

7 THE EMPLOYMENT LAND MARKET

7.1 Introduction

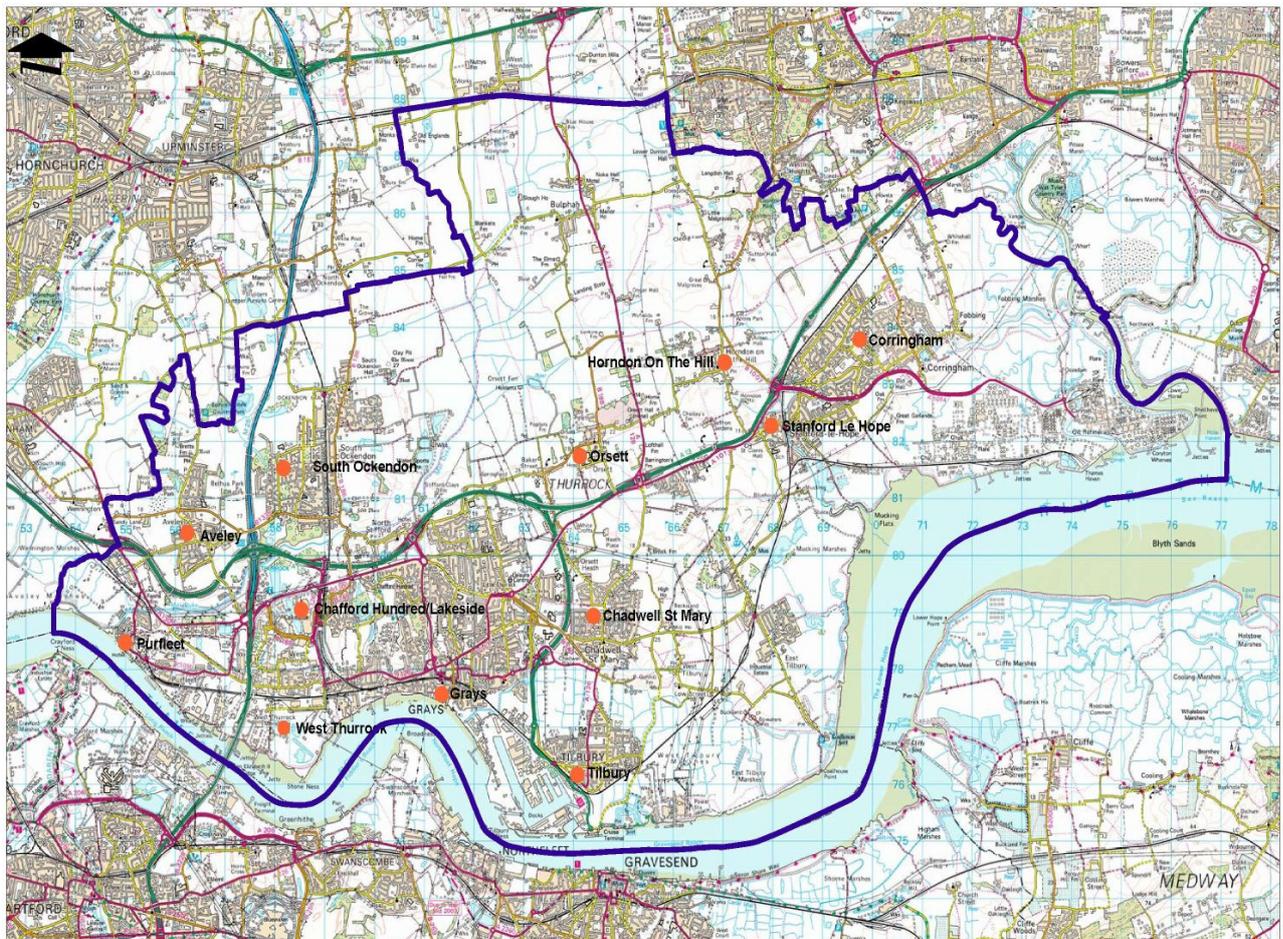
This section gives a market analysis of the current stock of employment land and premises in Thurrock Borough. This is divided into a consideration of the commercial (office) property market and the industrial and distribution property market.

The first section of the chapter provides a brief background to Thurrock Borough and the sub-markets within the Borough in general terms. The second part of the chapter details current office availability within Thurrock Borough graded by sub-sector, size and quality. There follows analysis of office market take-up by sub-market, size and use. The chapter also includes analysis of historic industrial availability divided between readily available and constrained space as defined by Thurrock Borough Council and a review of the accommodation currently available within the Borough. There follows a review of the demand for industrial accommodation within each of the key sub-markets within Thurrock Borough. The final section details the possible implications for future take-up levels within the Thurrock market. This is based on two scenarios of development, both with and without the new container terminal and employment land at Shell Haven.

7.2 Market Analysis Thurrock Borough

The Thurrock market is located within the Thames Gateway, currently one of the most important regeneration sites in the South East. Following London’s successful Olympic bid further attention and investment will be directed towards the area as major property and transport regeneration initiatives commence. The Thurrock market has been dominated by industrial commercial property over the last decade with office accommodation forming only a small part of the market.

Map 7.1 Thurrock Borough: Strategic Location



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SCALE: 1:87500

Source: Thurrock Borough Council

Analysis of Thurrock borough in this chapter has only focused upon the dominant areas of commercial property activity. There are several towns within the borough which have recorded very little or no commercial property activity since 1995 which do not feature in the report. Furthermore, some areas of the Borough, at the time of the research did not have any currently available floorspace e.g. Grays, Little Thurrock. The office market analysis within the report deals only with B1 office use class.

It must also be noted that given the commercial property market in Thurrock is principally driven by industrial property the industrial section of the chapter covers a wider range of towns. Furthermore within the industrial analysis it is possible to identify different trends within the key markets both in terms of the land use class (either B2 or B8) as well as the changing demand for different sized sites over time.

The analysis focuses on net take up of new land as a basis for monitoring demand trends, which is more appropriate than the recycling of existing employment land.

7.3 Office Availability in Thurrock Borough

Table 7.1 – 7.4 Current Office Floor space Availability in Thurrock Borough by Sub Market

Table 7.1 Tilbury

Name	Address	Size (Sq m)	Quality	Quoting Rent (£ Per Sq m)
83 Dock Road	Tilbury	111	Second-hand	N/a
Globe House	Dock Road, Tilbury	312	Second-hand	£232.75

Table 7.2 Grays

Name	Address	Size (Sq m)	Quality	Quoting Rent (£ Per Sq m)
43 Orsett Road	Grays	56	Second-hand	£124.12
4 Ascension Business Park	Fleming Road, Grays	81	New/Refurbished	£225.68
Viking House	Stanford Road, Grays	175	Second-hand	£74.28
Crown House	Crown Road,	1,101	Second-hand	N/a

	Grays			
Unit 2 Lakeside Business Village	Fleming Road, Grays	84	New/Refurbished	N/a

Table 7.3 Stanford-le-Hope

Name	Address	Size (Sq m)	Quality	Quoting Rent (£ Per Sq m)
Grover House	Grover Walk, Corryham, Stanford-le-hope	563	Second-hand	N/a

Table 7.4 West Thurrock

Name	Address	Size (Sq m)	Quality	Quoting Rent (£ Per Sq m)
Lakeside Court	London Road, West Thurrock	2,220	Under- construction	N/a

Source: Knight Frank, Promis, Focus, Commercial Property Register

Tables 7.1 – 7.4 detail the office accommodation currently available within the Thurrock area. Availability within the Thurrock borough currently totals 5,715 sq m (61,516 sq ft), with 42% of accommodation graded second-hand. Lakeside Court on London Road in West Thurrock totalling 2,220 sq m (23,896 sq ft), currently under-construction, will represent the largest single unit of accommodation available within the district once completed. At present Gateway House is the largest available unit of accommodation within the market offering 1,012 sq m (10,893 sq ft) of new refurbished space. Other than Crown House, which provides 1,101 sq m (11,851 sq ft) of second-hand space, the remainder of available office accommodation within the Thurrock borough is considerably smaller; ranging from just 56 sq m (603 sq ft) to 563 sq m (6,060 sq ft).

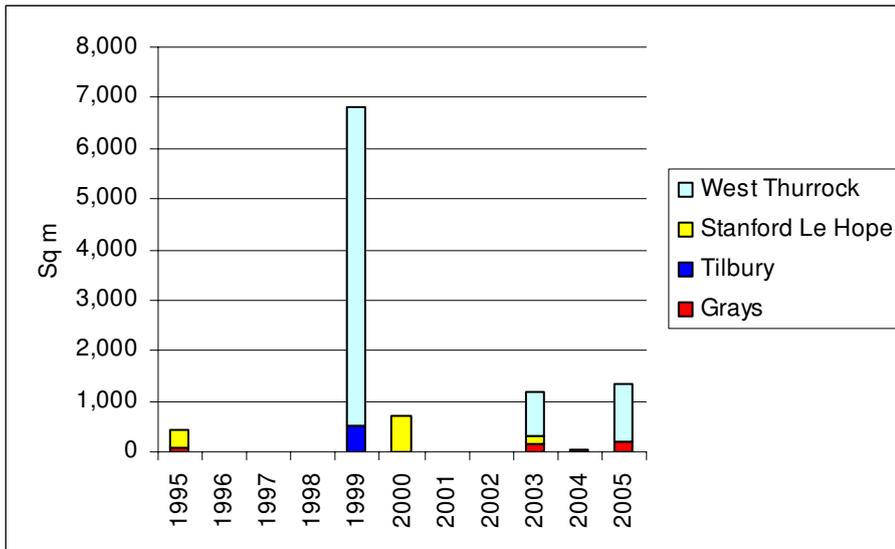
Overall, given the size range and quality of the office accommodation available, it is clear that the supply-side of the office market in the Thurrock borough is focused on smaller, second-hand units. The largest units currently available on the market are below 1,115 sq m (12,000 sq ft). Moving forwards there will be some additional accommodation available at Lakeside Court, which when built will be more than twice the size of any other unit of office accommodation available on the market. However it must be noted that at 2,220 sq m (23,896 sq ft) the new Lakeside Court development is relatively still small.

The historic trends of low levels of demand and turnover for office accommodation in Thurrock can mostly be explained by the small amount of office stock currently in the Borough. It is

possible that there may have been an element of unmet demand in recent years although this is unquantifiable as it impossible to accurately say which office occupiers might have relocated into Thurrock had the office premises been available.

7.4 Office Take-up in Thurrock Borough

Figure 7.1 – Office Floor space Take-up in Thurrock by Sub-market



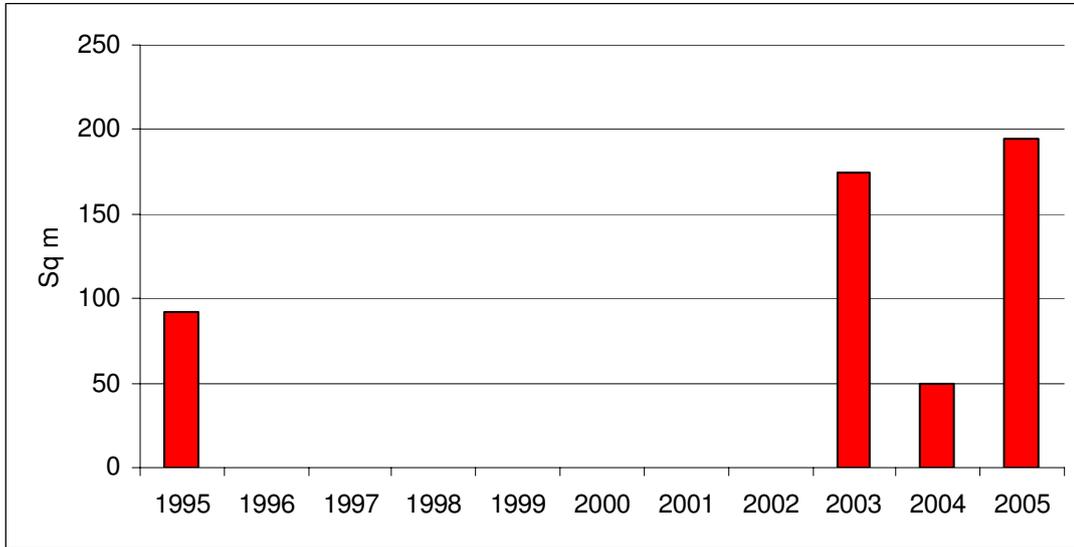
Source: Knight Frank, Promis, Focus

Figure 7.1 illustrates the annual floor space take-up by sub-market within the Thurrock borough since 1995. In the last decade take-up in Thurrock has totalled 10,893 sq m (117,252 sq ft). From the graph it is clear that take-up activity in the borough was concentrated in 1999, totalling 7,045 sq m (75,832 sq ft) and representing 64% of total take-up between 1995 and 2005 to date. Even during 1999 the Thurrock Borough office market witnessed only four transactions, the most significant of which totalled 6,317 sq m (68,000 sq ft) when Altyre Properties purchased the former Ashby and Horner works from Bovis Construction for £2m.

This was the only major transaction in the Thurrock Borough has experienced during the last ten years. Take-up activity has primarily been heavily focused on smaller office units reflecting the highly localised nature of the market. Excluding the exceptional transaction in West Thurrock, the market has witnessed a total take-up of only 3,848 sq m (41,419 sq ft) during the last decade with an average transaction size of just 305 sq m (3,283 sq ft).

Grays Office Market Floor space Take-up

Figure 7.2 – Annual Office Floor space Take-up in Grays

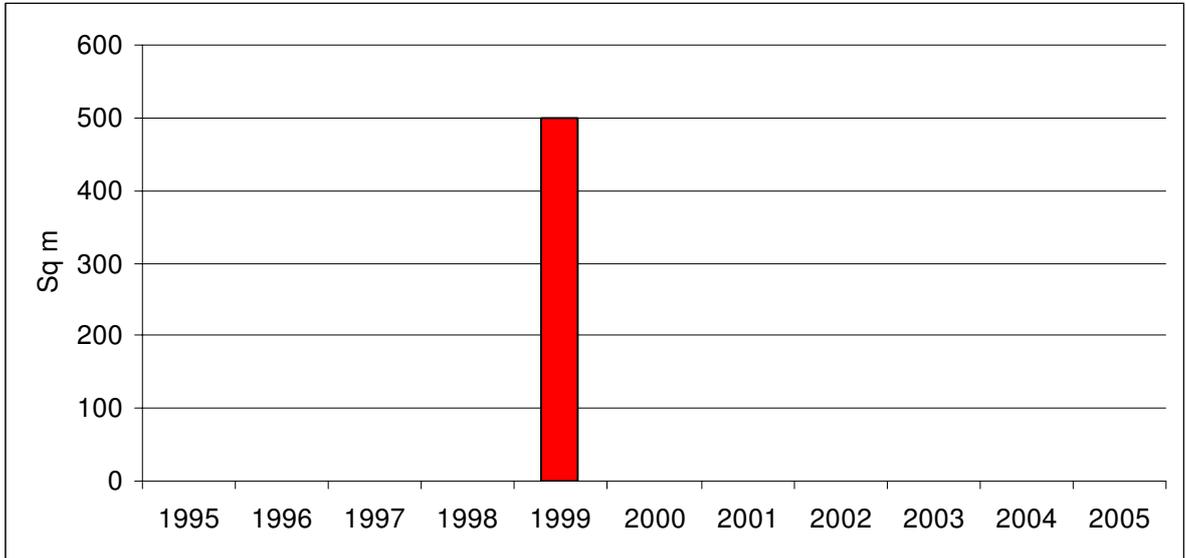


Source: Knight Frank, Promis, Focus

Figure 7.2 illustrates the annual levels of floor space take-up activity in the Grays sub-market since 1995. It is evident that the market has experienced very limited demand over the last decade. The area has realised more take-up during 2005 to date than the previous nine years combined. Overall take-up since 1995 has totalled 512 sq m (5,511 sq ft) with take-up in 2005 already at 195 sq m (2,099 sq ft). The bulk of take-up in 2005 was due to the acquisition of space at 5 Clarence Road offering 111 sq m (1,195 sq ft).

Tilbury Office Floor space Market Take-up

Figure 7.3 – Annual Office Floor space Take-up in Tilbury

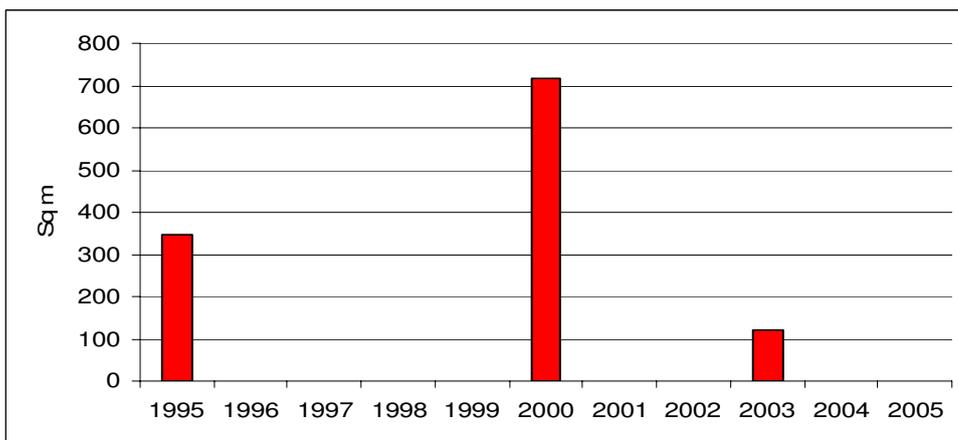


Source: Knight Frank, Promis, Focus

Figure 7.3 illustrates annual office floor space take-up activity in Tilbury since 1995, which reflects the fact that only two transactions have taken place in this market in the last ten years. The Tilbury market did experience an exceptional year of take-up in 1999, although overall the annual total was only 500 sq m (5,382 sq ft).

Stanford-le-Hope Office Market Floor space Take-up

Figure 7.4 – Annual Office Floor space Take-up in Stanford-le-Hope

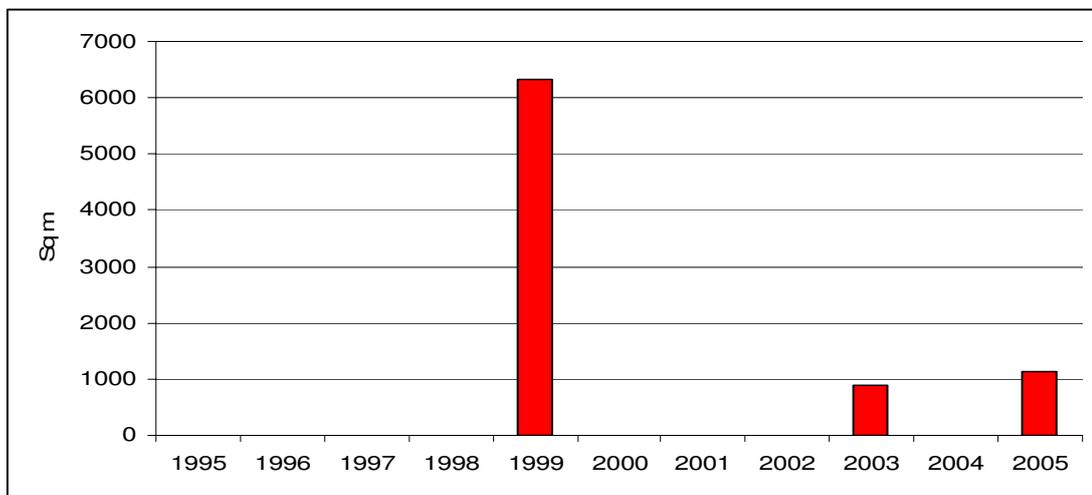


Source: Knight Frank, Promis, Focus

Figure 7.4 illustrates the office floor space take-up activity recorded in Stanford-le-Hope since 1995. Demand in this market has also been sporadic with only three transactions recorded in ten years. The largest transaction within the Stanford-le-Hope sub-market occurred during 2000, totalled 717 sq m (7,717 sq ft). The other two, in 1995 and 2003, accounted for only 346 sq m (3,720 sq ft) and 122 sq m (1,314 sq ft) respectively. With only three transactions, none over 930 sq m (10,000 sq ft), this provides a firm indication of the limited activity in office take-up within the Stanford-le-hope sub-market.

West Thurrock Office Market Floor space Take-up

Figure 7.5 – Annual Office Floor space Take-up in West Thurrock

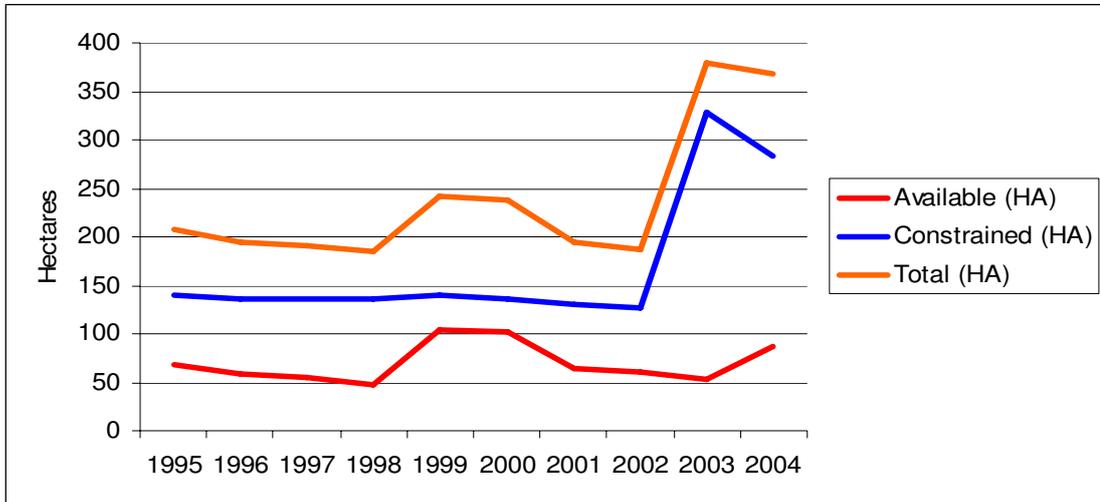


Source: Knight Frank, Promis, Focus

Figure 7.5 illustrates the office floor space take-up activity recorded in West Thurrock since 1995. Demand in this sub-market has also been sporadic with only four transactions recorded in ten years. The largest transaction within the West Thurrock sub-market occurred during 1999, totalled 6,317 sq m (67,996 sq ft) when Altyre Properties purchased the former Ashby and Horner works from Bovis construction for £2m.

Industrial Land Availability in Thurrock Borough

Figure 7.6 - Annual Industrial Land Availability in Thurrock



Source: Annual Monitoring Report 2004, Thurrock Borough Council

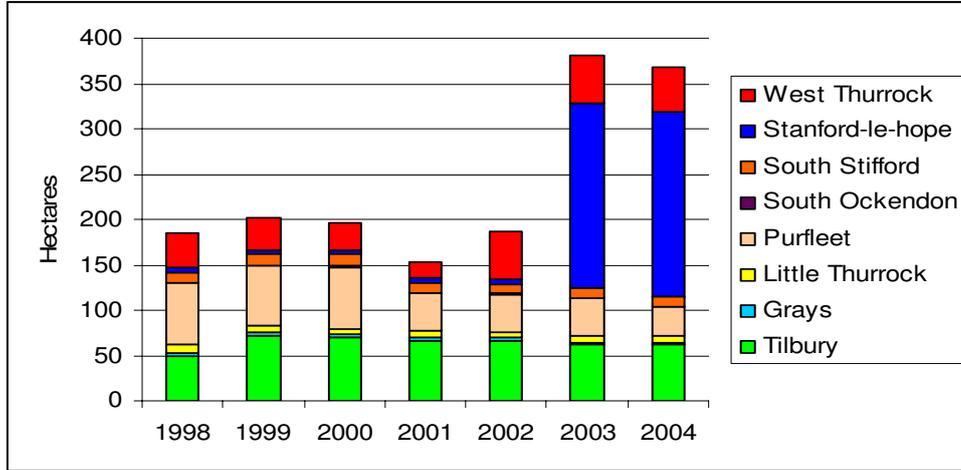
The industrial property market in Thurrock is considerably larger than the office market and this is reflected in both the demand and supply profiles. Figure 7.6 provides evidence of the quantity of land available in each year since 1995. The graph is divided between land that is readily available for development and land categorised as “constrained”. The latter is defined as ¹³“that which cannot be developed immediately and is unlikely to become available before 30th September 2005 by reason of lack of infrastructure (access, drainage), difficult site conditions, ownership constraints, etc.” While land has been categorised in this manner for reporting purposes, it is worth remembering that constrained land can often become relatively easily. Amongst other things, the role of the Thurrock Thames Gateway UDC will be to bring constrained land back into use and thus help bolster the industrial and commercial land market in the Borough.

¹³ Annual Monitoring Report 2004 – Thurrock Borough Council, Strategic Planning Department.

N.B Each year sites are considered constrained if they cannot be developed before the end of September the following year.

7.5 Industrial Land Availability in Thurrock by Sub-market

Figure 7.7 - Industrial Land Availability in Thurrock by Sub-market

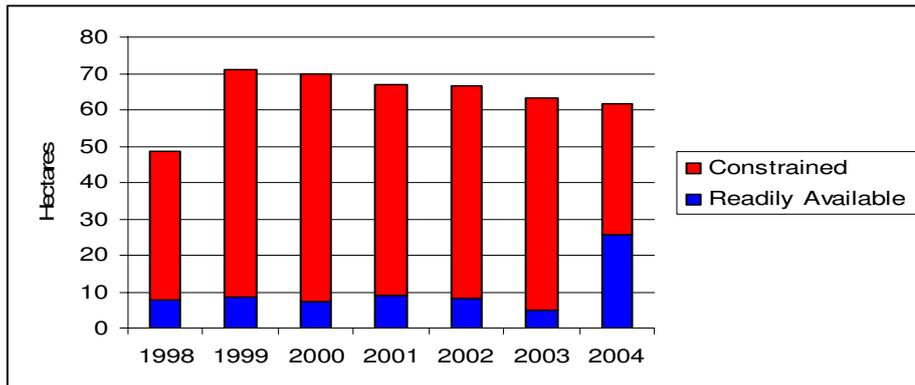


Source: Annual Monitoring Report 2004, Thurrock Borough Council

Figure 7.7 illustrates industrial availability by sub-market since 1998. The greatest impact upon the supply of industrial accommodation was the Shell Haven site in Stanford-le-Hope which was brought to the market in 2003 which provided an additional 200 hectares of available land. Prior to 2003, the supply profile for the Borough remained broadly between 150 and 200 hectares per annum with Tilbury, Purfleet and West Thurrock accounting for the majority of supply.

Industrial Land Availability in Tilbury

Figure 7.8 – Annual Industrial Land Availability in Tilbury



Source: Annual Monitoring Report 2004, Thurrock Borough Council

Figure 7.8 represents the annual industrial availability in Tilbury divided between constrained and readily available land. The graph illustrates that the supply of industrial land in Tilbury has been dominated by constrained sites. This has been predominantly due to a single site in Tilbury South which offers 26.8 hectares of industrial space and remained on the market

between 1995 and 2003. Constrained supply has been dominated by the Tilbury A site and the Tilbury Power Station which collectively offer 28.8 hectares of industrial accommodation. Readily available supply has remained at circa 10.16 hectares per annum over the given period although this was boosted significantly following the Tilbury South site becoming readily available in 2004.

Table 7.2 - Currently Available Industrial Floor space in Tilbury

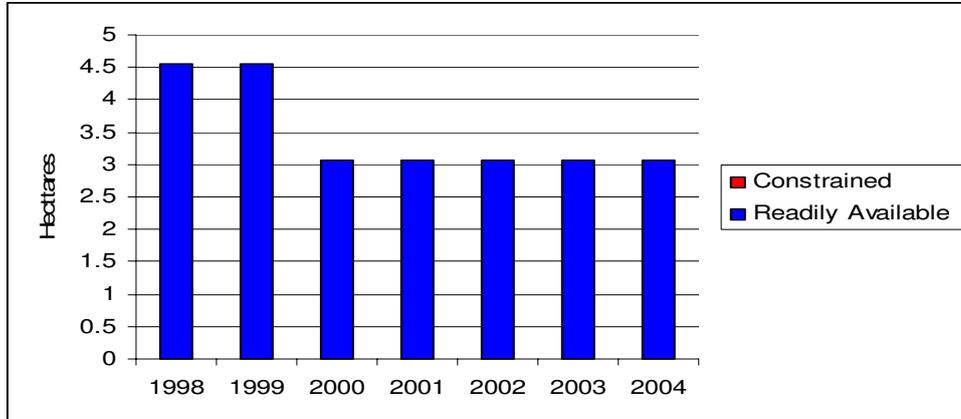
Name	Address	Size (Sq m)	Quality	Quoting Rent (£ Per Sq m)
7/8 Capstan Centre	Thurrock Park Way, Tilbury	263	Second-hand	94.98
2 Capstan Industrial Park	Thurrock Park Way, Tilbury	673	Second-hand	69.80

Source: Knight Frank, Promis, Focus

Table 7.2 details the industrial floor space that is currently available in Tilbury, which totals 936 sq m (10,075 sq ft). It is important to note that there is no new accommodation available on the market and the largest single unit available consists of just 673 sq m (7,244 sq ft) which is very small in the context of occupier demand.

Industrial Land Availability in Grays

Figure 7.9 – Annual Industrial Land Availability in Grays



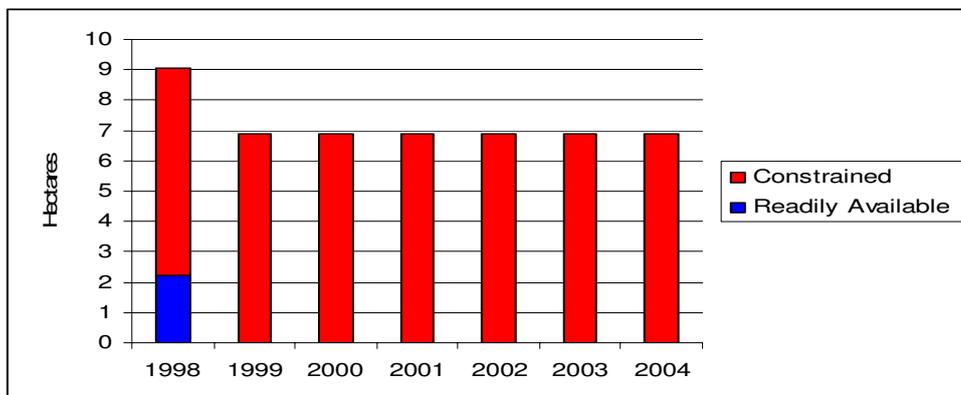
Source: Annual Monitoring Report 2004, Thurrock Borough Council

As Figure 7.9 shows, the most notable aspect of the Grays industrial land market in comparison to Tilbury is its size. Although the graph illustrates the dominance of readily available industrial sites in Grays, the annual average of total available land is very low at just 3.5 hectares per annum. Furthermore, the availability of industrial space that exists within the area comprised of just two sites. The larger of the two is located at Titan Pit (North) which offered 4.5 hectares of land for industrial development. The other site is at Curzon Drive on Manorway totalling only 0.06 hectares. The Titan Pit (North) site had 1.5 hectares developed upon during 2000, leaving 3.0 hectares currently available for development.

There is currently no industrial floor space available within Grays.

Industrial Land Availability in Little Thurrock

Figure 7.10 – Annual Industrial Land Availability in Little Thurrock

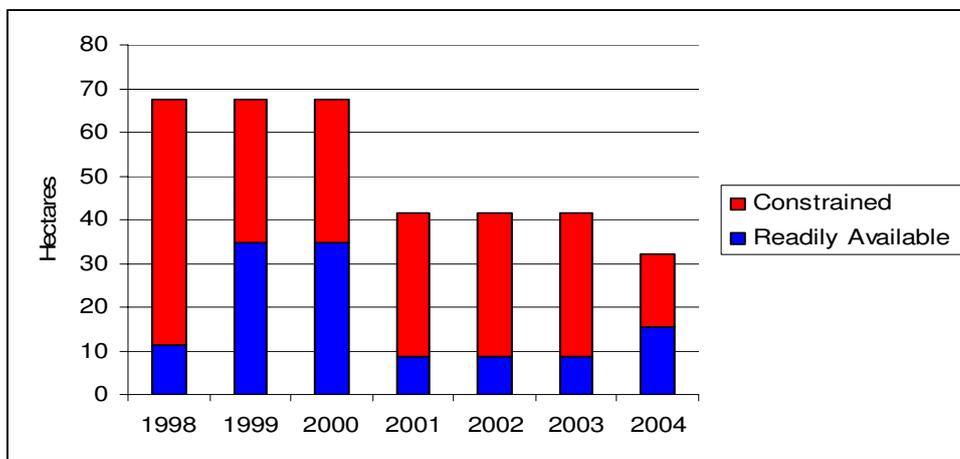


Source: Annual Monitoring Report 2004, Thurrock Borough Council

Figure 7.10 illustrates the supply profile of the Little Thurrock sub-market which has been dominated by constrained land. The last readily available site in the area was on the market in 1998, when 2.2 hectares on a plot South of the Thurrock Park Way were available. Since then constrained sites have been available for industrial development. Supply since 1998 has remained consistently at 6.87 hectares with the remainder of the Thurrock Park site offering 5.82 hectares and the site west of the Botney Channel offering a further 1.05 hectares.

Industrial Land Availability in Purfleet

Figure 7.11 – Annual Industrial Land Availability in Purfleet



Source: Annual Monitoring Report 2004, Thurrock Borough Council

Figure 7.11 illustrates the annual industrial land availability for the sub-market of Purfleet. From the graph it is clear that the amount of land available for industrial development has declined since 2000. In 2001, the completion of the “Greenlands” Quarry development removed 23.5 hectares from the market. Supply decreased further in 2004 following the development of 9.2 hectares on the Eurolink, Esso North site. The most significant site that remains available on the market is the 13.5 hectare plot adjacent to Van Den Bergh and Jurgens, which has remained available throughout the period shown.

Table 7.3 - Currently Available Industrial Floor space in Purfleet

Name	Address	Size (Sq m)	Quality	Quoting Rent (£ Per Sq m)
Unit 9, Thurrock Commercial Centre	Juliet Way, Purfleet	187	Second-hand	N/a
Dolphin Way	Purfleet	264	New/Refurbished	N/a

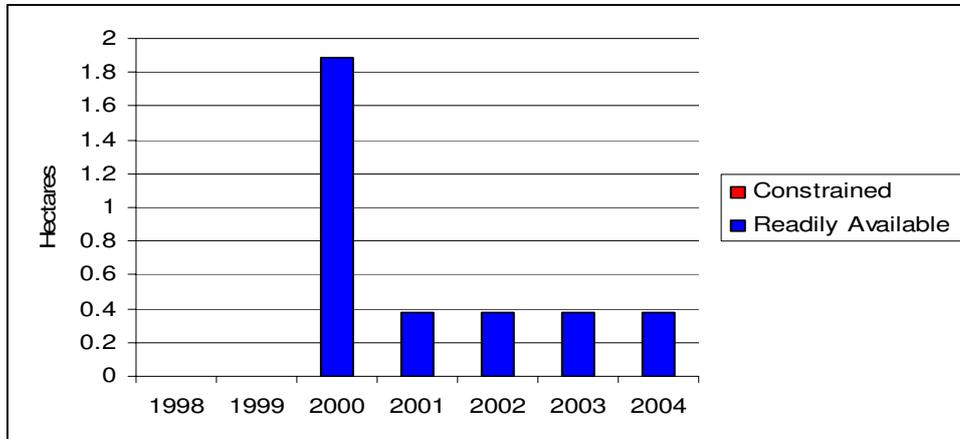
Dolphin Way	Purfleet	266	New/Refurbished	N/a
Dolphin Way	Purfleet	416	New/Refurbished	N/a
Dolphin Way	Purfleet	458	New/Refurbished	N/a
Dolphin Way	Purfleet	458	New/Refurbished	N/a
Dolphin Way	Purfleet	492	New/Refurbished	N/a
Dolphin Way	Purfleet	492	New/Refurbished	N/a
Dolphin Way	Purfleet	492	New/Refurbished	N/a
Dolphin Way	Purfleet	492	New/Refurbished	N/a
Dolphin Way	Purfleet	492	New/Refurbished	N/a
Dolphin Way	Purfleet	524	New/Refurbished	N/a
Dolphin Way	Purfleet	701	New/Refurbished	N/a
Dolphin Way	Purfleet	786	New/Refurbished	N/a
Dolphin Way	Purfleet	797	New/Refurbished	N/a
D Queen Elizabeth Distribution Site	Purfleet-by-Pass, Purfleet	6,924	Second-hand	72.65
E Queen Elizabeth Distribution Park	Purfleet-by-Pass, Purfleet	10,501	Second-hand	72.65
Q Queen Elizabeth Distribution Site	Purfleet-by-Pass, Purfleet	10,506	Second-hand	72.65

Source: Knight Frank, Promis, Focus

Table 7.3 details the amount of industrial accommodation currently available within the Purfleet market which currently totals 35,248 sq m (379,409 sq ft). It is clear from Table 3 that availability is dominated by smaller units offering less than 1,000 sq m (10,764 sq ft). The largest units currently available on the market are located at the Queen Elizabeth Distribution site each offering approximately 10,500 sq m (113,022 sq ft).

Industrial Land Availability in South Ockendon

Figure 7.12 – Annual Industrial Land Availability in South Ockendon



Source: Annual Monitoring Report 2004, Thurrock Borough Council

Figure 7.12 demonstrates the limited supply of industrial land in the South Ockendon sub-market. Clearly 2000 represented the peak of supply in the market, when three sites totalling 1.89 hectares were available. The largest of these was Land Parcel H4 at Roebuck Park, offering 0.99 hectares. Since 2001 supply has been limited to a single site adjoining Tamarisk Road and totalling just 0.38 hectares.

Table 7.4 - Currently Available Industrial Floor space in South Ockendon

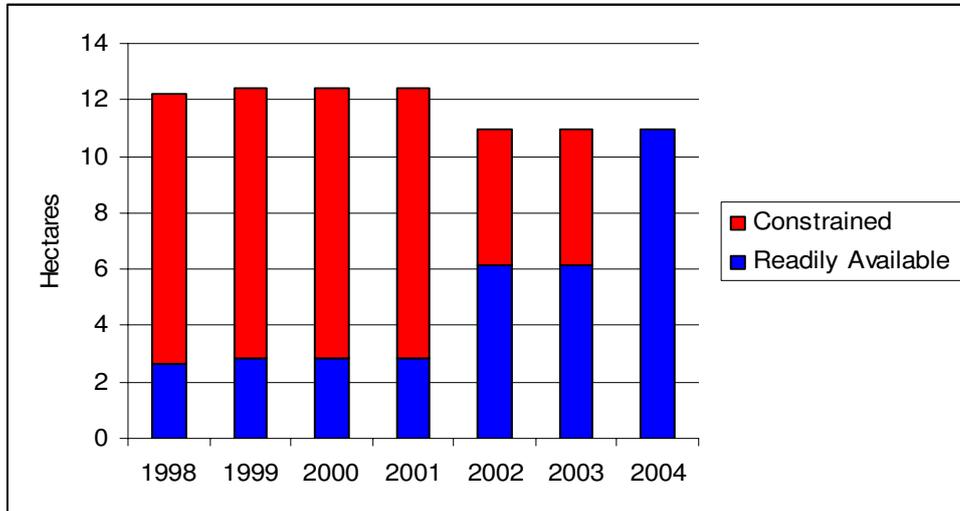
Name	Address	Size (Sq m)	Quality	Quoting Rent (£ Per Sq m)
Unit 11	Arcany Road, South Ockendon	301	Second-hand	N/a
Purfleet Industrial Park	London Road, South Ockendon	1,536	Second-hand	71.26
3 Arisdale Avenue	South Ockendon	5,066	Second-hand	21.71

Source: Knight Frank, Promis, Focus

Table.7.4 details the current availability of industrial accommodation in South Ockendon which currently totals 6,903 sq m (74,304 sq ft), all of which is second-hand. This reflects the restricted size of the market and the limited amount of industrial land available in the area since 1998.

Industrial Land Availability in South Stifford

Figure 7.13 – Annual Industrial Land Availability in South Stifford

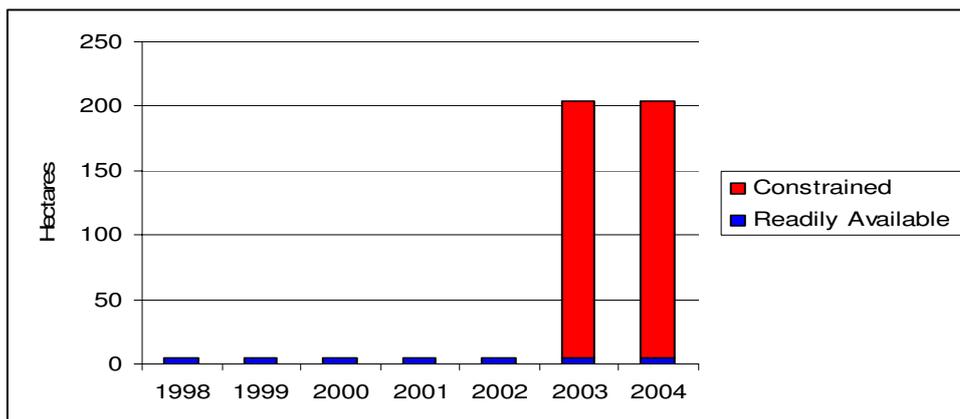


Source: Annual Monitoring Report 2004, Thurrock Borough Council

Figure 7.13 illustrates the annual industrial land availability for South Stifford. Since 1998 the supply profile of the market has changed from predominantly constrained space to wholly readily available land by 2004. Total supply in the market has averaged 11.77 hectares since 1998. Supply in 2004 totalled 10.94 hectares, comprising three sites, the largest of which was at Wouldham Works totalling 8.10 hectares.

Industrial Land Availability in Stanford-le-Hope

Figure 7.14 – Annual Industrial Land Availability in Stanford-le-Hope



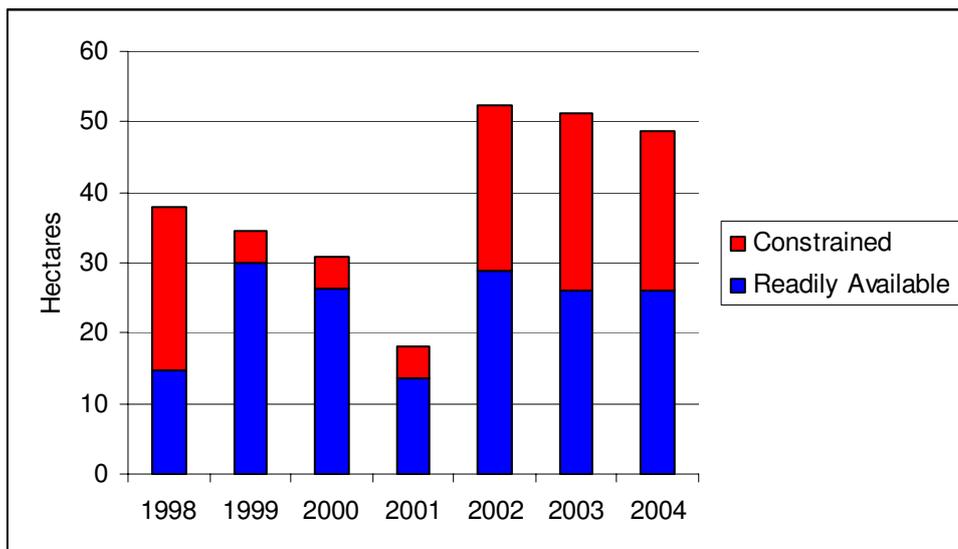
Source: Annual Monitoring Report 2004, Thurrock Borough Council

Figure 7.14 illustrates the impact of the Shell Haven scheme on the sub-market of Stanford-le-Hope. From 1998 to date the industrial land in this small sub-market has comprised three separate plots on the Stanhope Industrial Estate, collectively offering 4.58 hectares. The

identification of a 200 hectare site at the former Shell oil refinery has clearly had a significant impact on the potential supply of industrial land in the borough as a whole. It must also be noted that the 200 hectare figure is based on figures calculated by Thurrock Borough Council Strategic Planning Department as part of the UDP. This figure is being assumed and used for the context of this report. It should be noted however that this estimate does not include land linked to the port, which is calculated by King Sturge, who are commercial property agents for landowners P & O/Dubai Ports World. King Sturge calculate that the total site area, including the land at the port, is approximately 312 hectares. It should also be noted that the Secretary of State in August 2006 indicated the intention to exclude the “Refinery Expansion Land” and “Tongue Land” from the sites area, which would result in a reduction of 20% of the total developable area (from approximately 311 to 245 hectares of land). However at the density proposed this would only result in an estimated decrease of actual commercial floorspace of 10%. In the Secretary of State’s August 2006 letter it was proposed not to allow a variation of conditions for an increase in density for the development. Our forecasting approach further clarifies the approach taken and figures used to calculate forecast future land demand up to 2021.

Industrial Land Availability in West Thurrock

Figure 7.15 – Annual Industrial Land Availability in West Thurrock



Source: Annual Monitoring Report 2004, Thurrock Borough Council

Figure 7.15 illustrates the recent rise in industrial land supply in the West Thurrock sub-region. Since 1998 the sub-market has enjoyed consistently high levels of available land, but the recent increase has predominantly been due to the growth in the supply of constrained land from 2002 onwards. The Lakeside Trading Estate has remained a constant feature in the available industrial land supply offering 6.48 hectares. The “Bluelands East” quarry site also caused an increase in the readily available supply between 1999 and 2000 offering 11.4 hectares before being developed. In 2002 constrained supply increased following the

introduction of a site at the West Thurrock Power Station offering 18.45 hectares of land. In 2004 the first site totalling 18.45 hectares became readily available.

Table 7.6 - Current Industrial Floor Space Available in West Thurrock

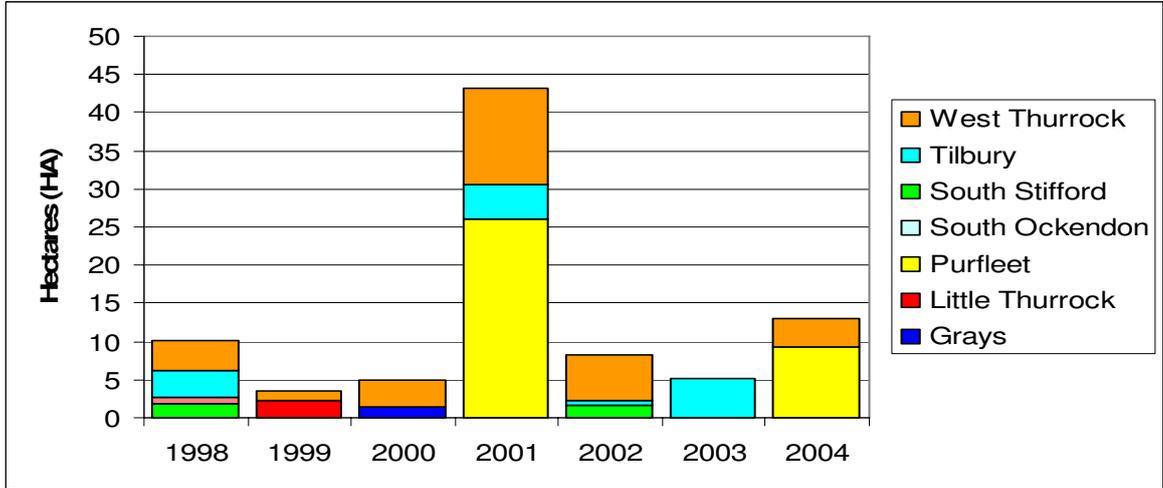
Name	Address	Size (Sq m)	Quality	Quoting Rent (£ Per Sq m)
Magnet Point	Magnet Road, West Thurrock	2,684	Second-hand	N/a
10 Oliver Close	West Thurrock	1,773	Second-hand	69.96
8 Glade Business Centre	Eastern Avenue, Grays	253	Second-hand	50.47
Motherwell Way	West Thurrock	280	Second-hand	80.79
Motherwell Way	West Thurrock	340	Second-hand	78.00
Motherwell Way	West Thurrock	340	Second-hand	78.00
680 London Road	West Thurrock	450	Second-hand	N/a
Motherwell Way	West Thurrock	554	Second-hand	78.03
Motherwell Way	West Thurrock	1,357	Second-hand	70.03
Oliver Road	West Thurrock	1,786	New/Refurbished	80.75
Motherwell Way	West Thurrock	2,681	Second-hand	70.87
Europa Park	436 London Road, West Thurrock	5,039	Second-hand	N/a

Source: Knight Frank, Promis, Focus

Table 7.6 details the current supply of industrial accommodation within the West Thurrock sub-market totalling 17,537 sq m (188,768 sq ft). The largest unit currently available on the market offers 5,039 sq m (54,240 sq ft).

7.6 Industrial Take-up in Thurrock Borough

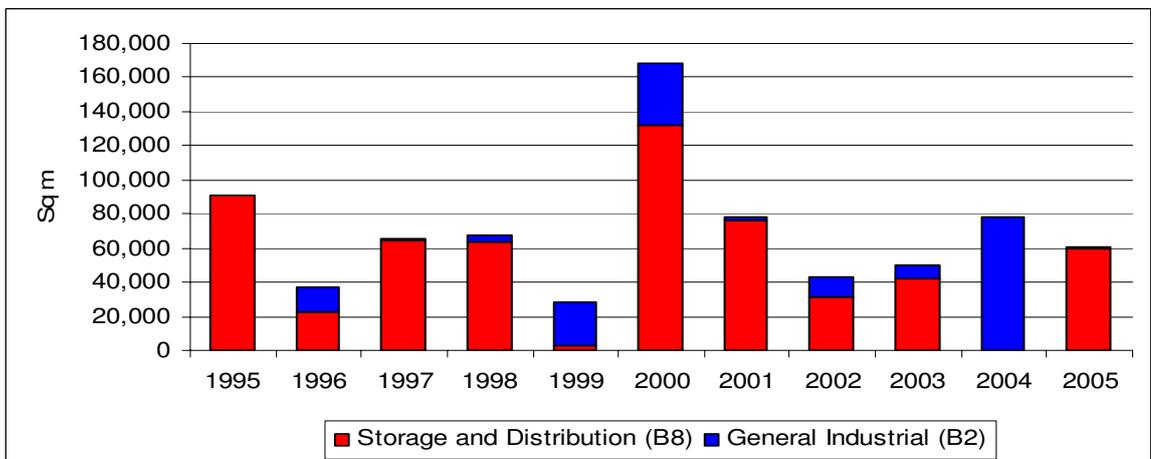
Figure 7.16 – Annual Land Developed in Thurrock by Town



Source: Annual Monitoring Report 2004, Thurrock Borough Council

Figure 7.16 illustrates the amount of vacant designated employment land that has been developed in Thurrock since 1998. Overall a total of 87.23 hectares of land has been developed. The majority of the development activity has occurred in Purfleet with 35.32 hectares of land has been developed since the beginning of 2002. The largest single site to be developed was the Greenlands Quarry totalling 23.5 hectares, which was developed in Q1 2001, accounting for 27% of all developed land since 1998. The second largest site developed within the Borough was also located in Purfleet, totalling 9.2 hectares at the Eurolink (Esso North Site), which was developed in Q3 2004. The Council’s Annual Monitoring reports show that 5.14 hectares of the 87.23 hectares developed during this period was developed for other uses including retail and leisure. Most of the 5.14 hectares was located at the Chafford Hundred sites.

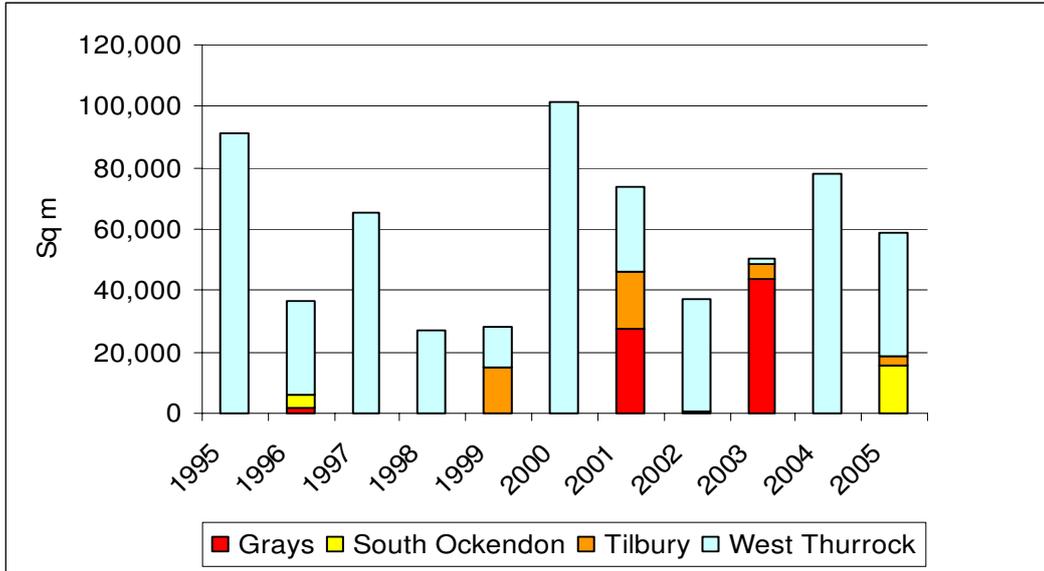
Figure 7.17 - Annual Industrial Floor space Take-up by Land Use



Source: Knight Frank, Promis, Focus

Figure 7.17 demonstrates the dominance of the warehousing sector on take-up within the Borough of Thurrock, over the last decade warehousing space has accounted for 75% of total take-up. Since 1995 annual take-up levels have averaged 53,261 sq m (573,301 sq ft) for warehouse accommodation and 16,612 sq m (178,811 sq ft) for light industrial space.

Figure 7.18 – Annual Industrial Floor space Take-up by Sub-market

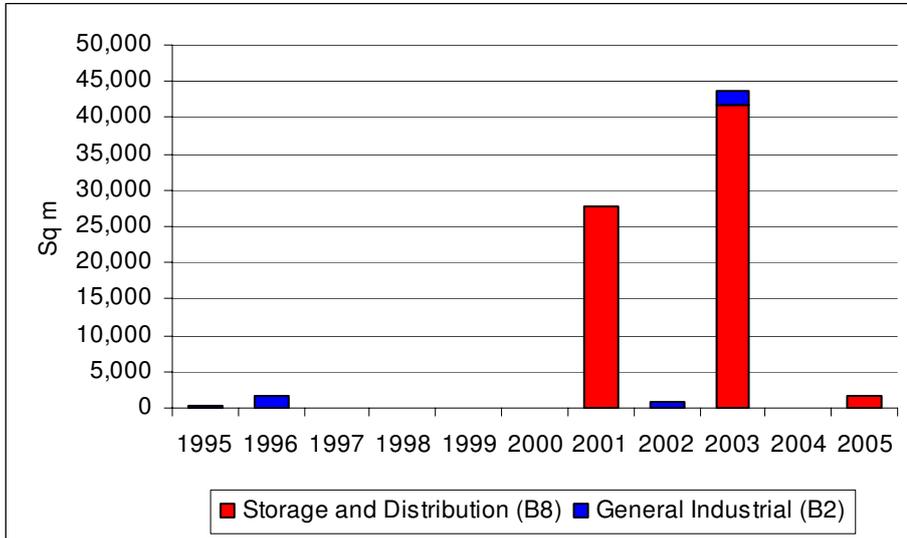


Source: Knight Frank, Promis, Focus

Figure 7.18 demonstrates the annual take-up levels for each of the sub-markets within the Thurrock Borough. It is clear that West Thurrock has experienced the most take-up of any of the sub-markets, representing 67% of the 768,600 sq m (8,273,210 sq ft) total take-up since 1995. The dominance of the West Thurrock market was most evident in 2000 when annual take-up was 101,697 sq m (1,094,666 sq ft). This proved to be the highest annual level of any of the sub-markets since 1995 and was largely due to two substantial transactions collectively totalling 78,099 sq m (840,658 sq ft).

Industrial Floor Space Take-up in Grays

Figure 7.19 - Annual Industrial Floor Space Take-up in Grays by Sector



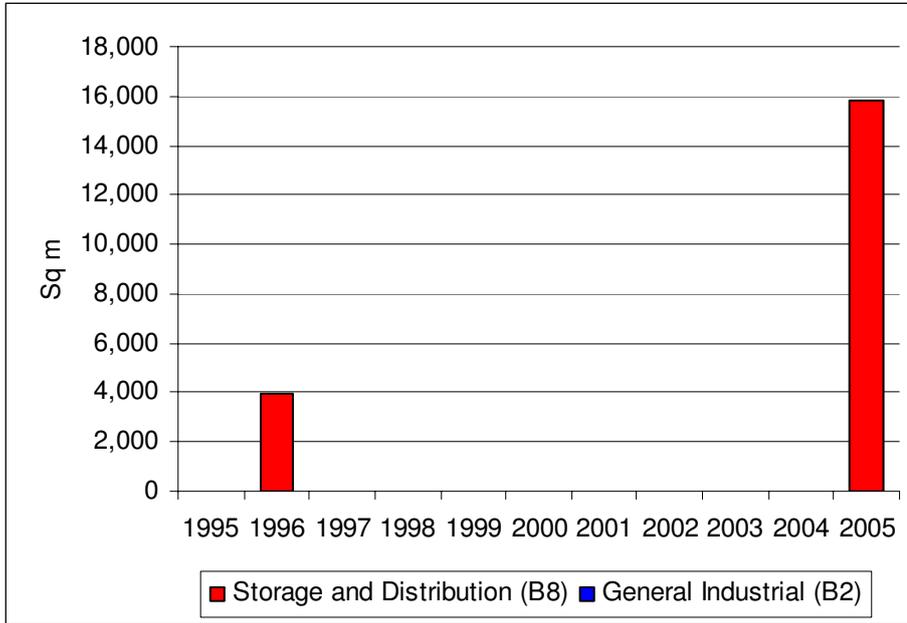
Source: Knight Frank, Promis, Focus

Figure 7.19 illustrates the sporadic take-up activity experienced within the Grays market. Since 1995 annual take-up has averaged 6,915 sq m (74,433 sq ft) although this average was boosted considerably by take-up levels in 2001 and 2003

It is clear from the graph that annual take-up levels since 1995 have remained broadly low with the exception of 2001 and 2003. There was only one transaction in the Grays sub-market during 2001, which involved the acquisition of 27,871 sq m (300,000 sq ft) at the Queen Elizabeth Distribution Park. During 2003 three separate transactions were recorded in the sub-market with the largest totalling 41,806 sq m (450,000 sq ft) involving the Ultrabox building on the Purfleet By-pass.

Industrial Floor Space Take-up in South Ockendon

Figure 7.20 - Annual Industrial Floor space Take-up in South Ockendon

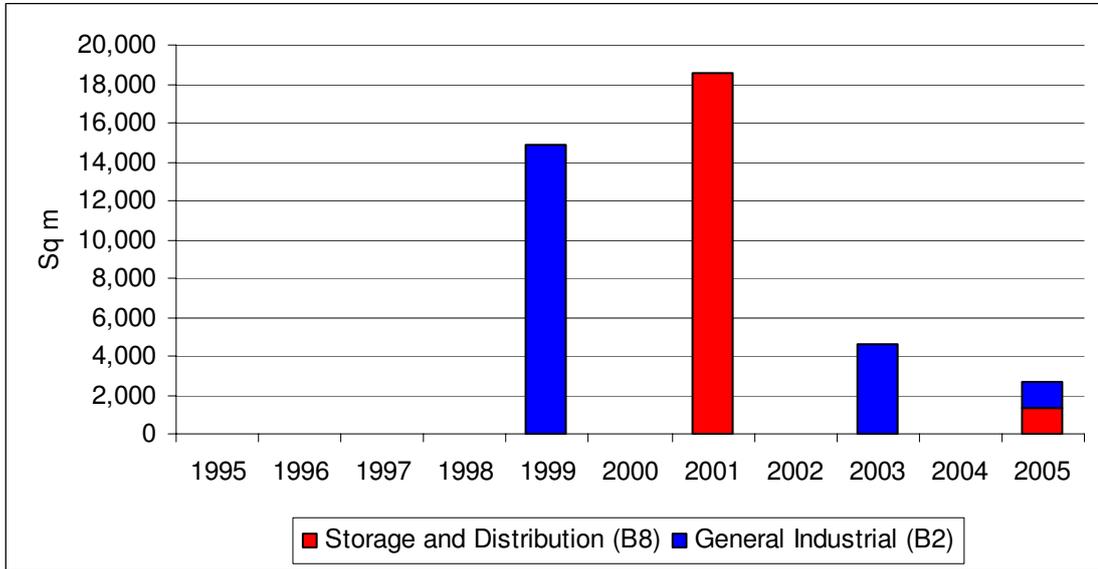


Source: Knight Frank, Promis, Focus

Figure 7.20 demonstrates the sporadic and limited demand for industrial accommodation within South Ockendon. The market has experienced total take-up of only 19,741 sq m (212,492 sq ft) in over ten years with 80% of this realised in 2005 alone. Take-up in 2005 has largely been due to a 15,793 sq m (169,995 sq ft) transaction by Next for warehouse space on Arisdale Avenue. The Next transaction is the largest achieved in the market over the last 10 years. It must be noted that prior to 2005 the only other transaction to occur in the market took place in 1996 also at Arisdale Avenue and totalled 3,948 sq m (42,496 sq m).

Industrial Floor Space Take-up in Tilbury

Figure 7. 21 - Annual Industrial Floor Space Take-up in Tilbury



Source: Knight Frank, Promis, Focus

Figure 7.21 illustrates the annual take-up levels of industrial accommodation in the Tilbury market since 1995. Take-up peaked in 2001 at 18,580 sq m (199,995 sq ft), which was the result of one major transaction that took place on the Fortress Distribution Park. The second largest transaction within the Tilbury sub-market since 1995 was achieved in 1999 totalling 14,864 sq m (160,000 sq ft) at Plot 1 A Thurrock Park Industrial Estate on Thurrock Park Way. In balance since 1995 take-up levels in Tilbury have been sporadic with only six separate transactions recorded within the sub-region.

Industrial Floor Space Take-up in West Thurrock

Figure 7.22 - Annual Industrial Floor Space Take-up in West Thurrock

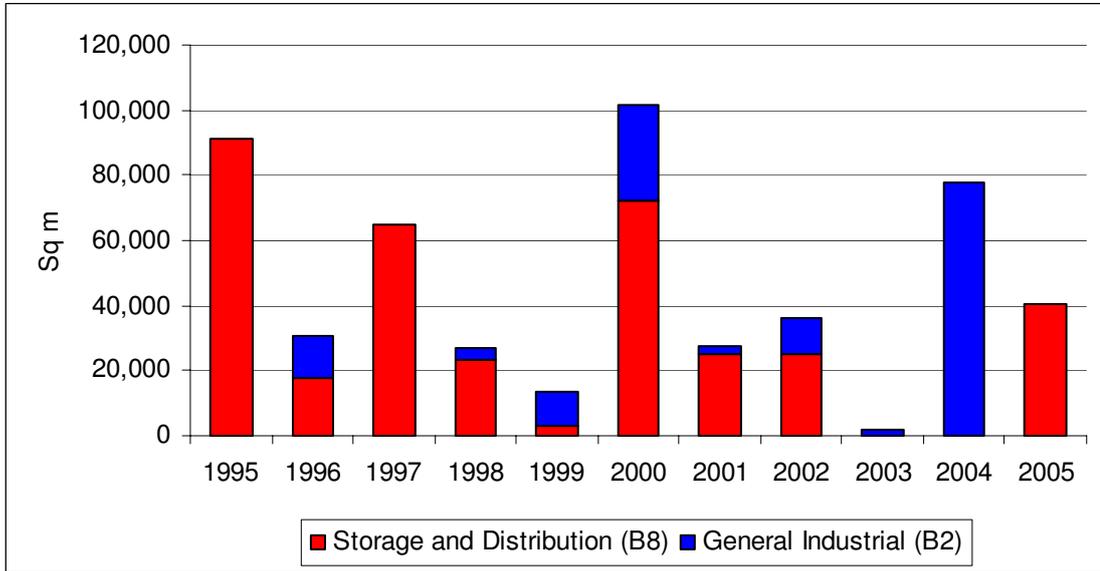


Figure 7.22 illustrates the annual take-up levels of industrial accommodation in West Thurrock sub-market. From the graph it is clear that the West Thurrock has experienced considerably more take-up activity than any of the other sub-markets in Thurrock with take-up since 1995 totalling 512,526 sq m (5,516,830 sq ft) and averaging 46,593 sq m (510,527 sq ft) per annum. It is also clear from the graph that B8 storage accommodation has dominated take-up in almost every year since 1995 accounting for 71% of total take-up. Take-up within the West Thurrock sub-market peaked in 2000 totalling 101,697 sq m (1,094,667 sq ft). The largest single transaction within the market involved the acquisition of a 61,098 sq m (657,664 sq ft) site at Dolphin Park on Stonehouse Lane for Tesco.

7.7 Implications of the Shell Haven Scheme on Future Demand

The former oil refinery at Shell Haven is the largest development site in Thurrock accounting for 200 hectares of constrained supply in the Annual Monitoring Report 2004. The measure of 200 hectares is based on the allocation originally incorporated within the Thurrock Unitary Development Plan (UDP). The development site itself has the potential to be considerably larger than 200 hectares. The latest proposal by P&O suggests the site covers 312 hectares. Furthermore the Secretary of State in August 2006 indicated the intention to exclude the "Refinery Expansion Land" and "Tongue Land" from the sites area, which would result in a reduction of 20% of the total developable area (from approximately 312 to 245 hectares of land). However at the density proposed this would only result in an estimated decrease of actual commercial floorspace of 10%. In the Secretary of State's August 2006 letter it was proposed not to allow a variation of conditions for an increase in density for the development.

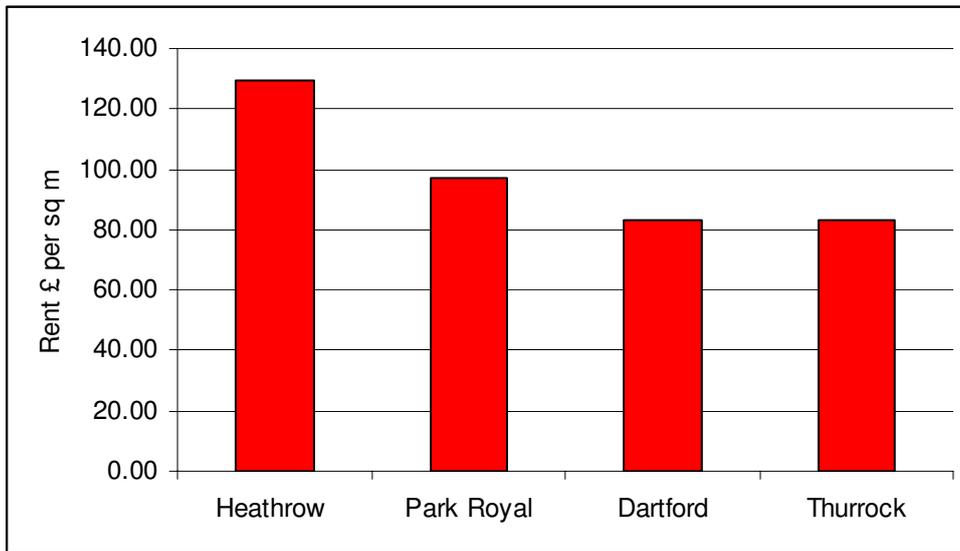
Estimates vary between the parties concerned as the site, but is worth noting that the initial allowance in the Thurrock UDP did not include the scale of port and allocated more of the refinery footprint to be used as port rather than employment land hence the considerable disparity between the P&O/Dubai Ports World and the Thurrock Borough figures. Even if the development were to come in at the lower end of the range it is important to note the enormous impact such a scheme would have on the market were it to proceed and also how the market would react should the development not gain approval.

Should the Shell Haven development not proceed it is important to review current trends in the market, which may provide useful indicators of future activity. Overall take-up of floor space in the area remains relatively low, although it has been boosted by a few exceptional deals, such as Tesco acquiring 60,386 sq m (650,000 sq ft) of accommodation at Dolphin Park in 2000. Further evidence of this can be seen at the beginning of 2005 when Co-op acquired 29,729 sq m (320,000 sq ft) at the new Hardcase development at Oliver Road in West Thurrock. Such deals characterise the current market and reflect the growing reputation of Thurrock as an important distribution hub.

The major transactions that have occurred have been reliant on the availability of large areas of land. This forms part of the emerging trend in the industrial market as a whole where companies increasingly have requirements for large-scale distribution warehouses. The trend has emerged since the 1990s with a significant increase both in demand for large warehouses and in the average size of warehouse required. Across the industrial sector this trend is expected to continue where there is available space to satisfy the larger building requirements.

Within the recent trends in the UK industrial market, it is also important to understand the rationale of occupiers seeking to locate in the area, which in part can be explained by the current economic environment where occupiers have greater concern over their fixed costs. The east M25 locations of Thames Gateway such as Thurrock have a marked advantage over other M25 locations on the basis of lower occupational costs. Rental levels in the Thames Gateway region peak at circa £86.10 - £91.50 per sq m in East and South East London, and are £78.03 - £83.42 per sq m in Thurrock and Kent, in contrast to the significantly higher rental levels of up to £129.17 per sq m in west M25 locations such as Heathrow.

Figure 7.22: Thames Gateway vs West London / West M25 Rental Comparisons



Source: Knight Frank

This potential for cost reduction is likely to be an important factor to the distribution/freight forwarding operators who generally work to very tight profit margins, and it is these companies who account for the majority of demand in the current market, though this is focused on large-scale sites.

The current trend is for distribution occupiers to operate out of larger 'Regional Distribution Centres' (RDCs) of 18,580 sq m (200,000 sq ft) and upwards. This has meant that occupiers are having to look in areas where significant swathes of land are more readily available. As such occupiers seeking space in the South East are tending to look to the eastern half of the M25 within the Thames Gateway as opposed to western locations where the significant commercial development around Heathrow Airport and down the M4/M3 corridors has utilised the majority of available development land. This has in turn raised land values on the few sites that remain to levels that are not viable for non-Heathrow related occupiers. Furthermore on a broader economic level the Thames Gateway also benefits from lower employment costs for skilled/manual labour, thus providing a further attraction to occupiers when considering re-location/ expansion strategies.

It should also be noted that the extensive plans for the regeneration of the area will also have a major bearing upon the market and by the same token on future take-up levels. Although currently there is a great deal of regeneration work planned within the Thames Gateway area as a whole it is by no means clear whether all of the proposed projects and schemes will come to fruition. However, any infrastructure improvements or similar will clearly have a positive impact on demand.

These factors help explain the recent upturn in take-up activity in the Thurrock area; the current trends and economic reasoning demonstrate that the area is considered desirable by potential occupiers. However the most important issue to be considered for Thurrock must be the ability to offer suitably large sites to potential occupiers. Although occupiers are likely to

continue to demonstrate a preference for the area as a location, if the sites are unavailable the area will not realise its potential.

Another feature of the current market is the polarisation of demand for space between smaller units of under 1,858 sq m (20,000 sq ft) and the demand for larger “sheds” offering in excess of 18,580 sq m (200,000 sq ft). Activity in the market between these sizes has been comparatively limited in recent years. Aside from the exceptionally large transactions the majority of other deals within the Thurrock market has involved smaller units, typically under 1,858 sq m (20,000 sq ft), such as the letting of 1,254 sq m (13,500 sq ft) to Dutscher at Neptune Business Park in West Thurrock at the beginning of 2005.

Hence should the supply of larger sites remain limited in the Thurrock area, demand is likely to remain principally focused on units of under 1,858 sq m (20,000 sq ft), although there may be some limited demand for sites potentially offering up to 9,290 sq m (100,000 sq ft) if made available.

Should the Shell Haven project gain government approval the impact on the market would be considerable. The latest Masterplan proposal by P&O/Dubai Ports World involves the

Redevelopment of the former Shell Haven oil refinery and associated refinery expansion land to provide a major road and rail link linked logistics and commercial centre comprising approximately 938,601 m² of commercial floorspace including B8 (storage and distribution), B2 (general industry) B1 (research and development and light industrial) external storage and 3.0m high boundary security fencing¹⁴.

As part of the proposal, the London Gateway Business Centre aims to provide a broad range of unit sizes from 929 sq m (10,000 sq ft) up to units as large as 120,000 sq m (1.3 million sq ft) intended to cater for even the largest National and Regional Distribution Centres.

Table 7.6: London Gateway Business Centre Floor Space Allocation by Land Use

Land Use	Floor Space
B8 Distribution	718,516 sq m (7,734,100 sq ft)
B2 Manufacturing	97,856 sq m (1,053,321 sq ft)
B1 (b) and B1 (c) High Tech & Light Industrial	120,148 sq m (1,293,273 sq ft)
Other (Ancillary)	10,581 sq m (113,893 sq ft)

Source: P&O Estates/Dubai Ports World, Shell Haven, London Gateway Proposal

Forecasts vary over the amount of employment the scheme will generate. The P&O proposal claims that the London Gateway Business Centre could create up to 14,500 jobs and related training opportunities, other estimates including that given by Bone Wells in their 2005 Employment Study, suggest a more modest 10,000 additional jobs. However, 10,000 jobs will

¹⁴ Appeal by P & O and Shell UK Ltd, July 2005

clearly have a significant impact upon the local economy and may prove to be catalyst for further regeneration in Thurrock.

At the 2005 outline planning permission appeal, the secretary of state made the following points in relation to the degree of need for the Shell Haven proposal:

The evidence points conclusively to demand from industry for the type of development which would be provided under the OPA proposals, to a lack of sites elsewhere in the South East and to the locational suitability of the site.

The Secretary of State agrees with the Inspector that this need is underlined by the policy advantages of the proposal in terms of regeneration and the beneficial re-use of previously developed land.

The scale of development is not related to any forecast of overall demand and he agrees with the Inspector that, whilst some future short term requirements can be ascertained, it is not possible to forecast in quantitative terms the likely demand for the development.

As noted above the Secretary of State in August 2006 indicated the intention to exclude the “Refinery Expansion Land” and “Tongue Land” from the sites area, which would result in a reduction of 20% of the total developable area (from approximately 312 to 245 hectares of land). However at the density proposed this would only result in an estimated decrease of actual commercial floorspace of 10%.

Based on the floor space allocation in the proposal Table 7.7 outlines the proportion of land allocated to each land use within the 312 hectare site.

Table 7.7: London Gateway Business Centre Land Allocation by Land Use

Land Use	Land (Hectares)
B8 Distribution	236.5
B2 Manufacturing	32.1
B1 (b) and B1 (c) High Tech & Light Industrial	39.6
Other (Ancillary)	3.8

Source: P&O Estates/Dubai Ports World, Shell Haven, London Gateway Proposal

Should the development gain final approval - which is likely given that the Secretary of State in July 2005 agreed with the Inspector’s overall recommendation to grant outline planning permission for the proposed development, subject to certain conditions including improvements to the trunk road network, a degree of over-supply would seem almost inevitable over the short-term given the extent of the scheme, although this would depend in large part on the suitability, design and marketing of the scheme itself. It is likely to have a negative impact on demand for other sites within the borough at least in the short-term, until the balance between supply and demand is restored.

However there is potential for this rebalance to occur relatively quickly. Recent market activity has provided sufficient evidence to suggest that Thurrock as an industrial and distribution location is growing in importance. Given the extensive nature of the scheme and the potential for substantial investment in infrastructure within Thames Gateway, Thurrock has the opportunity to further emerge as a major distribution hub in the UK and Europe. The Shell Haven development could attract new occupiers to the area, which would in turn create a critical mass, making further development of other sites in Thurrock attractive.

Shell Haven, would likely prove attractive to a market in which demand is for RDCs on larger sites and which are no longer available on the west side of the M25. Therefore take-up could well rapidly escalate and erode any over-supply in the region in a relatively short period of time.

Table 7.8: Current and Future Floor space within Thurrock

Available Floor Space	Size
Current	71,793 sq m (772,795 sq ft)
Projected Floor Space (without Shell Haven)	191,978 sq m (2,066,451 sq ft)
Projected Floor Space (with Shell Haven)	1,139,079 sq m (12,261,046 sq ft)
	<i>Including 10% floorspace reduction at Shell Haven:¹⁵</i>
	1,044,369 sq m (11,237,410 sq ft)

Source: Knight Frank, Focus, Promis, Commercial Property Register

Table 7.8 provides details of the impact on the Thurrock market in terms of floor space of the Shell Haven scheme in the context of the 312-hectare developable site area. At present industrial floor space supply totals 71,793 sq m (772,795 sq ft). However, of this current supply there are only two sites offering more than 9,290 sq m (100,000 sq ft) and no sites available in excess of 18,580 sq m (200,000 sq ft). This is particularly important given that it is the larger sites which have bolstered demand in the area in recent years and are forecast to become increasingly popular among occupiers across the UK.

The forecast supply for the Thurrock area without the Shell Haven scheme is based on the completion of sites currently under-construction and each of the sites which currently have full planning permission. However, once complete the Thurrock market will still only have two sites offering 18,580 sq m (200,000 sq ft) and above. This again will lead the market towards a concentration of smaller industrial units.

Table 7.8 illustrates the impact of the Shell Haven scheme will be to provide an approximate additional 947,100 sq m (10,190,796 sq ft) of accommodation based on the 312 hectare

¹⁵ As noted by the Secretary of State in August 2006

figure. More importantly the site will provide a range of unit sizes up to 120,000 sq m (1,291,680 sq ft) designed to provide accommodation for the largest NDCs and RDCs. It is understood that there are set to be further revisions to the overall amount and mix of floor space at Shell Haven based on the Secretary of State's most recent decision. It must be noted however that the amount of floor space available is not the most important factor, it is the amount of space available in a single unit which determines how the industrial market in the area will progress. Without the Shell Haven project a lack of larger sites will mean Thurrock may not be in a position to attract occupiers with larger requirements and moreover annual demand will not be bolstered by larger transactions and the industrial market in Thurrock will become increasingly focused on smaller sized units. By contrast the approval of the Shell Haven scheme should allow the continued presence of smaller units within the market while also providing scope for occupiers with requirements in excess of 100,000 sq m (1,076,400 sq ft). This could lead to Thurrock emerging as one of the UK's leading distribution hubs.

The recent transactions in the market from large companies such as Tesco and Co-op provide evidence of Thurrock's potential as a distribution and logistics hub. Therefore, should Shell Haven gain approval, it would appear there is scope for increased take-up and while an initial over-supply in the short-term is likely, the regeneration potential for the area in the longer term will be significant. It is important to note that there is also an anticipated and considerable multiplier effect upon the region as a whole in terms of rising employment, a growing skill base and improved infrastructure. This should increase the desirability of the area to potential occupiers and may help boost take-up levels even further.

Without the Shell Haven scheme Thurrock will find it difficult to continue to attract companies seeking large Regional Distribution Centres (RDCs) and National Distribution Centres (NDCs). Should the scheme not gain approval demand is likely to become increasingly focused on the smaller sites below 1,858 sq m (20,000 sq ft) while failing to capitalise on the significant economic and regeneration benefits associated with major development.

The acquisition of P&O Ports by Dubai Ports World, completed in March 2006, has led to some delays in the development process, although a great deal of preparatory work has been done and continues, jointly with P&O Ports. It is not known whether the takeover of P & O by Dubai Ports World will lead to any significant longer-term delays in the timetable for implementation.

It should be noted that both the Council and the Thurrock Thames Gateway Development Corporation (TTGDC) have aspirations to diversify their employment base rather than concentrate solely on logistics and warehousing. For example Lakeside is being promoted as a sub-regional centre for employment with more jobs at higher density on existing employment land. Lakeside is currently known as a major retail area and the Council and its partners would like to see a growth in offices at this location.

7.8 Conclusion

Although the market has demonstrated a capacity to attract larger occupiers seeking RDC and NDC accommodation in recent years, the number of larger premises, currently available in the market is limited. Should the proposed Shell Haven scheme not be approved this situation will

continue and the industrial market within Thurrock will be increasingly focused on smaller industrial units leading to a decline in the average annual take-up levels.

Although the impact of the Shell Haven scheme potentially gaining approval will have a significant bearing on the Thurrock Borough, it is also important to note the role that the TTGDC will play in affecting development in the Borough with its powers to acquire, hold, manage, reclaim and dispose of land and property. The aspiration is that the TTGDC will act as a catalyst for considerable regeneration within the Borough regardless of whether Shell Haven is approved.

8 QUALITY AND CHARACTERISTICS OF EMPLOYMENT LAND

8.1 Introduction

This section provides a summary of the key findings of the field survey. Results are summarised to provide an overview of conditions of employment clusters and individual vacant and derelict development sites. The full survey findings and all data entries are presented as **Appendix 5**, on a cluster-by-cluster basis.

8.2 Employment Land

The field survey team visited and surveyed 33 of the 36 employment clusters throughout Thurrock Borough¹⁶. The 36 employment clusters included approximately 250 separate business and industrial sites, occupying an approximate total area of 1,386 ha of land¹⁷. The location of the employment clusters is shown in the A2 size *Thurrock Employment Areas inset map*, located at the rear of this document. Table 8.1 below lists the names and addresses of employment clusters, their numbers, the number of vacant and derelict sites contained and their size in hectares.

Table 8.1 Surveyed Employment Clusters

Cluster Number	Names of industrial areas included in each cluster & address	No of vacant & derelict sites	Cluster size (ha)
1	Purfleet Industrial Park, Aveley	2	25.87
2	Botany Quarry / Tank Lane, Purfleet	2	48.59
3	Former Coal Yard Site; Former Thames Board Mill Site, Purfleet	3	28.18
4	Esso Petroleum, Purfleet	0	15.85
5	Tunnel Jetty Site, West Thurrock	0	17.33
6	West Thurrock Marshes	3	70.08
7	Bluelands Quarry, Purfleet	1	68.27
8	Milehams Industrial Estate, Purfleet	0	1.42
9	Aveley Industrial Estate, South Ockendon	3	22.17
10	Chafford Hundred, NW Zone	0	6.00
11	Lakeside Estate, West Thurrock	2	50.24
12	Waterglade, West Thurrock	2	45.03
13	Vopak, West Thurrock & expansion area	2	102.25
14	Former West Thurrock Power Station	2	75.32
15	Hedley Avenue & Former Wouldham Works Site, South Stifford	1	31.02
16	Magnet Works Industrial Estate	0	13.38

¹⁶ Clusters 34, 35 and 36 were subsequently identified as noted in section 2.3. These three clusters had either been redesignated from employment uses within the Thurrock Borough UDP or were "Major Developed Sites in the Green Belt" but identified as Employment land in the Plan.

¹⁷ URS' GIS and Database expert has calculated the total stock of employment land through GIS, based on results of the survey and associated mapping exercise. The total stock is inclusive of all development sites, including the former Shell Haven oil refinery.

17	Gumley Road, South Stifford	0	5.66
18	Grays Hogg Lane	0	1.90
19	Grays West	0	2.98
20	Grays South - Manorway	0	2.30
21	Thurrock Park, Little Thurrock	2	23.16
22	Tilbury South	0	28.41
23	Globe Works, Little Thurrock	0	8.10
24	Coward Bros. / Star Groundwork, Linford Road, East Tilbury	0	4.07
25	Sandy Lane Pit / Matrin Trux, East Tilbury	0	2.12
26	Tilbury Power Station	2	29.59
27	Bata / Thames Industrial Park	0	13.87
28	Stanford Industrial Park	1	11.65
29	Baryta Close / Victoria Road	0	2.18
30	Shell Haven Oil Refinery	1	200.00 ¹⁸
31	Coryton Oil Refinery	0	346.06
32	South of London Road & School field road, West Thurrock	2	26.10
33	Askew Farm & Murco Oil Terminal, Grays	. ¹⁹	24.20
34	Durox Works	0	14.5
35	Marley Works	0	6
36	Titan Pitt, Hogg Land, Grays	1	12.5
	Total	32	1,386

Source: URS Thurrock Employment Land Field Survey, Thurrock Borough Council

As noted, in section 2.3, each employment cluster was visited and appraised against an agreed set of economic, planning and property market criteria to assess fitness for purpose. The criteria recorded at the employment cluster level including the following:

- Size of employment cluster
- Number of jobs in cluster (using commercially purchased business data)
- Existing use/s
- Existing local plan and UDP policies
- Developable area / vacant land
- Linkage to trunk road network
- Linkage of sites to wharves
- Quality of environment
- Topography issues
- Bad neighbourhood uses
- Proximity to other uses

¹⁸Site area as per the Thurrock UDP deposit draft.

¹⁹ It was not possible to gain internal access to the Murco Oil Terminal site although we understand from the Council that there may be very small pockets of vacant land amongst the industrial uses.

- Servicing of businesses in the cluster
- Parking facilities
- Condition of buildings

In addition, during the site surveys vacant and derelict development sites were appraised against the following additional criteria, to assess their potential for being brought forward into employment use before the end of the LDF period or overall suitability for continued employment use:

- Site area
- Existing local plan and UDP policies
- Developable area
- Access to public transport
- Access to facilities and amenities
- Local road access
- Contamination
- Potential ecological value
- Any signs of development in the last five years
- Any visible signs of marketing of the site
- Issues / description

Site-specific recommendations (as set out in section 10) have drawn upon the full range of appraisal criteria listed above, as well as more strategic factors including current planning permissions and areas such as ownership constraints – where the Council have been able to provide this data. The analysis set out in section 8.3 summarises some of the key factors picked up during the filed surveys including those which may mostly influence whether sites will be taken-up, re-used or redeveloped in the future.

As noted above, Appendix 5 lists in full the site survey results. In addition, Appendix 6 lists all detailed relevant planning permissions data for employment clusters as well as relevant environmental policies - Thurrock Council has provided this up to date information. Site-specific recommendations in section 10 have considered planning permissions information and environmental policies, as well as all other research elements of this report.

8.3 Employment Clusters and Condition

Employment clusters in Good Condition

Of the 36 surveyed employment clusters, 22 were considered to be in good or very good condition. To receive this designation clusters had to have a majority of buildings (more than 50%) in good or very good condition. In addition, they had to be considered to have a good or very good overall quality of environment. The following criteria were used to make this judgement²⁰:

Building condition

Very good - buildings in immaculate state, no signs of paint coming off, windows and window frames in very good condition, immediate surrounding/grounds well kept.

Good – building in good conditions, small areas where paint might come off, etc., grounds in reasonable state.

Quality of environment

Very Good – the streets and the public realm within and surrounding the area are of very good quality. There is enough street lighting and no perceived safety issues. The business area is not polluted by noise or air pollution from neighbouring uses and/or heavy street traffic.

Good – the streets and public realm within and surrounding the business area are of good quality. Nothing in the local environment seems disturbing but it does not reach the ‘very good’ standard (some litter, street furniture shows signs of aging, etc.) There are no perceived safety issues.

Table 8.2 below lists the employment clusters that were considered to be in good or very good condition based on the above factors.

Table 8.2 Employment Clusters in Good or Very Good Condition

No	Name/Address
1	Purfleet Industrial Park, Aveley
3	Former Coal Yard Site; Former Thames Board Mill Site, Purfleet
4	Esso Petroleum, Purfleet
7	Bluelands Quarry, Purfleet
10	Chafford Hundred, NW Zone
11	Lakeside Estate, West Thurrock
12	Waterglade, West Thurrock
13	Vopak, West Thurrock & expansion area
14	Former West Thurrock Power Station
15	Hedley Avenue & Former Wouldham Works Site, South Stifford
16	Magnet Works Industrial Estate
17	Gumley Road, South Stifford
18	Grays Hogg Lane
19	Grays West

²⁰ The clusters are not ranked in any order based on criteria being assessed. They are listed in the order of their cluster number.

21	Thurrock Park, Little Thurrock
22	Tilbury South
24	Coward Bros. / Star Groundwork, Linford Road, East Tilbury
26	Tilbury Power Station
27	Bata / Thames Industrial Park
30	Shell Haven Oil Refinery
32	South of London Road & School field road, West Thurrock
34	Durox Site, East Tilbury

Employment Clusters in Poor or Very Poor Condition

In addition, 13 of the 36 surveyed employment clusters were considered to be in poor or very poor condition. To receive this designation clusters had to have a majority of buildings (more than 50%) in poor or very poor condition. In addition, they had to be considered to have a poor or very poor overall quality of environment. The following criteria were used to make this judgement:

Building condition

Poor – paint coming off, some cracks, windows in poor state, surroundings are poorly kept.

Very Poor – building still in use but in very poor condition; paint coming off in large areas, some windows broken, surroundings not maintained and/or littered and/or cluttered with rubbish.

Quality of environment

Poor – the streets and the public realm within and surrounding the business area are of poor quality (some potholes, some litter, poorly maintained or damaged street furniture). There is not enough street lighting and some perceived safety issues. The business area might be polluted by some noise or air pollution from neighbouring uses and/or heavy street traffic.

Very poor – the streets and the public realm within and surrounding the business area are of very poor quality (potholes, litter on street, not collected rubbish, etc.) There is not enough street lighting and there are perceived safety issues. There is noise and/or air pollution from neighbouring uses and/or heavy street traffic.

Table 8.3 below lists the employment clusters considered to be in poor or very poor condition.

Table 8.3 Employment Clusters in Poor or Very Poor Condition

No	Name/Address
2	Botany Quarry / Tank Lane, Purfleet
5	Tunnel Jetty Site, West Thurrock
6	West Thurrock Marshes
8	Milehams Industrial Estate, Purfleet
9	Aveley Industrial Estate, South Ockendon
20	Grays South - Manorway
23	Globe Works, Little Thurrock
25	Sandy Lane Pit / Matrin Trux, East Tilbury
28	Stanford Industrial Park
29	Baryta Close / Victoria Road
31	Coryton Oil Refinery
33	Murco Oil Terminal Grays
36	Titan Pit, Grays

Strategic Road Access

Clusters were surveyed upon the basis of proximity to and ease of access from the trunk road network. The following 25 of the 36 clusters were considered to have Good or Very Good Strategic Access from the Trunk Road Network. Good or very good strategic road access was considered applicable when sites had direct access to trunk road and main roads or indirect access that did not pass through residential areas.

Table 8.4 Employment Clusters with Good Strategic Road Access

Cluster Number	Names of Employment Cluster
1	Purfleet Industrial Park, Aveley
2	Botany Quarry / Tank Lane, Purfleet
3	Former Coal Yard Site; Former Thames Board Mill Site, Purfleet
4	Esso Petroleum, Purfleet
6	West Thurrock Marshes
7	Bluelands Quarry, Purfleet
8	Milehams Industrial Estate, Purfleet
9	Aveley Industrial Estate, South Ockendon
10	Chafford Hundred, NW Zone
11	Lakeside Estate, West Thurrock
12	Waterglade, West Thurrock
13	Vopak, West Thurrock & expansion area
14	Former West Thurrock Power Station
15	Hedley Avenue & Former Wouldham Works Site, South Stifford
16	Magnet Works Industrial Estate
17	Gumley Road, South Stifford
18	Grays Hogg Lane
21	Thurrock Park, Little Thurrock
22	Tilbury South
26	Tilbury Power Station

29	Baryta Close / Victoria Road
30	Shell Haven Oil Refinery
31	Coryton Oil Refinery
32	South of London Road & School field road, West Thurrock
33	Murco Oil Terminal, Grays

Planning Permissions Information

Set out below in table 8.5 is a summary of the relevant information on planning permissions relating to employment clusters and development sites. As noted above, Appendix 6 details more fully the planning applications on employment land within the borough. The data is correct as of June 2006 and as noted above, it has fed into the relevant site-specific policies in section 10.

Planning applications are broken down by those that have actually been completed in the past five years and those which are current applications. The status of current applications is also indicated. Where relevant, we have indicated which development sites are affected by current and recent planning applications.

The inclusion of this planning application data on employment land provides a good idea of developer interest on employment land both currently and in recent years. This information supports section 7 of the report.

Table 8.5 Planning Permissions

Cluster Number	Relevant Employment Clusters	Affected Development Sites	Nature of planning application
1	Purfleet Industrial Park, Aveley	-	Last five years: Several permissions for intensification of general industrial uses and re-development for industrial purposes at Purfleet Industrial Park.
2	Botany Quarry / Tank Lane, Purfleet	-	Last Five years: Several recent permissions for intensification of industrial uses. Permissions for residential development (now largely completed on the former Esso Petroleum site).
3	Former Coal Yard Site; Former Thames Board Mill Site, Purfleet	3.1, 3.2	Current: Mixed use, including residential (C3), community uses and employment uses (B1/B2/B8). Status: Outline Planning permitted.
4	Esso Petroleum, Purfleet	-	None
5	Tunnel Jetty Site, West Thurrock	-	None
6	West Thurrock Marshes	-	None
7	Bluelands Quarry, Purfleet	-	Last Five years: Several permissions for intensification of industrial uses.
8	Milehams Industrial Estate, Purfleet	-	None
9	Aveley Industrial	9.3	Last five years: Some permissions for intensification of

Cluster Number	Relevant Employment Clusters	Affected Development Sites	Nature of planning application
	Estate, South Ockendon		industrial uses implemented in the last 5 years.
10	Chafford Hundred, NW Zone		Last Five years: Permissions for leisure uses on land allocated for secondary employment purposes.
11	Lakeside Estate, West Thurrock	11.2	Last five years: Several permissions for intensification of industrial uses and re-development for industrial purposes at Frogmore and Motherwell Way Industrial Estates. Current: Construction of new industrial/warehouse unit with ancillary offices B1c, B2, B8 use. Status: Application permitted.
12	Waterglade, West Thurrock	-	Last five years: Several permissions for warehousing and offices in Lakeside/ Waterglade and along London Road, West Thurrock.
13	Vopak, West Thurrock & expansion area	13.4	Last five years: Several permissions intensifying the general industrial uses in the Riverside Industrial Estate. Current: Change of use of land adjacent to eastern boundary to create extension to existing tanker park. Status: Application permitted
14	Former West Thurrock Power Station	14.2	Current: Proposed erection of B2 (General Industrial) and B8 (Storage and Distribution) business units. Status: Pending
15	Former Wouldham Works Site, South Stifford	-	Current: proposed erection of residential units, retail, leisure and industrial (B8) uses on the Wouldham Works site. Application also includes extension of Hedley Avenue and Wouldham Road. Status: Outline permission granted
16	Magnet Works Industrial Estate	-	None
17	Gumley Road, South Stifford	-	Last Five years: Two permissions for residential use, including outline permission granted in 2004 on land south of Gumley Road (site of Commodore Kitchens and Acorn Trading Estate).
18	Grays Hogg Lane		None
19	Grays West		Last five years: Some permissions intensifying the light industrial uses. Current: Permission granted for residential on site of Fords.
20	Grays South - Manorway		None
21	Thurrock Park, Little Thurrock	21.2	Last five years: Several permissions for office/warehouse development in Thurrock Park. Current: Outline application for housing development. Status: Pending.
22	Tilbury South		Last Five years: Some permissions for B1, B2 and B8 on allocated employment land North of the Riverside Station.

Cluster Number	Relevant Employment Clusters	Affected Development Sites	Nature of planning application
		22.1	Current: Surfacing fencing and lighting to provide vehicle storage and loading facility. Status: Application permitted
		22.1	Current: Construction of Enterprise Workshop Units, Studios and Offices. Status: Application permitted.
23	Globe Works, Little Thurrock	-	Last Five years: Some permissions intensifying the light and general industrial uses at Globe Works.
24	Coward Bros. / Star Groundwork, Linford Road, East Tilbury	-	None
25	Sandy Lane Pit / Matrin Trux, East Tilbury	-	None
26	Tilbury Power Station	-	None
27	Bata / Thames Industrial Park	-	Last five years: Some permissions for further industrial units at the Bata Shoe factory
28	Stanford Industrial Park	28.1	Last five years: Several permissions for general industrial and storage uses at Stanhope Industrial Park. Current: Outline application for mixed use development of residential B1, Community and retail uses. Status: Appeal in progress
		28.1	Current: Outline application for mixed use development comprising residential development, business uses (B1): community uses. Status: Pending consideration.
		28.1	Current: Outline application for 28,095 square metres of B1(c), B2 and ancillary B1(a) and B8 uses. Status: Application permitted.
29	Baryta Close / Victoria Road		None
30	Shell Haven Oil Refinery		Current: Major application allowed on appeal for the redevelopment of the former Shell Haven oil refinery and associated refinery expansion, major road and rail linked logistics and commercial centre: Warehousing, industrial development and ancillary uses.
31	Coryton Oil Refinery		None
32	South of London Road & School field road, West Thurrock	32.2	Last Five years: Some permissions for general industrial uses and also outline permissions for 570 residential and re-development of West Thurrock school, demolition of industrial uses and community facilities at land at Schoolfield Road and The Rookery Current: Outline application to develop land at junction of London Road and St Clements Way for B1, B2, B8. Status: Application permitted.
33	Murco Oil Terminal, Grays	-	Current: Outline permission for mixed (including residential) and general industrial uses on former oil refinery land.

Cluster Number	Relevant Employment Clusters	Affected Development Sites	Nature of planning application
34	Durox Works	-	None
35	Marley Works	-	None
36	Titan Pitt	-	Current: Historical permission for residential development of Titan Pit (allocated in the Local Plan for secondary employment).

Source: Thurrock Borough Council

8.4 Vacant and Developable Land

The field survey team surveyed all vacant and derelict development sites within Thurrock Borough. Vacant land was empty or derelict sites, where the land was generally considered to be under utilised and where the economic development / employment potential of land is not fully realised. As noted in the Approach chapter, the majority of these sites had been earmarked within the Thurrock Local Plan (1997) and the Thurrock UDP (2004) as identified land within primary and commercial areas for new industrial and commercial development or areas allocated for expansion of existing firms. These sites are displayed in Table 8.6 below. In total our survey found that 13 of the employment clusters contained 32 vacant and derelict sites, occupying 360 hectares of land. This figure contains the 200 hectare site at Shell Haven.

Much of the vacant land was noticeably constrained, by either policy or physical constraints. For example, several of the potential sites to the East of the Queen Elizabeth Second Bridge (including sites 1.1, 1.3 and 6.1) were constrained by the CTRL rail link. Where possible, particular constraints of other sites have been picked up in the site survey results (see Appendix 5). As a supplement to the field survey information, constrained land has been identified using the Council's 2004 Annual Monitoring Report of employment land, which at the time of writing was less than one year old and therefore deemed relatively accurate.

Table 8.6 Vacant and derelict employment sites

<i>Cluster No.</i>	<i>Site No.</i>	<i>Policy (local Plan)</i>	<i>Policy (UDP)</i>	<i>Name/Address</i>	<i>Vacant Land (ha)</i>	<i>Constrained (ha)</i>
1	1.1	E2 (a)	EMP2 (a)	Purfleet Industrial Park, plot 14	0.89	0
1	1.3	E2 (a)	EMP2 (a)	Purfleet Industrial Park, plot 44	0.76	0
2	2.1	E2 (b)	EMP2 (b)	Tank Lane, Arterial Lane, Purfleet	3.10	3.10
2	2.2	E2 (c)	EMP2 (c)	Botany Quarry, Purfleet	0.67	0
3	3.3	E2 (d)	EMP2 (d)	Former Coal yard Site, Purfleet	6.57	0
3	3.1	E2 (e)	EMP2 (e)	Former Thames Board Mills site, Purfleet	3.52	0
3	3.2	New site	New site	Area North of Former Thames Board Mills site, Purfleet	4.87	4.87
6	6.3	E2 (i)	EMP2 (f)	Land adjoining Van den Bergh & Jurgens	13.6	13.6
6	6.1	E2 (i)	EMP2 (f)	Land adjoining Van den Bergh & Jurgens	6.8	0
6	6.2	E2 (p)	EMP2 (l)	Lafarge Jetty Site, West Thurrock	1.20	1.20
7	7.2	E2 (dd)	EMP2 (j)	Bluelands West	7.0	7.0
12	12.2	E2 (q)	EMP2 (m)	Waterglade Industrial Park, West Thurrock	0.32	0
12	12.3	New site	New site	NE of Waterglade, West Thurrock	0.31	0
32	32.1	E2 (r)	EMP2 (n)	Land South Of London Road, West Thurrock	0.5	0.5
32	32.2	E2 (r)	EMP2 (n)	Land South Of London Road, West Thurrock	0.55	0.55
11	11.1	E2 (u)	EMP2 (q)	Lakeside Trading Estate West Thurrock	6.48	6.48
11	11.2	E2 (u)	EMP2 (p)	Lakeside Trading Estate West Thurrock	0.51	0.51
21	21.1	E2 (aa)	EMP2 (u)	Thurrock Park, Little Thurrock	5.82	5.82
21	21.2	E2 (aa)	EMP2 (u)	Thurrock Park, Little Thurrock	1.05	1.05
26	26	E2 (cc)	EMP2 (w)	Tilbury Power Station, North	14.3	14.3
28	28.1	E4 (c)	EMP4 (c)	Stanhope Industrial Park, Stanford-le-hope	4.59	4.59
30	30	E8B (a)	EMP2 (x)	Shell Haven	200	200
14	14.2	E16	EMP2 (y)	West Thurrock Power Station – Northern Lagoons	20.56	20.56

<i>Cluster No.</i>	<i>Site No.</i>	<i>Policy (local Plan)</i>	<i>Policy (UDP)</i>	<i>Name/Address</i>	<i>Vacant Land (ha)</i>	<i>Constrained (ha)</i>
14	14.2	E16	EMP2 (y)	Former West Thurrock Power Station – power station	18.45	0
15	15.2	E2 (x)	EMP2 (s)	St Clements Road, West Thurrock	1.79	1.79
13	13.3	E2 (q)	EMP1	Tunnel Estate, West Thurrock	1.70	0
13	13.4	E9B (b)	EMP9B	VOPAK, West Thurrock, Expansion Area	16.0	16.0
9	9.1	E3 (a)	EMP3 (a)	Site 1, Aveley Industrial Estate, South Ockendon	0.58	0
9	9.2	E3 (a)	EMP3 (a)	Site 2, Aveley Industrial Estate, South Ockendon	2.03	0
9	9.3	E3 (a)	EMP3 (a)	Site 3, Aveley Industrial Estate, South Ockendon	2.74	0
36	36	E4 (b)	HOU2 (d & j)	Titan Pit. Grays	12.5	0
				Total:	360	301.92

Source: URS Thurrock Employment Land Study Field Survey &

Thurrock Borough Council Strategic Planning Department Annual Monitoring Reports 1998-2004

8.5 Vacant and Derelict Sites: Local Accessibility

We identified through the field survey and associated desk-based research the most locally accessible vacant and sites. To fulfil this criteria, vacant and derelict sites had to meet the following criteria:

Access to Public Transport

Very Good – bus stops and/or train stations can be reached within a five-minute walk.

Good – bus stops and/or train stations can be reached within a ten-minute walk.

Frequency of bus services was not considered as part of this judgement as it was beyond the agreed scope of the work.

Local Road Access

Local road access was considered very good and good when both the internal and external access and circulation were good and appropriate for different types of employment use.

Table 8.7 below lists the vacant and derelict development sites, which on the basis of the field survey are considered to be good or very good locally accessibly wise.

Table 8.7 Accessible local vacant and derelict sites

<i>Site No.</i>	<i>Name/Address</i>
2.1	Tank Lane, Arterial Lane, Purfleet
2.2	Botany Quarry, Purfleet
3.2	Area North of Former Thames Board Mills site, Purfleet
3.3	Former Coal yard site, Purfleet
6.3	Land adjoining Van den Bergh & Jurgens
9.1	Site 1, Aveley Industrial Estate, South Ockendon
9.2	Site 2, Aveley Industrial Estate, South Ockendon
9.3	Site 3, Aveley Industrial Estate, South Ockendon
11.1	Lakeside Trading Estate West Thurrock
11.2	Lakeside Trading Estate West Thurrock
12.3	NE of Waterglade, West Thurrock
21.1	Thurrock Park, Little Thurrock
21.2	Thurrock Park, Little Thurrock
32.1	Land South Of London Road, West Thurrock
32.2	Land South Of London Road, West Thurrock

To further inform suitability of vacant and derelict sites for localised employment use, vacant and derelict sites were also surveyed with regards to their proximity to facilities and amenities i.e. are there shops, restaurants, cafes, personal services (eg hairdressers) within or close to the site? To fulfil this designation sites had to meet the following criteria:

Very good - Shops, restaurants and/or cafes and personal services can be reached in a 5-minute walk. There is a selection of places for lunch; there is the possibility to do some shopping during lunch.

Good - Shops, restaurants and/or cafes are within a 5-10 min walk. There is some selection of places for lunch.

Table 8.8 below lists the vacant and derelict sites, which were considered on the basis of the survey to have good or very good access to facilities and amenities.

Table 8.8 Vacant and derelict sites with Good and Very Good Access to Facilities and Amenities

Site No	Name/Address
11.1	Lakeside Trading Estate West Thurrock
11.2	Lakeside Trading Estate West Thurrock
21.1	Thurrock Park, Little Thurrock
21.2	Thurrock Park. Little Thurrock

In line with the ODPM's 2004 guidance on Employment Land Reviews, the surveyors also sought to determine the market attractiveness of sites by noting whether there were any signs

of building, renovations or infrastructure changes to the sites occurring in the last 5 years. In addition, they noted any evidence of active marketing of vacant sites for employment uses. Indicators of such marketing included estate agent's signs or other advertising of the land for rent/lease or sale for employment purposes.

Table 8.9 below lists those sites that were being actively marketed as well as the manner in which they were being marketed:

Table 8.9 Vacant and derelict development sites being actively marketed

No	Name/Address	Evidence of marketing
2.1	Tank Lane, Arterial Lane, Purfleet	Ensign Management Industrial Properties (Tel.: 01708 868 844) actively marketing small units in west of site for industrial use, with additional office space.
2.2	Botany Quarry, Purfleet	King Sturge advertising 4.5 ha (11 acres) "Industrial site" (Tel.: 020 7493 4933) for let.
9.1	Site 1, Aveley Industrial Estate, South Ockendon	Existing derelict buildings on site not in use. Entire site advertised through Bellway agents on 07855 337041
12.2	Waterglade Industrial Park, West Thurrock	Council planning application / notification on site boundary for hotel development with 104 rooms (5 floors). Application Number 03/00030/FUL (01.02.03).

Source: URS Thurrock Employment Land Study Field Survey

9 EMPLOYMENT LAND DEMAND FORECAST

9.1 Introduction

In this section we forecast future demand of employment land by type and size. As outlined in the ODPM's 'Employment Land Reviews: Guidance Note' there are various forecasting approaches that can be used. However each approach has its weaknesses as well as strengths.

Regional econometric forecasting allows account to be taken of wider drivers of change and growth. However these models do not usually take account of the specific circumstances of local economic development, including the availability and nature of sites, and the range of local economic development initiatives and company plans. In contrast looking at historic trends on local take-up rates provides a solid record of past performance. However projecting such data forward in to the future does not take account of potential changes from past trends arising from wider regional economic drivers and any changes to local property market characteristics and policies.

We have developed a synthesis approach to employment land demand forecasting that takes account of both the local context and the wider regional macro-economic context. This allows the weaknesses of each individual approach to be tackled. We build up this analysis by considering the following information:

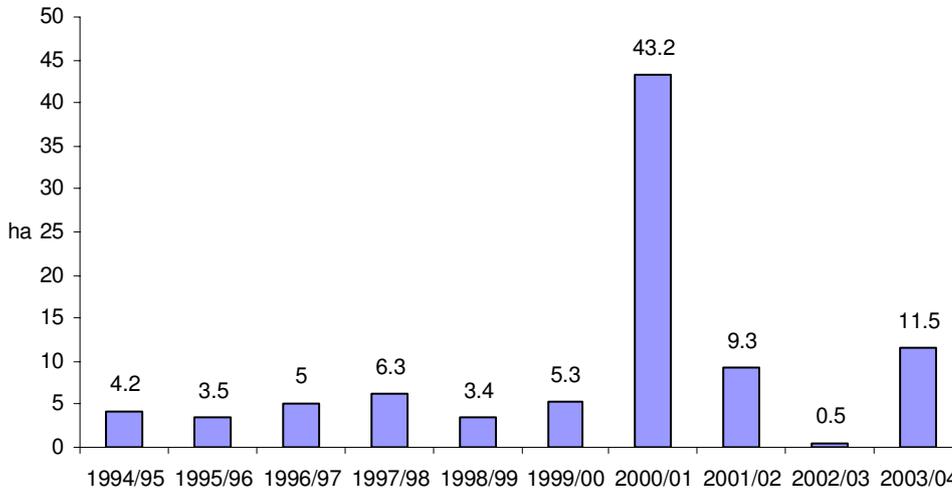
- Land developed and historical data relating to growth in floor space;
- Employment forecasts based on historical data; and
- Synthesis forecast

9.2 Land Developed

Thurrock Borough Council collects information on the amount of the land developed for industrial and commercial purposes on an annual basis. The latest information available relates to the 2003/04 along with historical data back to 1994/95. This is outlined in the table below.

The overall amount of land developed during 2003/04 was 11.5 hectares. All of this land was developed for commercial / industrial purposes. This is above the long-term average of 9.22 over the past 10 years. The large amount of land developed in 2000/01 was the result of the development of four sites. Two of these, Greenlands Quarry and Bluelands East Quarry (collectively known as the Dolphin Estate) accounted for a total of 31.1 hectares.

Figure 9.1 Land Developed for Industrial / Commercial Purposes – 1994/95 to 2003/04



Source: Thurrock Borough Council

At the time of this report, a further break down was not available of the above data in terms of the different types of commercial and industrial property to assist in the development of land employment forecasts. For example, gross completions in terms of actual floor space, site losses and net completions for office, factory and warehouse.

However, other robust relevant information is available from the UK Valuation Office Agency (VOA) on take up of floorspace so as an alternative this has been used in our synthesis forecast. The VOA in collaboration with the ODPM and the University College London collect and provide information on the different types of non-domestic (commercial and industrial) property by floor space and rateable value in England and Wales, broadly known as bulk classes²¹.

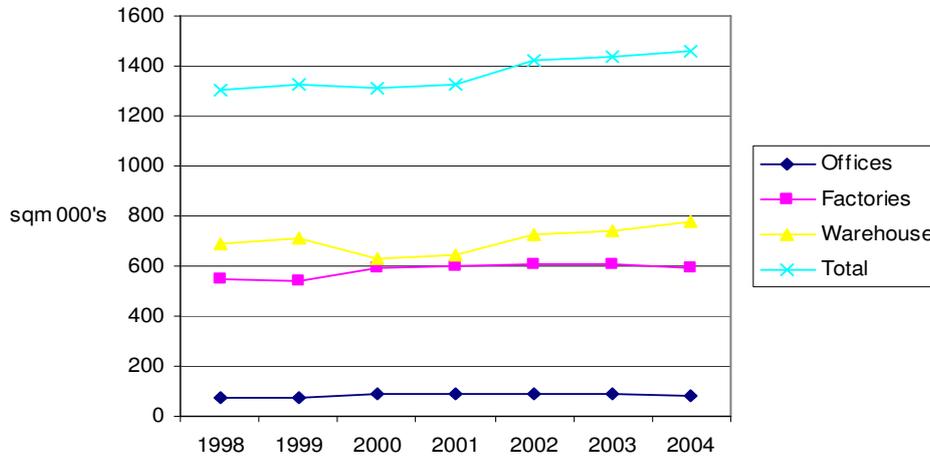
URS obtained current and historical data for the Thurrock area in terms of the amount of office, factory and warehouse floor space from 1998 to 2004. As at 2004 the distribution of floor space was as follows:

- Office: 85,000 sqm;
- Factory: 594,000 sqm; and
- Warehouse: 777,000 sqm.

The historical information is outlined in the figure below.

²¹ Although not the ideal data of the demand for floor space, it was the best available at the time of this report. URS were able to obtain data from 1998 to 2004.

Figure 9.2 Amount of Floor Space in Thurrock by Property Type 1998 to 2004²²



Source: VOA

For all types of property, the amount of floor space increased over the time period from 1998 to 2004:

- For offices, floor space increased from 71,000 square metres in 1998 to 85,000 square metres in 2004 or by a compound average growth rate of 3.7% per annum.
- For factories, floor space increased from 545,000 square metres in 1998 to 594,000 square metres in 2004 or by a compound average growth rate of 1.7% per annum.
- For warehouses, floor space increased from 687,000 square metres in 1998 to 777,000 square metres in 2004 or by a compound average growth rate of 2.5% per annum.

In addition to the VOA data, URS examined office and industrial take up rates to provide an indication of the activity in the market for different types of property. This information was provided by Knight Frank²³.

- In terms of the office market take up rate over the period from 1995 to 2005, this amounted to 10,893 sqm, however, one of these transactions totalled 7,045 sqm in 1999. Excluding this transaction, the market experienced a total take up of only 3,848 sqm with an average transaction size of 305 sqm.

²² Information provided by the VOA – amount of rateable floor space and includes occupied and vacant land.

²³ According to Knight Frank take up rates include new, refurbished and / or existing space.

- In terms of industrial and warehouse take up, the warehousing sector has dominated the market accounting for 75% of total take-ups. Since 1995 annual take up levels have averaged 53,261 sqm for warehouse accommodation and 16,612 sqm for industrial.

This indicates that most of the growth for space will be driven by the industrial and warehouse users with supplemented by mainly small office related transactions which is consistent with the VOA data.

Based on the above data the following estimates were calculated based on the historical growth rates of floor space.

Table 9.1 Forecast Based on Historical Growth in Thurrock

	Floor space 2004 <i>sq m</i>	Average Annual Change %	Total Changes in Floor space Demand 2005-2021 <i>sq m</i>	Total Stock of Floor space Demanded 2021 <i>sq m</i>
Office	85,000	3.7	72,000	157,000
Factories	594,000	1.7	202,000	796,000
Warehouses	777,000	2.5	404,000	1,181,000
Total	1,456,000	2.3	678,000	2,134,000

Source: VOA and URS analysis

Based on historical growth data the level of floor space for each type of property sector is expected to increase as follows:

- Office space increasing from 85,000 sqm in 2004 to 157,000 sqm by 2021;
- Factory space increasing from 594,000 sqm in 2004 to 796,000 sqm by 2021;
and
- Warehouse space increasing from 777,000 sqm in 2004 to 1,181,000 by 2021

9.3 Employment

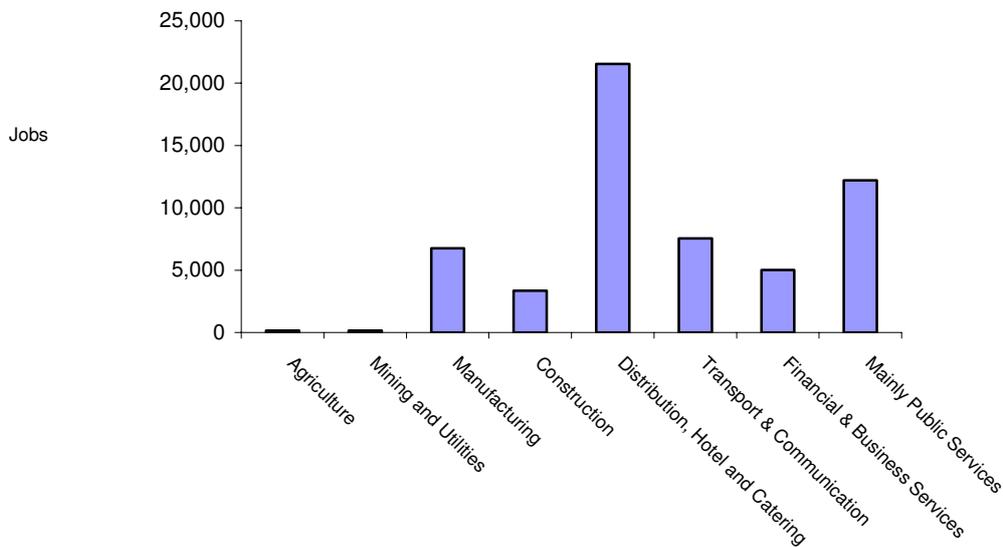
A number of regional economic development agencies publish or make available economic forecasts in regard to their labour market. However, in the case of the East of England region, at the time of the preparation of this report, forecasts were not available for public distribution.

However, URS collected the latest available current and historical employment data from the Office of National Statistics (ONS) for the local area broken down by industry sector covering primary industry sectors, manufacturing and the service sector.

Total Employment

In 2003, total employment amounted to approximately 56,000 in Thurrock²⁴. People are predominately employed in service sector industries with 38% in distribution, catering and hospitality followed by public services (22%), transport and communications (13%), manufacturing (12%), finance and business services (9%), construction (6%) and with agriculture, mining and utilities less than 1%. Figure 9.3 illustrates the employment structure in 2003.

Figure 9.3 Employment Structure – Thurrock 2003

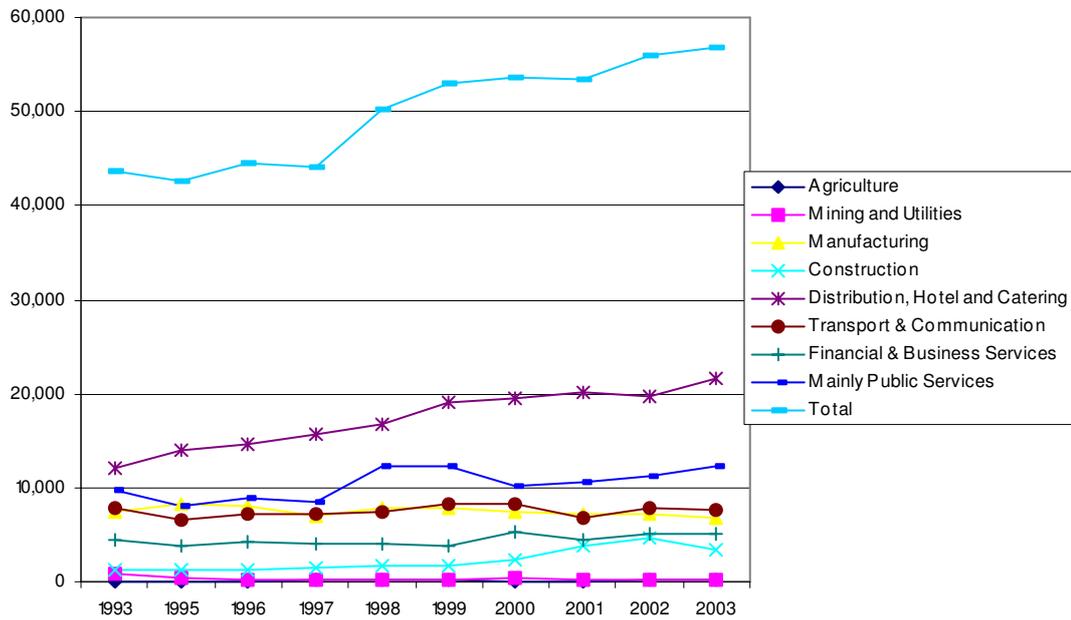


Source: ONS and URS analysis

In terms of changes over time in the level of employment by sector, the ONS has provided a break down – Figure 9.4 illustrates this change over time.

²⁴ Latest available data

Figure 9.4 Employment by Sector in Thurrock 1993 to 2003



Source: ONS and URS analysis

Overall employment in the area increased from 43,629 in 1993 to 56,773 in 2003 at an average compound growth rate of 1.9% per annum. Within this overall increase both decreases and increases were experienced by individual sectors.

In terms of falls in employment over time, this was experienced in the manufacturing, mining and utilities and transport and communications sectors. All other sectors experienced increases in employment with distribution, hotels and catering gaining the largest amount of employment from 12,160 in 1993 to 21,551 in 2003.

To estimate the level of employment to 2021, the average per annum growth rate of each sector was utilised. Outlined in the table below we have provided the average growth rate by industry and estimated employment by sector.

Table 9.2 Employment Forecast by Sector for Thurrock²⁵

	1993		2003		Forecast 2021 ²		Change 2003-2021	
		%		%		%	Total	Annual %
Agriculture	44	0.1	162	0.3	208	0.30	46	1.39
Mining & Utilities	819	1.9	164	0.3	9	0.01	-155	-14.86
Manufacturing	7,456	17.1	6,761	11.9	5,669	8.30	-1,092	-0.97
Construction	1,211	2.8	3,353	5.9	5,928	8.68	2,575	3.22
Distribution, Hotel & Catering	12,160	27.9	21,551	38.0	28,037	41.05	6,486	1.47
Transport & Communication	7,842	18.0	7,553	13.3	7,059	10.34	-494	-0.37
Financial & Business Services	4,412	10.1	5,014	8.8	6,312	9.24	1,298	1.29
Mainly Public Services	9,685	22.2	12,215	21.5	15,071	22.07	2,856	1.17
Total	43,629	100.0	56,773	100.0	68,293	100.0	11,520	1.00

Source: URS Analysis

Employment is expected to increase from 56,773 in 2003 to 68,293 by 2021 – an increase of 11,529 based on a trend analysis. The main growth in employment is estimated to occur in distribution, hotel and catering (6,486) and construction (2,575). Falls are also expected to occur in a number of sectors, these include manufacturing (-1,092), transport and communications (-494) and mining / utilities (-155).

It should be noted that in undertaking these forecast we took into account other employment studies in the Thurrock area. For example:

- The Bone Wells Thurrock Employment Study completed in May 2005 estimated employment growth of 16,100 by 2021 consisting of 6,800 via general trend increases, 8000 direct jobs at the proposed development of the Shell Haven site and 1300 via the local Urban Development Corporation's economic development programs;
- The East of England Plan completed by the East of England Regional Assembly completed in December 2004 estimated employment growth of 26,000 by 2021 with an estimated 16,500 derived from the Shell Haven development; and
- A King Sturge study entitled, The London Gateway Logistic and Commercial Centre (Shell Haven), estimated that the site would generate 14,535 jobs directly on site when full occupied.

²⁵ It should be mentioned that we did incorporate some strategic adjustments on review of the data given the strong growth over the previous years particularly for the retail component of the distribution sector. This had the effect of lowering the employment estimates.

Based on these studies and in general trends analysis terms the expected employment in the area is expected to around 6,800 to 9,500 jobs

However, we are comfortable with our overall estimate given:

- Incorporated an overall strategic and conservative approach to the estimate via
 - Lowering the growth of the retail component of distribution, hotel and catering given the large growth in employment via the Thurrock Lakeside shopping centre over last decade;
 - Lowered growth to agriculture and service related activities given the high growth over the last decade; and
 - Excluding growth related to the Shell Have development²⁶.
- The overall growth in jobs per annum is approximately 640 per annum;
- The establishment of the local Urban Development Corporation is likely to stimulate economic growth and jobs in Thurrock through regeneration and investment attraction programs; and
- We have used historical trend data.

It should be noted that utilising historical trends to forecast the future has its weaknesses. The key weakness of the approach is its reliance on history to forecast the future, however, this weakness can be reduced through the use of scenario analysis and overlaying the estimates with contextual and other factors. To counter this weakness, we have undertaken some scenario analysis to provide low and high estimates via using a range of plus and minus 10 %. The results of the analysis are outlined in the table below.

²⁶ This is analysed in a following section.

Table 9.3 Employment Forecast by Sector – Range

	Low Estimate			Best Estimate			High Estimate		
	Forecast 2021	Change 2003-2021		Forecast 2021	Change 2003-2021		Forecast 2021	Change 2003-2021	
	000s	Annual	Total	000s	Annual	Total	000s	Annual	Total
Agriculture	187	0.77	0.30	208	1.39	0.30	229	1.96	0.30
Mining & Utilities	8	-15.38	0.01	9	-14.86	0.01	10	-14.38	0.01
Manufacturing	5,102	-1.59	8.30	5,669	-0.97	8.30	6,236	-0.42	8.30
Construction	5,335	2.58	8.68	5,928	3.22	8.68	6,521	3.80	8.68
Distribution, Hotel & Catering	25,233	0.85	41.05	28,037	1.47	41.05	30,841	2.04	41.05
Transport & Communication	6,353	-0.99	10.34	7,059	-0.37	10.34	7,765	0.19	10.34
Financial & Business Services	5,681	0.66	9.24	6,312	1.29	9.24	6,943	1.86	9.24
Mainly Public Services	13,564	0.55	22.07	15,071	1.17	22.07	16,578	1.74	22.07
Total	61,464	0.31	100.00	68,293	0.94	100.00	75,122	1.50	100.00

Source: URS Analysis

Of interest are the following sectors, as employment in each of these sectors is directly related to different employment land uses:

Sector	Employment Land Type
Manufacturing	Factories
Transport & Communication and Distribution, Hotel and Catering	Warehouse
Financial & Business Services and Public Services	Office

Employment in manufacturing is forecasted to decrease by an average of between 0.42% and 1.59% per annum between 2003 and 2016.

Employment in the transport and communication is forecasted to increase by 0.19% for the high scenario and decrease for both the best estimate and the low scenario at 0.37% and 0.99% respectively (per annum).

Employment in the distribution, hotel and catering sector is forecasted to increase for the high, best estimate and low scenarios by 2.04%, 1.47% and 0.85% per annum respectively.

Employment in the financial and business services sector is forecasted to increase by an average of between 0.66% and 1.86% per annum between 2003 and 2021.

Employment in the public services sector is forecasted to increase by an average of between 0.55% and 1.74% per annum between 2003 and 2021.

9.4 Synthesis Forecast

Below we have outlined our synthesis forecast approach along with a business as usual forecast scenario based on historical trend analysis and a forecast based in the event that the Shell Haven development proceeds.

Approach

Our normal synthesis forecast approach takes historic completion rates as a base for forecasting future employment floor space demand. The historic completion rates are adjusted for wider regional economic changes by incorporating an adjustment term into the forecast.

The adjustment term takes into account the relative changes in employment during the time period for which historic completion rates are used as a base for the forecast and sets them in relation to forecasted changes in employment.

The adjustment term is normally calculated as follows:

$$\text{Adjustment Term} = \text{Historic Floors space change} \times \frac{(\text{Employment Forecast} - \text{Past Employment Trend})}{(\text{Past Employment Trend})}$$

The adjustment term is then normally applied to the historic floor space change enabling the calculation of an average annual demand floor space.

Unfortunately, as noted under section 9.2, gross floor space completions data was not available at the time of this report, which has not allowed the adjustment term to be calculated given the lack of publicly available employment forecasts. Therefore we have used a combination of historical floor space take up (based on available VOA data) and employment growth data utilising an equally weighted average approach as outlined below:

$$\text{Annual Floor Space Demand} = (50\% \times \text{floor space growth}) + (50\% \times \text{employment growth})$$

- We have used this approach given: Limited information at that the time of this report;
- We have used averages over time;
- Takes into account two key indicators of employment land growth – floor space growth over time along with economic activity linked to labour demand via the key industries of business services, manufacturing and transport/ communications; and

Equal weighting for each indicator given our analysis involved two indicators of growth over time – floor space and employment growth providing a balanced growth estimate over time. In addition, we needed to undertake some aggregation of the forecasted employment data for some of the employment land types given that different industries contribute to demand for employment land for warehousing and offices. The percentages used are actual proxies for B1, B2 and B8 land users and they have been derived from other recent sub-regional work that URS has undertaken in the Thames Gateway. This work is directly related to forecasting employment land demand.

For factory related employment land (B2 use class) this was straightforward given that this directly related to the manufacturing industry.

For warehousing employment land demand (B8 use class) this consists of contributions from the transport and communication sector along with distribution, hotel and catering. Based on our analysis of the Thurrock Standard Industry Codes (SIC) by employment we estimated that:

- 67% of employment is contributed via the distribution, hotel and catering sector; and
- 33% of employment is contributed via the transport and communications sector.

For office employment land demand (B1 use class) this consists of contributions from the financial and business services sector along with public services. Again based on our analysis of the Thurrock Standard Industry Codes (SIC) by employment we estimated that:

- 100% of employment within the financial and business services contributes to office demand; and
- 16% of employment in public services contributes to office demand.

Business As Usual Scenario

We have estimated the growth rates utilising a low, best and high estimates of employment applied to the historical floor space demand to estimate the employment floor space demand for the 2005 to 2021 time frame. These estimates are outlined in the following tables.

Table 9.4 Employment Floor space Demand – Low Estimate

	Historic Annual Floor space Changes 1998-2004	Average Annual Change in Employment 1993- 2004	Average Annual Floor space Demand 2005 - 2021
	(%)	(%)	(%)
Office	3.66	0.65	2.16
Factories	1.74	-1.59	0.08
Warehouses	2.49	0.24	1.37

Source: URS Analysis

Table 9.5 Employment Floor space Demand – Best Estimate

	Historic Annual Floor space Changes 1998-2004	Average Annual Change in Employment 1993- 2004	Average Annual Floor space Demand 2005 - 2021
	(%)	(%)	(%)
Office	3.66	1.27	2.47
Factories	1.74	-0.97	0.38
Warehouses	2.49	0.86	1.68

Source: URS Analysis

Table 9.6 Employment Floor space Demand – High Estimate

	Historic Annual Floor space Changes 1998-2004 (%)	Average Annual Change in Employment 1993- 2004 (%)	Average Annual Floor space Demand 2005 - 2021 (%)
Office	3.66	1.84	2.75
Factories	1.74	-0.42	0.66
Warehouses	2.49	1.43	1.96

Source: URS Analysis

Based on the above scenario estimates:

- Office floor space is expected to increase on a per annum basis between 2.16 % and 2.75% per annum – although from a low base;
- Factory floor space is expected to increase on a per annum basis between 0.08% and 0.66%; and
- Warehouse floor space is expected to change on per annum basis from 1.37% to 1.96% per annum.

The above per annum percentage changes were then applied to the current floor space to provide an estimate up to 2021. The estimates are provided in the table below.

Table 9.7 Employment Floor space Demand Forecast Adjusted for Employment Changes (in sqm)²⁷

	Current Floor Space	Annual Forecasted Floor space Demand 2005-2021			Total Floor space Demanded by 2021		
		Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate
Office	85,000	2,185	2,568	2,934	122,142	128,660	134,873
Factories	594,000	452	2,337	4,134	601,682	633,726	664,274
Warehouses	777,000	11,858	14,942	17,882	978,594	1,031,009	1,080,990
Total	1,456,000	14,495	19,847	24,949	1,702,418	1,793,394	1,880,138

Source: URS Analysis

Provided there are no supply constraints, total estimated floor space is estimated to increase to between 1,702,418 sq m and 1,880,138 sq m by 2021. Warehouse floor space is expected to be the major contributor in demand with demand floor up to 1,080,990 sq m (high estimate) by 2021, followed by factories and offices.

²⁷ Please note this estimates should be examined with caution given the limited amount of information available at the time of this report.

Shell Haven Development Scenario

The above forecast estimates were based on the historical trend analysis of both floor space take up and changes in the labour market. However, what also should be considered is the impact of major projects or developments that would provide a significant boost above historical trends to both the property and labour markets.

A major proposed development in the Thurrock area is that of the Shell Haven London Gateway scheme. The former oil refinery at Shell Haven is the largest development site in Thurrock accounting for 200 hectares of land²⁸. The successful development of such a site would be expected to have a significant impact on the property and labour market.

Other employment sites in Thurrock exist that could be developed, however, based on our review these are not in any way comparable in scale to the proposed development at Shell Haven.

A recent economic impact study on the development of the Shell Haven site prepared by King Sturge entitled, *The London Gateway Logistics and Commercial Centre*, estimated that the development would generate around 11,257 direct jobs after 10 years and 14,535 direct in site jobs when fully occupied.

In addition, the study also estimated the expected type of jobs on the site once fully developed:

- Research and Development – 6% or 873;
- Manufacturing – 47% or 6,831; and
- Warehousing – 47% or 6,831.

The study also estimated that the take up rate of land for this new site would amount to 69,675 sqm per year, equating to 905,700 after 13 years (an approximate for when the site would be fully developed). Based on the floor space to labour ratios utilised in the study, URS estimated the distribution of land use once fully developed:

- Research and Development – 22,698 sqm based on average of 26 sqm per worker;
- Manufacturing – 225,423 sqm based on average of 33 sqm per worker; and
- Warehousing – 657,579 sqm based on average of 96 sqm per worker²⁹.

Within this scenario one also needs to take into account potential displacements impacts of the land use. In the event the proposed Shell Haven went ahead it is likely that it would simply replace land that would have otherwise been utilised in other parts of Thurrock. According to

²⁸ As per the Thurrock UDP deposit draft

²⁹ Please note the King Sturge economic impact study provided estimates of 51 sqm per workers warehouse below 9,290 sqm and 106 sqm per worker for warehouses above 9,290.

the Thurrock Employment Study undertaken by Bone Wells, the Shell Haven development would absorb 10 to 15 hectares of local land developed in the future. Therefore when combining the business as usual case and the Shell Haven development we have utilised a displacement factor of 15 hectares.

Incorporating this additional floor space into the business as usual scenario utilising historical analysis has a significant impact on the forecasts. For convenience we compared these in the table below using the best estimate demand figure and incorporating the Shell Haven development assuming full development.

Table 9.8 Employment Floor space Demand Forecast (sq m)³⁰

	Total Floor space Demand 2021 based on Historical Analysis – Business as Usual Scenario Taking			Total Floor space Demand 2021 Historical Analysis Plus Shell Haven Development Scenario ³¹
	Low Estimate	Best Estimate	High Estimate	Best Estimate
Office	122,142	128,660	134,873	149,655
Factories	601,682	633,726	664,274	842,242
Warehouses	978,594	1,031,009	1,080,990	1,639,269
Total	1,702,418	1,793,394	1,880,138	2,631,167

Source: URS Analysis

Employment Land Forecast

Table 9.8 presents future demand in terms of floor space. These need to be converted into actual land area to show the additional need for employment land and the amount of land that can be released for other uses. This can be achieved by using plot ratios (i.e. floor space per site area). Table 9.9 outlines the plot ratios used for this employment land study.

Table 9.9 Plot Ratio for Employment Uses

Type of Property	Plot Ratio Ranges Previous studies	Ratio used for Thurrock Analysis
Office	0.41 – 2.00	0.50
Factories	0.35 – 0.45	0.40
Warehouses	0.40 – 0.60	0.50

Source: ODPM Employment Land Review: Guidance Notes

Using the plot ratios as outlined in the table above we have estimated the demand for employment land. Table 9.10 shows the forecasted changes in employment land demand

³⁰ Please note the figures in the table are cumulative, i.e. it includes existing and forecasted demand. Please note this estimates should be examined with caution given the limited amount of information available at the time of this report.

³¹ Figures Incorporate displacement impact

between 2005 and 2021 for land office, factory and warehouse use on an average annual basis. Table 9.11 provides the estimated total additional employment land demanded by 2021.

Table 9.10 Average Annual Forecasted Changes in Thurrock Employment Land 2005 – 2021³²

Type of Property	Low Estimate (ha)	Best Estimate (ha)	High Estimate (ha)	Shell Haven Estimate ³³
Office	0.44	0.52	0.59	0.78
Factories	0.06	0.56	1.04	3.82
Warehouses	2.33	2.98	3.61	10.59
Total	2.82	4.06	5.24	15.18

Source: URS Analysis

Table 9.11 Total Additional Forecasted Thurrock Employment Land Demand 2005 – 2021³⁴

Type of Property	Low Estimate (ha)	Best Estimate	High Estimate (ha)	Shell Haven Estimate ³⁵
Office	7.0	8.3	9.5	12.5
Factories	0.9	9.0	16.6	61.1
Warehouses	37.3	47.8	57.8	169.4
Total	45.2	65.0	83.8	242.9 ³⁶

Source: URS Analysis

As shown in the tables above the average annual forecasted changes in employment land ranges from 2.82 to 5.24 hectares (excluding the impact of Shell Haven) per annum up to 2021. The majority of the demand is expected to be derived from warehouses followed by factories and office spaces.

By 2021 additional forecasted demand of employment land is expected to range from 45.2 ha to 83.8 ha with a best estimate 65 ha (excluding the impact of Shell Haven).

In the event the Shell Haven development goes ahead, it is expected that impact will be significant. The annual forecasted change in employment land is expected to be 15.18 ha per

³² Please note these estimates are based on the King Sturge study entitled, *The London Gateway Logistics and Commercial Centre*

³³ Please note includes best estimate demand for employment land.

³⁴ Please note these estimates are based on the King Sturge study entitled, *The London Gateway Logistics and Commercial Centre*

³⁵ Please note includes best estimate demand for employment land.

³⁶ This compares favourably with developable area of 245 hectares as suggested by the Secretary of State in Aug 2006.

annum with warehouse again being the key driver of demand. In regard to the total demand up to 2021, 242.9 ha is expected.

9.5 Conclusion

In summary, there is expected to be steady growth in the demand for employment land in the Thurrock area. This will be predominately driven by growth in warehouse related floor space and this is consistent with property market analysis³⁷ indicating a growing freight and distribution hub of activity. To a lesser extent, the forecast identifies a growth in finance and business services (B1) and a decline in manufacturing (B2).

The forecasts developed in this report consist of two scenarios:

1. Business as usual scenario; and
2. Shell Haven development scenario.

The business as usual scenario utilising a historical trend analysis to estimate the land employment forecasts we estimated that average growth in employment would amount to between 2.82 and 5.24 hectares per year. This amounts to an estimated additional employment land of between 45.2 and 83.8 hectares by 2021.

In terms of the Shell Haven development scenario, if the development proceeds it is expected to have significant impact on the future estimate for employment land. Utilising the best estimate forecast in the business as usual approach and incorporating the estimated the Shell Haven land developed, this amounts to an average of 15.18 hectares developed per year with an estimated 242.9 hectares by 2021. This figure compares favourably with the total developable area of 245 hectares as set out by the Secretary of State in August 2006. In the event Shell Haven does not go ahead some consideration should be given to the retention of employment land that would have other wise been released for housing or mixed use development activity.

For these future estimates of employment land we have utilised a combination of historical data and for the Shell Haven estimates information derived from a previous study undertaken by King Sturge³⁸.

The Council has asked us to demonstrate how net job growth relates to employment land demand in terms of employment densities up to 2021. Using percentage proxies given in section 9.4, we have calculated that average floorspace densities based on our best estimate scenario will be 67 square metres per worker.

This is calculated as follows:

<p>Net additional total floorspace demand (337,394 sq m) /</p> <p>Net additional forecast job growth on employment land (5,008)</p> <p>= 67 workers per square metre</p>
--

³⁷ Knight Frank

³⁸ Please note we understand that King Sturge utilised a 300 hectare figure for Shell Haven when fully developed.

This figure is broadly in line with average densities set out in the ODPM's Guidance Notes on Employment Land Reviews (2004) where Arup's 2001 figures for General Warehousing and Large Scale & High Bay are given as 50 sq m and 80 sq m respectively. As noted, Thurrock both currently and in the future is set to contain predominantly large scale warehousing so the calculated density of 67 workers per sq m is slightly low when compared with these figures. With the forecast decline in manufacturing, there could potentially be a move towards even lower average employment densities in Thurrock over the plan period as warehouses replace factories. The average employment density for general industrial units is 34 sq m per worker. However, employment forecasts also demonstrate that there will be some growth in B1 uses up to 2021, which should offset any significant trend towards lower employment densities in Thurrock up to 2021.

Based on our high demand estimate of net floor space demand up to 2021 (see table 9.7) average employment densities are closer to 84 sq m per worker over the plan period, which is more reflective of a large-scale warehouse driven employment land market. However, as noted above the employment land market in Thurrock is set to accommodate increased levels of B1 land uses – there is likely to be in the region of 1,300 net additional jobs on employment land by 2021. Average densities for employment land will therefore most likely fall somewhere between the best and high demand estimates i.e. the forecast demand for employment land will be between 65 hectares and 83.8 hectares.

The growth figures given above are lower than the forecast employment growth figures given in the draft East Of England Plan, for the period up to 2021. It should be noted however that the 26,000 forecast growth figures given in the draft East of England plan include all jobs in Thurrock, regardless of whether they fall within employment land. The draft East of England Plan employment growth figures factor in the forecast increase in retail and public sector jobs in Thurrock as well as an increase in the number of people working from home.

10 CONCLUSION AND RECOMMENDATIONS

10.1 Introduction

Based on the findings presented in Sections 3 – 9 of this report we set out a series of conclusions and recommendations. The conclusions draw out the key findings of the study particular with regards to supply and demand of employment land up to 2021. Our recommendations make suggestions on land parcels that could be re-designated (i.e. the allocated use class could be changed to allow for more suitable uses to be established in the future).

These recommendations result in a suggested re-designation of a total of 69.8 to 88.6 hectares³⁹ of industrial or vacant employment land currently in B class use and designated in the Local Plan and UDP as primary or secondary industrial and commercial areas (E1, E2, EMP1, EMP2). Table 10.1 summarises the findings of the Thurrock Employment Land Review report, by setting out the forecasted range of employment land demand between 2005 and 2021, the current supply of employment land and the land to be held in reserve. In addition, an estimate is given on the overall amount of employment land demanded at Shell Haven.

Where appropriate (see recommendations below) the re-designated land provides the possibility for development of additional office space through mixed-use schemes. This is in accordance with the forecasted modest additional demand for office space between 2005 and 2021.

Appendix 7 displays maps of designated employment areas and the attached inset map (Appendix 8) shows the location of all employment areas within Thurrock Borough.

Table 10.1 Employment Land Demand and Supply

Demand 2005-2021			Supply ⁴⁰	Target Re-designation from employment land (ha)	Shell Haven Estimate	
High	Best	Low			Supply	Demand
83.8	65	45.2	160	69.8 to 88.6	200 - 312 ⁴¹	243

¹ Supply identifies current vacant and developable land
Source: URS

³⁹ Based on the high and best case demand estimates while subtracting a 6.4 hectare land buffer for churn- which equates to 4% of the current total supply. This figure is line other work URS have conducted in the Thames Gateway and South East of England.

⁴⁰ Supply figures includes all vacant and derelict development sites within primary and secondary commercial areas. Demand figures include forecast growth in employment land up to 2021, without the Shell Haven scenario. Shell Haven features independently, in the event that the development does not come forward within the plan period. Chapter 9 forecasted that there was a stand-alone demand for 243 Hectares of employment land at Shell Haven, based on employment growth figures proposed by King Sturge.

⁴¹ The Thurrock Borough UDP and Local Plan propose a 200 hectare site area at Shell haven, whereas King Sturge identify a site area of approximately 312 hectares (see section 7.5).

10.2 Conclusions

To a large extent the proposed Shell Haven development will create and generate its own demand. Our forecasting exercise (chapter 9) has identified a need for between 45.2 and 83.8 hectares of employment land in the rest of Thurrock (not including Shell Haven) up to 2021 in order to accommodate employment growth in B class uses. We believe that the actual demand for net employment land will be between 65 and 83.8 hectares. Therefore table 10.1 identifies a total need for re-designation of around 69.8 to 88.6 hectares of designated employment land for the forthcoming plan period. In the event that the existing Shell Haven proposals do not go ahead, it may be necessary to review employment land allocations and consider retention of some sites that are proposed for release (see recommendations below). We agree with Bone Wells' assessment that there will be an approximate displacement of between 10-15 hectares of employment uses to Shell Haven from the rest of Thurrock, should this scheme gain approval.

The employment land market in Thurrock in recent years has demonstrated a capacity to attract larger occupiers seeking RDC and NDC accommodation. At the time of our market appraisal (October 2005), the number of larger premises, currently available in the market was relatively limited. Should the Shell Haven scheme not gain approval, there is a danger that the industrial market within Thurrock will be increasingly focused on smaller industrial units leading to a decline in the average annual take-up levels.

While Shell Haven will undoubtedly have a significant impact upon the employment land market in Thurrock in the forthcoming plan period, it is also important to note the role that the TTGDC will play in affecting development in the Borough with its powers to acquire, hold, manage, reclaim and dispose of land and property. The aspiration is that the TTGDC will act as a catalyst for considerable regeneration within the Borough regardless of whether Shell Haven is approved.

Albeit potentially limited in scope, sample size and representation, Bone Wells' 2004 survey of business needs identified some useful findings, which may also help to identify forthcoming demand for land and premises in the Borough. A majority of business respondents identified their current premises as good or very good. In addition, most surveyed business did not foresee that they would need to expend their current floor space over the next few years.

Meanwhile, a relatively small proportion of business planned to move location in the next few years - of those who identified that they would move; a vast majority said that they would remain in Thurrock. Particular obstacles to employment expansion included specific skills availability as well as general labour availability. This is part of a wider regional and national trend of skills shortages however, and not specific to Thurrock. Overall Thurrock based business respondents were mostly happy with their existing premises, sites and location.

The current market situation identifies a demand for housing in Thurrock, as demonstrated through the relatively high numbers of pending planning applications for residential development on some occupied and vacant industrial sites. The draft East of England Plan identifies a net increase of 478,000 homes in the sub region up to 2021, within Thurrock a net increase of 18,500 dwellings is identified for the same period. Our recommendations involving

release of designated employment land in almost all cases suggest a re-designation for housing or mixed-use developments; to help meet this identified housing need.

The Draft East of England Plan forecasts job growth between 2001 and 2021 at 26,000. Firstly it should be noted that this is an aspirational target and includes the strategic freight interchange at Shell Haven. As noted above, we believe that Shell Haven will generate its own demand and it is difficult to quantify accurately this figure at this stage. Secondly, as previously noted, the 26,000 figure relates to total employment across the different sectors in the Borough and it does not relate specifically to employment land – in section 9.4 we provide proxies of different sectors and percentages to demonstrate the actual industries that are on employment land within the Thames Gateway region. Our figures show that employment growth on employment land, as a percentage of overall employment growth in Thurrock is 44% i.e. 5,000 of the forecast 11,500 overall growth in jobs between 2003 and 2021 are likely to be on employment land. The proportion of new jobs on employment land may continue to decline in Thurrock as is the case elsewhere with the introduction of new working practices such as home working.

10.3 Recommendations

R1 All land currently in B class uses should remain allocated for business uses except for sites where a possible change of use is considered in the recommendations below.

Justification

Demand for employment land within the Borough is expected to be relatively modest until 2021. Within this relatively modest net demand for land there is a reasonably healthy overall demand for employment premises – this represents primarily a 'churn' demand for re-use of existing premises and land. This suggests that overall only modest adjustments should be made in the release or addition to total employment land allocations through planning policy and allocations over this time period.

Employment Land for Re-designation to Other Uses

Table 10.2 below quantifies the approximate amount of existing designated employment land that is being recommended for re-designation for other uses in the plan period up to 2021. The rationale for release of employment land is set out below in recommendations two to eleven.

Table 10.2 Employment land recommended for re-designation to other land uses

Recom	Cluster/site number	Cluster/site name	Current Area (ha)	Approximate amount of employment land to be released (ha)
R2	7.2	Bluelands Quarry West	7.0	7.0
R3	3.3	Former Coal Yard Site, Purfleet	6.6	6.6
R4	3.1	Former Thames Board Mills site, Purfleet	3.5	3.5
R4	3.2	Area north of Former Thames Board Mills site, Purfleet	4.9	4.9
R5	23	Globe Works, Little Thurrock	8.10	8.10
R6	9	Aveley Industrial Estate, South Ockendon	22.17	5
R7	27	Bata/Thames Industrial Park (long term to resi)	13.9	2.5
R8	24	Coward Bros, Linford Street, East Tilbury	4	4
R8	25	Sandy Lane Pit, East Tilbury	2.1	2.1
R9	32	South of London Road & School Field Road, West Thurrock	26.1	15
R10	33	Askew Farm/Murco Depot	24	24
R11	36	Titan Pit, Grays	12.5	12.5
Total Employment Land for re-designation (Approximate)				95.2

The total approximate amount of land that is set out for de-designation from employment uses (95.2 hectares) in Table 10.2 is slightly higher than the total amount of employment land suggested for release in table 10.1. Essentially Table 10.2 provides a listing of the main sites that are largely unsuitable for their existing employment uses (the rationale for these decisions is set out below). It is not always possible to find an exact fit between the targeted amount of land for de-designation and the actual amount of land that is appropriate for de-designation from employment use.

R2 Site number 7.2 (Bluelands West Quarry, West Thurrock) is currently allocated in the Local Plan as policy E2 (dd) and in the UDP as policy EMP2 (j) which are both land for new industrial and commercial development in a primary area. The site should be considered in the first instance for mixed-use development with office and residential uses.

However, in the event that the Shell Haven development does not go ahead within the plan period up to 2021, it may be necessary to safeguard this site for industry.

Justification

This constrained, unused site currently has nature conservation policies affecting its southern and south-western boundaries so obnoxious industry is not suited to the site. In addition, the site is bordered to the west by residential development in the form of mainly semi-detached family housing - industrial uses may have negative impacts upon those living nearby by way of creating noise, dust, additional HGVs and significant car traffic.

The site has a strategically excellent location, and can be accessed directly from Junction 31 of the M25. It is recommended that in keeping with the Council's strategy of attracting higher end, higher density employment uses to strategically good locations, that an even mixture of B1 employment and high-density flats should be developed.

It is suggested that in the event of the proposed Shell Haven scheme does not going ahead, that this site is one of the sites safeguarded for certain forms of industrial uses. While the redeveloped Shell Haven site will create largely its own demand, we have factored into our assumptions an element of industrial displacement (in the region of 10-15 hectares) of business growth from elsewhere in Thurrock to the Shell Haven site in the 2005-2021 period. In their market assessment Knight Frank identified that there is a demand for industrial premises in West Thurrock, so we consider, this site to be potentially well located and suitable for non-obnoxious light industrial uses.

R3 Site 3.3 – Former Coal Yard Site, Purfleet

This is identified in the Local Plan as land for new industrial and commercial development in a primary area and in the UDP for Mixed Use development in an Urban Regeneration Area. We suggest that this site is released for mixed use with an appropriate mix being roughly 60-80% of floorspace for housing and 20-40% for other uses.

Justification

It was not possible to access the site directly during the site surveys due to access difficulties,. However, from limited views provided from the train line running adjacent to the site, as well as our desk based survey and discussions with the Council, road accessibility to the site has been identified as a problem, in that much of it can be reached only via local roads to the north, which pass through residential areas. We would suggest that most of the non-residential elements (other than community facilities) ought to be located towards the centre of the site, as this area can be accessed directly form Purleet station.

Mixed use options for the north of the site might include residential and community facilities, as this area lies within close proximity to a large area of existing and proposed new housing developments along the Thames waterfront and beyond.

The redevelopment of this site as a mixed-use residential led scheme could contribute significantly to the regeneration of Purfleet, which is in keeping with the TTGDC's strategy for the area.

R4 Sites 3.1 & 3.2 (Former Thames Board Mills site, Purfleet).

In the Local Plan and the UDP these two sites are identified as land for new industrial and commercial development in primary areas. It is recommended that these sites are re-designated for mixed-use employment led land.

Justification

Site 3.1 has been cleared of its former employment uses and is ready for re-development. Site 3.2 is actually a newly identified derelict site, consisting of old disused factories, which are in a

poor state of disrepair. Current occupiers of 3.2 at the time of the survey appeared to be abandoning the site.

With the neighbouring site at 3.3 already being proposed for mixed use residential led developed, it would be attractive to developers and would be supported through policy to redevelop sites 3.1 & 3.2 for similar uses which are compatible with surrounding uses including those as site 3.3. We would suggest containing employment uses (which could include office, light industry and research type facilities) to the eastern part of the two sites, next to the existing oil and chemical storage facility, with the remaining residential uses in the west of the sites, neighbouring the proposed mixed-use site of 3.3.

We are aware that there is currently an outstanding planning application proposing a similar scheme to that recommended for sites 3.1, 3.2 including occupied land to the west of site 3.2. We would strongly support proposals to establish a new road across the railway line between sites 3.1 and 3.2, which would also create an access point to the Southern part of site 3.3 (currently inaccessible by road).

R5 Cluster 23 (Globe Works, Little Thurrock)

This site currently exists in the Local Plan and UDP as a secondary employment area. It is recommended that this site is re-designated for housing in the longer term, possibly towards the end of the LDF plan period.

Justification

Our site survey and desk based research has identified this site as having a poor quality environment, poor accessibility and internal circulation, insufficient parking provision (on street only) and negative impacts upon surrounding residential areas including significant HGV traffic. In addition, potential contamination issues were identified through the presence of asbestos clad buildings and an aggregates pit at the edge of the site. In summary, the site's location is unsustainable for continued long term industrial usage, which is supported by existing local policy.

We understand that the Council have recently allowed permission for intensification of some light and general industrial uses at the site. We would therefore recommend that the site is de-designated for housing in the longer term.

R6 Cluster 9 and Sites 9.1 and 9.2 (Aveley Industrial Estate, South Ockendon)

This industrial site currently exists in the Local Plan and UDP as a secondary employment area. It is recommended that the bottom one third of the site, including sites 9.1 and 9.2 be rezoned for mixed-use development. A new warehouse has recently been developed at site 9.3, so for the forthcoming plan period it is suggested that the top two thirds of the Aveley Industrial Estate is retained for employment uses.

Similarly, the entire estate could be redesignated as a mixed-use zone for light industry and housing.

Justification

As part of a secondary employment area this employment site is not ideally suited for employment uses, as it does not have direct access to the strategic road network, without going through the surrounding residential areas. However, the warehouses recently developed in the north of the site are new and occupiers would be unlikely to want to relocate in the short or medium term. The Council's planning permissions information suggests that this development was an intensification of former industrial uses and that the existing development is less than five years old.

Heavy industry is not suitable for the industrial estate and the level of vacant land in the south of the site in particular suggests that there is little market attraction to be at South Ockendon. Having said that, commercially available data has identified that the occupied premises in the south of the site, contain a relatively high numbers of employees. Sites 9.1 and 9.2 are currently derelict and residential applications as part of a wider mixed-use area would be welcomed improvements to the environmental quality of the area. New residential developments would also sit more in harmony with the surrounding residential land uses as well as the existing higher density light industrial uses in the south, which do not have any bad neighbourhood uses.

R7 Cluster 27 (Bata / Thames Industrial Park)

The industrial estate is currently a secondary employment area. We suggest that the site is partially re-designated for residential uses and also that a mix of employment uses further introduced which are compatible with residential uses.

Justification

Our survey identified this site as having low employment densities and as being underutilised, which was confirmed through business data available on Thurrock Borough (which showed numbers of employees on site). Results also evidenced that the site has poor strategic road access and that half of existing buildings are in a poor condition.

We are aware that this site has both been suggested for housing in Llewelyn Davies' May 2005 Urban Capacity Study for Thurrock Council. It is also understood that there are some permissions for general industry and storage on the site. The current industrial buildings on the site are protected through policy – this site forms part of a conservation area. We therefore agree with the Council that it would be appropriate to convert a minority of existing warehouses to residential developments as part of a wider employment led mixed-use area.

R8 Cluster 25 (Sandy Lane Pit / Matrin Trux, East Tilbury) & Cluster 24 (Coward Bros. / Star Groundwork, Linford Road, East Tilbury)

These small neighbouring secondary employment areas should be re-designated for residential use.

Justification

Our survey has identified these employment clusters as having sites that are in poor condition, by virtue of having bad neighbourhood uses (C24 in particular suffers from noise pollution and attracts significant HGV traffic onto the residential roads). In addition the sites have very poor strategic road access, access difficulties from the local residential roads and no access to wharves. If it were decided that just one employment sites should be retained, then we would advise that C24 be retained as this has newer, better-conditioned buildings and as a whole the site is better and more comprehensively utilised. We are also aware that there has been a pending planning application (as of October 2005) for conversion of a unit from B8 to B2 use.

We are also aware that these sites have both been suggested for housing in the Thurrock Urban Capacity Study (2005).

R9 Clusters 32 (Land South Of London Road, West Thurrock)

The cluster is designated in the Local Plan as mainly a mix of mainly primary and secondary employment land. In the UDP it is designated as primary employment land in the western half and non-residential land for housing in the eastern half. It is recommended that the land use policies set out in the non-statutory UDP are adopted for the LDF plan period. Cluster 32 should therefore be designated as a mixed-use area, with employment uses to be retained in the west (including development sites 32.1 & 32.2), with residential land use proposed in the east.

Justification

The eastern part of the site is bordered to the north and east by residential development and existing industry on the sites causes some bad neighbourhood uses including HGV and significant car traffic. It was also noted during the survey that existing businesses in this employment area had roadside loading and unloading, thus adding to congestion on the main road.

The strategy for the LDF could be either to designate the whole of the cluster as one single zone (mixed use with employment in west and residential in east) or to split the uses within the defined cluster (into two), based on the different proposed uses.

A recent planning permission has been granted for developing land at the junction of London Road and St Clements Way for B1, B2 and B8, thus demonstrating that the Council have favoured this approach of allowing a mix of uses in the cluster.

R10 Cluster 33 (Askew Farm/Murco Oil Depot, Grays).

The cluster is designated in the local plan as an Oil and Chemical Storage area and in the UDP as a housing site. It was not possible to gain access to the site as part of the survey but the Council is keen to reallocate the site for residential use.

Justification

The site comprises an existing oil depot and a mix of low-density light industrial uses - many of the sites are in poor quality. The site is surrounded by residential uses and some of the current industrial uses impact negatively upon these areas. The eastern part of the site is proposed for residential use but is constrained by the existing oil depot in operation in the northwest section of the site. As noted above, the site is identified for residential development in the Deposit UDP and recent Urban Capacity study. The site has good access to existing road network and has good prospects in the longer term for development as residential.

R11 Cluster 36 (Titan Pit, Grays)

This site is designated in the Local Plan as land for new industrial and commercial development and in the Deposit UDP as residential and part mixed-use scheme. The site was not surveyed by the consultants but the Council would like to see the site de-designated from employment use.

Justification

The site is immediately north of Grays town centre. There exists on site an operational chemical plant within a former chalk pit, while the remainder of the site remains disused or vacant. There are residential areas to the north and east and commercial town centre uses to the south and west. The site has had a number of applications for residential use and the current business has already begun to relocate part of its operation to another site. As noted above, the site is already identified in the deposit UDP and recent urban capacity study for residential development.

