

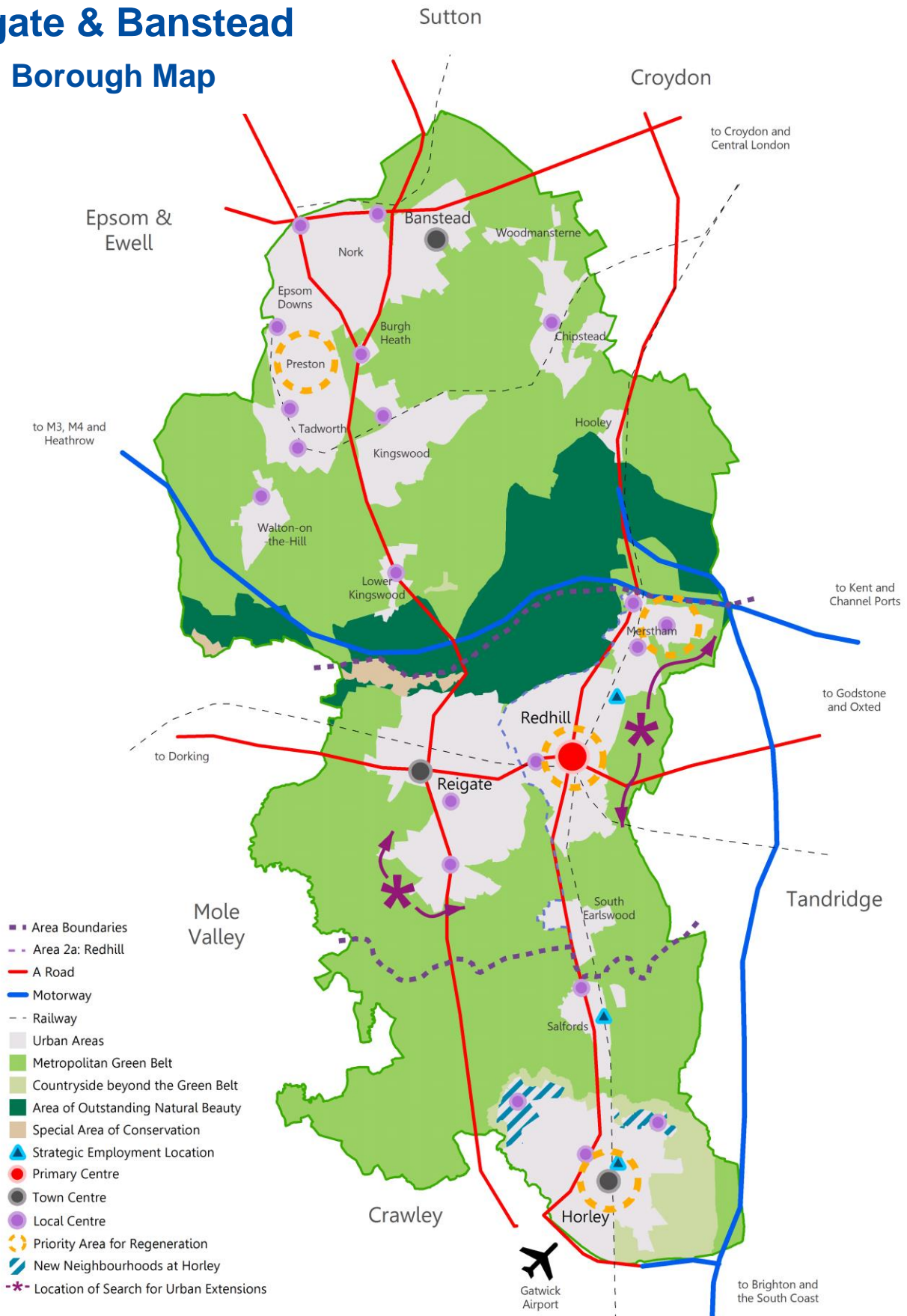


# Commercial Commitments Monitor

Position at 31 March 2017

# Reigate & Banstead

## Borough Map



# Commercial Monitor

End March 2017

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### Please Note:

This monitor provides an update of the current amount, type and location of commercial and retail commitments in Reigate & Banstead. While every care has been taken to ensure that the information in this monitor is accurate, the Borough Council accepts no responsibility for any errors or omissions. We would be grateful if our attention was drawn to any inaccuracies so that they may be corrected. Similarly, any suggestions that would make the information more useful would be gratefully received.

# Introduction

This monitor provides information on the amount, type and location of commercial commitments and available commercial floorspace in the borough. Its purpose is to:

- Monitor the amount of employment and retail development coming forward in Reigate & Banstead against established targets
- Analyse the characteristics of development against the relevant policies and indicators
- Monitor the amount of employment and retail floorspace available to let across the borough as a barometer of local economic health.

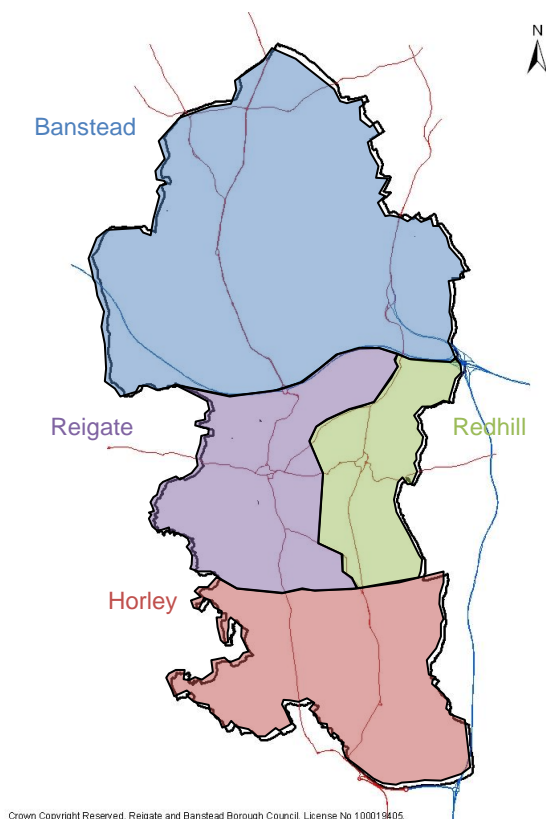
For more detailed analysis of the situation in the borough's main employment and shopping areas, please refer to one of the specific monitor listed at the back of this document.

## Future Policy Developments

The Borough Local Plan 2005, including its saved policies, is in the process of being replaced by new local planning documents. The Core Strategy was formally adopted in July 2014; it details how much growth will take place until 2027 and sets out the overarching strategic approach for delivering new homes in the Borough. The Development Management Plan which details specific policies relating to the management of employment and retail development and employment land allocations is currently being prepared.

## Spatial Commentary

For the purposes of the monitor the borough is divided into four key areas. The diagram below illustrates how the borough is split.



# Overall Trends – Key Messages

## UK Trends

The Local Data Company report that at the end of 2016, UK retail vacancy stood at 12.2% having declined by 0.5% in the year and was -2.4% below its historic peak in 2012. They also highlight that half way through 2016; the EU referendum slowed the openings and closures of retailers under the created conditions of political and economic uncertainty. However, in the latter half of 2016 the vacancy rate recovered and made gains, making up for any damage caused by the referendum.

Colliers International report that they expect rental growth of offices to continue across the South East through 2017 albeit at a slower pace than previously anticipated pre-Brexit. However, occupiers may be more focussed on levels of incentives and lease flexibility offered by landlords.

The British economy turned in a steady performance in 2016, growing at the second fastest rate among the G7 economies. Growth in the sixth months following the EU referendum was significantly stronger than some had feared pre-vote, when the Treasury and others predicted a Brexit vote would result in recession. Economic growth held up better than expected in the second half of 2016 but has slowed in 2017. Forecasters predict that rising inflation, driven by the depreciation of sterling, will squeeze household incomes and depress consumer spending, which has been the main driver of economic growth in recent years. – Financial Times

## Borough Trends

- **Employment & Retail Completions** – Within the last twelve months 699sqm of gross employment and retail floorspace has been completed, down from 786sqm in the previous monitoring period. There has been a significant net loss of office (B1(A)) floorspace, 75% of which is due to office to residential permitted development rights.
- **Extant Employment & Retail Permissions (Pipeline)** – Extant and under construction schemes could create over 32,000sqm (gross) of new or expanded employment and retail accommodation. Once losses are factored in, the pipeline could however result in a net loss of over 32,500sqm of B1-B8 space, the majority of which would be offices (96%). Conversely, pipeline schemes could deliver a net gain of 12,378sqm of retail floorspace due to a number of large-scale regeneration developments in Redhill including the former Liquid & Envy nightclub, Marketfield Way and Sainsbury's redevelopment.
- **Development Characteristics & Location** – 94% of retail and employment developments completed over the past year were on previously developed land (PDL). Based on completed and pipeline developments, just under 80% of potential new retail space would be located in town and local centres and over 85% of new industrial/distribution space would be located within designated industrial estates.
- **Borough Commercial Property Market** – The amount of available retail floorspace has decrease within the last twelve months (2,594sqm to 2061sqm). Redhill has seen the greatest fall (2,263sqm to 943sqm); whilst Rest of Horley/Salfords and Rest of Reigate are the only 2 other areas which saw decreases in retail availability.

# Employment & Retail Development

## Completions

Within the last twelve months 6,274sqm (gross) of new retail and employment floorspace has been created in the borough, primarily due to the approval of one new office in Redhill totalling 5,340sqm, this compares to 699sqm in the previous monitoring period. However, once losses (from changes of use or redevelopment away from employment/retail use) are taken into account, there was overall a net loss of nearly 2,079sqm of retail and employment floorspace, a marginally small loss than the previous year (c. 2,200sqm). Office premises account for 89% of this loss, half of which was due to office to residential permitted development rights.

Table 1 below summarises the gains and losses which occurred on developments completed over the past year. The table shows a gross loss of 7,193 sqm in B1(A) 95% of which was developed through Permitted Development Rights. The table also shows a 862sqm net gain of A1 retail primarily due to the completion of works at the site of former Iron Horse Public House, 528sqm.

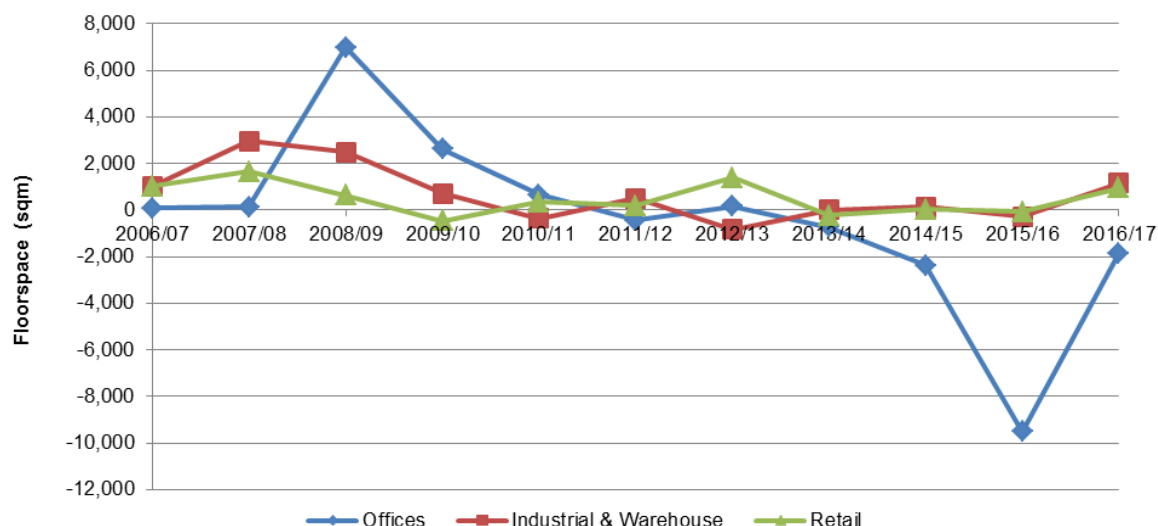
**Table 1** Employment & retail completions

2016	Use Class	Gain	Loss	Net
Retail	A1	862	0	862
	A2	72	0	72
	A3	0	0	0
	A4	0	0	0
	A5	0	0	0
	<b>Total Retail</b>	<b>934</b>	<b>0</b>	<b>934</b>
Employment	B1(A)	5340	7,193	-1,853
	B1(B)	0	235	-235
	B1(C)	0	0	0
	B2	0	235	-235
	B8	0	690	-690
	<b>Total Employment</b>	<b>5340</b>	<b>8,353</b>	<b>-3,013</b>

Notable developments include the demolition of dwellings at 450-458 Reigate Road for the development of a new nursing home (C1, 5,329sqm) and a new office building at 73-75 London Road Redhill (B1(A), 5340sqm).

Figure 1 illustrates the net additional floorspace completed each year since 2006/7. It shows a partial recovery in office, industrial and retail completions after a significant fall in completions since 2011. Permitted development rights continue to be responsible for the majority of office space loss; however it is evident that this loss of office space is reducing.

Figure 1 Net additional floorspace completion trend



## Extant Developments (Pipeline)

Table 2 summarises the use class breakdown of developments in the pipeline (those with extant planning permission or currently under construction).

Combined, pipeline developments could deliver over 27,000sqm (gross) of new or expanded employment and retail floorspace. However, once losses are factored in, the extant and under construction developments could lead to a significant loss of employment floorspace (over 47,000sqm gross loss) of which 75% is attributable to office premises.

Conversely, there would be an overall net gain of 11,953sqm of retail floorspace largely from a number of regeneration proposals in Redhill town centre, including the former Liquid and Envy Nightclub, Sainsbury's redevelopment and Marketfield Way carpark.

Table 2 Extant employment & retail developments

2017	Use Class	Gain	Loss	Net
Retail	A1	14245	5670	8575
	A2	418	292	126
	A3	3861	841	3020
	A4	203		203
	A5	498	469	29
	<b>Total Retail</b>		<b>19225</b>	<b>7272</b>
Employment	B1(A)	2133	41488	-39355
	B1(B)	330		330
	B1(C)	606	2749	-2143
	B2	822	4660	-3838
	B8	3950	6326	-2376
	<b>Total Employment</b>		<b>7841</b>	<b>55223</b>

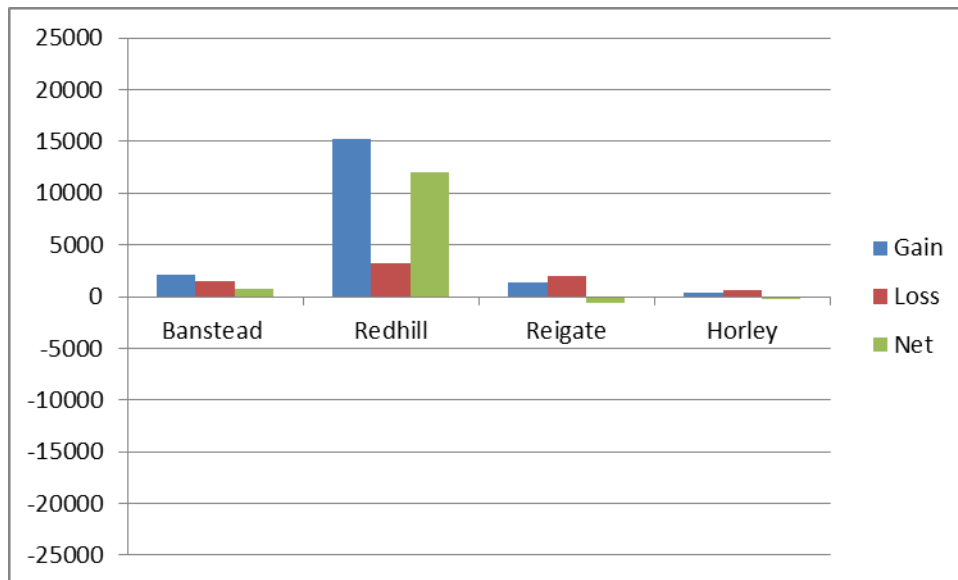


The figures for individual use classes in table 2 should be seen as indicative rather than definitive as in some cases developers seek 'open' permissions to allow developments to be occupied for a range of different uses (particularly for some retail and industrial developments).

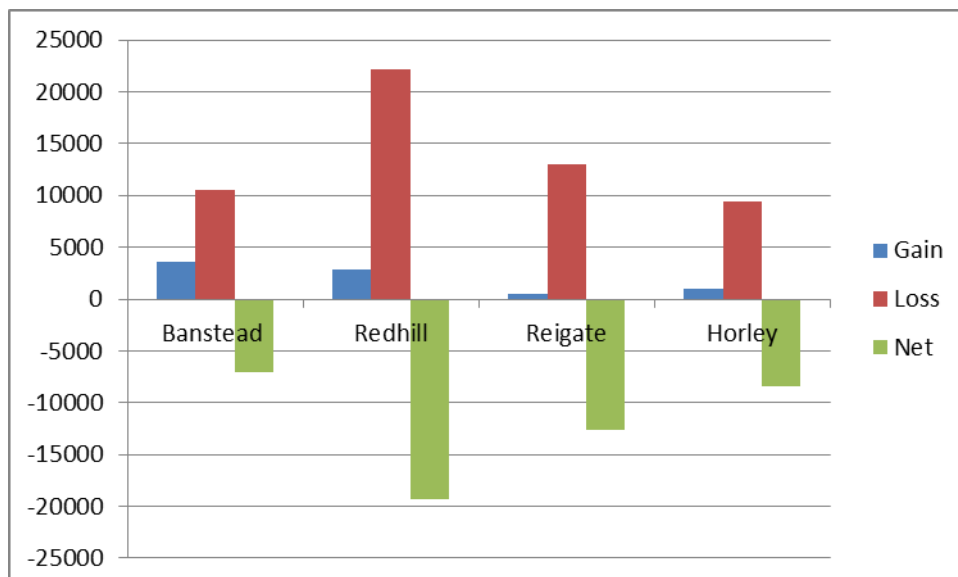
Figure 2 shows that if all the extant and under completion permissions are completed that the majority of activity is in Redhill (Area 2a). In this area, the net retail gain is predominantly due to planned regeneration schemes whilst the net employment loss is predominantly due to the loss of 12,600sqm of office accommodation due to the Sainsbury's redevelopment (56%) and office to residential redevelopments (33%).

**Figure 2 Extant developments by borough area**

### Retail



### Employment





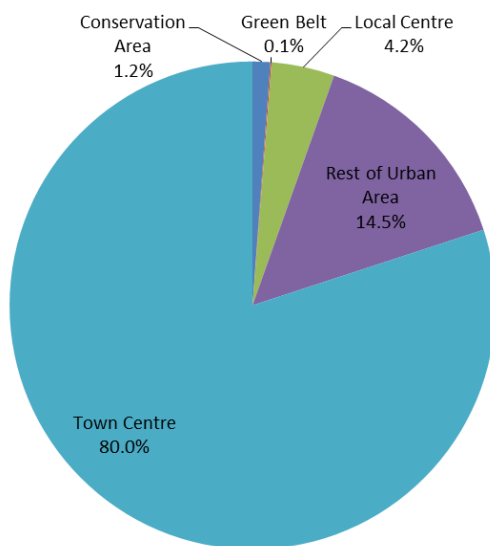
# Development Characteristics

## Location

Core Strategy Policy CS7 aims to preserve the retail function of town centres and plans for future retail growth to be located within town and local centres. Figure 3 shows that 84.2% of potential new retail space from extant permissions and schemes under construction are within town and local centres; this is below the Core Strategy Monitoring target of 95% but an improvement on the previous monitoring period (79%).

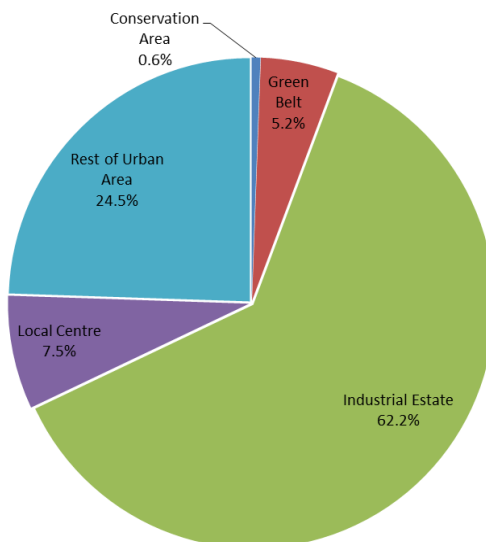
14.5% of the extant and under construction retail permissions fall within the wider urban area but outside of designated centres. This is primarily due to extant permissions for a change of use of the Former Mercedes Garage, Brighton Road, Redhill (1,200sqm) however, these are both adjacent to existing local centres.

Figure 3 Location of Extant Retail [A1-A5] by Floorspace (Gross)



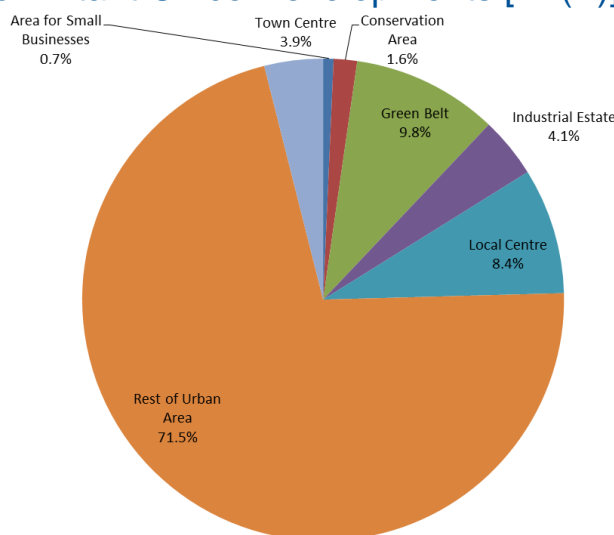
Core Strategy Policy CS5 plans for a range of types and sizes of employment premises to meet the needs of existing, growing and future businesses and provide additional employment floorspace to meet the forecasted growth needs of the borough. It focuses upon retaining and making the best use of employment land within the designated industrial and town centre areas through ensuring that at least 90% of additional B1-B8 employment development is located within town centres and industrial estates. Figure 4 shows that 62% of the potential gross industrial and distribution floorspace would be delivered in the industrial estates (2,970sqm).

Figure 4 Location of Extant Industrial & Distribution Developments [B2-B8] by Floorspace (Gross)



Pipeline developments could deliver just over 2,100sqm (gross) of new office floorspace. Figure 5 shows that over 70% of this would be delivered in the rest of the urban area.

**Figure 5 Location of Extant Office Developments [B1(A)] by Floorspace (Gross)**



## Previously Developed Land (PDL)

95% of the gross retail and employment floorspace completed within the past year was on previously developed land. This is above the Core Strategy Monitoring Target of 90%.

## Car Parking Provision

Currently, Local Plan Policy Mo7 sets maximum parking standards for various types of commercial development. Moving forward, new parking standards for different types of development will be set out in the DMP.

The average parking provision of completed retail developments is 1 space per 16sqm which is above the borough standard of at least 1 space per 30sqm. Similarly the average parking provision of completed office developments is 1 space per 61sqm which is below the borough standard of at least 1 space per 32sqm. Both are due to the type of provision completed within the past twelve months, namely large new office unit and some new retail units.

Similarly parking provision for extant and under construction offices is slightly above the borough standard of 1 space per 30sqm.

Parking provision for extant and under construction retail developments is substantially above the required standard of 1 space per 30sqm due to a number of proposed large scale retail developments in Redhill town centre including Sainsbury's supermarket redevelopment. It should however be noted that a proportion of these car parking spaces will be for town centre use and not only associated with the Sainsbury's store.

**Table 3 Car Parking Spaces on Completed and Extant Developments**

Use Class	Completions (2016/17)			Extant Permissions		
	Gross Floorspace (sqm)	Parking Provision	Average spaces per sqm	Gross Floorspace	Parking Provision	Average spaces per sqm
Retail	934	58	1 per 16	19,225	1,334	1 per 14
Office	5340	87	1 per 61	2,133	159	1 per 13
Industrial	-	-	-	1,758	74	1 per 24
Warehouse	-	-	-	3,950	141	1 per 28

# Commercial Property Market

## Overview

Within the last twelve months the amount of commercial floorspace available on the market has marginally increased from 42,646sqm to 45,069sqm. Across the 4 town centres Redhill has seen the greatest increase (17,029sqm to 18,014sqm) whilst Reigate saw the largest decrease (7,339sqm to 6643sqm).

Office floorspace remains the dominant type of available floorspace -this has been the case for the past six years- and this year it increased its share from 61% to 63% of total available floorspace. Of the available floorspace 69% is within Redhill and 23% in Reigate.

The amount of available retail floorspace has decrease within the last twelve months (2,594sqm to 2061sqm). Redhill has seen the greatest fall (2,263sqm to 943sqm); whilst Rest of Horley/Salfords and Rest of Reigate are the only 2 other areas which saw decreases in retail availability.

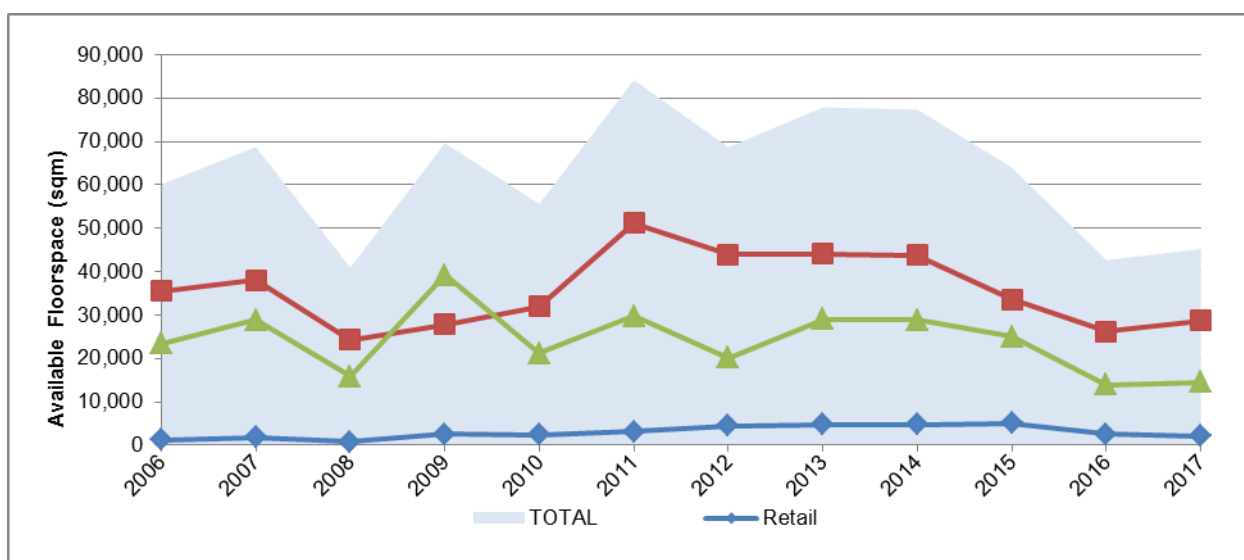
Over the last twelve months the amount of available industrial/ warehouse floorspace has increased by 4.5% (13,908sqm to 14,537sqm). Rest of Reigate saw the greatest increase (424sqm to 1791sqm), followed by rest of Horley/ Salfords (1,009sqm to 1676sqm). The rest of Redhill was the only area to see a decrease (12,475sqm to 11,071sqm).

**Table 4 Summary of available floorspace (sqm)**

	Retail	Office	Industrial/Warehouse	Total
<b>Banstead Town Centre</b>	324.7	345.6	0	<b>670</b>
<b>Rest of Banstead</b>	111.7	0	0	<b>112</b>
<b>Reigate Town Centre</b>	341.2	6,301.9	0	<b>6,643</b>
<b>Rest of Reigate</b>	0	2,094.0	1,790.7	<b>3,884.7</b>
<b>Redhill Town Centre</b>	942.5	16,306.8	0	<b>17,249</b>
<b>Rest of Redhill</b>	162	2,921	11,070.6	<b>14,153</b>
<b>Horley Town Centre</b>	179	0	0	<b>179</b>
<b>Rest of Horley/Salfords</b>	0	681	1,676	<b>2,356</b>
<b>Total</b>	<b>2,061</b>	<b>28,650</b>	<b>14,537</b>	<b>45,248</b>

Figure 6 below shows the available floorspace trend 2004-2017, it shows that the currently available floorspace has is now only slightly above the previous low of 40,919sqm in 2008, just prior to the recession and nearly half the peak of over 80,000 in 2011.

**Figure 6 Available floorspace trend (2004 – 2017)**



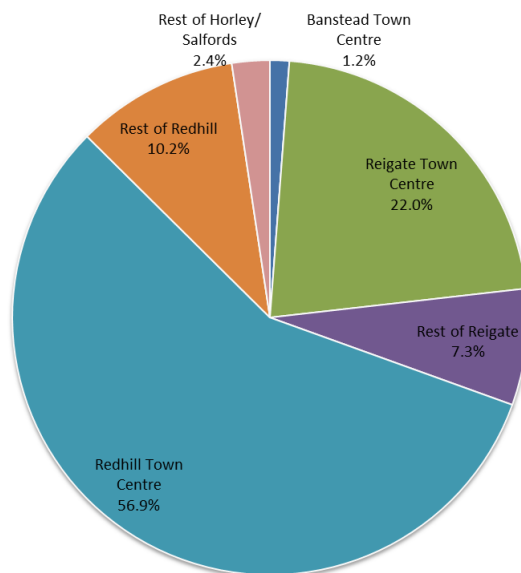
## Office

Within the last twelve months the amount of available office floorspace has increased from 26,144sqm to 28,650sqm (10%).

Figure 7 shows that 56% of the available office floorspace is within Redhill town centre and a further 22% in Reigate town centre. This is particularly driven by a number of large, purpose built office blocks such as Kingsgate in Redhill and Omnibus in Reigate.

It is expected that the amount of available office accommodation will continue to fall as permitted development rights allowing the conversion of offices to residential accommodation were made permanent on 6 April 2016.

**Figure 7** Geographic breakdown of available office accommodation



## Industrial & Distribution

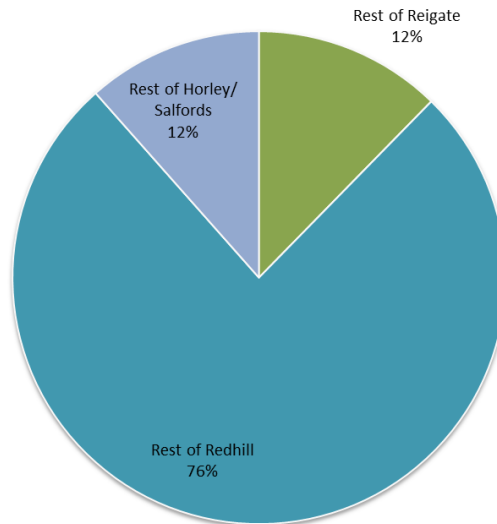
Within the last twelve months the amount of available industrial and distribution floorspace has increase marginally from 13,908sqm to 14,537sqm (4.5% increase).

Figure 8 shows that 76% of the available industrial and distribution floorspace is found within the rest of Redhill.

The rest of Reigate area saw an increase in the amount of available industrial and distribution floorspace over the past year (424sqm to 1,791sqm). Horley also saw an increase in its available industrial floorspace from 1,009sqm to 1,676sqm. Conversely the rest of Redhill saw a marginal decrease (12,475sqm to 11,071sqm).

All other remaining areas continue to have 0sqm of industrial and distribution floorspace available.

Figure 8 Geographic breakdown of available industrial and distribution accommodation



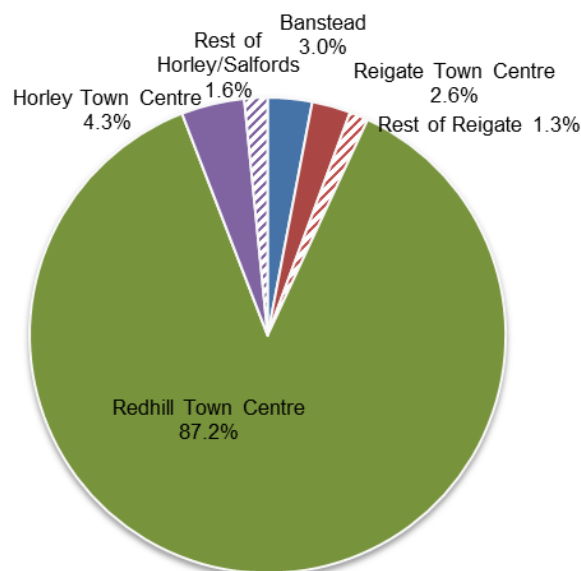
## Retail

Retail floorspace represents the smallest proportion of total available floorspace within the borough (4.6%, 2,061 sqm). Within the last twelve months the amount of available retail floorspace has decreased (2,594sqm to 2,061sqm).

As can be seen from Figure 8, 46% of the available retail floorspace is within Redhill town centre.

Within the last twelve months Banstead, Reigate and Horley town centres have all seen increases in the amount of available retail floorspace whilst Redhill has seen a decrease (2,263sqm to 942.5qm).

Figure 8 Geographic breakdown of available retail accommodation



# Appendix

## Use Classes Order

USE CLASS	DESCRIPTION OF USE/DEVELOPMENT	PERMITTED CHANGE
<b>A1 (Shops)</b>	Retail sale of goods to the public – shops, post offices, travel agencies and ticket agencies, hairdressers, funeral directors and undertakers, domestic hire shops, dry cleaners, sandwich bars (sandwiches or other cold food purchased and consumed off the premises), internet cafés.	Upper floors as 2 flats C3 (up to 150m2)* A3 (up to 150m2), A2 (including with up to 2 flats), D2 (up to 200m2)*
<b>A2 (Professional and Financial Services), but excluding betting offices or pay day loan shops</b>	Banks, building societies and bureaux de change Professional services (other than health or medical services) – estate agents and employment agencies	A1 (if ground floor is a display window), Upper floors as 2 flats C3 (up to 150m2)* A3 (up to 150m2)* D2 (up to 200m2)*
<b>A3 (Restaurants and Cafes)</b>	Use for the sale of food for consumption on the premises. Excludes internet cafés	A1 or A2
<b>A4 (Drinking Establishments)</b>	Use as a public house, wine bar or other drinking establishment	A1, A2 or A3
<b>A5 (Hot Food Takeaways)</b>	Use for the sale of hot food for consumption off the premises	A1, A2 or A3
<b>B1 (Business)</b>	(a) Use as an office other than a use within Class A2 (financial and professional services).	B8 (up to 500m2) C3 from B1(a) Office Use,* State Funded School or Nursery*
	(b) Use for research and development, studios, laboratories, high technology.	B8 (up to 500m2)
	(c) Use for any industrial process that can be carried out in a residential area without detriment to amenity.	B8 (up to 500m2)
<b>B2 (General Industrial)</b>	Use for the carrying on of an industrial process other than one falling in B1(C) above.	B1 B8 (up to 500m2)
<b>B8 (Storage and Distribution)</b>	Wholesale warehouses, distribution centres and repositories	B1 (up to 500m2) C3 (up to 500m2)*
<b>C1 (Hotel)</b>	Hotels, boarding houses and guest houses	State-funded school or registered nursery, subject to prior approval by local planning authority
<b>C2 (Residential Institutions)</b>	Hospitals, nursing homes, residential education and training centres. Use for the provision of residential accommodation and care to people in need of care.	State-funded school or registered nursery, subject to prior approval by local planning authority
<b>C3 (Dwellinghouses)</b>	Use as a dwelling house, whether or not as a sole or main residence.	C4
<b>C4</b>	Small shared dwelling houses occupied by between	C3

<b>(Houses in Multiple Occupation)</b>	three and six unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen or bathroom.	
<b>D1 (Non-Residential Institutions)</b>	Clinics and health centres, crèches, day nurseries, day centres and consulting rooms (not attached to the consultant's or doctor's house), museums, public libraries, art galleries, exhibition halls, non-residential education and training centres, places of worship, religious instruction and church halls.	State Funded School* Permitted change to A1, A2, A3 or B1 of up to 150m2 of a building for a single period of up two years, subject to prior notification of local planning authority
<b>D2 (Assembly and Leisure)</b>	Cinemas, dance and concert halls, sports halls, swimming baths, skating rinks, gymnasiums, bingo halls, other indoor and outdoor sports and leisure uses (not involving motorised vehicles or firearms)	State-funded school or registered nursery, subject to prior approval by local planning authority Permitted change to A1, A2, A3 or B1 of up to 150m2 of a building for a single period of up two years, subject to prior notification of local planning authority
<b>Sui Generis** (Casinos and Amusement Arcades/Centres)</b>	Sui generis uses are their own specific use and planning permission is normally required for any change of use. However the following changes are permitted for the specified uses.	Casino to: A3 (up to 150m2)* C3 (up to 150m2)* D2* Amusement arcade to: C3 (up to 150m2)*
<b>Sui Generis** (Betting Offices and Pay Day Loan Shops)</b>		A1 if ground floor is a display window A2 including up to 2 flats A3 (up to 150m2) C3 (up to 150m2)* D2 (up to 200m2)
<b>Sui Generis** (Agricultural Buildings)</b>		A1, A2, A3, B1, B8, C1, C3, D2*

\*subject to prior approval by the local planning authority.

\*\*Whilst the most commonly found uses are contained within the 1987 Use Classes Order (as amended), there are many uses that are not specifically categorized by the four main use classes. These are classified as sui generis. Some of the sui generis uses are listed but they are not intended to be exhaustive. Sui generis uses are their own specific use and planning permission is normally required for any change of use

The Town and Country Planning (General Permitted Development) (England) Order 2015 permits a number of potential changes of use without requiring planning permission, as detailed above. Some changes of use are subject to a prior approval procedure with the local planning authority. This seeks approval of various matters, dependent on the nature of the use, but might typically include matters relating to parking and highways, flooding, and contaminated land. Further details on permitted development rights and changes of use can be found on the planning portal [https://www.planningportal.co.uk/info/200125/do\\_you\\_need\\_permission](https://www.planningportal.co.uk/info/200125/do_you_need_permission)



# Monitoring Publications

## Regular Monitors:

### Commercial Development

Contains the amounts, types and location of all commercial commitments i.e. premises with outstanding planning permissions or vacant floorspace (Annual)

### Industrial Estates

Contains an analysis of occupational trends in the Borough's nine main Industrial Estates including a schedule of occupiers (Annual)

### Local Centres

Provides information on retail provision in the Borough's eighteen local shopping centres (Annual)

### Town centres

Provides information on the occupiers, together with vacancies and shop type of all premises within the Borough's four Town and Village Centres (Annual)

## Population and Demographic Information

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These publications are available on the Council website:

<http://www.reigate-banstead.gov.uk>

Search for: "*monitors*":

For further information on the content or other planning policy monitoring, please contact:

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Email: [LDF@reigate-banstead.gov.uk](mailto:LDF@reigate-banstead.gov.uk)