

Reading Borough Council
READING EMPLOYMENT AREA ANALYSIS

March 2018



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1. INTRODUCTION

- 1.1 The future of existing employment land is one of the key questions for how Reading develops over the coming years. Within such a constrained urban area, the industrial areas are coming under some pressure for alternative uses, particularly housing. There are significant needs for both employment and housing within Reading, and meeting as much of these needs as possible is a difficult balancing act.
- 1.2 This analysis aims to investigate two matters in particular:
1. Identify which employment areas are critical to the economy of Reading and the surrounding area and should be protected, and which areas may have potential for release to other uses; and
 2. Identify any potential for existing employment areas to accommodate additional employment development to help meet the identified needs.

National Planning Policy Framework

- 1.3 The National Planning Policy Framework (NPPF) sets out 12 core planning principles in paragraph 17, which inform what planning should do. Among these principles are that planning should:
- “proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth.”
- 1.4 The NPPF makes clear that planning should place significant weight on supporting economic growth, and that planning authorities should “plan proactively to meet the development needs of business and support an economy fit for the 21st century” (paragraph 20). This includes the need to set an economic growth strategy, identify sites for investment, support existing business sectors, promote clusters, identify areas for regeneration, infrastructure and environmental enhancement and facilitate flexible working. Whilst the NPPF here refers mainly to the identification of sites for change, achieving these aims will also require the retention of those areas which already make and are likely to continue to make a positive contribution towards economic growth.
- 1.5 However, paragraph 22 cautions that policies “should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose”, and expects that there should be a regular review of employment allocations with a view to consideration of applications for alternative uses.

Identified Need

- 1.6 The needs for additional employment development have been assessed within the Central Berkshire Economic Development Needs Assessment, which reported in October 2016. This covered the Central Berkshire Functional Economic Market Area, comprising Wokingham, Bracknell Forest

and Windsor and Maidenhead, as well as Reading. This identified a significant positive need for additional employment floorspace. The report used various scenarios and assumptions, but the Council considers that the most robust need figures for the period 2013 to 2036 from the EDNA are as follows:

- 52,775 of office floorspace; and
- 148,440 sq m of industrial and warehouse floorspace.

- 1.7 This is a very significant level of new floorspace, particularly for industrial and warehouse space. Whilst there has continued to be new development of offices both in the town centre and out of town locations in recent years, the geographical extent of Reading's more traditional employment areas suitable for industrial and warehouse space has changed little over recent decades, other than to contract somewhat. Meeting these needs will require new sites to be identified, but it will also mean needing to ensure that those employment areas which genuinely have a future for that use continue to provide space for employment uses.
- 1.8 The significant need for new residential development is also of importance. The Berkshire (including South Bucks) Strategic Housing Market Assessment, published in February 2016, identified high levels of objectively assessed need for new housing. For Reading, the identified need was for 699 homes per year between 2013 and 2036. Given Reading's constraints, including very limited potential for use of greenfield land, there is pressure on many of Reading's older employment areas for potential redevelopment for residential to help to meet this need.
- 1.9 There is therefore a need for a full assessment of Reading's existing employment areas and allocations to understand how policy should treat the various areas. Some areas are essential to future economic growth and will need to be retained. Others may be less vital to the local economy, and can be considered for release for other uses. This assessment seeks to provide the evidence to make decisions about the employment future of a location.

Other Publications

- 1.10 This report has links to some other publications which inform current or previous planning policy.
- 1.11 The Housing and Economic Land Availability Assessment (HELAA, November 2017) is the main vehicle for considering the capacity of sites to meet development needs, and is the most significant piece of evidence to support the site allocations in the Local Plan. It is strongly related to this report, in that all significant existing employment sites are considered within the HELAA for (in most cases) residential development. Whilst those areas are considered in both documents, the HELAA and Employment Area Analysis have distinct roles. The Employment Area Analysis considers the importance of the area for employment and whether it should be retained in its existing role. This includes consideration of whether, on those sites to be retained, there is scope for intensification to help to meet employment development needs. Meanwhile, the HELAA considers the suitability, availability and achievability of those areas for residential use, and takes

account of the conclusion of this document on whether uses should be retained.

- 1.12 This report also builds upon past work that was undertaken to support existing planning policy. The Employment Land Review Site Specific Analysis was produced in February 2010 to provide evidence for employment policies in the Sites and Detailed Policies Document, in particular the identification of Core Employment Areas. Whilst that document was prepared under a different national policy regime and its conclusions are in need of review, the broad methodology for assessing the importance of existing employment areas is considered to be thorough, and has formed the basis for undertaking the assessment in this report.

Background to Reading's employment areas

- 1.13 This report considers 20 employment areas within Reading, ranging from large business parks to small clusters of employment uses within residential areas. Table 1.1 sets out some headline information on each of the employment areas for context, using figures derived from the most up-to-date survey. In total, the areas surveyed cover some 242 ha, and contain almost 900,000 sq m of employment and related floorspace.

Table 1.1: Baseline information on employment areas

Area	Size (ha)	Part of Reading	Description	Office floorspace (sq m)	Industrial/warehouse floorspace (sq m)	Other floorspace (sq m)	% floorspace vacant
Green Park	33.18	South	Modern office park	104,900	0	0	4
North of the M4	36.47	South	Modern office and warehouse area	36,700	87,100	1,600	11
Worton Grange	17.2	South	Modern office and warehouse area	23,500	52,230	1,200	11
Acre Road	10.36	South	Mixed employment area	0	43,500	1,500	1
Bennet Road	20.31	South	Mixed employment area	11,100	51,500	10,300	3
Manor Farm	19.5	South	Mixed employment area	19,900	64,900	3,200	7
North of Basingstoke Road	17.99	South	Mixed employment area	600	54,100	16,000	5
Elgar Road	6.55	South	Mixed employment area	0	28,600	1,200	10
Island Road	17.9	South	Permitted new employment location	0	0	0	N/A
Rose Kiln Lane	9.52	South	Mixed commercial location	5,500	12,800	13,400	4
Paddock Road	1.63	Caversham	Small industrial estate	0	8,600	0	17
Richfield Avenue	18.41	West	Mixed employment area	5,700	77,700	11,400	31
Portman Rd/Loverock Rd	13.73	West	Mixed employment area	2,200	57,500	3,600	8
Stadium Way/Deacon Way	10.84	West	Mixed employment area	0	42,200	0	21
Bridgewater Close	1.61	West	Small industrial estate	0	4,500	3,600	0
Wigmore Lane	0.73	West	Small industrial location	0	1,500	0	0
Sterling Way	1.55	West	Small industrial estate	0	5,100	1,600	29
Marcus Close	2.17	West	Small industrial estate	0	8,400	1,100	0
Fobney Mead	2.26	South	Former laboratory	0	1,200	0	100
Gosbrook Road	0.46	Caversham	Small-scale employment uses in residential area	0	1,700	0	0
TOTAL	242.37			210,100	603,000	75,000	10

Floorspace figures are rounded to the nearest 100. Total figures may not sum due to rounding.

2. READING OFFICE AND INDUSTRIAL MARKET SUMMARY

- 2.1 The following represents a general summary of the market within Reading for offices and industrial and warehousing space, presenting a general overview as well as any clear trends differentiating the various areas within Reading. It draws on a variety of published sources, listed at the end of the section.
- 2.2 It should be noted that references to the Reading commercial property market are not generally restricted to Reading Borough. The urban area of Reading straddles local authority boundaries, and employment locations such as Thames Valley Park, Suttons Business Park, Winnersh Triangle, Arlington Business Park, the new university science park and a number of other smaller locations would usually be considered to operate within the Reading market despite being located in Wokingham or West Berkshire.

Office Market

- 2.3 The following provides a general snapshot of the current market for office space in Reading and the wider Thames Valley.
- Within Reading, there are two distinct office markets. The town centre market includes a mix of space in a high density location, including both headquarters style accommodation and smaller and older stock. The out of town market is dominated by modern business parks. Within Reading Borough, the main area of this type is Green Park, but, within adjoining authorities, this also encompasses Thames Valley Park, parts of Winnersh Triangle and Arlington Business Park. There is some older office stock within other employment areas and in locations such as small shopping centres, but this is comparatively small-scale.
 - In recent years, the main source of demand for office accommodation in Reading has been from the telecommunications, media and technology sector, and Reading has proven particularly attractive to US-based companies (NLP, 2016a). More recently, these have been complemented by businesses in sectors such as pharmaceuticals. Reading's advantages include its location close to Heathrow, skilled workforce and attractiveness as a place to live (NLP, 2016a).
 - Recently, the attraction of Reading to office occupiers has been complemented by a trend of decentralisation from London, in particular in the IT sector, as companies look to move to locations which deliver similar benefits but where costs are lower (NLP, 2016b). However, in addition, Reading has also recently attracted firms relocating from other nearby locations, with Green Park in particular seeing relocations from places including Basingstoke, Bracknell, Newbury and Southampton (NLP, 2016b). Reading's location as the western terminus of Crossrail has assisted its perception as an office location.
 - Availability of office floorspace is currently low compared to recent years, with virtually all (90%) of the available space being Grade A (Lambert Smith Hampton, 2017). This reflects recent trends in town centre offices, with much of the Grade B stock having been converted, or in the process of being converted, to residential under new permitted development rights. This has particularly affected fringe town centre locations such as Kings Road, Queens Road and London

Street, but has also occurred within the core of the centre. At the same time, there have been some high-profile modern office developments in close proximity to the station such as Aldwych House (now R+) and Forbury Place.

- Although take-up in 2015 and 2016 was above the ten year average (Lambert Smith Hampton, 2017), most recent figures show 2017 figures being down on 2016 (Hicks Baker, 2017). Reflecting the availability levels, 94% of space let in 2016 was Grade A (Lambert Smith Hampton, 2017). The most recent focus has been on small space, with no lettings by Q3 2017 over 15,000 sq ft (Hicks Baker, 2017). Town centre has also seen the majority of recent take-up, with out of town representing only 29% of 2017 transactions (Hicks Baker, 2017).
- However, the indications are that long-term market prospects remain strong. This is borne out by the amount of investment activity, rather than occupier activity. CoStar's Activity Index (2016) lists Reading as 12th of 50 locations for occupier activity, but first for investment activity, ahead of Central London in second. Underlining the success of the sub-region, Bracknell is ranked third. Reading's ranking was boosted by the purchase of Green Park by Mapletree (CoStar, 2016), and more recently The Blade and Abbey Gardens have also changed hands (Hicks Baker, 2017).
- By the standards of other locations in southern England, Reading has one of the highest office rental levels. Figures from Colliers from 2017 show a prime headline rent of £36.50 per sq ft in the town centre, and £34 out of town. Other than Maidenhead, few centres in the area outside London are able to match these rents. Prime yields remain stable at 5% (Lambert Smith Hampton, 2017).
- Within the office market, there has been a very strong recent shift towards buildings that offer distinctive accommodation. Popular features of recent lets have included concierge systems, collaborative working spaces such as roof gardens, and on-site cafes, even in the town centre where there are many food and drink outlets available (Lambert Smith Hampton, 2017). 40% of all space let in the town centre in 2016 had exposed services design (Lambert Smith Hampton, 2017), and examples include the White Building and Forbury Works (Hicks Baker, 2017).
- Linked to the above, whilst Reading has recently depended on large IT multinationals such as Microsoft, Cisco and Oracle, there is an important change in that there is an increasing push from start-up businesses in the tech sector, which has led to increasing demand for co-working spaces, and has meant very high levels of digital co-location (Lambert Smith Hampton, 2017). Whilst this has been the case in town centre buildings with good access to services and transport, such as the White Building, it has also manifested itself in out of town locations in a high-quality environment, such as GROW@GreenPark (Lambert Smith Hampton, 2017).

Industrial Market

- 2.4 The following provides a general snapshot of the market for industrial and warehouse space in Reading and the wider Thames Valley in recent years.

- Demand for space for industrial and warehouse uses is very strong across the region. Reading is seen as a location with good potential in terms of its connectivity, pool of labour and the quality of its accommodation (NLP, 2016b). Demand is for a mix of sizes and premises types (NLP 2016b), but in the Thames Valley it is particularly driven by online logistics and retailing, although there has also been demand from research and development and engineering uses (JLL, 2017).
- Demand in Reading tends to be for a Reading-only location, or for an area that includes nearby centres such as Bracknell. However, demand from larger distribution operators tends to be across the whole of the South East (NLP, 2016b).
- Availability of space to accommodate this demand is currently low. Property agents report particular difficulties in satisfying interest in industrial and warehouse space in Reading. This holds true across a range of premises sizes (NLP, 2016b). Some industrial locations within the Thames Valley have reported record lows of vacancy (JLL, 2017). There is a particular lack of high-quality, modern industrial space (JLL, 2017).
- Within Reading, a number of locations at the time of the survey had vacancy levels well below 10%, including much of the area around Basingstoke Road and the Portman Road area. Whilst Richfield Avenue in particular had high levels of vacancy, much of this is down to large units, often tailored to a particular occupier that has now departed, whilst smaller units tend to remain well-occupied.
- Inevitably, with this mismatch between supply and demand, industrial rents have risen to very high levels. Headline rents of £13 per sq ft have recently been achieved in Reading, with the only locations in the Western Corridor achieving higher rents being west London and Slough (JLL, 2017) which benefit from closer proximity to Heathrow. Indeed, record rents have been reported for 2017, and further increases are anticipated in 2018 (Haslams, 2018). This has been paired with a hardening of investment yields (NLP, 2016b).
- In terms of take-up of space, 2016 was a particularly strong year, and although 2017 figures do not indicate that take-up is on that level, it still remains above the 15-year average (JLL, 2017). Of course, take-up is limited by the availability of space, and as set out above there are severe restrictions on supply. Within the Thames Valley as a whole, the focus in 2017 has been on smaller industrial accommodation, with relatively few transactions involving space over 50,000 sq ft, and the average size of unit taken up being 9,700 sq ft (JLL, 2017). However, one of the few larger units taken up at the time of the JLL report had been at Island Road in Reading (73,00 sq ft) for Argos, and, subsequently in December 2017, UEC have also taken up a unit of 56,000 sq ft in the same location.
- There has been particularly strong take-up by trade counter uses in 2017, with Haslams (2018) reporting take-up of 649,325 sq ft, which is 31% above the five-year average. There is also a discernible pattern for trade counter uses to increasingly seek space in locations with high visibility and to move away from more hidden industrial estates (Haslams, 2015). The new development of trade counter space at Worton Grange (currently under construction), in a prominent location near the motorway junction, illustrates this pattern.

- There is also expectation of strong demand from small and medium sized industrial and warehouse occupiers (Haslams, 2015). For example, Acre Business Park contains some of the smallest units, and is owned and managed by the Council. Demand for the small workshop units remains healthy. Although vacancy in the park is around 25%, this is generally among the first floor office units, which are not well-suited to modern requirements and are not in a location where there is particular office demand, rather than in the industrial and warehouse space.
- In terms of differentiating between locations within Reading, it is clear that access to the strategic road network, particularly for HGVs, is of particular importance (Campbell Gordon, 2018). This makes locations close to Junctions 11 and 12 of the M4 particularly attractive to occupiers (albeit that Junction 12 is within West Berkshire), and does mean that South Reading locations have advantages over other locations. The locations in West and North Reading therefore tend to accommodate older and poorer quality accommodation (NLP, 2016b).
- Whilst requirements are for a range of sizes, there are particular demands for large volume storage and high eaves clearance of 6-8 metres (Campbell Gordon, 2018).

References

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- Lambert Smith Hampton (2017), Thames Valley Office Market Report 2017 <http://www.lsh.co.uk/commercial-property-news/2017/july/thames-valley-office-market-report-2017>
- NLP (2016a), Berkshire Functional Economic Market Area Study
- NLP (2016b), Central Berkshire FEMA Economic Development Needs Assessment

3. DETAILED SITE ANALYSIS METHODOLOGY

- 3.1 The purpose of this analysis is to consider which sites are of greatest importance to the future economic prospects of Reading and therefore should be identified for protection as Core Employment Areas, and which areas make lesser contribution and which should be either left undesignated, or should be actively brought forward for alternative uses.
- 3.2 The first stage of the analysis was to identify the sites to be assessed. For this report, all areas in primarily employment use, or with existing allocations or permissions for primarily employment use, were considered, although there were some exceptions. The exceptions were very small employment sites within areas of other uses, generally residential, and existing town centre offices, which are often part of wider mixed-use sites.
- 3.3 These areas were broken down into 96 more manageable plots, which reflect potential development plots. Clearly, such a definition is always somewhat arbitrary, but it forms a more practical unit for analysis and allows for employment areas to be considered at a finer grain without looking at each individual building in turn.
- 3.4 The plots used for analysis are shown on the maps in Appendix 1.
- 3.5 Each plot was then appraised against a variety of criteria, under nine headings, following surveys undertaken during 2016 and 2017. These headings were as used by the Employment Land Review Site Specific Analysis 2010, and were derived from the government guidance on undertaking Employment Land Reviews, albeit amended slightly. That government guidance is no longer current, but it has not been replaced by anything that would indicate the need for a different methodology, and is considered to be a thorough and logical approach. The headings are set out below:
- Quality of the Existing Internal Environment
 - Quality of the Existing Wider Environment
 - Strategic Access
 - Market Considerations, Perception and Demand
 - Ownership and User Constraints
 - Site Development Constraints
 - Accessibility
 - Sequential Considerations
 - Policy Considerations
- 3.6 **Quality of the Existing Internal Environment:** The following criteria were considered under this heading:
- Age
 - Condition
 - Whether the plot contains uses which cause noise/disturbance to nearby residential uses
 - Contamination
 - Other pollutants
 - General environmental quality of external areas
 - Parking and circulation

- 3.7 Where sites are old, in poor condition or lack elements which would be attractive to future business users, such as adequate parking and circulation space, they may be more likely to come forward for development in the plan period. Equally, where these uses currently cause problems for neighbouring residential uses, their loss may be desirable.
- 3.8 **Quality of the Existing Wider Environment:** This heading is concerned mainly with whether the environment surrounding the plot is generally only suitable for employment or related uses. Criteria considered were:
- Adjacent uses
 - Noise affecting the plot
 - Other pollutants affecting the plot
 - General environmental quality of wider area
- 3.9 Plots which are surrounded by other industrial uses and affected by noise and pollutants may have a limited scope to accommodate alternative uses.
- 3.10 **Strategic Access:** This heading relates to access to the strategic transport network, and is primarily concerned with the movement of goods rather than people. The criteria are as follows:
- Distance to Strategic Road Network
 - Quality of roads leading to Strategic Road Network
- A criterion on distance to a rail freight terminal would also have been included, but this does not affect any of Reading's employment areas. Broadly, areas which are most accessible to the strategic transport network are most appropriate for retention as employment land.
- 3.11 **Market Conditions, Perception and Demand:** This heading set out to identify the areas which were not considered to be likely to have a strong future as employment land. There were two main elements to this. The first was an examination of vacancy rates, including whether there was any identified long-term vacancy, which would be particularly indicative of future employment uses being unrealistic.
- 3.12 The second element involved an analysis of market demand, which is set out in section 2. The following conclusions about the broad demand for employment land and premises across Reading are based on that analysis. It should be noted that the terms 'strong', 'medium' and 'weak' demand are relative and that these are in the context of reasonably strong demand for all sizes of unit across Reading.
- Grade A town centre office - strong demand
 - Grade B town centre office - medium demand
 - Grade A out of town office - strong demand
 - Grade B out of town office - relatively weak demand
 - Larger, modern industrial units with good access to strategic network - very strong demand
 - Larger, older industrial units with good access to strategic network - strong demand
 - Larger, modern industrial units with limited access to strategic network - strong demand
 - Larger, older industrial units with limited access to strategic network - medium demand

- Larger sites tailored for specific occupiers with good access to strategic network - strong demand
- Larger sites tailored for specific occupiers with limited access to strategic network - weak to medium demand
- High visibility trade counter/showroom site - strong demand
- Low visibility trade counter/showroom site - weak demand
- Units for small and medium sized enterprises <500 sq m - strong demand
- Development site for employment with good access to strategic network - strong demand
- Development site for employment with limited access to strategic network - weak demand

3.13 The following criteria were therefore assessed under this heading:

- % of stock vacant
- % of stock long-term vacant (5 years)
- Strength of demand in market segment
- Known significant recent market activity
- Whether release is likely to be viable (this criterion was used to highlight those few sites where the existing use would have such a high value that release would be unrealistic - these were generally large, modern, high value office blocks)

3.14 **Ownership and User Constraints:** This heading dealt with any known constraints and issues, and did not involve a full survey of the landowners of the sites, although any information that had been gathered in preparation of the HELAA was used. Where information is available, this can give a good indication of whether release of employment land is likely. The following criteria were examined:

- Known ownership constraints
- Whether site is known to be available or unavailable for development

3.15 **Site Development Constraints:** This heading applied only to land not in employment use but already allocated or permitted for employment, but not yet started or completed. In Reading, this covered land at Green Park and Island Road. The single criterion looks at whether there are any constraints that would affect the likelihood of the employment designation being taken up.

3.16 **Accessibility:** This differs from Strategic Access in that it looks at the accessibility of the employment areas to their workforce. Those areas which are highly accessible to their workforce by non-car modes are most suitable for retention. Although it may be the case that areas which are not accessible may not be suitable for other uses either, this is something that must be identified elsewhere when considering the site for a specific use.

3.17 The criteria assessed were:

- Number of residential properties within 800m walk
- Bus accessibility
- Rail accessibility

3.18 **Sequential Considerations:** This looks at some key sustainability elements:

- Flood Zone
- Whether the site is brownfield or greenfield
- Whether the site is urban, urban edge or outside urban

In terms of flooding, employment uses tend to be among the few uses that are acceptable in areas at greater risk of flooding, and a plot located in Flood Zone 3 may be less suitable for release. Similarly, employment uses may be more appropriate on isolated sites in an urban edge location. However, it is recognised that these issues are far from clear-cut, and therefore the conclusions under this heading should be treated with caution as an indicator.

- 3.19 **Policy Considerations:** This is one of the most important elements of the analysis. This looks at specific policy constraints, as well as social and regeneration issues more generally. The following criteria are assessed:
- Proximity to areas of employment deprivation (measured in terms of number of properties within 800m of site which are in 20% most deprived SOAs nationally for employment in 2015¹);
 - Proximity to areas of education, skills and training deprivation (measured in terms of number of properties within 800m of site which are in 20% most deprived SOAs nationally for education, training and skills in 2015);
 - Availability of other local employment land;
 - Whether loss of land would reduce space for lower-value uses that support the economy;
 - Presence of small units (less than 150 sq m) (Local Plan policy EM4);
 - Presence of move-on units (150-500 sq m) (Local Plan policy EM4);
 - Presence of distribution uses in South of Basingstoke Road (Local Plan policy EM4); and
 - Whether site includes main site of major Reading employer (>250 employees) (not including those who are about to vacate site).
- 3.20 This section therefore highlights some very significant constraints, which may, in many cases, be of overriding importance in terms of releasing the site for other uses.
- 3.21 **Overall:** For each of the nine headings, a conclusion is reached as to whether the plot has potential for release in terms of those issues. The conclusions are “Yes”, “No” or “Possibly”. We have purposefully moved away from giving a numerical score, which can be totalled, as this would give the pretence of an exact science. Our approach also allows for a very clear presentation of results in a single table. These conclusions are a balanced judgement in each case. There may be specific criteria within each heading where a plot scores well for release, but this may be outweighed by other criteria.
- 3.22 One other factor that is introduced at this stage is whether it is possible to release a site in isolation. An individual plot may score highly in terms of potential for release, but there is little point promoting it if it is surrounded by important employment uses that need to be retained which would render a development for, in particular, residential unacceptable.

¹ SOA – Super Output Area. Source: Indices of Deprivation, 2015 (www.nomisweb.co.uk)

3.23 Therefore, the conclusions under each of the nine headings, taking into account the potential for release in isolation or as part of a larger scheme, result in an overall conclusion as to whether a site could potentially be released. These heading should not be viewed in isolation, as they all contribute to a balanced judgement. There are no formal weightings for any of the nine headings, although the market conditions and policy considerations often tend to present issues that cannot be overcome, and are therefore often overriding factors.

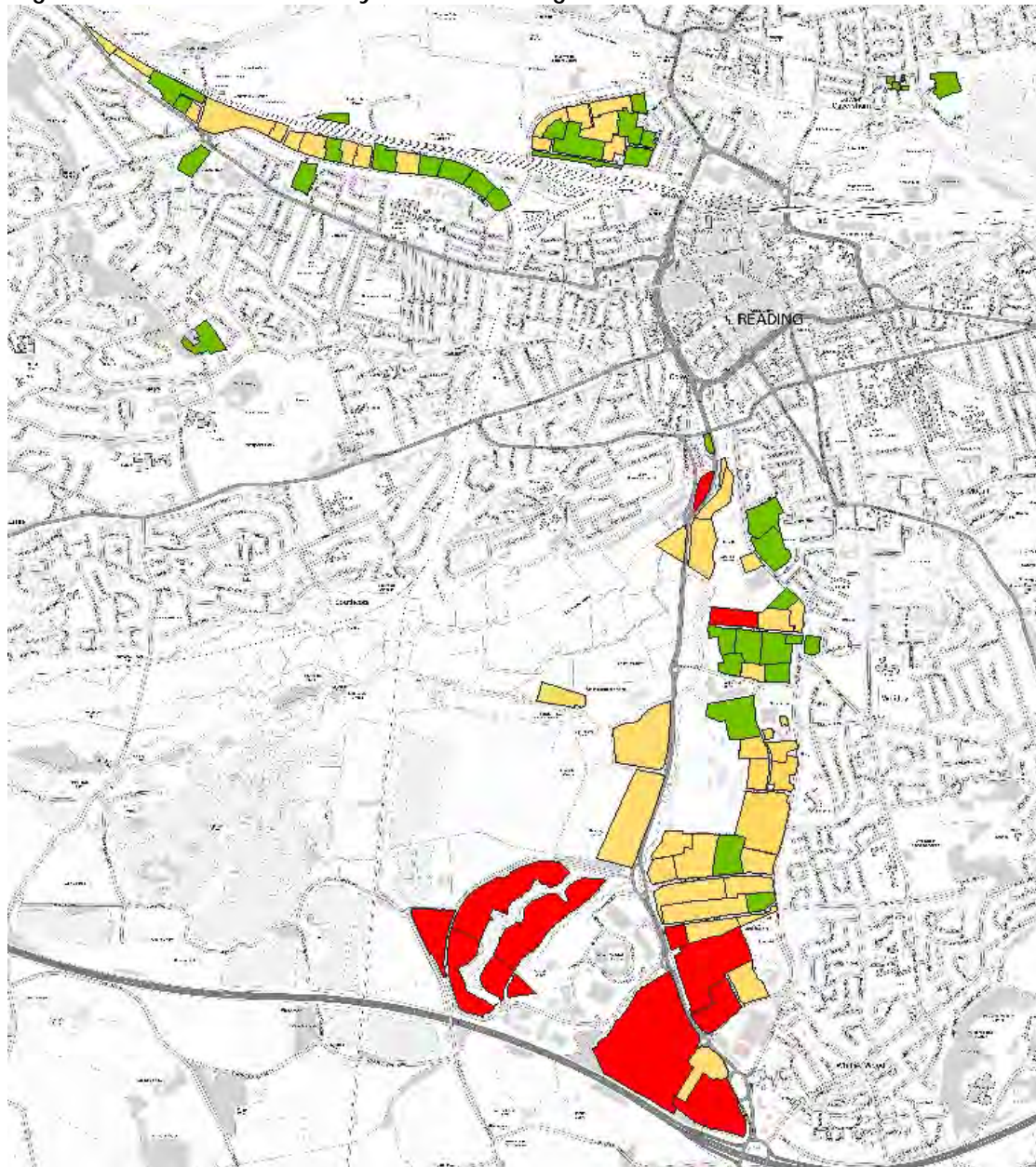
4. DETAILED SITE ASSESSMENT CONCLUSIONS

- 4.1 This section presents the results of the detailed site assessment for each plot within the analysis. Each heading is taken in turn, and then an overall conclusion is reached.

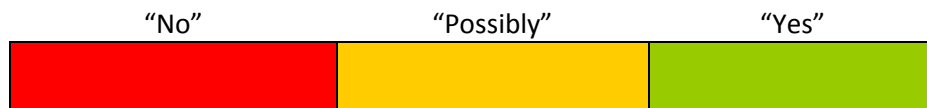
Quality of the Existing Internal Environment

- 4.2 Figure 4.1 shows the scores that were given for the quality of the existing internal environment. Those plots that have been considered as being the most suitable for release under this heading tend to be the older areas, particularly in the north and west as well as the northern parts of Basingstoke Road. It also includes the areas with industrial uses very close to residential properties, which may cause noise issues.
- 4.3 Areas least suitable for release under this heading tend to be the more modern and high quality space.

Figure 4.1: Score for Quality of the Existing Internal Environment



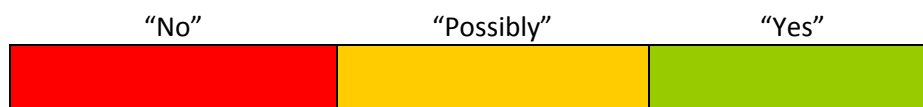
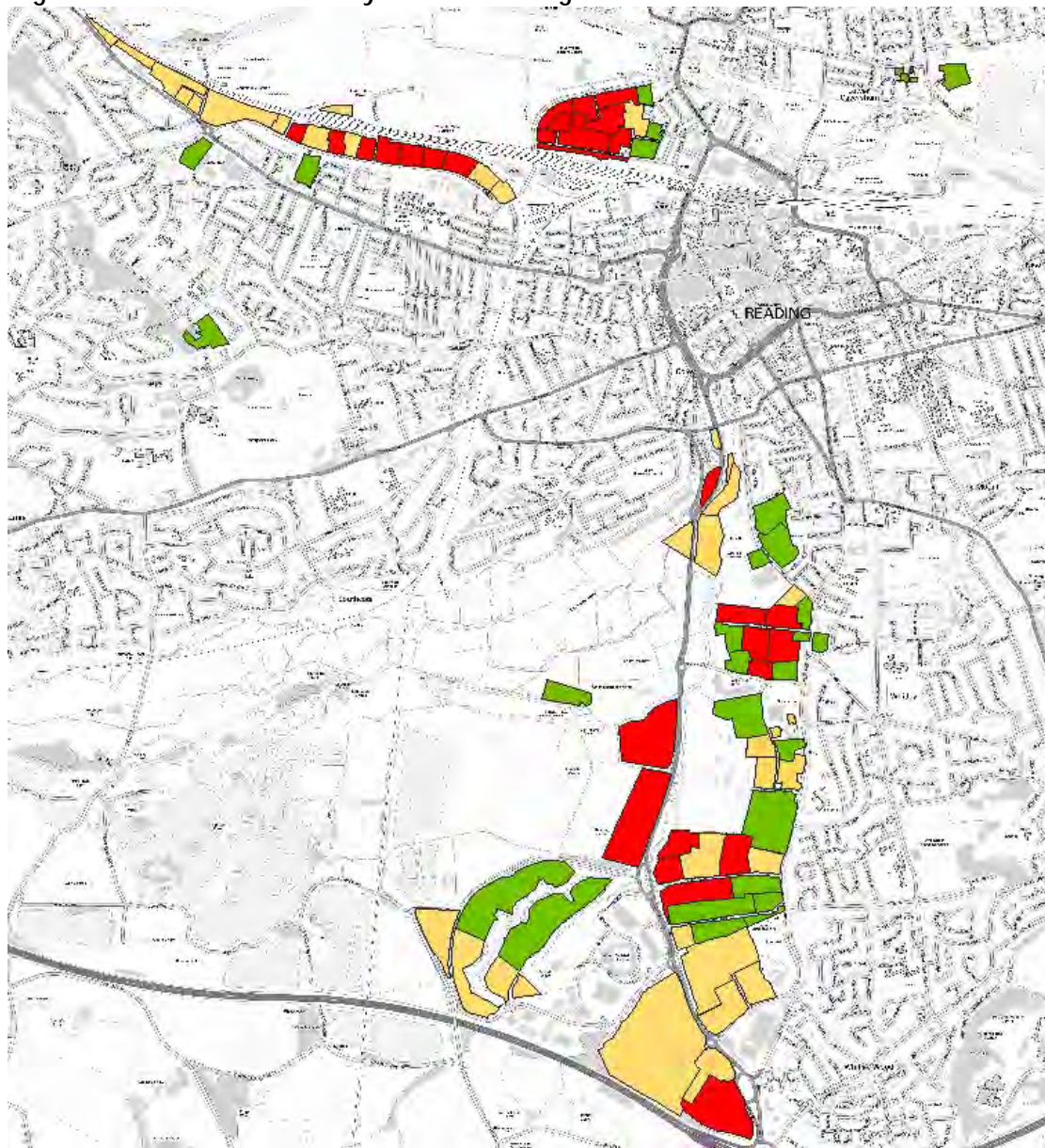
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Quality of the Existing Wider Environment

- 4.4 Figure 4.2 shows the suitability of sites for release in terms of the quality of the wider environment. In general, those areas which have a more pleasant or tranquil setting come out as more suitable for release. These areas tend to be close to, or surrounded by residential areas, or open spaces, or, at the very least, unobtrusive employment areas.
- 4.5 Areas that are surrounded by noisy or potentially polluting industrial uses, or close to noise and disturbance from other sources, tend to not be considered suitable for release under this heading.

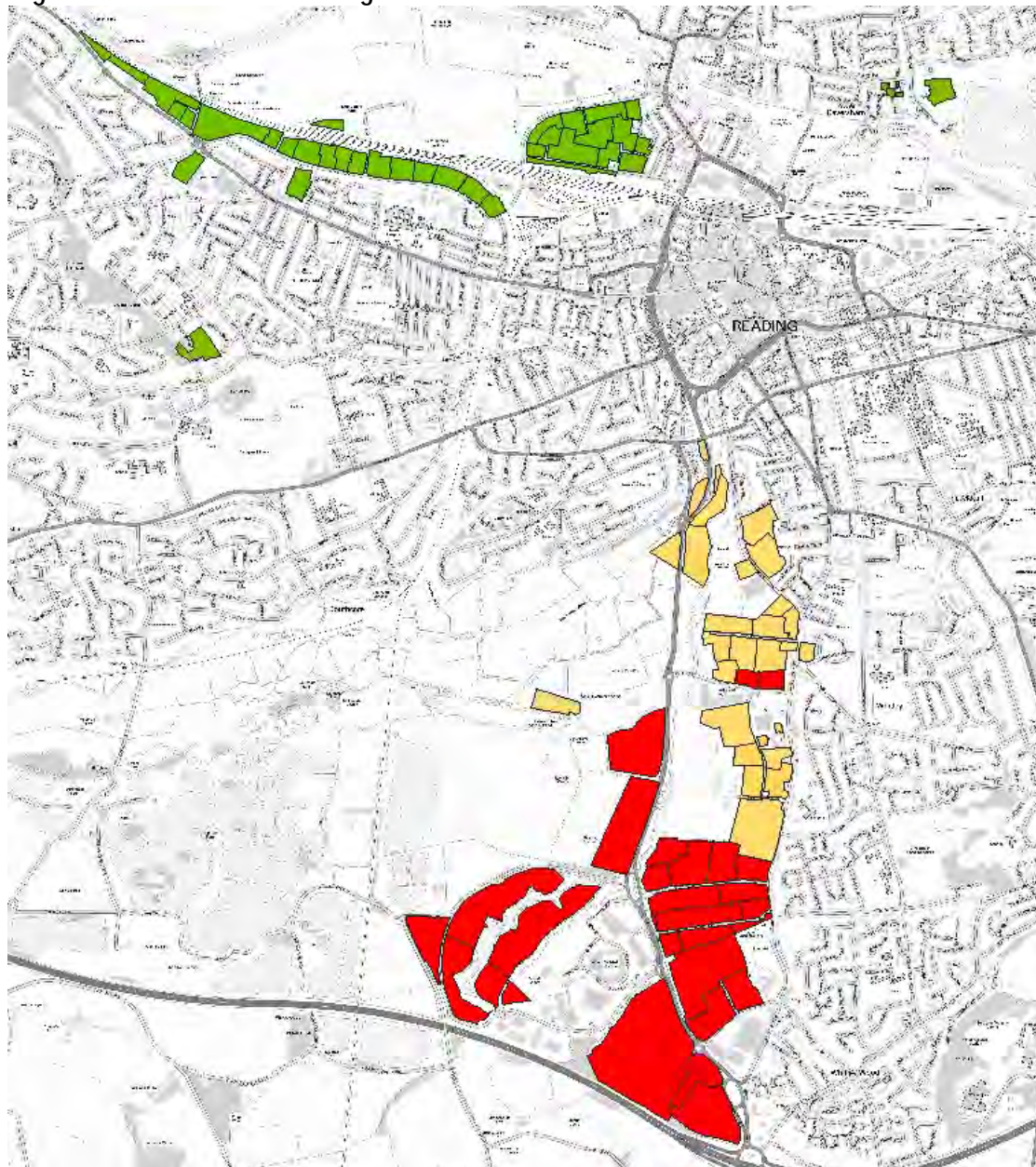
Figure 4.2: Score for Quality of the Existing Wider Environment



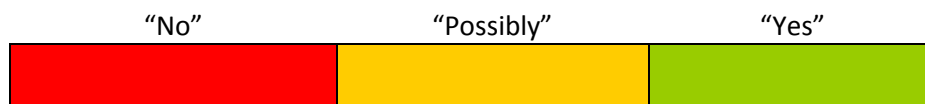
Strategic Access

- 4.6 Figure 4.3 shows the suitability of sites for release in terms of their access to the strategic transport network. The picture is quite clear from this map - vehicular access is the only significant factor for movement of goods in Reading, and this is almost wholly dependent on the proximity and quality of roads to Junction 11 of the M4. Access to Junction 12 of the M4 is poor, using mainly residential roads, and none of the employment areas are on the right side of Reading to use Junction 10. The rest of the strategic road network is beyond the M4 in any case.

Figure 4.3: Score for Strategic Access



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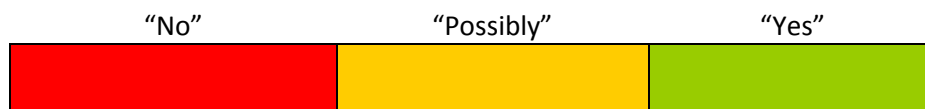
Market Conditions, Perception and Demand

- 4.7 Figure 4.4 shows the results of the considerations of market conditions, perception and demand. This shows that the areas with lowest demand tend to be further away from the strategic road network, although the pattern is not clear-cut. Sites with vacancy issues also tend to be shown in green. Meanwhile, sites where the market is strong or there has been recent market activity, or sites where the existing use value is so high that release would not be viable, tend to show up in red.

Figure 4.4: Score for Market Conditions, Perception and Demand



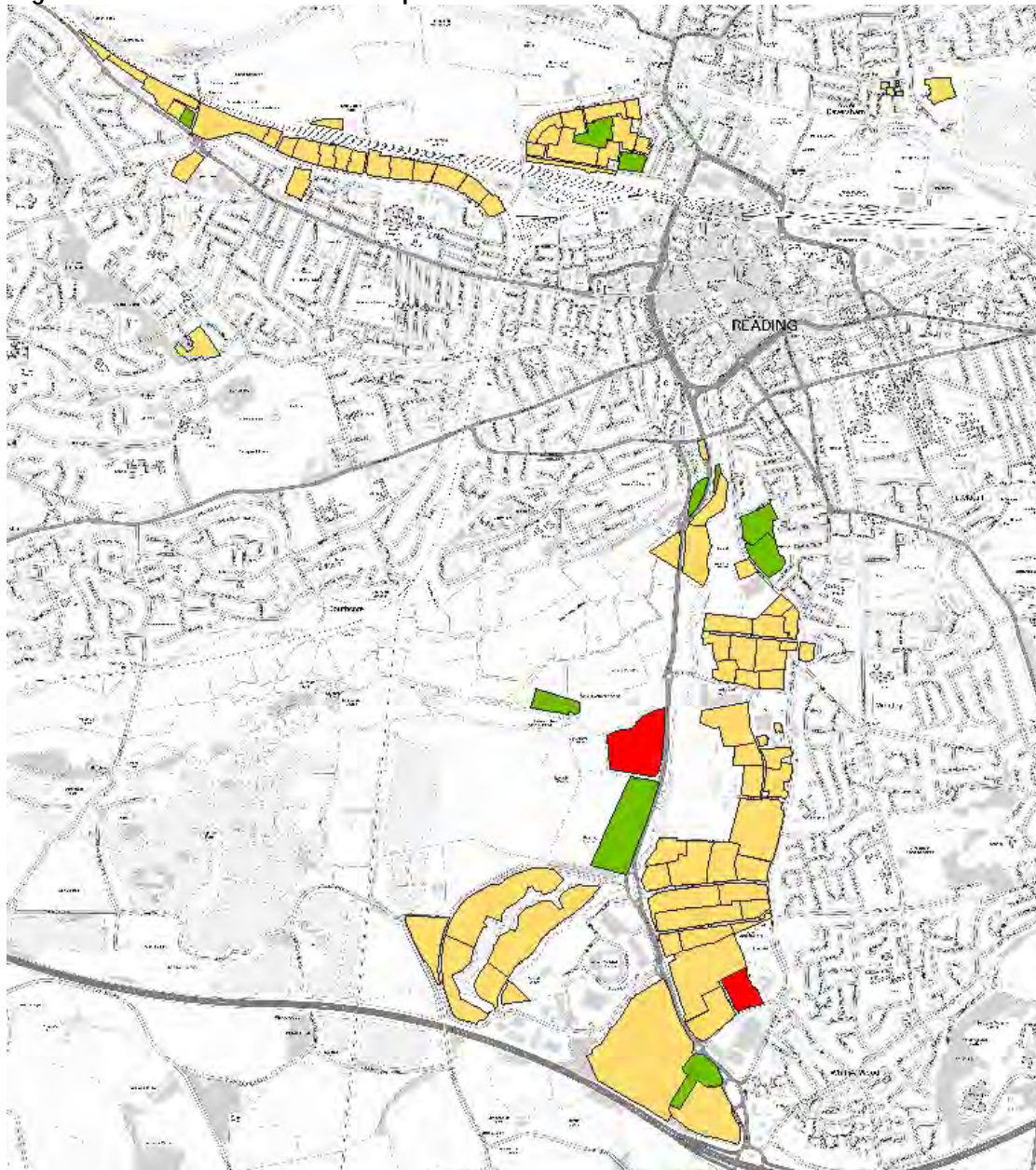
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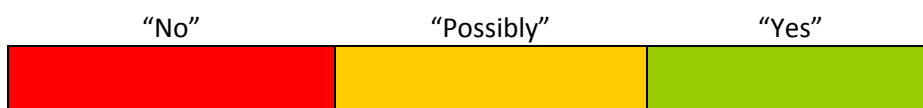
Ownership and User Constraints

- 4.8 Figure 4.5 shows the differences in terms of ownership and user constraints. In most cases, there is no information in terms of ownership and interest to show that sites are either likely or unlikely to be released. However, there are a number of sites that have been actively promoted for development either through the Local Plan or other routes, and these are shown in green. Sites not considered suitable are generally those where development for employment uses has very recently taken place.

Figure 4.5: Score for Ownership and User Constraints



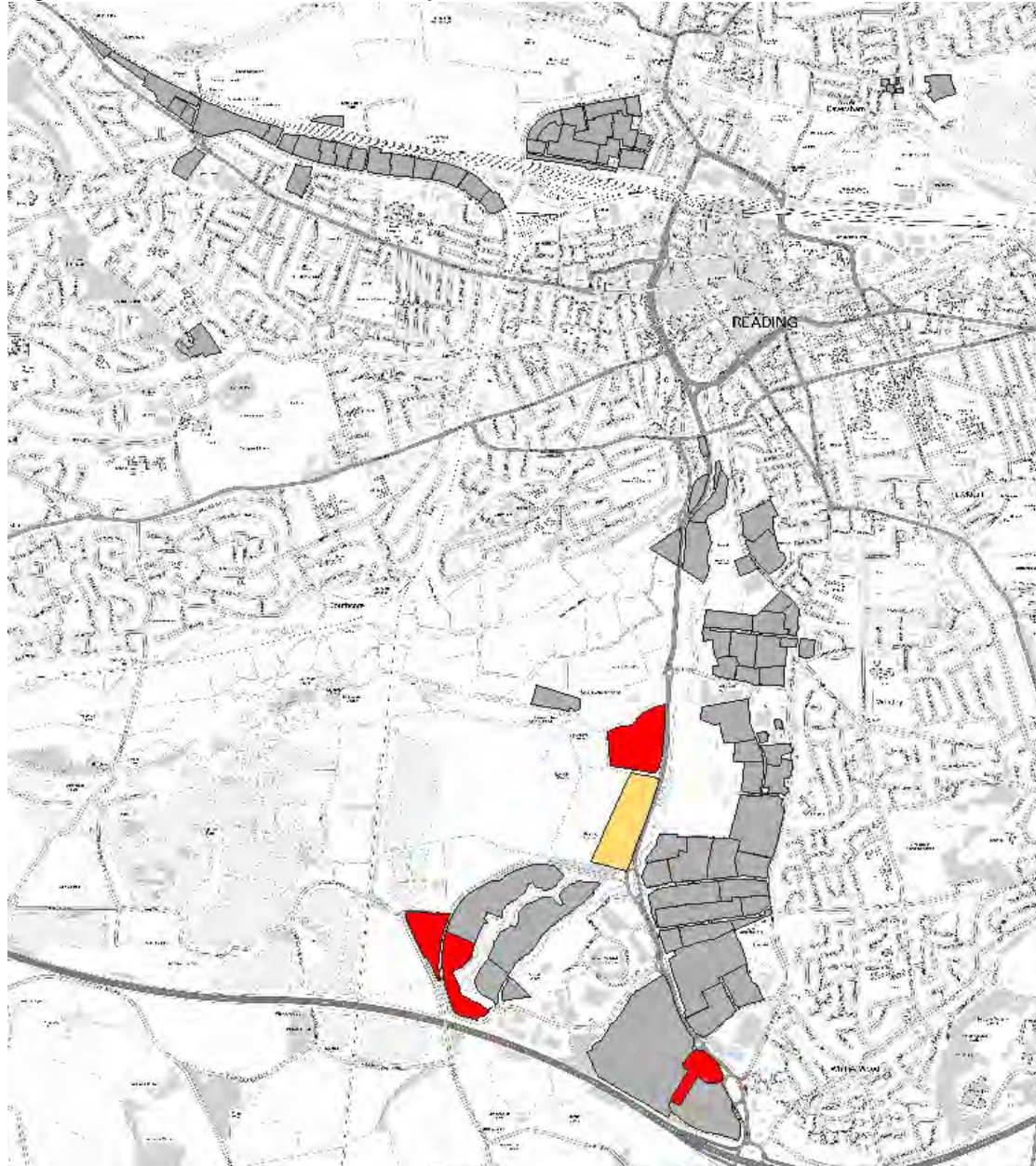
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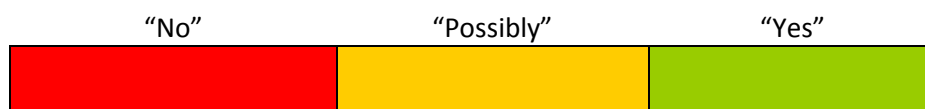
Site Development Constraints

- 4.9 Figure 4.6 shows whether there are any site development constraints. It applies only to outstanding employment allocations or permissions, generally around Green Park and Island Road. There are no major constraints to prevent most of these committed developments. These sites are not therefore suitable for release against this criterion.

Figure 4.6: Score for Site Development Constraints



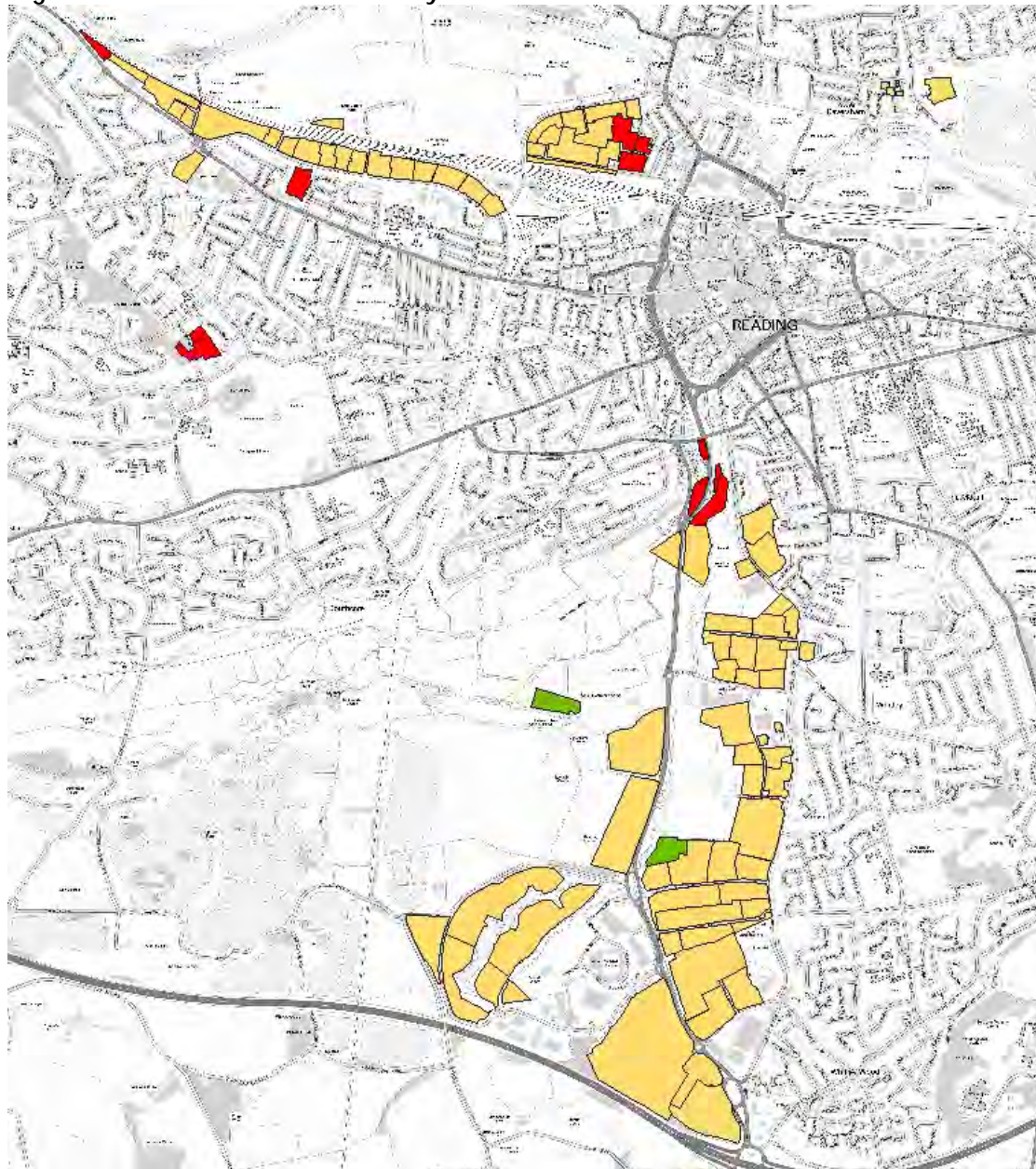
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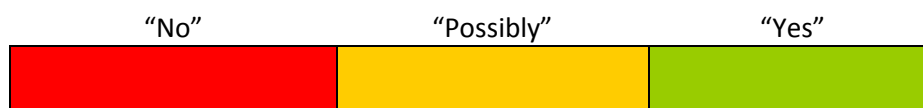
Accessibility

- 4.10 Figure 4.7 shows the accessibility levels for the various sites. In general, most sites in Reading are fairly easily accessible, and, since there is a good bus service, there is little to distinguish between sites in terms of suitability for release. However, those sites which are closest to a very significant number of dwellings, and sites closest to railway stations, are least suitable for release. Meanwhile, the sites which are remotest from residential properties or bus routes are most suitable for release.

Figure 4.7: Score for Accessibility



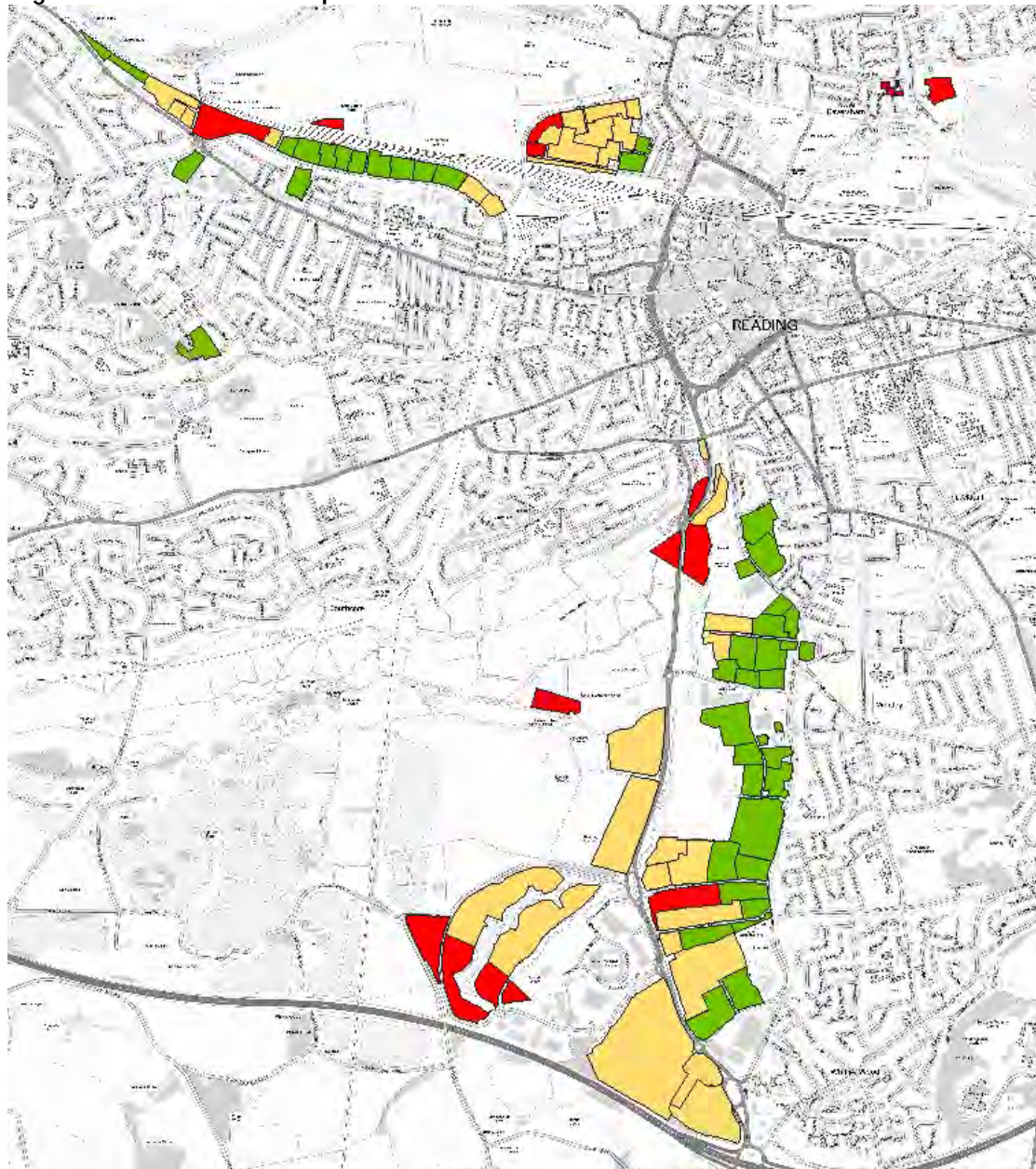
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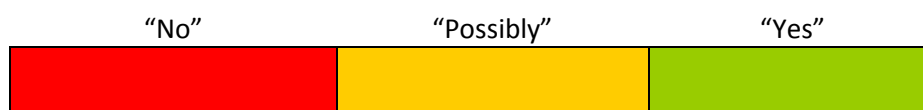
Sequential Considerations

- 4.11 Figure 4.8 shows the suitability of release of sites in terms of sequential considerations. The sites shown as not being suitable for release are mainly those which are in Flood Zone 3, and where most non-employment uses (and certainly any use for residential) would be significantly constrained. The sites in Flood Zone 1 and which are unencumbered by any other sequential considerations are generally shown as being suitable for release.

Figure 4.8: Score for Sequential Considerations



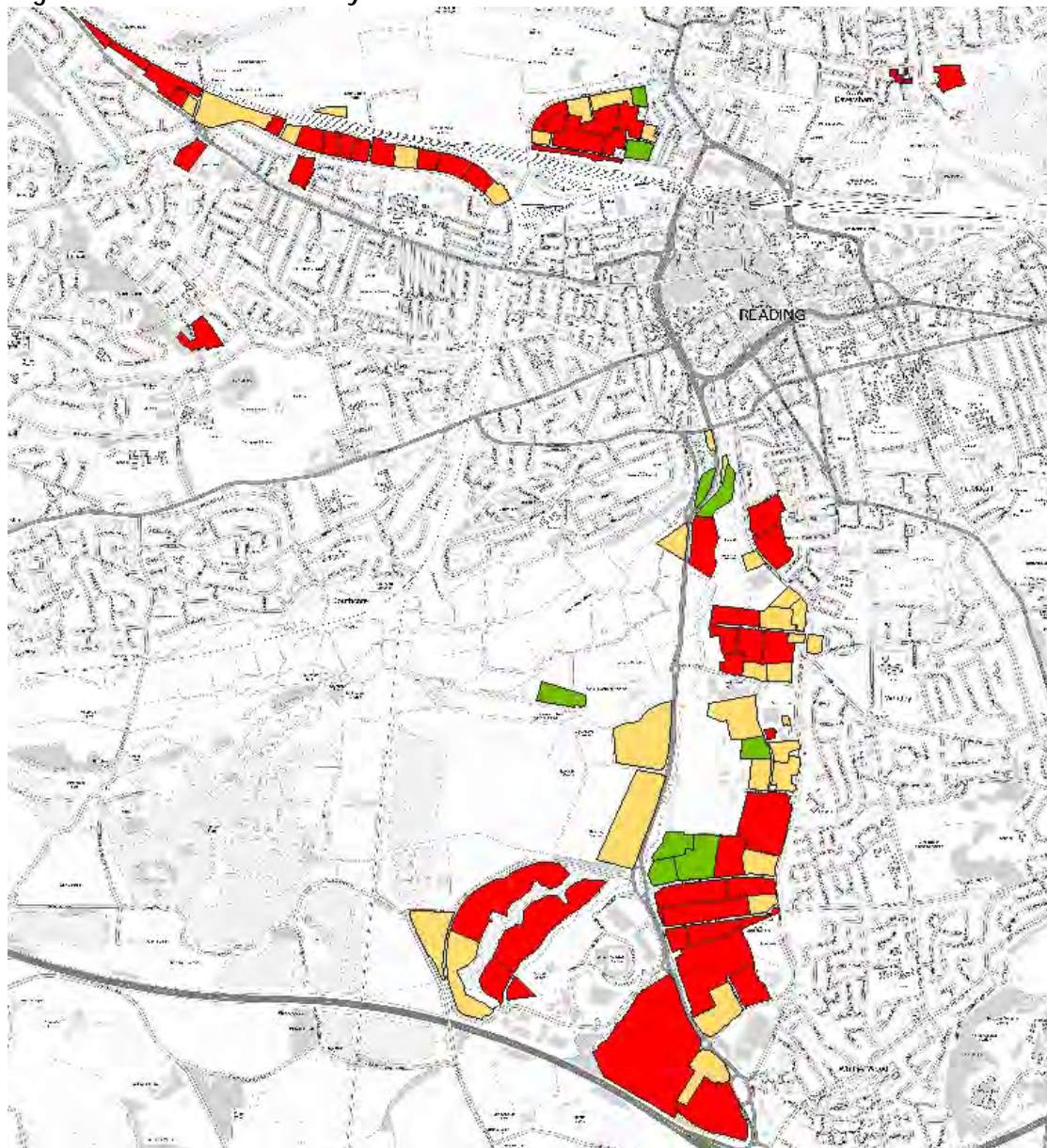
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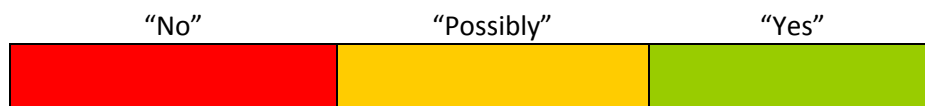
Policy Considerations

- 4.12 Figure 4.9 shows the suitability of sites for release in terms of policy and social and regeneration considerations. There are a substantial amount of considerations at play here, and trends are therefore not as apparent on a map as elsewhere. Sites which show up as not being suitable for release tend to be those that house small units or move-on units, B8 uses in the south of Basingstoke Road, the less glamorous employment stock in west and north Reading and the northern end of Basingstoke Road, and employment stock close to areas of deprivation. The sites shown in green are those with fewest policy constraints on their loss.

Figure 4.9: Score for Policy Considerations



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Overall

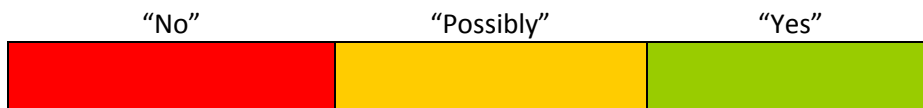
- 4.13 The nine previous considerations were considered as a whole to decide whether, on balance, a site should be released from an employment designation. This exercise was not looking for sites which did not score any “no”s when assessed against the nine headings, as there were very few such sites. Instead, this overall assessment looked at the reasons why each score was given, whether these reasons could be overcome, or whether negative or positive scores were outweighed by other considerations.
- 4.14 While no numerical weight was attached to any of the considerations, there were clearly headings which tended to be more important than others, and this has been taken into account in the overall score. For instance, as has previously been stated, the sequential considerations are limited as an indicator of whether a site should be released. These considerations are much more important in identifying, for instance, housing sites, but that is a separate process and should be taken into account then. On the other hand, for instance, ensuring an adequate supply of units for small business is vital for the success of the economy, and if release of a site would mean a net loss in small units and it could not be replaced elsewhere, it would not be acceptable. Although it is hard to generalise, the issues under ‘policy considerations’ and ‘market conditions, perception and demand’ often carry particular weight.
- 4.15 It was also important to consider whether it would be possible to release employment sites for other uses in isolation. Some sites which had scored well in terms of potential for release are situated in the middle of, and are fundamentally linked to, employment areas which scored badly. These sites clearly cannot be released to alternative uses. The ‘comments’ column in table 4.12 identifies where this is the case.
- 4.16 The results show that there are several areas which are most suitable for release from the employment land designation.
- The Manor Farm area between Manor Farm Road and Morrisons/Brunel Retail Park;
 - Much of the Rose Kiln Lane North area;
 - The Environment Agency site at Fobney Mead; and
 - Various sites on the fringes of larger employment areas.
- 4.17 Many of these areas are already long-term vacant, suggested for development, or contain uses which do not fall under the ‘employment’ designation for the purposes of the Local Plan (such as car dealerships). Loss of these areas has less of an impact on the overall local economy than loss of well-used employment land.
- 4.18 It is important to point out that the fact that a site is suitable for release **does not mean that it is appropriate for residential**. This is a separate process, and is undertaken in relation to site allocations in Reading in the Housing and Economic Land Availability Assessment.
- 4.19 Figure 4.10 below shows the areas which are most important to retain and where there could be potential for release. Many of these are in the South of Reading. Whilst this is the most deprived area of Reading, it is important to bear in mind that the areas which have the popular and valuable

employment land would all be retained, in the strongest possible way. Even if all the sites identified in green were to be released, the South Reading area would still have by far the largest concentration of employment sites.

Figure 4.10: Overall Score



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Conclusions

4.20 It is therefore recommended that the plots in table 4.12 shown in green in the "consider for CEA release" column are not identified as Core Employment Areas. Some of these sites may be appropriate to bring forward as allocations within the Local Plan for other uses, which is for the

Housing and Economic Land Availability Assessment to determine. Other sites may be better left as unprotected employment land, to allow flexibility to consider for release or retention through the development management process should circumstances change over the plan period.

- 4.21 The sites are listed in table 4.12. It is worth clarifying that the columns in table 4.12 cannot be considered in isolation. The fact that, for instance, the site is in green for one column do not mean that there is an argument in favour of its release if this is outweighed by other columns. A balanced judgement must be reached in each case, and that has been the purpose of this exercise.
- 4.22 There sites identified as “no” in the “consider for CEA release” column should generally make up the defined Core Employment Areas, wherever they can result in a credible area to protect for employment use. In general, those areas within proposed CEAs that are potentially suitable for release are fringe areas that can be excluded from the overall CEA definition without causing particular issues. The exceptions are Rose Kiln Lane North and Gosbrook Road. In Rose Kiln Lane North, the areas potentially appropriate for release are interspersed among the areas unlikely to be appropriate for release. Therefore, it is not possible to identify a sensible boundary for a CEA, and the best solution is for any release to be considered on a case by case basis in this area. In terms of Gosbrook Road, the very small nature of the sites and the fact that they are within primarily residential areas makes them unsuitable for the major new industrial and warehouse development that policy EM1 directs to Core Employment Areas.
- 4.23 The following locations should therefore be identified as Core Employment Areas:

Table 4.11: Defining Core Employment Areas

Core Employment Area in Draft Local Plan	Sites in Employment Area Analysis
Green Park (EM2a)	Green Park plots 1-6
North of the M4 (EM2b)	North of the M4 plots 1-3
South of Basingstoke Road (EM2c)	Worton Grange plots 1-3 Acre Road plots 1-5
Bennet Road (EM2d)	Bennet Road plots 1-4 and 6-7 Manor Farm plot 1
North of Basingstoke Road (EM2e)	North of Basingstoke Road plots 2-11
Elgar Road (EM2f)	Elgar Road plots 1-2
Richfield Avenue (EM2g)	Richfield Avenue plots 1-5, 7-10 and 12
Portman Road (EM2h)	Portman Road/Loverock Road plots 1-11 Stadium Way/Deacon Way plots 1-7
Wigmore Lane (EM2i)	Wigmore Lane plot 1
Bridgewater Close	Bridgewater Close plot 1
Sterling Way (EM2k)	Sterling Way plot 1
Marcus Close (EM2l)	Marcus Close plot 1
Paddock Road (EM2m)	Paddock Road plot 1

Table 4.12: Summary of potential for release from Core Employment Area Designation

AREA/ PLOT	INTERNAL ENVIRON- MENT	WIDER ENVIRON- MENT	STRATEGIC ACCESS	MARKET DEMAND	OWNER- SHIP	DEVT CONST- RAINTS	ACCESS- IBILITY	SEQUENTIAL	POLICY		POSSIBLE TO RELEASE IN ISOLATION?	CONSIDER FOR C.E.A. RELEASE?	COMMENTS
GREEN PARK													
Plot 1	No	Yes	No	No	Possibly	N/A	Possibly	Possibly	No		Yes	No	Too many constraints to take further
Plot 2	No	Yes	No	No	Possibly	N/A	Possibly	Possibly	No		Yes	No	Too many constraints to take further
Plot 3	No	Possibly	No	No	Possibly	No	Possibly	No	Possibly		Yes	No	Too many constraints to take further
Plot 4	No	Possibly	No	No	Possibly	N/A	Possibly	No	No		Yes	No	Too many constraints to take further
Plot 5	No	Possibly	No	No	Possibly	N/A	Possibly	No	No		Yes	No	Too many constraints to take further
Plot 6	No	Possibly	No	No	Possibly	No	Possibly	No	Possibly		Yes	No	Too many constraints to take further
NORTH OF THE M4													
Plot 1	No	Possibly	No	No	Possibly	N/A	Possibly	Possibly	No		Yes	No	Too many constraints to take further
Plot 2	Possibly	Possibly	No	Possibly	Yes	No	Possibly	Possibly	Possibly		No	No	Release in isolation not possible although wider range of commercial may be appropriate
Plot 3	No	No	No	No	Possibly	N/A	Possibly	Possibly	No		Yes	No	Too many constraints to take further
WORTON GRANGE													
Plot 1	No	Possibly	No	No	Possibly	N/A	Possibly	Yes	Possibly		No	No	Too many constraints to take further
Plot 2	No	Possibly	No	No	Possibly	N/A	Possibly	Possibly	No		No	No	Too many constraints to take further
Plot 3	Yes	Possibly	No	No	No	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
ACRE ROAD													
Plot 1	Possibly	Yes	No	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 2	Yes	Yes	No	No	Possibly	N/A	Possibly	Yes	Possibly		No	No	Not possible to release in isolation
Plot 3	Possibly	Yes	No	No	Possibly	N/A	Possibly	Possibly	No		No	No	Too many constraints to take further
Plot 4	Possibly	Yes	No	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 5	No	Possibly	No	No	Possibly	N/A	Possibly	Possibly	No		No	No	Too many constraints to take further
BENNET ROAD													
Plot 1	Possibly	Yes	No	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 2	Possibly	No	No	No	Possibly	N/A	Possibly	No	No		No	No	Too many constraints to take further
Plot 3	Possibly	No	No	No	Possibly	N/A	Possibly	Possibly	Yes		No	No	Too many constraints to take further
Plot 4	Possibly	Possibly	No	No	Possibly	N/A	Possibly	Possibly	Yes		No	No	Not possible to release in isolation
Plot 5	Possibly	No	No	Possibly	Possibly	N/A	Yes	Possibly	Yes		Yes	Yes	Negative aspects can be managed

Plot 6	Yes	No	No	No	Possibly	N/A	Possibly	Yes	No	No	No	Too many constraints to take further
Plot 7	Possibly	Possibly	No	No	Possibly	N/A	Possibly	Yes	Possibly	No	No	Not possible to release in isolation
MANOR FARM												
Plot 1	Possibly	Yes	Possibly	No	Possibly	N/A	Possibly	Yes	No	Yes	No	Loss of major employer is overriding
Plot 2	Possibly	Possibly	Possibly	Yes	Possibly	N/A	Possibly	Yes	Possibly	No	Yes	Consider as part of a wider release
Plot 3	Possibly	Possibly	Possibly	Possibly	Possibly	N/A	Possibly	Yes	Possibly	No	Yes	Consider as part of a wider release
Plot 4	Possibly	Yes	Possibly	Possibly	Possibly	N/A	Possibly	Yes	Possibly	No	Yes	Consider as part of a wider release
Plot 5	Possibly	Possibly	Possibly	Yes	Possibly	N/A	Possibly	Yes	Yes	No	Yes	Consider as part of a wider release
Plot 6	Yes	Yes	Possibly	Possibly	Possibly	N/A	Possibly	Yes	Possibly	No	Yes	Consider as part of a wider release
Plot 7	Possibly	Possibly	Possibly	No	Possibly	N/A	Possibly	Yes	No	No	Yes	Possibly release if small units replaced
Plot 8	Possibly	Possibly	Possibly	Possibly	Possibly	N/A	Possibly	Yes	Possibly	No	Yes	Consider as part of a wider release
BASINGSTOKE ROAD NORTH												
Plot 1	Yes	Possibly	Possibly	Possibly	Possibly	N/A	Possibly	Yes	Possibly	Yes	Yes	Consider as part of a wider release
Plot 2	Possibly	Yes	Possibly	No	Possibly	N/A	Possibly	Yes	Possibly	No	No	Still has value as employment land
Plot 3	Possibly	No	Possibly	No	Possibly	N/A	Possibly	Yes	Possibly	No	No	Still has value as employment land
Plot 4	No	Yes	Possibly	No	Possibly	N/A	Possibly	Possibly	No	No	No	Too many constraints to take further
Plot 5	Yes	Yes	Possibly	No	Possibly	N/A	Possibly	Yes	Possibly	No	No	Still has value as employment land
Plot 6	Yes	No	Possibly	No	Possibly	N/A	Possibly	Yes	No	No	No	Too many constraints to take further
Plot 7	Yes	No	Possibly	No	Possibly	N/A	Possibly	Yes	No	No	No	Too many constraints to take further
Plot 8	Yes	Yes	Possibly	No	Possibly	N/A	Possibly	Possibly	No	No	No	Still has value as employment land
Plot 9	Yes	Yes	Possibly	No	Possibly	N/A	Possibly	Yes	No	No	No	Still has value as employment land
Plot 10	Possibly	No	No	No	Possibly	N/A	Possibly	Yes	Possibly	No	No	Too many constraints to take further
Plot 11	Yes	Yes	No	No	Possibly	N/A	Possibly	Yes	Possibly	No	No	Still has value as employment land
Plot 12	Yes	Yes	Possibly	Possibly	Possibly	N/A	Possibly	Yes	Possibly	Yes	Yes	No major constraints
ELGAR ROAD												
Plot 1	Yes	Yes	Possibly	Possibly	Yes	N/A	Possibly	Yes	No	Yes	No	Small/medium units issue overriding
Plot 2	Yes	Yes	Possibly	No	Yes	N/A	Possibly	Yes	No	Yes	No	Small/medium units issue overriding
Plot 3	Possibly	Yes	Possibly	Possibly	Possibly	N/A	Possibly	Yes	Possibly	Yes	Yes	No major constraints
ISLAND ROAD												
Plot 1	Possibly	No	No	No	No	No	Possibly	Possibly	Possibly	Yes	No	Too many constraints to take further
Plot 2	Possibly	No	No	Possibly	Yes	Possibly	Possibly	Possibly	Possibly	Yes	No	Too many constraints to take further

ROSE KILN LANE NORTH													
Plot 1	Yes	Possibly	Possibly	Possibly	Possibly	N/A	No	Possibly	Possibly		Yes	Yes	Consider for exclusion from CEA
Plot 2	No	No	Possibly	Yes	Yes	N/A	No	No	Yes		No	No	Too many constraints to take further
Plot 3	Possibly	Possibly	Possibly	No	Possibly	N/A	No	Possibly	Yes		No	Yes	Consider for release from employment use
Plot 4	Possibly	Possibly	Possibly	No	Possibly	N/A	Possibly	No	No		No	No	Too many constraints to take further
Plot 5	Possibly	Possibly	Possibly	Possibly	Possibly	N/A	Possibly	No	Possibly		No	Yes	Consider for exclusion from CEA
Plot 6	Possibly	Possibly	Possibly	Possibly	Yes	N/A	No	Possibly	Possibly		No	No	Consider for release from employment use
PADDOCK ROAD													
Plot 1	Yes	Yes	Yes	Yes	Possibly	N/A	Possibly	No	No		Yes	No	Policy issues overriding here
RICHFIELD AVENUE													
Plot 1	Yes	No	Yes	No	Possibly	N/A	Possibly	Possibly	No		No	No	Too many constraints to take further
Plot 2	Possibly	No	Yes	No	Possibly	N/A	Possibly	No	Possibly		No	No	Too many constraints to take further
Plot 3	Yes	No	Yes	No	Possibly	N/A	Possibly	Possibly	No		No	No	Still has value as employment land
Plot 4	Yes	No	Yes	Possibly	Possibly	N/A	Possibly	Possibly	No		No	No	Not possible to release in isolation
Plot 5	Possibly	No	Yes	No	Possibly	N/A	Possibly	Possibly	No		No	No	Still has value as employment land
Plot 6	Yes	Yes	Yes	Yes	Yes	N/A	No	Yes	Yes		Yes	Yes	Consider as part of a wider release
Plot 7	Possibly	No	Yes	No	Possibly	N/A	Possibly	No	No		No	No	Still has value as employment land
Plot 8	Possibly	No	Yes	Yes	Possibly	N/A	Possibly	Possibly	Possibly		No	No	Not possible to release in isolation
Plot 9	Possibly	No	Yes	Possibly	Yes	N/A	Possibly	Possibly	No		No	No	Not possible to release in isolation
Plot 10	Possibly	No	Yes	Possibly	Possibly	N/A	Possibly	Possibly	Possibly		No	No	Not possible to release in isolation
Plot 11	Yes	Yes	Yes	No	Possibly	N/A	Possibly	Possibly	Yes		Yes	Yes	Consider as part of a wider release
Plot 12	Yes	Possibly	Yes	No	Possibly	N/A	No	Possibly	No		No	No	Too many constraints to take further
Plot 13	Yes	Yes	Yes	Possibly	Possibly	N/A	No	Yes	Possibly		Yes	Yes	Consider as part of a wider release
PORTMAN ROAD/LOVEROCK ROAD													
Plot 1	Yes	Possibly	Yes	Possibly	Possibly	N/A	Possibly	Possibly	Possibly		No	No	Not possible to release in isolation
Plot 2	Yes	Possibly	Yes	Possibly	Possibly	N/A	Possibly	Possibly	No		No	No	Policy issues overriding here
Plot 3	Yes	No	Yes	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 4	Yes	No	Yes	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 5	Possibly	No	Yes	Possibly	Possibly	N/A	Possibly	Yes	Possibly		No	No	Not possible to release in isolation
Plot 6	Yes	No	Yes	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 7	Possibly	No	Yes	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 8	Possibly	Possibly	Yes	No	Possibly	N/A	Possibly	Yes	No		No	No	Still has value as employment land

Plot 9	Yes	No	Yes	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 10	Possibly	Possibly	Yes	No	Possibly	N/A	Possibly	Yes	No		No	No	Too many constraints to take further
Plot 11	Possibly	No	Yes	No	Possibly	N/A	Possibly	Yes	Possibly		No	No	Too many constraints to take further
STADIUM WAY/DEACON WAY													
Plot 1	Possibly	Possibly	Yes	No	Possibly	N/A	Possibly	Possibly	No		No	No	Still has value as employment land
Plot 2	Possibly	Possibly	Yes	Possibly	Possibly	N/A	Possibly	No	Possibly		No	No	Not possible to release in isolation
Plot 3	Possibly	Possibly	Yes	Possibly	Yes	N/A	Possibly	Possibly	Possibly		No	No	Not possible to release in isolation
Plot 4	Yes	Possibly	Yes	No	Possibly	N/A	Possibly	Possibly	No		No	No	Still has value as employment land
Plot 5	Yes	Possibly	Yes	Possibly	Possibly	N/A	Possibly	Possibly	No		No	No	Policy issues overriding here
Plot 6	Possibly	Possibly	Yes	Possibly	Possibly	N/A	Possibly	Yes	No		No	No	Policy issues overriding here
Plot 7	Possibly	Possibly	Yes	No	Possibly	N/A	No	Yes	No		No	No	Too many constraints to take further
BRIDGEWATER CLOSE													
Plot 1	Yes	Yes	Yes	Possibly	Possibly	N/A	No	Yes	No		Yes	No	Still has value as employment land
WIGMORE LANE													
Plot 1	Yes	Possibly	Yes	Possibly	Possibly	N/A	Possibly	No	Possibly		Yes	No	Site isolated and outside settlement
STERLING WAY													
Plot 1	Yes	Yes	Yes	Possibly	Possibly	N/A	Possibly	Yes	No		Yes	No	Policy issues overriding here
MARCUS CLOSE													
Plot 1	Yes	Yes	Yes	No	Possibly	N/A	No	Yes	No		Yes	No	Too many constraints to take further
FOBNEY MEAD													
Plot 1	Possibly	Yes	Possibly	Yes	Yes	N/A	Yes	No	Yes		Yes	Yes	Consider for release to non-housing
GOSBROOK ROAD²													
Plot 1	Yes	Yes	Yes	Yes	Possibly	N/A	Possibly	No	No		Yes	No	Policy issues overriding here
Plot 2	Yes	Yes	Yes	Yes	Possibly	N/A	Possibly	No	No		Yes	No	Policy issues overriding here
Plot 3	Yes	Yes	Yes	No	Possibly	N/A	Possibly	No	No		Yes	No	Too many constraints to take further
Plot 4	Yes	Yes	Yes	No	Possibly	N/A	Possibly	No	No		Yes	No	Too many constraints to take further

² These sites are small industrial sites within a residential area. Whilst they are still of use as employment land, and would be desirable to retain, it would not be appropriate to designate them as Core Employment Areas, because policy CS10 focuses major employment on CEAs – this would clearly not be appropriate here given the residential surroundings.

5. POTENTIAL FOR INTENSIFICATION OF EMPLOYMENT AREAS

- 5.1 The second stated purpose of this report is to identify any potential for existing employment areas to accommodate additional employment development to help to meet the identified needs.
- 5.2 The Housing and Economic Land Availability Assessment (November 2017) identifies specific sites to accommodate all of the need for additional office development. In terms of industrial and warehousing, specific sites are identified to accommodate 112,268 sq m of floorspace, which is less than 148,440 sq m of identified need from the Central Berkshire Economic Development Needs Assessment. Therefore, there is 36,172 sq m of needs for which specific sites have not been identified.
- 5.3 This section therefore seeks to assess whether there is scope for additional development through intensification of employment use within Core Employment Areas. The various 'plots' within the Core Employment Areas were also considered within the HELAA, but the focus was on whether they could help to meet housing needs, and the scope for intensification of those sites expected to remain in employment use was not considered.
- 5.4 The existing employment areas are developed at reasonably high density, and there are very few obvious pieces of unused land within Core Employment Areas. However, there are some sites where there is some potential for intensification, and there is also some floorspace in non-employment use but in employment-type units which has the potential to revert back to employment.
- 5.5 In order to calculate the potential for intensification of employment uses within employment areas, the analysis looked at all sites that fulfilled the following criteria:
- Within Core Employment Areas, which are the locations to which the Local Plan directs industrial and warehouse development;
 - Within primarily industrial and warehouse use, as office sites are already developed at a higher density;
 - Excluding sites which have been developed within the last five years, which are considered unlikely to be significantly intensified in the plan period; and
 - Excluding sites where the HELAA anticipates an alternative development, to avoid double-counting.
- The analysis calculates the existing plot ratio, i.e. the employment floorspace on site expressed as a proportion of the overall site area. Non-employment floorspace was excluded in order to reflect the potential for this to change use.

Scenario 1: HELAA pattern book

- 5.6 The HELAA already uses plot ratios as a way of calculating the potential for commercial use of a number of sites, in particular new sites proposed for employment use. For industrial and warehouse space, the HELAA uses a plot ratio of 33%. This is the average plot ratio from a sample of new industrial and warehouse developments and permissions within the last five years.

- 5.7 Scenario 1 assesses the potential if all sites that fulfilled the criteria in paragraph 5.5 that currently have an employment plot ratio of less than 33% were intensified to the 33% figure. The results are shown in Table 6.1, and show that there is potential for an increase of industrial and warehouse floorspace of 27,407 sq m. This would be enough to eliminate the majority of the need for industrial and warehouse for which sites had not been identified.

Table 5.1: Intensification potential from Scenario 1

	Existing emp f/s	Potential emp f/s at 33%	Potential uplift (sq m)
Acre Road Plot 5	1,649	4257	2,582
Bennet Road Plot 2	12,311	14619	2,219
Bennet Road Plot 7	3,791	7260	3,425
North of Basingstoke Rd Plot 2	0	3663	3,641
North of Basingstoke Rd Plot 3	1,551	6468	4,878
North of Basingstoke Rd Plot 5	1,409	1485	67
North of Basingstoke Rd Plot 10	1,453	3729	2,253
Richfield Avenue Plot 3	2,883	3267	364
Richfield Avenue Plot 10	3,941	5577	1,602
Portman Road Plot 6	3,059	5148	2,058
Portman Road Plot 7	2,180	3267	1,067
Stadium Way Plot 1	2,208	2442	219
Stadium Way Plot 3	1,780	1914	122
Stadium Way Plot 6	2,956	3399	422
Stadium Way Plot 7	2,200	2508	293
Bridgewater Close Plot 1	4,464	5313	817
Wigmore Lane Plot 1	1,483	2409	911
TOTAL	49,318	76,725	27,407

Scenario 2: HELAA pattern book 'plus'

- 5.7 An alternative scenario involves looking at the upper end of the densities achieved in recent years rather than the average. A shortage of space to accommodate needs may well result in the need to achieve higher densities. Although one site was developed at 57%, this was something of an outlier as it was for self-storage, at more than one storey across the site, and a more realistic plot ratio that has been achieved is around 40%. This has been seen on developments at 25-27 Rose Kiln Lane and 7 Cradock Road and a permission at Paddock Road.
- 5.8 Scenario 2 therefore looks at all sites with an existing employment floorspace plot ratio of less than 40%, and calculates the potential uplift should these be developed at 40%. The results are shown in Table 5.2, and show that there is potential for an increase of industrial and warehouse floorspace of 50,637 sq m. This would be more than enough to eliminate the need for industrial and warehouse for which sites had not been identified.

Table 5.2: Intensification potential from Scenario 2

	Existing emp f/s	Potential emp f/s at 40%	Potential uplift (sq m)
Acre Road Plot 2	4,621	5,280	659
Acre Road Plot 5	1,649	5,160	3,511
Bennet Road Plot 2	12,311	17,720	5,409
Bennet Road Plot 4	16,537	17,200	663
Bennet Road Plot 7	3,791	8,800	5,009
North of Basingstoke Road Plot 2	0	4,440	4,440
North of Basingstoke Road Plot 3	1,551	7,840	6,289
North of Basingstoke Road Plot 4	8,177	9,440	1,263
North of Basingstoke Road Plot 5	1,409	1,800	391
North of Basingstoke Road Plot 9	4,590	5,360	770
North of Basingstoke Road Plot 10	1,453	4,520	3,067
Elgar Road Plot 2	10,286	11,600	1,314
Richfield Avenue Plot 3	2,883	3,960	1,077
Richfield Avenue Plot 10	3,941	6,760	2,819
Richfield Avenue Plot 12	7,442	7,640	198
Portman Road Plot 1	3,958	4,200	242
Portman Road Plot 2	5,280	5,600	320
Portman Road Plot 6	3,059	6,240	3,181
Portman Road Plot 7	2,180	3,960	1,780
Portman Road Plot 9	4,093	4,240	147
Stadium Way Plot 1	2,208	2,960	752
Stadium Way Plot 3	1,780	2,320	540
Stadium Way Plot 6	2,956	4,120	1,164
Stadium Way Plot 7	2,200	3,040	840
Bridgewater Close Plot 1	4,464	6,440	1,976
Wigmore Lane Plot 1	1,483	2,920	1,437
Sterling Way Plot 1	5,132	6,200	1,068
Marcus Close Plot 1	8,369	8,680	311
TOTAL	127,803	178,440	50,637

Conclusions

- 5.9 The above analysis represents a way of examining the potential for intensification within employment areas. In reality, it is highly unlikely that all sites listed above will be intensified, and intensification may well occur on other sites. Sites listed above may not be available or achievable for intensification during the plan period, and there may be specific reasons on individual sites why intensification is not suitable, and the inclusion in the tables above does not necessarily endorse such development. Plot ratios that can be achieved are heavily dependent on the type of operation, with distribution space needing large amounts of circulation space for HGVs and achieving much lower plot ratios than, for instance, light engineering space. Therefore, this is an indication only.
- 5.10 However, in terms of the realism of the overall message, this is considered to be a reasonable analysis. It uses plot ratios for new development of 33% and 40% which are actually below the existing average plot ratio on industrial and warehouse sites in the Core Employment Areas of 43.5%, so it does not necessitate a step change in the type of provision. Policy EM4 of the draft Local Plan supports the redevelopment of older industrial premises within Core Employment Areas for more modern flexible employment floorspace subject to a variety of premises being maintained,

and therefore the type of development envisaged here is in accordance with policy.

- 5.11 In summary therefore, table 5.3 illustrates that, taking account of both site-specific supply and potential intensification of employment areas, there is scope within the Borough to meet the identified industrial and warehouse need in full.

Table 5.3: Contribution of potential intensification to meeting needs

Identified need for industrial and warehouse space	148,440 sq m
Site-specific supply identified in HELAA	112,268 sq m
Potential intensification within employment sites	27,407 - 50,637 sq m
Total potential supply	139,675 - 162,905 sq m

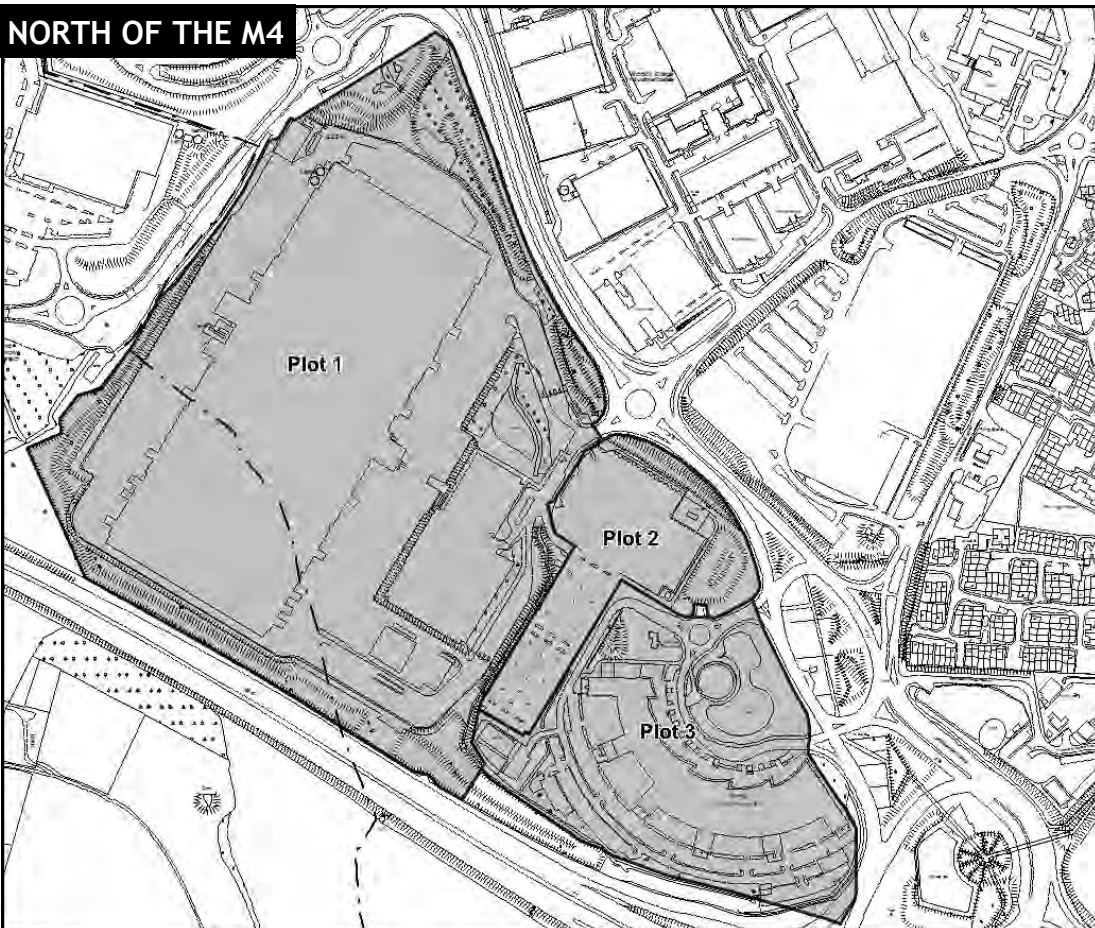
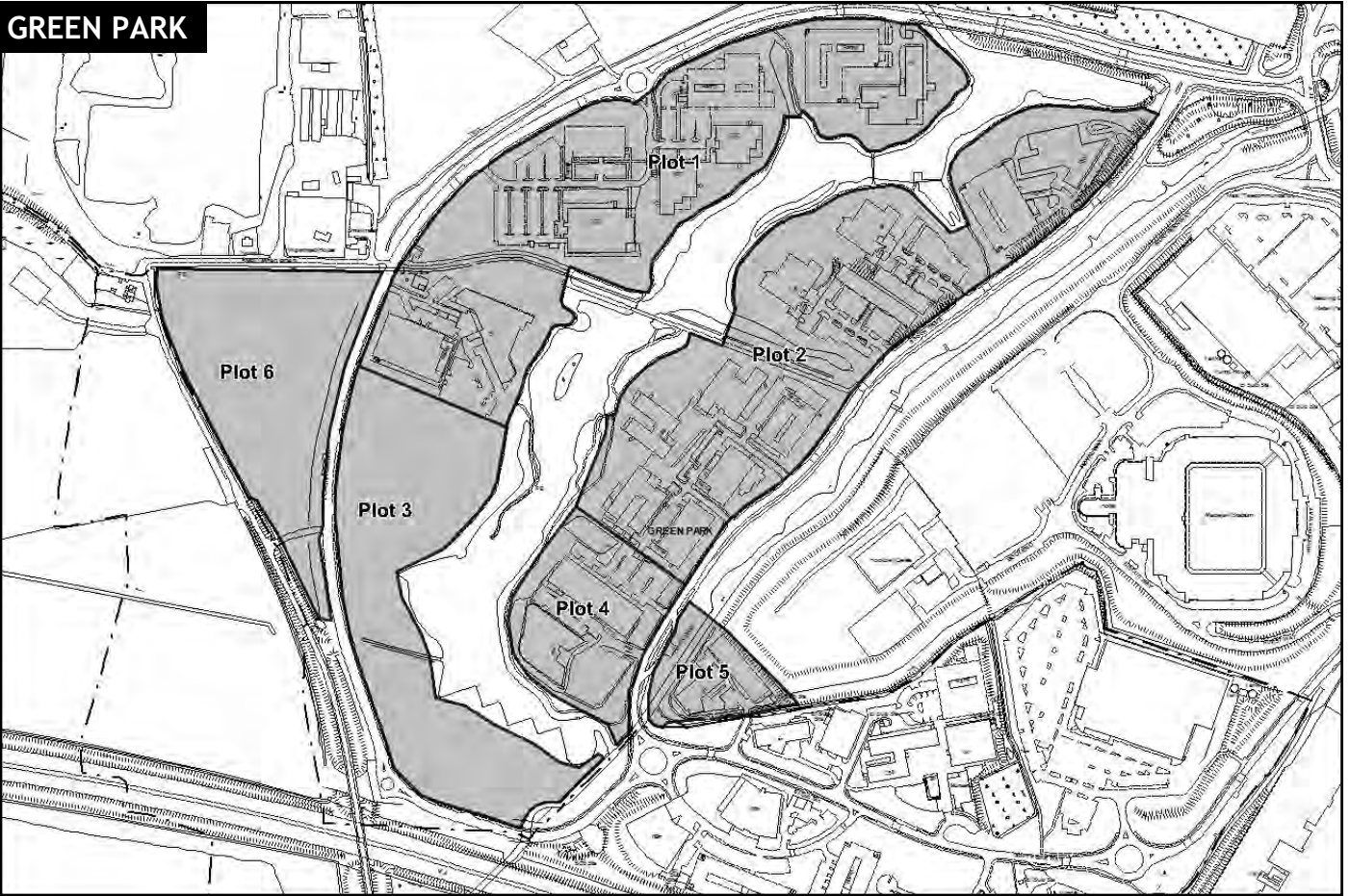
6. CONCLUSION

6.1 This analysis has considered which of Reading's employment areas are of greatest importance to the economic prospects of Reading, and has therefore led to the definition of the following Core Employment Areas (CEAs) in the Local Plan. This is a proactive approach to identifying the most significant areas and avoids the blanket protection of employment land which the NPPF paragraph 22 advises against.

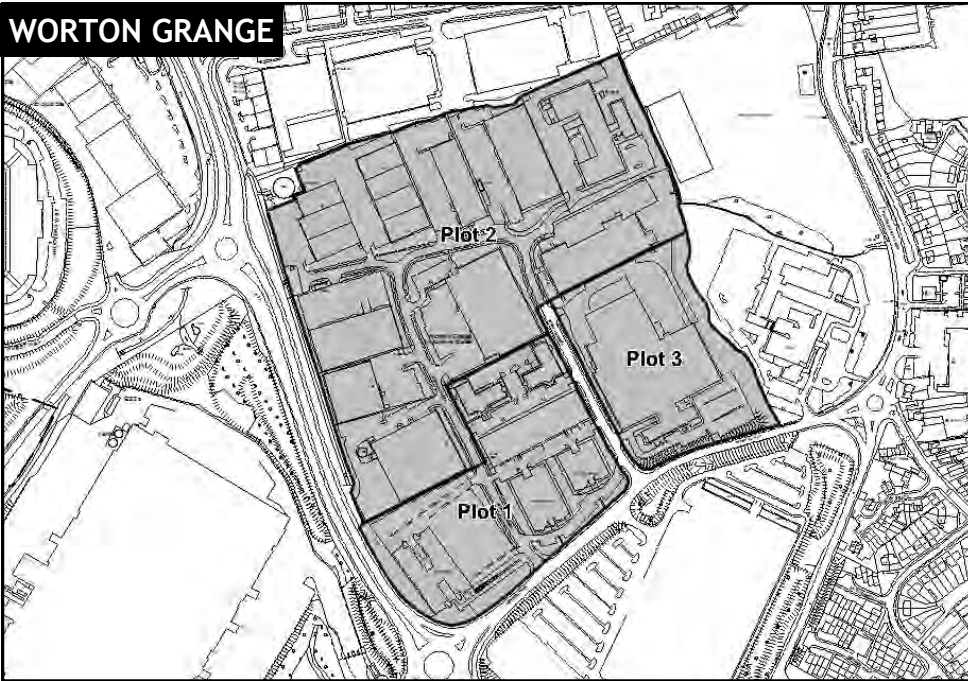
- EM2a: Green Park
- EM2b: North of the M4
- EM2c: South of Basingstoke Road
- EM2d: Bennet Road
- EM2e: North of Basingstoke Road
- EM2f: Elgar Road
- EM2g: Richfield Avenue
- EM2h: Portman Road
- EM2i: Wigmore Lane
- EM2j: Bridgewater Close
- EM2k: Sterling Way
- EM2l: Marcus Close
- EM2m: Paddock Road

6.2 This analysis has also looked at the potential for intensification and additional development within Reading's Core Employment Areas in the context of a shortfall in site-specific supply identified by the HELAA. It concludes that, taken together, site-specific supply in the HELAA and the potential for intensification in CEAs are expected to be sufficient to meet the identified needs for industrial and warehouse space within Reading's boundaries.

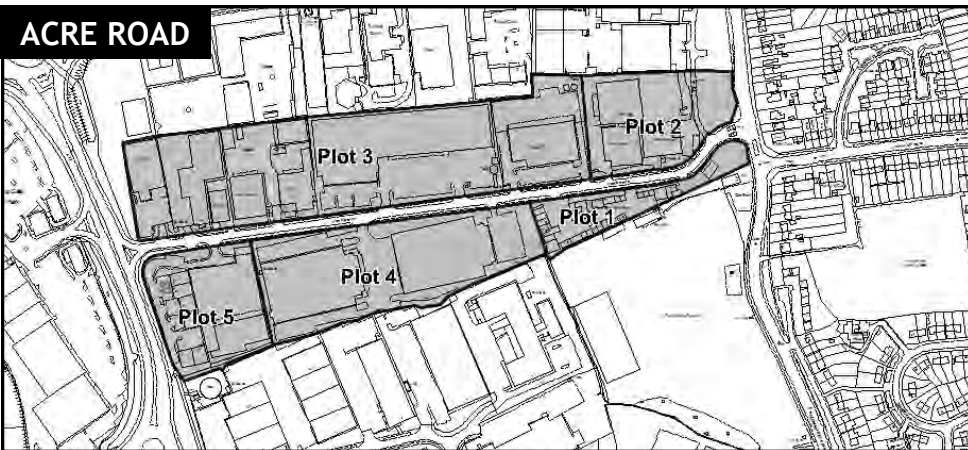
APPENDIX 1: PLOTS USED FOR ANALYSIS



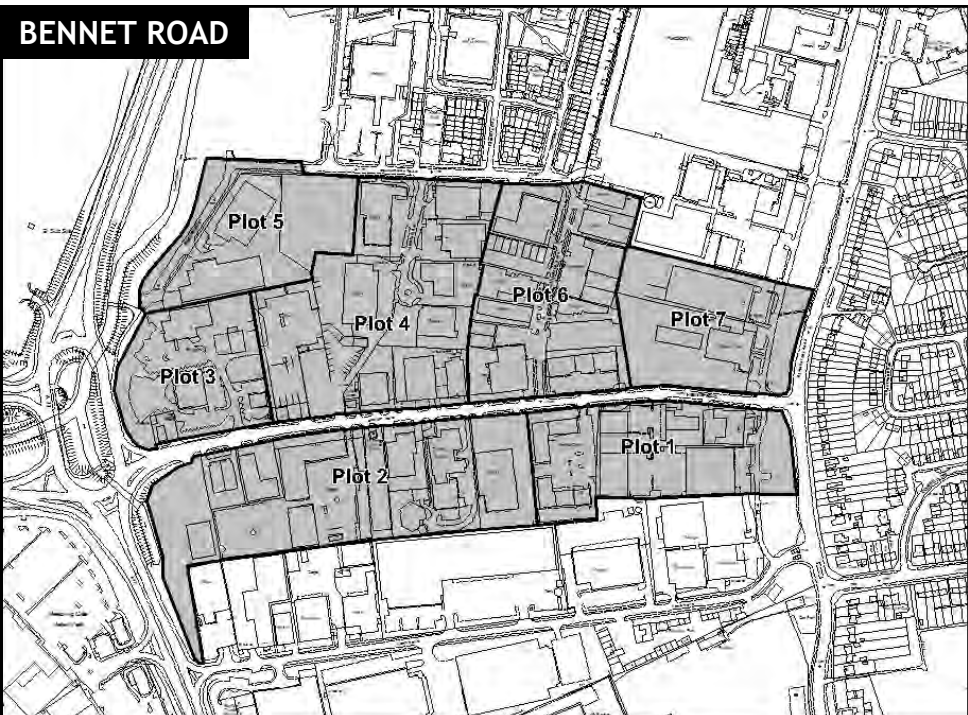
WORTON GRANGE



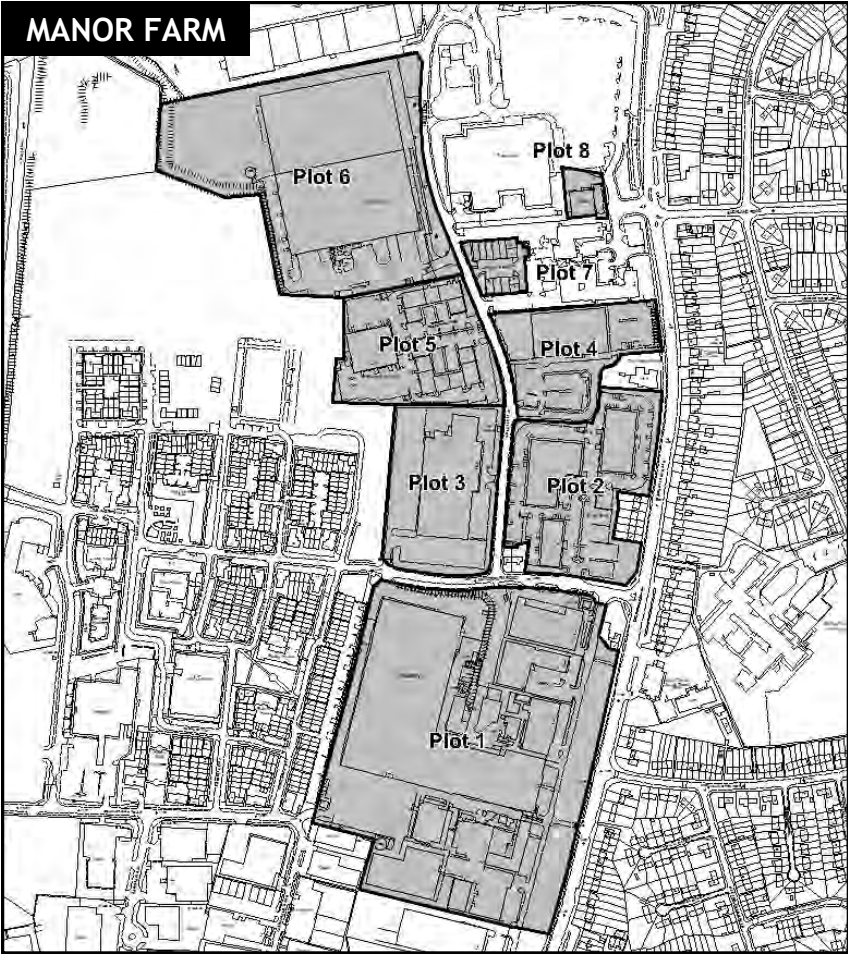
ACRE ROAD



BENNET ROAD

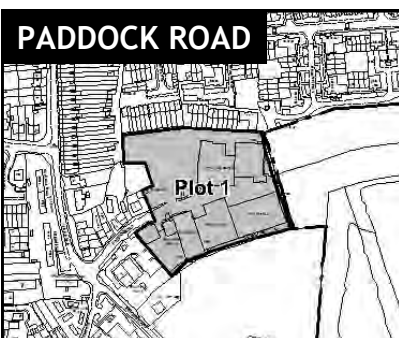
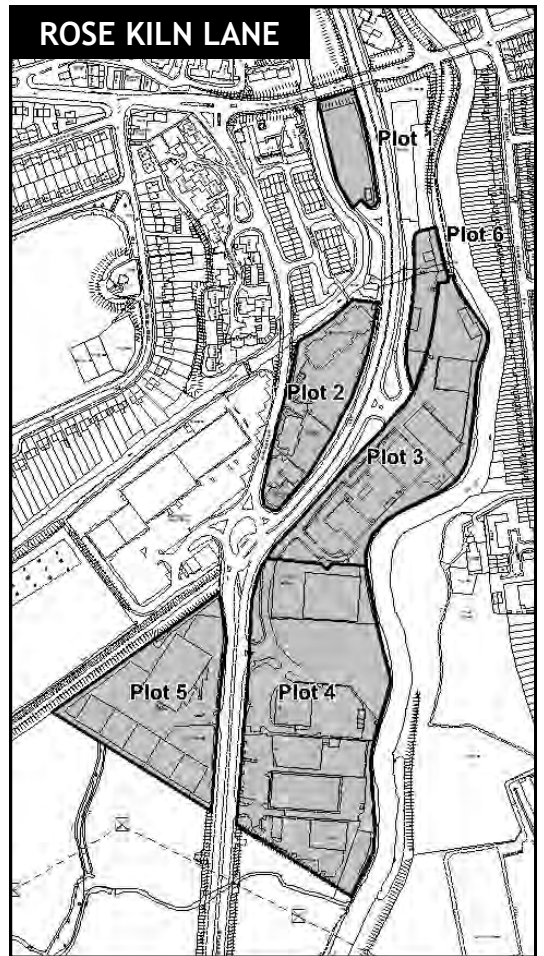
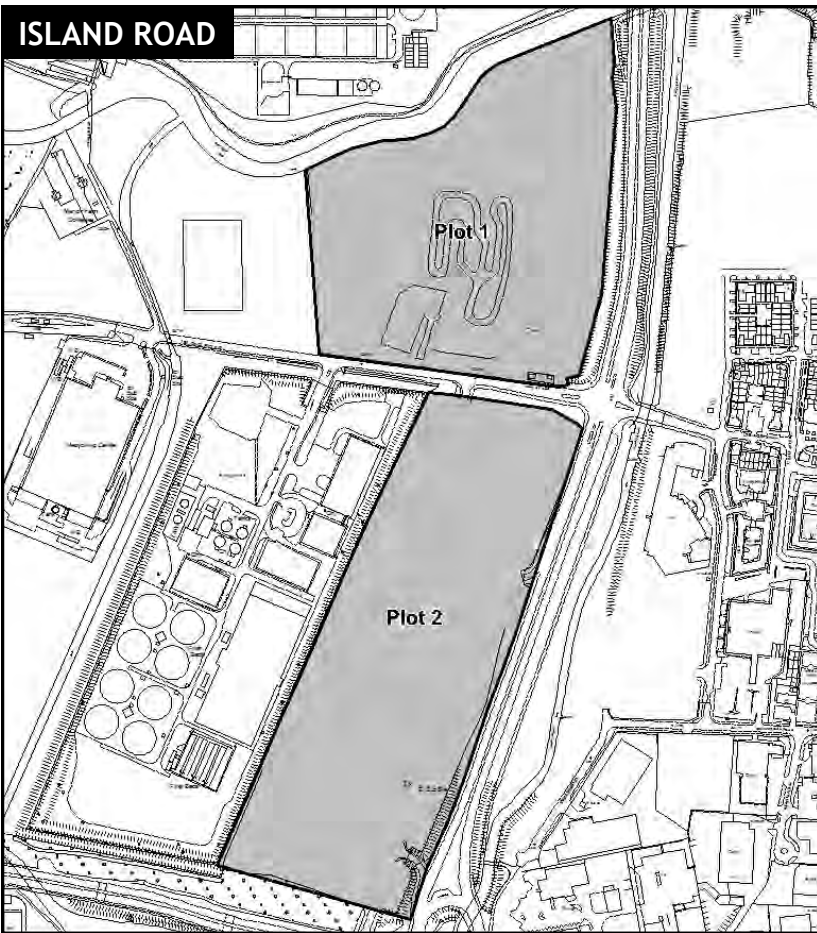


MANOR FARM

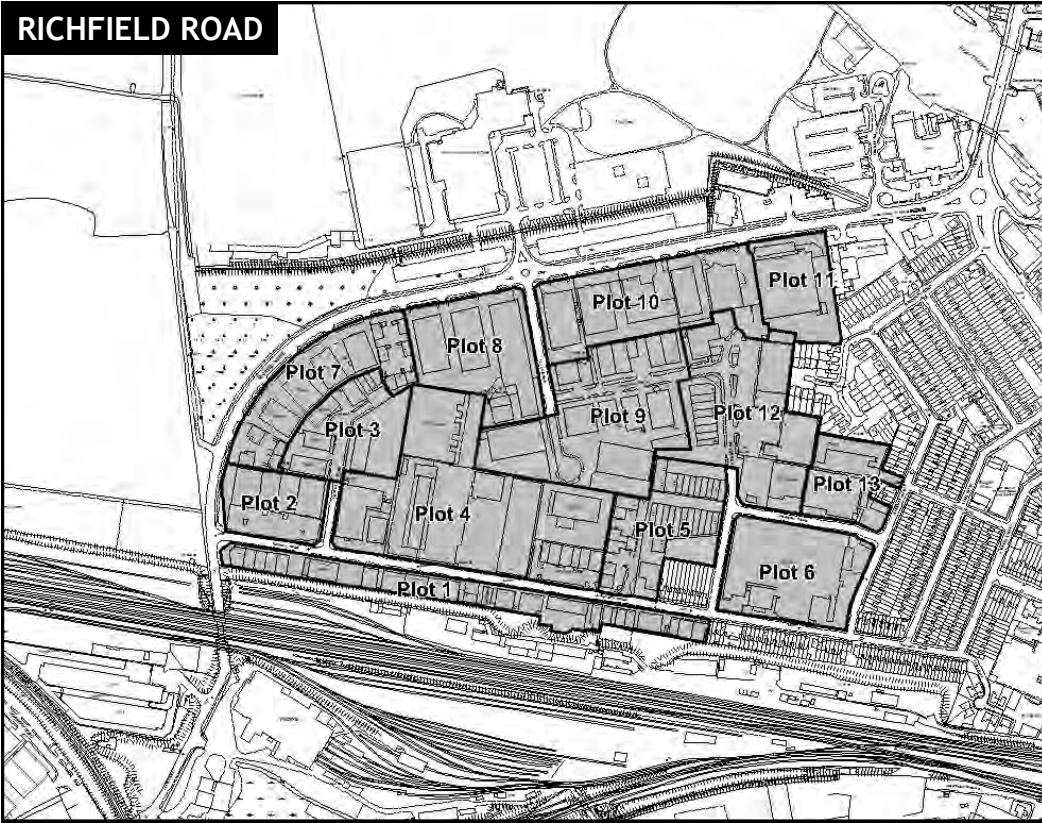


NORTH OF BASINGSTOKE ROAD

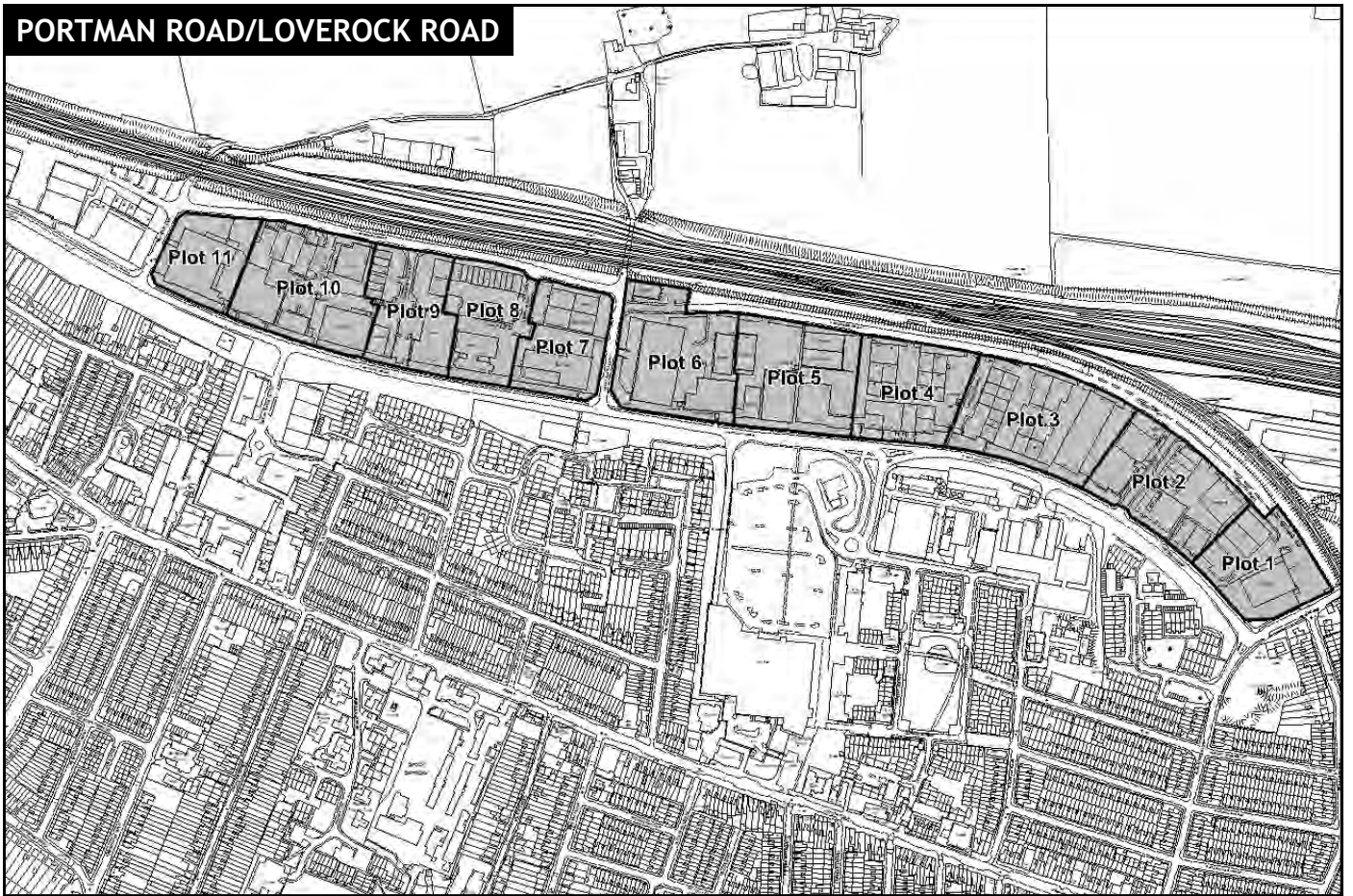




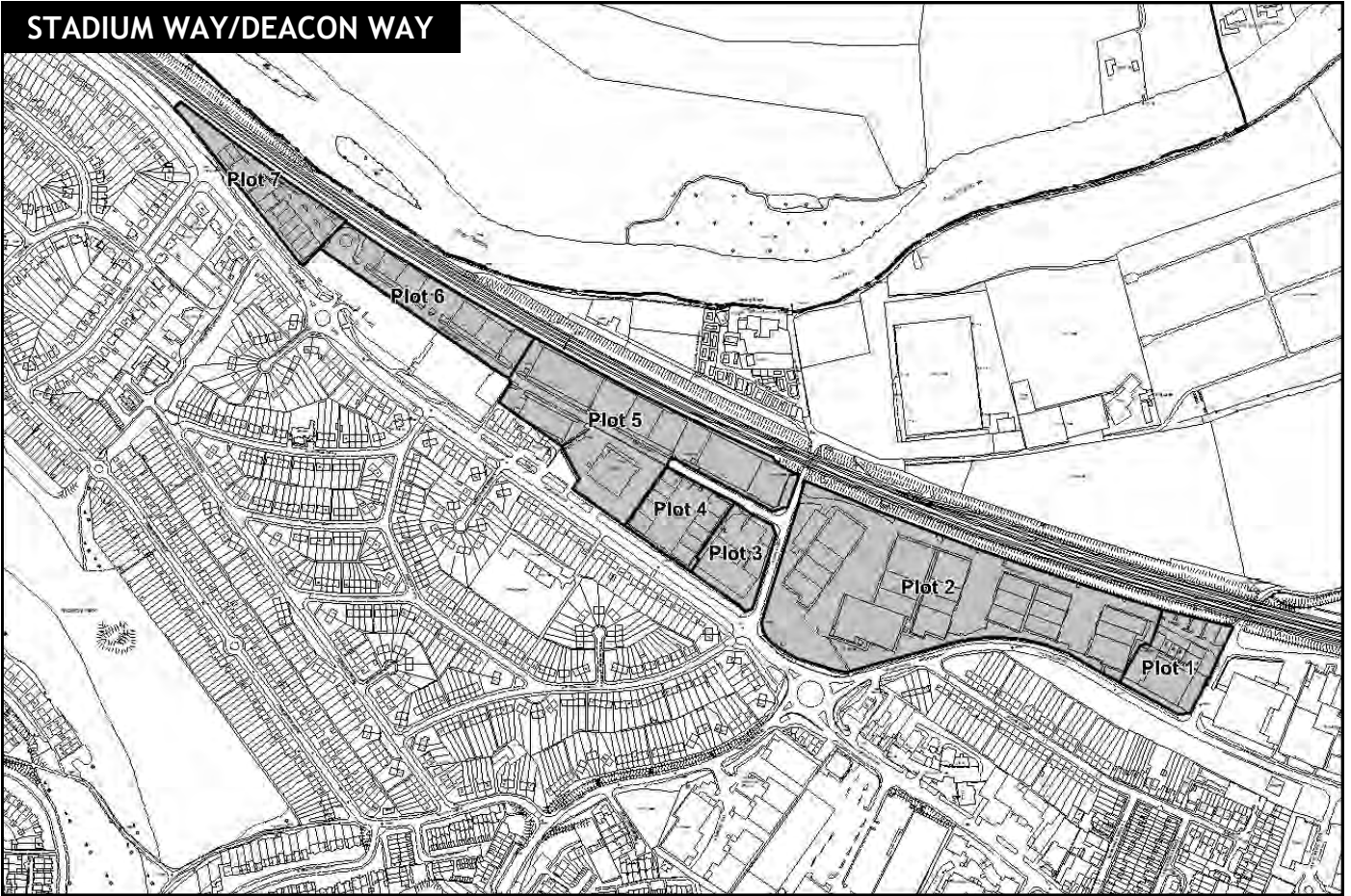
RICHFIELD ROAD



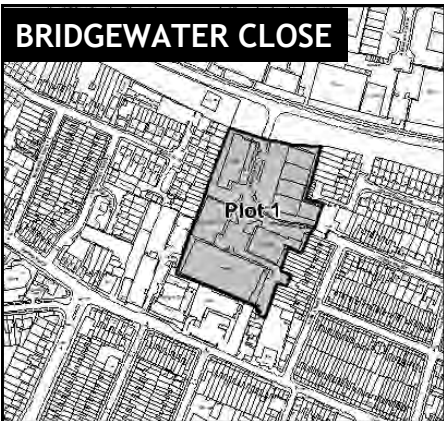
PORTMAN ROAD/LOVEROCK ROAD



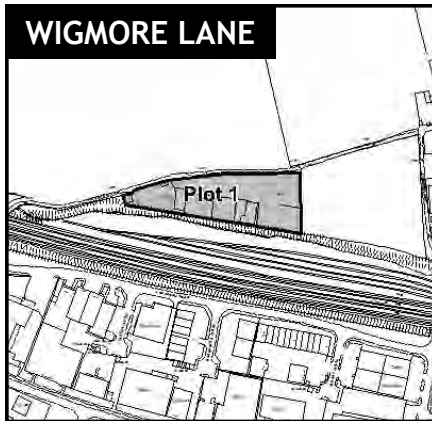
STADIUM WAY/DEACON WAY



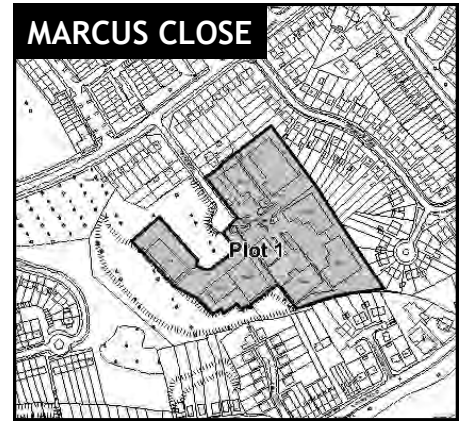
BRIDGEWATER CLOSE



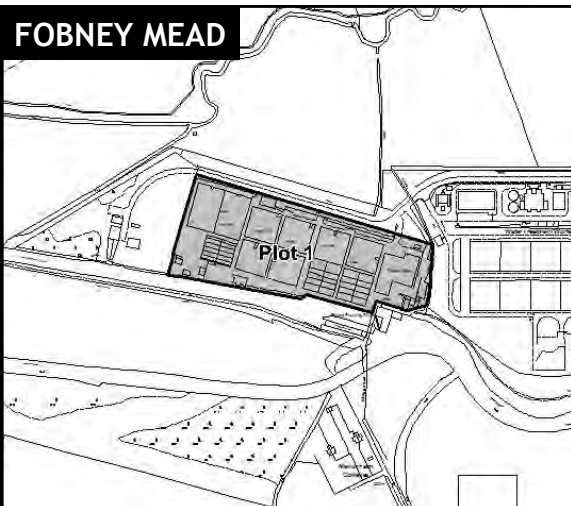
WIGMORE LANE



MARCUS CLOSE



FOBNEY MEAD



GOSBROOK ROAD

