


EXECUTIVE SUMMARY

1. This employment land review was commissioned by Ashford Borough Council to form part of the evidence base for its Local Development Framework (LDF). The main purpose of the study is to provide forecasts of future employment land needs in the Borough by sector up to 2021. Employment land requirements were to be assessed for the following areas:
 - Ashford Borough as a whole
 - the Ashford Urban Area including the town centre
 - the Ashford Urban Extensions; and
 - the rest of the Borough, primarily the rural areas.
2. The study's approach follows ODPM Guidance on undertaking employment land reviews. It focuses on employment land needs for the group of B Use Classes i.e. B1 (business), B2 (industry) and B8 (warehousing/distribution). It does not assess the future land needs of other employment generating uses such as retail, tourism, healthcare and education although the potential employment growth and labour requirements of such uses are considered.
3. Ashford is one of the Government's main growth areas within the South East region, with 16,770 more dwellings and 13,650 additional jobs planned between 2006-21, and the town's population set to double by 2031. This would form a step change beyond recent growth trends in the Borough and has influenced the approach to this Employment Land Study. This is not demand based and focuses on the quantum and types of B class employment land needed to accommodate Ashford's overall job target for 2021.
4. Ashford's economy is dominated by Ashford town, the rest of the Borough being largely rural. Ashford's economic strengths, which will influence its ability to support new employment space in future, include good and improving road and high speed rail links to London and Europe; good levels of local entrepreneurship; strong recent job growth, a reasonable track record of attracting investment from elsewhere, and good quality of life factors. It also has a number of large employment sites able to accommodate future development. In addition, the major planned housing growth should boost local labour supply and stimulate growth of support industries.
5. Potential weaknesses and constraints to future growth include under-representation and limited recent growth in the financial and business services and other knowledge and office-based sectors, which typically have greater potential for growth. Ashford also has a relatively low-skilled workforce at present and significant reliance on manufacturing, a sector in decline nationally and facing strong competition from lower-cost locations.
6. In terms of its current supply of employment floorspace, Ashford has a sizeable amount compared with nearby districts, although less than the adjoining district of Swale. However, this stock is dominated by manufacturing and warehousing premises with a modest proportion of office space compared with some other Kent districts. In recent years, there have been significant gains in new employment floorspace, particularly

commercial offices and distribution space, but large losses of manufacturing space. Despite potential oversupply of recently built small industrial units, current vacancy levels are low for industrial uses and about average for office space, although there is a large amount of permitted office floorspace in the development pipeline, particularly at Eureka Park. While the Borough contains a reasonable range of employment sites and areas, the stock of manufacturing premises and town centre offices is relatively old.

7. There have been reasonable levels of new employment space completed in recent years, averaging 22,000 m² annually and mostly B1 space, a higher development rate than in all other adjoining districts except Swale. At the same time, a significant amount of employment space, mainly from B2 uses, has been lost to other uses, averaging almost 14,000 m² annually in recent years. There also appears to be a significant supply of employment land currently available to meet future needs in Ashford, the majority allocated for B1 uses. This amounts to almost 400,000 m², more than in all adjoining districts except Swale, although not all this land is readily available.
8. There are a number of major development proposals in adjoining districts, and elsewhere in Kent, with some potential to compete with Ashford for future investment. These include Kings Hill, Ebbsfleet and Crossways Business Park as well as large distribution sites in Swale and Medway, and business park allocations in Maidstone and Canterbury. However, given their distance from Ashford, the different products offered and markets served, and rent differences, it is not obvious that these will directly contend with Ashford for future employment development to a large extent. Otherwise, there are not large amounts of employment land coming forward in nearby Kent districts that should have major impacts on Ashford's growth aims. Indeed, it may be that Ashford, with a better range of employment space and relatively low costs, will attract some businesses from these areas.
9. The commercial property market sees Ashford as a good industrial location based on its central position within Kent, proximity to M20 motorway junctions, London and the Channel Tunnel and comparatively low cost land and premises. However, current levels of demand for both industrial and office space are modest and recent developments may meet much of that demand in the short term. No major gaps in the current range of provision were identified although there is limited supply of small, serviced office units, or low cost start-up units for higher technology firms. However, Ashford has little modern town centre office space and is a marginal location for speculative office schemes.
10. For the longer term, a need is seen for more serviced industrial land to support growth aims as supply is currently tight. The expansion of established firms appears less likely to fuel future demand for premises than attracting firms from elsewhere. However, with low costs and new, high speed rail links to London, potential is seen by the market for Ashford to attract more firms if high quality, speculative premises are provided and sites readily available. Some demand for both industrial and office space could also result from growth linked to major housing development. Such demand for employment space in Ashford is considered unlikely to suffer from major competition from other large economic developments in Kent given the different markets these schemes serve and the different products and costs they offer.
11. Ashford's future economic growth potential is likely to be based on attracting inward investment, along with significant expansion of population and growth-related sectors to



support its planned housing growth, and potentially some growth in those sectors where it already has established strengths. In terms of growth sectors, Ashford appears capable of building on its existing specialist manufacturing sectors, seeking to increase its representation in financial/business services by attracting relocations from elsewhere, as well as promoting some emerging sectors such as advanced engineering and media/telecommunications. There is some potential for smaller scale distribution activities if suitable sites can be provided. Strong growth can be expected in the more population-related sectors such as retail, leisure, hotels and catering. At the same time, Ashford may not be particularly attractive to higher technology sectors, such as biotechnology or ICT to a great extent, nor for environmental technologies; these are sectors for which there will be strong competition from better placed locations elsewhere.

12. Traditional approaches to assessing future employment land needs are not appropriate for Ashford. This is because Ashford is a planned major growth area, with an ambitious target of 28,000 jobs and 31,000 new homes by 2031, which would form a step change beyond recent growth trends in the Borough and double the current population of the town. These targets will not be achieved by current levels of property demand, but such demand can be stimulated and increased by provision of new employment sites. In this context, past take-up of land is also unlikely to provide a reliable guide to future needs, while job forecasts based largely on past trends and which do not fully reflect the major housing growth planned will not reflect the area's future growth potential. Rather than forecast the scale of future economic and employment growth that is achievable in Ashford, or take a demand based approach to assessing future needs, the study estimated the quantum and types of B class employment land needed to accommodate the Ashford growth target of an increase of 13,650 more jobs by 2021, taking account of job growth in other sectors.



13. Future B class employment space requirements to meet part of the 2021 job growth targets were therefore estimated using several different approaches. This mainly involved breaking down the 2021 Ashford job growth target by sectors based on employment levels in other towns of similar scale and type. Account was also taken of factors such as past take-up rates, inward investment and past job growth trends and a generous safety margin included to allow for factors such as developer choice, need to relocate firms, and delays in sites coming forward. A range of floorspace was identified to reflect different scenarios of growth in office and industrial sectors in Ashford but the baseline estimates in the Table below were considered the more likely outcome. Whether these employment space levels can be achieved by 2021 will depend on future economic and market conditions and development sites coming forward, but could be aided by an active promotional campaign to establish Ashford as a strong business destination.

Baseline Space Requirements of Different Sectors (2006-21)

	Floorspace Target (m²)
Industrial (m²)	89,000
Town Centre Offices (m²)	92,600
Other Offices (m²)	45,700

14. Ashford's main employment sites and proposed allocations, as well as a sample of small rural sites, were assessed to determine their suitability to meet these future needs. Overall, the Borough contains a reasonable range and distribution of employment sites


but relatively few existing office sites of any size. The assessment found that the great majority of Ashford's supply of employment land is of 'good' or 'average' quality.

15. The urban/town centre sites are all employment locations which should be attractive to the market and be capable of accommodating the required levels of employment space. The amount of potential office space on Eureka Park could meet non town centre office needs to 2021 by itself and potentially make new office areas in the urban extensions more difficult to bring forward. The few industrial sites identified in the urban area, along with other permitted space, can make a reasonable contribution to meeting the overall target for industrial space, particularly in the short term before the large urban extension sites come forward.
16. The urban extension sites are considered to be good/average development sites capable of accommodating the indicated levels of employment sought for them. Sevington is a sizeable site beside a planned motorway junction and appears capable of accommodating the indicated amounts of industrial and business space. Waterbrook is also a large site with good motorway junction access although development on up to half of it is reliant on new or improved junctions, which will be costly and may face delays. Commercial market views on these sites were favourable provided suitable infrastructure is in place. Although they currently lack road infrastructure or services, are reliant on Junction 10a of the M20 being built, and some have constraints to development such as areas of flood risk, the scale and location of sites suggests these constraints can be overcome.
17. There are few lower performing sites that rate as 'poor' in terms of the assessment criteria used. However, many of these, which are in the rural part of the Borough, appear to meet local needs for lower cost space, or for firms not requiring good strategic or local road access. Others appear adequate for their current uses even if they are unlikely to be redeveloped for other employment uses if the site becomes available in future. No sites have been identified as candidates for release to other uses.
18. There are also a few older estates where redevelopment of poorer buildings could upgrade the stock and add more employment floorspace, while refurbishment or subdivision of units would also be appropriate in some areas. The Henwood, Kingsnorth and Cobbs Wood estates are examples of this. This process should be encouraged by supporting LDF policies but in some cases infrastructure improvements may be needed and potential for grant aid or public sector funding should be explored where appropriate.
19. When the baseline requirement for different types of employment space is compared with estimated current supply in the Table below, this suggests that, in quantitative terms at least, there is more than enough land already available to meet requirements up to 2021, given that the requirement figures already contain a safety margin. This apparent oversupply is most pronounced for out-of-centre offices and industrial space. However, the supply figures contain very broad estimates of the capacity of some sites as well as some large sites with infrastructure issues which may take some time to deliver.
20. Some degree of oversupply is not inappropriate for a growth area and can help meet needs beyond 2021 in an efficient way. The currently proposed provision also appears adequate to meet the needs for both industrial and office space individually and with a reasonable choice of locations, types of site and form of development.



Demand/Supply Balance for Employment Space (2006-21)

	Estimated Requirement (m²)	Current Supply (m²) *	Surplus Supply (m²)
Industrial (m²)	89,000	178,400	+ 89,400
Town Centre Offices (m²)	92,600	89,200**	- 3,400
Other Offices (m²)	45,700	131,800	+ 86,100
Total	227,300	399,400	+172,100

21. There appear to be limited options for distributing employment land differently between the urban area and urban extension sites, and the Council's current distribution appears reasonable. However, there is potential for delays in large new industrial sites coming forward, combined with the need to relocate existing firms from other sites, to lead to short term supply shortages and a more limited choice of sites and types of premises. This argues for a cautious approach to displacing industrial firms from established estates, and for mixed use redevelopments, until suitable alternative sites (in quality, location and cost terms) come forward in order to minimise the risks of established firms being lost from Ashford.
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22. No requirement was found to identify further development sites in the Ashford urban area or urban extension areas to meet growth targets up to 2021. The study also suggests no new employment land allocations in the rural areas, with a criteria based policy approach used instead to encourage suitable provision to come forward to meet demand.

