States of Guernsey
Planning Service

Employment Land Monitoring Report

January - June 2016

For Information

Introduction

The primary purpose of the half yearly Employment Monitoring Report is to monitor the supply of employment land in the Island arising through the planning system and available to the market. The types of employment land monitored are Offices (use classes 21, 22 and 23), Storage and Distribution (use classes 30 to 36) and Industrial (use classes 37, 38 and 40). From January 2015 industrial use class 40 (special industrial purposes) was included. Whilst it is recognised that other sectors, particularly Retail and the Visitor Economy, make a significant contribution to employment in the Island, they are not currently monitored. However, this monitoring regime will be fully reviewed alongside the Development Plan review to ensure that the policies of the Development Plan are delivering the objectives of the Strategic Land Use Plan.

Two indicators are used:

- Amount of floor space given planning consent during the period
- Amount of floor space being marketed through local property agents during the period

Approvals this period

Between 1st January and 30th June 2016 planning permission has been given for the following net change in floor space:

Use Class	Net change (m^2)	Net change (sqft)
Offices for visiting public (21)	-707	-7610
Other offices (22)	260	2799
Offices for temp relocation in emergency (23)	-310	-3337
General storage (30)	-1829	-19687
Refrigerated storage (31)	0	0
Storage of solid fuels, building materials (32)	0	0
Storage for parking of motor vehicles (33)	300	3229
Transfer of goods or distribution of goods in connection with commercial storage (34)	-3792	-40817
Data & Archive Storage (35)	0	0
Storage of hazardous, odorous, putrescible or offensive material (36)	292	3143
Light Industry (37)	3700	39827
General Industry (38)	3800	40903
Special industrial (40)	0	0

Figure 1: Net change in floor space by Use Class granted planning consent between January-June 2016
Source: iLAP

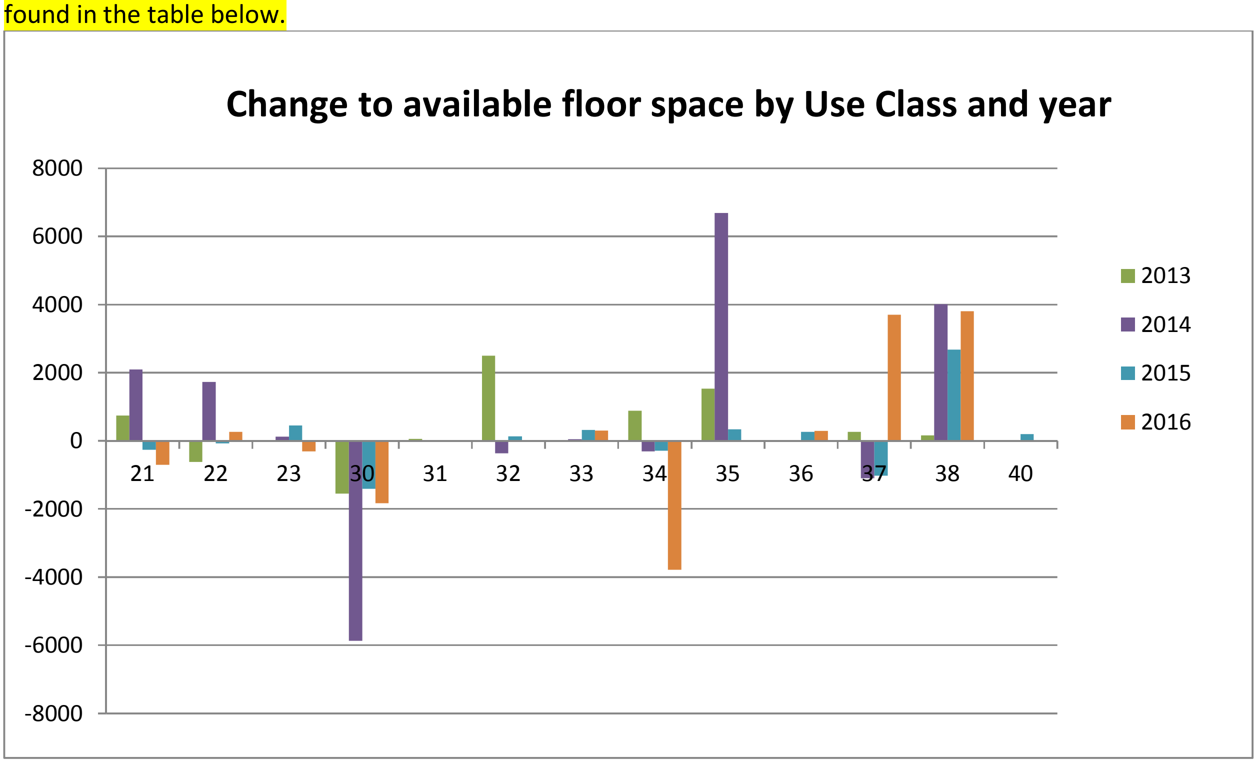
The supply of employment land through the planning system is often irregular, with applications for relatively large floor areas being submitted on an infrequent basis. Data shows that in the first six months of 2016 planning permissions have been granted which would result in a decrease in offices for the visiting public, offices for temporary relocation in an emergency, general storage and transfer of goods or distribution of goods in connection with commercial storage. No change occurred in refrigerated storage, storage of solid fuels, building materials, data and archive storage and special industrial use classes. All other use classes experienced an increase in floor space due to Planning Permissions granted between January and June.

Overall, the following table indicates, in broad terms, increases and decreases in floor space use granted planning permission over the first and second halves of 2015 and over the first half of 2016:

Use Class	Change over 1st half of 2015	Change over 2nd half of 2015	Change over 1st half of 2016
Offices for visiting public (21)	↓	↓	↓
Other offices (22)	↓	↓	↑
Offices for temp relocation in emergency (23)	↑	↓	↓
General storage (30)	↓	↓	↓
Refrigerated storage (31)	-	-	-
Storage of solid fuels, building materials (32)	↓	↑	-
Storage for parking of motor vehicles (33)	↑	↑	↑
Transfer of goods or distribution of goods in connection with commercial storage (34)	↓	-	↓
Data & Archive Storage (35)	↑	-	-
Storage of hazardous, odorous, putrescible or offensive material (36)	↑	-	↑
Light Industry (37)	↓	↓	↑
General Industry (38)	↑	↑	↑
Special Industrial (40)	-	↑	-

Figure 2: Change in floor space use granted planning permission
Source: iLAP

The above figures should be taken as a snapshot in time. Analysis of changes over the last four years can be found in the table below.



As stated above, the supply of employment land through the planning system is often irregular. However the table above can help to highlight potential trends which may occur in terms of loss or gain in floor space per use class over a extended period. For instance, it is clear that the amount of refrigerated storage, use class 31, is consistent with demand as there has been little to no change in the amount of available space over the past four years. General storage, use class 30, on the other hand shows a clear decline in the amount of m^2 available, especially during 2014. This suggests that there is an oversupply of floor space in this category. Data and archive storage, use class 35 experienced a sudden increase to floor space in 2014 and has since seen little to no changes to the available m^2. This levelling out suggests that there is currently sufficient floor space for this use class. Light industrial, use class 37 and general industrial, use class 38 has seen an increase in available floor space in 2016 suggesting there is demand for more land of this type compared to recent years.

Overall most of the losses are being counter balanced by the gain of floor space in other employment related classes. This and the approval of applications regarding new employment land is helping to provide a steady rise in the supply of employment land.

Key Industrial Areas

- Change of use was granted at Longue Hougue, St Sampson's, from storage and distribution use class 30 to mixed use of storage and distribution use class 30 and light industrial use class 37.
- Demolition of part of a warehouse (use class 34) and creation of 2 separate units for storage and distribution (net loss of 154sq.m.).

Central Areas

- In Town, change of use was granted for 6 Lefebvre Street from an office to a self-catered unit, use class 12.
- Change of use was granted for 4 The Quay to change the $578m^2$ unit from an estate agent to retail use class 14.
- Change of use was granted for The Rotunda Royal Plaza from part mixed use premises, presently comprising of ground floor café, business lounge and first floor conference, meeting and training facilities to $304m^2$ of office use class 22.
- On Castle Emplacement, St Peter Port, change of use was granted at the Slaughterhouse from light industrial to use residential use class 4 for manager's accommodation in connection with the restaurant.
- Change of use was granted for offices 2, 3, 4 and 6, Cour Du Bordier Le Bordage, St Peter Port, from office use class 21 to multiple uses; Offices 3, 4 and 6 to use class 21 and Public Amenity use class 24, and Office 2 to use class 21 and Public Amenity use class 25.
- Planning permission was granted at Guilberts Industrial Estate, St Peter Port, for change of use from storage & distribution use class 34 to general industrial use class 38 for the restoration and refurbishment of vehicles.

Elsewhere

- At St Andrews Reservoir, Guernsey Water was granted Planning Permission to erect 9 light industrial units equating to $2,223m^2$.
- In Vale, Planning Permission was granted to demolish an existing workshop and erect a dwelling.

Snapshot of available premises June 2016

The Planning Service reviews properties being marketed for rent or sale by the Island's biggest estate agents recording the floor space available, the type of premises, length of time on the market and price (where available).

At the time the marketed properties survey was taken Nick Brett Property's website was undergoing maintenance. Therefore it was not possible to undertake the established method for researching and recorded information regarding properties registered with Nick Brett. This would have a significant impact on the results recorded in this report from previous years. However, to mitigate this, the properties previously marketed were visited to ascertain the missing information. Properties were added to the audit if there were indications, such as for sale signs, to suggest the property was still on the market. Where no indication was made that the property was still up for sale but the premises appeared empty, the information on these properties has been added to the report under 'Missing Information' section relevant to each use to help estimate how much additional square metres may still be up for sale. Where no information was available or the property was no longer vacant previous information was then archived.

Offices

Overview

109 office premises were available to let in June 2016, a total area of 22,981m^2 (247,374 sq ft). The level of availability represents 8.1% of the total stock of 282,684m^2 (3,042,785 sq ft). While this still shows headroom in the market, it represents a significant drop from December 2015. The vast majority of those are small premises, with 75% being less than 250m^2 with a further 14% being 500m^2 or under. The amount of office space being marketed for let is also down significantly by 10.2% from December 2015, when there was 25,600m^2 (275,556 sq ft) available. There are currently 9 office premises being marketed for sale with a total area of 984m^2 (10,590 sq ft), 5 of these are refurbished historic buildings and 7 have been on the market for 6 months or more. The change in the number and size of properties for sale since December 2015 also indicates significant take up in the office sector compared to previous years. There is a noticeable lack of larger scale units being offered for sale. It noted that the draft Island Development Plan indicates a future office expansion area at Admiral Park which would accommodate large floor plate offices and the majority of the forecasted demand for offices over the next ten years.

Length of time on the market (to let)

Research suggests that properties are spending more time on the market compared to previous years, with 85 of the 109 premises having been on the market for 6 months or more. However, this period shows increased movement in this market as a whole.

Take up

42 premises comprising a total of 9,041m^2 (97,322 sq ft) have been taken up (or ceased being marketed) since December 2015. 23 of these premises were on the market for 12 months or less. While, this suggests a faster take up activity of newly marketed properties compared to those that have been on the market from some time, it shows a clear increase in movement in this market to that of December 2015 where 19 premises were taken up and left the market.

Missing information

- Top floor Place du Pre, Rue de Pre, St Peter Port (451 sqm) which has been on the market since 2013 for 451 square metres at £145,710. This property whilst still appearing vacant has no indication that it is still on the market.

- Route Militaire, Vale (38 sqm) which has been on the market since 2014 for 38 square meters at £10,300. Little information was available for this property which means there is little way of knowing whether it remains on the market.

Industry and Storage

Overview

39 industrial, storage and data centre premises were available to let in June 2016, a total area of 20,642m^2 (222,195 sq ft) representing a decrease of 5,357m^2 (57,662 sq ft) since December 2015. 83% (17,068m^2 or 183,723 sq ft) of this space is available for storage and distribution[1], indicating there is still an oversupply in this sector largely due to the loss of LVCR. The level of availability in storage premises has fallen by 1%; 10% of the Island's total stock of 174,732m^2 (1,880,799 sq ft) is currently available to let. Suggesting the market may be beginning to stabilise after the loss of LVCR but further monitoring is required to assess the trend. The

available level of industrial premises is 1.7% (3,574m^2 or 38,472 sq ft) of the total stock of 211,657m^2 (2,278,257 sq ft), continuing a trend of a tight market for this use compared to other jurisdictions.

Hull	June 2014	12.2%
Harrogate	June 2015	5%
Basingstoke and Deane	May 2015	8%

This, however, is not a concern in the overall context of managing transition in this sector and a forecasted future decline as identified in the Employment Land Study 2014.

Location

Key Industrial Areas (KIA)

6 premises are available on the Pitronnerie Road Industrial Estate, St Peter Port. This space equates to 4,842m^2 (52,119 sq ft). All 6 of these premises have been on the market for more than a year. 3 premises have been taken up on this estate since December 2015.

There are 2 premises being marketed at Braye Road Industrial Estate, Vale (935m^2 or 10,064 sq ft). 1 premises on this estate has been taken up since December 2015.

A 565m^2 (6,081 sq ft) storage unit at Northside, Vale, remains on the market. 1 site at Northside was taken up since December 2015.

Urban sites, outside the KIAs

There is 1 premises being marketed for storage use in Dyson's Quarry, St Sampson's (75m^2 or 812 sq ft). 1 premises on this site has been taken up since December 2015.

The former post office at Sir John Leale House, St Peter Port is still being marketed for a variety of uses (4,527m^2 or 48,732 sq ft).

There are 3 storage units being marketed at Guilbert's Yard, St Peter Port (1,032m^2 or 11,108 sq ft).

There are 2 premises on the market at The Aviaries, St Peter Port (226^2 or 2,433 sq ft).

Rural sites

There are 2 industrial units being marketed at Les Caches, St Martin's (2,769m^2 or 29,805 sq ft).

There are 2 industrial units being marketed at Garenne Park, Vale & St Sampson's (774m^2 or 8,333 sq ft).

[1] Use Classes 30, 31, 32, 34, excluding data centres

There are 3 storage units being marketed at Landes Du Marche (1,503m^2 or 16,180 sq ft).
There are 3 light industrial units being marketed at Clos de Salle, Castel (556m^2 or 5,980 sq ft).

Those premises at Barras Lane Industrial Estate and Rocquaine Industrial Centre have been taken up since December 2015.

Elsewhere across the island there are 14 storage units and 3 industrial units being marketed.

Length of time on the market (properties to let only)
12 premises have been on the market for over 18 months.
12 premises have been on the market for between 1 year and 18 months.
6 premises have been on the market for between 6 months and 1 year.

9 premises have been on the market for up to 6 months.

Take up
There has been some change in the market in the last six months with 20 premises, a total of 6,296m^2 (67,772 sq ft), being taken up (or ceased being marketed) since December 2015. The majority, 3,154m^2 (33,951 sq ft) of this was industrial premises. The remainder of the take up was storage and distribution units.

Missing Information
- Clemrose, Rue de la Fosse, Forest (1,082 sqm) unit which has been on the market since 2013 for 1,082 square metres at £82,000. Whilst still appearing vacant, no indication is made to suggest that this property is still on the market.