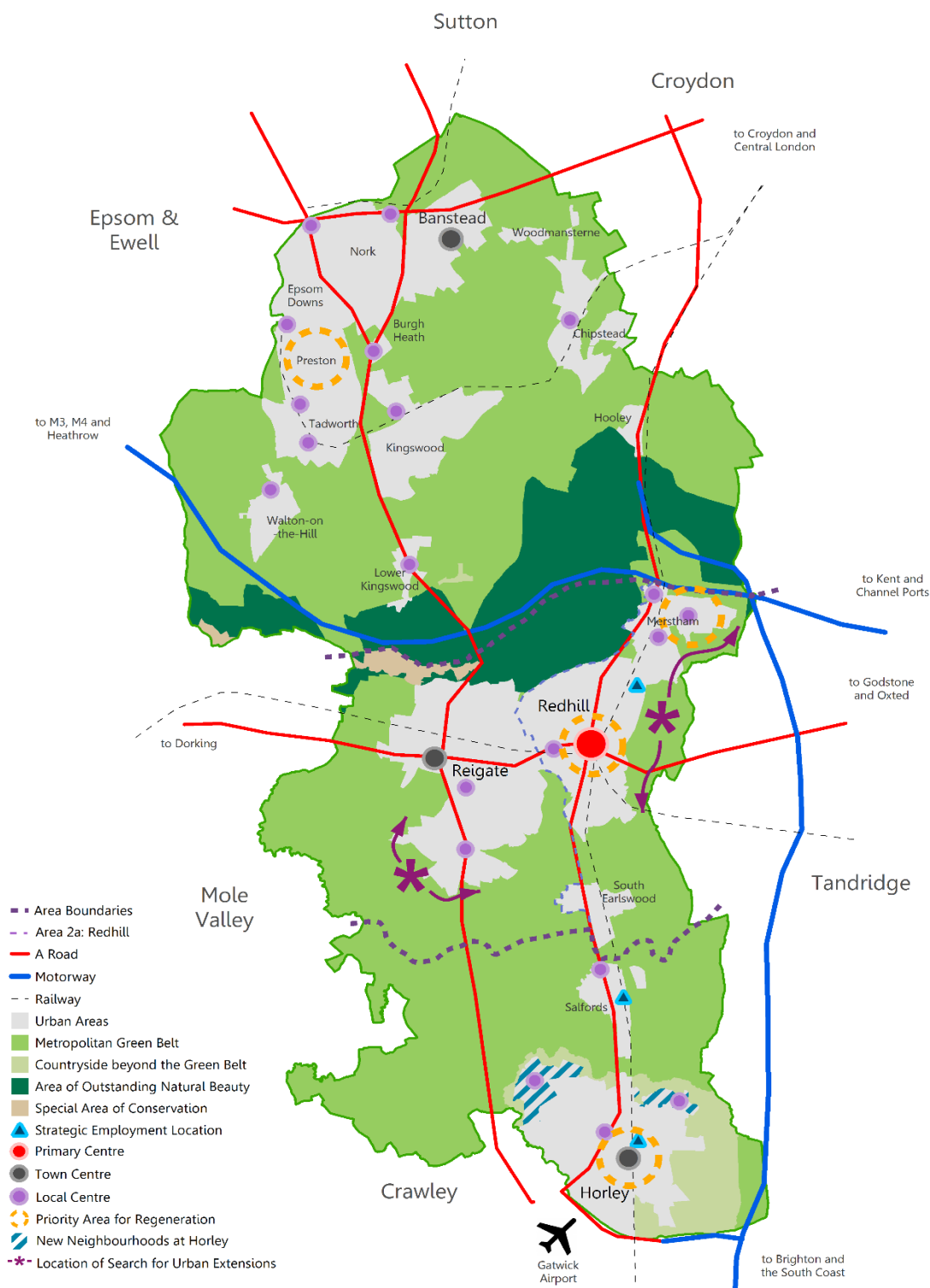




Commercial Commitments Monitor

Position at 31 March 2020



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Figure 1 Reigate & Banstead Core Strategy borough map

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Please Note:

This monitor provides an update of the current amount, type and location of commercial 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.

1. Introduction

According to the OCDE, UK economic growth had declined at the end of March 2020 by 0.54% when compared to the previous year. With the end of the year being marked by the outbreak of the Coronavirus pandemic and its serious impact on the economy, it is difficult to measure long term effects as these will depend on the length of the lockdown measures. (Colliers Property Snapshot April 2020).

Despite 2019 being a year of political and economic uncertainty, Colliers International reports that commercial property investment remained relatively stable, with the outcome of the General election in December leading to a rise in investment in early 2020. While the start of the year in January and February appeared promising, the end of the year has with no surprise been marked by the deterioration in market sentiment due to the Coronavirus outbreak (RICS Commercial Property Market Survey Q1 2020).

Occupier's demand in the retail sector has continued to slip and recorded the sharpest drop of all sectors. The demand in office space has reportedly been on a flat trend before decreasing in the last quarter, while the industrial sector remains the most dynamic with a mild increase at the end of March. (RICS Commercial Property Market Survey Q1 2020)

RICS also reports that rental projections for the next twelve months have turned negative across all sectors: the rental demand for retail and offices is anticipated to keep falling while the industrial sector is expected to be more resilient.

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 monitors listed at the end of this document.

1.1. Future Policy Developments

The Council has an up-to-date Local Plan:

The Core Strategy was formally adopted in July 2014 and was reviewed in accordance with Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) in July 2019. The Core Strategy details how much growth will take place across the borough between 2012 and 2027 and sets out the overarching strategic approach for delivering new development in the borough.

The Development Management Plan (DMP) was formally adopted in September 2019. It contains detailed policies relating to the management of employment and retail development and allocates sites for development across the borough. Some of the monitoring standards and requirements have changed with the DMP adoption and given it has been adopted part way through the monitoring year, some policy indicators consider both the old Borough Local Plan (2005) standards as well as the DMP.

1.2. Spatial Commentary

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

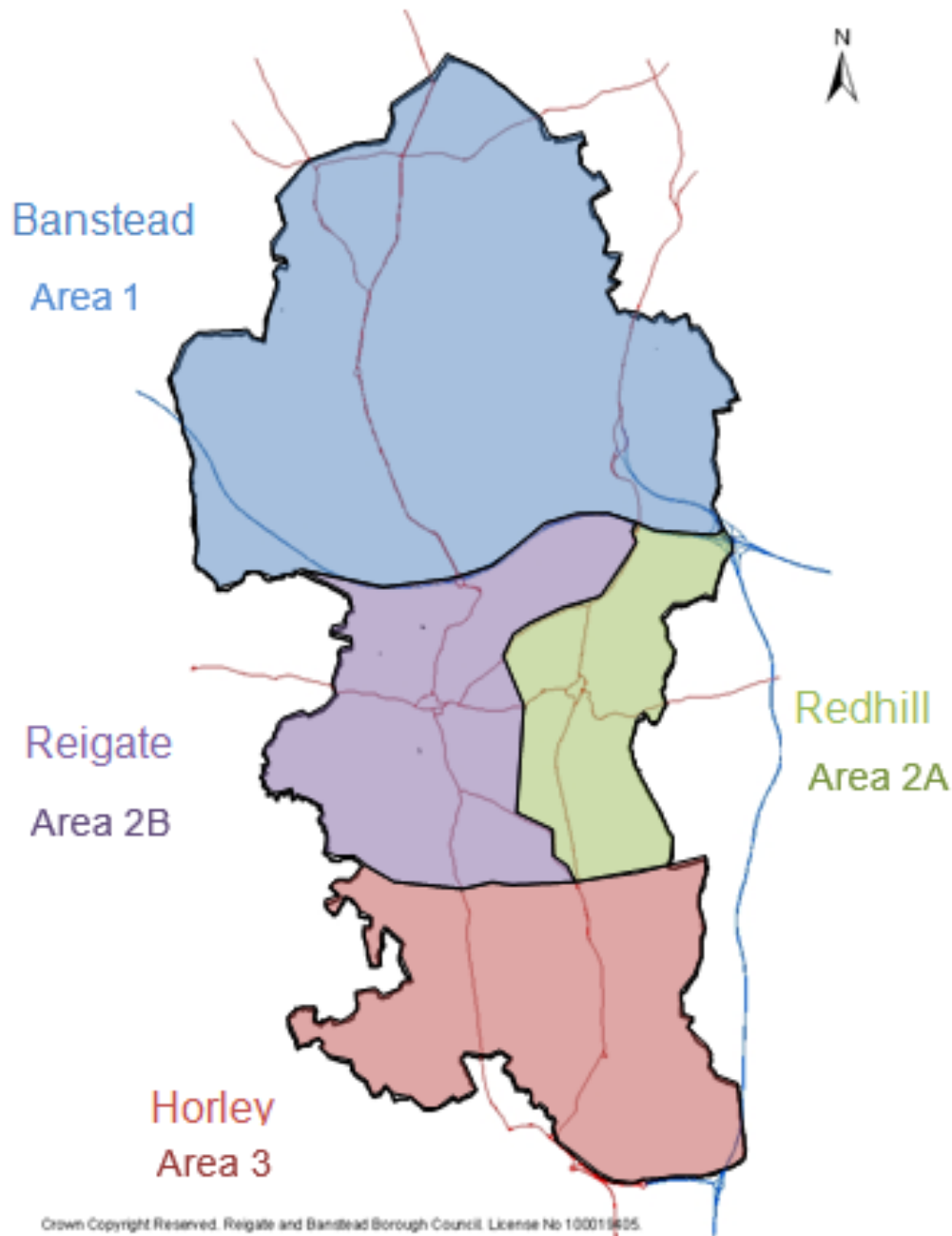


Figure 2 Reigate & Banstead four Core Strategy areas

2. Employment & Retail Development

2.1. Completions

Over the last twelve months 1,584sqm (gross) of new retail and employment floorspace has been completed in the borough, this compares to 2,082sqm in the previous monitoring period. Once losses (from changes of use or redevelopment away from employment/retail use) are taken into account, there was overall a net loss of 7,168sqm of retail and employment floorspace during 2019/20, which is a higher than during the previous year (2018/19, 3,243sqm loss).

Tables 1 and 2 below summarise the gains and losses on developments completed over the past year.

Table 1 Retail completions

Use Class	Gain	Loss	Net
A1	166	2,221	-2,055
A2	38	0	38
A3	63	100	-37
A4	149	492	-343
A5	205	58	147
Total Retail	621	2,871	-2,250

Table 2 Employment completions

Use Class	Gain	Loss	Net
B1(A)	238	1,522	-1,284
B1(B)	0	66	-66
B1(C)	460	668	-208

Use Class	Gain	Loss	Net
B2	243	1,456	-1,213
B8	22	2,169	-2,147
Total Employment	963	5,881	-4,918

The majority of the gross retail and employment floorspace completed in this monitoring period comes from B1(c) light industrial (460sqm), B2 general industrial (243sqm) and B1(a) office accommodation (238sqm). Notable schemes include:

- Change of use for part of a unit occupied by Winterbotham Darby & Company in Wells Place Industrial Estate to allow the modification of their business to provide vegetarian food products (460sqm).
- Change of use of 20 Reading Arch Road from B8 to B2; and
- The reconstruction of the Old Main Block at Redhill Aerodrome following fire damage, providing 178sqm B1(a) office accommodation.

The biggest losses of employment floorspace during this monitoring period come from B8 storage and distribution (2,169sqm) and B1(a) office space (1,522sqm). Prior-approval office to residential conversions account for 707sqm of the office loss. The large loss of industrial floorspace is largely due the completion of residential redevelopments at the former Elgar Works site, Merstham and at the former Hengest Farm in Woodmansterne, accounting respectively for a loss of 1,456sqm of B2 industrial space and 1,356sqm of B8 storage space. These losses were justified as the schemes' location is considered not suitable for an employment or industrial use. The loss of retail floorspace (2,221sqm) is primarily due to a number of notable permissions such as the change of use of units 39/40 at the Belfry Shopping Centre in Redhill to a children play centre (589sqm) and the conversion of the upper floors of the former Knights and Sons in Reigate to residential (589sqm).

Figure 3 illustrates the net additional floorspace completed each year since the beginning of the plan period (1st April 2012). Over the past twelve months, there has been a slight decline in the net amount of retail floorspace completed and is at its lowest point since the beginning of the plan period. Industrial completions have continued to fall, following a trend observed

since 2014-15. Although office completions have fallen from the previous year, the overall amount of office floorspace for this year remains close to the level of completions recorded at the beginning of the plan period.

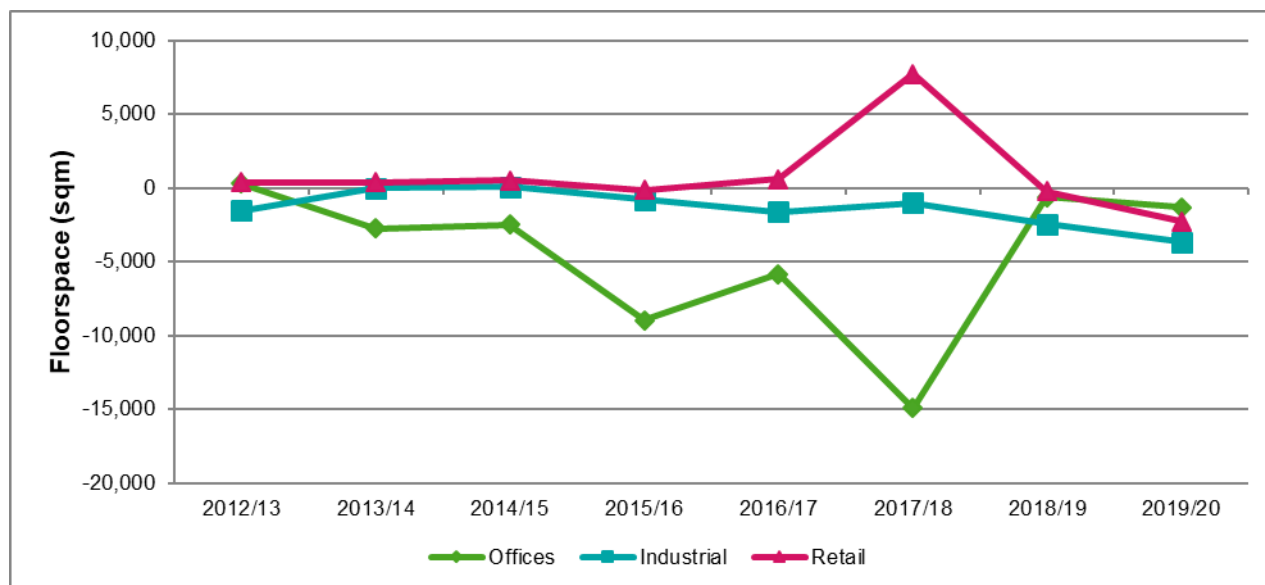


Figure 3 Net additional floorspace completion trend

2.2. Extant Developments (Pipeline)

Tables 3 & 4 summarise the use class breakdown of developments in the pipeline (those with extant planning permission or currently under construction). Combined, pipeline developments could deliver over 35,473sqm (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 substantial loss of employment floorspace (6,126sqm net loss). Significant amount of all recorded losses (20,176sqm; 57.8%) can be attributed to B1(A) office floorspace, out of which 85.0% (17,154 sqm) comes from office to residential permitted development rights.

The large loss of retail floorspace is mainly due to the redevelopment of Marketfield Way (1,035sqm) which is a key regeneration development in Redhill town centre; and the redevelopment of Reigate Garden Centre (2,069sqm) which was justified because of ongoing viability concerns of the existing business.

Pipeline development could lead to high losses of light industrial (B1c) floorspace (7,920sqm) which is mainly due to the residential re-development of Nutley Dean Business Park in Horley

(2,804sqm), Hockley Industrial Centre in Redhill (1,802sqm), and Unit 1 at Pitwood Park in Tadworth(1,579 sqm).

Extant developments could result in the loss of 6,315sqm of storage and distribution (B8) floorspace mainly due to the change of use of 52 Albert Road North, Reigate to light industrial (1,654sqm); and the residential redevelopment of Kingswood Station Yard (1,014sqm).

Table 3 Extant retail developments

Use Class	Gain	Loss	Net
A1	4,771	5,300	-529
A2	0	579	-579
A3	2,682	220	2,462
A4	44	567	-523
A5	85	0	85
Total Retail	7,582	6,666	916

Table 4 Extant employment developments

Use Class	Gain	Loss	Net
B1(A)	5,559	20,176	-14,617
B1(B)	1,172	0	1,172
B1(C)	1,870	7,920	-6,050
B2	27	522	-495
B8	19,263	6,315	12,948
Total Employment	27,263	34,933	-7,042

The figures for individual use classes in Tables 3 & 4 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).

It should also be noted that the DMP includes a number of site allocations for new retail and employment accommodation.

Figure 4 shows that if all the extant and under construction permissions are completed then the majority of retail activity would be in Redhill (Area 2A), mostly due to the planned regeneration of Marketfield Way (3,463sqm). This is in line with Core Strategy Policy CS7 ‘Town and local centres’ which states that the majority of comparison and convenience retail growth to meet the strategic needs of the borough will be accommodated in Redhill town centre. When considering all the extant and under construction permissions, Horley (Area 3) has the potential to deliver most of the employment floorspace, with vast majority coming from the new North Gatwick Gateway industrial/warehousing development, which is located in the Salfords Industrial Estate and is nearing completion.

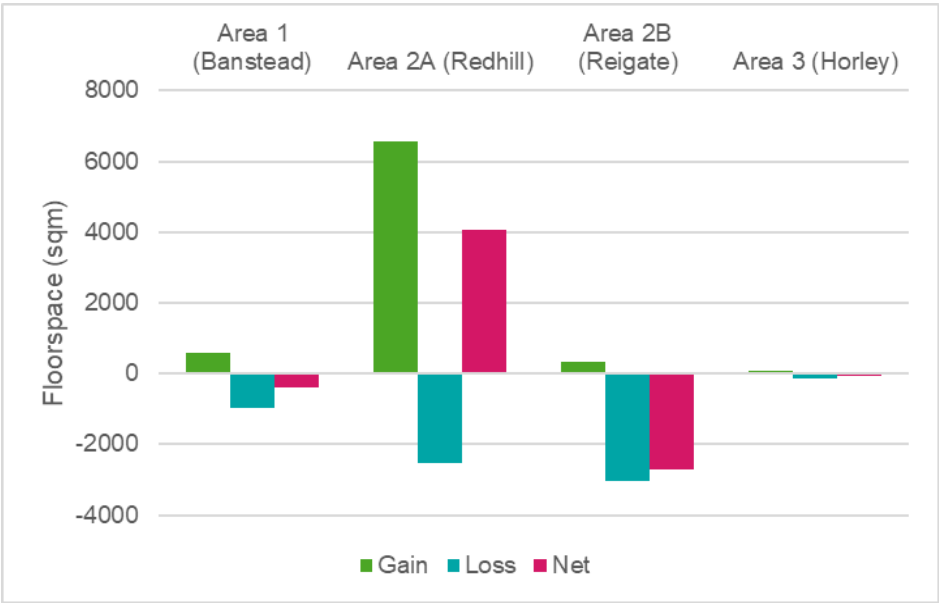


Figure 4 Extant developments by borough area – Retail

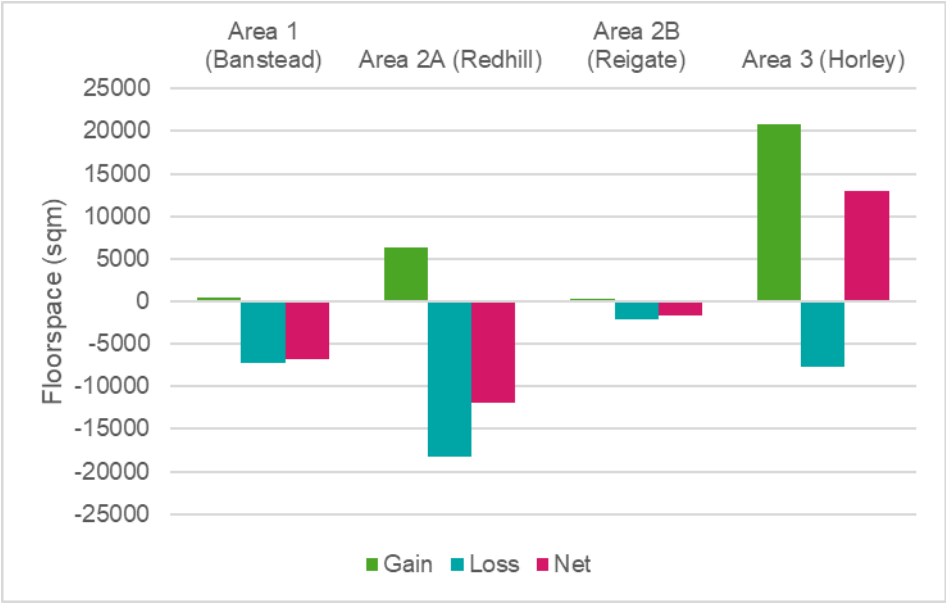


Figure 5 Extant developments by borough area – Employment

3. Development Characteristics

3.1. Location

Core Strategy Policy CS7 ‘Town and local centres’ aims to preserve the retail function of town centres and plans for future retail growth to be located within town and local centres. Figure 6 shows that 96.1% of potential new retail space from extant permissions and schemes under construction is within town and local centres (compared to 92.2% the previous year); this is above the Core Strategy Monitoring target of 95%.

The “rest of urban area” accounts for 3.3% of potential new retail space (249sqm). Notable schemes include the extension of the existing Lifestyle Ford car showroom in the former Reading Arch Road Industrial Estate and the change of use of 69 Marble Way in Tadworth to a coffee shop.

Developments in the Green Belt account for 0.5% of total potential new retail space. This is due to the extension of the McDonalds at 108 Horley Road, Redhill. This was justified because of the economic improvements it would bring to the locality.

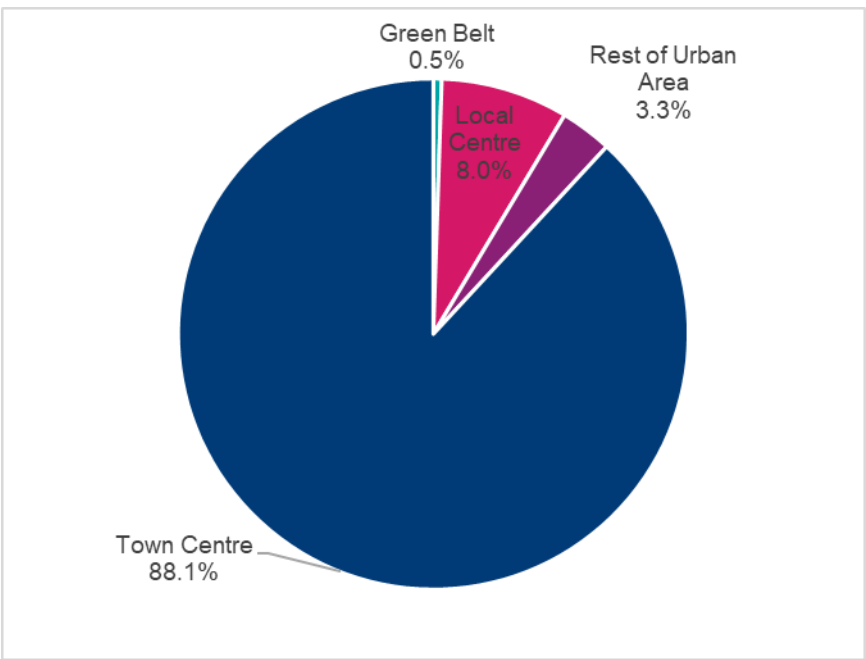


Figure 6 Location of extant retail [A1-A5] by floorspace (gross)

Core Strategy Policy CS5 'Valued people and economic development' 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. Figure 7 shows that 92.8% (20,735sqm) of the potential gross industrial and distribution floorspace would be delivered within the industrial estates.

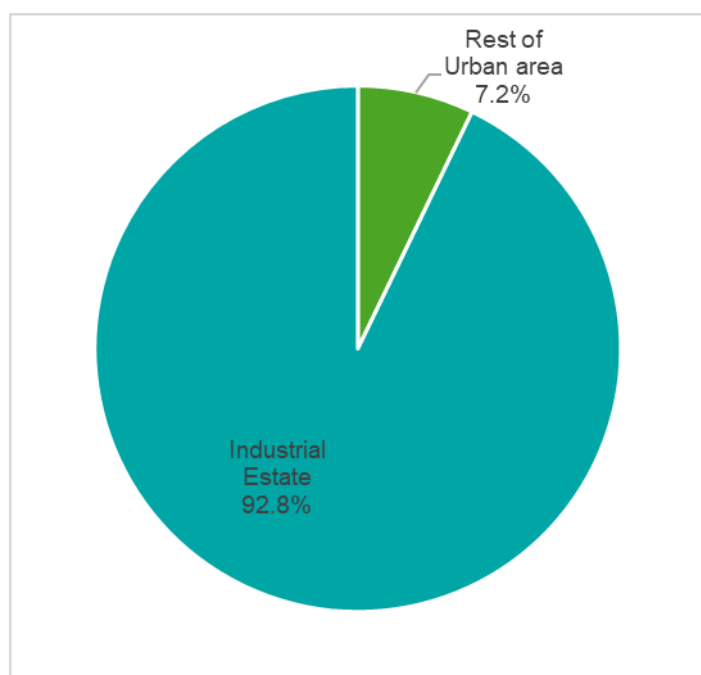


Figure 7 Location of extant industrial & distribution developments by floorspace (gross)

Pipeline developments could deliver 5,559sqm (gross) of new office floorspace. Figure 8 shows that the majority of offices would be delivered in Industrial Estates (88.5%), which is largely due to the redevelopment of the former Horley Gas Holder Station Road; while 7.3% would be delivered in town centres and local centres. The revised NPPF glossary identifies offices as an appropriate use within town centres.

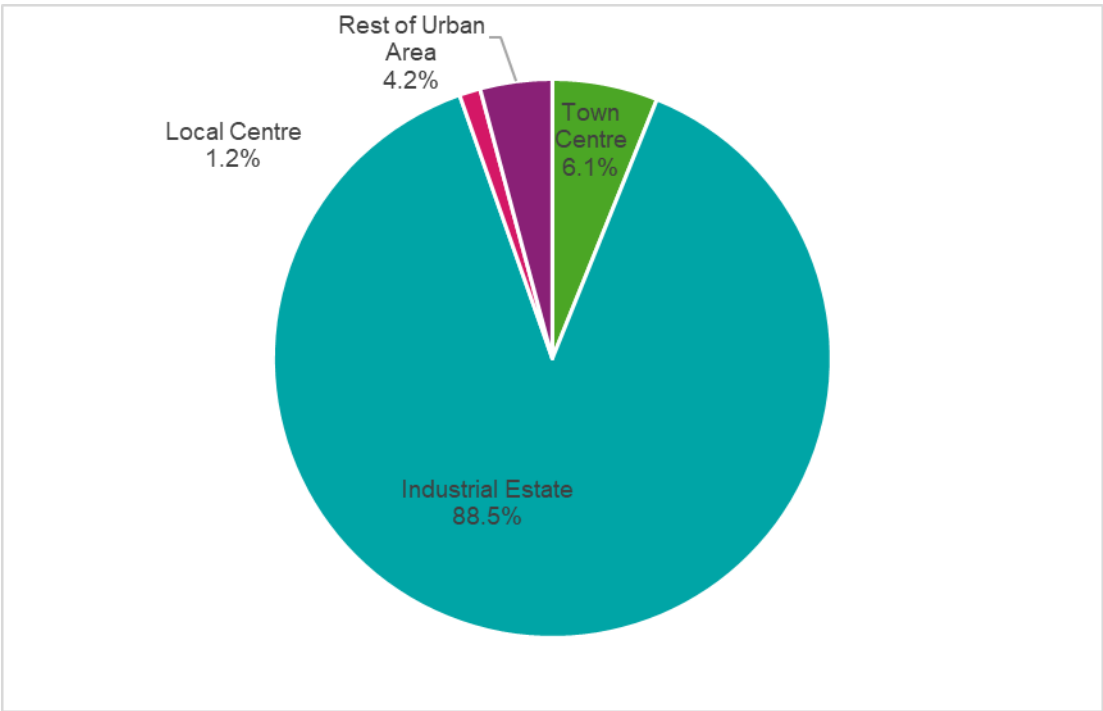


Figure 8 Location of extant office developments [B1(A)] by floorspace (gross)

3.2. Previously Developed Land (PDL)

100% 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%.

3.3. Car Parking Provision

Annex 4 of the recently adopted DMP (September 2019) defines maximum parking standards for different types of developments (see Table 5 below).

Table 5 DMP non-residential parking standards

Use Class	Maximum Standard Spaces
A1 Retail	
Food or non-food retail (up to 500m ²)	1 car space per 30m ²
Food retail (500-1000m ²)	1 car space per 25m ²
Food retail (above 1000m ²)	1 car space per 14m ²
Non-food retail (500m ² or more)	1 car space per 25m ²
Open Air Markets	Individual assessment
A2 Financial and Professional Services	1 car space per 30m ²
A3 Food and Drinks	1 car space per 5m ²
A4 Drinking Establishments	1 car space per 5m ²
A5 Hot Food Takeaways	1 car space per 5m ²
B1 Business	1 car space per 30m ²
B2 General Industrial	1 car space per 30m ²
B8 Storage or Distribution	
Warehouse for storage	1 car space per 100m ² ; 1 lorry space per 200m ²
Warehouse for distribution	1 car space per 70m ² ; 1 lorry space per 200m ²
Cash and carry	1 car space per 30m ² ; 1 lorry space per 200m ²

The DMP Parking Standards have been adopted part way through this monitoring period. Applications determined prior to the adoption of the DMP were assessed against standards in the Borough Local Plan 2005 and Surrey County Council's 2012 Parking Standards.

Tables 6 & 7 give an overview of average parking spaces per various completed and extant development types. They show that retail and storage (A1-A5 and B8 uses) developments are near the borough local plan targets, while offices and industrial developments (B1a and B2 uses) are both under the maximum target of 1 per 30sqm. These figures should be seen

as indicative rather than definitive as they are calculated using data collected from planning applications, which do not always provide full information on car parking provision.

Table 6 Car parking spaces on completed developments

Use Class	Gross Floorspace (sqm)	Parking Provision	Average spaces per sqm
A1	166	0	-
A2	38	0	-
A3	63	0	-
A4	149	0	-
A5	205	0	-
B1	698	46	1 per 15
B2	243	10	1 per 24
B8	22	0	-

Table 7 Car parking spaces on extant developments

Use Class	Gross Floorspace (sqm)	Parking Provision	Average spaces per sqm
A1	166	0	-
A2	38	0	-
A3	63	0	-
A4	149	0	-
A5	205	0	-
B1	698	46	1 per 15
B2	243	10	1 per 24
B8	22	0	-

4. Commercial Property Market

4.1. Overview

Table 8 summarises the amount of available commercial floorspace. Within the last twelve months, the amount of commercial floorspace within the borough available on the market has increased from 30,449sqm to 31,754sqm. Overall, Redhill, Reigate and Horley and town centres have seen an increase in the available floorspace (11,662sqm to 12,279sqm; 5,351sqm to 7,717sqm and 379sqm to 1,265sqm respectively).

Table 8 Summary of available floorspace (sqm)

Area	Retail	Office	Industrial/ Warehouse	Total
Banstead Town Centre	130	23	0	153
Rest of Banstead	66	287	156	509
Reigate Town Centre	1,658	6,059	0	7,717
Rest of Reigate	264	101	904	1,269
Redhill Town Centre	1,012	11,267	0	12,279
Rest of Redhill	1,009	3,610	3,337	7,956
Horley Town Centre	1,238	27	0	1,265
Rest of Horley	106	500	0	606
Total	5,483	21,874	4,397	31,754

Offices remain the dominant source of available floorspace which has been the case over the past nine years. This year it increased its share from 64.1% to 68.9% of total available floorspace. The majority of all available office floorspace is located in Redhill (68.0%) and in Reigate (28.2%). The amount of available floorspace has increased in both Banstead and

Horley (from 0sqm to 310sqm, and from 346sqm to 527sqm). Most of the office floorspace available is located in town centres (17,376sqm), rest of urban areas (2,097sqm), and industrial estates (2,061sqm), followed by local centres (340sqm). Notable office units available include Grosvenor House in Redhill (3,813sqm), 45 London Road in Reigate (1,791sqm), and buildings A, B, C and J in Kingsfield Business Centre, Redhill as previous occupiers of these sites relocated.

The amount of available retail floorspace has risen within the last twelve months from 2,906sqm to 5,483sqm. This is mainly due to an increase in Horley, Redhill and Reigate areas (respectively 506sqm to 1,344sqm; 987sqm to 2,021sqm and 808sqm to 2,730), while Banstead has seen a decrease from 605sqm to 196sqm. While the majority of available retail floorspace is located in town centres (4,038sqm), remaining available retail floorspace is mostly located in the rest of Redhill (916sqm), and in local centres (528sqm). Notable units available include 11-15 High Street in Horley town centre (1,036sqm) previously occupied by Lloyds Bank and 12 Brighton Road in Redhill (916sqm) which has been vacant for a number of years.

The amount of available industrial/ warehouse floorspace has continued to decrease for the fourth year in a row (8,017sqm to 4,397sqm). The largest proportion of available properties is coming from Redhill with the availability of Unit 2 at Wells Point in Gatton Park Business Centre and Reigate (904sqm) with the Unit E of 61 Albert Road, now vacant. This was previously occupied by Respirex who occupy a number of units in Kingsfield Business Centre. Available industrial and warehouse floorspace is without surprise mostly located in the borough's industrial estates with a total of 3,493sqm available, while the rest of Reigate has 904sqm of available industrial floorspace.

Figure 9 below shows the available floorspace trend 2012-2020. While during the previous year, the total available floorspace had hit its lowest point the past twelve months have seen a small increase rising from 30,449 sqm to 31,754sqm.

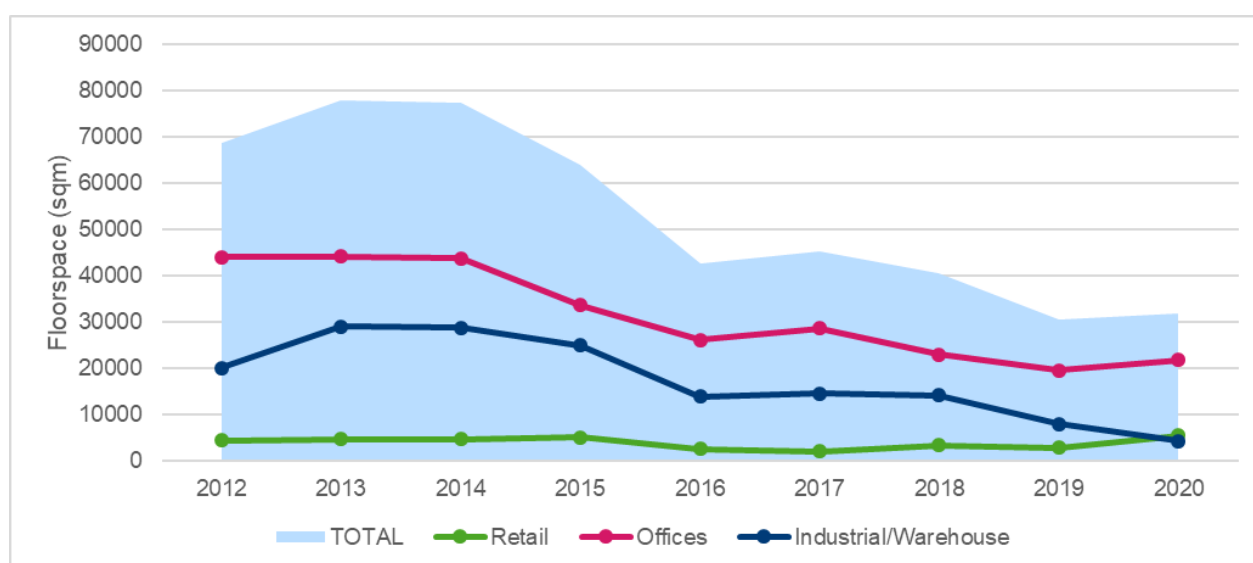


Figure 9 Available floorspace trend (2012 - 2020)

4.2. Office

Within the last twelve months, the amount of available office floorspace has increased by 12.0% (19,526sqm to 21,874sqm).

Figure 10 shows that 51.5% of the available office floorspace is within Redhill town centre and a further 27.7% in Reigate town centre. This is due to the composition of the available floorspace in the town centres (i.e. purpose-built large office accommodation available, such as Grosvenor in Redhill and London Court in Reigate).

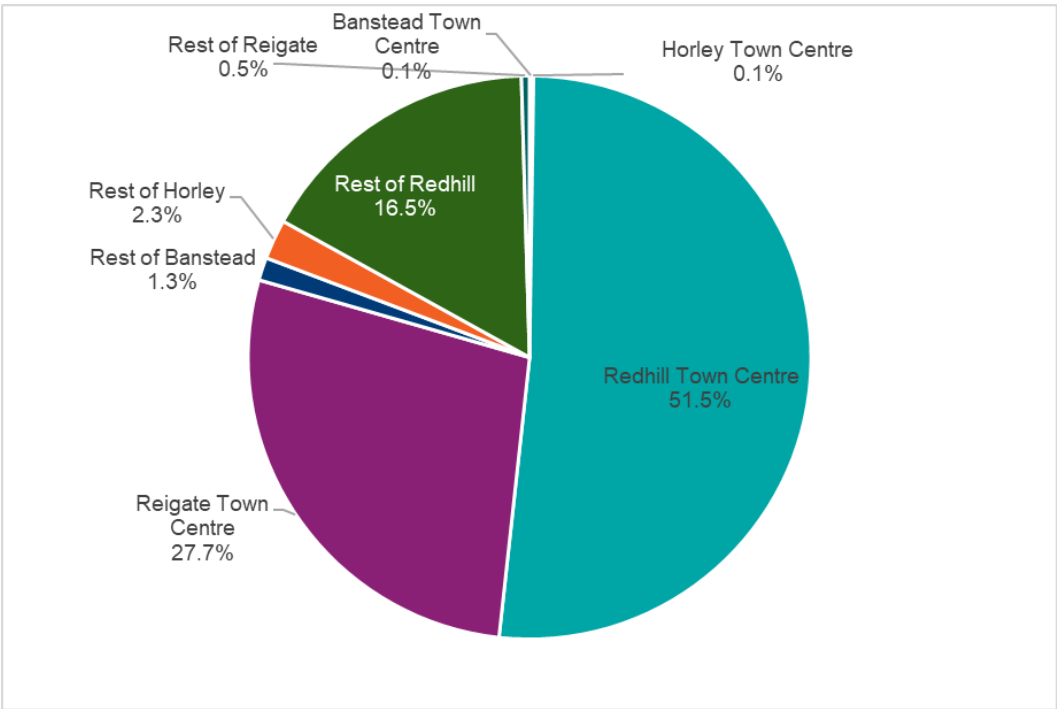


Figure 10 Geographical breakdown of available office accommodation

4.3. Industrial & Distribution

Within the last twelve months the amount of available industrial and distribution floorspace has decreased dramatically by 45.2% from 8,017sqm to 4,397. It is now at its lowest point since the beginning of the plan period.

Figure 11 shows that the majority of the available industrial and distribution floorspace is within Redhill (60.2%) which is unsurprising due to the number of large industrial estate in the Redhill area; While Redhill continues to account for the highest proportion of available floorspace (60.2%), overall the amount of available floorspace has decreased in Redhill, Horley and Banstead.

Conversely, Reigate has seen an increase from 0 to 904sqm of available industrial and distribution space due to the Unit E at 61 Albert Road.

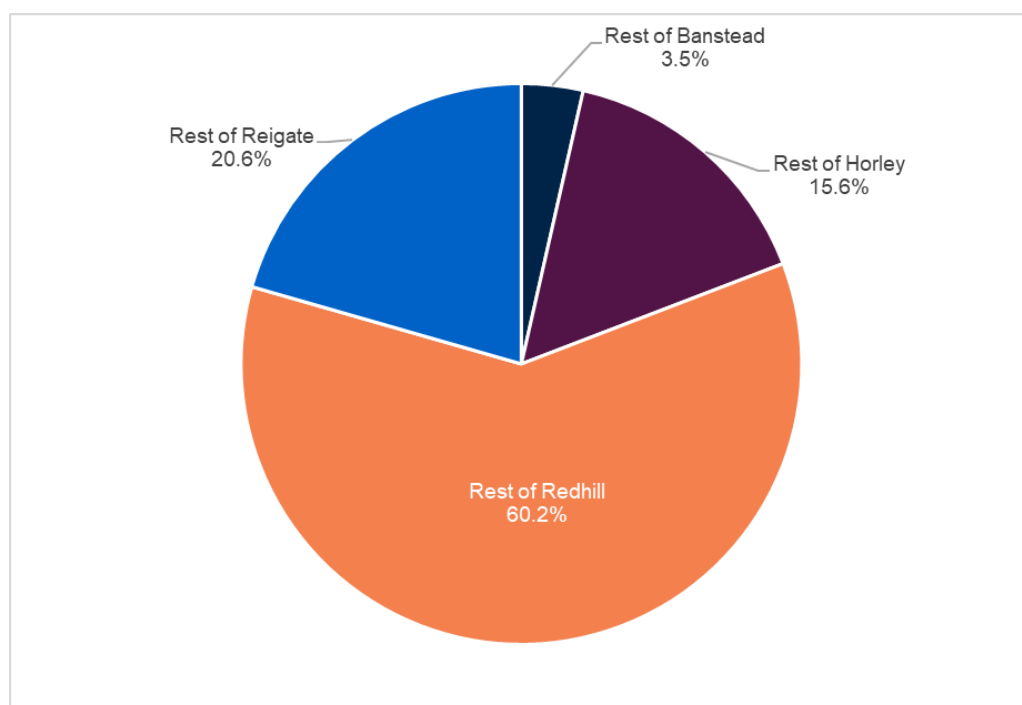


Figure 11 Geographical breakdown of available industrial and distribution accommodation

4.4. Retail

During the past twelve months available retail floorspace has increased by 88.7% (from 2,906sqm to 5,483sqm), being now at its highest point since 2012.

As it can be seen from Figure 12, the available retail floorspace remains relatively evenly distributed across the borough, with majority currently coming from Reigate and Horley town centres (30.3% and 22.6%, respectively).

Within the last twelve months Horley, Redhill and Reigate have seen an increase in the amount of retail available floorspace (506sqm to 1,437sqm - 184.0%; 987sqm to 1,928sqm - 51.2%; 807sqm to 1,922sqm - 138.2%) which is due to a number of units being available notably 11-15 High St in Horley and 12 Brighton Road in Redhill; while the amount available in Banstead has decreased by 67.6% (605 sqm to 196sqm).

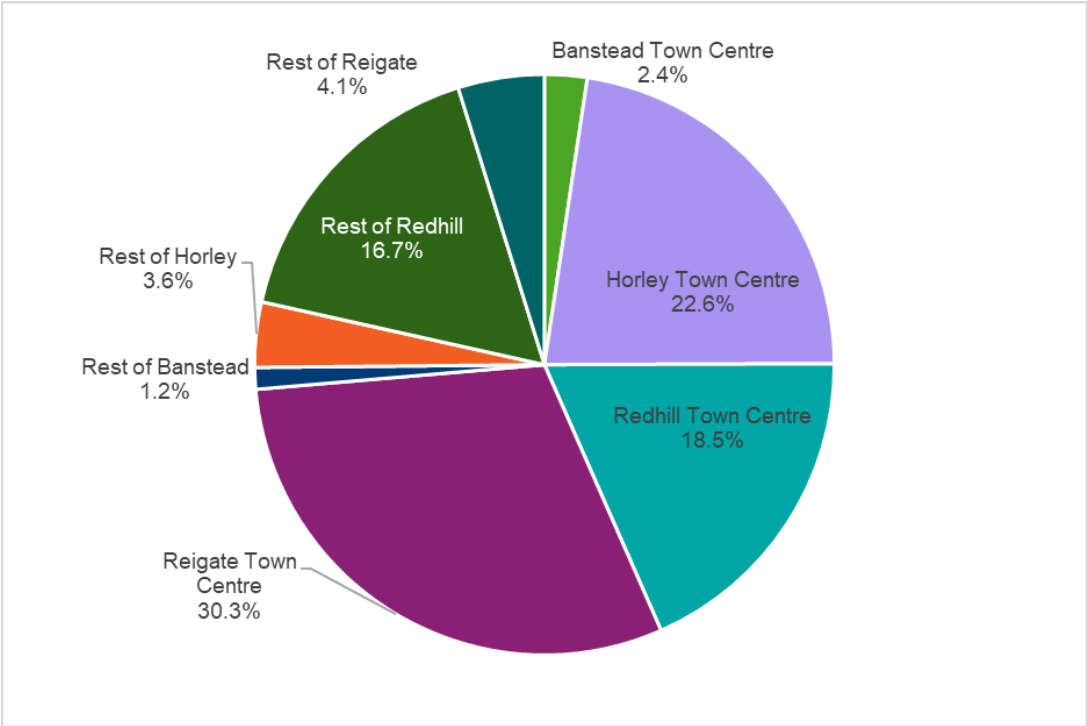


Figure 12 Geographical breakdown of available retail accommodation

5. Summary of Key Findings

- **Employment & Retail Completions** – Within the last twelve months 1,584sqm of gross employment and retail floorspace has been completed. After taking loss of employment and retail floorspace into account, the overall net delivery accounts to a loss of 7,168sqm.
- **Extant Employment & Retail Permissions (Pipeline)** – Extant and under construction schemes could create over 35,473sqm (gross) of new or expanded employment and retail accommodation. Once losses are factored in however the pipeline could result in a net loss of 6,126sqm of employment space, the majority of which would be offices (57.8%).
- **Development Characteristics & Location** – 100% of retail and employment developments completed over the past year were on previously developed land (PDL). Based on the analyses of pipeline developments, 96.1% of potential new retail space will be located in town and local centres and 92.8% of new industrial/distribution space will be located within designated industrial estates.
- **Borough Commercial Property Market** – The amount of available commercial floorspace has increased within the last twelve months from 30,450sqm to 31,754sqm. Overall, Redhill, Reigate and Horley and town centres have seen an increase in the available floorspace (11,662sqm to 12,279sqm; 5,351sqm to 7,717sqm and 379sqm to 1,265sqm respectively).

Monitoring Publications

Annual Monitoring Report

Summarises the Council's performance against key monitoring indicators

Housing Delivery

Provides information on housing completions and permissions and details the Council's 5 years land supply position

Commercial Development

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

Industrial Estates

Contains an analysis of occupational trends in the borough's seven main Industrial Estates

Local Centres

Provides information on retail provision in the borough's 27 local shopping centres

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

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

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