting Land Transport Activities, SIC 52.21, which normally would occupy warehousing in the local authority area. But in this case most of the SIC 52.21 jobs relate to railway maintenance and the people concerned work all over the country, mostly outdoors.
11. Where such anomalies arise, close inspection of the numbers, combined with local knowledge, should help correct the statistics and customise the sector-to-land-use assumptions.

12. However, it is inevitable that sector-to-land-use relationships are less reliable for small than larger areas. As the Yorkshire and Humber survey illustrated, the relationships shown in our tables work very well for whole regions. But they are not reliable for individual buildings or employment areas, and may not be reliable at local authority level. This is one of the reasons why demand forecasts are more robust for regions than individual local authority areas.
13. The Yorkshire and Humber report provides further information and advice on sector-to-land-use relationships.
14. The schedule that follows identifies the land use class for the SIC 5-digit (the finest grain SIC data) job categories.

Annex – Land use class at SIC 5-digit sector level *[see over]*

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Manufacturing	Food, Drink & Tobacco	10110 : Processing and preserving of meat
Manufacturing	Food, Drink & Tobacco	10120 : Processing and preserving of poultry meat
Manufacturing	Food, Drink & Tobacco	10130 : Production of meat and poultry meat products
Manufacturing	Food, Drink & Tobacco	10200 : Processing and preserving of fish, crustaceans and molluscs
Manufacturing	Food, Drink & Tobacco	10310 : Processing and preserving of potatoes
Manufacturing	Food, Drink & Tobacco	10320 : Manufacture of fruit and vegetable juice
Manufacturing	Food, Drink & Tobacco	10390 : Other processing and preserving of fruit and vegetables
Manufacturing	Food, Drink & Tobacco	10410 : Manufacture of oils and fats
Manufacturing	Food, Drink & Tobacco	10420 : Manufacture of margarine and similar edible fats
Manufacturing	Food, Drink & Tobacco	10511 : Liquid milk and cream production
Manufacturing	Food, Drink & Tobacco	10512 : Butter and cheese production
Manufacturing	Food, Drink & Tobacco	10519 : Manufacture of milk products (other than liquid milk and cream,butter, cheese) nec
Manufacturing	Food, Drink & Tobacco	10520 : Manufacture of ice cream
Manufacturing	Food, Drink & Tobacco	10611 : Grain milling
Manufacturing	Food, Drink & Tobacco	10612 : Manufacture of breakfast cereals and cereals-based foods
Manufacturing	Food, Drink & Tobacco	10620 : Manufacture of starches and starch products
Manufacturing	Food, Drink & Tobacco	10710 : Manufacture of bread; manufacture of fresh pastry goods and cakes
Manufacturing	Food, Drink & Tobacco	10720 : Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes
Manufacturing	Food, Drink & Tobacco	10730 : Manufacture of macaroni, noodles, couscous and similar farinaceous products
Manufacturing	Food, Drink & Tobacco	10810 : Manufacture of sugar
Manufacturing	Food, Drink & Tobacco	10821 : Manufacture of cocoa, and chocolate confectionery
Manufacturing	Food, Drink & Tobacco	10822 : Manufacture of sugar confectionery
Manufacturing	Food, Drink & Tobacco	10831 : Tea processing
Manufacturing	Food, Drink & Tobacco	10832 : Production of coffee and coffee substitutes
Manufacturing	Food, Drink & Tobacco	10840 : Manufacture of condiments and seasonings
Manufacturing	Food, Drink & Tobacco	10850 : Manufacture of prepared meals and dishes
Manufacturing	Food, Drink & Tobacco	10860 : Manufacture of homogenised food preparations and dietetic food
Manufacturing	Food, Drink & Tobacco	10890 : Manufacture of other food products nec
Manufacturing	Food, Drink & Tobacco	10910 : Manufacture of prepared feeds for farm animals
Manufacturing	Food, Drink & Tobacco	10920 : Manufacture of prepared pet foods
Manufacturing	Food, Drink & Tobacco	11010 : Distilling, rectifying and blending of spirits
Manufacturing	Food, Drink & Tobacco	11020 : Manufacture of wine from grape
Manufacturing	Food, Drink & Tobacco	11030 : Manufacture of cider and other fruit wines
Manufacturing	Food, Drink & Tobacco	11040 : Manufacture of other non-distilled fermented beverages
Manufacturing	Food, Drink & Tobacco	11050 : Manufacture of beer
Manufacturing	Food, Drink & Tobacco	11060 : Manufacture of malt
Manufacturing	Food, Drink & Tobacco	11070 : Manufacture of soft drinks; production of mineral waters and other bottled waters
Manufacturing	Food, Drink & Tobacco	12000 : Manufacture of tobacco products
Manufacturing	Textiles & Clothing	13100 : Preparation and spinning of textile fibres
Manufacturing	Textiles & Clothing	13200 : Weaving of textiles
Manufacturing	Textiles & Clothing	13300 : Finishing of textiles
Manufacturing	Textiles & Clothing	13910 : Manufacture of knitted and crocheted fabrics
Manufacturing	Textiles & Clothing	13921 : Manufacture of soft furnishings
Manufacturing	Textiles & Clothing	13922 : Manufacture of canvas goods, sacks etc
Manufacturing	Textiles & Clothing	13923 : Manufacture of household textiles (other than soft furnishings of 13921)
Manufacturing	Textiles & Clothing	13931 : Manufacture of woven or tufted carpets and rugs
Manufacturing	Textiles & Clothing	13939 : Manufacture of carpets and rugs (other than woven or tufted) nec
Manufacturing	Textiles & Clothing	13940 : Manufacture of cordage, rope, twine and netting
Manufacturing	Textiles & Clothing	13950 : Manufacture of non-wovens and articles made from non-wovens, except apparel
Manufacturing	Textiles & Clothing	13960 : Manufacture of other technical and industrial textiles
Manufacturing	Textiles & Clothing	13990 : Manufacture of other textiles nec
Manufacturing	Textiles & Clothing	14110 : Manufacture of leather clothes
Manufacturing	Textiles & Clothing	14120 : Manufacture of workwear
Manufacturing	Textiles & Clothing	14131 : Manufacture of men's outerwear, other than leather clothes and workwear
Manufacturing	Textiles & Clothing	14132 : Manufacture of women's outerwear, other than leather clothes and workwear
Manufacturing	Textiles & Clothing	14141 : Manufacture of men's underwear
Manufacturing	Textiles & Clothing	14142 : Manufacture of women's underwear
Manufacturing	Textiles & Clothing	14190 : Manufacture of other wearing apparel and accessories
Manufacturing	Textiles & Clothing	14200 : Manufacture of articles of fur
Manufacturing	Textiles & Clothing	14310 : Manufacture of knitted and crocheted hosiery
Manufacturing	Textiles & Clothing	14390 : Manufacture of other knitted and crocheted apparel
Manufacturing	Textiles & Clothing	15110 : Tanning and dressing of leather; dressing and dyeing of fur
Manufacturing	Textiles & Clothing	15120 : Manufacture of luggage, handbags and the like, saddlery and harness
Manufacturing	Textiles & Clothing	15200 : Manufacture of footwear
Manufacturing	Wood & Paper	16100 : Sawmilling and planing of wood
Manufacturing	Wood & Paper	16210 : Manufacture of veneer sheets and wood-based panels
Manufacturing	Wood & Paper	16220 : Manufacture of assembled parquet floors
Manufacturing	Wood & Paper	16230 : Manufacture of other builders' carpentry and joinery
Manufacturing	Wood & Paper	16240 : Manufacture of wooden containers
Manufacturing	Wood & Paper	16290 : Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials
Manufacturing	Wood & Paper	17110 : Manufacture of pulp
Manufacturing	Wood & Paper	17120 : Manufacture of paper and paperboard
Manufacturing	Wood & Paper	17211 : Manufacture of corrugated paper and paperboard; manufacture of sacks and bags of paper
Manufacturing	Wood & Paper	17219 : Manufacture of paper and paperboard containers other than sacks and bags
Manufacturing	Wood & Paper	17220 : Manufacture of household and sanitary goods and of toilet requisites
Manufacturing	Wood & Paper	17230 : Manufacture of paper stationery
Manufacturing	Wood & Paper	17240 : Manufacture of wallpaper
Manufacturing	Wood & Paper	17290 : Manufacture of other articles of paper and paperboard
Manufacturing	Printing and Reproduction of Recorded Media	18110 : Printing of newspapers
Manufacturing	Printing and Reproduction of Recorded Media	18121 : Manufacture of printed labels
Manufacturing	Printing and Reproduction of Recorded Media	18129 : Printing (other than printing of newspaper s and printing on labels and tags) nec
Manufacturing	Printing and Reproduction of Recorded Media	18130 : Pre-press and pre-media services
Manufacturing	Printing and Reproduction of Recorded Media	18140 : Binding and related services
Manufacturing	Printing and Reproduction of Recorded Media	18201 : Reproduction of sound recording
Manufacturing	Printing and Reproduction of Recorded Media	18202 : Reproduction of video recording
Manufacturing	Printing and Reproduction of Recorded Media	18203 : Reproduction of computer media
Manufacturing	Fuel Refining	19100 : Manufacture of coke oven products
Manufacturing	Fuel Refining	19201 : Mineral oil refining
Manufacturing	Fuel Refining	19209 : Other treatment of petroleum products (excluding mineral oil refining petrochemicals manufacture)
Manufacturing	Chemicals	20110 : Manufacture of industrial gases
Manufacturing	Chemicals	20120 : Manufacture of dyes and pigments
Manufacturing	Chemicals	20130 : Manufacture of other inorganic basic chemicals
Manufacturing	Chemicals	20140 : Manufacture of other organic basic chemicals
Manufacturing	Chemicals	20150 : Manufacture of fertilisers and nitrogen compounds
Manufacturing	Chemicals	20160 : Manufacture of plastics in primary forms
Manufacturing	Chemicals	20170 : Manufacture of synthetic rubber in primary forms
Manufacturing	Chemicals	20200 : Manufacture of pesticides and other agrochemical products
Manufacturing	Chemicals	20301 : Manufacture of paints, varnishes and similar coatings, mastics and sealants
Manufacturing	Chemicals	20302 : Manufacture of printing ink
Manufacturing	Chemicals	20411 : Manufacture of soap and detergents
Manufacturing	Chemicals	20412 : Manufacture of cleaning and polishing preparations
Manufacturing	Chemicals	20420 : Manufacture of perfumes and toilet preparations
Manufacturing	Chemicals	20510 : Manufacture of explosives
Manufacturing	Chemicals	20520 : Manufacture of glues
Manufacturing	Chemicals	20530 : Manufacture of essential oils

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Manufacturing	Chemicals	20590 : Manufacture of other chemical products nec
Manufacturing	Chemicals	20600 : Manufacture of man-made fibres
Manufacturing	Pharmaceuticals	21100 : Manufacture of basic pharmaceutical products
Manufacturing	Pharmaceuticals	21200 : Manufacture of pharmaceutical preparations
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22110 : Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22190 : Manufacture of other rubber products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22210 : Manufacture of plastic plates, sheets, tubes and profiles
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22220 : Manufacture of plastic packing goods
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22230 : Manufacture of builders ware of plastic
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	22290 : Manufacture of other plastic products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23110 : Manufacture of flat glass
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23120 : Shaping and processing of flat glass
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23130 : Manufacture of hollow glass
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23140 : Manufacture of glass fibres
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23190 : Manufacture and processing of other glass, including technical glassware
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23200 : Manufacture of refractory products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23310 : Manufacture of ceramic tiles a nd flags
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23320 : Manufacture of bricks, tiles a nd construction products, in baked clay
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23410 : Manufacture of ceramic household and ornamental articles
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23420 : Manufacture of ceramic sanitary fixtures
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23430 : Manufacture of ceramic insulating fittings
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23440 : Manufacture of other technical ceramic products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23490 : Manufacture of other ceramic products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23510 : Manufacture of cement
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23520 : Manufacture of lime and plaster
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23610 : Manufacture of concrete products for construction purposes
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23620 : Manufacture of plaster products for construction purposes
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23630 : Manufacture of ready-mixed concrete
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23640 : Manufacture of mortars
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23650 : Manufacture of fibre cement
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23690 : Manufacture of other articles of concrete plaster and cement
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23700 : Cutting, shaping and finishing of stone
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23910 : Production of abrasive products
Manufacturing	Rubber, Plastic and Other Non-Metallic Mineral Products	23990 : Manufacture of other non-metallic mineral products
Manufacturing	Metal products	24100 : Manufacture of basic iron and steel and of ferro-alloys
Manufacturing	Metal products	24200 : Manufacture of tubes, pipes, hollow profiles and related fittings, of steel
Manufacturing	Metal products	24310 : Cold drawing of bars
Manufacturing	Metal products	24320 : Cold rolling of narrow strip
Manufacturing	Metal products	24330 : Cold forming or folding
Manufacturing	Metal products	24340 : Cold drawing of wire
Manufacturing	Metal products	24410 : Precious metals production
Manufacturing	Metal products	24420 : Aluminium production
Manufacturing	Metal products	24430 : Lead, zinc and tin production
Manufacturing	Metal products	24440 : Copper production
Manufacturing	Metal products	24450 : Other non-ferrous metal production
Manufacturing	Metal products	24460 : Processing of nuclear fuel
Manufacturing	Metal products	24510 : Casting of iron
Manufacturing	Metal products	24520 : Casting of steel
Manufacturing	Metal products	24530 : Casting of light metals
Manufacturing	Metal products	24540 : Casting of other non-ferrous metals
Manufacturing	Metal products	25110 : Manufacture of metal structures and parts of structures
Manufacturing	Metal products	25120 : Manufacture of doors and windows of metals
Manufacturing	Metal products	25210 : Manufacture of central heating radiators and boilers
Manufacturing	Metal products	25290 : Manufacture of other tanks, reservoirs and containers of metal
Manufacturing	Metal products	25300 : Manufacture of steam generators, except central heating hot water boilers
Manufacturing	Metal products	25400 : Manufacture of weapons and ammunition
Manufacturing	Metal products	25500 : Forging, pressing, stamping and roll-forming of metal; powder metallurgy
Manufacturing	Metal products	25610 : Treatment and coating of metals
Manufacturing	Metal products	25620 : Machining
Manufacturing	Metal products	25710 : Manufacture of cutlery
Manufacturing	Metal products	25720 : Manufacture of locks and hinges
Manufacturing	Metal products	25730 : Manufacture of tools
Manufacturing	Metal products	25910 : Manufacture of steel drums and similar containers
Manufacturing	Metal products	25920 : Manufacture of light metal packaging
Manufacturing	Metal products	25930 : Manufacture of wire products, chain and springs
Manufacturing	Metal products	25940 : Manufacture of fasteners and screw machine products
Manufacturing	Metal products	25990 : Manufacture of other fabricated metal products nec
Manufacturing	Computer & Electronic Products	26110 : Manufacture of electronic components
Manufacturing	Computer & Electronic Products	26120 : Manufacture of loaded electronic boards
Manufacturing	Computer & Electronic Products	26200 : Manufacture of computers and peripheral equipment
Manufacturing	Computer & Electronic Products	26301 : Manufacture of telegraph and telephone apparatus and equipment
Manufacturing	Computer & Electronic Products	26309 : Manufacture of communication equipment (other than telegraph and telephone apparatus and equipment
Manufacturing	Computer & Electronic	26400 : Manufacture of consumer electronics
Manufacturing	Computer & Electronic	26511 : Manufacture of electronic instruments and appliances for measuring, testing, and navigation, except industrial process control equipment navigation, except industrial process control equipment
Manufacturing	Computer & Electronic	26512 : Manufacture of electronic industrial process control equipment
Manufacturing	Computer & Electronic	26513 : Manufacture of non-electronic instruments and appliances for measuring, testing and navigation, except industrial process control equipment
Manufacturing	Computer & Electronic Products	26514 : Manufacture of non-electronic industrial process control equipment
Manufacturing	Computer & Electronic Products	26520 : Manufacture of watches and clocks
Manufacturing	Computer & Electronic Products	26600 : Manufacture of irradiation, electromedical and electrottherapeutic equipment
Manufacturing	Computer & Electronic Products	26701 : Manufacture of optical precision instruments
Manufacturing	Computer & Electronic Products	26702 : Manufacture of photographic and cinematographic equipment
Manufacturing	Computer & Electronic Products	26800 : Manufacture of magnetic and optical media
Manufacturing	Computer & Electronic Products	27110 : Manufacture of electric motors, generators and transformers
Manufacturing	Computer & Electronic Products	27120 : Manufacture of electricity distribution and control apparatus
Manufacturing	Computer & Electronic Products	27200 : Manufacture of batteries and accumulators
Manufacturing	Computer & Electronic Products	27310 : Manufacture of fibre optic cables
Manufacturing	Computer & Electronic Products	27320 : Manufacture of other electronic and electric wires and cables
Manufacturing	Computer & Electronic Products	27330 : Manufacture of wiring devices
Manufacturing	Computer & Electronic Products	27400 : Manufacture of electric lighting equipment
Manufacturing	Computer & Electronic Products	27510 : Manufacture of electric domestic appliances
Manufacturing	Computer & Electronic Products	27520 : Manufacture of non-electric domestic appliances
Manufacturing	Computer & Electronic Products	27900 : Manufacture of other electrical equipment
Manufacturing	Machinery & Equipment	28110 : Manufacture of engines and turbines, except aircraft, vehicle and cycle engines
Manufacturing	Machinery & Equipment	28120 : Manufacture of fluid power equipment
Manufacturing	Machinery & Equipment	28131 : Manufacture of pumps
Manufacturing	Machinery & Equipment	28132 : Manufacture of compressors
Manufacturing	Machinery & Equipment	28140 : Manufacture of other taps and valves
Manufacturing	Machinery & Equipment	28150 : Manufacture of bearings, gears, gearing and driving elements
Manufacturing	Machinery & Equipment	28210 : Manufacture of ovens, furnaces and furnace burners
Manufacturing	Machinery & Equipment	28220 : Manufacture of lifting and handling equipment
Manufacturing	Machinery & Equipment	28230 : Manufacture of office machinery and equipment (except computers and peripheral equipment)
Manufacturing	Machinery & Equipment	28240 : Manufacture of power-driven hand tools
Manufacturing	Machinery & Equipment	28250 : Manufacture of non-domestic cooling and ventilation equipment

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Manufacturing	Machinery & Equipment	28290 : Manufacture of other general-purpose machinery nec
Manufacturing	Machinery & Equipment	28301 : Manufacture of agricultural tractors
Manufacturing	Machinery & Equipment	28302 : Manufacture of agricultural and forestry machinery (other than a gricultural tractors)
Manufacturing	Machinery & Equipment	28410 : Manufacture of metal forming machinery
Manufacturing	Machinery & Equipment	28490 : Manufacture of other machine tools
Manufacturing	Machinery & Equipment	28910 : Manufacture of machinery for metallurgy
Manufacturing	Machinery & Equipment	28921 : Manufacture of machinery for mining
Manufacturing	Machinery & Equipment	28922 : Manufacture of earthmoving equipment
Manufacturing	Machinery & Equipment	28923 : Manufacture of equipment for concrete crushing and screening roadworks
Manufacturing	Machinery & Equipment	28930 : Manufacture of machinery for food, beverage and tobacco processing
Manufacturing	Machinery & Equipment	28940 : Manufacture of machinery for textile, apparel and leather production
Manufacturing	Machinery & Equipment	28950 : Manufacture of machinery for paper and paperboard production
Manufacturing	Machinery & Equipment	28960 : Manufacture of plastics and rubber machinery
Manufacturing	Machinery & Equipment	28990 : Manufacture of other special-purpose machinery nec
Manufacturing	Machinery & Equipment	29100 : Manufacture of motor vehicles
Manufacturing	Machinery & Equipment	29201 : Manufacture of bodies (coachwork) for motor vehicles (except caravans)
Manufacturing	Machinery & Equipment	29202 : Manufacture of trailers and semi-trailers
Manufacturing	Machinery & Equipment	29203 : Manufacture of caravans
Manufacturing	Machinery & Equipment	29310 : Manufacture of electrical and electronic equipment for motor vehicles
Manufacturing	Machinery & Equipment	29320 : Manufacture of other parts and accessories for motor vehicles
Manufacturing	Machinery & Equipment	30110 : Building of ships and floating structures
Manufacturing	Machinery & Equipment	30120 : Building of pleasure and sporting boats
Manufacturing	Machinery & Equipment	30200 : Manufacture of railway locomotives and rolling stock
Manufacturing	Machinery & Equipment	30300 : Manufacture of air and spacecraft and related machinery
Manufacturing	Machinery & Equipment	30400 : Manufacture of military fighting vehicles
Manufacturing	Machinery & Equipment	30910 : Manufacture of motorcycles
Manufacturing	Machinery & Equipment	30920 : Manufacture of bicycles and invalid carriages
Manufacturing	Machinery & Equipment	30990 : Manufacture of other transport equipment nec
Manufacturing	Other Manufacturing	31010 : Manufacture of office and shop furniture
Manufacturing	Other Manufacturing	31020 : Manufacture of kitchen furniture
Manufacturing	Other Manufacturing	31030 : Manufacture of mattresses
Manufacturing	Other Manufacturing	31090 : Manufacture of other furniture
Manufacturing	Other Manufacturing	32110 : Striking of coins
Manufacturing	Other Manufacturing	32120 : Manufacture of jewellery and related articles
Manufacturing	Other Manufacturing	32130 : Manufacture of imitation jewellery and related articles
Manufacturing	Other Manufacturing	32200 : Manufacture of musical instruments
Manufacturing	Other Manufacturing	32300 : Manufacture of sports goods
Manufacturing	Other Manufacturing	32401 : Manufacture of professional and arcade games and toys
Manufacturing	Other Manufacturing	32409 : Manufacture of games and toys (other than professional and arcade games and toys)
Manufacturing	Other Manufacturing	32500 : Manufacture of medical and dental instruments and supplies
Manufacturing	Other Manufacturing	32910 : Manufacture of brooms and brushes
Manufacturing	Other Manufacturing	32990 : Other manufacturing nec
Manufacturing	Other Manufacturing	33110 : Repair of fabricated metal products
Manufacturing	Other Manufacturing	33120 : Repair of machinery
Manufacturing	Other Manufacturing	33130 : Repair of electronic and optical equipment
Manufacturing	Other Manufacturing	33140 : Repair of electrical equipment
Manufacturing	Other Manufacturing	33150 : Repair and maintenance of ships and boats
Manufacturing	Other Manufacturing	33160 : Repair and maintenance of aircraft and spacecraft
Manufacturing	Other Manufacturing	33170 : Repair and maintenance of other transport equipment
Manufacturing	Other Manufacturing	33190 : Repair of other equipment
Manufacturing	Other Manufacturing	33200 : Installation of industrial machinery and equipment
Other industrial	Utilities	37000 : Sewerage
Other industrial	Utilities	38110 : Collection of non-hazardous waste
Other industrial	Utilities	38120 : Collection of hazardous waste
Other industrial	Utilities	38210 : Treatment and disposal of non-hazardous waste
Other industrial	Utilities	38220 : Treatment and disposal of hazardous waste
Other industrial	Utilities	38310 : Dismantling of wrecks
Other industrial	Utilities	38320 : Recovery of sorted materials
Other industrial	Specialised Construction Activities	43210 : Electrical installation
Other industrial	Specialised Construction Activities	43220 : Plumbing, heat and air-conditioning installation
Other industrial	Specialised Construction Activities	43290 : Other construction installation
Other industrial	Specialised Construction Activities	43310 : Plastering
Other industrial	Specialised Construction Activities	43320 : Joinery installation
Other industrial	Specialised Construction Activities	43330 : Floor and wall covering
Other industrial	Specialised Construction Activities	43341 : Painting
Other industrial	Specialised Construction Activities	43342 : Glazing
Other industrial	Specialised Construction Activities	43390 : Other building completion and finishing
Other industrial	Specialised Construction Activities	43910 : Roofing activities
Other industrial	Specialised Construction Activities	43991 : Scaffold erection
Other industrial	Specialised Construction Activities	43999 : Specialised construction activities (other than scaffold erection)
Other industrial	Wholesale	45200 : Maintenance and repair of motor vehicles
Other industrial	Wholesale	45400 : Sale, maintenance and repair of motorcycles and related parts and accessories
Warehousing	Wholesale	46110 : Agents involved in the sale of agricultural raw materials, live animals, texti and semi-finished goods
Warehousing	Wholesale	46120 : Agents involved in the sale of fuels, ores, metals and industrial chemicals
Warehousing	Wholesale	46130 : Agents involved in the sale of timber and building materials
Warehousing	Wholesale	46140 : Agents involved in the sale of machinery, industrial equipment, ships and aircraft
Warehousing	Wholesale	46150 : Agents involved in the sale of furniture, household goods, hardware and ironmongery
Warehousing	Wholesale	46160 : Agents involved in the sale of textiles, clothing, fur, footwear and leather goods
Warehousing	Wholesale	46170 : Agents involved in the sale of food, beverages and tobacco
Warehousing	Wholesale	46180 : Agents specialised in the sale of other particular products
Warehousing	Wholesale	46190 : Agents involved in the sale of a variety of goods
Warehousing	Wholesale	46210 : Wholesale of grain, unmanufactured tobacco, seeds and animal feeds
Warehousing	Wholesale	46220 : Wholesale of flowers and plants
Warehousing	Wholesale	46230 : Wholesale of live animals
Warehousing	Wholesale	46240 : Wholesale of hides, skins and leather
Warehousing	Wholesale	46310 : Wholesale of fruit and vegetables
Warehousing	Wholesale	46320 : Wholesale of meat and meat products
Warehousing	Wholesale	46330 : Wholesale of dairy products, eggs and edible oils and fats
Warehousing	Wholesale	46341 : Wholesale of fruit and vegetable juices, mineral waters and soft drinks
Warehousing	Wholesale	46342 : Wholesale of wine, beer, spirits and other alcoholic beverages
Warehousing	Wholesale	46350 : Wholesale of tobacco products
Warehousing	Wholesale	46360 : Wholesale of sugar and chocolate and sugar confectionery
Warehousing	Wholesale	46370 : Wholesale of coffee, tea, cocoa and spices
Warehousing	Wholesale	46380 : Wholesale of other food, including fish, crustaceans and molluscs
Warehousing	Wholesale	46390 : Non-specialised wholesale of food, beverages and tobacco
Warehousing	Wholesale	46410 : Wholesale of textiles
Warehousing	Wholesale	46420 : Wholesale of clothing and footwear
Warehousing	Wholesale	46431 : Wholesale of gramophone records, audio tapes, compact discs and video tapes and of the equipment on which these are played)
Warehousing	Wholesale	46439 : Wholesale of radio and television goods and of electrical household appliances (other than of gramophone records, audio tapes, compact discs and video tapes and the equipment on which these are played)
Warehousing	Wholesale	46440 : Wholesale of china and glassware and cleaning materials
Warehousing	Wholesale	46450 : Wholesale of perfume and cosmetics
Warehousing	Wholesale	46460 : Wholesale of pharmaceutical goods
Warehousing	Wholesale	46470 : Wholesale of furniture, carpets and lighting equipment
Warehousing	Wholesale	46480 : Wholesale of watches and jewellery
Warehousing	Wholesale	46491 : Wholesale of musical instruments

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Warehousing	Wholesale	46499 : Wholesale of household goods (other than musical instruments) nec
Warehousing	Wholesale	46510 : Wholesale of computers, computer peripheral equipment and software
Warehousing	Wholesale	46520 : Wholesale of electronic and telecommunications equipment and parts
Warehousing	Wholesale	46610 : Wholesale of agricultural machinery, equipment and supplies
Warehousing	Wholesale	46620 : Wholesale of machine tools
Warehousing	Wholesale	46630 : Wholesale of mining, construction and civil engineering machinery
Warehousing	Wholesale	46640 : Wholesale of machinery for the textile industry and of sewing and knitting machines
Warehousing	Wholesale	46650 : Wholesale of office furniture
Warehousing	Wholesale	46660 : Wholesale of other office machinery and equipment
Warehousing	Wholesale	46690 : Wholesale of other machinery and equipment
Warehousing	Wholesale	46711 : Wholes ale of petroleum and petroleum products
Warehousing	Wholesale	46719 : Wholes ale of fuels and related products (other than petroleum and petroleum products)
Warehousing	Wholesale	46720 : Wholesale of metals and metal ores
Warehousing	Wholesale	46730 : Wholesale of wood, construction materials and sanitary equipment
Warehousing	Wholesale	46740 : Wholesale of hardware, plumbing and heating equipment and supplies
Warehousing	Wholesale	46750 : Wholesale of chemical products
Warehousing	Wholesale	46760 : Wholesale of other intermediate products
Warehousing	Wholesale	46770 : Wholesale of waste and scrap
Warehousing	Wholesale	46900 : Non-specialised wholesale trade
Warehousing	Land Transport, Storage & Post	49410 : Freight transport by road
Warehousing	Land Transport, Storage & Post	49420 : Removal services
Warehousing	Land Transport, Storage & Post	52101 : Operation of warehousing and storage facilities for water transport activities of division 50
Warehousing	Land Transport, Storage & Post	52102 : Operation of warehousing and storage facilities for air transport activities of division 51
Warehousing	Land Transport, Storage & Post	52103 : Operation of warehousing and storage facilities for land transport activities of division 49
Warehousing	Land Transport, Storage & Post	52211 : Operation of rail freight terminals
Warehousing	Land Transport, Storage & Post	52212 : Operation of rail passenger facilities at railway stations
Warehousing	Land Transport, Storage & Post	52213 : Operation of bus and coach passenger facilities at bus and coach stations
Warehousing	Land Transport, Storage & Post	52219 : Other service activities incidental to land transportation, nec (not including operation of rail freight terminals, passenger facilities at railway ies at railway stations or passenger facilities at bus and coachstations or passenger facilities at railway stations or passenger facilities at bus and coach stations)
Warehousing	Land Transport, Storage & Post	52241 : Cargo handling for water transport activities of division 50
Warehousing	Land Transport, Storage & Post	52242 : Cargo handling for air transport activities of division 51
Warehousing	Land Transport, Storage & Post	52243 : Cargo handling for land transport activities of division 49
Warehousing	Land Transport, Storage & Post	53100 : Postal activities under universal service obligation
Warehousing	Land Transport, Storage & Post	53201 : Licens ed Carriers
Warehousing	Land Transport, Storage & Post	53202 : Unlicensed Carriers
Office	Media Activities	58110 : Book publishing
Office	Media Activities	58120 : Publishing of directories and mailing lists
Office	Media Activities	58130 : Publishing of newspapers
Office	Media Activities	58141 : Publishing of learned journals
Office	Media Activities	58142 : Publi shing of consumer, business and professional journals and periodicals
Office	Media Activities	58190 : Other publishing activities
Office	Media Activities	59111 : Motion picture production activities
Office	Media Activities	59112 : Video production activities
Office	Media Activities	59113 : Television programme production activities
Office	Media Activities	59120 : Motion picture, video and television programme post-production activities
Office	Media Activities	59131 : Motion picture distribution activities
Office	Media Activities	59132 : Video distribution activities
Office	Media Activities	59133 : Television programme distribution activities
Office	Media Activities	59200 : Sound recording and music publishing activities
Office	Media Activities	60100 : Radio broadcasting
Office	Media Activities	60200 : Television programming and broadcasting activities
Office	Computing & Information Services	62011 : Ready-made interactive leisure and entertainment software development
Office	Computing & Information Services	62012 : Business and domestic software development
Office	Computing & Information Services	62020 : Computer consultancy activities
Office	Computing & Information Services	62030 : Computer facilities management activities
Office	Computing & Information Services	62090 : Other information technology and computer service activities
Office	Computing & Information Services	63110 : Data processing, hosting and related activities
Office	Computing & Information Services	63120 : Web portals
Office	Computing & Information Services	63910 : News agency activities
Office	Computing & Information Services	63990 : Other information service activities nec
Office	Finance	64110 : Central banking
Office	Finance	64191 : Banks
Office	Finance	64192 : Building societies
Office	Finance	64201 : Activities of agricultural holding companies
Office	Finance	64202 : Activities of production holding companies
Office	Finance	64203 : Activities of construction holding companies
Office	Finance	64204 : Activities of distribution holding companies
Office	Finance	64205 : Activities of financial services holding companies
Office	Finance	64209 : Activities of other holding companies (not including agricultural, production, construction, distribution and financial services holding companies) n.e.c
Office	Finance	64301 : Activities of investment trusts
Office	Finance	64302 : Activities of unit trusts
Office	Finance	64303 : Activities of venture and development capital companies
Office	Finance	64304 : Activities of open-ended investment companies
Office	Finance	64305 : Activities of property unit trusts
Office	Finance	64306 : Activities of real estate investment trusts
Office	Finance	64910 : Financial leasing
Office	Finance	64921 : Credit granting by non-deposit taking finance houses and other specialist consumer credit grantors
Office	Finance	64922 : Activities of mortgage finance companies
Office	Finance	64929 : Other credit granting (not including credit granting by non-deposit taking finance houses and other specialist consumer credit grantors and activities of mortgage finance companies) n.e.c.
Office	Finance	64991 : Security dealing on own account
Office	Finance	64992 : Factoring
Office	Finance	64999 : Other financial service activities, except insurance and pension funding, (not including security dealing on own account and factoring) n.e.c.
Office	Insurance & Pensions	65110 : Life insurance
Office	Insurance & Pensions	65120 : Non-life insurance
Office	Insurance & Pensions	65201 : Life reinsurance
Office	Insurance & Pensions	65202 : Non-life reinsurance
Office	Insurance & Pensions	65300 : Pension funding
Office	Finance	66110 : Administration of financial markets
Office	Finance	66120 : Security and commodity contracts brokerage
Office	Finance	66190 : Other activities auxiliary to financial services, except insurance and pension funding
Office	Finance	66210 : Risk and damage evaluation
Office	Finance	66220 : Activities of insurance agents and brokers
Office	Finance	66290 : Other activities auxiliary to insurance and pension funding
Office	Finance	66300 : Fund management activities
Office	Real Estate	68100 : Buying and selling of own real estate
Office	Real Estate	68201 : Renting and operating of Housing Association real estate
Office	Real Estate	68202 : Letting and operating of conference and exhibition centres
Office	Real Estate	68209 : Letting and operating of own or leased real estate (other than Housing Association real estate and conference and exhibition services) n.e.c.
Office	Real Estate	68310 : Real estate agencies

Employment land use	Sector (Experian)	Industry (5 digit SIC)
Office	Real Estate	68320 : Management of real estate on a fee or contract basis
Office	Professional services	69101 : Barristers at law
Office	Professional services	69102 : Solicitors
Office	Professional services	69109 : Activities of patent and copyright agents; other legal activities (other than those of barristers and solicitors) nec
Office	Professional services	69201 : Accounting, and auditing activities
Office	Professional services	69202 : Bookkeeping activities
Office	Professional services	69203 : Tax consultancy
Office	Professional services	70100 : Activities of head offices
Office	Professional services	70210 : Public relations and communication activities
Office	Professional services	70221 : Financial management
Office	Professional services	70229 : Management consultancy activities (other than financial management)
Office	Professional services	71111 : Architectural activities
Office	Professional services	71112 : Urban planning and landscape architectural activities
Office	Professional services	71121 : Engineering design activities for industrial process and production
Office	Professional services	71122 : Engineering related scientific and technical consulting activities
Office	Professional services	71129 : Other engineering activities (not including engineering design for industrial process and production or engineering related scientific and technical consulting activities)
Office	Professional services	71200 : Technical testing and analysis
Office	Professional services	72110 : Research and experimental development on biotechnology
Office	Professional services	72190 : Other research and experimental development on natural sciences and engineering
Office	Professional services	72200 : Research and experimental development on social sciences and humanities
Office	Professional services	73110 : Advertising agencies
Office	Professional services	73120 : Media representation
Office	Professional services	73200 : Market research and public opinion polling
Office	Professional services	74300 : Translation and interpretation activities
Office	Professional services	74901 : Environmental consulting activities
Office	Professional services	74902 : Quantity surveying activities
Office	Professional services	74909 : Other professional, scientific and technical activities (not including environmental consultancy or quantity surveying)
Office	Administrative & Supportive Service Activities	77400 : Leasing of intellectual property and similar products, except copyrighted works
Office	Administrative & Supportive Service Activities	78101 : Motion picture, television and other theatrical casting
Office	Administrative & Supportive Service Activities	78109 : Activities of employment placement agencies (other than motion picture, television and other theatrical casting) nec
Office	Administrative & Supportive Service Activities	78200 : Temporary employment agency activities
Office	Administrative & Supportive Service Activities	78300 : Other human resources provision
Office	Administrative & Supportive Service Activities	80100 : Private security activities
Office	Administrative & Supportive Service Activities	80200 : Security systems service activities
Office	Administrative & Supportive Service Activities	80300 : Investigation activities
Office	Administrative & Supportive Service Activities	82110 : Combined office administrative service activities
Office	Administrative & Supportive Service Activities	82190 : Photocopying, document preparation and other specialised office support activities
Office	Administrative & Supportive Service Activities	82200 : Activities of call centres
Office	Administrative & Supportive Service Activities	82301 : Activities of exhibition and fair organizers
Office	Administrative & Supportive Service Activities	82302 : Activities of conference organizers
Office	Administrative & Supportive Service Activities	82911 : Activities of collection agencies
Office	Administrative & Supportive Service Activities	82912 : Activities of credit bureaus
Warehousing	Administrative & Supportive Service Activities	82920 : Packaging activities
Office	Administrative & Supportive Service Activities	82990 : Other business support service activities nec
Office	Public Administration & Defence	84110 : General public administration activities
Office	Public Administration & Defence	84120 : Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security
Office	Public Administration & Defence	84130 : Regulation of and contribution to more efficient operation of businesses
Office	Public Administration & Defence	84210 : Foreign affairs
Office	Public Administration & Defence	84300 : Compulsory social security activities
Office	Other Private Services	94110 : Activities of business and employers membership organisations
Office	Other Private Services	94120 : Activities of professional membership organisations
Office	Other Private Services	94200 : Activities of trade unions
Office	Other Private Services	94910 : Activities of religious organisations
Office	Other Private Services	94920 : Activities of political organisations
Office	Other Private Services	94990 : Activities of other membership organisations nec
Other industrial	Other Private Services	95110 : Repair of computers and peripheral equipment
Other industrial	Other Private Services	95120 : Repair of communication equipment
Other industrial	Other Private Services	95210 : Repair of consumer electronics
Other industrial	Other Private Services	95220 : Repair of household appliances and home and garden equipment
Other industrial	Other Private Services	95230 : Repair of footwear and leather goods
Other industrial	Other Private Services	95240 : Repair of furniture and home furnishings
Other industrial	Other Private Services	95250 : Repair of watches, clocks and jewellery
Other industrial	Other Private Services	95290 : Repair of other personal and household goods

Appendix 3 Planning permissions involving office and industrial floorspace gains and losses

Office - permissions leading to floorspace loss to other uses

Office - committed losses	Sq m
Mountbatten House Military Road Chatham	(8,000)
Lloyds Banking Group Operations Centre Bailey Drive Gill	(3,816)
(formerly Jesus Revival Ministries International) 8A Luton	(442)
Avenue Business Centre 17 New Road Avenue Chatham	(430)
42 North Street Strood	(407)
23 Railway Street Chatham	(387)
33-35 Balmoral Road Gillingham	(320)
100 - 110 High Street Strood	(288)
Barclays Bank (2nd floor) 263-265 High Street Chatham	(210)
Management Suite Dockside Outlet Centre Maritime Way	(179)
1a Beresford Road Gillingham	(165)
9 Railway Street Chatham	(150)
Riverview Grange Road Gillingham	(127)
Kelleher House Dajen Business Park Second Avenue Lut	(120)
Former Station Building Station Approach Halling	(88)
3 Old Road Chatham	(80)
287-289 High Street Chatham	(78)
3 Mill Road Gillingham	(43)
Grand Total	(15,330)

Source: Medway Council Plan Monitoring and Rapleys analysis

Office - permissions leading to floorspace gains

Office - committed gains	Sq m
Eastcourt Works (MEMS) Beechings Way Twydall	633
Fort Horsted Primrose Close Chatham	446
Plot 6 Kingsnorth Industrial Estate Jetty Road Kingsnorth	334
Flanders Farm Ratcliffe Highway Hoo	310
Veolia Ltd George Summers Close Rochester	300
Land to the East and West of Church Street Cliffe	215
Rochester Riverside Corporation street	200
Trafalgar Centre & Multi Storey Car Park High Street Cha	195
Phase 1 Zone D National Grid Land Grain Road Grain	120
Flats A & B 32 Balmoral Road Gillingham	107
28 London Road Rainham	84
73 High Street Chatham	66
Former nightclub 22-32 Canterbury Street Gillingham	42
Land adjacent to 49/51 Peverel Green Parkwood	34
Grand Total	3,086

Source: Medway Council Plan Monitoring and Rapleys analysis

Industrial - permissions leading to gains and losses

General	Light industrial	General industrial	Ware-housing	Mixed B	Total Industrial
Flanders Farm Ratcliffe Highway Hoo			13,474		13,474
Temple Waterfront between Knight Road and Roman Way Strood	2,998	(2,535)		6,900	7,363
Land off Bailey Drive Gillingham			5,342		5,342
Cpi Books Ltd Badger Road Lordswood	214	2,315	2,315		4,844
Veolia Ltd George Summers Close Rochester		3,784			3,784
London Thamesport Grain Road Grain		3,282			3,282
Land south of Kent Terrace Canterbury Lane Rainham				2,350	2,350
Land Adj Royal mail Depot Maidstone Road Rochester	930	1,400			2,330
St Johns Church 18 Railway Street Chatham	1,750				1,750
Net Tex Industries Hoo Marina Industrial Estate Vicarage Lane Hoo				854	854
Fort Horsted Primrose Close Chatham		563	130		693
Complete Moling Services Fenn Street St Mary Hoo	671				671
Eastcourt Works (MEMS) Beechings Way Twydall			633		633
CET Group Commissioners Road Strood	334				334
Chatham Waterfront Globe Lane Chatham	299				299
Former Kitchener Barracks Dock Road Chatham	179				179
Adjacent Rochester Station Corporation Street Rochester	88	88			176
Unit 4 Railway Street Business Park Railway Street Gillingham	148				148
Vulcan House Priory Road Strood			130		130
Land Adj Riverview Manor Wouldham Road Borstal		105			105
Unit 3-4 13c Maritime Close Rochester		100			100
Pit Stop Garage and MOT Centre Ltd Clipper Close Rochester		91			91
Good Food Wines WhiteWall Road Rochester	89				89
25 Church Street Hoo			60		60
Nashenden Barn Nashenden Farm Lane Borstal			26		26
Magpie Service Centre 128 Magpie Hall road Chatham		24			24
143 High Street Rochester			23		23
58-64 Grove Road Strood		(76)			(76)
Joinery Workshop Gorst Street Gillingham		(100)			(100)
27 The Paddock Chatham	(115)				(115)
Durland House 160 High Street Rainham			(147)		(147)
5-7 Mill Road and 4 Fox Street Gillingham			(174)		(174)
8 Lankester Parker Road Rochester		(225)			(225)
Nissen Hut Newlands Farm Newlands Farm Road St Mary Hoo		(241)			(241)
Fleet House Upnor Road Upnor		(265)			(265)
Medway Bridge Marine Manor Lane Borstal	(564)		5		(559)
82 Jeffery Street Gillingham			(750)		(750)
M C L Ltd Grove Road Upper Halling	(782)				(782)
BAE Marconi Way Rochester		(2,376)			(2,376)
Patmans Wharf Upnor Road Upnor			(2,632)		(2,632)
Grand Total	6,239	5,934	18,435	10,104	40,712

Source: Medway Council Plan Monitoring and Rapleys analysis