

Employment Land Study Update Report 2021

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1 Introduction

- 1.1.1 The Employment Land Study 2014 (ELS) report sets out the baseline position and profile of the office and industry, storage and distribution sectors, the future requirements for each of these sectors on the Island together with a recommended portfolio. This report provides the 2021 annual update to the ELS which will report on trends and changes since 2012 (the base year of the study). The report findings will inform the Annual Monitoring Report (AMR) 2021.

2 Background

2.1 Policy context

- 2.1.1 The Strategic Land Use Plan (SLUP) directs that office uses should be focused within and around the Main Centres with some limited development within the Local Centres to contribute to their range of services and facilities and reinforce them as sustainable centres. Outside of the Centres the SLUP directs the IDP to make provision for certain small-scale businesses, which have a justifiable need to be located Outside of the Centres based on the nature of operation or where there is difficulty in finding a suitable site within the Centres.
- 2.1.2 Guernsey's stock of office accommodation can be considered to comprise of three categories:
- Primary – recently developed or refurbished to modern standards
 - Secondary – older purpose-built offices that may or may not be capable of being refurbished or redeveloped to modern standards
 - Tertiary – existing offices resulting from the conversion of units of accommodation, retail, etc. that may never meet modern standards
- 2.1.3 The SLUP identifies that the office sector requirements can be met through a combination of primary offices (including large floorplate) on new sites focussed in the Main Centres and at Admiral Park, together with the refurbishment and redevelopment of older office stock to create modern offices.
- 2.1.4 To reflect the strategic direction of the SLUP, the IDP's approach is to focus office use in the Main Centres where there are existing clusters of offices, while recognising the need for large floorplate office space with the allocation of an Office Expansion Area at Admiral Park (for floorplates over 1000m²). The IDP also seeks to retain existing offices in Main Centres but allows for smaller premises under 250m² to change to alternate suitable uses, which would support the vitality and viability of the Main Centre and which provides flexibility and addresses an oversupply of mainly tertiary, small office space. The change of use of larger substandard office premises to other uses, subject to demonstrating certain criteria, can be considered under the IDP policies.
- 2.1.5 New offices and changes to existing offices are also supported in Local Centres where they are of an appropriate scale for the Local Centre concerned and where scale and cumulative impact would not undermine the vitality and viability of the Main Centres. Outside of the Centres, new office development is supported through conversion of redundant buildings only.

- 2.1.6 For industry and storage and distribution, the SLUP requires the IDP to make provision for a comprehensive range of land opportunities for employment uses, maintaining the focus of these uses within and around the Main Centres of St. Peter Port and St. Sampson/Vale and recognising that some opportunities may exist in Local Centres. The SLUP directs the IDP to also make provision for certain small-scale businesses outside of the Main and Local Centres, typically those in the lower value industrial and service sectors, such as those requiring workshops, secure storage or open yards. A justifiable need to be located Outside of the Centres must be demonstrated based on the nature of operation or having had difficulty in finding a suitable site within the Centres.
- 2.1.7 The IDP's approach to industry, storage and distribution reflects the findings of the Employment Land Study 2014 which indicated that the island was over-provided with industrial, storage and distribution premises. In managing change in this sector it is recognised that there remains a need to specifically protect some land for industry, storage and distribution to ensure suitable land is available that can be readily developed for a range of industrial and storage/distribution purposes. The IDP, therefore, seeks to consolidate industry, storage and distribution uses on 4 designated Key Industrial Areas ("KIA") each with an identified expansion area known as Key Industrial Expansion Areas (KIEAs) located in and around the Main Centres. Longue Hougue KIA is reserved specifically to accommodate a range of heavy and specialist industrial development including waste facilities. There is also a KIEA located Outside of the Centres at La Villiaze to the north of the airport.
- 2.1.8 In addition, the IDP policies require particular criteria to be satisfied before allowing the loss of existing industrial, storage and distribution sites to other uses where these are located outside of the identified KIAs but situated along the Inter-harbour route due to their good access.
- 2.1.9 The IDP policies direct industry, storage and distribution uses toward the KIAs and KIEAs and also support industrial use (including creative industries) elsewhere within the Main Centres. Change of use between industry, storage and distribution uses is in principle supported. Existing sites within the KIA should be re-used and redeveloped before consideration is given to development within the KIEAs. Only where there is no suitable alternative site within any of the KIAs or Main Centres will development be considered in the expansion areas and will be subject to the approval of a Development Framework to achieve the effective and efficient use of land. The KIEAs provide a buffer should the demand for employment floor space unexpectedly rise for industry, storage and distribution uses, or should the needs of a particular use not be able to be accommodated. Within the Main Centres and Main Centre Outer Areas new industry and storage and distribution use is also possible through conversion of a redundant building. In addition, due to their particular nature, IDP policy supports provision of new creative industries in Main Centres.
- 2.1.10 In Local Centres new industrial, storage and distribution uses are also supported where they are of an appropriate scale for the Local Centre concerned, supporting them as sustainable centres and are not of a scale and cumulative impact that would undermine the vitality of the Main Centres. Outside of the Centres, these uses are supported in principle at the KIEA at La Villiaze, St Saviours, on redundant glasshouse sites, on brownfield sites under certain circumstances and providing certain criteria are met through conversion of redundant buildings.
- 2.1.11 The IDP policies support, in principle, the continued use, extension, alteration and redevelopment of existing industrial and storage and distribution sites throughout the island and are generally supportive of change between such uses. The IDP policies are also

generally supportive of change of use away from these uses outside of the KIAs, and where sites are not on the inter-harbour route.

2.1.12 The focus provided by the Government Work Plan 2022 is critical in and delivery of relevant policy. The most relevant (but not the only) applicable actions in the Government Work Plan are:

- Consider the options for Guernsey enterprise zones;
- Establish Development Agency & develop strategic framework;
- Secure transport connectivity and infrastructure;
- Invest in and develop the local digital economy;
- Develop Blue and Green Economy Supporting Plans and
- Unlock Enterprise.

2.2 Guernsey Employment Land Study 2014

2.2.1 In 2014, in accordance with best practice, the Guernsey Employment Land Study (ELS, 2014)¹ was prepared as part of the evidence base to inform policy formulation on office, industrial and storage provision in the Island Development Plan.

2.2.2 The ELS (2014) presents an analysis of the characteristics (amount, location, size and trends) of office, industry, and storage & distribution accommodation on the Island. The base year for this profile data is 2012. The findings set the baseline position for each of these sectors and are referred to within this report (see sections 4 and 5).

2.2.3 Following on from this profiling and drawing from UK guidance, the employment land is classified into eight employment areas for the subject sectors; Mixed Use Historic Areas, Established Office Locations, High Quality Business Parks, Light Industrial Areas, General Industrial Areas, Specialist Industrial Areas, Stand Alone Sites and Micro-sites.

2.2.4 The ELS (2014) assessed and forecasted the future land requirements for offices, industry, storage and distribution over the 10 year life of the Island Development Plan as shown in [Figure 2.1](#) below.

	Existing land supply (m ²)	Gross additional land requirement (m ²)	Gross total land requirement (m ²)
Office	172,308	+30,000	202,308
Industry, Storage & Distribution	1,892,523	-22,600	1,869,923

Figure 2.1 Summary of employment land requirement by sector 2015-2025

2.2.5 The forecasts for future land requirements are not updated as part of this report but may be considered as part of any Development Plan review.

¹ [Available to download from www.gov.gg/planningpolicy](http://www.gov.gg/planningpolicy)

- 2.2.6 Drawing from the three stages described below, the ELS (2014) concludes that the forecasted employment land requirements can be substantially delivered through the existing portfolio with some key proposed additions. The identified recommended portfolio is reviewed as part of this update report.

3 Methodology

3.1 Overview

- 3.1.1 Preparation of the ELS (2014) was in accordance with best practice and based on the methodology set out in the UK Department of Communities and Local Government's guidance on Employment Land Reviews: Guidance Note (2004). While this guidance has formed the basis of the methodology used in the ELS (2014), it has been adapted to suit the Guernsey pattern of land use, available data and the Guernsey planning system.
- 3.1.2 The ELS (2014) was carried out in three stages as follows:
- Stage 1: Establishing the Baseline Position
 - Stage 2: Creating a Picture of Future Requirements
 - Stage 3: Identifying a Portfolio of Sites
- 3.1.3 This report provides an annual update to the ELS to reflect on changes to the baseline position and profile of the employment land identified in the 2014 report, together with a review of the recommended portfolio for office, industrial and storage and distribution provision on the Island. The report findings inform the Annual Monitoring Report (AMR) which monitors the effectiveness of the policies of the Island Development Plan 2016 (IDP). A comprehensive review of the ELS (2014) across each of the 3 stages identified above will be undertaken for the future review of the IDP.
- 3.1.4 The first section of this report presents an update to the profile of each of the sectors and the changes over the last 9 years since the baseline position presented in the original study. The purpose of this stage is to understand:
- The profile of employment premises across the island in terms of the type of premises, location and size;
 - The current level of demand for premises and the factors that influence demand;
 - Trends in employment and how this might influence future demand;
 - The supply of new and upgraded premises through the planning system;
 - The spatial distribution and character of different employment areas; and
 - Key changes to all of the above over the last 9 years.
- 3.1.5 To establish an update of the baseline position, information from data on planning consents was collated and previous consultation undertaken with property agents is used to capture their insights about the market and some qualitative input. In light of the Government Work Plan priorities the Authority considered that the work undertaken previously for the Market Premises Audit was not a priority and this work has now ceased. As such information on the property market trends will not be updated in this or subsequent reports.
- 3.1.6 The next section of this report reviews the ELS (2014) recommended portfolio of existing and potential employment sites to ensure it continues to offer a comprehensive range of

opportunities for employment use. To comply with the SLUP, this portfolio must regard the requirements of:

- Existing and refurbished office stock in the Main Centres;
 - New office development in Main Centres, including Admiral Park;
 - Industrial premises within or around the Main Centres, Salt pans Park and Admiral Park; and
 - Office and industrial premises within Local Centres if appropriate.
- 3.1.7 The portfolio of sites should be attractive to business in terms of location, size, accessibility and specification of premises. In assessment of this recommended portfolio, in accordance with strategic direction, the redevelopment of brownfield sites has been prioritised over greenfield sites and business requirements have been balanced against other objectives of the SLUP, such as enhancement of the built environment, protection of historic buildings and the efficient use of land. The review considers any changes to the recommended portfolio during 2021 and assesses whether planning policies are supporting the delivery of the recommended portfolio.

3.2 Consultation

- 3.2.1 A number of consultations have informed the preparation of this study, along with ongoing liaison with the Business, Innovation & Skills section of the Committee for Economic Development.
- 3.2.2 The last workshop with stakeholders was held in 2020. The Planning Service together with Business, Innovation & Skills hosted a workshop in 2020 with representatives from commercial agents and commercial organisations on Island, to gain qualitative feedback on the office quality audit and the performance and effectiveness of the IDP policies relating to the office, industry and storage/distribution sectors. The workshop examined the results of the draft office quality audit to reach a consensus on the definitions of prime, secondary and tertiary office accommodation and the current office portfolio.

4 Profile of Offices

4.1 Amount of office premises

- 4.1.1 Over the last 9 years, there has been a slight (4%) decrease in the overall office stock in the Island with 346 premises providing 261,360m² of accommodation located on 165,950m² of land in December 2021. Changes to the profile of the stock in relation to the size, number and location of premises are set out below.

4.2 Number and Size profile of offices

- 4.2.1 **Figure 4.1** shows that, based on the data between 2012-2021, the majority of the Island's office premises remain small scale (under 250m²), with the number of premises slightly decreasing compared to the baseline position in 2012. Overall, as **Figures 4.2 and 4.3** show, within the same time period there the number of premises over 3,000m² has decreased slightly but still accounts for the majority of the Island total office floorspace (39%).

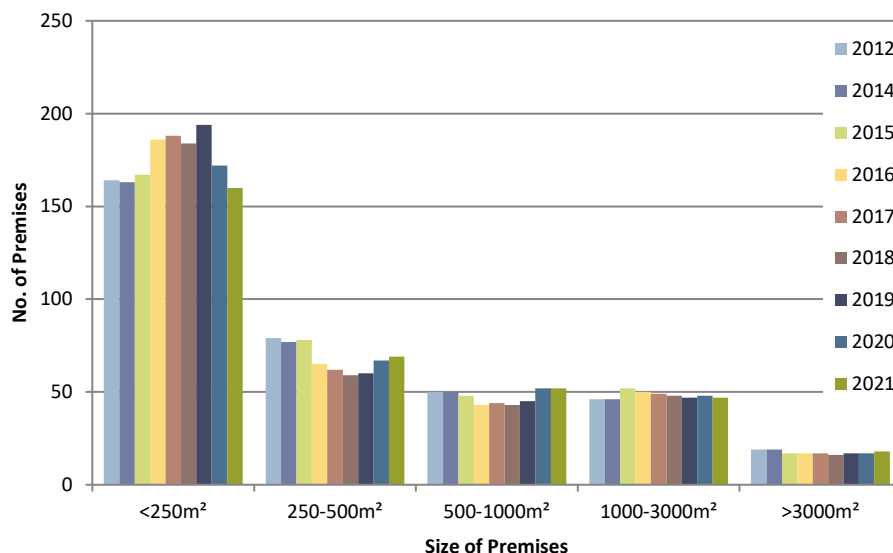
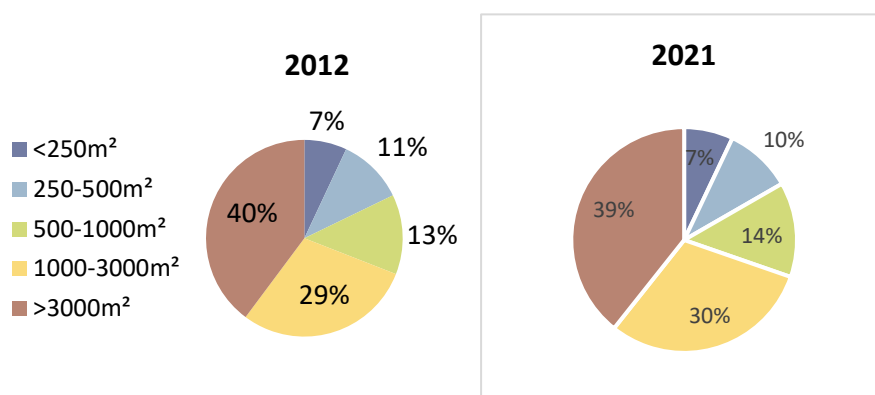


Figure 4.1 Number of office premises in each size category (2012 to 2021)



Figures 4.2 and 4.3 Area of office premises in each size category (2012 & 2021).

4.3 Location profile of offices

- 4.3.1 The ELS 2018 update report presented information for the first time on the location of offices by Main Centres (Inner & Outer Areas), Local Centres and Outside of the Centres and assessed in the context of the States agreed spatial strategy. Figure 4.4 shows that the Main Centre of St Peter Port is the primary location for offices (c.88%), with the majority of this accommodation located within the inner area of this Main Centre. Office uses are grouped in clusters and are predominantly located to both the north and south of the Town's Core Retail Area.
- 4.3.2 Admiral Park, located in the northern part of the St Peter Port Main Centre Outer Area, provides a further cluster of large floorplate, high specification, modern office premises in a business park environment. Of note, all the premises over 3,000m² bar one are located within St Peter Port Main Centre or Main Centre Outer Area.
- 4.3.3 Similar to the 2012 baseline position, the Bridge Main Centre provides a much lower level of accommodation in comparison (5%) and continues to act as a minor office location. Of the office premises in that Main Centre, two are high street banks and are primarily located on the harbour frontage, primarily situated in response to customer requirements. The largest offices are those of Guernsey Electricity located on the first floor of its premises on North Quay, located as such due to their close proximity to power station operations

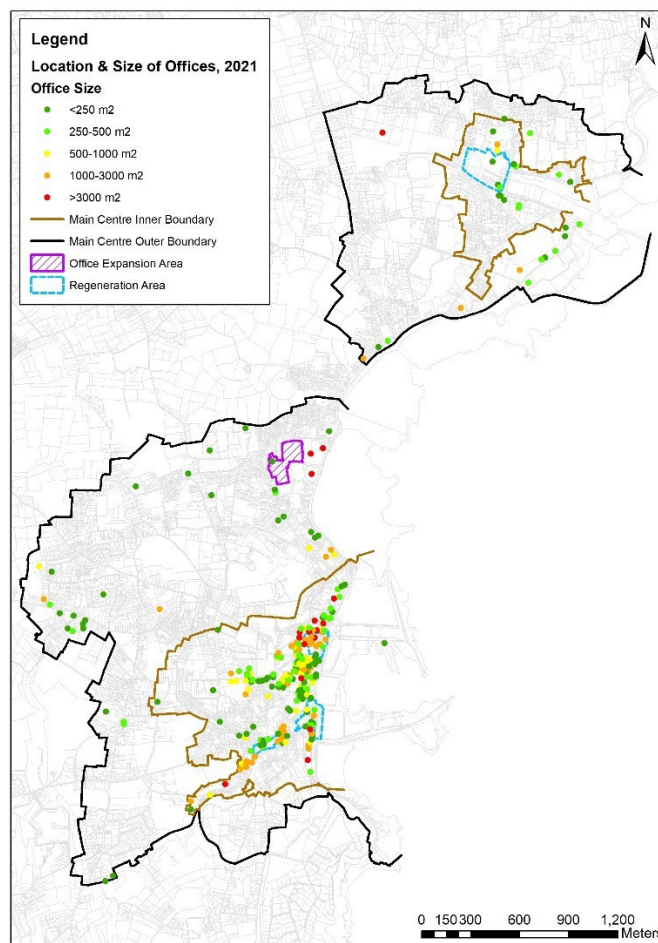


Figure 4.4 Map showing the location of office accommodation by Main Centre, 2021

- 4.3.4 There is limited provision of offices within the Local Centres (2.8%), the majority of which are located within St Martins Local Centre. L'Aumone Local Centre contains no office accommodation, as shown in Figure 4.5 below.

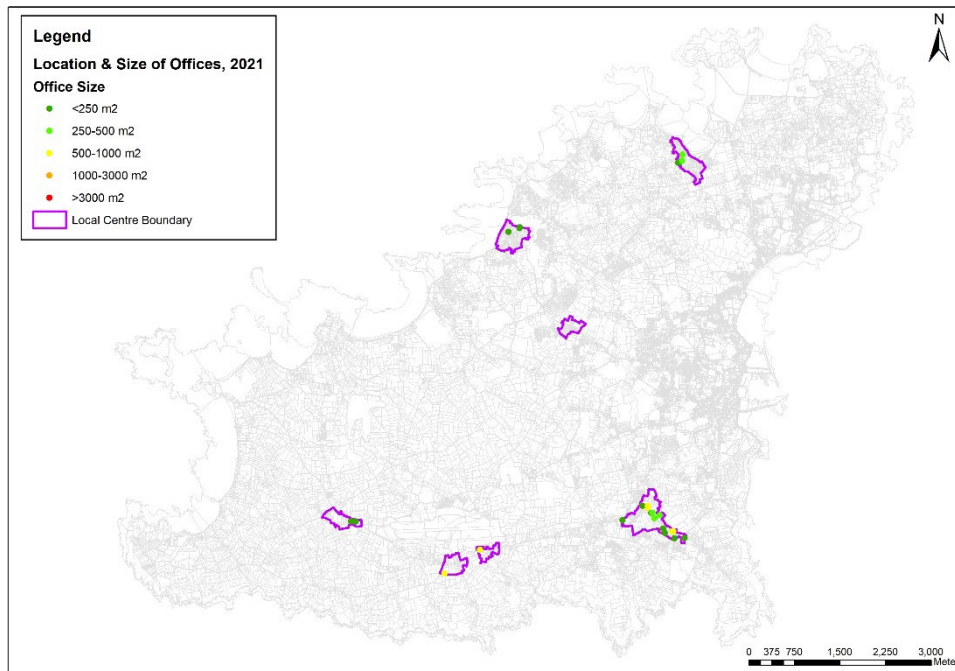


Figure 4.5 Map Showing the location of office accommodation by Local Centre, 2021

- 4.3.5 There is very limited provision of offices Outside of the Centres (4%), as shown on Figure 4.6 below. The majority of this accommodation is small scale and below 250m², possibly representing offices for home working rather than standalone units.
- 4.3.6 Overall, there has been little change to the location of offices over the last 9 years.

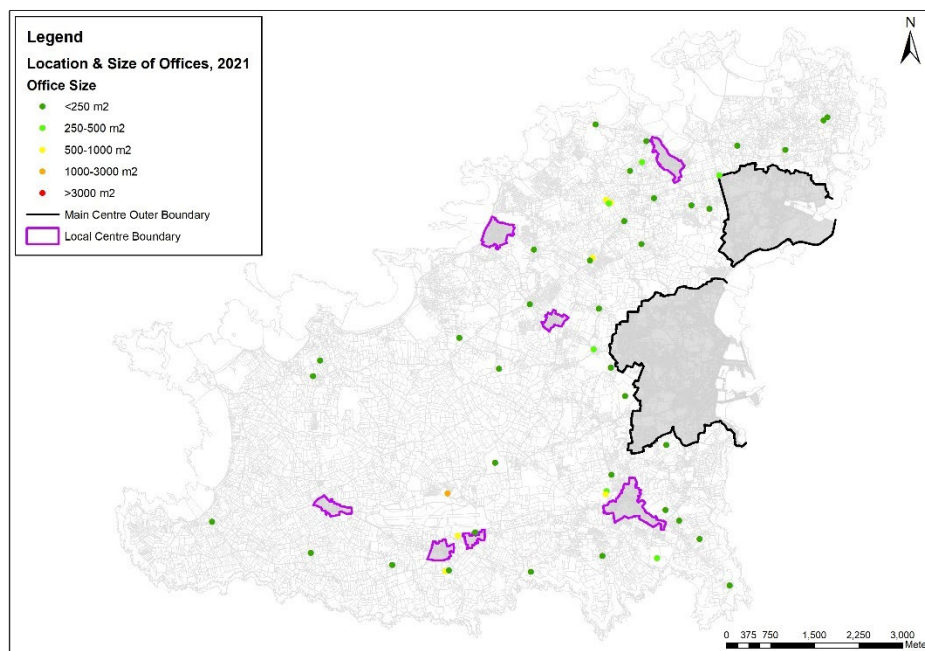


Figure 4.6 Map Showing the location of office accommodation Outside of the Centres, 2021

4.4 Supply of offices through the planning system

- 4.4.1 The area of floorspace given planning consent is an indicator of the demand for various uses. It should be noted however, that whilst the vast majority of planning permissions granted are implemented, for a variety of reasons there is a proportion that do not get built and the Authority does not currently monitor implementation rates.
- 4.4.2 As the ELS (2014) reported, planning permission has been given for a net increase of approximately 33,000m² across all types of office space between 2003 and 2012. Planning consent for office floorspace peaked in years when there were a few large office developments permitted as part of mixed-use re-development schemes, such as Admiral Park in 2004 and Gategny Esplanade in 2003 and 2009.
- 4.4.3 As shown in Figure 4.11 below, the level of supply during 2021 is linked to the erratic nature of supply, with previous significant gains linked to single large sites coming forward. Over the last 9 years, the supply of offices through the planning system amounts to c.22,264m². A significant permission in recent times is the site at Admiral Park, which falls within the Admiral Park Office Expansion Area in the IDP. Of note, the revised approved scheme at Admiral Park (2018) has come forward and has recently completed construction in 2022, with further planning permission granted in 2021 for further development at Admiral Park. These values are recorded in Figure 4.11 in 2015 at the time of the outline permission stage. All other permissions related to a gain in office floorspace were of a very limited size (< 250m²) except for a singular contribution of 700m² with the change of use from a medical centre to offices at Frances House, Sir William Place, St Peter Port. Other applications show a decline in office accommodation albeit mainly from changes in small scale units (< 250m²) as encouraged by the planning policy framework. One notable exception was recorded at the former education offices on The Grange resulting in a loss of tertiary quality floorspace of 1750m². This loss of low-quality offices is on a designated housing allocation site within the IDP, and therefore was expected and accounts for a significant proportion of the overall loss of office floorspace recorded. Importantly, there was no loss of any primary grade accommodation during 2021.

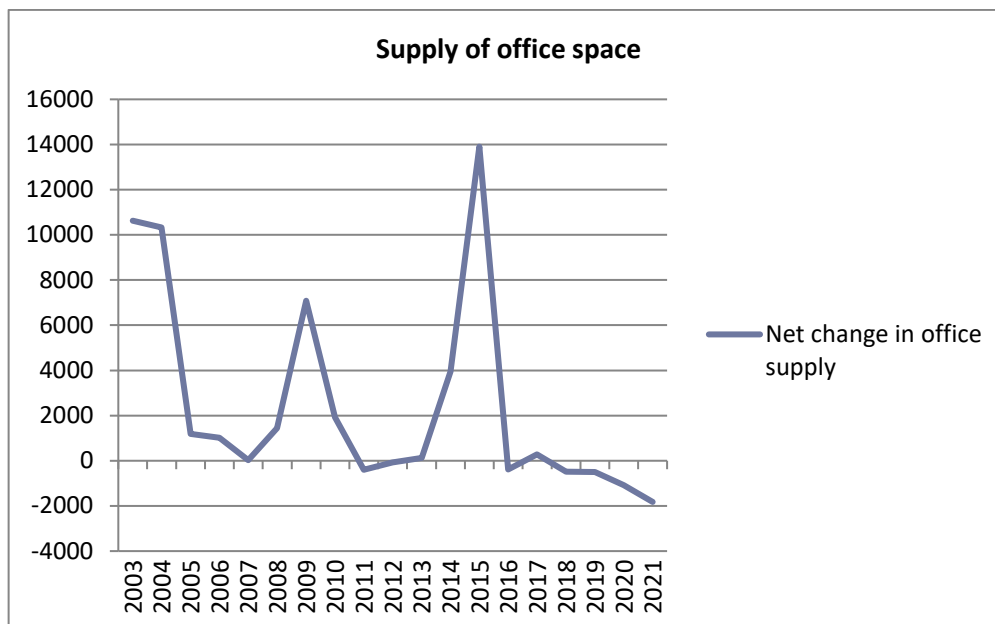


Figure 4.11: Supply of office accommodation through the planning system since 2003 (includes outline permissions)

- 4.4.4 **Figure 4.12** below shows a breakdown in the type of office accommodation within the planning supply since 2003. Over the last 9 years, there appears to be little demand for offices for the temporary relocation in emergency (Use Class 17). There were some notable increases in offices for visiting members of the public (Use Class 15) between 2012-2014 but these gains have been countered by losses of this use during 2015-2021. The only significant increase in general office (Use Classes 16) relates to the sites at Admiral Park and Rue Marguerite, the latter being countered by the loss at the Royal Bank of Canada site in 2019.

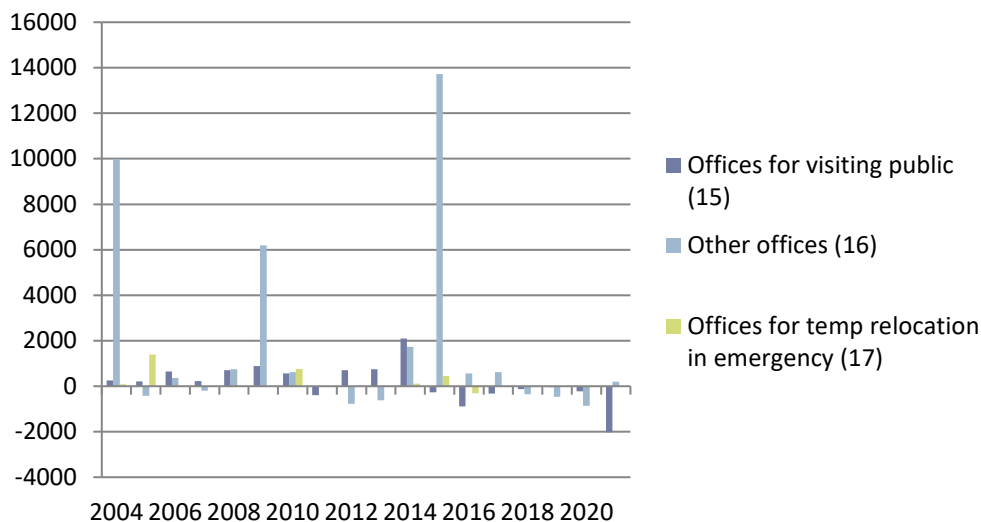


Figure 4.12 Type of office accommodation within the planning supply since 2004.

- 4.4.5 A review of the planning applications during 2021 does not indicate any potential policy issue in relation to the office sector.
- 4.4.6 With a longer-term aim to maintain an appropriate portfolio of office stock within the Main Centres and facilitating economic growth, it is positive to note the delivery of significant additional office accommodation to the portfolio within the Office Expansion Area referred to above and Rue Marguerite. In the medium to longer term, the IDP identifies the redevelopment of the Harbour Action Areas (HAAs) in Town and the Bridge together with the 4 identified Regeneration Areas as potential opportunities to deliver new high quality office accommodation across a range of sizes to meet the need identified by the agents (see section on overview of demand). Although land use policy makes provision for such development the risk of any delay to these areas coming forward or not delivering significant levels of new office accommodation may pose a concern for meeting the needs of the sector over the lifetime of the IDP.

4.5 Factors influencing choice of premises

- 4.5.1 Agents' feedback confirmed the key specification requirements for offices remain similar from that previously reported in the ELS; with businesses seeking locations within or around existing office clusters, with good access to parking and flexibility to accommodate changing requirements. New office space needs to have built in flexibility to accommodate a company's changing needs and changes in technology. Specification levels are important as generally the higher the specification the lower the ongoing maintenance costs are. Green credentials are factors that are becoming more important but usually compromised in Guernsey due to the lack of choice. Agents did highlight the changing nature of the

workforce, with a proportion of the workforce working from home and potential requirements changing to reduce space with differing set ups. Recent and planned refurbishments are changing the internal layout of premises with greater focus on staff areas and facilities for their health and wellbeing. Technology is also changing the physical requirements for office accommodation. There is less requirement for physical storage, translating to requiring less space and with facilitation of wireless technology there is often no longer a requirement for raised access flooring for data cabling.

- 4.5.2 Covid 19 highlights the potential change to future requirements. For example, the need to accommodate social distancing within the office moving forward and also a potential move away from hot desking. The impact of Covid 19 and future potential pandemics is likely to have a lasting impact on the choice of premises for the future.
- 4.5.3 Feedback from the agents and research indicates primary offices achieving rents in excess of £35 per sq.ft, secondary offices achieving £25 to £35 per sq.ft. and tertiary offices below £25 per sq.ft. As agreed under the office quality audit (2020), price encapsulates and acts as a marker for all the factors influencing office requirements. Achieving higher rents than Jersey is considered to be due to a lack of choice in the market and also the higher cost of development in Guernsey meaning landlords must achieve certain levels for developments or refurbishments to be viable. Agents highlighted that changing market conditions have placed increasing pressure on the viability of office developments. For example, the length of lease terms has markedly reduced from 21 years to 10-15 years. Break clauses are coming earlier as a consequence around the 6-year point, placing pressure to demonstrate a return on the project within this shorter timeframe. Tenants' expectations for greater rent-free periods and seeking fit out costs to be capitalised is all placing increase pressure on viability. There is a divergence between what tenants are wanting and what landlords can provide.

4.6 Trends in office-based employment

- 4.6.1 Overall, it is noted that given the level of uncertainty around Covid 19 and Brexit, it is difficult to predict the future requirements for office space. The impact of Covid 19 has brought uncertainty to the market and it is recognised that the full impact of Covid 19 has yet to play out in the sector. Further investigations are required to understand the impact on the future needs of the sector.
- 4.6.2 In the short to medium term, the agents indicate the requirement for additional large floor plate high quality office accommodation. This demand is being partially satisfied by recent permissions at Admiral Park and Rue Marguerite.
- 4.6.3 In the longer-term industry feedback from the workshop speculated that there could be significantly less demand for traditional large floorplate offices in the future. The impact on demand for office space from the changes in working styles enabled by technology needs to be considered. Going forward, agile working and improvements in technology may reduce the demand for new space.
- 4.6.4 However, the group acknowledged the desire for social interaction from staff. Often people return to work for interaction rather than just money. It is for this reason, full time remote working at home is not envisaged but it is likely to occur for part of the time. This would reduce future space requirements.
- 4.6.5 Staff retention is expected to remain a key issue for businesses – staff are expecting improved working environments and facilities. Businesses need to meet their expectations

to retain staff - high quality environments, breakout rooms, views, parking, flexible working etc. This indicates the continuing and increasing importance of facilities for health and wellbeing of staff and the environments around the office accommodation.

- 4.6.6 It was generally agreed the desk space per worker is decreasing in size and collaborative space is growing, which is expected to continue.
- 4.6.7 Agents envisage that future demand will be more focused on small to medium businesses (which is happening now) requiring high quality small office spaces in prime locations. This is likely to be driven by changes in working practices but also by high net worth individuals.
- 4.6.8 Overall, there is a need to provide a range of different size and quality of accommodation within the portfolio to meet different business needs (from high net worth individuals, business support, start-ups, to global firms). In the future, it is likely that the smaller rather than larger floorplate will be needed. While current planning policies of the IDP places emphasis on the size of units in determining their value, the importance of quality of the accommodation regardless of size is emerging to be of more importance (this is discussed further in the recommended portfolio of offices section - page 34).
- 4.6.9 Trends in office accommodation should inform the review of the recommended office portfolio in section 6.1-6.3 and in turn the review of planning policies related to employment land supply.

4.7 Key messages for office accommodation

- 261,360m² office accommodation in 346 premises, located on 165,950m² of land. This represents approx. 4% decrease in office accommodation since 2012.
- Majority of premises are under 250m² (46%). The number of premises over 3000m² has slightly decreased since 2012 but still represent 39% of accommodation floorspace.
- Majority of office accommodation remains located in St Peter Port (88%), with minor concentration in the Bridge.
- Business Services sector is stabilising after a period of growth, while finance sector is showing signs of growth over the last 2 years.
- Supply of offices through the planning system over last 9 years amounts to c.22,264m² (including 12,000m² for the site at Admiral Park).
- Key office requirements remain similar: locations within or around existing office clusters, with good access to parking and flexibility to accommodate changing requirements. New office space needs to have built-in flexibility to accommodate a company's changing needs and changes in technology. In new and refurbished offices there is now a greater emphasis on the provision of facilities for the health and wellbeing of staff. Unlike other jurisdictions, green credentials remain on the wish list in Guernsey due to the lack of choice.
- Overall it is noted that given the level of uncertainty around Covid 19 and full impacts of Brexit, it is difficult to predict the future requirements for office space. In the short to medium term, research indicates a requirement for additional large floor plate high quality office accommodation, with longer term future demand more focused on small to medium businesses requiring high quality small office spaces with greater emphasis on staff facilities in prime locations. Going forward, agile working and improvements in technology may reduce the overall demand for new space.
- Overall, there is a need to provide a range of different size and quality of accommodation within the portfolio to meet different business needs (from high net worth individuals, business support, start-ups, to global firms).

Figure 4.12 Key Messages for office accommodation

5 Profile of industry, storage & distribution

5.1 Amount of industrial, storage & distribution premises

- 5.1.1 In 2021, there was a total of 236,826m² industrial floorspace in Guernsey in 461 premises, located on 1,350,800m² of land. This represents a minor decrease of 0.3% in floorspace since 2020 but an overall 1.9% increase in industrial premises since 2012. A review of Industrial land calculations indicated improvements that could be made to data collection and analysis and as such would contemporaneously and in the future provide a more robust dataset. The revised figure for 2021 represents a reduction of land since 2012 (as calculated at the time by the previous methodology) of 13% although this value continues to be under review.
- 5.1.2 Over the last 9 years, there has been a 1.7% decrease in storage premises and due to revised calculations, a reduction of 5.5% of land in the Island with 237 premises providing 180,687m² of accommodation located on 319,650m² of land in December 2021.
- 5.1.3 The key changes in relation to the size, number and location of premises is set out in the sections below.

5.2 Size profile of industrial, storage & distribution premises

- 5.2.1 Similar to the reported position established in the ELS (2014) report, [Figure 5.1](#) shows that the largest proportion (59%) of industrial premises in 2021 were less than 250m² in floorspace, accounting for 9% of the total area of industrial floorspace on the Island. Over the last 9 years, the number of premises in the different size categories remains similar to the baseline position.
- 5.2.2 The largest proportion (64%) of industrial space remains made up of premises between 1000m² and 3000m², and premises over 3000m² (see [Figure 5.2](#)).

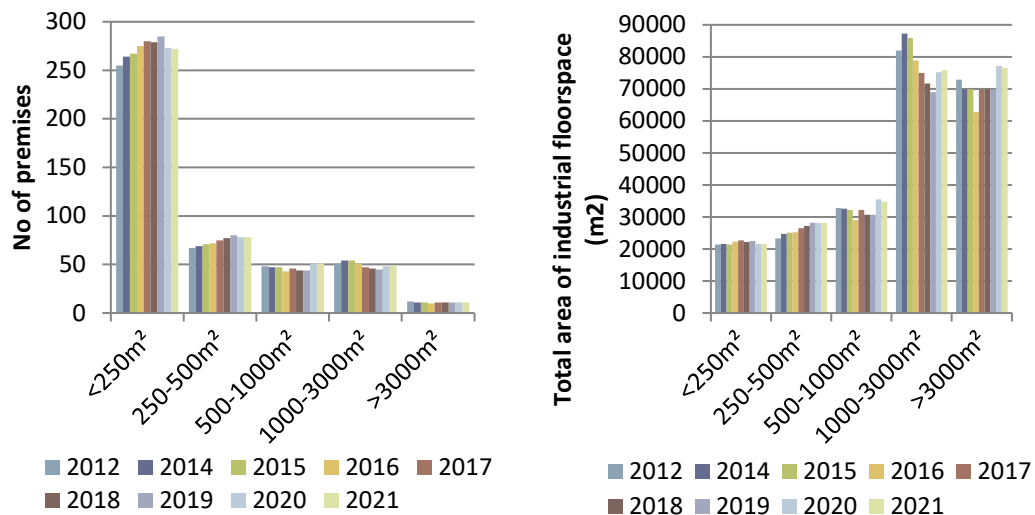


Figure 5.1 and 5.2 showing number of premises in each size category and area of industrial premises in each size category

- 5.2.3 Like industrial premises, there are a large number of small storage and distribution premises, with 49% of premises in 2021 being under 250m², but it is the few larger premises of 1000m²

and 3000m² and over 3000m², 20% of the stock, that account for most of the storage and distribution space on the Island, as illustrated by Figure 5.3 and Figure 5.4.

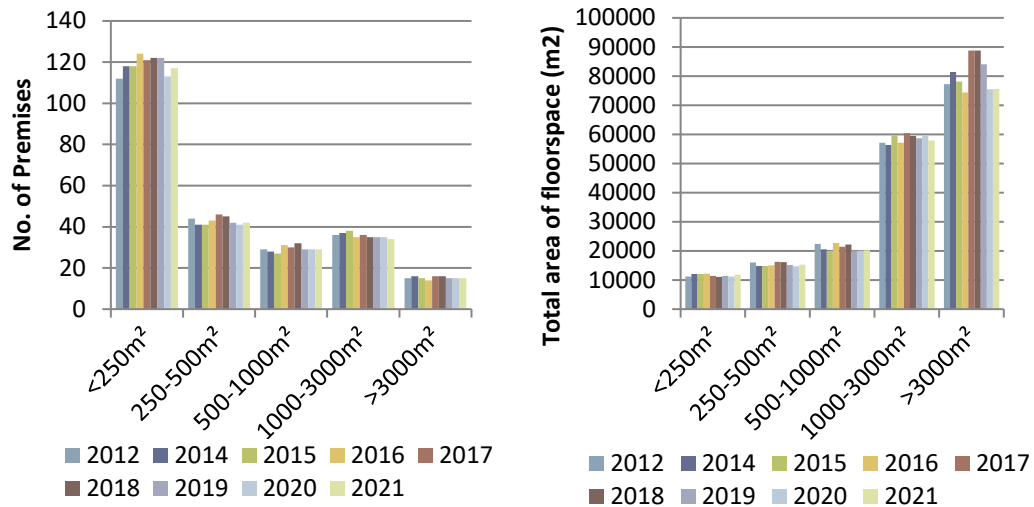


Figure 5.3 and Figure 5.4 showing number of premises in each size category and area of storage and distribution premises in each size category.

5.3 Location profile of industrial, storage & distribution premises

- 5.3.1 The ELS 2014 and 2017 update report presented information on the location of industry, storage & distribution throughout the Island by Parish. In AMR ELS Update Report, 2018 improvements in the capture of data allows for the information to be presented by Main Centres (Inner & Outer), Local Centres and Outside of the Centres and assessed in the context of the States' agreed spatial strategy for the first time. This section will set out the data by Centres which is directly comparable with ELS 2018 and 2020 update reports.
- 5.3.2 Overall, Figures 5.5 and 5.7 show that the majority of the industrial, storage and distribution accommodation remains located within and around the Main Centres of the Bridge & St Peter Port, within and around the Airport and the remainder located on standalone sites across the Island.

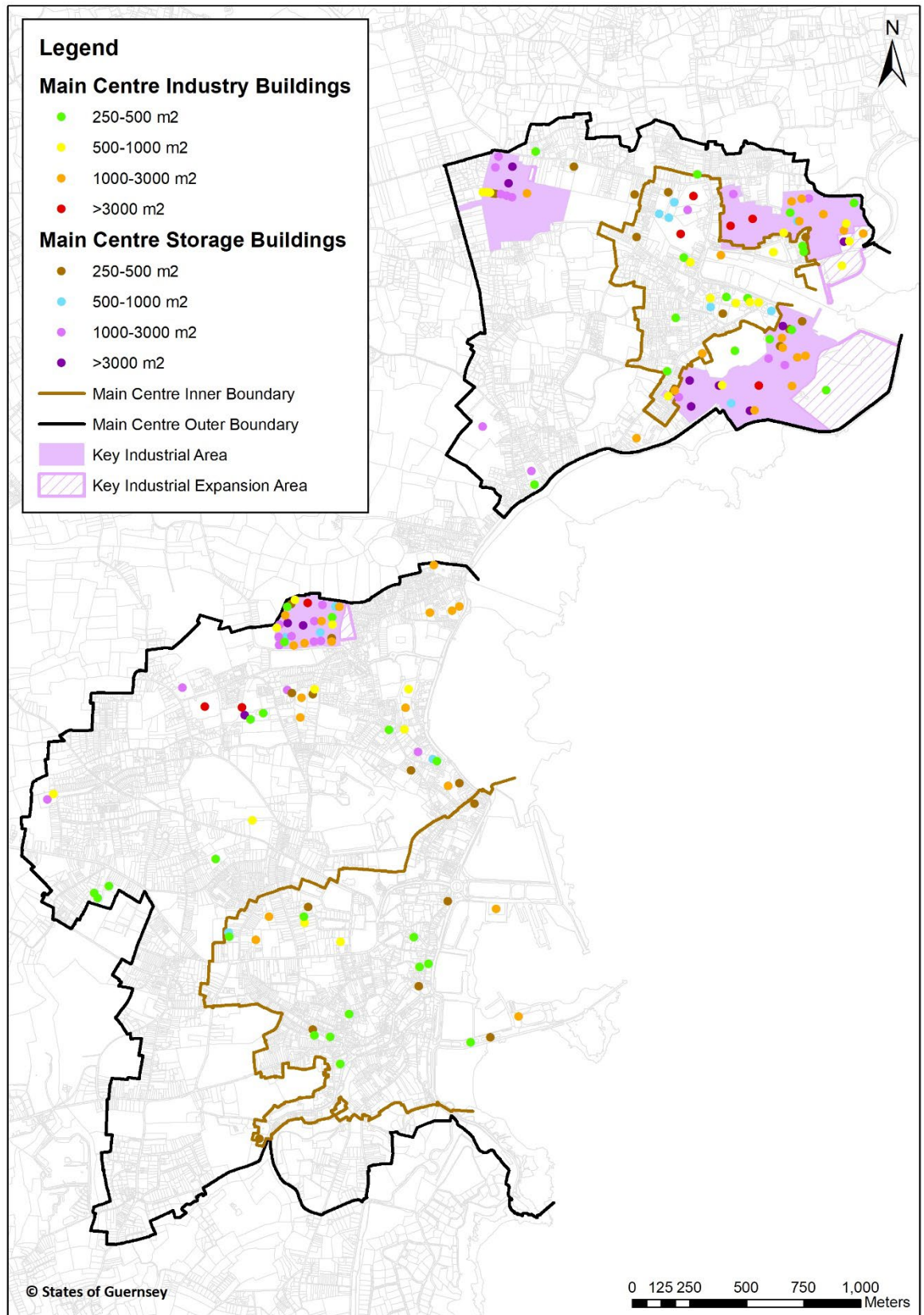


Figure 5.5 Location and size of Industry, Storage & Distribution buildings within Main Centres, 2021.

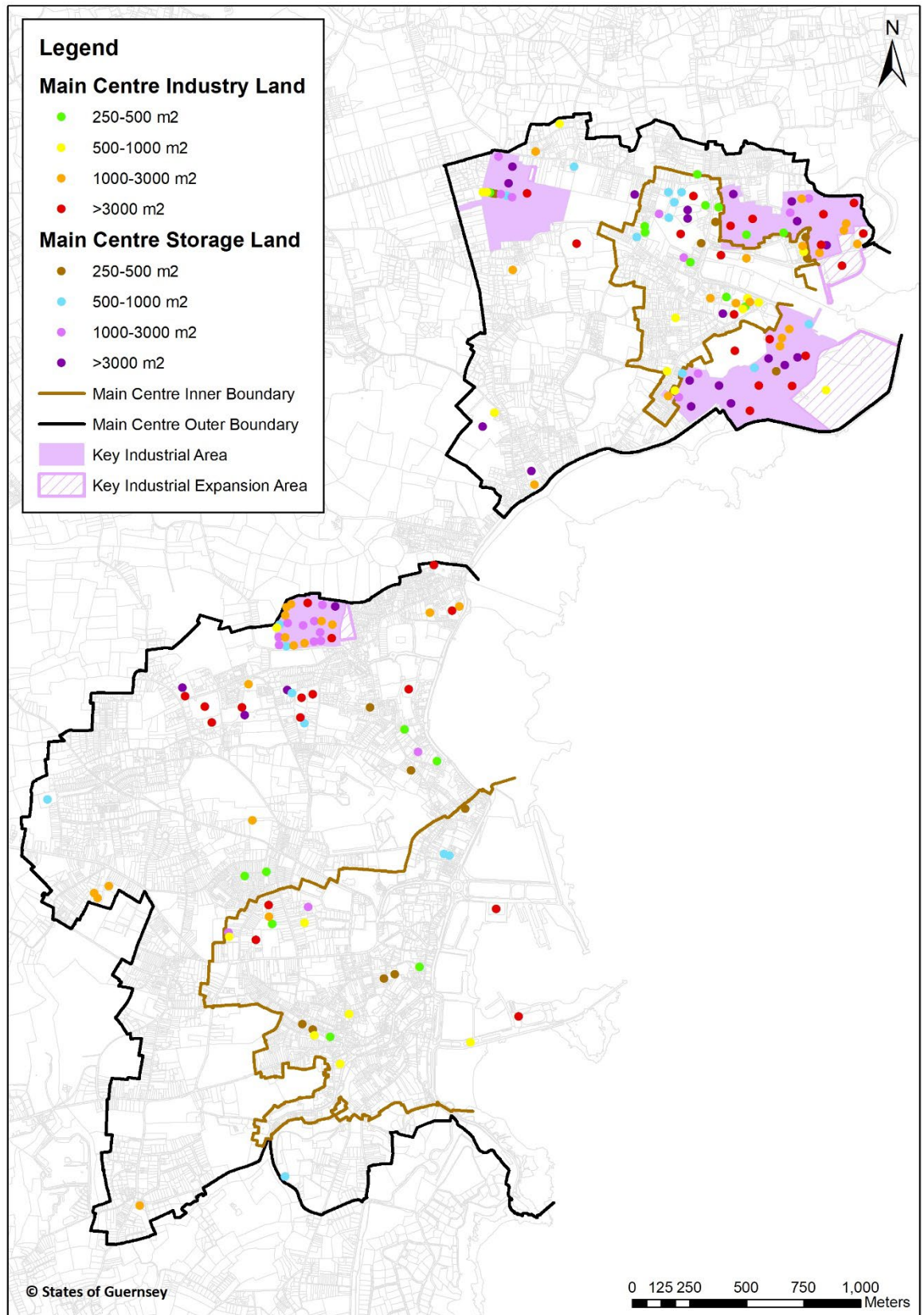


Figure 5.6 Location and size of industrial, storage and distribution land within Main Centres, 2021.

- 5.3.3 Similar to 2020, the Bridge Main Centre contains the most industrial, storage and distribution floorspace (c.39.2%) followed by St Peter Port (c.26.7). **Figure 5.5** above shows that 42% of island wide floorspace is located within designated Key Industrial Areas or their designated expansion areas within these Main Centres. For these sectors, it is important to consider not only built accommodation but the use of land, as these uses do not necessarily require any built accommodation e.g. open storage uses. Therefore, the analysis is undertaken for both the distribution of buildings and land. **Figure 5.6** shows distribution of industrial and storage and distribution land within the Main Centres which has a similar spatial distribution but with a lesser 29% of the island wide total located within the designated Key Industrial Areas and some larger stand-alone sites.
- 5.3.4 There remains limited provision for these sectors within the Local Centres (c.3%).
- 5.3.5 Outside of the Centres, there are some large scale standalone sites (>3,000m²). Les Vardes Quarry (St. Sampson) is recognised for future potential water storage for the Island and Chouet Headland (Vale) is recognised for mineral reserves, both designated as Safeguarded Areas in the IDP. There is a cluster of provision within and around the Airport, including hangars and storage associated with the airport. IDP planning policies would support further airport related development in this location. The Specsavers premises at La Villiaze (split between St. Andrew/St. Saviours) and the adjoining designated Key Industrial Expansion Area represent a significant standalone site. Other notable standalone sites include Longcamp business park (St. Sampson), Stan Brouards (Vale), Guernsey Dairy (St. Andrews), and Guernsey Water (St. Andrews) The remaining provision Outside of the Centres is generally small scale in nature. Overall, floorspace provision Outside of the Centres is considered significant at 31.1% of the island wide total.

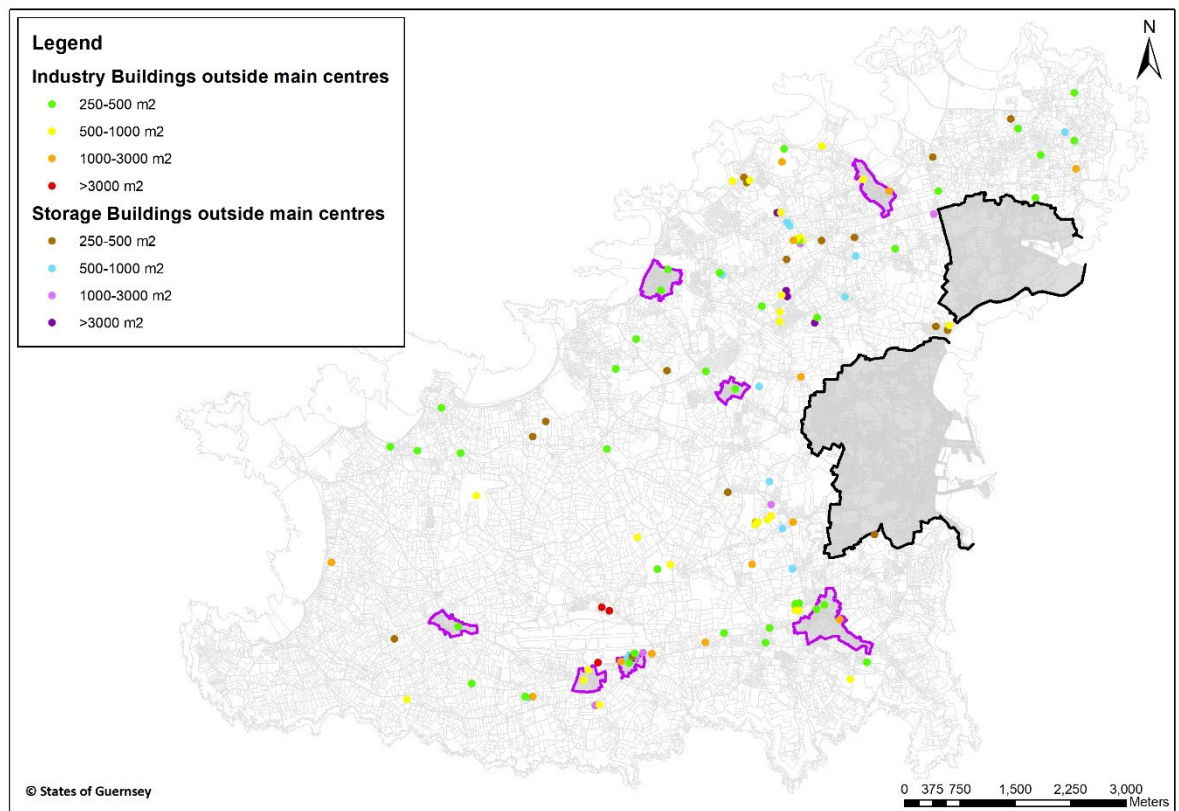


Figure 5.7 Location and size of industrial, storage and distribution buildings within Local Centres and Outside of the Centres, 2021

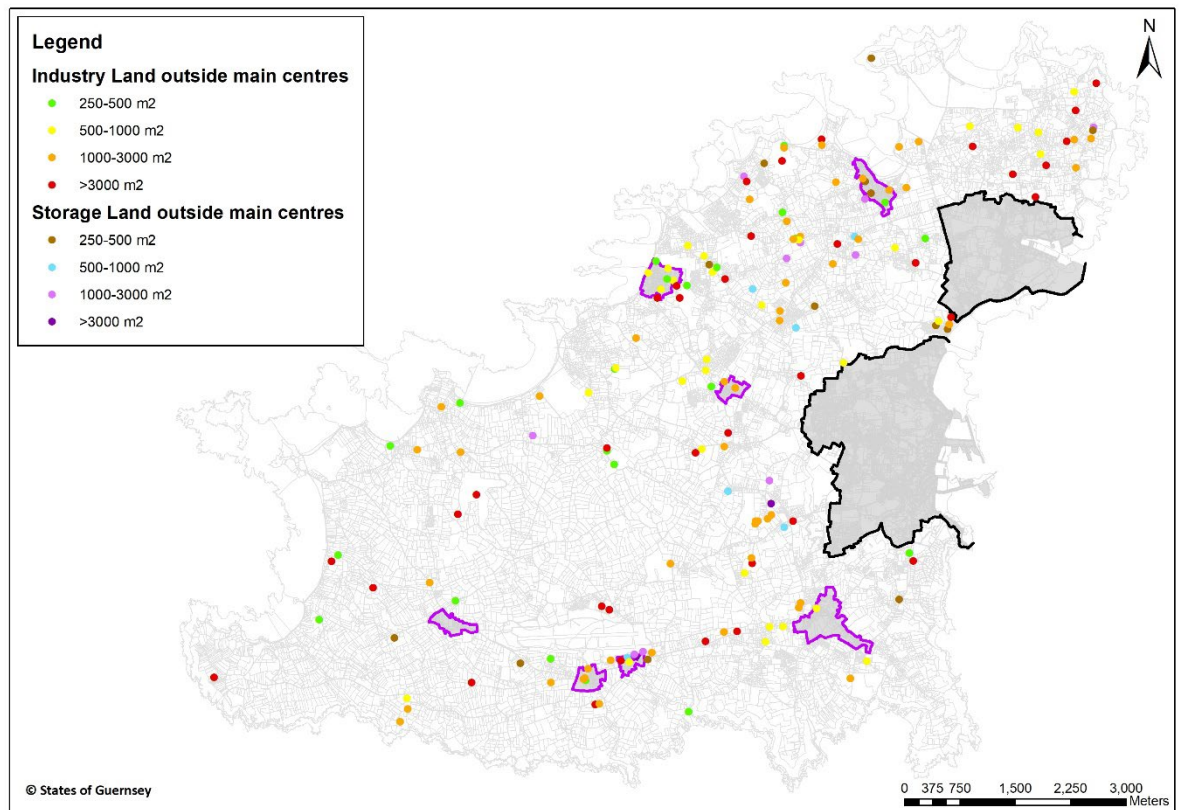


Figure 5.8 Location and size of Industry, Storage & Distribution land within Local Centres and Outside of Centres, 2021.

5.4 Supply of industrial, storage & distribution premises through the planning system

- 5.4.1 Between 2012 and 2021 planning permission has been granted which resulted in an overall c.5900m² of additional light industrial (Use Class 24) space. The supply has fluctuated during this time with 2014, 2015 and 2019 permissions resulted in a net loss of light industrial floorspace, as shown in [Figure 5.14](#).

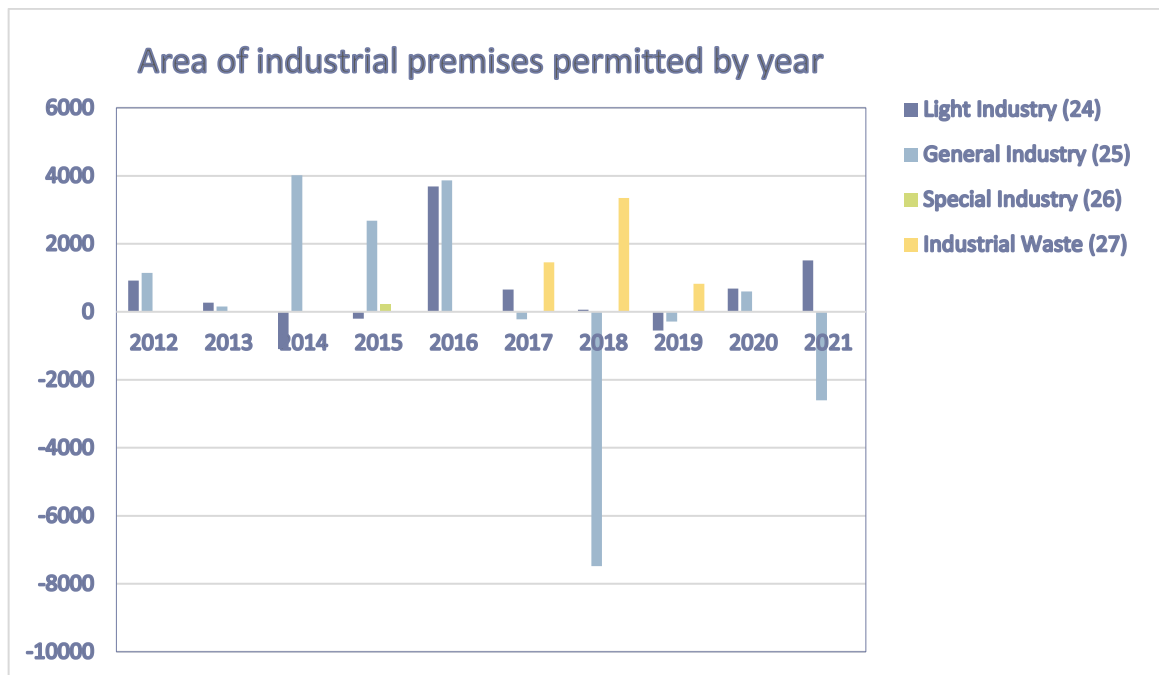


Figure 5.14 Area of industrial premises permitted by year since 2012

- 5.4.2 The losses in 2014 are explained by Newlands Building on the Lowlands Industrial Estate receiving permissions for change of use from light industry to offices for 7 units (1,104m²). In 2016, planning permission for 9 new units at St Andrew's reservoir, together with a few medium size units (c.500m²) receiving planning permission for change of use from storage to light industry (e.g. Former Carpet Selection Centre, St. George's Esplanade) contributed to the net gain in light industrial space. In 2019, two units in Barras Lane were allowed to change use out of light industry to public amenity (gym). In 2020, permission was granted for 3 new units at Monmains Business Park in Vale and 3 new units at Rohais, St Peter Port. In 2021, change of use of a unit from general to light industry at Vale Castle Industrial Estate in Vale together with regularising the use of a unit at Hawthorns Industrial Complex in the Vale contributed to the net gain of light industrial floorspace.
- 5.4.3 Generally, planning permissions resulted in a relatively small net gain or loss, and almost two thirds of permissions resulted in a loss well below 500m².
- 5.4.4 It should, however, be noted that there is provision under the Land Planning and Development (Exemptions) Ordinance, 2007 as amended for change of use from some existing uses to light industrial uses without the need to apply for planning permission e.g. general industry to light industry. It is not possible to quantify changes of use undertaken under this exemption.
- 5.4.5 Between 2012 and 2021 planning permission was granted which resulted in a net gain of c.2200m² of General Industrial (Use Class 25) space (Figure 5.13). From 2012 until 2016, data shows a significant net gain in floorspace which largely came from the change of use of buildings from storage & distribution (Use Class 22) to general industry (Use Class 25). This was a reversal of the trends from the previous period (i.e. 2003-2012) and contrary to the forecast of declining requirement for this sector by the ELS (2014).
- 5.4.6 The large gains are partially explained by the change of use from storage to general industry of Unit 5, La Hure Mare Industrial Estate (3,800m² in 2014); storage building at Bulwer

Avenue (1,311m² in 2015) and Unit 2 Guilberts Industrial Estate (3,500m² in 2016). There were also a number of permissions for waste related activities which may be linked to the implementation of the States Waste Strategy and are likely to represent a 'one off' growth phase rather than a continuing trend.

- 5.4.7 Of significance, in 2015 planning permission was granted for construction of 4 new general industrial units within the Pitronnerie Road Key Industrial Area, signalling investment and demand for good quality industrial premises.
- 5.4.8 During 2017-2019 a loss of floorspace was seen, resulting from a change of use of existing premises to mainly storage uses. 2020 shows an increase in floor space with the permission for construction of new units at Les Monmains Business Park within the KIA. The losses experienced in 2021 stem largely from the change of use of a unit at Vale Castle Industrial Estate, again predominantly from general industry to light industrial or storage type uses.
- 5.4.9 There is also provision under the above mentioned Ordinance for a change of use from special industry (Use Classes 26-27 inclusive) to general or light industry and it is not therefore possible to quantify any such changes of use.
- 5.4.10 This also applies to recent changes to exemptions introduced by the Land Planning and Development (Use Classes) Ordinance, 2017 which allow for premises not exceeding 250m² to change use from general industrial or light industrial use to general storage or distribution use without the need for planning permission. Therefore, these changes in the stock will no longer be captured through monitoring of planning permissions and will not be possible to quantify going forward.
- 5.4.11 The following graph illustrates trends in planning permissions over the period from 2004-2021 for the two use classes relating to storage and distribution.

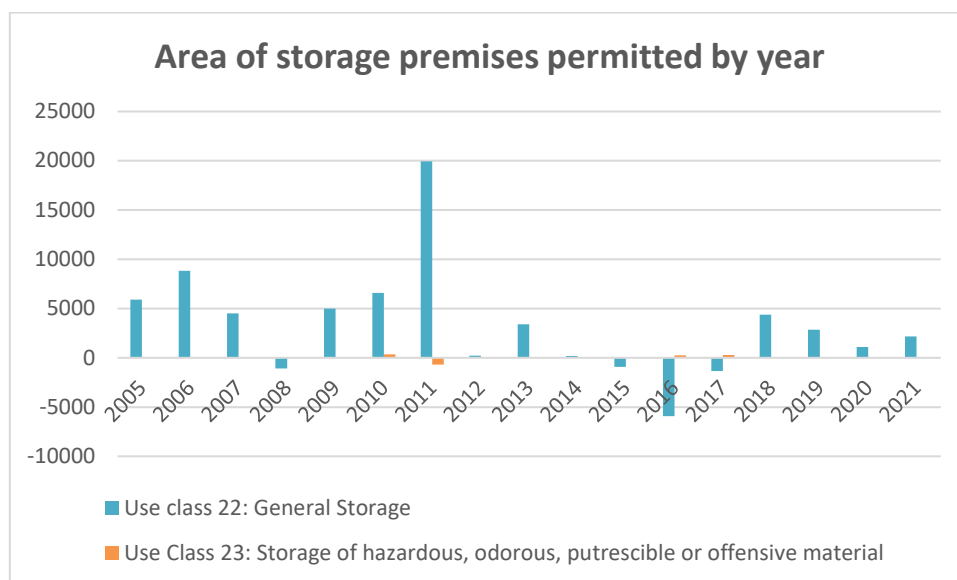


Figure 5.15 Area of storage premises permitted by year (2004-2021)

- 5.4.12 Between 2012-2020 planning permission was granted which resulted in the net gain of c.6150m² of general storage floorspace and very little activity with storage of hazardous goods resulting. This positive supply through planning has reversed previous losses to

general industry experienced 2012-2017. In 2018 increased demand for self-storage contributed additional floorspace in the former Bredoye premises in the Forest and at Les Grais farm, both Outside of the Centres. In 2019, Domarie & Avondale Vineries through the redundant glasshouse policy contributed new storage floorspace. In 2020, the change of use of the former Co-op homemaker to storage in the Lowlands Industrial site increased the accommodation in this sector. In 2021, change of use of a unit at Royal Terrace on Gategny Esplanade, Vale Industrial Complex and Ocean Yard Boat Complex in St. Sampson added floorspace in this sector. While there was a notable loss of space at the East Hanger, Guernsey Airport and the former La Gallez Yard on the Rohais. St Peter Port.

- 5.4.13 Similar to the position in 2012, it is typically larger sites (>1,000m²) that are comprising the main losses or gains in any of the sectors. Some of the gains are also only temporary in nature. Trends are difficult to analyse with such small datasets.
- 5.4.14 The source of the data in this section is information provided on planning application forms and is used as an indicator for the demand for various uses. However, not all planning permissions that are granted are taken up, and some planning permissions may permit a range of uses (commonly light industry (Use Class 24) and/or general storage (Use Class 22)).
- 5.4.15 In relation to the spatial distribution of the supply for industry, storage & distribution through planning permissions, overall, the IDP policies generally focus these uses within and around the Main Centres and ensure that Local Centres may also provide some limited opportunities in accordance with the direction by the SLUP.
- 5.4.16 While there was a limited loss of floorspace from the Main Centres (outside of the KIAs) and Local Centres as intended by the IDP, there was a greater increase of industrial/storage and distribution floorspace and land granted planning permission Outside of the Centres. The overall distribution of development should continue to be monitored closely to ensure the IDP policies are delivering the States' approved spatial strategy and further investigation should be undertaken into the operation of the employment policies controlling development Outside of the Centres to inform the full review of the IDP (2016).
- 5.4.17 The information on the total quantum, size and location of existing employment floorspace and land from 2021 indicates a fluctuation in industrial premises and storage or distribution premises over the last 9 years, with increases in previous years counteracted by losses in following years eventually returning to a similar position as the baseline year for each type. Review of the planning permission supply confirms this trend where often there is a change of use between the two use classes and not ongoing growth or reduction in this sector.

5.5 Overview of demand for industrial, storage & distribution premises

- 5.5.1 Previous interviews with commercial property agents in 2012-2014 indicated that the demand for industrial premises is low and dwindling. At the time the two main reasons were understood to be a move towards off-island pre-fabrication in the construction industry of items such as window frames, roof joists etc, and ever growing consumerism, including a culture of buying new, rather than repairing and reusing, which has led to fewer repair businesses. However, agents considered there was a base level requirement for general storage premises going forward. This is linked to the declining trend in industry on Guernsey as a result of becoming more reliant on imported goods with the consequence that the Island may need to ensure an appropriate import and distribution network to cater for this demand.

- 5.5.2 Overall, the ELS (2014) findings considered that as a result of the ongoing global decline in manufacturing and the loss of Low Value Consignment Relief (LVCR) on exports, the Island is overprovided with industrial and storage and distribution space and will have a continuing declining need for such over the 10 year life of the IDP. The ELS (2014) forecasts a need for around 2.26ha less industrial and storage & distribution land over this period (sites with or without premises).
- 5.5.3 Over the last 9 years, the vacancy rates for storage and distribution as recorded in previous ELS update reports have significantly declined to an appropriate level, suggesting the impact of LVCR has played out. The continued low vacancy rates for industry however indicate a lack of headroom in the market for industrial businesses, potentially resulting in a lack of choice to meet the sector's needs. The planning permission trends indicate a revived interest in storage type premises, with a number of permissions representing a change of use from industrial to storage & distribution uses. The growth trend in industrial premises indicated has levelled off, confirming that the driver for this growth was in part the 'one off' waste related projects relating to the implementation of the States Waste Strategy. Overall data from 2021 indicates a fluctuation in industrial premises and storage or distribution premises over the last 9 years, with increases in some years counteracted by losses in the following years and vice versa with the position for each type eventually returning to a similar position as the baseline year. Review of the planning supply confirms this trend and indicates the main origin for losses or gains often come from change of use between the two use classes.

5.6 Factors influencing choice of premises

- 5.6.1 Overall previous feedback from agents confirmed the key specification requirements for industry, storage and distribution remain largely unchanged from 2012 to 2020 with businesses seeking:
- Adaptable space capable of sub-division;
 - Appropriate road access; and
 - Appropriate floor to ceiling heights.
- 5.6.2 There was a general consensus among agents that the demand for larger units had not increased at all over the years. Agents reported demand for small scale units or those which could be subdivided, with those of 8m x 20m (and no more than 250m²) with mezzanine areas favoured.
- 5.6.3 The agents considered that some of the existing premises are often too big and are too difficult/expensive to sub-divide into the size of units that are in demand and should be allowed to go to other uses. They felt that although some KIA's needed to be identified for industry, far too much land was designated for industrial/storage uses in the IDP and there was not the demand for that much industry/storage. They did not think Saltpans was required at all and Braye Road Industrial Estate was obsolete for industrial use. The agents considered that Pitronnerie Road is not ideal because of access and infrastructure limitations and this could be more productively used for other uses such as the retail of bulky goods.
- 5.6.4 Flexibility of the accommodation to be suitable for a range of uses was highlighted. Overall, the agents remarked that in general the quality of accommodation in the light industrial sector in particular is poor and that rather than there being a demand for more industrial sites, there was a demand for higher quality accommodation.

- 5.6.5 Further research on the quality of the industrial, storage and distribution stock should be undertaken as part of the next full ELS report in consultation with industry representatives and commercial agents.
- 5.6.6 The agents acknowledged land for open storage fell somewhat below their radar as this land does not command anything but low rents generally.
- 5.6.7 There was a mixed response from agents on the importance of location and access to the Inter-Harbour Route for these sectors. Some participants said that the Inter- Harbour Route was no longer of such a significance as the nature of industry and storage particularly was much more scaled down than it used to be. They felt that there should be no additional policy restrictions in leaving industrial/storage uses adjacent to the inter-harbour route and that the market should decide. Others agreed with the policy approach in the IDP which sets a higher test for change of use of premises on the inter-harbour route and felt that there should be a certain degree of protection of these units with good access. However, they did express that they felt that the threshold of test in current policy for how long the unit is marketed was inappropriate and should be changed to an alternative test as the agents recognised that access remains an important criterion for these types of uses. However, no clear alternative test was suggested.
- 5.6.8 Agents welcomed the recent changes to the Use Classes Ordinance but considered there was scope to go further to introduce greater exemptions in terms of moving from one Use Class to another as almost all industrial lettings still require a change of use application. They considered that the time it takes to submit a planning application, cost and uncertainty and the perceived bureaucracy of the process can hinder the take up of premises. Increasing the threshold from 250m² to 500m² was suggested by the agents to improve the flexibility within the system without any significant impacts.

5.7 Trends in industry, storage & distribution based employment

- 5.7.1 The States of Guernsey Policy and Research Unit publish statistics on employment by economic sector. The largest of the industrial sectors is construction, employing 2,876 people in 2021. The construction industry remains an important sector for the island, and it has been in decline up to 2017, recent years has seen a recovery and levelling off. Employment levels in manufacturing, utilities, transport sector and other related wholesale retail and repairs sector have not changed significantly over the last 9 years.
- 5.7.2 Future demand for industrial and storage type premises is expected to come from premises displaced by development within the Main Centres through the consolidation strategy in the IDP and may also come from growth in creative industries and digital industries (e.g. data storage) or future States projects (e.g. Hydrocarbon Supply Programme).

5.9 Key messages for Industry, storage & distribution

- 236,826m² industrial floorspace in Guernsey in 461 premises, located on 1,350,800m² of land. This represents approx. an overall 1.9% increase in industrial premises since 2012.
- 180,687m² storage and distribution accommodation in 237 premises, located on 319,650m² of land. This represents approx. 1.7% decrease in storage premises since 2012 together with a decrease of 5.5% of land
- Majority of the industrial premises are under 250m² (59%), with a slight increase in the number of small and medium sized units since 2012.
- Majority of the industrial, storage and distribution accommodation remains located within and around the Bridge Main Centres (c.39%), followed by significant provision within and around St Peter Port Main Centre (c.26.7%). Overall the majority of the floorspace is located within designated Key Industrial Areas within the Main Centres (c.42%). There is limited provision of these sectors within the Local Centres (c.3%). Provision Outside of the Centres is significant, exceeding St Peter Port at 31.1% with the majority of the provision being small scale in nature with some large standalone sites.
- The construction industry remains an important sector for the island, and while it had been in decline until 2017, 2018-2021 show signs of recovery and stabilisation.
- Future demand for industrial and storage type premises is expected to come from premises displaced by development through the consolidation strategy in the IDP and may also come from growth in creative industries and digital industries (e.g. data storage) or future States projects (e.g. Hydrocarbon Supply Programme).
- Over the last 9 years monitoring of the planning system has indicated industrial and storage or distribution premises have increased whilst counteracted by losses in following years, eventually returning to similar position as the baseline year for each type.
- Key requirements for industrial, storage and distribution premises remain similar to those identified in 2012, although questions have been raised over the importance of access to the Inter-harbour Route and whether the current policy test of 12 months of marketing remains appropriate.
- The original Employment Land Study (ELS) 2014 stated that the Island has an overprovision of industry, storage and distribution space and over the 10-year life of the IDP there will be a continuing decline in the need for such space. The analysis of 2021 values alongside those recorded previously fails to substantiate this forecasted decline and continues to be monitored to ascertain certainty.

Figure 5.16 Key Messages for industrial, storage & distribution accommodation

6 Review of the recommended portfolio of employment sites (2015-2025)

6.1 Introduction

- 6.1.1 The ELS (2014) recommended a portfolio of employment sites that should deliver the land requirements for these sectors over the 10 year life of the IDP, which is compatible with the SLUP, and the future needs of the Islands' businesses. The recommended portfolio of sites comprises existing sites that are likely to continue to meet business needs, either in their existing use, through intensification of that use or change of use to an alternative

employment use, together with identifying areas that could be developed if required in the future.

- 6.1.2 In 2020, the Office Quality Audit was commissioned by the Authority to define primary, secondary and tertiary office accommodation within the Island and provide a detailed assessment of the existing stock within St Peter Port Main Centre. This section provides a summary of the recommended portfolio for all sectors, updated to include the results of the Office Quality Audit 2020.

6.2 Quality of offices

- 6.2.1 Reflecting the SLUP 2011, the IDP sets out that Guernsey's stock of office accommodation can be considered to comprise of three categories:

- **Primary** – recently developed or refurbished to modern standards
- **Secondary** – older purpose-built offices that may or may not be capable of being refurbished or redeveloped to modern standards
- **Tertiary** – existing offices resulting from the conversion of units of accommodation, retail, etc. that may never meet modern standards

- 6.2.2 Feedback from the workshop with stakeholders in 2019 confirmed that Prime, Secondary and Tertiary terms are the most suitable categories to describe Guernsey's office stock because they are widely known and used amongst industry professionals to describe office accommodation in any given location. Feedback from industry stakeholders indicated a range of factors should be considered in defining these categories including rent levels, location, car parking, design/specification and lease terms. The Office Quality Audit 2020 included a review of these criteria to establish an agreed definition of the categories and concluded to differentiate between offices falling into the Prime, Secondary and Tertiary sectors, rental value should be the primary factor considered. The reason for this being the rent achieved considers all the factors affecting a particular property. This will include location, condition and specification.

- 6.2.3 The Office Quality Audit report further detailed each of the categories as set out below.

- 6.2.4 **Prime offices** are those properties which typically occupy the best locations, have the highest specification and therefore command the highest rents. In Guernsey, Prime properties are typically regarded as the newly constructed or recently refurbished, purpose built offices. As such, they have been completed in line with more modern building techniques and exhibit the latest trends in office design. They will have all, if not most, of the following features:

- Full access raised floors
- Suspended ceilings
- Modern lighting (typically LED)
- Air-conditioning systems

- A high proportion of fenestration as a result of modern building techniques and design. Floor to ceiling glazing may therefore be prevalent to maximise natural light levels.
 - Passenger lift access
 - Onsite car parking
 - Sea views
- 6.2.5 **Prime properties** tend to occupy central locations within St Peter Port's town centre, generally around the lower half of St Julian's Avenue and Glatigny Esplanade (as per the plan provided in Appendix 2) and are therefore close to the amenities it has to offer. This includes the public long stay car parks at North Beach and Salerie Corner. Admiral Park is however an exception as it accommodates some of the Island's newer and larger office floor plate developments, as per the plan provided in [Figure 6.4](#).
- 6.2.6 By virtue of Prime properties having the latest and highest specification, it can be argued, any larger floor plate office building constructed post the year 2000 can be classified as Prime. This is due to the change in style of construction when new office developments at Admiral Park (Trafalgar Court, Dorey Court and Martello Court) set a new standard for offices in Guernsey.
- 6.2.7 **Secondary offices** tend to occupy central positions within St Peter Port's town centre, there is no specific location in which they are clustered. They also form part of Guernsey's first generation of offices and would have typically been constructed between 1970 and 1999. Alternatively, they may be larger period residential properties which have since been converted and/or extended to provide office accommodation.
- 6.2.8 Although they are older than those categorised as Prime, they are likely to have been refurbished within the last 20 years. This generally follows the developments at Admiral Park which resulted in a movement of some of the larger tenants from the centre of St Peter Port. As these tenants vacated poorer buildings, landlords often found themselves having to refurbish the accommodation so they could improve their offering and compete for new tenants.
- 6.2.9 However, as the structures are built using older building techniques, Secondary properties may not have the benefit or ability to accommodate all the features highlighted under Prime offices above. Alternatively, the specification may be older or of a poorer quality equivalent. For example, sound attenuation may not be to as high a level and rather than full access raised floors, the property may have perimeter trunking. This could be due to reduced ceiling heights and reduced building spans which negate the need for raised access flooring.
- 6.2.10 Given the reduced specification, Secondary rents are lower than those commanded by Prime offices. In Guernsey, Secondary headline rents tend to be an average or near market average between £25.00 and £35.00 psf and tend to command medium length leases between 5-9 years.
- 6.2.11 **Tertiary offices** will generally be those properties suitable for smaller tenants only and in need of refurbishment. They will often be dated and will lack many of the features typically found in either Prime or Secondary sectors. They are also located in peripheral locations or above retail units and may be of a more cellular arrangement rather than offering open plan accommodation.

- 6.2.12 Given the poorer specification and potentially more peripheral locations, Tertiary office accommodation commands the lowest rents in the market and will normally be below £25.00 psf and attract shorter leases between 1-4 years.
- 6.2.13 As build costs in Guernsey are high and rents for Tertiary offices are low, owners of Tertiary office buildings may not be able to upgrade the accommodation as the required investment may not justify the potential return. They are therefore unlikely to have been refurbished or benefitted from significant investment within the last 20 years, unlike those offices within the Prime and Secondary sectors.
- 6.2.14 The definitions for prime, secondary and tertiary office accommodation are summarised in [Figure 6.1](#) below.

	<u>Primary</u>	<u>Secondary</u>	<u>Tertiary</u>
Rental value (prime factor)	Commands above market average rents (£35.00 psf plus)	Commands average or near average market rents (£25.00 to £35.00 psf)	Commands the lowest rents in the market (below £25.00 psf)
Age & type of building	Purpose built office accommodation constructed post year 2000	Purpose built office accommodation constructed between 1970 and 1999 Alternatively, converted or extended buildings Generally providing office accommodation within an older structure	
		Refurbished in the last 20 years or is capable of being refurbished	In need of refurbishment
	Typically offering larger floor plates of 4,000 sq. ft plus		Tendency to be suitable for tenants with limited budgets
Specification	High specification as listed above	Average specification, where it will have only some of the features found in a Prime office	Basic specification which may also be dated, with no significant investment for 20+ years
Location	<ul style="list-style-type: none"> Located around the lower half of St Julian's Avenue, Gategny Esplanade or Admiral Park 	<ul style="list-style-type: none"> Located within St Peter Port's town centre 	<ul style="list-style-type: none"> Located in peripheral locations or above retail units
Lease terms	<ul style="list-style-type: none"> Commands longer lease lengths, generally between 10-15 years 	<ul style="list-style-type: none"> Commands lease lengths, generally between 5-9 years 	<ul style="list-style-type: none"> Commands lease lengths, generally between 1-4 years

Figure 6.1 Recommended criteria for defining primary, secondary and tertiary offices.

- 6.2.15 As part of the second stage of the Office Quality Audit, a detailed survey and assessment on the existing office accommodation within St Peter Port Main Centre has been undertaken against the above criteria by Watts and Co Ltd to inform the recommended portfolio of office accommodation, set out below.

6.3 Portfolio of offices

- 6.3.1 The ELS (2014) recommended the following existing areas to form the core locations for office premises over the Plan period (outlined in [Figure 6.2](#) below).

Recommended portfolio of office sites		
Area category	Area name	Quality of office space
Mixed-use historic areas	Kingsway House	Primary
	St Peter Port & St John House	Primary
	Grange Road	Primary
	Town Centre	Primary
	La Charroterie	Primary/Secondary
	South Esplanade	Secondary
Established offices	Les Echelons	Primary
	Gategny Esplanade	Primary
	Le Truchot	Primary/Secondary
Business Parks	Admiral Park	Primary

Figure 6.2 Recommended portfolio for office premises

- 6.3.2 The Office Quality Audit 2020 surveyed and categorised 245 properties offering office accommodation within St Peter Port's main outer boundary line. Having considered each individual building's estimated rental value, they were categorised as Prime, Secondary or Tertiary buildings. A summary of the findings is provided table below ([Figure 6.3](#)):

Sector	No. of Buildings	Area (sq. ft)
Prime	9	516,025
Secondary	79	980,924
Tertiary	157	599,824
Total	245	2,096,773

Figure 6.3 Summary of primary, secondary and tertiary accommodation in St Peter Port, 2020

- 6.3.3 The findings have also been plotted onto plans to spatially illustrate where the buildings are located ([Figure 6.4](#) below). The findings update the quality of space in the recommended portfolio identified by the ELS 2014 ([Figure 6.2](#)). The majority of the areas are now considered to be secondary and/or tertiary in the accommodation provision with the exception of Gategny Esplanade and Admiral Park areas.

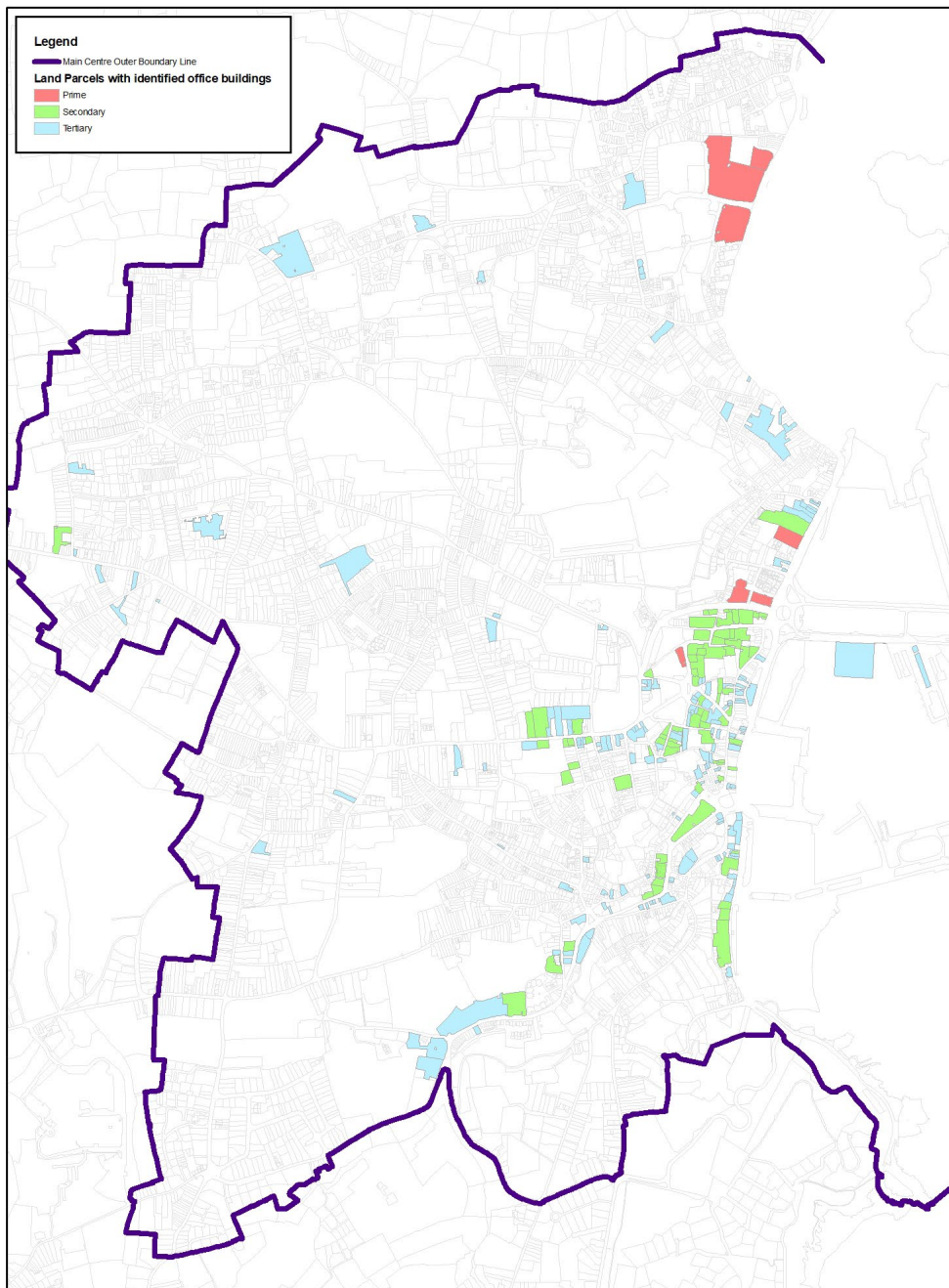


Figure 6.4 Primary, Secondary and Tertiary office accommodation within St Peter Port, 2020

- 6.3.4 The Office Quality Audit also identified an area in Town as Prime Office Location as showing in [Figure 6.5](#) below. This area currently contains mix of prime office accommodation, retail and residential uses.



Figure 6.5 Area of St Peter Port identified as prime office location by Office Quality Audit 2020.

- 6.3.5 In addition, the existing Admiral Park office development and designated Office Expansion Area is recognised as prime office location. The designated expansion area is the main opportunity identified for new large floorplate office accommodation identified by the IDP (2016) as it would meet the majority of the forecast requirement as shown in [Figure 6.6](#). Opportunities have also been identified by the IDP (2016) for the creation of new office space either in Town Centre, Grange Road and more medium term, South Esplanade that could help deliver the forecast requirement. In the longer term, Harbour Action Areas and Regeneration Areas could provide a significant opportunity for new prime office provision in the Main Centres, particularly within St. Peter Port.

Area category	Area name	Timescale for development	Size of opportunity
High Quality Business Park	Admiral Park	Short	30,624m ²
Total			30,624 m²
Forecast requirement			30,000m²

Figure 6.6 Recommended additional opportunities for offices

- 6.3.6 Overall, the IDP's approach to office use is to focus this use in the Main Centres, where there are existing clusters of offices, while recognising the need for large floorplate office space with the allocation of an Office Expansion Area at Admiral Park (for floorplates over 1000m²). The IDP generally seeks to retain existing offices in Main Centres but allows for smaller premises under 250m² to change use, to address an oversupply of, mainly tertiary, small office space. The IDP also allows for other larger sized poorer quality office accommodation to change use if it can be demonstrated that it cannot easily be upgraded. Understanding what is meant by quality of offices is important to understanding the accommodation that should be recommended to remain within the portfolio to meet business needs.
- 6.3.7 Review of planning applications during 2021 generally show support for office accommodation and flexibility for smaller premises moving in and out of the sector. Previous feedback suggested that the policy intention to seek to upgrade stock to primary grade is not feasible or desirable and should be considered as part of any planning policy review. This assertion may be in part demonstrated by the loss of tertiary quality floorspace of 1750 m² at the former education offices on The Grange. This loss of low-quality offices is on a designated housing allocation site within the IDP, and therefore was expected and accounts for a significant proportion of the overall loss of office floorspace recorded.
- 6.3.8 Feedback from industry clearly states we need a portfolio with a range of primary, secondary and tertiary office accommodation to meet the business needs of the Island. The Office Quality Audit 2020 enhances our understanding of the existing portfolio. Feedback and research indicate that change in ways of working will intensify in the future, like elsewhere, resulting in more remote working and the requirement for smaller permanent office suites. There is likely to be a continued demand for high quality office space but for smaller rather than large scale units. For these reasons there may in the future be more demand for offices which are of very high quality even if the total floor space is small. In addition, the impact of Covid 19 has dramatically increased home working and will likely have significant impact on the future requirements for office accommodation. The full impact of the pandemic has

yet to play out and will need further investigation to understand our optimum office portfolio and therefore inform any changes that may be required to current planning policy protection. It is recommended that this is prepared in partnership with the industry and other key stakeholders and the results inform the review of the IDP (2016). It is also recommended that an audit of existing stock should be undertaken every 3 years to inform monitoring.

6.4 Portfolio of Industrial and Storage & Distribution Premises

- 6.4.1 The ELS (2014) forecasted an overall need for less land for industry and storage of -22,600m². To ensure an adequate land supply to meet the needs of businesses and in accordance with the SLUP, the recommended approach and portfolio for industrial/storage & distribution land involved safeguarding a few key areas within and around the Main Centres, together with potential areas for expansion. This would enable consolidation of industrial, storage and distribution uses onto those sites and encouraging redevelopment of other areas, no longer required for such purposes, to change to a more viable use.
- 6.4.2 The recommended portfolio of existing areas for industry, storage and distribution is shown in [Figure 6.7](#) below.

Recommended portfolio of industry and storage & distribution sites	
Area category	Area name
Light Industrial Areas	Envoy House
	St George's Place
	Airport
	La Villiaze
General Industrial Areas	Pitronnerie Road
	Northside
	Dyson's Yard
	Saltpans/Braye Road
Specialist Industrial Areas	Boatworks+
	Longue Hougue
	Les Vardes Quarry
	Chouet headland
	Utilities
Stand Alone sites	Various locations

Figure 6.7 Recommended industrial, storage & distribution areas portfolio.

- 6.4.3 The areas identified for potential expansion for industry, storage and distribution are set out in [Figure 6.8](#).

Area category	Area name	Area (m2)
Light Industrial Areas	Airport expansion	58,071
	La Villiaze	11,548

General Industrial Areas	Pitronnerie Road expansion	7,288
	Saltpans/Braye Road	1,567
	Northside expansion	36,333
Sub total		+114,807
Specialist Industry	Longue Hougue	121,945
	Chouet Headland	78,781
Sub total		+200,726
Total		+315,533
Forecast Requirement		-22,600

Figure 6.8 Proposed additions to the existing Industry/Storage portfolio

- 6.4.4 The area identified around the Airport for light industry is not a specific designation in the IDP as it is provided through an enabling policy approach for airport related development.
- 6.4.5 The IDP introduced new planning policies to support the recommended portfolio identified by the ELS (2014). A review of planning permissions granted in 2021 indicates planning policies are generally working to support the recommended portfolio. In line with policy, there have been some planning permissions granted resulting in the loss of standalone industrial and storage sites within St Peter Port Main Centre, L'Islet Local Centre and the airport. These three changes of use, all outside of a KIA, include from industrial or storage use to that of residential or public amenity.
- 6.4.6 During 2021 there were 5 planning permissions (plus 3 retrospective permissions) for new/existing premises units both within and outside the Main Centres, with two of these within a KIA or KIEA.
- 6.4.7 Previous AMRs have considered the level of provision of industry and storage uses Outside of the Centres and highlighted that if a significant number of developments for industry, storage and distribution uses continue to be located Outside of the Centres, further investigation into the operation of the relevant policies controlling development Outside of the Centres may need to be undertaken. During 2021, provision of additional land and floorspace Outside of the Centres was of a limited scale only, in contrast to gains seen in previous years. Continued monitoring is being undertaken to establish any observable trends.
- 6.4.8 Overall, there were no losses of industrial, storage or distribution premises or land within the designated Key Industrial Areas indicating the policies are giving a suitable level of support to this sector. There was one instance of small scale activity on the areas identified for expansion.

6.5 Conclusion

- 6.5.1 There is a wide range of employment land on the Island, to suit a variety of occupiers and economic sectors.
- 6.5.2 Feedback indicates the importance of ensuring we are delivering a range of different quality of office accommodation to meet all business needs (e.g. start-ups, high net worth individuals to financial corporations). Continued development of large floorplate premises at Admiral Park alongside demand for small to medium high quality units continues to demonstrate vibrancy in the market. Covid 19 has accelerated the trend to work from home although whether this is a temporary or permanent situation is yet to be established with absolute certainty. Further research is required on the future requirements for office accommodation and the appropriate mix in the portfolio and any implications for policy should be explored as part of the full review of the IDP.
- 6.5.3 Generally, feedback and review of planning permissions indicates that Policy MC4 works well in practice, however the continued desirability of seeking all stock to upgrade where feasible to primary accommodation is questioned. The delivery of new primary office accommodation at Admiral Park alongside possible development of Regeneration Areas and Harbour Action Areas is likely to remain key to meeting future requirements.
- 6.5.4 With regard to industry, storage and distribution, 2021 planning permissions indicate gains and losses in land and floorspace were of a limited scale only and occurred within Main and Local Centres and also Outside the Centres with no particular area dominating. This is in contrast to previous years where development Outside the Centres was of a notable magnitude. Continued monitoring is key to establish any longer term trend and will inform any future review of the IDP (2016)
- 6.5.5 Limited losses on standalone sites within the Main and Local Centres occur alongside development in the designated Key Industrial Areas indicating the policies offer a level of support to this sector.
- 6.5.6 It is recommended that continued consultation with the Committee *for* Economic Development and industry is undertaken regarding the future business needs and emerging sectors.

Contact Us for further information and advice at: Planning Service, Sir Charles Frossard House, St Peter Port. GY1 1FH Telephone 01481 226200 Email planning@gov.gg

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