

Eastleigh Employment Land Study – May 2026



Land adjacent to Windover Roundabout, Bursledon
CBRE on behalf of Wates Developments

May 2026

Contents

1.0 Introduction..... 3

 Background.....3

 The Site.....3

 Planning Policy.....3

 Purpose & Approach.....4

 Report Structure.....5

2.0 Socio-Economic Context 6

 Labour Market Profile..... 6

3.0 Property Market Context..... 13

 Introduction.....13

 Eastleigh Commercial Market13

 Industrial Availability..... 14

 Take Up 14

 Demand..... 14

4.0 Previous Employment Land Reviews..... 24

 Eastleigh Employment Land Needs Assessment Update Report 201824

 Fareham Business Needs, Site Assessments and Employment Land Study, LSH, August 201926

 Employment Land Background Paper, Southampton City Council, Oct 2022.....27

 Economic and Employment Land Evidence Base Paper GL Hearn, May 201628

 Economic, Employment and Commercial Needs (including logistics) Study, Stantec and Vail Williams, March 202131

5.0 Employment Allocations Assessment.....35

6.0 Demand Forecasts..... 54

 Projected Labour Demand from Econometric Forecasts.....54

 Model 1 – over a 20 year period from 2024 to 204455

 Model 2 – over a 20 year period from 2024 to 2044 applying historic growth rates.....58

 Model 3 - Completions Based Model..... 60

 Adjustments to the Floorspace Projections.....61

 Adjustments for Vacancy Levels.....61

Allowance for Replacement Demand/Losses of Employment Floorspace62

Adjustments for Margins / Contingency.....65

Comparison of Employment Land Need Projections.....67

Converting floorspace into hectares.....68

7.0 Employment Supply..... 71

Introduction.....71

Local Plan Position.....71

8.0 Conclusions..... 74

1.0 Introduction

Background

- 1.1 CBRE were appointed on behalf of Wates Developments, hereafter referred to as ‘the client’, to prepare an Employment Land Study informed by economic forecasts to be submitted alongside the outline planning application.
- 1.2 The client wants to be robust on employment evidence as this will be a key justification, alongside highways.
- 1.3 The purpose of this work then will be to make a compelling case that there is a need and this can’t be met from existing supply because it’s either not available or suitable.

The Site

- 1.4 The site is located in the administrative area of Eastleigh Borough Council on the borders of Southampton and Fareham and is outside of the settlement boundary designated as countryside and strategic gap on the Eastleigh Local Plan Policies Map.
- 1.5 The site, which is approximately 4.57 hectares, is prominently located on the edge of the urban area at the junction of the A27 and A3024 (Windhover roundabout), close to Junction 8 of the M27 motorway. It is understood that the site has previously been promoted to the Council previously for residential use.
- 1.6 Terence O-Rourke (“TOR”) has prepared an initial design document to assess key site constraints and devise an illustrative layout, comprising of two warehouse units. The illustrative masterplan shows one possible solution to how the site could be developed but flexibility of the product is key to delivery for the space to deliver either the 2 units as identified or to be sub-divided into 4 units.
- 1.7 The description of development is:

Outline planning application (all matters reserved except for access) for employment development (Use Class B2/B8) of up to 18,580 square metres together with ancillary offices (Use Class E(g)(iii)) and other ancillary buildings, structures, parking, servicing and manoeuvring areas, landscaping and sustainable urban drainage features, following demolition of existing buildings

Planning Policy

- 1.8 The site sits outside of the urban boundary as shown on Eastleigh Borough Local Plan, which was adopted in 2022. The site is designated as open countryside and as part of a strategic gap.
- 1.9 The Local Plan replaced the ‘saved’ policies in the Adopted Local Plan 2001-2011 and sets out the relevant policies to guide future development up to 2036.
- 1.10 Eastleigh Borough Council agreed to begin a Local Plan Review in Spring 2023 and have progressed through Regulation 18 Call for Sites stage in 2023 and have recently concluded an Issues and Options consultation in January 2025.
- 1.11 In forming its local plan, a number of key evidence bases have been relied upon to support its adoption. Most relevant to the supply of employment land, the Employment Needs Assessment (produced by GL Hearn 2017)

and the Employment Land Study (produced by Lambert Smith Hampton in 2017), inform both the local need and supply of employment land for Eastleigh and Southampton. Considering the age of these documents, being over 8 years old, there is a need to take an updated account of the need and supply of employment land. We also note that these reports were produced pre-COVID19, between which we have seen a considerable increase in demand for ‘big-shed’ commercial space.

- 1.12 The Southampton Local Plan was adopted in 2015 and is currently out of date. Following the adoption of a new Local Development Scheme in March 2025, the LPA are currently producing a new technical evidence base until December 2026 and targeting submission of their new Southampton Local Plan in June 2027
- 1.13 Given its location in relation to the subject site the employment land position of Fareham is also relevant. The employment land evidence here is also out of date, produced in 2019. Following publication of its latest Local Development Scheme in March 2025, Fareham aim to complete an early engagement consultation by October 2025 with a targeted submission by September 2027, within which time an updated evidence base for employment land is expected.

Purpose & Approach

- 1.14 Given the current restrictive Local Plan designations, a robust and well evidenced justification for the development informed by this employment land study and economic forecasting report is required.
- 1.15 The purpose of the employment land study will be to demonstrate that there is a commercial market demand for the development, there is a need in the area based on economic forecasting, and that there is a quantitative/qualitative deficiency in the local supply of land and premises to meet such demand and need.
- 1.16 This study has three key stages:
 - Stage 1 – Economic Model
 - Stage 2 – Employment Need & Demand
 - Stage 3 – Employment Supply

- 1.17 This report provides the findings from these three stages of work which has included the following scope:

Stage 1 - Economic Model

1. Development of a bespoke excel based economic model to assess need based upon industry standard econometric demand forecast raw data from Oxford Econometrics for Eastleigh, over a 20 year period from 2024-2044). Conversion of projected jobs into floorspace and floorspace into hectares.
2. An alternative assessment based upon completions data over the period 2011- 2021 which is used to develop a forecast going forward based on long term historical rates of development.

- 1.18 Both of these approaches are subject to a series of adjustments which we discuss in the following sections.

- 1.19 Our findings on the demand forecasts have developed as the Study has progressed and inform Stages 2 & 3 enabling us to advise on what quantum of demand is likely over the agreed time period of analysis for the Borough and comment on the implications of this for the site. Stages 2 & 3 have included the following scope.

Stage 2 - Assessing Current Employment Need and Demand

1. A market assessment of current demand looking at take-up in the area including a review of live enquiries.

2. A consideration of Local Authority take up data and VOA data on increases/decreases in stock.
3. A critique of current econometric forecasting information which is out of date included in the Council's employment land evidence (Southampton/Eastleigh - 2017 & Fareham – 2019), which often downplays the level of future land/floorspace needed, particularly for warehousing.
4. Consideration of the socio-economic context and impact of the scheme.

Stage 3 - Assessing Current Employment Supply

1. A high level review of the quality and quantity of employment land supply/demand position as per the Eastleigh Local Plan and our thoughts on the likelihood of this site contributing to the employment land pipeline in this/next Plan period.
2. Existing allocations within the Eastleigh Local Plan, their deliverability and ability to contribute meaningfully towards the borough's employment land supply.
3. Our thoughts on the Council's likely stance on commercial development in this location and any policies that support this.
4. A critique of allocations and any windfall employment sites (in this case those not developed out) to assess whether they are still suitable or available/deliverable for what's intended.
5. A review of any constraints to delivery of this and other sites in the local area and the market segments they serve.

Report Structure

1.20 The rest of this report is structured as follows:

- **Section 2** provides an overview of the socio-economic context.
- **Section 3** looks at the property market context focusing on employment land need and demand.
- **Section 4** reviews previous employment land studies.
- **Section 5** assesses existing employment allocations by EBC
- **Section 6** provides our findings on the demand forecasts.
- **Section 7** considers the employment land supply in Eastleigh.
- **Section 8** provides our conclusions.

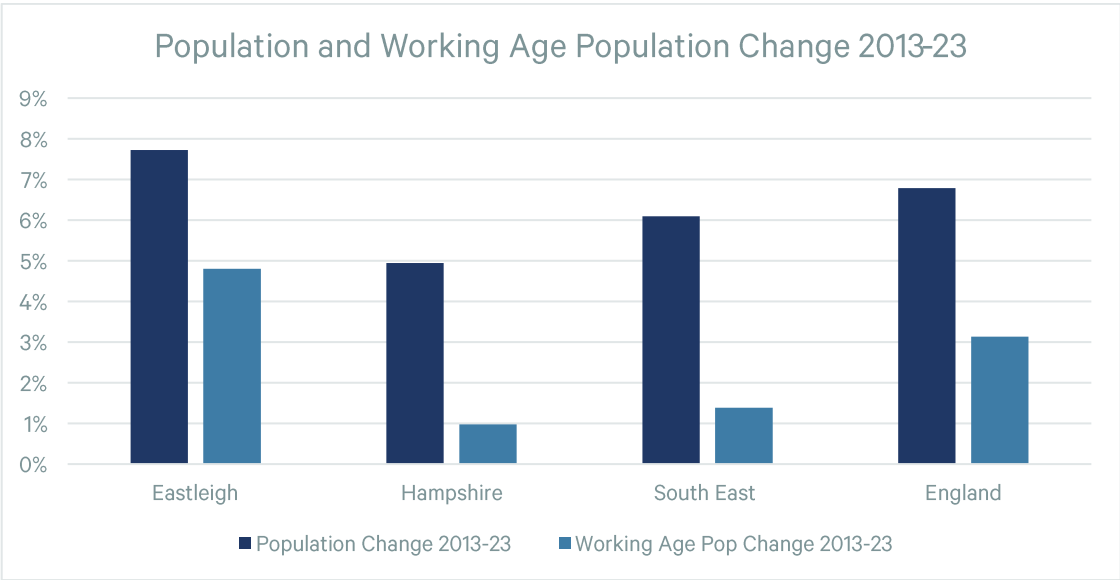
2.0 Socio-Economic Context

2.1 This section presents a labour market and economic profile for Eastleigh with comparisons to Hampshire, the South East Region and England where applicable. It considers changes in population, working age population alongside employment by sector and the contributions these sectors make to the wider economy.

Labour Market Profile

2.2 Here we consider changes to the size of the population and labour force resident within Eastleigh and compare changes in this to those within other areas. Figure 2.1 below examines changes to the total population over the period 2013 -2023 alongside that of the normally expected working age 16-64.

Figure 2.1 - Total Population and Working Age Population Change 2013 -2023

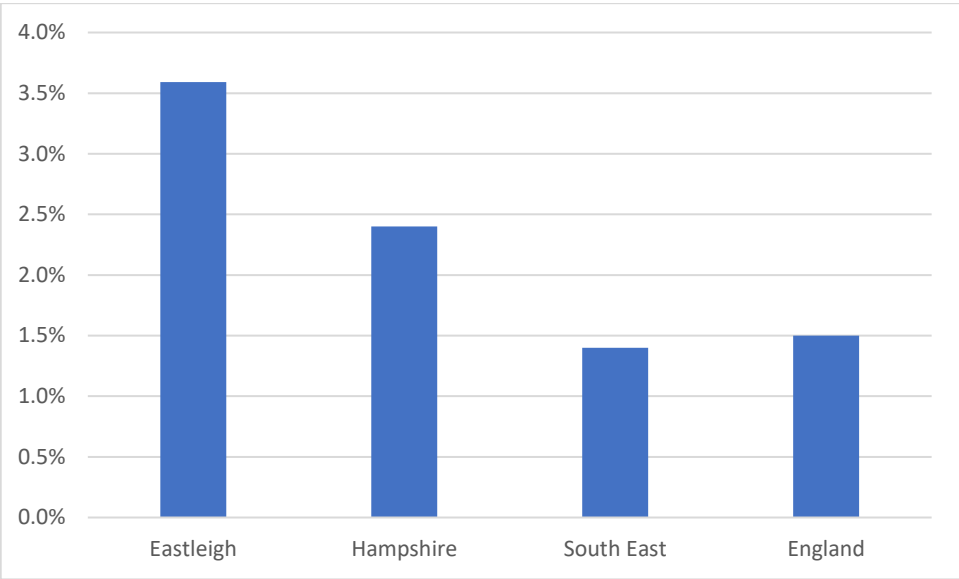


Source: NOMIS

2.3 What is apparent is that both in terms of overall population and working age population Eastleigh is growing faster than the County, Region and England as a whole. This is particularly true of the working age population suggesting a growing workforce looking for local employment. This has potentially been driven by housing growth. The growth in working age population is particularly noticeable when compared to the Hampshire County whose growth rate of 1% contrasting to almost 5% for Eastleigh.

2.4 Other evidence as to the growth in the local labour force can be determined by assessing local residents within employment and also assessing the economic activity rate. Eastleigh has traditionally had lower economic activity rates with a 2023 economic activity rate of 70.3% compared to the Hampshire County average of 83.5% (South East Region 81.3%). However when considering relative changes in this rate over the past 10 years it is apparent that this gap is closing.

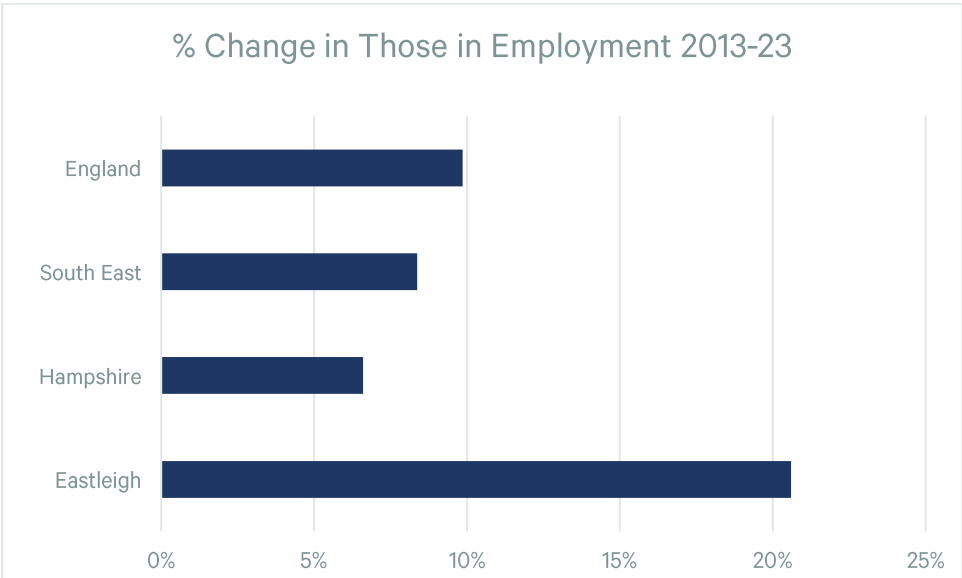
Figure 2.2 - Change in Percentage Economically Active 2013 -2023



Source: NOMIS

- 2.5 It is apparent that economic activity rates have been rising in Eastleigh faster than in comparable areas, nonetheless the area still has a much lower percentage of its population economically active than wider areas. This could be driven by large numbers within the population either outside of working age as they are of school age or older than 64, or they are economically inactive due to retirement or ill health.
- 2.6 This can be contrasted with data for those in employment, this is resident based data. Figure 2.3 below demonstrates the significant growth in residents in employment in Eastleigh both in absolute and percentage terms.

Figure 2.3 - Percentage Change Residents in Employment 2013-2023



Source: ONS Annual Population Survey

2.7 Residents in employment within Eastleigh has grown by 12,400, a 21% percentage increase, this compares to more modest percentage increases in Hampshire (7%) and South East England (8%). This is likely to be the result of increases in local employment but also significant increases in the working population resident within the district but working either within it or across the wider area. This points to an increasing need for local employment. It should be noted that in respect of the Eastleigh data there is a significant increase between 2013-214 which represents a circa 10% increase in one year, none the less these are official ONS data sets based upon robust survey techniques.

2.8 Finally it is possible to measure job density, this is the ratio between total jobs to the resident population of working age 16-64. Table 2.1 below shows this for Eastleigh, Hampshire and the South East. A ratio of 1 is optimal and means that there is 1 job per resident of working age, with figures lower suggesting there is a need for more jobs.

Table 2.1 - Job Density Ratios

Eastleigh	Hampshire	South East
0.85	0.82	0.85

Source: NOMIS

2.9 This evidence suggests that Eastleigh has a comparable job density to the South East and slighter higher (i.e. more jobs to the working population) than Hampshire as a whole but is still lower than the optimal position indicating a need for jobs.

2.10 Turning to the economic performance and context for Eastleigh we examine:

- Overall Employment;
- Employment by Sector;
- Gross Value Added (GVA) per Sector; and
- GVA per Job.

2.11 In terms of overall employment Table 2.2 below presents data on the employee jobs within Eastleigh, Hampshire and the South East and its change over the period 2015 -2022.

Table 2.2 - Employment Change 2015- 2022

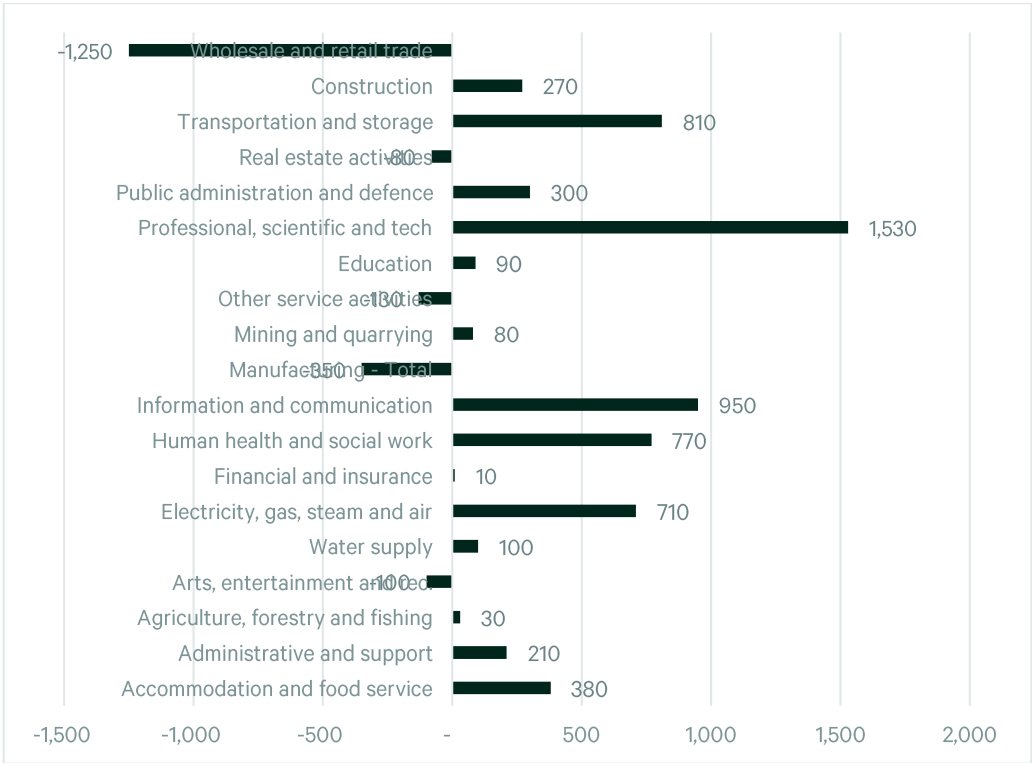
	Employee Jobs 2015	Employee Jobs 2022	% Change 2015-22
Eastleigh	63,000	67,000	6.3%
Hampshire	596,000	622,000	4.4%
South East	4,047,000	4,253,000	5.1%

Source NOMIS/ONS Business Register and Employment Survey

2.12 It is evident that Eastleigh has grown in employment terms to a greater extent than Hampshire and the South East contributing to the overall impression of a growing local economy.

2.13 Looking in more detail at Eastleigh itself it is possible to build up a picture of employment growth by sector over the past 10 years. This is presented in terms of absolute employment change in Figure 2.4 below:

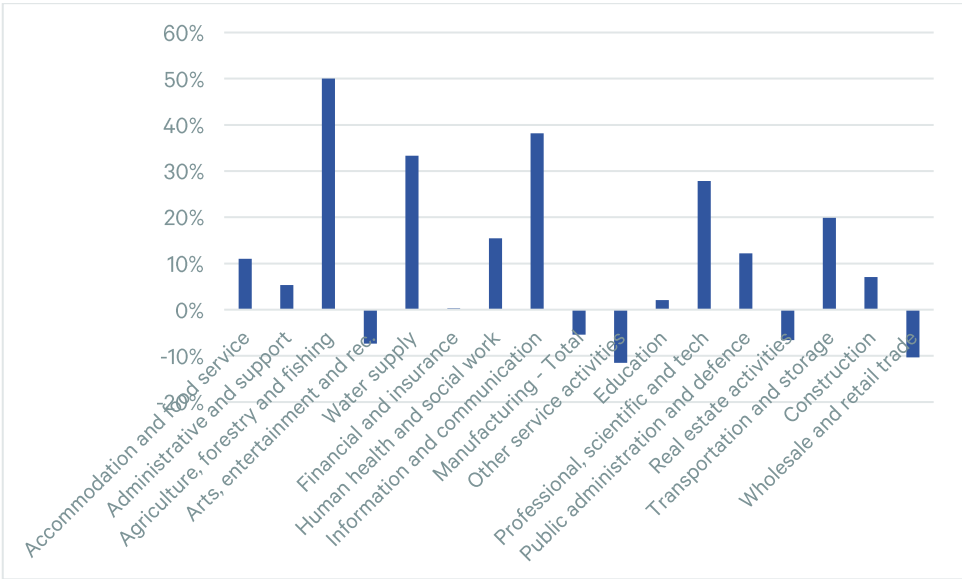
Figure 2.4 - Eastleigh Absolute Employment Change by Sector 2013-2023



Source: Oxford Economics/ONS

2.14 There is clear evidence of strong growth in sectors such as transportation and storage reflecting the presence of Southampton Airport within Eastleigh and professional and scientific together with ICT roles reflecting national and local growth in these sectors which are favourable to the Eastleigh economy. Other sectors such as manufacturing have seen some level of decline in employment terms as has wholesale and retail trade. Figure 2.5 identifies the percentage change in employment over the same time period.

Figure 2.5 - Eastleigh Percentage Change in Employment by Sector 2013 - 2023



Source Oxford Economics/ONS

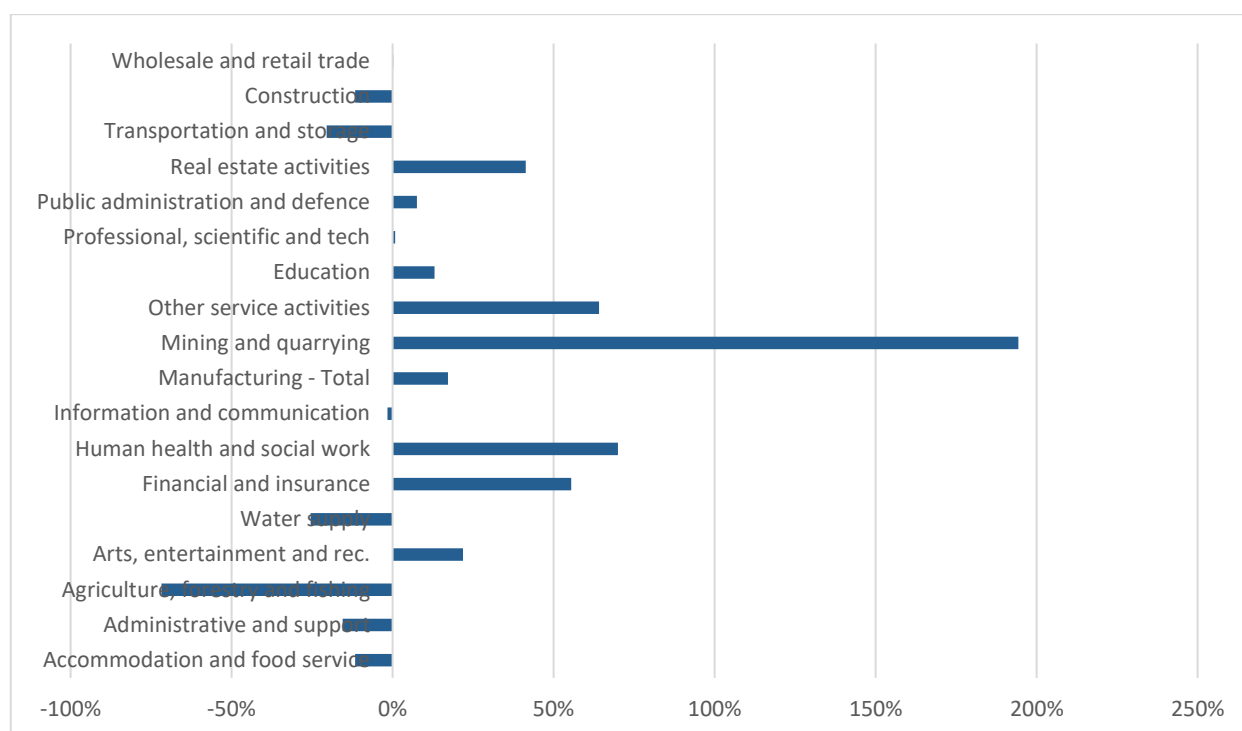
- 2.15 In percentage terms small sectors such as electricity and gas have increased significantly but again larger employment sectors such as transport and storage and professional & scientific services have grown significantly in both absolute and percentage terms.
- 2.16 GVA is the added value that an area contributes to the national economy. A relative measure of this is the gross value added per worker which more accurately reflects the added value rather than overall size of an economy. Table 2.3 below reflects the contribution per job filled of the various geographies being considered.

Table 2.3 - GVA Per Job Filled

	GVA Per Job Filled 2022
Eastleigh (South Hampshire)	£61,131
Hampshire	£67,799
South East	£68,021
England	£62,751

Source: ONS ITL Productivity Tables June 2024

- 2.17 It is evident from this that Eastleigh lags behind in this measure of productivity compared to county, regional and national averages. This could reflect an industrial structure skewed towards lower value added sectors such as retailing, care etc and the relatively low economic activity rates (albeit the latter is improving over recent years).
- 2.18 It is also worth considering the relative change in GVA per sector for Eastleigh to determine those sectors which are growing in terms of the contribution they make to the Eastleigh economy as shown in Figure 2.6.

Figure 2.6 - Eastleigh GVA Growth Per Sector 2013- 2023

Source: Oxford Economics/ONS

2.19 This provides some contrasts with Figure 2.4 which considered employment growth over the same period. Sectors such as manufacturing which reduced in employment terms grew in terms of GVA whilst sectors which grew significantly in terms of employment such as professional and scientific but not in terms of GVA contribution to the economy suggesting that growth in these sectors was at the lower end of the value added chain.

2.20 From this assessment of the economic context we would conclude the following:

- Eastleigh has grown at a greater rate than the County, Region and England in terms of the general population and working age population suggesting a growing need for employment within the area.
- Whilst economic activity rates have been significantly lower in Eastleigh than the County, Region and England they are increasing relative to these areas.
- Resident employment has increased significantly over the past decade compared to the County, Region and England suggesting the attraction of employed residents to the area. These suggest the need for additional local jobs.
- Over the past decade employment growth has been particularly strong in transportation and storage (potentially due to the presence of Southampton Airport) and professional and ICT sectors reflecting a shift in economic structure. Other sectors such as manufacturing which is a traditionally strong sector within Eastleigh have declined in employment albeit at slower rates than seen nationally.
- In contrast GVA which is a measure of productivity and value added to the economy when examined at a sector level in Eastleigh shows growth in manufacturing (17%) whilst other sectors which have grown in employment terms have declined in terms of GVA such as transportation and storage, or shown very

modest levels of GVA growth such as professional and technical sector (1%). This demonstrates the importance of manufacturing to the local economy and is reflected in its contribution to production rather than purely employment.

- Finally, GVA per worker in Eastleigh is relatively low when compared to County, Region and England attracting higher value added sectors to the local economy and it will be essential to raise this towards the levels of comparator areas.

3.0 Property Market Context

Introduction

- 3.1 This section considers the property market context and provides an assessment of current employment need and market demand for both B2 & B8 employment land.
- 3.2 We provide an overview of national and regional market trends and a focus on specifics to the M3/M27 corridors. We provide insight on historic take up and demand evidence specific to this location from live enquiries that we are aware of.

Eastleigh Commercial Market

- 3.3 The Borough of Eastleigh is a well-established commercial market focussed around the three main hubs of Eastleigh, Chandlers Ford and Hedge End.
- 3.4 The locality benefits from excellent transport links being served by both the M27 and M3 motorways, Southampton International Airport and multiple mainline train stations providing access to London, the Midlands and the wider South Coast.
- 3.5 The M27/M3 corridor provides all of the characteristics to be a strong market location subject to the provision of additional sites. Despite current market volatility medium and long term confidence in the sector remains constant as rents continue to rise and the market fundamentals remain strong with demand outstripping supply levels.
- 3.6 The area has a strong industrial background with the Eastleigh Train Works which opened in 1891 continuing to be a large employer in the region. There is also a well-established office and retail sector with major occupiers such as Kingfisher Plc being headquartered in the Borough. The major driver for demand for commercial space is however dominated by the industrial sector and it is anticipated that this trend will continue putting further pressure on the limited and ageing local stock.
- 3.7 Eastleigh's industrial stock is centred around four main estates:
 - Chandlers Ford Industrial Estate (School Lane);
 - Boyatt Wood Industrial Estate;
 - Eastleigh Works/ Barton Park (Chickenhall Lane); and
 - Hedge End Industrial Estate.
- 3.8 There has been limited new development on these estates over the past 20 years and therefore the majority of the building stock is made up of secondary buildings constructed pre 2000 which are becoming dated and are less able to meet the demands of the modern occupier.
- 3.9 Where new development has occurred such as at Alpha Park (Chandlers Ford), Power Park (Boyatt Wood) and 3 new units at Eastleigh Works demand has been strong. All 3 estates are now fully let and have attracted businesses from outside of Eastleigh including Bunzl at Power Park who relocated from Southampton and MKM Building Supplies also at Power Park who were a new entrant into the Borough.

Industrial Availability

- 3.10 There is a limited number of available units within the Eastleigh area amounting to approximately 270,000 sqft currently available although it should be noted that almost a third of the available space is made up of a single unit of 96,000 ft² at Barton Park Industrial Estate. When compared to the total stock of circa 8.6million sqft (taken from 2023 VOA data) we calculate that current market availability is under 3.15% which is well below a functioning market. This is critically low given a preferred typical 5-10% vacancy rate for market churn and choice.
- 3.11 All the current units on the market in Eastleigh are second hand.
- 3.12 Despite rising costs, there has not been a noticeable amount of units coming back onto the market through business defaults meaning the amount of availability is likely to remain consistent with no new developments now coming through.

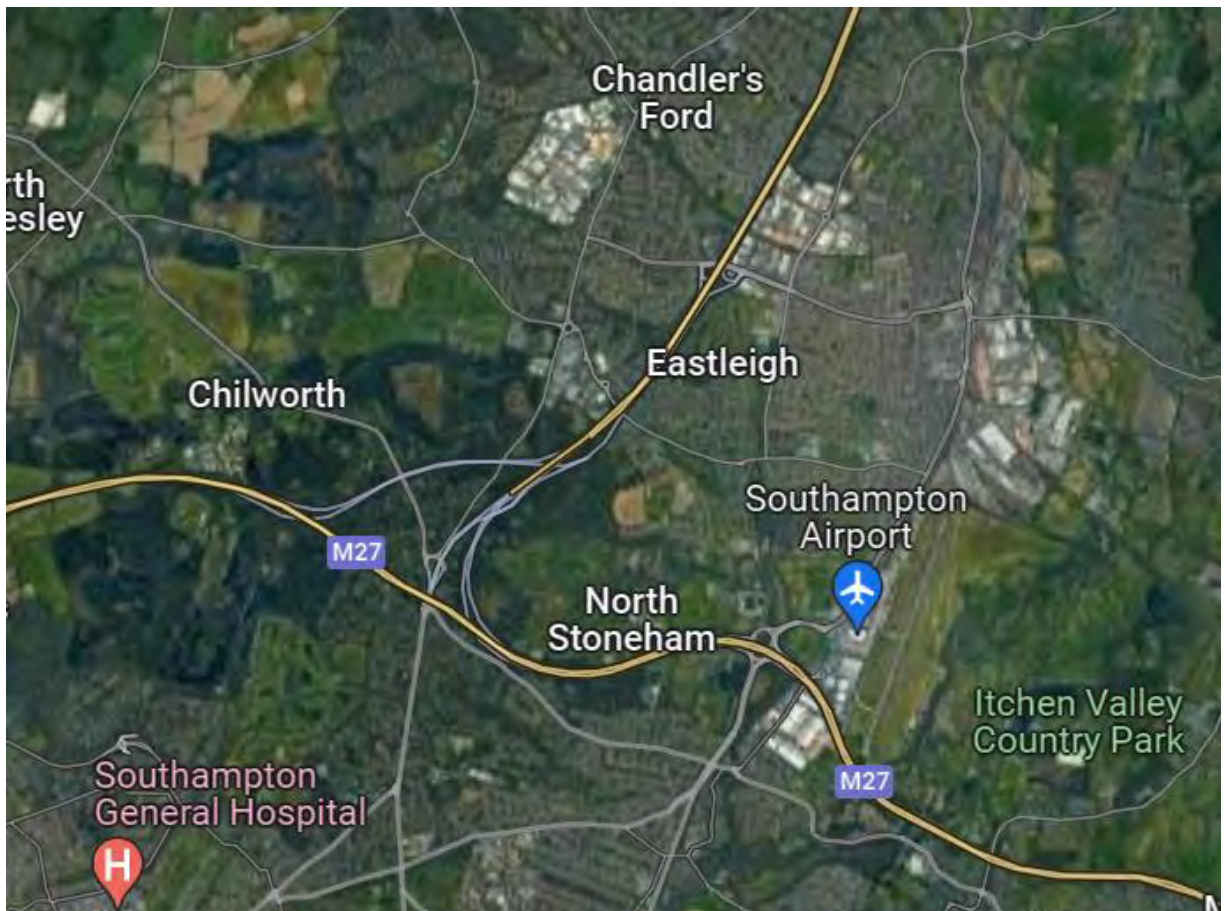
Take Up

- 3.13 The impact of the challenging economic and financial conditions have had a major impact on businesses and this has fed into occupier's decision making when it comes to taking on a new unit. Landlords are typically offering more generous renewal terms meaning their needs to be a genuine need for an occupier to relocate whether it be far superior quality, contract led or a change in size.. As a result, enquiry levels on whole were lower in 2024 with take up somewhat subdued at c. 900,000 ft². Take up in Eastleigh made up circa 15% of the regions total.
- 3.14 Whilst take up levels appear to be reasonably low; this is partly attributable to a lack of good quality units being available which has meant occupiers have looked outside of Eastleigh. As an example, the second phase of Adanac Park in Southampton completed in early 2023 and this estate alone has seen over 70,000 sqft of take up.
- 3.15 Due to the lack of supply, new development in Eastleigh and in particular along the M27 corridor would be well received by the market and would serve both existing local businesses and would be likely to attract occupiers from the surrounding areas of Southampton and Fareham.

Demand

- 3.16 There is strong current and immediate demand at this point in time which we expect to remain from occupiers for B2/8 floorspace in the M27/M3 Corridor as defined in Figure 3.1 below.

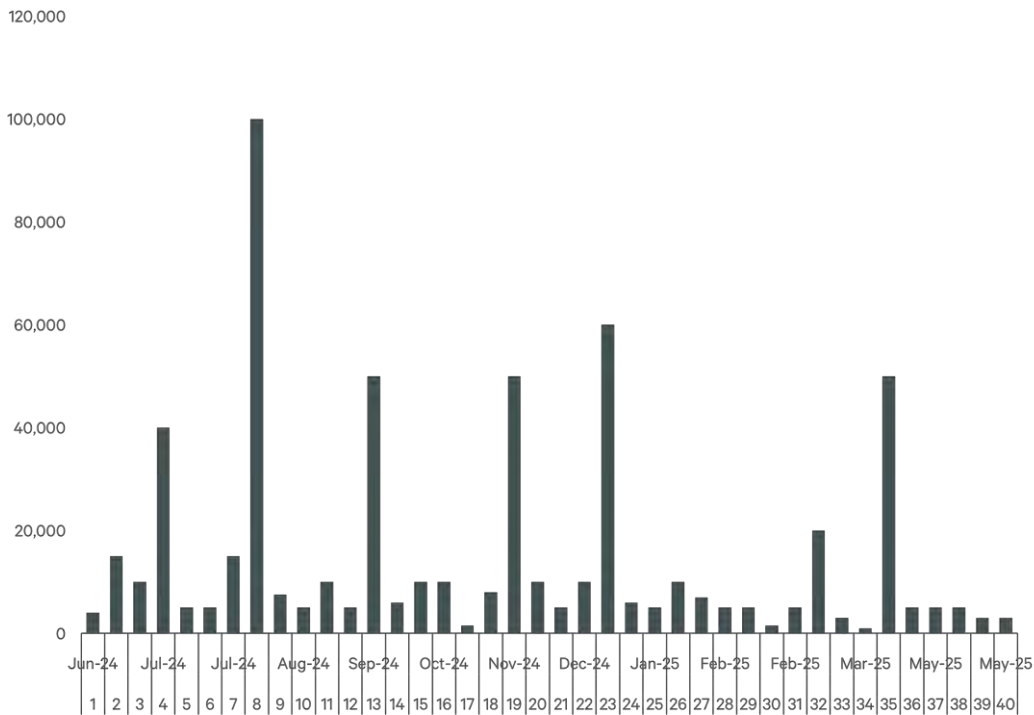
Figure 3.1: B2/B8 Demand



Source: Google maps/CBRE 2025

- 3.17 CBRE are aware of circa 40 active requirements seeking B2 and B8 employment units with requirements totalling a minimum of approximately 581,000 sqft since June 2024 for occupiers seeking this type of floorspace in this geography as shown by Figure 3.2 and Table 3.1 and 3.2 below. On the basis of a typical 45% site coverage this equates to 12.1 hectares (30 acres). With the exception of 1 requirement in excess of 100,000 ft², the other requirements in this period have typically been smaller non-strategic scale requirements.

Figure 3.2: Requirements for B2/8 floorspace over last 12 months



Source: CBRE 2025

3.18 Figure 3.2 above clearly shows that demand is driven by occupiers seeking smaller units with all but 3 requirements (35 of 45) of enquiries seeking space up to 50,000 sqft with the majority seeking space under 30,000 sqft. The sites current illustrative masterplan shows 2 units for B2/8 uses ranging in size from 77,597 to 103,182 sqft but there is flexibility to sub-divide to 4 units to reflect need and market demand.

Table 3.1: Requirements for strategic scale B2/8 floorspace over last 12 months

	Date	Use	Min Size (sqft)
1	Aug-24	B8	100,000
		Total	100,000
		Average	100,000

Source: CBRE 2025

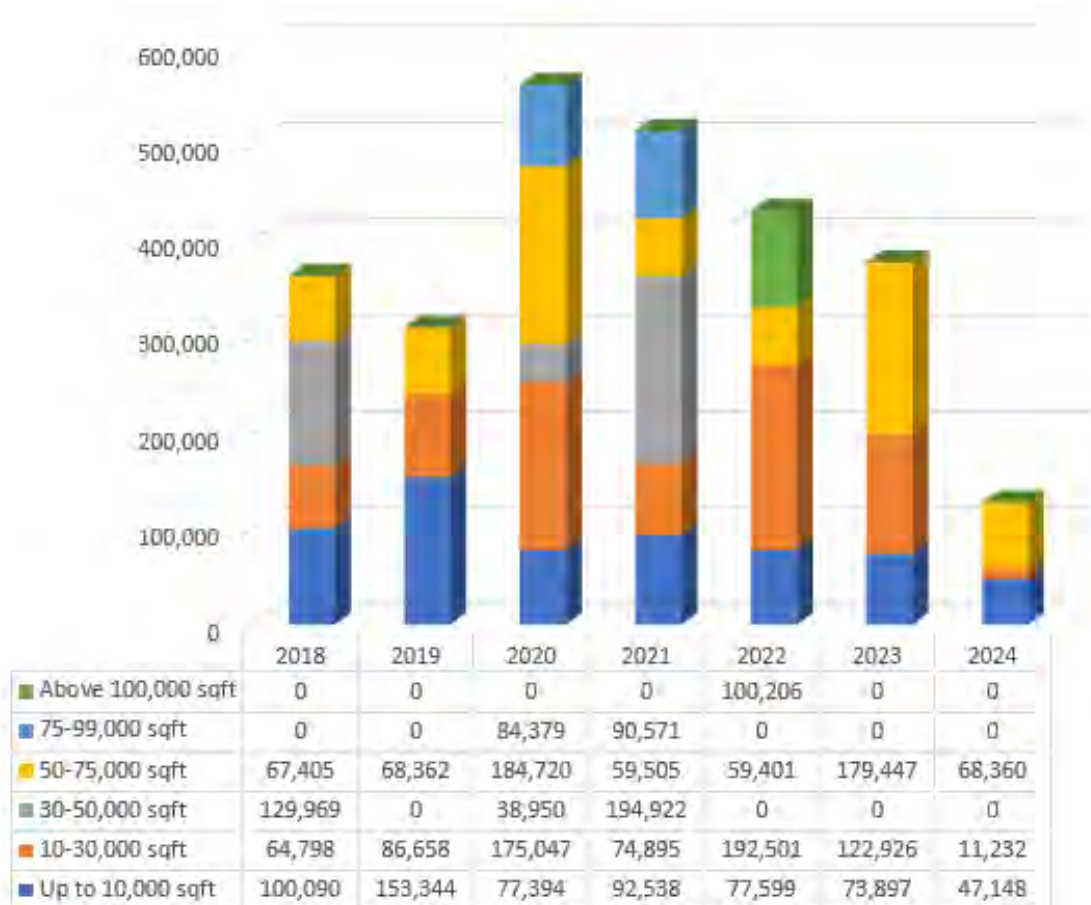
Table 3.2: Requirements for non-strategic scale B2/8 floorspace over last 12 months

	Date	Use	Min Size (sqft)
1	Jun 24	B8	4,000
2	June 24	B8	15,000
3	Jun -24	B8	10,000
4	Jul-24	B2/8	40,000
5	Jul-24	B8	5,000
6	Jul-24	B2	5,000
7	Jul-24	B1/2	15,000
8	Aug 24	B8	7,500
9	Aug-24	B2	5,000
10	Aug-24	B2	10,000
11	Aug-24	B8	5,000
12	Sep-24	B8	50,000
13	Oct 24	B8	6,000
14	Oct-24	B8	10,000
15	Oct-24	B8	10,000
16	Oct 24	B8	1,500
17	Oct-24	B2/8	8,000
18	Nov 24	B8	50,000
19	Nov 24	B8	10,000
20	Dec-24	B2	5,000
21	Dec 24	B8	10,000
22	Jan-25	B8	60,000
23	Jan-25	B2	6,000
24	Jan-25	B8	5,000
25	Jan-25	B2	10,000
26	Jan-25	B8	7,000

27	Feb-25	B1/2	5,000
28	Feb-25	B1/2	5,000
29	Feb-25	B8	1,500
30	Feb-25	B2	5,000
31	Feb-25	B8	20,000
32	Mar-25	B8	3,000
33	Mar-25	B1/2	1,000
34	Apr-25	B8	50,000
35	May-25	B2	5,000
36	May-25	B8	5,000
37	May-25	B8	5,000
38	May-25	B8	3,000
39	May-25	B8	3,000
40	Jun-25	B8	10,000
41	Jun-25	B2	7,500
42	Jul-25	B8	10,000
43	Jul-25	B8	10,000
44	Aug-25	B8	5,000
45	Sep-25	B8	5,000
		Total	529,000
		Average	11,755

Source: CBRE 2025

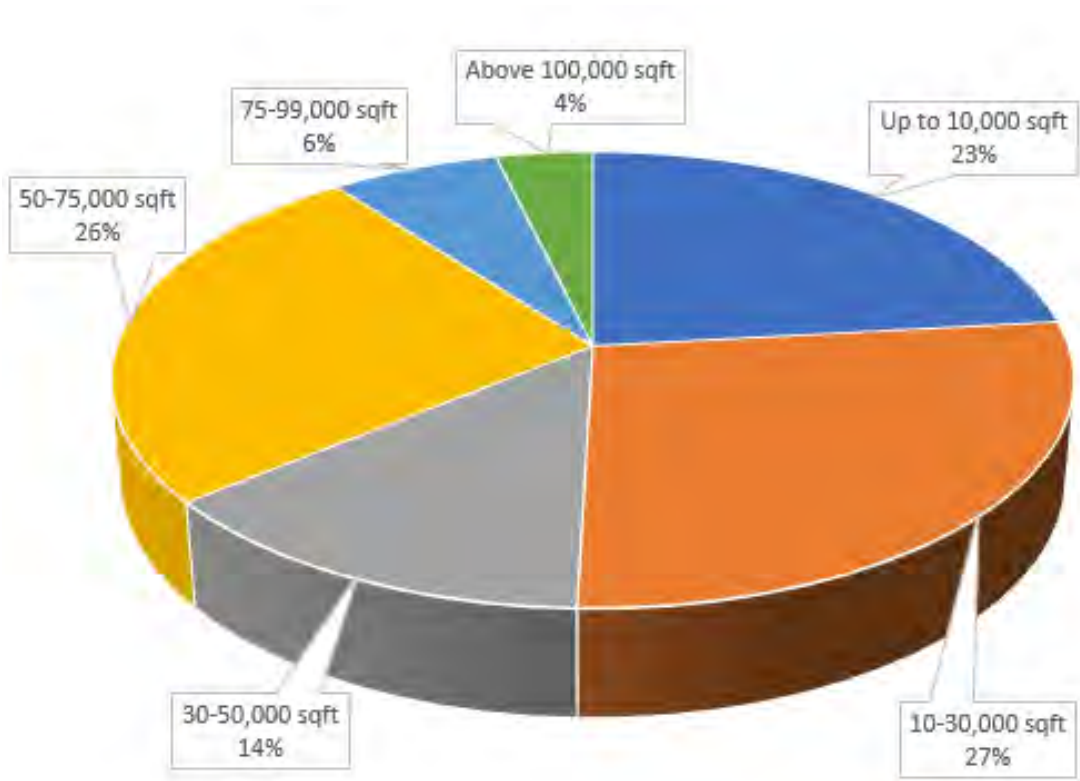
- 3.19 Logistics occupiers often have a wide search area in order for them to identify and prioritise sites that are adjacent to/or in close proximity to the motorway network such as the prime location of sites along the M27/M3 corridors.
- 3.20 As such occupiers seeking space in say the wider sub-region would prioritise sites adjacent to or in close proximity to the motorway for connectivity, access to labour and not directly adjacent to residential and so this site would likely be of key interest for them.
- 3.21 It is this non-strategic scale floorspace that has dominated historic take up in Eastleigh borough in recent years as shown by Figure 3.3 below and is the type/size of space that the site intends to target to meet demand.

Figure 3.3 – Industrial (Class E (g) (i) (ii) (iii)/B2/B8) Take Up in Eastleigh (2018-2024) by Year

Source: EGi/CBRE analysis 2025

- 3.22 Figure 3.3 clearly shows that the majority of take up over this period is for non-strategic scale employment land which aligns with the mid-size product that our site is looking to accommodate, with only one letting above 100,000 sqft over this 7 year period. This was Proximity, Parham Drive, Eastleigh, SO50 4NU in January 2022. It is interesting to note that take up peaked during the COVID lockdown year of 2020 due to a number of lettings across all sizes of non-strategic scale industrial floorspace. The lowest take up was in 2024 due to the lack of stock but throughout the prior 6 year period (2018-2023) take up has remained above 300,000 sqft pa.
- 3.23 Figure 3.4 below shows the percentage take up by size over this period.

Figure 3.4 – Industrial (Class E (g) (i) (ii) (iii)/B2/B8) Take Up in Eastleigh (2018-2023) by Size

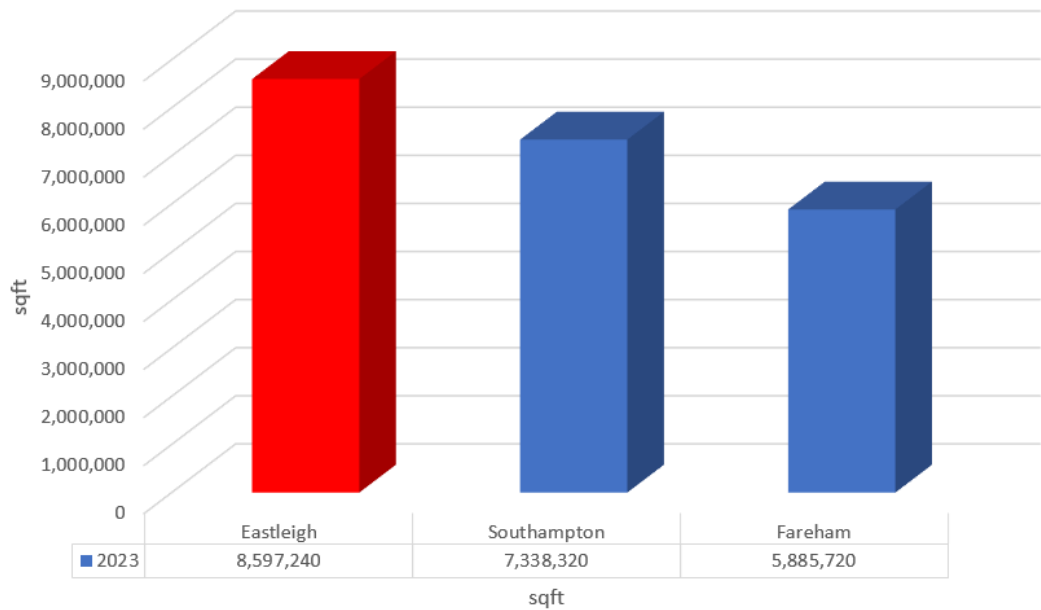


Source: EGi/CBRE analysis 2025

- 3.24 Figure 3.4 above shows the split of take up over this period by floorspace, with 90% of the take up involving units below 75,000 sqft. Of the total lettings the majority of demand is for units of 10-30,000 sqft (27%), closely followed by 50-75,000 sqft (26%) and up to 10,000 sqft (23%).
- 3.25 With the exception of one letting all of the take up in the district in the past 7 years has been for smaller and mid box units to meet wider industrial demand (Class E (g) (i) (ii) (iii)/B2/B8) in this location. The average take up over this period is circa 382,000 sqft p.a.
- 3.26 Data obtained from the Valuation Office 1 and presented in Figure 3.5 below shows that in 2023 Eastleigh borough had an industrial stock of circa 8.6m sqft.

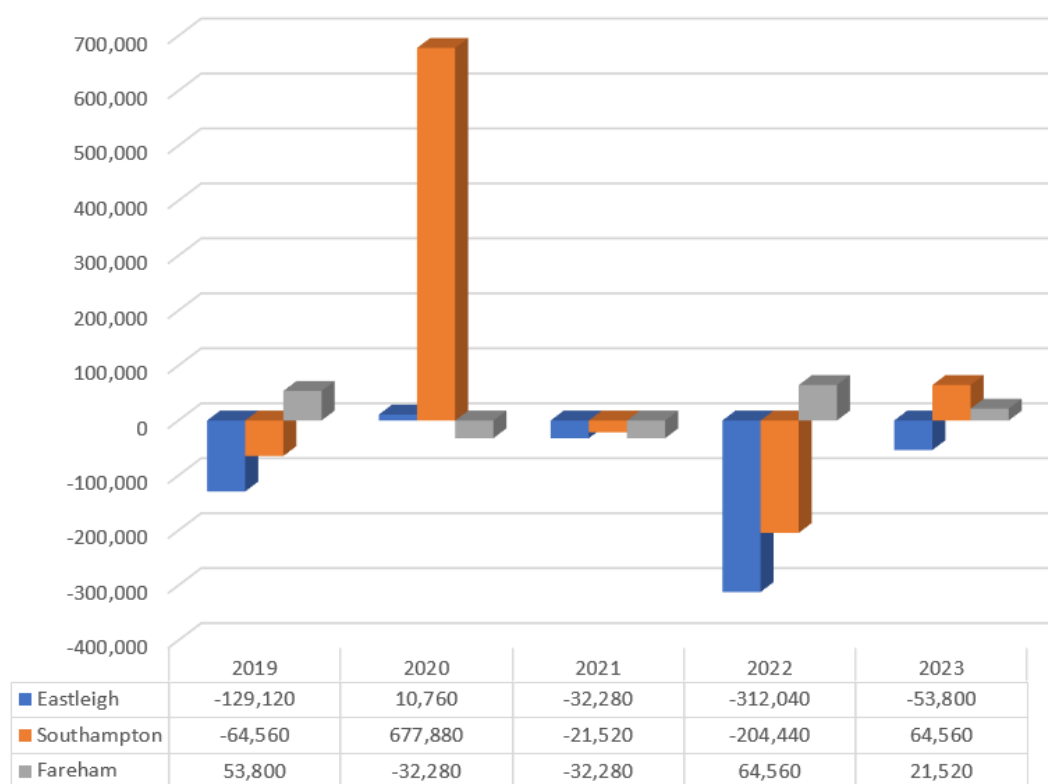
¹ This data is from the Valuation Office and includes all Industrial sector properties in the England and Wales Non-domestic Rating Lists, as at 31 March for each year between 2001 and 2023. It shows total floorspace. *The 2023 data set is the most current as the 2024 data is yet to be released.*

Figure 3.5 - Stock of Industrial Floorspace – Sub-Region (2023)



Source: Valuation Office Agency (VOA)/CBRE

- 3.27 This circa 8.6m sqft is the highest in the immediate sub-region and is reflective of the characteristics of the Eastleigh market as being a well-developed commercial location reflecting its strong industrial past/present. The type of space is characterised by non-strategic employment floorspace (under 100,000 sqft).
- 3.28 Figure 3.6 below shows the change in floorspace per annum in Eastleigh compared to its neighbouring authorities.

Figure 3.6 – Absolute Change of Industrial Floorspace by Local Authority (2019-2023)

Source: Valuation Office Agency (VOA)/CBRE analysis

3.29 Figure 3.6 above shows that apart from the small net increase in floorspace in 2020 the levels of industrial floorspace have been declining since 2019 with a loss of circa 312,000 sqft in 2022. This decline will be due in part to the difficult development market and continued loss of employment floorspace to non-employment uses. Whilst the neighbouring districts have also experienced some losses over this period both have seen small net increases overall whereas Eastleigh has experienced net decline. This will be due in part to a lack of new supply coming to the market in Eastleigh.

3.30 Table 3.3 below shows the absolute and percentage increase in floorspace in Eastleigh over the last 5 years.

Table 3.3 – Industrial Floorspace Change in Eastleigh (2018-2023)

	2018	2019	2020	2021	2022	2023		
Eastleigh	9,113,720	8,984,600	8,995,360	8,963,080	8,651,040	8,597,240	5 years	Average
Actual Change		-129,120	10,760	-32,280	-312,040	-53,800	-516,480	-103,296
% Change		-1%	0%	0%	-4%	-1%	-6%	

Source: Valuation Office Agency (VOA)/CBRE analysis

3.31 According to the VOA the overall provision of floorspace in Eastleigh has decreased by 6% (516,480 sqft) over this period (9.11m sqft to 8.59m sqft). This equates to circa 103,296 sqft per annum. This is a net figure including losses of industrial/distribution space to other uses or demolition. Converting this increase in floorspace to land requirements this equates to a net decline of circa 6 acres or 2 ha per annum GIA which provides an indication of the scale of market retraction in this location over a sustained period of time.

- 3.32 The immediate sub-region, and in particular the Unitary Area of Southampton, clearly has a strong and dynamic industrial market with floorspace growth in Southampton and Fareham in recent years. The evidence points to a significant stock of industrial floorspace at over 22m sqft in Southampton (7.3 m sqft), Eastleigh (8.8m sqft) and Fareham (5.9m sqft) of space.
- 3.33 It is clear that the Eastleigh market is challenged by a lack of fit for purpose new employment land which has led, in part, to the net decline of floorspace as older stock has been lost to competing uses and newer stock hasn't been forthcoming at an appropriate level possibly due to a lack of deliverable sites. It is evident then that there is a critical need for new sites like this one to be brought forward to provide market facing mid-box B2/B8 space and ensure that occupiers have the option of locating in Eastleigh.
- 3.34 As the evidence shows there is significant latent market demand for non-strategic scale industrial floorspace in this location and unless additional land is brought forward there is a risk that occupiers consider other locations with a ready supply of fit for purpose employment land and that market share and local jobs are lost.
- 3.35 Where there has been new development in the borough, at Alpha Park and Power Park, demand has been strong. Alpha Park and Power Park are now fully let. As a result, there is a very limited supply of high quality industrial units within the borough and a significant need for new sites to be brought forward to provide choice for occupiers. In lieu of this investors will look at neighbouring areas such as Southampton and Fareham to fulfil their requirements.

4.0 Previous Employment Land Reviews

4.1 There are a number of employment land needs assessments that have been carried out that are relevant to the assessment of the site. Given the site's proximity to the boundaries of Fareham and Southampton and noting that economic and property markets follow functional economic areas rather than local authority boundaries we have included in our scope assessments that cover these areas as well as Eastleigh itself.

4.2 The relevant studies are listed below:

- **Eastleigh**

Employment Land Needs Assessment Update Report, GL Hearn, July 2018.

- **Fareham**

Business Needs, Site Assessments and Employment Land Study, LSH, August 2019.

- **Southampton**

Employment Land Background Paper, Southampton City Council, October 2022.

- **Wider Area - Partnership for South Hampshire (PfSH)**

Economic and Employment Land Evidence Base Paper GL Hearn, May 2016.

Economic, Employment and Commercial Needs (including logistics) Study, Stantec and Vail Williams, March 2021.

4.3 Each of these studies have been reviewed with their key findings below:

Eastleigh Employment Land Needs Assessment Update Report 2018

4.4 This study was undertaken during 2017-2018 and therefore predates the impact of the COVID-19 pandemic on the national and local economy, it was also produced prior to confirmation of the UK's exit arrangements from the EU through the UK-EU Withdrawal Agreement in January 2020. It should therefore be considered out of date from an economic perspective.

4.5 This work used both labour market demand and past completions data to forecast employment land needs for the period to 2036 and formed the basis of the current adopted local plan for Eastleigh.

4.6 The labour market demand model utilised a set of econometric forecasts produced by Oxford Economics dated 2017, these were then converted to Full Time Equivalent Jobs (FTE) and were then turned into floorspace demand requirements using employment density assessments by use (B1a & B1b, B1c, B2 and B8). The report acknowledges that this assessment does not take account of replacement demand.

4.7 The report then goes on to consider an alternative assessment based on examining the past completions of employment land in Eastleigh from Local Authority monitoring data for the period 2011 to 2017 (6 years of

data). This work also examined floorspace taken out of employment use over the same period to other uses including residential and is therefore able to present data in terms of both net completions (after losses of employment land are taken into account and then as gross completions which ignores losses of employment land). These are then as with the labour demand model projected to cover the period 2017 to 2036 as shown in Table 4.1 below.

Table 4.1 - Comparison of Projections Eastleigh Employment Land Needs Assessment 2018

Use Class	Labour Demand	Gross Completions	Net Completions
B1a/b	83,700	36,500	18,600
B2/B1c	- 40,500	28,800	-104,500
B8	36,700	15,500	3,700
Total	79,800	80,800	-82,300

Source: GL Hearn 2018

- 4.8 This shows a wide variation in demand between the models. In respect of offices (B1a/b now Class E) the labour demand model predicts significantly more need for space than either gross or net completions data. The report noted at the time that this appeared lower than growth in office floorspace since 2000. Industrial forecasts suggested negative growth for manufacturing uses but a modest growth in B8 related employment whereas gross completions related forecasts showed modest growth for B8 uses with net completions forecasting a significant reduction in the need for B2 space and a very small requirement for B8 floorspace.
- 4.9 At the time the report noted that Eastleigh's industrial market was performing strongly with take up out pacing neighbouring areas.
- 4.10 Taking the evidence into account the study concludes that particularly for industrial and distribution requirements it was prudent to plan for more growth than the labour demand forecasts suggested and that provision should also seek to replace land lost from employment use to ensure its supply of industrial and distribution space did not drastically reduce further. Table 4.2 sets out a comparison of projections 2017- 2036 by use.

Table 4.2 – Comparison of Floorspace Projections 2017-36 Eastleigh Employment Land Needs Assessment 2018

Use Class	Net Gain 2011-2017	Residual (Labour Demand) 2017-36	Residual (Gross Completions) 2017-36	Mid-Point 2017-36
B1a/b	4,456	79,244	32,044	55,644
B2/B1c	-25,079	-15,421	53,879	19,229
B8	881	35,819	14,619	25,219
Total	-19,742	99,542	100,542	100,042

Source: GL Hearn 2018

- 4.11 This study does not seek to translate floorspace requirements into land areas using plot ratios as there are a number of weaknesses in the approach overall:
1. The study is now dated relying on economic forecasts from 2017 based on very different economic circumstances, in addition the completions data relied upon is equally dated and was in any case based

upon a relatively short period of time (2011 -2017) whereas it would be in CBRE's view preferably to use data which spans at least 10 years to reflect cycles in the economy and property market.

2. There are no allowances within the forecasts to (i) allow for a general level of vacancy and (ii) to make any adjustments for any evidence of higher than normal vacancy levels in the local property market.
 3. As noted above this work does not seek to translate floorspace requirements to hectares of land. It would be usual to undertake this work so that assumptions regarding plot ratios are explicit. It appears in this case that the Local Authority have used a plot ratio of 0.4 which is unlikely to be in line with modern approaches to development.
- 4.12 The Local Plan adopted in 2022 appears to base its assessment on this work adopting a target for employment floorspace provision at 103,511 sqm for the period 2016-2036 broadly in line with midpoint in Table 4.2 above. We note this this work is now out of date and that the Local Plan was adopted approaching 5 years after its employment land evidence was prepared. We would contend that given the availability of more recent forecasts of employment land relatively little weight should be given to this.

Fareham Business Needs, Site Assessments and Employment Land Study, LSH, August 2019

- 4.13 This work was undertaken during 2018–2019 and again predates the COVID-19 pandemic and an understanding of the full implications of Brexit.
- 4.14 The report contains an overview of market trends across South Hampshire and Fareham Borough including market transactions across occupier and investor markets. It goes on to review in some depth current and emerging employment locations such as Welborne and Daedalus (Solent Airport Gosport). The study also goes on to review planning permission data related to employment sites.
- 4.15 In order to forecast future requirements this study uses a labour demand model based on qualitative assumptions about growth by a range of economic sectors which are presumed to relate to requirements for B class space. These result in a net requirement to accommodate 4,600 jobs (split 2,200 jobs in B1a and 2,400 jobs in B2/B8). These are converted to floorspace by adopting an employment density of 12 sqm per job for office uses (B1a) and an average of 53sqm per job for B2/B8.
- 4.16 This works also reviews net development completions from planning data for the period 1998 to 2018 (20 years) splitting these by use category (B1a and B2/B8). Finally the report refers to considering a variety of factors such as historic trends, economic modelling undertaken at a South Hampshire level and market signals. It is not clear how this has influenced the final projections of need.
- 4.17 The assessment of floorspace need 2019–2036 is set out in Table 4.3:

Table 4.3 - Employment Floorspace Need Fareham 2019-2036 Fareham Business Needs, Site Assessments and Employment Land Study 2019

MEASURE	USE B1a	USE B2	USE B8
Annual Historic Average Take Up (sq m)	5,574	10,000	15,000
Employment Land Supply Potentially Deliverable (sq m)	41,750	134,448	82,793
Viability and Marketability	Weak/May Improve	Strong	Strong
Residual Land Values	Negative	Positive	Positive
Projected Additional Annual Demand (sq m)	1,858	1,858	2,787
Total Net Need (sq m)	31,586	31,586	47,379

Source: LSH 2019

- 4.18 The study goes on to convert these floorspace requirements back to jobs using the HCA Employment Density Guide 2015 leading to an overall new jobs total of between 4,122 and 5,140. It briefly compares this to the PUSH employment projections from 2016 (which we review below) of 6,000 jobs by 2036 considering these to be potentially over ambitious.
- 4.19 This study again should now be considered out of date. It suffers in the view of CBRE from a number of weaknesses:
1. It does not contain econometric modelling from a recognised source, instead it relies on what appear subjective assumptions as to growth and decline in a series of economic sectors with no evidence to support these projections.
 2. Whilst it relies on completion data for a 20 year period it does not seek to consider losses of employment land and what the impact of this on the overall supply of employment land and therefore whether this would lead to a need to replace some, or all, of this land lost to employment use.
 3. There is no consideration of vacancy rates within the property market and therefore an allowance for vacancy and churn, or indeed any allowance to address historic low levels of vacancy.
 4. The assumptions that drive the final projections of employment floorspace are not clear.

Employment Land Background Paper, Southampton City Council, Oct 2022

- 4.20 This background paper forms part of the evidence base for the Southampton City Vision and the emerging Local Plan for the City of Southampton.
- 4.21 Unlike the previous studies reviewed this paper does not seek to establish employment floorspace and land requirements and focuses on a review of existing sites and whether they could be considered for release to other uses or regeneration based on an assessment of their quality which builds on work undertaken by LSH in 2017. Six sites are identified as having regeneration potential and seven having poor access could be redesignated.

- 4.22 This work given that it lacks any projections of employment land needs is less relevant to this study. It is noted that this refers to the work of the Partnership for Urban South Hampshire (PfSH) and its emerging strategy which will influence the Local Plan going forward.

Economic and Employment Land Evidence Base Paper GL Hearn, May 2016

- 4.23 This now very dated study has its origins back in 2015 when this work was commissioned by the Portsmouth and Urban South Hampshire Partnership (PUSH) which represents Portsmouth and the urban parts of South Hampshire including Eastleigh, Fareham and Southampton. This work is referenced in a number of the above studies.
- 4.24 This study contains an economic overview of the PUSH area (now renamed PfSH) alongside an assessment of the commercial market. At the time (2013 base data) Eastleigh housed 60,700 jobs.
- 4.25 In terms of projecting future employment land needs this work outlined three approaches:
- Labour demand;
 - Labour supply; and
 - Past take up.
- 4.26 The labour demand approach was based on econometric forecasts from Oxford Economics dating from summer 2015 for the period to 2029 extended to 2036, with past completions data utilising data from Hampshire County Council.
- 4.27 The econometric forecasts at the time envisaged employment growing across the area by 97,000 and that the economy in employment terms would grow slightly faster than the UK economy but below the rate of growth across the wider South East. Across this wider area the sectors that were expected to grow the fastest in absolute terms were: specialised construction, computer programming and consultancy, retail trade, food and beverages and education.
- 4.28 These forecasts were then translated into full time equivalents (FTE) jobs growth for each Local Authority (LA) by land use sector (see Table 4.4 below). With regard to Eastleigh over 5,000 new jobs were forecast in B1a/b uses with decline in both B1c and B2 jobs and a modest 1,050 growth in B8 related activities.

Table 4.4 - Forecast Employment Growth by B Class Use 2011 -2036 Economic and Employment Land Evidence Base Paper

	B1a/b: Office	B1c: Light Industrial	B2: Industrial	B8: Warehouse
Eastleigh	5511	-447	-907	1050
Fareham	2684	47	-469	702
Gosport	1855	30	-349	557
Havant	3608	-459	-838	497
IOW	1484	-151	-562	59
Portsmouth	5480	-469	-1681	-82
Southampton	5490	263	-794	1637
East Hants (part)	-30	-1	-40	58
New Forest (part)	830	27	-575	282
Test Valley (part)	1860	-14	-183	601
Winchester (part)	4826	146	-65	1099
PUSH	33598	-1029	-6463	6461

Source: GL Hearn 2016

- 4.29 These projections were then converted to floorspace using the then 2010 HCA guidance on employment densities for the various uses. In Eastleigh this translated into significant growth in B1a/b and B8 floorspace and a decline in B1c and B2 floorspace. The report refers to the need to consider other factors such as the loss of employment land, specific locational requirements of sectors and then need to provide some form of contingency. Table 4.5 reflects the forecasts for Eastleigh at the time.

Table 4.5 - Net Employment Forecasts for Future Employment Floorspace 2011-36 Economic and Employment Land Evidence Base Paper

	B1a/b	B1c	B2	B8	Total B Class
Eastleigh	79,357	-22,072	-34,270	73,504	96,520
Fareham	38,648	2,298	-17,743	49,131	72,334
Gosport	26,711	1,461	-13,193	38,994	53,971
Havant	51,958	-22,670	-31,688	34,809	32,409
IOW	21,363	-7,454	-21,262	4,118	-3,235
Portsmouth	78,910	-23,147	-63,533	-5,770	-13,540
Southampton	79,062	12,969	-29,996	114,595	176,630
East Hants	-425	-58	-1,514	4,070	2,074
New Forest	11,951	1,348	-21,724	19,757	11,331
Test Valley	26,778	-680	-6,926	42,101	61,274
Winchester	69,494	7,197	-2,467	76,939	151,164

Source GL Hearn 2016

- 4.30 The study then seeks to assess potential employment demand by examining past employment completions data using data between 1996 and 2013 (17 years). Two projections were developed from this trend data based upon the previous decade 2004-14 and then the previous decade to that 1998 to 2008. This reflected

a period of economic growth up to 2008 and a period with a significant recession 2008 to 2014. The data for Eastleigh under both scenarios is presented below:

Table 4.6 - Floorspace Employment Needs Based Upon Past Completions Data Economic and Employment Land Evidence Base Paper 2016

	B1a/b	B1c /B2	B8	Mixed B Use Class	Total B Class
Completions Based Up 2004 -14 (Recession) Data					
Eastleigh Sqm	144,996	-274,072	-2,637	58,335	-73,378
Completions Based on 1998 -2018 (Pre-Recession) Data					
Eastleigh Sqm	170,609	-274,972	12,455	133,455	41,547

Source GL Hearn 2016

- 4.31 The data reflects both wider economic trends and changes in the nature of the economy particularly for the decade 1998-2008. In both the pre-recession (1998-2008) and recession period 2004-2014 office floorspace in Eastleigh grew significantly. Across light and general manufacturing decline in floorspace demand is consistent across both data sets. B8 requirements grew modestly in the non-recession based trend and decline slightly during the recession. This data also uses a category of mixed B class employment for sites where there is a mix of B uses rather than domination of one use class. This is forecast to grow significantly if trends were to follow a non-recession period.
- 4.32 The study concludes that it views labour demand forecasts as the most appropriate for future forecasts based on a view that these best reflect a more cautious economic outlook at that time. It goes on to introduce the need to consider the following in developing forecasts of employment land need:
- Need to provide a choice of sites and flexibility;
 - Additional economic drivers not covered by forecasts;
 - Churn (vacancy) within the local market; and
 - Non B use classes locating on B use class sites.
- 4.33 To address these the report includes an additional contingency as a 5 year margin based on long term past take up figures (gross). However the analysis does not include a buffer for B2 and B8 uses merging this with the mixed B class to result in the following overall projections of overall net need.

Table 4.7 - Overall Net Need for Employment Land 2011 – 2036 Economic and Employment Land Evidence Base Paper 2016

Sq.m	Office	Mixed B-Class	Total B-Class
EASTLEIGH	115,706	46,534	162,240
FAREHAM	47,168	76,793	123,961
GOSPORT	29,379	39,527	68,906
HAVANT	65,126	337	65,463
PORTSMOUTH	96,979	8,365	105,344
IOW	22,000	-5000	17,000
SOUTHAMPTON	115,433	119,974	235,407
EAST HAMPSHIRE	-305	4,024	3,719
NEW FOREST	15,009	20,833	35,842
TEST VALLEY	41,925	42,305	84,230
WINCHESTER	108,273	109,245	217,518
PUSH AREA	656,693	462,937	1,119,630

Source: GL Hearn 2016

- 4.34 This work is now dated and it was subsequently reviewed in 2021 which we discuss below. It has the merit of seeking to include a margin for flexibility and contingency but not vacancy rates which it does not address. The application of the margin is not entirely clear. The underlying economic forecasts are used to support the forecasting of need which in turn are used to support the Eastleigh Employment Land Needs Assessment Update Report by GL Hearn in 2018 whether these or the use of completions data would be the appropriate forecasting basis is a matter of opinion by using the economic based forecasts even with a margin the approach fails to recognise the loss of employment land and the fact that this will likely lead to additional demand.

Economic, Employment and Commercial Needs (including logistics) Study, Stantec and Vail Williams, March 2021

- 4.35 This study was commissioned by PfSH in 2020 as a refresh of the GL Hearn 2016 study referenced above reflecting at that time that the office need in that report had not occurred in the quantum suggested and that the industrial and distribution market had performed better than expected leading to a potential shortage of space.
- 4.36 The report provides an assessment of the office, industrial and distribution markets across the area focusing on transaction levels, vacancy levels etc. Specifically the report seeks to address why the level of predicted office need in terms of floorspace has failed to materialise and why the industrial/distribution sector is performing better. In the case of Eastleigh the projections of office based jobs have in reality been exceeded by some margin with 580 jobs added pa compared to 220 pa projected. At the same time the evidence in the study suggested that office employment densities have intensified with a decline from 10.3 sqm per job to 8.8 sqm per job an efficiency gain of over 15% in 6 years. There are likely to have been a number of drivers behind this including the impact of COVID-19, the impact of technology and more agile working.
- 4.37 In respect of the industrial market including both industrial and distribution space the study reported strong growth across South Hampshire with 417,000 sqm of floorspace delivered between 2016 and 2020 an average of over 100,000 sqm per annum. The evidence suggest that unlike offices there is not a strong trend towards increased densities in fact industrial and distribution occupiers appear to require more space per worker. Employment is also growing in these sectors particularly in the 5 years to 2021.

- 4.38 In estimating future requirements this study first examines past take up (and loss, therefore net change) of employment floorspace. Based on a 5 year trend for Eastleigh this suggests a modest decline in floorspace in net terms but over the 10 year trend a significant decrease see Table 4.8 below.

Table 4.8 - Net Forecast Office Space Eastleigh 2019-2041 Economic, Employment and Commercial Needs (including logistics) Study, 2021

	Gains Sqm	Losses Sqm	Net Change Sqm	Projection 2019-41 Sqm	Ha
5 Year Projection					
Eastleigh Offices	2,745	6204	-3459	-14,528	-2.4
Eastleigh Industrial	18,541	17,745	796	3,343	0.8
10 Year Projection					
Eastleigh Offices	26,639	8,624	18,015	37,832	6.3
Eastleigh Industrial	24,330	53,113	-28,783	-60,444	-15.1

Source: Stantec and Vail Williams 2021

- 4.39 For industrial uses in Eastleigh the same basis of considering past trends for net take up lead to marginal need requirements over the period 2019 to 2041 based on 5 year trend data but a significant decline based on a 10 year trend. It should be noted that adjoining Fareham has a strong positive demand for industrial land under both forecasts. The study concludes this point by including a vacancy factor as an allowance for the vacant stock expected in any market.
- 4.40 This study then goes on to assess likely floorspace and land demand based upon economic forecasts in this case from Experian. These projections are converted from jobs to floorspace using standard employment densities. For Eastleigh this produces a significant demand of over 80,000 sqm after allowance for vacancies this is the largest for any of the local authorities in South Hampshire. The projections of office based job growth for Eastleigh in the Experian Forecasts are higher than those in the older Oxford Forecasts (22% higher) although the overall forecasts for South Hampshire are similar.
- 4.41 For the industrial market these forecasts suggest significant additional floorspace requirements after allowing for a vacancy factor this leads to a net demand of over 70,500 sqm or 17.7 ha of employment land. Comparison of the underlying forecasts between the Experian forecasts from 2021 the older Oxford Economics which underpinned the 2016 study shows significant additional growth in the more recent Experian forecasts.
- 4.42 The study goes on to consider the influences of housing construction on demand for employment land due to an increase in labour supply from net additional housing and then discusses the merit of the various forecasting approaches before concluding that for offices the approach should cautiously be based upon the labour forecasts from economic projections, and for industrial using the shorter 5 year past trends as this aligns more closely with market evidence.

- 4.43 For Eastleigh, Fareham and Southampton we present below the Net Office and Net Industrial Needs Assessments for each district with allowances for vacancies included.

Table 4.9 - Net Office and Industrial Need 2019-40 Economic, Employment and Commercial Needs (including logistics) Study, 2021

2019 -40	Job Change	Net Demand Sqm	Vacant Stock Adjustment Sqm	Net Demand Sqm	Net Demand Ha
Offices					
Eastleigh	6,282	81,489	14,316	95,805	16.0
Fareham	2,998	38,892	-297	38,595	6.4
Southampton	4,445	57,656	3,303	60,959	10.2
Industrial					
Eastleigh	169	3,614	35,805	39,419	9.9
Fareham	378	88,906	13,248	102,154	25.5
Southampton	-1620	-44,953	13,852	-31,101	-7.8

Source Stantec and Vail Williams 2021

- 4.44 There is, before taking into account any contingency or mitigations for lost employment uses, significant demand for industrial premises in Eastleigh and Fareham. Both districts form part of the same functional economic market area which means that demand is likely to seek locations in either district rather than as being limited to one of the other.
- 4.45 A similar picture emerges for office space but with needs also significant in Southampton as well. For Eastleigh itself demand before considering the impacts of losses of employment land is expected to be 25.9 ha between 2019-2040, in Fareham the corresponding figure is 31.9 ha. The key reason for the additional demand for industrial land when compared to the older GL Hearn Study for the same area is differences in the job growth rates for industrial and distribution sectors which then drive floorspace demand, for instance for Eastleigh the forecast growth change for industrial and distribution requirements per annum were in the GL Hearn Study 687 sqm pa but in the later Stantec Study 3,364 sqm pa.
- 4.46 The study goes on to state that planning authorities should in addition to the above figures consider carefully losses of office and industrial/distribution sites when planning for employment land. Projected office and industrial floorspace losses for Eastleigh at the time (2021) are included in Table 4.10 below.

Table 4.10 - Eastleigh, Fareham and Southampton Projected Employment Floorspace Losses Economic, Employment and Commercial Needs (including logistics) Study

	Offices Pipeline Losses sqm	Industrial Pipeline Losses sqm	Total Sqm
Eastleigh	2,969	19,512	22,481
Fareham	3,658	2,530	6,188
Southampton	49,676	11,700	61,376

Source: Stantec & Vail Williams 2021

- 4.47 It is clear that there are significant employment floorspace losses in the pipeline particularly for industrial uses. The report does not make it clear the timescales over which this might occur or upon what data this is based upon. Planning consents/Local Plan allocations are a likely source but this is not made clear. Replacement of such losses are a priority for the local authority. By way of example meeting the Eastleigh industrial losses would require a plot ratio of 1:0.35 per ha which would require an additional 5.6ha of land.
- 4.48 In addition the report identifies that in to meet the need for new warehouse and logistic occupiers across the South Hampshire Functional Economic Market Area that up to 5 new sites in highly accessible locations are identified. Each of these should be circa 10ha adding a further 50ha to overall requirements.
- 4.49 This latest study seeks to update the GL Hearn Study from 2016 which underpinned the related employment land needs report for Eastleigh produced in 2018. It provides the latest overview of employment land needs in the area prior to the work in this report which focuses on Eastleigh. Whilst the study demonstrates a more developed approach to employment land requirements by the inclusion of vacancy adjustments to need figures it does not fully address the following issues:
1. The inclusion of a buffer/contingency to allow for variances in the forecasts or to allow for sites not coming forward. This would typically be 3-5 years or 10-20% of gross completions.
 2. Whilst recognising the issue of addressing the loss of employment floorspace there is not an explicit development of what the approach by local authorities should be to address this, or an examination of the past track record in terms of losses which might inform a response.
- 4.50 It is CBRE's view that for industrial/distribution land that based on the core 9.9 ha of land that the Stantec study suggests after adding back the proposed losses amount to some 5.6 ha and allowing say 4 years' worth of gross industrial completions as a buffer/contingency (9,732 sqm) this would result in a total requirement for Eastleigh of 18.3 ha based upon a plot ratio of 1:0.35.
- 4.51 There has been considerable development of employment land analysis since 2016. It is clear that the assumptions that underpin the current Eastleigh Local Plan are questionable due to the later work in 2021 commissioned and published by PfSH. This points to a significant need for additional industrial floorspace prior to considering how to address the loss of employment land to other uses which is a significant feature of this area.

5.0 Employment Allocations Assessment

- 5.1

Further to the above review of the local planning authority’s evidence base, we have undertaken a comprehensive review of all employment sites allocated within the Eastleigh Local Plan 2016-2036 (adopted April 2022).
- 5.2

An assessment proforma has been devised to assess the deliverability of these allocated sites over the plan period and therefore their ability to meaningfully contribute to Eastleigh’s employment land supply. The following allocated sites have been assessed:

E6 – Eastleigh River side

E7 – Land adjoining the Eastleigh River Side

CF4 – Land at Steele Close, Chandler’s Ford

E1 – Land at Former Civic Offices, Leigh Road

E9 – Southampton Airport

WE1 – Chalcroft Business Park, Burnetts Lane

WE2 – Land adjoining the Chalcroft Business Park

WE3 – Land west of Tollbar Way

HE5 – Land at Netley Firs, Kanes Hill

HE4 – Land off Peewit Hill Close and Dodwell Lane

5.3

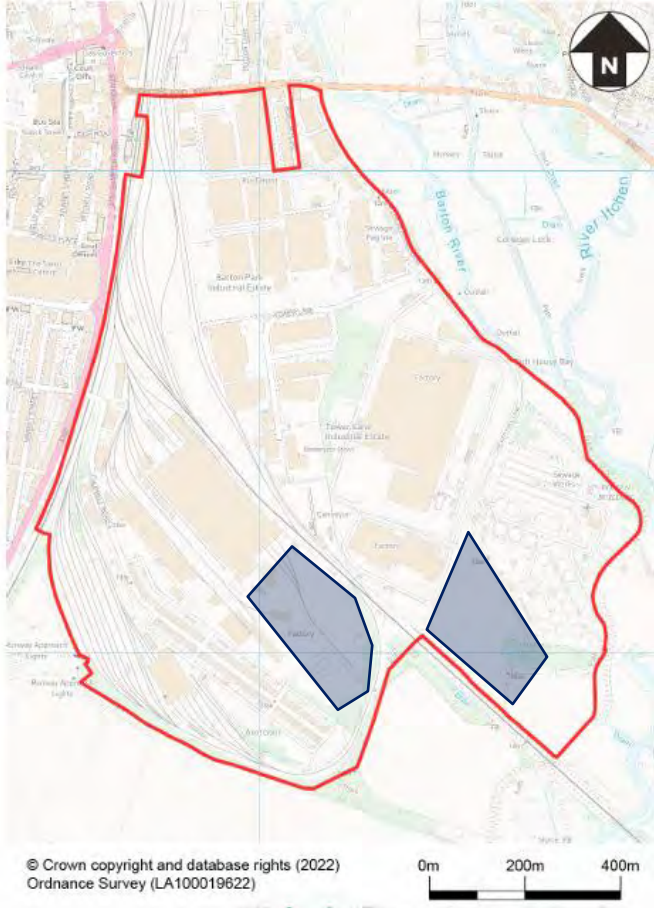
Sites have been assessed against a number of considerations regarding their planning history, timescales, environmental constraints and highways considerations, to determine their deliverability over the plan period. To determine which sites are considered deliverable over the plan period, a RAG rating (Red, Amber, Green) has been assigned to each site based on its combined performance against the aforementioned considerations (see table 5.1 below).
- Table 5.1: RAG Rating
- | Red | Not deliverable within the current Local Plan period – significant constraints. |
|-------|--|
| Amber | Limited deliverability – constraints still to be overcome and/or planning consent awaited. |
| Green | Deliverable – planning consent. |
- 5.4

These considerations broadly reflect those which determined the allocation of the sites, as well as additional information gained from our market knowledge.
- 35

| PROPRIETARY & CONFIDENTIAL INFORMATION

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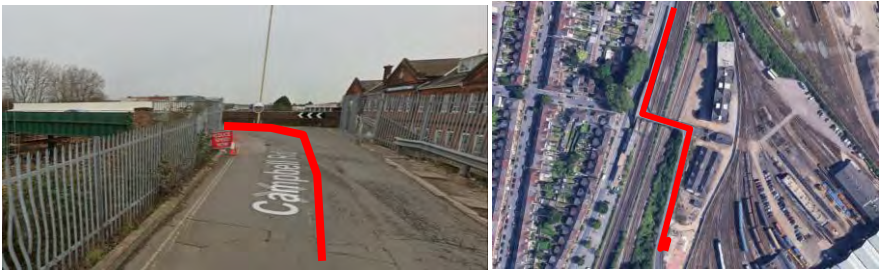
Table 5.2 – Eastleigh River Side – Site Assessment

Allocation: E6	Address: Eastleigh River Side	Size: 19ha for B2/B8/E(g)(ii)(iii)
		
Site Description: In existing use as the Eastleigh River Side industrial park, hosting a mix of B2 and B8 industrial uses. The northern section of the allocation is accessed via a bridge over the railway tracks at Bishopstoke Road and the southern via the Campbell Road bridge. The allocation is focused on the redevelopment of existing industrial premises at Barton Park/ Deacon's Industrial Estate and adjoining land to the west (Network Rail sidings) and to the east adjoining Chicken Hall Lane and new development off Chickenhall Lane for mixed use office, hotel/conference, restaurants, leisure, student accommodation and residential. The areas of focus for the allocation are highlighted (blue) in the plan above. The allocation seeks the redevelopment of existing industrial premises.		
Planning History: Long history of applications of B2/B8 and Class E uses and allocated in local plan. Mixture of various Previously Developed Land (PDL) plots with greenfield site at Chicken Hall Lane site that has no planning history.		
Constraints Environmental - Site directly adjacent to River Itchen Special Area of Conservation (SAC) and Site of Special Scientific Interest (SSSI). - Habitat Regulation Assessment (HRA) Consultation Area.		

Allocation: E6	Address: Eastleigh River Side	Size: 19ha for B2/B8/E(g)(ii)(iii)
- Adjacent residential dwellings to the west of the railway lines limiting types of employment uses. - High Risk of Surface Water flooding. - Site within Nutrient Neutrality Area for The Solent and the River Itchen.		

Highways:

- Limited access across railway lines Bishopstoke Road bridge (northern parcel) and Campbell Road bridge (southern parcel) not suitable for HGVs (see images).
- Will require new bridge for HGV access, at a cost that would make the site unviable and undeliverable.
- Development must not inhibit the proposed Chicken Hall Lane link road as this will minimise impacts on traffic flow in Eastleigh Town Centre.
- Chicken Hall Lane is a private road with restricted access beyond the Prysmian Cables & Systems site, which would be required for access.



Deliverability:

- Southern parcel subject to building height limits of 6m due to Southampton Airport flight path restrictions. This will limit the type of uses and number of potential occupiers.
- Any proposed development must demonstrate the land is not required for any rail related uses in the immediate or long term.
- Former railway use makes land contamination likely and the cost of redevelopment high, reducing the viability of the development and therefore its deliverability.
- An in-depth analysis of the ecological/environmental constraints of the site will be required to be submitted as a HRA to Natural England. The development must not impact upon the integrity of the designated sites within 5km of the development.
- The available sites have a complicated ownership structure with many parcels having multiple landowners, making delivery within the next 5 years unlikely.

Timescale: No new planning application submitted for this site. Unlikely to be delivered within the next 5 years, primarily due to access and environmental constraints.

RAG status:	The site has considerable environmental constraints, height restrictions, land contamination, challenging access situation over restrictive railway bridges and private roads, and a complex ownership structure to be resolved before any development can come forward. The site is undeliverable in the plan period.
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Table 5.3 – Land Adjoining the Eastleigh River Side – Site Assessment

Allocation: E7	Address: Land adjoining the Eastleigh River Side	Size: 8.5ha B2, B8 or E(g)(ii)(iii)
© Crown copyright and database rights (2022) Ordnance Survey (LA100019622)		
Site Description: Site is greenfield agricultural land to the south of the existing industrial park. It is currently inaccessible from the public highway, and would require significant infrastructure to make the site accessible via a new bridge over the railway tracks. This will be a significant cost to the development for a small site and require agreement with the rail operator to facilitate. Similar to allocation E6, it has a number of environmental constraints that would further limit the deliverability of the site. CBRE are aware of some development proposals in early stages on this site, but nothing substantial has been confirmed.		
Planning History: Hybrid Application submitted for 92,000 sqm (GIA) Use Classes E(g) (ii & iii), B2 and B8 with ancillary offices, submitted June 2025.		
Constraints Environmental - Habitats Regulation Assessment of the Local Plan with regards to the River Itchen SAC, the Solent Maritime SAC and the Solent and Southampton Water SPA and Ramsar site and the avoidance and mitigation measures identified. - Coastal and Floodplain Grazing Marsh (Natural England) - Deciduous Woodland (Natural England)		

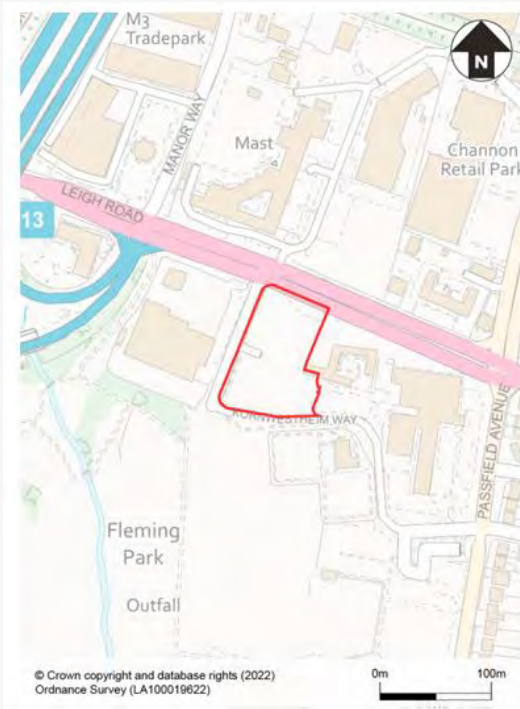
Allocation: E7	Address: Land adjoining the Eastleigh River Side	Size: 8.5ha B2, B8 or E(g)(ii)(iii)
- Site directly adjacent to River Itchen Special Are of Conservation (SAC) and Site of Special Scientific Interest (SSSI). - HRA Consultation Area. - Adjacent residential dwellings to the west of the railway lines limiting types of employment uses. - High Risk Surface Water flooding. - Site within Nutrient Neutrality Area for The Solent and the River Itchen		
Highways: - No access. - Requires bridge over railway tracks. - Contributions required towards road links.		
Deliverability: - Southern parcel subject to building height limits of 6m due to Southampton Airport flight path restrictions. This will limit the type of uses and number of potential occupiers. - An in-depth analysis of the ecological/environmental constraints of the site will be required.		
Timescale: 2-5 years.		
RAG status:	Application submitted June 2025 for B2/B8. The site has considerable environmental constraints, height restrictions and no access without a new railway bridge limiting viability. The site is undeliverable in the plan period.	

Table 5.4 – Land at Steele Close, Chandler’s Ford – Site Assessment

Allocation: CF4	Address: Land at Steele Close, Chandler’s Ford	Size: 1.0ha B2, B8 or E(g)(ii)(iii)
		
Site Description: The site is previously developed land and currently occupied by Eastleigh Fire Service and adjacent to Enterprise Van Hire. It is not believed the Fire Service have made plans to relocate. It is heavily wooded in sections and adjacent to residential properties, limiting the height and use of future employment operations.		
Planning History: Various planning applications associated with the Enterprise site, garages for the fire stations and a temporary storage compound.		
Constraints		
Environmental - Significant flood risk. In Flood Zones 2 & 3. - High Risk Surface Water flooding. - Site within Nutrient Neutrality Area for The Solent and the River Itchen - NATS Consultation Zone - Bird Conservation Area - Adjacent residential dwellings to north and west limiting types of employment uses. - High value mature trees on site, limiting net developable area.		
Highways:		

Allocation: CF4	Address: Land at Steele Close, Chandler's Ford	Size: 1.0ha B2, B8 or E(g)(ii)(iii)
- Access off Oakmount Road and Leigh Road, would need to be improved to accommodate HGV.		
Deliverability: - Not certain the relocation plan for the Fire Service. - Significant demolition required to clear site for new employment use, increasing build cost for a small employment site.		
Timescale: No planning application submitted for employment on this site.		
RAG status:	The site has environmental constraints and a high flood risk. It is in active use by the fire service and its access needs to be improved. The site is undeliverable in the plan period.	

Table 5.5 – Land at Former Civic Offices, Leigh Road– Site Assessment

Allocation: E1	Address: Land at Former Civic Offices, Leigh Road	Size: 0.8ha E(g)(i)
		
Site Description: The site has been developed out for the Hendy Eastleigh car dealership, consented in March 2022. Consented before the adoption of the new Eastleigh Local plan in April 2022 and should not form part of the LPA supply.		
Planning History: Planning consent (F/21/91786) for car dealership granted in March 2022 and all pre-commencement conditions by November 2022.		
Constraints		
Environmental		

Allocation: E1	Address: Land at Former Civic Offices, Leigh Road	Size: 0.8ha E(g)(D)
- N/A site delivered.		
Highways: - N/A site delivered.		
Deliverability: - N/A site delivered.		
Timescale: N/A as the site has been delivered for an alternative use and should not form part of Eastleigh’s employment land supply.		
RAG status:	The site has been developed for an alternative use and should not form part of Eastleigh’s employment land supply.	

Table 5.6 – Southampton Airport – Site Assessment

Allocation: E9	Address: Southampton Airport	Size: 19.5ha B2, B8 or E(g)
		
Site Description: Vacant land to the northeast of the runway for airport-related activities and B2, B8 and E(g).		
Planning History: Part of the site has recently gained planning outline consent for up to 92,000 sqm (GIA) within Use Classes E(g) (ii & iii), B2 and B8 with ancillary offices (O/25/99506) across 9.2ha.		

Allocation: E9	Address: Southampton Airport	Size: 19.5ha B2, B8 or E(g)
Constraints		
Environmental: - Adjacent River Itchen SSSI & SAC. - Some Surface Water flooding. - Site within Nutrient Neutrality Area for The Solent and the River Itchen - Designated Open Space - NATS Consultation Zone - Bird Conservation Area - Adjacent residential dwellings to west. - A site level Habitats Regulation Assessment is required to demonstrate how this site will be delivered without adverse effect on any European Site.		
Highways: - Access off Michell Way and can accommodate HGVs. - The design of new development shall make allowances for the provision of a new Chicken Hall Lane link road.		
Deliverability: - Deliverable in 2-5 years if granted consent on live application. - Building height limits associated with the Southampton Airport runway.		
Timescale: Could be delivered within the next 2-5 years if approved.		
RAG status:	The site has limited environmental constraints and strong access. Part of site has outline permission to develop up to 9.2ha of employment use.	

Table 5.7 – Chalcroft Business Park, Burnetts Lane – Site Assessment

Allocation: WE1	Address: Chalcroft Business Park, Burnetts Lane	Size: 8.7ha Conversion of the existing buildings and redevelop land for B2, B8 and E(g)(ii/iii)
		
Site Description: The site is in active use as the Chalcroft Business Park and is almost full occupied. For the allocation to be delivered it will require the comprehensive redevelopment of the site. Office proposals will need to be sequentially tested to prove town centre locations are not viable. A new access road to the site has been developed however the site is in a very remote location and is be subject to far lower rents achievable, than in locations with greater access to freight and employees limiting the viability of proposals. Development would need to demonstrate it would not adversely affect adjoining Site of Importance for Nature Conservation. A site level Habitats Regulation Assessment is required to demonstrate how this site will be delivered without adverse effect on any special area of conservation.		
Planning History: Various planning applications associated with developing the existing units, as well as extensions and alterations. Consent has been granted for the partial redevelopment of the allocated site for 2,831sqm of E(g) (F/18/38945), for 6,419sqm of either B2, B8 use in the form of two larger boxes (RM/23/94868) and for 6,420sqm of B2, B8 or E(g) use with 3 buildings, one larger box and two buildings containing 5 smaller units in each. (RM/23/94858) providing flexibility within the site.		
Constraints Environmental - High Risk Surface Water flooding. - Site within Nutrient Neutrality Area for The Solent and the River Itchen		

Allocation: WE1	Address: Chalcroft Business Park, Burnetts Lane	Size: 8.7ha Conversion of the existing buildings and redevelop land for B2, B8 and E(g)(ii/iii)
- NATS Consultation Zone - Adjacency to Open Space designation to the east, south and west. - Adjacent residential dwellings limiting types of employment uses. - High value mature trees on site, limiting net developable area.		
Highways: - New access off Chalcroft Way roundabout.		
Deliverability: - The site is formally Ministry of Defence land. The land title is subject to a covenant that places the liability of claims from former employees' health in relation to asbestos poisoning at the responsibility of the land owner. It is not clear if this liability extends to the site as development land, however, this clause considerably limits the site's desirability to a potential occupier, negatively affecting the chance of deliverability of future development. - Many plots already occupied, limiting the net contribution of employment land. - Isolated location limiting the rental values of the site, due to poor access to freight network and labour pool. - The site is currently being marketed.		
Timescale: Some planning consents for new employment space on this site but not all implemented.		
RAG status:	It has benefited from recent road infrastructure improvements, but has a number of environmental constraints and deliverability concerns associated with its less than desirable location and its land covenants due to former uses. Some consents have been granted across the allocation however not all have been implemented.	

Table 5.8 – Land Adjoining the Chalcroft Business Park – Site Assessment

Allocation: WE2	Address: Land Adjoining the Chalcroft Business Park	Size: 1.6ha for B8 and E(g)(ii/iii) use
		
Site Description: The site is vacant greenfield land adjacent to the Chalcroft Business Park. Small allocation with limited uses (no B2). Office proposals will need to be sequentially tested to prove town centre locations are not viable. A new access road to the site has been developed however the site is in a very remote location and is be subject to far lower rents achievable, than in locations with greater access to freight and employees limiting the viability of proposals. Development would need to demonstrate it would not adversely affect adjoining Site of Importance for Nature Conservation. A site level Habitats Regulation Assessment is required to demonstrate how this site will be delivered without adverse effect on any European site.		
Planning History: Site currently has live application for “Outline application for up to 3,410m² of commercial floorspace (Use Classes E(g)(ii), E(g)(iii) and B8) to include farm shop (Use Class E(a)) of up to 325m²” (O/23/96467). Submitted in 2023 will no decision so far.		
Constraints Environmental - Some limited Surface Water flooding. - Site within Nutrient Neutrality Area for The Solent and the River Itchen - NATS Consultation Zone - Adjacency to Open Space designation to the east, south and west. - Adjacent residential dwellings limiting types of employment uses. - Mature trees on site, limiting net developable area. Highways:		

Allocation: WE2	Address: Land Adjoining the Chalcroft Business Park	Size: 1.6ha for B8 and E(g)(ii/iii) use
- New access off Chalcroft Way roundabout.		
Deliverability: - We have been made aware that the land title is subject to a covenant that places the liability of former employees' death in relation to asbestos poisoning at the responsibility of the land owner. This clause considerably limits the site's desirability to a potential occupier, negatively affecting the chance of deliverability of future development. - Isolated location limiting the rental values of the site, due to poor access to freight network and labour pool. - Subject to a live application and could be delivered in next 2 years if approved.		
Timescale: Live planning application submitted for new employment space on this site, and could be delivered in next 2 years.		
RAG status:	It has benefited from recent road infrastructure improvements, and has limited environmental constraints. There are limiting uses on site due to its small size and adjacency to residential properties. There are also deliverability concerns associated with its less than desirable location and its land covenants due to former uses. However the site has a live application for employment use and could be delivered in the next 2 years.	

Table 5.9 – Land west of Tollbar Way – Site Assessment

Allocation: WE3	Address: Land west of Tollbar Way	Size: 0.8ha for B8 and E(g)(ii/iii) use
		

Site Description: The site is vacant greenfield land adjacent to the Berrywood Business Village. Small allocation with limited uses and occupiers. Development to be high quality and comparable/compatible with adjacent employment uses. Adjacent to residential properties to the east. Reliant on existing access via third party land.

Allocation: WE3	Address: Land west of Tollbar Way	Size: 0.8ha for B8 and E(g)(ii/iii) use
Planning History: Site currently has live application for “Outline application for up to 3,410m2 of commercial floorspace (Use Classes E(g)(ii), E(g)(iii) and B8) to include farm shop (Use Class E(a)) of up to 325m2” (O/23/96467). Submitted in 2023 with no decision so far.		
Constraints		
Environmental: - Partly Flood Zone 2 and 3. - Adjacent to SSSI. - Some limited Surface Water flooding. - Site within Nutrient Neutrality Area for The Solent. - NATS Consultation Zone. - Adjacency to Open Space designation to the east, south and west. - Adjacent residential dwellings limiting types of employment uses. - Mature trees on site, limiting net developable area.		
Highways: - Access to be off existing Tollbar Way and therefore reliant in achievable access through existing Berrywood Business Village.		
Deliverability: - Isolated location limiting the rental values of the site, due to poor access to freight network and labour pool. - Access is reliant on existing route off Tollbar Way, making the site’s deliverability reliant on access over third party land or LPA land.		
Timescale: Could be delivered in next 2 years.		
RAG status:	Some constraints due to small scale of allocation, access arrangements and environmental constraints including flood risk, but, could be resolved. However the site has a live application for employment use and could be delivered in the next 2 years.	

Table 5.10 – Land at Netley Firs, Kanes Hill – Site Assessment

Allocation: HE5	Address: Land at Netley Firs, Kanes Hill	Size: 1.8ha for B2 or E(g)(ii/iii)
		
Site Description: The site is vacant scrub land, containing numerous mature trees reducing net developable area and increasing Biodiversity Net Gain (BNG) requirements. Closely neighbouring residential properties to the south. Within the middle of settlement gap between Hedge End and Southampton.		
Planning History: Site currently has Reserved Matters permission in June 2024 for demolition of existing buildings and erection of 23 employment units (up to 5,905 sq.m.) with units 12-20 for Use Class B1 (b) and (c) and units 1-11 and 21-23 for Use Class B2 (RM/24/96684). Consent not implemented.		
Constraints		
Environmental - Some limited Surface Water flooding. - Site within Nutrient Neutrality Area for The Solent. - NATS Consultation Zone. - Within Open Space. - Adjacent residential dwellings limiting types of employment uses. - Mature trees on site, limiting net developable area. - Within the settlement gap. - Development must not impact upon the residential amenity of any nearby dwellings and travelling show peoples site.		
Highways: - Access to be off Kanes Hill. No private access making it less appealing (shared with travellers site).		
Deliverability:		

Allocation: HE5	Address: Land at Netley Firs, Kanes Hill	Size: 1.8ha for B2 or E(g)(ii/iii)
- The consent is for 23 small employment units, making it quicker to deliver over next 1-2 years if an occupier acquires the site. - The site has been marketed for 4 years with no known occupier ready.		
Timescale: Planning consent for new employment space on this site, and could be delivered in next 2 years if occupier is found.		
RAG status:	Some constraints due to small scale of consented units and the limited net developable area, making the site less appealing. The site has been marketed unsuccessfully for a number of years consent and in theory could be brought forward if an occupier can be found.	

Table 5.11 – Land off Peewit Hill Close and Dodwell – Site Assessment

Allocation: HE4	Address: Land off Peewit Hill Close and Dodwell Lane	Size: 2.3ha for B8 and E(g)(ii/iii) use
		

Site Description: The site is vacant scrub land, off a small lane behind the Bonhomie House care home. Site appears biodiverse with numerous mature trees reducing net developable area and increasing BNG requirements. Close to residential properties to the east. Within the middle of settlement gap between Hedge End and Southampton. Must follow sequential test for office uses. The use of the site must be compatible with neighbouring residential uses and must not affect their residential amenities by adding to noise or light pollution, air pollution, traffic or by hours of working. Requires substantial landscaping. A site level Habitats Regulation Assessment is required to demonstrate how this site will be delivered without adverse effect on any European site. The development must not impact upon the integrity of the designated sites within 5km of the development.

Planning History: No planning history.

Allocation: HE4	Address: Land off Peewit Hill Close and Dodwell Lane	Size: 2.3ha for B8 and E(g)(ii/iii) use
Constraints		
Environmental: - Some limited Surface Water flooding. - Biodiversity Fragment Action Zone. - Site within Nutrient Neutrality Area for The Solent. - Adjacent to Open Space designation. - Adjacent residential dwellings limiting types of employment uses. - Site has archaeological interest. - Mature trees on site, limiting net developable area. - Within the settlement gap.		
Highways: - The developer must provide the remainder of the new link road, which has been in the pipeline for 30 years, as site access is off an unadopted road. - Peewit Hill Close is a single track lane.		
Deliverability: - New access road needed at the cost of the developer. Site cannot be delivered until this new link road is constructed.		
Timescale: No foreseeable delivery within the plan period.		
RAG status:	There are some environmental constraints, however the biggest constraint is that the development can only come forward if the new link road is delivered. The link road has been in the pipeline for 30 years but has not been delivered yet. Eastleigh BC state that <i>'The cost of the full road is so substantial it is clear that investment from government is needed to make it viable.'</i> As such the delivery of this road does not seem likely within the plan period.	

- 5.5 The above site assessments have been summarised in the table below and assigned an overall RAG status based on their ability to contribute towards Eastleigh's employment supply.

Table 5.12 – Overall Site Assessment

Allocation Site	Size	Environmental	Highways	Deliverability	Overall RAG
Eastleigh River Side (E6)	19ha	Adjacent SSSI & SAC, HRA, Residential Amenity, Surface Water Flooding, Nutrient Neutrality Area	Bishopstoke Rd & Campbell Rd bridge, HGV access, private road at Chicken Hall Lane	6m Height limits, land contamination, must not be required for railway.	Red
Land adjoining the Eastleigh River Side (E7)	8.5ha	Adjacent SSSI & SAC, HRA, Residential Amenity, Surface Water Flooding, Nutrient Neutrality Area	No access. Requires a railway bridge. Contributions for road link,	6m Height limits and no access.	Amber
Land at Steele Close, Chandler's Ford (CF4)	1.0ha	Flood Zone 3 and high surface water flooding. Nutrient neutrality area, NATS Zone, Bird Conservation Area, adjacent residents and mature trees.	Oakmount Rd and Leigh Rd access.	Fire Service current occupier. Demolition required.	Red
Land at former Civic Offices, Leigh Road (E1)	0.8ha	N/A	N/A	Site already delivered and cannot count towards Eastleigh's supply.	Red
Southampton Airport (E9)	19.5ha	Adjacent SSSI & SAC, HRA, Surface Water Flooding, NATS Zone Bird Conservation Area, adjacent residents, Nutrient Neutrality Area	Suitable access.	Height limits from Southampton Airport.	Green
Charlcroft Business Park, Burnetts Lane (WE1)	8.7ha	High surface water flooding, Nutrient Neutrality Area, NATS Zone, adjacent residential, mature trees	New access off Charlcroft Way	Restrictive land covenant. Already occupied and limited to redevelopment or alterations. Isolated location with lower rents.	Amber

Allocation Site	Size	Environmental	Highways	Deliverability	Overall RAG
Land Adjoining the Chalcroft Business Park (WE2)	1.6ha	Some surface water flooding, NATS Zone Bird Conservation Area, adjacent residents, Nutrient Neutrality Area, mature trees.	New access off Chalcroft Way.	Restrictive land covenant. Isolated location with lower rents. Live application on site.	Green
Land west of Tollbar Way (WE3)	0.8ha	Partly FZ 2 & 3, Adjacent SSSI, surface water flooding, adjacent residential, mature trees, , NATS Zone, Nutrient Neutrality	Existing Tollbar Way access, reliant on Eastleigh Council land or Berrywood Business Village land.	Isolated location with lower rents and third party land required for access. Small site.	Green
Land at Netley Firs, Kaneshill (HE5)	1.8ha	Some surface water flooding, NATS Zone Bird Conservation Area, adjacent residents and traveller site, Nutrient Neutrality Area, mature trees, within settlement gap	Access shared with traveller site.	Small employment units consent. Is being marketed but no known start.	Green
Land off Peewit Hill Close and Dodwell Lane (HE4)	2.3ha	Some surface water flooding, Biodiversity Fragment Action Zone, adjacent residents and traveller site, Site of archaeological interest, Nutrient Neutrality Area, mature trees, within settlement gap	New access required.	New link road required limiting deliverability.	Red
TOTAL	63.8ha				

- 5.6 The above site assessment has demonstrated that a considerable number of allocated employment sites cannot meaningfully contribute to Eastleigh's current employment land demands, due to a lack of deliverability and high number of constraints. On the basis of the 4 sites offered a Red status, some 23.1 ha of allocated employment land could be discounted from the employment land supply, as they are unlikely to be delivered within the plan period. As a result and to ensure the deliverability of employment sites within the plan period up to 2036, other, non-allocated sites must be considered.

6.0 Demand Forecasts

6.1 This section provides an overview of the findings from the economic models. We identify the potential future quantum of employment land required for offices (E) and industrial/warehousing (B2/B8) uses within Eastleigh Borough up to 2044.

6.2 We have considered three different approaches:

- Econometric demand forecasts from Oxford Econometrics for Eastleigh for a 20 year period from 2024-2044. Conversion of projected jobs into floorspace and floorspace into hectares have been undertaken.
- Use of actual job change by sector figures for the period 2001-2021 from ONS data, these are then converted to average growth rates and applied to baseline total employment for a period of 20 years.
- Projecting future requirements based on past trends for the development of employment floorspace derived from completions data from the local authority considered together with evidence of the loss of employment land to other uses.

Projected Labour Demand from Econometric Forecasts

6.3 We have prepared two employment growth demand forecasts using industry standard econometric data from Oxford Economics. Both forecasts apply the total employees in employment by Class E (offices), B2 and B8 use classes and these employment projections are converted into floorspace and hectares. Model 1 shows the outcome of the forecast without any adjustment whereas Model 2 applies historic growth rates to actual employment. Both use 2024 as the base year and forecasts annually over a 20 year period to 2044 to identify a land requirement.

6.4 We summarise below the process undertaken to get to a land requirement.

Employment Projections up to 2044

6.5 The forecast models provide as an output the future employee numbers by sector which are adjusted to FTE's. The employee numbers used are based on the Standard Industrial Classification (SIC). Those uses that are not deemed to be traditional employment uses (i.e. those uses highlighted within the SIC Codes which create employment but are not considered to fall within E, B2 and B8 use classes) are excluded.

6.6 These include accommodation & food service; agriculture, forestry & fishing; arts, entertainment and recreation; electricity, gas, steam and air; human health and social work activities; mining & quarrying; office aggregate; other service activities; education; and wholesale & retail trade.

6.7 This leaves the employment sectors included being those in Table 5.1 below.

Table 5.1 – Sectors driving employment land demand (E/B2/B8)

Sectors	Use Class
Administrative and support	E
Water supply	B2
Financial and insurance	E
Information and communication	E
Manufacturing – Total	B2
Professional, scientific and tech	E
Public administration and defence	E
Real estate activities	E
Transportation and storage	B8

Source: Oxford Economics 2023/CBRE 2025

Model 1 – over a 20 year period from 2024 to 2044

6.8 The employment projections by use class up to the end of 2044 are provided within Table 5.2 below.

Table 5.2 Projected jobs by Sector for Eastleigh Borough up to 2044

Sectors	Use Class	2024	2044	Change	% Change
Administrative and support	E	3,973	4,618	645	16.23%
Water supply	B2	388	349	-39	-10.00%
Financial and insurance	E	3,264	3,190	-74	-2.28%
Information and communication	E	3,601	4,209	608	16.89%
Manufacturing - Total	B2	6,163	3,936	-2,227	-36.14%
Professional, scientific and tech	E	3,739	4,538	800	21.39%
Public administration and defence	E	2,394	2,251	-143	-5.96%
Real estate activities	E	1,188	1,215	27	2.27%
Transportation and storage	B8	4,814	4,893	79	1.65%
Construction	B2	5,152	5,989	837	16.25%

Source: Oxford Economics 2023/CBRE 2025

Key: Green shows higher levels of growth & red greatest decline

- 6.9 Employment in professional, scientific and technical (E jobs) is expected to increase to 21.39% up to 2044 showing considerable growth. Information and communication (E class) is forecast to grow during this period but not at the same rates with growth at 16.89% up to 2044. Double digit percentage growth is also forecast in admin & support (E class) and construction (B2).
- 6.10 We are aware of the recent granting of planning consent on the Navigation Quarter site which will supply 9.2ha of additional employment land and demonstrates the deliverability of the E9 allocation which totals 19.5ha. This would need to be factored and would reduce the shortfall stated above to 22.46 ha. The subject site provides 4.57ha of employment land and will contribute to this shortfall in the plan period.

- 6.11 The forecast predicts manufacturing employment (B2) to contract by 36.14% up to 2044.
- 6.12 Table 5.3 breaks this down further by use class showing the total projected change in job numbers within Eastleigh by use class.

Table 5.3 Projected jobs by Use Class Sector for Eastleigh Borough up to 2044

Use Class	2024	2044	Change	% Change
E	18,159	20,021	1,863	10.26%
B2	11,703	10,274	-1,429	-12.21%
B8	4,814	4,893	79	1.65%

Source: Oxford Economics 2023/CBRE 2025

Key: Green shows higher levels of growth & red greatest decline

- 6.13 At a use class level expected levels of employment are expected to grow to 10.26% up to 2044 for sectors in E class uses but to contract for B2 employment by 12.21% in 2044. As previous these broad forecast trends clearly hide finer variation at a sector by sector level as shown in Table 5.2.
- 6.14 Once individual employment sectors have been identified and have been allocated Use Classes, it is possible to convert employment figures into floorspace requirements. This is undertaken by using the following industry standard employment densities.

Table 5.4 – Employment Densities

B2	General Industrial Buildings	36m2 per employee
B2	Light Industry	47m2 per employee
B8	Warehousing	77m2 per employee
E	General Office Figure (Blended)	12.5m2 per employee
E	Financial and Professional	11m2 per employee

Source: Oxford Economics 2023/CBRE 2025

- 6.15 Jobs are transferred into floorspace as below.

Table 5.5 Projected floorspace by Sector for Eastleigh Borough up to 2044

Sectors	Use Class	2024	2044	Change	% Change
Administrative and support	E	49,665	57,728	8,063	16.23%
Water supply	B2	18,236	16,412	-1,824	-10.00%
Financial and insurance	E	35,907	35,089	-818	-2.28%
Information and communication	E	45,006	52,606	7,600	16.89%
Manufacturing - Total	B2	289,670	184,992	-104,678	-36.14%
Professional, scientific and tech	E	41,125	49,922	8,798	21.39%
Public administration and defence	E	29,925	28,140	-1,785	-5.96%
Real estate activities	E	13,068	13,365	297	2.27%
Transportation and storage	B8	370,647	376,746	6,098	1.65%
Construction	B2	185,479	215,611	30,132	16.25%

Source: Oxford Economics 2023/CBRE 2023

Key: Green shows higher levels of growth & red greatest decline

- 6.16 Floorspace in professional, scientific and technical (E jobs) is expected to increase to 21.39% up to 2044 showing considerable growth. Information and communication (E class) is forecast to grow during this period but not at the same rates with growth at 16.89% up to 2044. Double digit percentage growth is also forecast in admin & support (E class) and construction (B2).
- 6.17 The forecast predicts manufacturing employment (B2) to contract by 36.15% up to 2044.
- 6.18 By combining floorspace figures together in terms of the five bespoke density conversions shown in Table 5.4 above, it is now possible to establish overall figures for E class general office/financial & professional; B2 general/light industrial and B8 warehouse floorspace.

Table 5.6 Projected floorspace by Employment Use Class for Eastleigh Borough up to 2044

Use Class	2024	2044	Change	% Change
	sqm			
E	214,696	236,850	22,154	10.32%
B2	493,386	417,016	-76,370	-15.48%
B8	370,647	376,746	6,098	1.65%

Source: Oxford Economics 2023/CBRE 2023

Key: Green shows higher levels of growth & red greatest decline

- 6.19 At a use class level floorspace is expected to grow to 10.32% up to 2044 for sectors in E class uses but to contract for B2 employment by 15.48% in 2044. As previous these broad forecast trends clearly hide finer variation at a sector by sector level as shown in Table 5.5.

Model 2 – over a 20 year period from 2024 to 2044 applying historic growth rates

- 6.20 This model is based upon real job change over the period 2001 to 2021 which has then been translated into average annual growth rates by sector. This in effect models past change in the economy in terms of employment which is projected forward.
- 6.21 The employment projections by use class up to the end of 2044 are provided within Table 5.7 below.

Table 5.7 Projected jobs by Sector for Eastleigh Borough up to 2044

Sectors	Use Class	2024	2044	Change	% Change
Administrative and support	E	4,563	8,455	3,892	85.31%
Water supply	B2	387	643	257	66.38%
Financial and insurance	E	3,421	4,323	902	26.38%
Information and communication	E	3,964	9,684	5,720	144.30%
Manufacturing - Total	B2	6,002	4,980	-1,022	-17.02%
Professional, scientific and tech	E	8,808	19,245	10,437	118.50%
Public administration and defence	E	2,662	5,127	2,464	92.57%
Real estate activities	E	1,570	6,324	4,754	302.86%
Transportation and storage	B8	5,270	7,924	2,654	50.35%
Construction	B2	5,294	5,213	-81	-1.53%

Source: Oxford Economics 2023/CBRE 2025

Key: Green shows higher levels of growth & red greatest decline

- 6.22 Employment in three sectors are forecast to show significant growth up to 2044 with Real Estate activities seeing 302.86% growth, Information and communication (E class) 144.3% and professional, scientific and technical (E jobs) by 118.5%. Growth above 50% is also forecast in public admin & defence, admin & support (E class), water supply and transportation and storage.
- 6.23 The forecast predicts manufacturing employment (B2) to contract up to 2044 by 17.02%.
- 6.24 Table 5.8 breaks this down further by use class showing the total projected change in job numbers within Eastleigh by use class.

Table 5.8 Projected jobs by Use Class Sector for Eastleigh Borough up to 2044

Use Class	2024	2044	Change	% Change
E	24,987	53,158	28,171	112.74%
B2	11,683	10,837	-846	-7.24%
B8	5,270	7,924	2,654	50.35%

Source: Oxford Economics 2023/CBRE 2025

Key: Green shows higher levels of growth & red greatest decline

- 6.25 At a use class level significant growth is expected for sectors in E class uses (112.74%) and B8 (50.35%) but to contract for B2 employment by 7.24% by 2044. As previous these broad forecast trends clearly hide finer variation at a sector by sector level as shown in Table 5.7.
- 6.26 Jobs are transferred into floorspace as below by applying the employment densities at Table 5.4. The projected floorspace by use class up to the end of 2044 are provided within Table 5.9 below.

Table 5.9 Projected floorspace by Sector for Eastleigh Borough up to 2044

Sectors	Use Class	2024	2044	Change	% Change
Administrative and support	E	57,037	105,693	48,656	85.31%
Water supply	B2	18,172	30,233	12,062	66.38%
Financial and insurance	E	37,629	47,555	9,926	26.38%
Information and communication	E	49,550	121,053	71,503	144.30%
Manufacturing - Total	B2	282,101	234,079	-48,022	-17.02%
Professional, scientific and tech	E	96,884	211,690	114,806	118.50%
Public administration and defence	E	33,278	64,083	30,805	92.57%
Real estate activities	E	17,268	69,566	52,298	302.86%
Transportation and storage	B8	405,822	610,171	204,349	50.35%
Construction	B2	190,582	187,663	-2,919	-1.53%

Source: Oxford Economics 2023/CBRE 2025

Key: Green shows higher levels of growth & red greatest decline

- 6.27 Floorspace in three sectors are forecast to show significant growth up to 2044 with Real Estate activities seeing 302.86% growth, Information and communication (E class) 144.3% and professional, scientific and technical (E jobs) by 118.5%. Growth above 50% is also forecast in public admin & defence, admin & support (E class), water supply and transportation and storage.
- 6.28 The forecast predicts manufacturing floorspace (B2) to contract up to 2044 by 17.02%.
- 6.29 By combining floorspace figures together in terms of the five bespoke density conversions shown in Table 5.9 above, it is now possible to establish overall figures for E class general office/financial & professional; B2 general/light industrial and B8 warehouse floorspace.

Table 5.10 Projected floorspace by Employment Use Class for Eastleigh Borough up to 2044

Use Class	2024	2044	Change	% Change
	sqm			
E	291,645	619,640	327,994	112.46%
B2	490,855	451,975	-38,879	-7.92%
B8	405,822	610,171	204,349	50.35%

Source: Oxford Economics 2023/CBRE 2025

Key: Green shows higher levels of growth & red greatest decline

- 6.30 At a use class level significant growth is expected in floorspace for sectors in E class uses (112.46%) and B8 (50.35%) but to contract for B2 employment by 7.92% by 2044. As previous these broad forecast trends clearly hide finer variation at a sector by sector level as shown in Table 5.9.

Model 3 - Completions Based Model

- 6.31 This approach uses historical data on the development of employment land in Eastleigh derived upon data from annual monitoring reports produced by the local authority. These include data on employment land development by use and also provide data on employment land lost to non-employment uses (i.e. residential).
- 6.32 Annual Monitoring reports are available currently for the period 2014-2021, ideally in order to assess long term trends 10 years of data would be required therefore CBRE have utilised data for the period pre-2014 included in the Employment Needs Assessment produced by GL Hearn for Eastleigh Council in 2018. These then provides 10 years' worth of comparable data in terms of past trends.
- 6.33 Table 5.11 below provides data on the take up of employment land by employment uses 2011-2021.

Table 5.11 - Take Up of Employment Land 2011-21

Use Class	E	B1c/B2	B8	Mixed Employment
	sqm			
Gross Completions 2011-2017	8,800	6,900	3,700	
Gross Completions 2018-2021	1,259	2,563	1,256	21,098
Average Annual 2011-2017	1,500	1,200	600	
Average Annual completions 2018 -2021	314.75	640.75	314	5,274.5
Weighted Average 2011-21	1,026	976.3	485.6	2,109.8

Source: EDC/CBRE Analysis 2025

- 6.34 From this data it is evident that the take up of employment land has slowed in the period 2017-2021 potentially reflecting the decision to leave the EU in 2016 and the impact of COVID-19 from March 2020 onwards. The mixed employment category reflects a series of projects which were expected to deliver Class E, B2 and B8

floorspace. At this stage in our analysis this has been kept as a separate category. However we split these completions into Class E, B2 and B8 land uses by assessing the uses developed on the ground in each case.

- 6.35 In order to develop a trend based forecast we have taken the published average annual take up rate for the period 2011-2017 provided in the 2018 Employment Land Needs Assessment Report and added our own analysis for the period 2018-2021. These averages have then been combined to provide a weighted average take up for the period 2011- 2021.
- 6.36 The next step in the analysis is to extrapolate these past trends to form a forecast for the next 20 years based on the average take up 2011-2021 this is presented in Table 5.12 below:

Table 5.12 Projected Employment Land Take Up 2024-2044

Use	Average Take up 2011-2021 Sqm pa	Forecast 2024-2044 Sqm
E	1,026	20,520
B2	976	19,530
B8	486	9,710
Mixed	2,110	42,200

Source: CBRE 2025

Adjustments to the Floorspace Projections

- 6.37 There are a number of adjustments that good practice and guidance suggest can be made to make forecasts more robust for planning purposes, these include:
- Adjustments to allow for vacancy and choice within the market;
 - Adjustments to allow for replacement demand that may be evident from assessing data; and
 - A margin to reflect that sites may not come forward at the rates projected in local plans and to allow for the potential for inaccuracies in forecast.

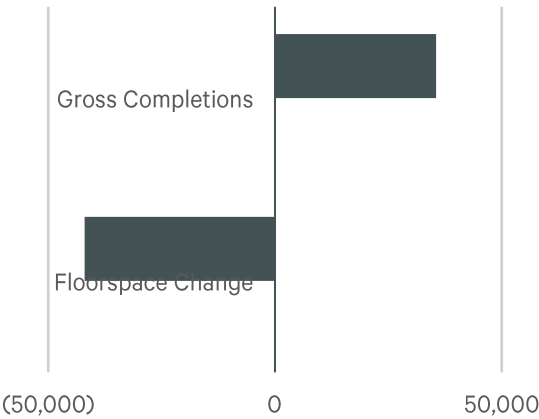
Adjustments for Vacancy Levels

- 6.38 It is general practice to add a factor of between 5-10% to allow for a general level of vacancy in the market this allows for transactional activity with units vacant for periods of time and for buildings that are being refurbished and therefore not available for occupation. In this work we have allowed for 7.5% which is the midpoint of the range as a general uplift to the forecasts to reflect normal market conditions
- 6.39 A second factor to consider in developing forecasts which relates to vacancy levels is the extent to which a further adjustment is needed to address a current unusual shortage of property which is available which is constraining the market As discussed earlier in this report the current level of vacancy for industrial/distribution uses is circa 3.3% which is below market norms and suggests a constrained industrial/distribution property market. Therefore in our forecasts we have made provision to address this shortfall by adding an additional requirement which adds 13,580 sqm of floorspace to bring the level of vacant stock to 5% (an uplift of 1.7%) based on an stock of 799,000 sqm derived from VOA data.
- 6.40 In respect of the office market the vacancy rate according to VOA data is 12.5%. As this is above the average of 5% no adjustments are required.

Allowance for Replacement Demand/Losses of Employment Floorspace

- 6.41 Replacement demand seeks to take account that not all of demand for floorspace is driven by additional employment. A proportion is also derived from businesses seeking to relocate for business efficiency reasons, or because their existing premises are either too old or are being redeveloped. Assessing the extent of this is difficult. CBRE have sought to address this by examining a number of sources of data.
- 6.42 By examining VOA floorspace trend data it is possible to determine the net change in employment floorspace over a defined period of time. VOA data is based upon business rate databases and defines property as industrial (including manufacturing and distribution premises) and offices which includes general offices and R&D space. It is also possible to examine the extent of employment land completions from local authority planning monitoring data.
- 6.43 Figure 5.1 below provides an analysis of these two data sets for industrial floorspace over the period 2011-2021 reflecting the availability of employment completions data from the local authority.

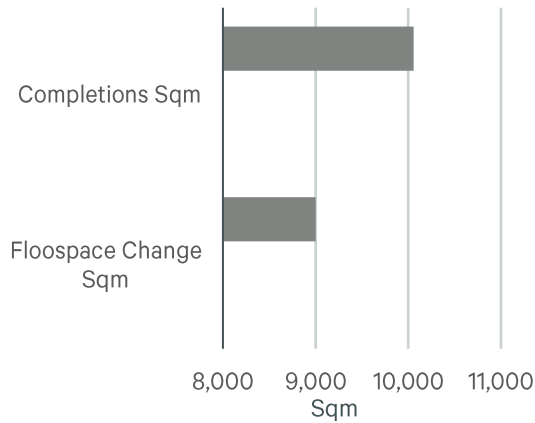
Figure 5.1 - Comparison of VOA Industrial Floorspace Change Trends and Employment Land Completions 2011-21



Source: VOA, EDC, CBRE Analysis 2025

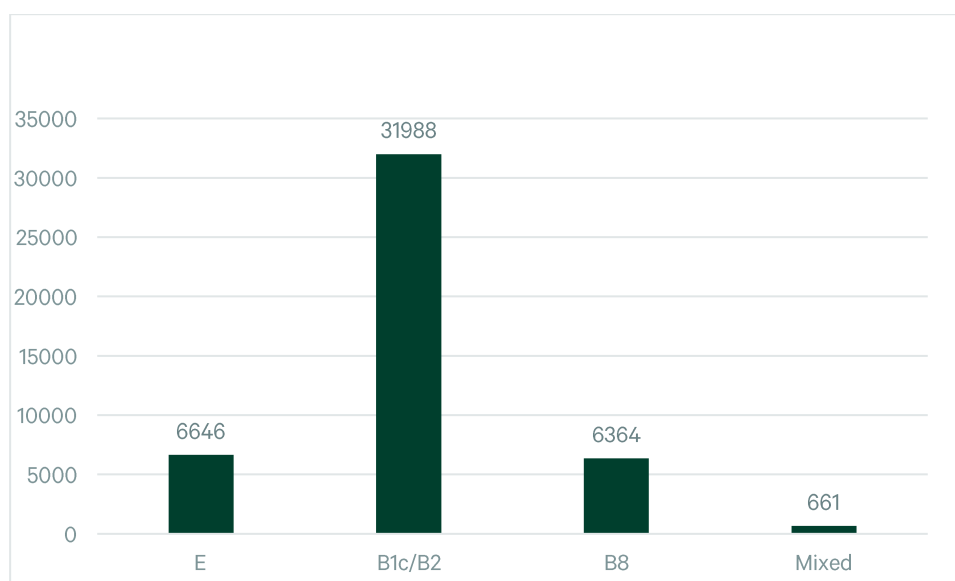
- 6.44 What is evident from this data that whilst the overall supply of industrial floorspace has declined over the period which is expressed as a net figure planning data reveals that the level of employment land completions has taken place amounting to 35,000 sqm. Some of this demand will reflect employment growth but given the falls in manufacturing employment during this period contrasting with some growth in distribution employment clearly not all of this can be ascribed to this source. It is a matter of judgement as to what extent this demand should considered as replacement demand.
- 6.45 For office and R&D space the figure below presents equivalent data:

Figure 5.2 - Comparison of VOA Office Floorspace Change Data and Employment Land Completions 2011-21



Source: VOA, EDC, CBRE Analysis 2025

- 6.46 In contrast to industrial floorspace the data for office floor space demonstrates growth in terms of the net position of the overall stock of floorspace and completions data. This would be expected given the growth in office and R&D related employment sectors over the period. None the less the fact that the overall change in office floorspace is less than completions would suggest that significant amounts of office floorspace are being lost to other uses.
- 6.47 The final factor to consider is losses of employment land during the period to redevelopment or conversion to non-employment uses (typically housing). Data from Local Authority Monitoring is presented below:

Figure 5.3 - Employment Land Losses 2011-21

Source: EDC/CBRE 2025

- 6.48 Further data is available from the Stantec Vail Williams Study Employment Economic and Commercial Needs Study 2021 which was provided with data at that time of employment floorspace likely to be lost to employment use as it had planning consent or an allocation for an alternative use. For office and industrial uses this data is replicated below:

Table 5.13 - Eastleigh, Fareham and Southampton Projected Employment Floorspace Losses Economic, Employment and Commercial Needs (including logistics) Study

	Offices Pipeline Losses sqm	Industrial Pipeline Losses sqm	Total Sqm
Eastleigh	2,969	19,512	22,481
Fareham	3,658	2,530	6,188
Southampton	49,676	11,700	61,376

Source: Stantec & Vail Williams 2021

- 6.49 Whilst this data may not reflect all potential employment land losses that might occur it does provide a point in time assessment of the likely losses of employment floorspace.
- 6.50 Our conclusion is that employment forecasts should make an allowance for losses that can reasonably be assessed to take place over the forecast period. The data which provides actual assessments of this are the employment floorspaces lost over the period 2011-2021 which are 39,000 sqm for industrial and distribution uses and 6,645 sqm for office uses alongside the Stantec Vail Williams Study data which provides a point in time assessment of likely losses of employment floorspace which for Eastleigh is 19,500 sqm of industrial/distribution space and 2,969 sqm for offices. Both approaches have pros and cons, past completions data reflects a longer time period but are only a reflection of past economic and property market trends which may not continue. Projected losses due to planning decisions and allocations reflect what is expected to happen

but are at a point in time and additional losses through planning decisions yet to be taken are not included and therefore this approach may underestimate losses over a 20 year period.

- 6.51 Our approach is to take the point between each approach/data and therefore adjustments due to likely losses of employment floorspace are as set out below:

Table 5.14: Adjustments for Projected Losses of Employment Floorspace 2024 - 2044

Use	Allowance for Lost Employment Floorspace
E (Offices and R&D)	4,800 sqm
B2-B8 Industrial and Distribution	29,300 sqm

Source: CBRE 2025

Adjustments for Margins / Contingency

- 6.52 Adding margins to forecasts is a matter of judgement but typically can range from 10-20% if expressed as a percentage, alternatively this can be expressed as 3-5 years annual completions. We have adopted a figure of 15%.
- 6.53 Taking these factors into account Table 5.15 below summarises employment land requirements over the next 20 years.

Table 5.15 - Floorspace Requirements 2024-2044

	Model 1 Labour Forecast Model (OE)	Model 2 Past Trends Employment Demand Model	Model 3 Past Completions Model
E Offices / R&D	Sqm		
Employment Demand	22,150	328,000	20,500
Vacancy (7.5%)	1,660	24,600	1,500
Adjustment for Current Level of Vacancies	0	0	0
Replacement of Losses	4,800	4,800	4,800
Margin (15%)	3320	49,200	3100
Total Demand / Need	31,930	406,600	29,900
B2 Industrial	Sqm		
Employment Demand	-76,4000	-38,900	19,500
Vacancy (7.5%)	0	0	1,500

Adjustment for Current level of Vacancies	6,800	6,800	6,800
Replacement of Losses	14,600	14,600	14,600
Margin 15%			2,900
Total Demand / Need	21,400	21,400	45,300
B8 Distribution	Sqm		
Employment Demand	6,100	204,000	9,700
Vacancy (7.5%)	460	15,300	730
Adjustment for Current Level of Vacancies	6,800	6,800	6,800
Replacement of Losses	14,600	14,600	14,600
Margin 15%	900	30,700	1,500
Total Demand / Need	28,860	271,400	33,330
Mixed Employment	Sqm		
Employment Demand			42,000
Vacancy (7.5%)			3,200
Adjustment for Current Level of Vacancies			0
Replacement of Losses			0
Margin 15%			6,300
Total Demand / Need			51,500
Overall Employment Land Demand / Need	82,190	699,400	160,030

Source: CBRE 2025

- 6.54 This results in positive floorspace requirements across all employment uses classes although requirements for B2 floorspace reflect only the need to replace floorspace lost in recent years. The results show significant contrasts in some areas and similarities in others.
- 6.55 In terms of demand/need for Class E offices and R&D the labour forecast model and past completions models produce similar results with the past trends in employment demand model being an outlier by a considerable margin. The overall stock of office space in the period 2011-2021 grew by 9,000 sqm a modest level of growth given the change in employment at the same time this suggests that employment growth is a relatively poor measure for the increase in requirement for office space this is likely to be due to rising densities for office floorspace and a growth in working from home or outside conventional office floorspace for a growing number

- of businesses. This suggests that either the labour forecast model or past completions are likely to provide a sound basis for forecasting demand/need. We have chosen to use the past completions approach.
- 6.56 For industrial floorspace both the labour/employment demand models predict significantly less need for this floorspace over the next 20 years. The inclusion of adjustments current vacancy levels and replacement of losses lead to both these models producing a modest positive requirement. The completions model reflects that despite employment losses there has still been additional floorspace developed for B2 uses. We would expect this trend to continue as manufacturing space is replaced by new uses but with some relocation taking place. On balance the past completions model which reflects ongoing decline in manufacturing employment but additional floorspace being developed provides a robust forecast, although a mid-point between the past labour/employment models and the completions model would also be a reasonable position to adopt based on the evidence.
- 6.57 For distribution and logistics space the models produce very contrasting results, the labour forecast model produces a requirement for only modest growth at 28,860 sqm over 20 years (1,440 sqm or 15,500 sq ft pa) . The past trends employment model suggest very significant need/demand at 271,400 sqm. The presence of Southampton Airport is likely to have had, and will continue to have a major impact on the local economy however this is unlikely to be reflected in the labour forecast model which is based on the national and regional economic trends.
- 6.58 The past trends employment model reflects a continuation of strong growth rates in a significant part of the local economy in the future as has happened in the past which is more realistic. The completions model predicts more growth closer to the labour forecast model but matters are more complicated by the mixed employment category included in this model which provides a further demand of 51,500 sqm to add to the 33,330 sqm totalling 84,830 sqm this is still substantially below the forecast requirement from the past employment trends model at 271,400 which should be regarded as an outlier. In conclusion the completions model provides the most reasonable estimate of future growth but with a note of caution that if past trends of employment growth continue that potential growth in this sector could be restricted by a shortage of supply and therefore should be carefully monitored.
- 6.59 Taking all of the above into account our forecasts for employment floorspace by use are as set out below:

Table 5.16: Projected Employment Floorspace Requirements 2024-2044

Use	Floorspace Requirements 2024-2044 sqm
E Offices and R&D	32,809
B2/ B8 and Mixed – Industrial and Distribution	130,091

Source: CBRE 2025

Comparison of Employment Land Need Projections

- 6.60 We have previously considered a range of employment land need forecasts produced by a range of consultants over the period 2018-21. Whilst comparisons are difficult because of the time periods involved and the changes to the Use Class Order we have presented below broad comparisons using floor area rather than hectares of land needs.

Table 5.17 - Comparison of Employment Land Models

Use	GL Hearn Model 2018	Stantec Model 2021	CBRE Model 2024
Offices Sqm	55,644	95,850	32,809
Industrial and Distribution Sqm	44,448	39,140	130,091
Total	100,092	134,990	162,900

Source: CBRE Analysis 2025

- 6.61 On the face of it these models produce significantly different results with the CBRE model presenting the highest level of demand. The CBRE model in particular represents the lowest level of office demand even though it includes within it a contingency allowance. The CBRE model is based upon 2023 forecasts from Oxford Economics reflecting current projections of the performance of the economy as well as actual development activity over the past 10 years. It is noted that in the work of Stantec and Vail Williams in 2021 that previous office forecasts had failed to materialise in terms of actual take up suggesting caution in terms of the actual demand for office space within the Eastleigh economy. CBRE would contend that this caution is appropriate given the actual evidence of the past.
- 6.62 In terms of the industrial and distribution sector the CBRE forecast includes replacement of lost employment floorspace, an allowance for vacancy and a contingency. The GL Hearn analysis contains none of these and the more recent Stantec Vail Williams model only includes an allowance for vacancy. This latter study alludes to the need for a margin for contingency and expresses the view that employment land lost to other uses should be replaced but does not attempt to do so. These would make a significant difference to the forecast. To illustrate this CBRE have added to the base Stantec Vail Williams base forecast a contingency of 20% and then the loss of employment land the Stantec Vail Williams study forecasts this results in an industrial/distribution requirement of 68,384 sqm which is still below the CBRE forecast however the Stantec Vail Williams report also suggests an additional 10ha of land be made available for strategic logistics this implies an additional 35,000-40,000 sqm of development producing an overall total of 103,000-108,000 sqm much closer to the CBRE forecast. The Stantec Vail Williams model is based upon projections of future employment rather than past completions which CBRE have used, it is CBRE's view that this more closely represents actual market evidence including that quoted by Stantec Vail Williams that of across South Hampshire over 400,000 sqft of industrial and distribution development in recent years.

Converting floorspace into hectares

- 6.63 Once the overall floorspace has been established, it is possible to convert the floorspace figures into hectares by applying density rates. The density rates applied to floorspace are as follows:
- Office Floorspace: 3,000sqm/hectare; and
 - Industrial/Warehouse Floorspace: 3,500sqm/hectare.
- 6.64 CBRE's evidence for the application of these plot densities is provided in Table 5.18 below based upon recent developments and planning consents. These in our view represent current development practice and should be used in place of more general average plot ratios.

Table 5.18: Plot Ratios Evidence

Local Authority	Site	Ratio Plot (%)
Bassetlaw	South of Haworth, A1 Industrial & Logistics Park	30%
Blaby	Optimus Point Plot 80	31%
Bristol	Ocado, St Modwen Park, Avonmouth	36%
Buckinghamshire	Symmetry Park, Aston Clinton	31%
Central Beds	Symmetry Park, Biggleswade	30%
Charnwood	Unit 2, Rowena Park, Rothley	33%
Doncaster	Nimbus Park	37%
Harborough	Magna Park North (Lutterworth) Extension	29%
Harborough	Symmetry Park, Lutterworth Option 1	29%
Mid Sussex	GAL, St Modwen Park, Gatwick	34%
Newport	Amazon, St Modwen Park, Newport	26%
North Kesteven	St Modwen Park, Lincoln	32%
North Northamptonshire	West End, Raunds, Northamptonshire	29%
North Warwickshire	St Modwen Park, Tamworth	26%
North Warwickshire	Land North East of Sewage Works, Atherstone	36%
North Warwickshire	BIFT Plot 7, Birch Coppice Business Park	34%
Oadby & Wigston	Wigston Industrial Estate	34%
Swindon	Symmetry Park, Swindon	30%
Uttlesford	Land north of Taylor's Farm, Takeley Street	29%
Warrington	Mountpark, Warrington, Omega III	36%
Warrington	The Quadrant South	34%
West Leicestershire	Mountpark Bardon 2	35%
	Average plot ratio	32%

Source: CBRE Analysis 2025

- 6.65 This calculation assumes that a building occupies 30% (Office)/35% (Industrial) of the total land plot with the remainder taken up with car parking, landscaping and other ancillary uses. It is appreciated that these figures can be subject to significant variations based upon the location of an individual plot and the uses proposed within the plot, however this assumption is made in line with other studies and industry benchmarks. It should be noted that if office space demand was specifically orientated towards town centres for policy or regeneration needs then this is likely to be developed at higher percentages as a result of tall office buildings with increased floorspace on smaller plot areas.

- 6.66 Upon applying these factors to the overall employment figures, the employment land requirement in hectares can be established for E class offices, B2 industrial and B8 warehouse space plus the cumulative change as shown in Table 5.19 below.

Table 5.19: Land Requirements in Hectares by Use Class for Eastleigh Borough up to 2022 -2044

Use Class	Requirement in Hectares
E	10.94
B2/ B8	35.22
Total	46.16

Source: Oxford Economics/CBRE 2025

- 6.67 As shown in Table 5.19 this method of calculation suggests that based on this forecast there would be a need for an additional 10.94 hectares of E use class land up to 2044, together with 35.22ha of land requirements for B2/B8 land. Total employment land would amount to 46.16ha.

7.0 Employment Supply

Introduction

- 7.1 This section provides a high level review of the deliverability of the employment land allocations (B2, B8 and Class E(g) uses) within the Eastleigh Borough Council Local Plan

Local Plan Position

Eastleigh Borough Council

- 7.2 The Eastleigh Borough Council Local Plan (2016-2036) was adopted in April 2022. Strategic Policy S2 point b) identifies a need for a minimum of 103,500sqm of new employment development across the plan period. It identifies that 56,800sqm of this should be Class E (g)(i/ii) development leaving only 46,700 sqm for B2/B8.
- 7.3 Strategic Policy S4 identifies that to contribute towards sustainable economic growth, provision will be made for additional floorspace for uses in B2, B8 and E(g) uses classes. The policy identifies the sites specifically allocated within the Local plan for employment development within the Borough.
- 7.4 Following a visit of 10 employment allocations within the Eastleigh Local Plan, section 5 of this report has assessed these allocations and concluded that number of them are heavily constrained and would not be deliverable over the plan period. A summary of this analysis in table 7.1 below concludes that some 23.1 ha of allocated employment land is considered to be undeliverable and as such Eastleigh Borough Council must consider alternative sites to deliver on its employment land requirement.
- 7.5 Table 7.1 summarises the allocated sites and their deliverability. Those offered a Red RAG status have been discounted from the employment supply for Eastleigh.

Table 7.1 – Deliverability of Eastleigh Employment Allocations

Site	Site Area	RAG Rating	Commentary
E1	0.8ha	Red	The site has been delivered and therefore cannot contribute to Eastleigh's current employment land supply.
E6	19ha	Red	The site has considerable environmental constraints, height restrictions, land contamination, challenging access situation over restrictive railway bridges and private roads, and the complex ownership structure to be resolved before any development can come forward.
E7	8.5ha	Amber	The site has considerable environmental constraints, height restrictions and no access without a new

			railway bridge limiting viability. Hybrid Application submitted.
CF4	1.0ha	Red	The site has considerable environmental constraints, high flood risk, it being occupied by the fire service and uncertain access arrangements.
E9	19.5ha	Green	The site has environmental constraints and strong access. The site has recently received outline planning consent for 9.2ha of employment use (O/25/99506).
HE4	2.3ha	Red	The site has considerable environmental constraints however the biggest constraint is that the development can only come forward if the new link road is delivered. The link road has been in the pipeline for 30 years and is currently unaffordable.
HE5	1.8ha	Green	The site has constraints due to small scale of consented units and the limited net developable area, making the site less appealing. The site has RM consent and has been marketed for number of years with no known occupier, showing limited deliverability currently.
WE1	8.5ha	Amber	The site has benefited from recent road infrastructure improvements, but has a number of environmental constraints and deliverability concerns associated with its less than desirable location and its land covenants due to former uses.
WE2	1.6ha	Green	The site has benefited from recent road infrastructure improvements, and has limited environmental constraints. There are however limiting uses on site due to its small size and adjacency to residential properties. There are also deliverability concerns associated with its less than desirable location and its land covenants due to former uses. However the site has a live application for employment use and could be delivered in the next 2 years.
WE3	0.8ha	Green	The site has constraints due to the small scale of the allocation, access arrangements and environmental constraints including flood risk, but, could be resolved.
Total allocated	63.8ha		

Total undeliverable	23.1 ha		
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Source: CBRE Analysis 2025

- 7.6 Table 7.2 below summarises the deliverability of the existing employment allocations in Eastleigh borough.

Table 7.2 – RAG rates Deliverability of Eastleigh Employment Allocations

RAG Rating & Site Size	Commentary
	36.21% - 23.1 ha (4 sites) undevelopable in current state and unlikely to come forward in the plan period.
	26.65% - 17 ha (2 sites) have constraints to be resolved to enable development.
	37.15% - 23.7 ha (4 sites) expected to come forward for development during the plan period.

Source: CBRE Analysis 2025

- 7.7 The above analysis shows that 62.86% of the employment land area (40.1 ha – 6 sites) is identified as being at risk of not being delivered within the Local Plan period by being rated amber or red. This leaves 37.15% (23.7 ha – 4 sites) identified as deliverable within the plan period. This clearly indicates a shortfall in deliverable employment land over the plan period in Eastleigh that will need to be met by alternative sites.
- 7.8 If we assume that only the green sites come forward in the plan, this equates to 23.7 ha. Our demand model showed a total demand of 46.16 ha resulting in a significant shortfall of 22.46 ha in the plan period that will need to be met by new sites such as the subject site.
- 7.9 The subject site provides 4.57ha of employment land and will contribute to this shortfall in the plan period.

8.0 Conclusions

- 8.1 We provide the following conclusions that show why this site can meet latent market demand for mid-box scale B2/B8 floorspace and deliver much needed fit for purpose employment units to fulfil occupier requirements.
- 8.2 Eastleigh is growing rapidly in terms of its working population and in terms of employment outperforming County, Regional and national comparators.
- 8.3 The six highest growth sectors includes transport and storage.
- 8.4 The Eastleigh area has a current market availability of approximately 270,000 sqft, making the current market availability under 3.15%. When compared to the total stock of circa 8.6million sqft, this is well below a functioning market and below the preferred typical 5-10% vacancy rate for market churn and choice. This very low vacancy rate, when considered alongside planning data showing higher than forecast floorspace completions than past forecasts, provides strong evidence that additional land and property is needed in Eastleigh to meet the needs of the modern occupier seeking Grade A space. As the planning data/employment land evidence base underpins the Local Plan we conclude that this has underestimated the need for industrial and distribution floorspace.
- 8.5 It is clear that the Eastleigh market is challenged by a lack of fit for purpose new employment land which has led, in part, to the net decline of floorspace as older stock has been lost to competing uses and newer stock hasn't been forthcoming at an appropriate level possibly due to a lack of deliverable sites. This is evidenced by the 2024 take up data with only 126,740 sqft of space let in the year. This shows a marked decline from over 376,000 in 2023 and the 6 year (2018-2023) average of over 424,000 sqft. It is therefore clearly evident that there is a critical need for new sites like this one to be brought forward to provide market facing mid-box B2/B8 space and ensure that occupiers have the option of locating in Eastleigh.
- 8.6 As the evidence shows there is significant latent market demand, totalling 529,000 sqft over the last 12 months, for non-strategic scale industrial floorspace in this location, and unless additional land is brought forward, there is a risk that occupiers consider other locations with a ready supply of fit for purpose employment land and that market share and local jobs are lost.
- 8.7 It is also considered that a considerable number of the allocated employment sites within the Eastleigh Local Plan are not deliverable over the plan period and inhibit deliverability concerns. These concerns are as a result of environmental constraints, access arrangements, and locational suitability (and subsequent rents). Of the 10 allocated sites assessed, 6 were classified as Red or Amber status, placing some 40.1 ha of employment land at risk of not being delivered within the plan period up to 2036. As such, other employment sites must be considered to meet the requirement up to 2036.
- 8.8 Where there has been new development in the borough, at Alpha Park and Power Park, demand has been strong. Alpha Park and Power Park are now fully let. As a result, there is a very limited supply of high quality industrial units within the borough and a significant need for new sites to be brought forward to provide choice for occupiers. In lieu of this, investors will look at neighbouring areas such as Southampton and Fareham to fulfil their requirements.
- 8.9 More recent studies and CBRE's own analysis point to a significantly higher level of commercial market demand for industrial and distribution space than has previously been planned for.

- 8.10 There is evidence that a significant amount of land (40.1 ha) that has been identified for industrial and distribution uses in Eastleigh is at risk of not come forward during the plan period showing a clear quantitative deficiency in the local supply of land and premises to meet such demand and need. This will exacerbate existing shortages evidenced by the very low levels of vacant stock and the evidence from the market of significant real demand for floorspace which cannot be met. This clearly indicates a shortfall in deliverable employment land over the plan period in Eastleigh that will need to be met. The subject site can help to meet.
- 8.11 If we assume that only the green sites in Eastleigh come forward in the plan there would this equates to 4.2 ha. Our demand model showed a total demand of 46.16 ha resulting in a significant shortfall of 22.46 ha in the plan period that will need to be met by new sites like the subject site. The subject site provides 4.57ha of employment land and will contribute to this shortfall in the plan period.

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