London Borough of Ealing

EMPLOYMENT LAND REVIEW

Final Report
September 2010
This document is formatted for double-sided printing.
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1 INTRODUCTION

The Study

1.1 This study was commissioned by LB Ealing to assess the future demand for employment land, compare it with the land supply under current planning policies and make policy recommendations accordingly. The study will form part of the evidence base for the Council’s emerging Local Development Framework (LDF) and inform specifically the Development (Core) Strategy and the Development Management and Development Sites development plan documents (DPDs). It deals with two broad land uses, industry/warehousing and offices1. It suggests how far existing employment sites should be safeguarded from redevelopment for other uses, whether more land should be identified for employment uses, or whether land should be released from employment use.

1.2 The study also makes recommendations about the type of employment land which will be needed for the future. Industrial employment in Ealing and London generally, has been in decline for many years as the structure of the economy has changed. What were previously good sites for manufacturing uses may not be optimal for modern office type activities.

1.3 This study extends beyond the usual employment land review by helping to plan for economic growth and regeneration, and a major question for the present study relates to whether, and how, Ealing can continue to accommodate B-space employment and how this objective should be taken forward in the new Local Development Framework, which will replace the UDP. The study will to help inform the Council in defining detailed strategic industrial locations (SILs), other locally defined employment areas and allocations for mixed use development, so that strategic and local economic development is achieved within the Borough.

1.4 It also looks forward to the potential impact that Crossrail may have on the Ealing economy.

The Method

1.5 In reviewing employment land, the approach taken is in line with guidance supported by PPS4 (Planning for Economic Development), and complies with the Government Guidance Note on Employment Land Reviews2. Government policy and guidance indicates that the role of employment land reviews (ELR) is to provide sound evidence to inform local planning authorities in planning for employment land uses. To inform these decisions, ELRs need to:

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1As is usual in planning documents, employment space is defined here as comprising factories, warehouses and offices, covered by Classes B1-B8 of the Use Classes Order, and similar sui generis land uses. The study does not cover the many other land uses that provide employment, such as retail, leisure, education and health.

audit the supply of land already identified for employment;
- assess how much land will be required for employment during the plan period, based on market conditions and policy objectives;
- compare requirement with supply both quantitatively and qualitatively;
- consequently make recommendations about:
  - any further land that should be identified for employment;
  - any existing or committed employment sites that should be released for other uses, having regard to their realistic prospects of coming forward for delivery;
  - other planning policies relating to employment land as appropriate; and
  - economic development and regeneration policies that bear on employment land.

1.6 Our specific method for this study has been to use the GLA employment projections to inform our demand forecasts. Detailed site assessments have been undertaken by LSH, one of the country’s leading commercial agent firms. Our preliminary findings were tested with an audience of commercial property stakeholders at a workshop held in July.

Consultations

1.7 The content of this report has been supported by consultations across a broad range of local stakeholders.

1.8 We held a main consultation event in July to which key local occupiers, developers and agents were invited.

1.9 To help reflect a range of views, not only those of large occupiers and agents, we also engaged with local companies, especially those in and around Southall, as part of a series of wider consultation events being held by LBE and Business Link. These events were supported by a number of more detailed interviews.

1.10 More detail about these events can be found in the appendices.

Report Structure

1.11 The report is set out as follows:

- Chapters 2 to 4 describe the current position, providing the baseline and starting point for the future analysis that is to follow:
  - Chapter 2 briefly reviews the strategic policies to which Ealing’s employment land policies need to conform and the current local policies which the Council needs to reconsider.
  - Chapters 3 and 4 analyse the present condition of the local economy and property markets, establishing the baseline for future change and informs the objectives for the study.
- Chapters 5 to 9 take forward the analysis to the planning period 2011-26:
  - Chapter 5 assesses the quality of Ealing’s employment areas for meeting future demand.
  - Chapter 6 quantifies the baseline projection for office and industrial land.
Chapter 7 looks at the impact of the recession on the baseline projections
Chapter 8 provides an alternative scenario based on additional growth being achieved from the Crossrail effect.
Chapter 9 assesses the future market balance for employment land by comparing forecast demand for space with the supply currently identified and proposed;

Finally, Chapter 10 sets out the overall conclusions and recommendations on future employment land allocations and policies for Ealing.
2 POLICY CONTEXT

National Spatial Planning Objectives

Sustainable Development

2.1 The Government’s Strategy for Sustainable Development\(^3\) sets out four Government objectives:

- Social progress which recognises the needs of everyone;
- Effective protection of the environment;
- The prudent use of natural resources; and
- The maintenance of high and stable levels of economic growth and employment.

2.2 Local planning authorities contribute to sustainable development through development plans. Planning Policy Statement (PPS)1, Delivering Sustainable Development, states at paragraph 27 that such plans, among other things, should seek to:

- Bring forward sufficient land for housing and industrial development, which is of suitable quality and in appropriate locations, to meet the expected needs;
- Allocate sites on the basis of their accessibility and sustainable transport needs, and the provision of essential infrastructure, amongst other criteria;
- Provide improved access to jobs by ensuring that new development is located where everyone can access services on foot, bicycle or public transport rather than having to rely on access by car;
- Focus developments that attract a large number of people, including offices, in existing centres, in order to promote the vitality and viability of these centres, social inclusion and more sustainable patterns of development;
- Reduce the need to travel and encourage accessible public transport provision by actively managing urban growth to make full use of opportunities for increasing public transport patronage; and
- Promote more efficient use of land through higher-density, mixed use development and the reuse of suitably located previously developed land and buildings.

Planning for Sustainable Economic Growth

2.3 Until recently, the core statement of national planning policy was found in Planning Policy Guidance Note (PPG) 4, industrial and Commercial Development and Small Firms, published in 1992.

2.4 Key statements in PPG 4 include:

- Policies should provide for choice, flexibility and competition.
- In allocating land for industry and commerce, planning authorities should be realistic in their assessment of the needs of business. They should aim to ensure that there is

\(^3\) A Better Quality of Life - A Strategy for Sustainable Development for the UK (May 1999)
sufficient land available which is readily capable of development and well served by infrastructure. They should also ensure that there is a variety of sites available to meet differing needs.

- A choice of suitable sites will facilitate competition between developers; this will benefit end-users and stimulate economic activity.
- The locational demands of businesses are a key input to the preparation of development plans. Development plan policies must take account of these needs and at the same time seek to achieve wider objectives in the public interest.

2.5 However PPG4 has recently been replaced by the new Planning Policy Statement (PPS)4, Planning for Sustainable Economic Growth, published in December 2009. This brings together planning for all economic land uses, so as well as the existing PPG 4 it also replaces PPS6, relating to town centre uses, and parts of PPS7, relating to economic development in rural areas. The key objective of the PPS is to ensure that the planning system positively and proactively supports economic development.

2.6 Two of the policies in PPS4 are especially relevant to Employment Land Reviews (ELRs). The first is Policy EC1, Using Evidence to Plan Positively, whose opening paragraph reads in part:

2.7 ‘Regional planning bodies and local planning authorities should work together to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market... [They] should ensure that the evidence they gather is proportionate to the scale of the issue.’

2.8 The policy goes on to say that local evidence bases should assess the need for and supply of land for economic development over the plan period. It adds that assessment should ensure that ‘existing site allocations for economic development are reassessed against the policies in this PPS, particularly if they are for single or restricted uses.’

2.9 The second policy that relates directly to ELRs is Policy EC2, which sets out requirements for both regional planning bodies and local planning authorities in producing development plans. They should:

- Set criteria for, or identify the general location of, strategic sites, ensuring that major Greenfield sites are not released unnecessarily through competition between local authorities.
- Seek to make the most efficient and effective use of land, prioritising previously developed land which is suitable for re-use, reflecting the different location requirements of businesses.
- At a regional level, disaggregate minimum job targets to local authority level.
- At a local level, identify a range of sites to facilitate a broad range of economic development, including mixed use. Existing site allocations should not be carried forward from development plan to the next without evidence of need and reasonable prospect of their uptake during the plan period.

2.10 With regard to planning decisions, policy EC10 of PPS4 advises that local planning authorities ‘should adopt a positive and constructive approach towards planning
applications for economic development. Planning applications that secure sustainable economic growth should be treated favourably.’

2.11 One of the key changes to PPS 4 is the renewed focus on town centres, as the primary location for ‘main town centre uses’. PPS 4 defines town centre uses as:

- Retail
- Leisure
- Offices
- Arts and Tourism

2.12 The PPS continues, but strengthens, previous guidance which promoted a spatial hierarchy focusing the most intense ‘town centre’ land uses in the most accessible (i.e. town centre) locations.

2.13 It is important to note that the approach set out in central government guidance does not preclude the provision of new space outside of town centres. Only that the town centres should be the first place the local authorities look when seeking to accommodate new town centre offices.

2.14 The PPS also places a requirement on local authorities to identify a 5 year supply of sites to accommodate 5 years of identified need for the main town centre uses (including offices). We return to this requirement later in the report.

**Transferring Employment Land to Housing**

2.15 Employment land is also mentioned in Planning Policy Statement (PPS)3, Housing. This statement generally encourages re-use of previously developed land for housing, and specifically states that local planning authorities should consider ‘whether sites that are currently allocated for industrial or commercial use could be more appropriately re-allocated for housing development’.

**London Plan**

*Introduction*

2.16 The London Plan sets out the Mayor’s spatial strategy, to which individual Boroughs’ planning policies are required to be in broad conformity. The Draft Replacement London Plan is currently at Examination in Public. We have based our policy analysis on this new version of the Plan, although we do not believe that in any event it differs fundamentally from the previous plan as far as the context of this study is concerned.

Recent population and employment growth in London is seen as a structural trend and the Plan concludes that, “the only prudent course is to plan for continued growth.” This means planning for:

- A growing population
- An ever more diverse population

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4 Para 1.46 of DRLP
A growing and ever changing economy
- Substantial progress in tackling persistent problems of poverty and deprivation
- Making real progress in addressing climate change
- Careful and efficient management and use of the resources available to London
- Improving quality of life for all Londoners and all of London
- Joint approaches by London Planning authorities and those in neighbouring regions

2.17 The Mayor's vision for the Plan is then set out as:

*Over the years to 2031, and beyond, London should:*

*excel among global cities - expanding opportunities for all its people and enterprises, achieving the highest environmental standards and quality of life and leading the world in its approach to tackling the urban challenges of the 21\textsuperscript{st} century, particularly that of climate change.*

*Achieving this vision will mean making sure London makes the most of the benefits of the energy, dynamism and diversity that characterise the city and its people; embraces change while promoting its heritage, neighbourhoods and identity; and values responsibility, compassion and citizenship.*

2.18 The vision is to be supported through six detailed objectives which Borough DPDs and development decisions should aim to realise, so that London should be:

- a city that meets the challenges of economic and population growth
- an internationally competitive and successful city
- a city of diverse, strong, secure and accessible neighbourhoods
- a city that delights the senses
- a city that becomes a world leader in improving the environment
- a city where it is easy, safe and convenient for everyone to access jobs, opportunities and facilities.

*Spatial Strategy*

2.19 Chapter 2 of the Plan deals with London’s Places and sets out the approach the Mayor intends to take to the development and use of land in London as being:

*Not simply to support and welcome growth but to ensure that it contributes positively to the quality of life in London and to enable it to take place within its current boundaries without:*

- encroaching on the Green Belt, or on London’s open spaces
- having unacceptable impacts on the environment

2.20 The Mayor is also keen to encourage cross border working with neighbouring authorities with Policy 2.2 stating that with regard to LDF Preparations:

*In preparing and implementing DPDs, Boroughs (particularly those in outer London) should work with authorities and agencies in neighbouring regions outside Greater London to develop common approaches to issues of cross-border significance.*
Chapter 4 of the Plan deals with London’s economy. The overall strategic policy is set by Policy 4.1

The Mayor will work with partners to:

- promote and enable the continued development of a strong and increasingly diverse economy across all parts of London, ensuring the availability of sufficient and suitable workspaces in terms of type, size and cost, supporting infrastructure and suitable environments for both larger employers and small and medium sized enterprises
- drive London’s transition to a low carbon economy and to secure the range of benefits this will bring
- promote outer London as an attractive location for national Government as well as businesses, giving access to the highly-skilled London workforce, relatively affordable work space and the competitive advantages of the wider London economy
- support the distinctive and crucial contribution to London’s economic success made by central London and its specialist clusters of economic activity
- sustain the continuing regeneration of inner London and redress its persistent concentrations of deprivation emphasise the need for greater recognition of the importance of enterprise and innovation
- promote London as a suitable location for European and other international agencies and businesses.

For the purposes of this study we concentrate on policy related to the office and industrial sectors.

Industrial Land Demand

London’s Economy

2.21

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Industrial Land Demand

London Industrial Land Release Benchmarks

2.23

This research was undertaken by URS Corporation in 2007. It looked at:

- Overall stock of industrial land relative to the market area
- Current levels of vacancy, both land and buildings
- Current rental values
- Proportion of both built-on and vacant industrial sites within SILs
- Demand for warehousing land
- Demand for general industrial premises
- Apportionment of waste facilities
- Other demands on industrial land, such as transport functions and wholesale markets
- Industrial land demand projections in relation to the market area
- Short-term and long-term phasing of the industrial land release benchmarks

The conclusions informed the Industrial Capacity SPG
Supplementary Planning Guidance: Industrial Capacity

2.25 Supplementary Planning Guidance (SPG) on Industrial Capacity was adopted by the Mayor in March 2008.

2.26 The SPG aims to guide implementation of the London Plan “to accommodate industry and other activities with similar land-use needs (including logistics waste management, utilities and transport functions)”.

2.27 Using research on land demand and supply, the SPG sets out a London-wide benchmark of 814 ha of industrial land to be released in the period 2006-26. Of this total, 254 ha is a reduction in the required stock ('negative demand') and 560 ha results from an outright release of vacant and under-used industrial land from 12.7% to 5% of the stock, resulting from more effective management.

2.28 The SPG breaks down the London-wide land release benchmark by sub region. For the West sub region the report states that 52 ha of industrial land should be released over the period 2006-26, of which 37 ha is scheduled for the period 2011-26. This follows the figures set out in the London Industrial Land Release Benchmarks research.

2.29 The SPG divides all the London Boroughs into three groups to reflect the pressure of demand for industrial uses. “Managed transfer” Boroughs have the most generous supply relative to demand and should allow managed release of industrial land to other uses. “Restricted transfer” Boroughs are at the other extreme, with an undersupply of industrial land and little or no land protected by SIL designations, and should adopt a more restrictive approach.

2.30 Ealing is in the “limited transfer” category which is an intermediate - the SPG states that “Taking account of local variations in demand, Boroughs are encouraged to manage and where possible, reconfigure their portfolios of industrial land, safeguarding the best quality sites and phasing release to reduce vacancy rates for land and premises.”

2.31 Paragraphs 4.11 to 4.13 set out three categories of criteria to be used in allocating or de-allocating industrial sites. The first is economic criteria, including whether the site meets demand, offers potential for business expansion, supports clusters, or provides lower cost accommodation for start-ups. The second is land use criteria, including whether the site has good transport links, is located in a town centre or has sufficient space for operational parking. The third is demand based criteria, including whether a site has been adequately marketed and has been vacant for a considerable period of time.

2.32 Policy SPG8, discusses industrial uses in mixed-use developments, stating that the Mayor, LDA, TfL, Boroughs and other partners should:

i) “Consider through strategic and local demand and supply assessments and DPDs whether industrial areas that have, or will have, good public transport accessibility,

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especially those within or on the edge of town centres, would be appropriate for higher density, mixed-use redevelopment. This redevelopment should not incur a significant net loss of industrial capacity or compromise the offer of wider areas as competitive locations for industry, logistics, transport, utilities or waste management. Where this affects SILs this consolidation should be managed sensitively having regard to the process set out in SPG1 (relates to Plan, Monitor and Manage approach);

ii) Focus consolidation through this process on the periphery of SILs near to public transport nodes or town centres, especially where there is a barrier separating the area from the rest of the SIL and enable consolidation of more environmentally sensitive, existing PIL tenants while maintaining the integrity of a local business cluster;

iii) Establish robust and sensitive industrial relocation arrangements to support redevelopment where necessary;

iv) Where necessary, improve the provision of small scale, “walk to’ amenities and services including crèches, which serve the needs of people working within industrial areas”

2.33 This suggests that the GLA will accept mixed use options within existing employment locations, including some in the indicative SIL area, so long as the above criteria are taking into account.

2.34 Other particularly relevant guidance in the SPG includes:

- At Policy SPG9, qualitative principles, including good design and efficient use of space;
- At policy SPG10, guidance on meeting the full range of occupier requirements including those for low-cost space, accommodation for SMEs and start-ups.

**Office Policy**

2.35 Policy 4.2 of the London Plan sets the policy for offices and states that with regard to LDF preparation LDF’s should:

- enhance the environment and offer of London's office locations in terms of physical attractiveness, amenities, ancillary and supporting activities as well as services, accessibility, safety and security;
- provide the basis for work with the LDA, investors, developers, land owners and potential occupiers to bring forward and renew development capacity as efficiently as possible, co-ordinating their activities and interests to avoid planning delays and facilitating site assembly; if necessary, through the compulsory purchase process and specially beyond the central London office market;
- work with sub-regional partners to develop coordinated, phased strategies to manage long term, structural changes in the office market, focusing new capacity where there is strategic as well as local evidence of demand, encouraging renewal and modernisation in viable locations and supporting changes of surplus office space to other uses;
• examine the scope for re-use of otherwise surplus large office spaces for smaller units.

2.36 The Plan notes that the Outer London Commission and the London Office Review Panel agree that the most viable locations for the renewal and modernisation of office stock in outer London include the Strategic Outer London Development Centres, of which Ealing is one. But para 4.11 goes on to name a number of specific locations, none of which are in Ealing.

2.37 Para 4.12 notes that

“Local plans and strategies should support the conversion of surplus offices to other uses and promote mixed use development in the light of integrated strategic and local studies of office demand. Informed by the independent London Office Review Panel a ‘plan, monitor and manage’ approach will be used to reconcile office demand and supply across the development cycles likely to be encountered over the years to 2031. This may well provide scope for changes from surplus office to other uses, especially housing, providing overall capacity is sustained to meet London’s long-term office needs. The scope for re-use of otherwise surplus large office space for smaller units suitable for SMEs should also be considered.”

2.38 The London Office Policy Review published by the GLA in 2009 has a table showing demand forecasts for each London Borough. This showed a projected addition to office floorspace stock for Ealing of 107,000 sq m over the period 2011-31. Whilst these figures are a guide they are not binding targets.

2.39 The London Office Policy Review also reviews principal outer London centres as office locations and noted the potential of Ealing. “LOPR 04 recommended that Ealing itself should be promoted as a location for office development, and the prospect of Crossrail is likely to reinforce this conclusion. The potential for Ealing to become a significant hub cannot be discounted.”

Outer London Commission

2.40 The Mayor established the outer London Commission to examine the potential for economic growth in the outer London. OLC Recommendations include:

Recommendation 1- Spatial Structures:

a) We recommend that outer London’s existing spatial structure should be developed as necessary to support its future development and regeneration. The development of outer London should be modelled on a “star and cluster” structure focused on the existing town centre network. We support the concept of strategic outer London development centres where these will accommodate sufficiently the scale and nature of growth likely to occur.

b) We endorse the opportunity/intensification area designations in the London Plan, and recommend that the process of preparing planning frameworks for them should be accelerated and that opportunities for designation of new areas should be considered.

c) We recommend greater weight be given to policy managing outer London’s diminishing stock of industrial land and suggest that more attention should be given to
ways of determining its future and improving its quality and accessibility to ensure it can make a real contribution to outer London's success.

Recommendation 3- Economy:

a) We recommend that particular attention should be given to four key employment sectors in outer London:
   - office-based employment and "knowledge industries"
   - the public sector
   - leisure arts and culture
   - retail

b) There should be a focus on the most competitive locations for future growth in the office-based sectors and some development should be allowed where increased economic potential exists. There is a need for an agreed definition of "knowledge industries", and there may be a case for public sector support for science/innovation parks. More widely, attention should be given to the extent of ICT infrastructure in outer London and to the scope of new business support services to support home or near-home working. Outer London should be promoted as a cost-effective place for the public sector to do business.

Ealing Unitary Development Plan (UDP)

2.41 The current Ealing UDP dates from 2004. The overall strategic direction for business areas and development is set by Policy 1.6, although this policy has not been saved. Its aims are:

To promote balanced economic development; with an emphasis on employment serving community regeneration areas, encouraging a high quality, modern, attractive working environment and local enterprise. New development will also be expected to be consistent with the principles of continuous environmental improvement.

2.42 There are seven policies for business, which are set out below although Policy 6.7 on hotel development does not directly apply to this study.

6.1 Supply of Land and Property for Business Use

1. The Council will seek to develop a sustainable economic mix in the area; by retaining an appropriate land supply for industrial and warehousing units in Major Employment Locations, light industrial uses on Employment Sites, a wider range of employment uses including offices in shopping centres and at transport nodes, and smaller local economic activities at non-designated sites.

2. In addition, in appropriate circumstances, the Council will permit small-scale business use in residential property, provided that there would be no detriment to the local environment, and there would be continued residential occupation of the individual residential unit concerned.

6.2 Proposals for Office Development

1. The Council will normally permit proposals for office development at an appropriate scale and in accordance with the sequential test, in:
1. Town Centres - Ealing, Southall, Acton, Greenford, and Hanwell;
2. Sites on the edge of town centres;
3. Other shopping centres and local parades;
4. At transport nodes in Major Employment Locations, i.e. Westgate, Southern Gateway, Greenford Station, and adjacent to Chiswick Park Station;
5. Employment Sites.

2. Mixed uses will be encouraged where major development is proposed.

6.3 Alternative Development of Office Buildings

1. The Council will give favourable consideration to proposals for change of use/conversion of offices to other uses, which provide significant employment opportunities.
2. Outside Major Employment Locations and Employment Sites, conversion of offices to residential use may be permitted if residential policy requirements are met, and subject to an appropriate balance of employment and residential uses in town centres.

6.4 Industry and Warehousing in Major Employment Locations

1. Within Major Employment Locations, industry is the preferred use. Warehousing development may be allowed if the site has access to Strategic Roads or Main Distributors, or rail/canal links, and the project would not have a detrimental effect on residential amenity. B2 (General industrial) and B8 (Storage or Distribution) uses on sites adjoining residential areas will be unacceptable, unless the environmental impacts can be overcome by appropriate mitigation measures.
2. The Council will also seek to ensure that warehousing development is to, or is capable of being adapted to, industrial standards, including plot ratio and floor loading for machinery.

6.5 Ancillary Development in Major Employment Locations

To maximise or retain employment potential and enhance the attractiveness of Major Employment Locations, the Council will seek to ensure that:

i) Complementary amenities including open space, sitting out areas for employees or the general public, leisure and shopping facilities, will be retained and improved, or augmented. A high standard of design and landscaping will be required in development proposals. New development should make provision for, or be well related to, existing amenities, and where appropriate contribute to their improvement; land for this purpose will be safeguarded;
ii) Appropriate physical infrastructure, particularly improved accessibility, is encouraged;

ii) The development of shared services for joint use is encouraged, e.g. energy supply, display facilities, transport, security services, social amenities etc. and that consideration is given to joint sponsorship of such services with existing enterprises.

6.6 Workspace for Artistic and Cultural Activities

The Council will encourage the development of artistic and cultural facilities and workspaces to enhance the economic potential of various parts of the Borough, which
offer other amenities and adequate transport facilities, or which have suffered economic or visual decline, including:

i) Ealing Broadway / Ealing Green;
ii) Central Southall;
iii) Central Acton;
iv) Hanwell Broadway and Environs.

6.7 Hotel Development

Proposals for new hotel building or for the conversion of existing premises to a hotel, will be given positive consideration on sites in town centres, and in areas with good public transport access. The development will be assessed in relation to the Council’s employment and environmental policies, and on the basis that there would be no loss of housing.

Economic Development Strategy

2.43 The West London Economic Development Strategy also dates from 2004. This sets a vision where:

West London will be the choice location for both businesses and individuals, an inclusive and sustainable society where business and communities benefit from a global perspective, a leading player in the development of London as the global hub. ‘A destination renowned for creating richer solutions and opportunities through its ability to embrace and celebrate diversity, change and success with all its participants.’

2.44 The strategy identified six themes to deliver this strategy:

- **Skills for Growth** - Improve levels of employability and reduce the polarisation of west London’s skills economy primarily by improving training access opportunities for excluded groups, improving literacy and numeracy skills and fostering a culture for lifelong learning and workforce development.

- **Business Competitiveness** - Establish a competitive economy underpinned by sustained and sustainable growth and value added output principally through ensuring high and effective levels of appropriate support for both indigenous businesses and foreign-owned investors. There is also a need to further develop knowledge-based economic activity through heightened linkages and interaction between businesses in west London and the academic community, as well as with businesses in surrounding sub-regional economies.

- **Land and Property** - Secure a sustainable economy through the appropriate utilisation, including mixed use development, of west London’s land and property by promoting, managing, and enhancing the quality of the existing stock of key strategic employment locations, and promoting higher standards of design and environmental good practice. Supporting the rejuvenation of town centres in west London as centres for employment, shopping and living.

- **Housing** - Increase the supply of affordable housing and supported housing, improve the quality of older housing stock, and ensure the sustainability of housing developments. A focus on developing an appropriate mix of housing provision, in
terms of tenure, type, size, reception and move-on property and ensuring higher density build where appropriate, particularly where there is good access to public transport.

- **Transport** - Invest in public transport infrastructure, in particular to support the suburban centres and where the main employment and housing growth will occur. Plan public transport to link residential areas and the town centres in west London.

- **Environment and the Quality of Life** - Invest in sustainable business communities, and encourage businesses to play a greater role in the management, maintenance and improvement of their business neighbourhoods. Support businesses and other employers to improve their environmental management systems. Ensure high quality design of future housing and employment site developments. Improve access to quality green space and cultural resources. Quality of life issues must also address crime and the underlying causes of crime.

**Conclusions**

2.45 Regional, sub-regional and local policies all have a positive attitude towards encouraging economic growth in the Borough. Further there is recognition of the need to diversify further into higher value knowledge based activities. There is also a policy recognition of the need to invest in the economic infrastructure such as skills and transport if growth is to be achieved.

2.46 The new Replacement London Plan seeks to encourage continued growth and development in London whilst placing an emphasis on quality living. It seeks to promote economic growth in outer London and facilitate the development of the appropriate infrastructure to achieve that growth. Ealing has many of the characteristics to be a centre for growth, however Ealing lacks a strong focus in regional policy guidance with regard to major office development.

2.47 As we will note later when developing the Crossrail scenario the lack of such strategic designation may put Ealing at a disadvantage compared to competing areas such as White City and Earls Court which are designated as Opportunity areas. Area Frameworks are being developed for key locations in the Borough of Ealing, though these do not seem to be underpinned by detailed demand analysis.

2.48 In terms of industrial land Ealing is in the ‘Limited Release’ category and should lose some industrial land through redevelopment. It currently has 50% of its stock in SIL’s which are the most protected category but that still leaves some 200 ha of industrial land in non-SIL designation.

2.49 Both officer and industrial sites should also be assessed as to whether they are providing the right type of space to meet the needs for Ealing’s local economy in terms of size and quality.
3 THE LOCAL ECONOMY

Introduction

3.1 In this section we profile the London Borough of Ealing’s economy. The analysis aims to inform the objectives of employment land study, identifying strengths, weaknesses, opportunities and threats that policy might address. It also feeds into the assessment of future demand showing, for example, what kind of activities the Borough specialises in and hence what types of employment space it will need.

3.2 Below we discuss in turn:

- The workplace economy, comprising the jobs and businesses located in the Borough:
- The wellbeing and skills of the Borough’s resident workforce
- The travel to work flows that link the workplace economy and resident workforce

3.3 Where data allows we have split Ealing into the seven policy sub areas

- Acton includes the wards of Acton Central, East Acton, South Acton and Southfields
- Ealing includes the wards Cleveland, Ealing Broadway, Ealing Common, Hanger Hill, North Greenford, and Walpole.
- Greenford includes the wards of Greenford Broadway, Greenford Green, Northfield
- Hanwell includes the wards of Elthorne and Hobbyayne
- Northolt includes the wards of North Mandeville and Northolt West End
- Perivale consists of the Perivale ward
- Southall includes the wards of Dormers Wells, Lady Margaret, Norwood Green, Southall Broadway and Southall Green.

3.4 In the analysis below we benchmark Ealing against the west London sub region, and the London economy.

---

6 This incorporates the London Boroughs of Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon, Hounslow and Kensington and Chelsea
According to the latest statistics (2008), there are 112,200 employee jobs - excluding self employment - in the Borough, approximately 14% of the west London sub area’s total employment. Amongst the local areas both Ealing and Acton sub areas are the largest employment areas as each account for around 30% of the Boroughs total employment. The rest of the Borough’s employment is split between the other 5 sub areas.

The graph below shows total employment in the Borough in broad activity sectors. Compared to the wider benchmarks, Ealing in general has a similar industrial structure. Business Services is the largest employment sector and accounts for around a quarter of all jobs in the Borough. The most distinctive feature of the Ealing economy is the proportion of Wholesale jobs, as this sector accounts for 1 in 10 of all jobs in the Borough, compared to around 1 in 20 jobs sub regionally and regionally.
Looking more specifically at employment within the sub areas, in general these lower geographical areas show a similar industrial structure to the Borough average, but there are some notable differences:

- In the Ealing sub area, approximately 1 in 3 jobs are in business services. This reflects the offices clustered around the town centre.
- In Perivale approximately 1 in 5 jobs within the sub area are in Wholesale. As will be discussed below this is likely to be the impact of Park Royal.
- In Northolt approximately 1 in 3 jobs are in hotel and catering, this may be due to the close proximity of Heathrow.
Table 3.1 Industries with High Representation in Ealing, 2008

<table>
<thead>
<tr>
<th>Standard Industrial Classification</th>
<th>Jobs in Ealing</th>
<th>LQ</th>
<th>Ealing 'extra jobs'</th>
</tr>
</thead>
<tbody>
<tr>
<td>15: Manufacturing of food and beverages</td>
<td>5,023</td>
<td>3.2</td>
<td>3,439</td>
</tr>
<tr>
<td>71: Renting of machinery and equipment without operator and of personal and household goods</td>
<td>1,602</td>
<td>2.6</td>
<td>985</td>
</tr>
<tr>
<td>64: Post and telecommunications</td>
<td>3,900</td>
<td>2.1</td>
<td>1,998</td>
</tr>
<tr>
<td>51: Wholesale trade and commission trade, except of motor vehicles and motorcycles</td>
<td>9,391</td>
<td>2.0</td>
<td>4,701</td>
</tr>
<tr>
<td>73: Research and development</td>
<td>756</td>
<td>1.6</td>
<td>285</td>
</tr>
<tr>
<td>63: Supporting and auxiliary transport activities; activities of travel agencies</td>
<td>3,029</td>
<td>1.6</td>
<td>1,079</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23,701</strong></td>
<td></td>
<td><strong>12,488</strong></td>
</tr>
</tbody>
</table>

Source: Annual Business Inquiry

3.8 Table 3.1 above looks at the industrial structure in more detail, aiming to identify the Borough’s strengths. The table uses a finer grained industrial classification than the analysis in Figure 3.2. It lists industries where employment in Ealing is greater than 500 and the location quotient is greater than 1.5 - indicating that the share of total employment is more than 50% greater in the Borough than the national economy.
3.9 Of the six industries listed four – Post and Telecommunications; Wholesale; Supporting and Auxiliary transport services; and Manufacture of Food and Beverages relate to industrial and warehouse activities. Combined, these four activities provide 21,300 jobs - about a fifth of the Borough’s total employment. Most of these sectors generally reflect the types of activities at Park Royal - the areas key industrial / employment hub which includes major employers such as United Biscuits, Katsouris Fresh Food Diageo and DHL.

3.10 According to the West London Business Survey the principal reasons businesses remain in west London are:

- Good local/regional transport links
- Good access to markets/clients
- Good quality of environment

3.11 For micro-businesses the fact that it is the area they live in comes across as the strongest factor whilst for larger businesses cost and availability of premises and access to good quality labour markets come across more strongly. These factors are not dissimilar to what we would expect to come through from a business survey anywhere.

3.12 For a small minority of firms proximity to Heathrow is the single most important factor.

3.13 Of various west London Policy measures, safeguarding land for employment did not rate very highly compared with say parking or investment in town centres.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing flexible parking arrangements</td>
<td>64%</td>
</tr>
<tr>
<td>Identifying key areas for concentrated hi-growth</td>
<td>56%</td>
</tr>
<tr>
<td>development/enterprise zones</td>
<td></td>
</tr>
<tr>
<td>Greater Investment in town centres</td>
<td>51%</td>
</tr>
<tr>
<td>Promoting the residential market for family homes as</td>
<td>46%</td>
</tr>
<tr>
<td>well as flats and housing</td>
<td></td>
</tr>
<tr>
<td>Creation of communication hubs to enable businesses to</td>
<td>40%</td>
</tr>
<tr>
<td>maximise advantages of fibre-optic technology</td>
<td></td>
</tr>
<tr>
<td>Safeguarding land for employment use</td>
<td>26%</td>
</tr>
</tbody>
</table>

*B space Employment*

3.14 In this study we focus on jobs that occupy business space, comprising office warehousing and industrial jobs, jointly referred to as B space occupiers. We identify B space jobs using specific sectors from Standard Industrial Classification (SIC) 2003. Industrial jobs comprise manufacturing industries and parts of the construction industry, motor repairs/maintenance and sewage and refuse disposal. Warehousing is occupied by a variety of transport and distribution activities which are widely spread the Standard Industrial Classification

3.15 The definition of offices is led by the ODPM definition. In addition to the sectors identified by the ODPM we also include public administration and temporary workers.

3.16 The correspondence between sectors and types of space is not perfect and hence our definitions of offices and industrial/warehousing jobs are approximations. But they are the best approximations, developed through a series of employment space studies.
3.17 B space employment in Ealing Borough accounts for approximately 48% of all jobs, much the same as the regional average. However the split between office and industrial and warehousing is much different to the London average. In Ealing Borough around a quarter of all jobs are in industrial and warehousing whereas just over a fifth of all jobs are in offices, very different from the 12% and 36% respectively across London as a whole.

3.18 Industrial employment is concentrated along the A40 Corridor to the north of the Borough with a further hub of activity in the south around Southall.

**Figure 3.4 Industrial Employment Locations**

![Industrial Employment Locations](image1)

3.19 Office floorspace is far more concentrated around Ealing and spreading up into Park Royal,

**Figure 3.5 Office employment locations**

![Office Employment Locations](image2)

3.20 Across the sub areas there are significant differences from the larger benchmark economies.
3.21 Acton has the largest number of industrial and warehousing jobs in the Borough (10,300), but this only accounts for a third of all jobs in the sub area. In Greenford and Perivale the total number of industrial and warehousing jobs is 5,400 jobs and 2,300 jobs respectively accounting for a much higher proportion of all jobs.

3.22 In terms of office jobs, much of the Borough’s employment is concentrated in the Ealing sub area and so covering Ealing town centre. According to the latest ABI data there are approximately 14,000 office employee jobs accounting for over half of all office employee jobs in the Borough. The next largest are the Acton followed by the Greenford sub areas which have 5,500 and 2,400 office jobs respectively, accounting for close to 20% of all jobs in both sub areas. In the remaining parts of the Borough the number of office jobs is below 1,400.

### Table 3.2 Business Space Employment jobs in Ealing 2008

<table>
<thead>
<tr>
<th>Industrial &amp; Warehouse</th>
<th>Office</th>
<th>Total B</th>
<th>Non B</th>
<th>Total Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acton</td>
<td>4,725</td>
<td>5,587</td>
<td>10,313</td>
<td>32,191</td>
</tr>
<tr>
<td>Ealing</td>
<td>1,871</td>
<td>1,537</td>
<td>3,408</td>
<td>13,913</td>
</tr>
<tr>
<td>Greenford</td>
<td>1,704</td>
<td>3,714</td>
<td>5,419</td>
<td>13,570</td>
</tr>
<tr>
<td>Hanwell</td>
<td>347</td>
<td>379</td>
<td>727</td>
<td>4,939</td>
</tr>
<tr>
<td>Northolt</td>
<td>214</td>
<td>425</td>
<td>640</td>
<td>4,291</td>
</tr>
<tr>
<td>Perivale</td>
<td>1,100</td>
<td>1,215</td>
<td>2,314</td>
<td>5,750</td>
</tr>
<tr>
<td>Southall</td>
<td>3,054</td>
<td>2,791</td>
<td>5,846</td>
<td>17,495</td>
</tr>
<tr>
<td>Ealing Borough</td>
<td>13,082</td>
<td>15,643</td>
<td>28,725</td>
<td>112,243</td>
</tr>
</tbody>
</table>

Source Annual Business Inquiry

### Table 3.3 Business Space Employment in Ealing 2008

<table>
<thead>
<tr>
<th>Industrial &amp; Warehouse</th>
<th>Office</th>
<th>Total B</th>
<th>Non B</th>
<th>Total Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acton</td>
<td>32%</td>
<td>17%</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>Ealing</td>
<td>10%</td>
<td>41%</td>
<td>51%</td>
<td>49%</td>
</tr>
<tr>
<td>Greenford</td>
<td>40%</td>
<td>18%</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>Hanwell</td>
<td>15%</td>
<td>13%</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>Northolt</td>
<td>15%</td>
<td>8%</td>
<td>23%</td>
<td>77%</td>
</tr>
<tr>
<td>Perivale</td>
<td>40%</td>
<td>11%</td>
<td>51%</td>
<td>49%</td>
</tr>
<tr>
<td>Southall</td>
<td>33%</td>
<td>8%</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td>Ealing</td>
<td>26%</td>
<td>22%</td>
<td>46%</td>
<td>52%</td>
</tr>
<tr>
<td>London</td>
<td>12%</td>
<td>36%</td>
<td>47%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Source Annual Business Inquiry

**Knowledge Based Employment**

3.23 The knowledge based sectors are considered a key driver of productivity and economic growth, because they tend to have high and fast-growing productivity and also contribute to higher productivity in the industries they serve, by spreading technical progress and efficient business methods. But it is not necessarily an indicator of employment growth - rising productivity may translate into fewer jobs.

3.24 The official definition of knowledge industries is a long list of fine-grained activities. For simplicity we have grouped these into four categories.

- Financial and Business Services (roughly corresponding to the Business Services and Banking and Insurance categories of Figure 3.1);
• Media;
• Communications;
• High Tech Manufacturing.

3.25 Knowledge-based employment in Ealing accounts for 20% of all jobs, identical to the west London sub region but below the London average. Like the larger benchmark economies many of the Boroughs knowledge based jobs are in Financial and Business Services

Figure 3.6 Knowledge-Based Employment, 2008

![Bar chart showing knowledge-based employment by sector and location](chart.png)

Source Annual Business Inquiry

3.26 In common with all locations the overwhelming majority of firms are very small businesses, but the percentage is even higher in Ealing than in London generally. This clearly has implications when we consider the demand for business space. Much of the demand will be for small units, from firms who are probably not capitalised sufficiently to pay high rents.
Ealing’s workplace earnings are £480 per week much below the regional average of £550. Compared to other districts in the west London sub region, earnings in Ealing are similar to neighbouring Kensington and Brent, higher than Harrow but much below the districts of Hammersmith and Fulham, Hillingdon and Hounslow.
**Employment Change**

3.28 Ealing’s employment over the decade 1998-2008 fell by approximately 6,400 jobs, approximately 5%. But this decline occurred in the last year, between 2007 and 2008, in other business services and retail sectors. This may reflect employment losses due to the closure of firms and the impact of the recession or alternatively a data error in the government statistics. We should not read too much into this one year’s figure.

3.29 In general the employment time line for the Borough shows a decline in the first year followed by virtually no growth thereafter. This is much different to the larger benchmarks of west London and London which showed employment gains of 6% and 10% respectively over the last 10 years. Employment in Ealing has under-performed the wider area.

**Figure 3.9 Employment Change, Ealing, Sub Region and London 1998-2008**

Source Annual Business Inquiry

**Resident workforce**

3.30 Thus far we have concentrated on people who work in Ealing, regardless of where they live. In this section we consider the workers who live in Ealing, first to see what skills they can offer employers and second to assess their well being.

**Qualifications**

3.31 To examine resident’s skills we provide two different measures, which are not directly comparable, as they are from different sources and from different time periods. For Ealing and the wider benchmarks we use the Annual Population Survey, 2008. Unfortunately this dataset does not provide lower level geographical data hence for the local sub areas we use the Census 2001.
3.32 Figure 3.10 shows the 2008 data. The red bars represent the proportion of working-age residents with the lowest qualifications - no qualifications or NVQ level 1. The blue bars represent the proportion with the highest qualifications - NVQ 4/5, equivalent to degree level and above.

Figure 3.10 Qualifications 2008

Source Annual Population Survey

3.33 Resident qualifications in Ealing are moderately better than the larger benchmark economies. 42% of the Borough's residents have a degree compared to 37% and 39% in the west London and London respectively. Likewise around a fifth of the Boroughs residents have basic entry skills, similar to the sub regional and regional average.

3.34 But these district averages mask local disparities which are apparent from the 2001 data. These difference are apparent at both ends

- In Northolt and Southall, resident qualifications are below the regional average as close to 50% of residents have no qualifications or an NVQ level 1 and only a fifth of residents have an NVQ level 4/5.
- In contrast in both the Ealing and Acton sub area qualifications are higher than the regional benchmark. In 2001, over 2 out of 5 residents in these sub areas have at least a degree and only a quarter of residents have basic entry skills.

3.35 On qualifications there a distinct east-west split in the Borough.
3.36 In general, earnings usually reflect skill levels. Median resident weekly earnings in Ealing are around £500; as with qualifications this is similar to the regional average.

Source Annual Survey of Hours and Earnings
comparison to other west London districts Ealing’s resident earnings are below both Kensington and Chelsea and Hammersmith and Fulham but above Brent, Hillingdon and Hounslow.

3.37 Figure 3.12 also compares resident and workplace earnings. In Ealing resident earnings are, on average, very similar to workplace earnings, with resident earnings some £20 per week higher. Neighbouring districts like Kensington and Chelsea, Hammersmith and Fulham and Harrow are in the same position but the difference is more prominent. In the remaining Boroughs workplace earnings are greater than resident earnings.

**Unemployment**

3.38 To measure unemployment we use two different indicators. For the Boroughs we use Annual Population Survey, which uses the ILO definition of unemployment. But this dataset does not cover smaller geographical areas, so for the sub areas we use an alternative indicator, the latest claimant count.

3.39 According to the ILO method, the latest (April 2010) unemployment rate in Ealing is 6.4%, below the regional average. In comparison to other districts in the west London sub area, Ealing has the second lowest rate after Hounslow.

<table>
<thead>
<tr>
<th>Table 3.4 Unemployment, ILO Definition, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U/E Rate</strong></td>
</tr>
<tr>
<td>Hounslow</td>
</tr>
<tr>
<td>Ealing</td>
</tr>
<tr>
<td>Hillingdon</td>
</tr>
<tr>
<td>Harrow</td>
</tr>
<tr>
<td>Brent</td>
</tr>
<tr>
<td>Kensington and Chelsea</td>
</tr>
<tr>
<td>Hammersmith and Fulham</td>
</tr>
<tr>
<td>London</td>
</tr>
</tbody>
</table>

Source Annual Population Survey 2010

3.40 The claimant count (Table 3.5) shows much lower rates than the ILO as it relates only to those unemployed who claim benefits. Ealing Borough’s claimant count is 4.4% identical to the regional average. But this Borough average masks local differences. The disparities are noticeable at both ends, as Ealing and Perivale sub area have lower unemployment rates than the Borough average. In contrast Southall’s unemployment rate is higher than the larger benchmark economies.

---

7 Unemployment is based on the International Labour Organisation (ILO) definition taken from the Census 2001. It measures the number of people who are economically active, currently not working and actively seeking work. This is the ‘official’ definition of unemployment used by the Government. ILO unemployment is also available from the Annual Population Survey which is more up to date than the Census.
Table 3.5 Unemployment Claimant Count

<table>
<thead>
<tr>
<th>Location</th>
<th>% unemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ealing</td>
<td>3.3</td>
</tr>
<tr>
<td>Perivale</td>
<td>3.7</td>
</tr>
<tr>
<td>Greenford</td>
<td>4.0</td>
</tr>
<tr>
<td>Northolt</td>
<td>4.7</td>
</tr>
<tr>
<td>Hanwell</td>
<td>4.8</td>
</tr>
<tr>
<td>Acton</td>
<td>4.8</td>
</tr>
<tr>
<td>Southall</td>
<td>5.6</td>
</tr>
<tr>
<td><strong>Ealing Borough</strong></td>
<td><strong>4.4</strong></td>
</tr>
<tr>
<td>London</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Source: Nomis

Travel to Work

3.41 The analysis below is based on the 2001 Census. In terms of travel to work, Ealing has approximately 143,200 employed residents compared to 109,800 workplace jobs. Thus the difference is a net out commuting balance of 33,400, equivalent to 20% of the Borough’s residents.

3.42 In terms of gross flows, around 3 out every 5 residents work outside the Borough. Many of those that commute out of the Borough travel to neighbouring Boroughs such as Westminster, Hillingdon and Hounslow. Likewise, Borough around half of all jobs in Ealing are occupied by those who live outside. Many of those who occupy these jobs travel from neighbouring Hillingdon, Brent and from various parts of the South East region.

Figure 3.13 Commuting Flows, 2001

Source: Census 2001 and RTP
3.43  More recently the Annual Population Survey provides commuting data by Local Authority which aims to bridge the gap between the Census 2001 and the next Census. However this data only shows proportions of where residents work, and proportions of where workers reside. Furthermore there are limitations of this data as it contains an element of sampling error and is not comparable with the Census data above.

3.44  In general the latest commuting data shows the same key out and out commuting destinations as the Census 2001. Furthermore it shows the proportions of residents commuting out of the Borough and likewise into the Borough - Brent being the exception - have virtually remained the same.

Table 3.6 Place of Work for Ealing Residents, 2001 and 2008

<table>
<thead>
<tr>
<th></th>
<th>2001 flow</th>
<th>2008 flow</th>
<th>Is change significant at 5% level?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ealing</td>
<td>35.2%</td>
<td>33.7%</td>
<td></td>
</tr>
<tr>
<td>Hillingdon</td>
<td>8.8%</td>
<td>9.2%</td>
<td>No</td>
</tr>
<tr>
<td>Westminster</td>
<td>8.0%</td>
<td>7.1%</td>
<td>No</td>
</tr>
<tr>
<td>Hounslow</td>
<td>7.6%</td>
<td>6.8%</td>
<td>No</td>
</tr>
<tr>
<td>City of London</td>
<td>5.6%</td>
<td>6.2%</td>
<td>No</td>
</tr>
<tr>
<td>Southwark</td>
<td>3.0%</td>
<td>5.6%</td>
<td>No</td>
</tr>
<tr>
<td>Brent</td>
<td>5.0%</td>
<td>4.9%</td>
<td>No</td>
</tr>
</tbody>
</table>

Source Annual Population Survey

Table 3.7 Place of Residence for Ealing Workers 2001 and 2008

<table>
<thead>
<tr>
<th></th>
<th>2001 flow</th>
<th>2008 flow</th>
<th>Is change significant at 5% level?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ealing</td>
<td>48.7%</td>
<td>51.7%</td>
<td>No</td>
</tr>
<tr>
<td>Hillingdon</td>
<td>8.6%</td>
<td>8.3%</td>
<td>No</td>
</tr>
<tr>
<td>Hounslow</td>
<td>5.3%</td>
<td>7.7%</td>
<td>No</td>
</tr>
<tr>
<td>Harrow</td>
<td>3.6%</td>
<td>3.7%</td>
<td>No</td>
</tr>
<tr>
<td>Brent</td>
<td>7.9%</td>
<td>3.4%</td>
<td>Yes</td>
</tr>
<tr>
<td>Richmond upon Thames</td>
<td>1.8%</td>
<td>2.4%</td>
<td>No</td>
</tr>
</tbody>
</table>

Source Annual Population Survey

3.45  Analysing commuting flows by occupation provides an indication of the types jobs people are commuting for and the types of jobs in the local economy.

3.46  In general, Figure 3.10 shows Ealing is a large net exporter of high skilled occupation categories. However this is not surprising given its close proximity to Central London Boroughs and excellent transport links. In terms of the other occupation categories there is a relatively even balance between retained, out-commuting and in-commuting.
3.47 This brief profile of Ealing’s economy has implications for the objective of employment land policy - what it might try to do and what it can realistically hope to do.

3.48 The analysis has highlighted positive features of the local economy which policy should seek to maintain and enhance. In general, Ealing’s residents are relatively well off. Skills levels are modestly better than the regional economy and similarly unemployment in the local economy is below the London average. Thus those who want to work are able to access employment opportunities. In terms of pay, resident earnings are on par with the regional average.

3.49 However there is a distinct east-west differential in the Borough with skills and qualifications being above the London average in the east of the Borough but lower in the west.

3.50 Nevertheless the analysis also highlights some disadvantages in the local economy. There is a concentration of economic disadvantage in Southall, as this area shows high level of unemployment and low skill levels. In comparison to the regional average, there are relatively few jobs in knowledge rich sectors, which may impact future employment growth. Indeed in recent years, with the exception of the last year, the Borough’s employment change has been relatively static and has lagged behind the sub regional and regional average. Furthermore the Borough is a net exporter of labour, more specifically high skilled labour; however this is unsurprising given the close proximity and excellent transportation links to Central London.

3.51 Ealing has a reasonably good balance to its economic structure. It has a strong profile in industrial and warehousing employment most specifically in distribution type activity. But
employment growth has been flat in recent years. Given that this has been a period of growth generally in London it may expose frailties as we go through a harsher economic climate.
4 LAND AND PROPERTY MARKET

Introduction

4.1 Continuing the analysis in the last chapter, we look at qualitative aspects of the demand for land and property in Ealing, considering for what kinds of businesses Ealing is an attractive location and what kinds of land and property these businesses will require. It serves as a baseline and reality check to the forward-looking analysis of demand and supply provided in Chapter 6, and it provides the qualitative dimension which is lacking from the long-term calculations in Chapter 6.

4.2 We begin with a general overview of the area as a business location. We then discuss in turn:

- The supply of space, including stock, vacancies and future commitments;
- The demand for space, based on recent take-up, rents, etc; and
- Current and future property market issues and implications for planning policy.

4.3 In analysing commercial property markets, it is important to note, and we have taken into account, that today’s market dynamics are very different to those of ten years ago, and are likely to be different again to those ten years hence. We therefore make every effort in our analysis to discount short-term market tensions, and instead consider longer-term, structural context and trends.

Ealing as a business location

4.4 The key defining characteristic of Ealing as a business location is perhaps its excellent transport links coupled with a good standard of residential accommodation. Throughout our consultations stakeholders have emphasised the comparatively high quality of life afforded by living in Ealing Borough.

4.5 The local infrastructure is good compared to many other Boroughs. The A40 trunk road is located immediately to the north and the M4 motorway just a couple of miles to the south. The north circular (A406) links these two principal routes, although, the A406 widening scheme has yet to take place. As we discuss later this has made the Borough attractive for some large logistics companies.

4.6 In terms of public transport, Ealing is and will continue to be well served. Connections into London are provided by three London Underground lines; the Central, District and Piccadilly and London Overground. But two lines terminate at Ealing Broadway (the District and Central) and the ‘end of the line’ image takes the shine of this otherwise impressive connectivity.

4.7 Mainline services into Paddington are also provided at a number of stations along the Great West Mainline. These continue through the Borough to the Thames Valley and Heathrow. For longer distance services passengers must change trains either in Central London or at Reading.
4.8 Cross Rail will further increase the connectivity of the Borough by allowing mainline trains to continue through to Central London. However this may only supplement existing transport connections rather than open up new opportunities.

4.9 It will however speed up connections to central London which may in turn help Ealing town centre compete with centres closer in. In previous years many of these centres benefited from companies relocating from the West End. but at the time these occupiers did not actively consider Ealing as a viable option, because it was considered too remote from central London.

4.10 Although it is clearly a benefit for the Borough to be well connected for businesses this is a double edged sword. The good connections to the City and other major office locations means the local labour force has a choice of where to work, and may choose to work outside of the Borough. This confirms our previous analysis where we found a 'brain drain' of high skilled workers commuting out of the Borough.

4.11 Outside of the main east / west public transport axis the opportunity for Ealing Borough to sustainably attract residents from neighbouring Boroughs is more limited; relying only on bus connections. It lacks the critical mass and 360 degree high quality public transport connectivity to draw a large labour supply into the Borough.

4.12 There are some noticeable exceptions to this; the Southall area is distinct in both its demographics but also its economy. Links here are much stronger with similar parts of Hounslow and Heathrow. Residents are less likely to commute out to Central London.

4.13 The Park Royal / A40 corridor area is large enough to create its own critical mass and also offers a type of space which is not available in more central parts of London. The type of occupier in these areas is also less likely to be swayed by very good public transport links; instead favouring good road connections.

The Office Market

4.14 The Ealing Borough office market is comparatively small. In 2009 the VoA floorspace statistics recorded around 450,000 square metres of office floorspace. This is broadly half, or less, of that found in the Borough’s major neighbours. Hillingdon accommodates nearly three times as much office floorspace, Hammersmith and Hounslow nearly double. Only Harrow accommodates less office floorspace but this is a very small, residential Borough.

4.15 Ealing did not always compare so unfavourably with its near neighbours. In the 1970s and 1980s Ealing successfully developed large scale offices, most noticeably around the Broadway and Uxbridge Road. But in more recent years it has not kept pace.

4.16 Over the last 20 years other outer London Boroughs have successfully developed large office parks, formerly on outer campus style sites with good access to the M25 - for example Bedfont in Hounslow and Stockley Park in Hillingdon.

4.17 More recently neighbouring Boroughs have succeeded in delivering more centrally (town centre) located offices; Hammersmith successfully attracted occupiers out of the West.
End into the town centre. Chiswick Park (Hounslow Borough) is a well known, high density, non town centre but urban office campus.

4.18 While office space in these other Boroughs has grown, Ealing’s has declined. Ealing Borough lost 70,000 square metres of space over 10 years while Hillingdon added around 600,000 square metres. In Ealing much of the 1970s office stock has become life expired, sometimes lost to alternative uses, and not replaced by new.

4.19 We estimate that up to a third of the Borough’s office stock (mostly grade B space) is vacant; this is a huge problem considering a ‘healthy’ level of vacancy should not exceed 8%.

**Figure 4.1 Office Floorspace Change**

This is partly a reflection of the poor national and sub regional office market. The general office market for the UK during 2008 - 2010 was particularly weak. Take up for the first two quarters of 2010 are significantly down on 2009 and significantly down on 2006 which was the peak of the last cycle.

4.21 This is a pattern also seen in Ealing; take-up since 2006 has very limited.
4.22 Rents across the United Kingdom are falling by between 10 and 30% (dependent on micro conditions) and this is likely to continue for 2010 and through to 2011.

4.23 Rents in Ealing may be slightly more resilient (10%-20%) but this masks the very low take-up of space and the possibility that some values in Ealing are artificially high because owners hold hope value; an expectation they will in the future get residential permission on their sites. The pressure from residential development is also a factor in the Borough’s poor delivery of new office floorspace compared to its neighbours. Investors have been unwilling to commit to Ealing while the market in general is depressed and there is a possibility of a residential consent in the future.

4.24 Even so, refurbished office accommodation such as Bilton House is quoting as little as £10 psf, which is a sign of the weak demand currently.

4.25 The reasons for Ealing’s poor past performance are many; but our consultations tell us that the main reason is likely to be the Council’s former policy focus on promoting offices only in central Ealing whereas neighbours offered a range of sites, both in and out of centres. This mean that Ealing could not capitalise on previous office market booms, for either campus style parks (Hounslow & Hillingdon as shown above) or urban west end overflow (which benefited Hammersmith). Also as discussed above many investors had an eye on potential residential consents in and around Ealing town centre, slowing the delivery of new town centre office space.

4.26 While Ealing’s town centre policy stance is probably more sustainable it has not worked in practice. The evidence shows that the market has taken up space elsewhere while largely neglecting central Ealing.

4.27 In the future Ealing may benefit from the more level playing field, the threat from the large out of centre sites in Hillingdon and Hounslow are now more limited as are the easier
development opportunities in Hammersmith. National planning policy, along with the London Plan, also re-emphasises the sequential approach to placing new office developments in town centres.

4.28 As noted Crossrail may improve connectivity with central London but this will only position Ealing in a highly competitive market and one in which it has no track record of delivering in; so it should not be taken as a universal panacea.

4.29 The Ealing office market is also hampered by the lacklustre performance of Ealing as a retail and leisure destination. In the past the Borough benefited from huge investment in its retail centre but now has a distinct 1980s feel. Our small business consultations told us that smaller, potentially innovative companies increasingly favour locations such as Chiswick High Road which offer a more dynamic retail and leisure scene, less dominated by large retail.

4.30 There are some signs of renewed interest but the general conclusion that office development in Ealing Borough faces a challenging future remains.

**Figure 4.3 Ealing Office Rental Growth**

Transactions have followed a similar cycle, though they are dependent on the supply being available. If there is no supply this clearly depresses transactions.
Of the larger corporate occupiers in the Borough MW Kellogg offer an interesting insight as to why they are keen to remain in the Borough. They moved 20 years ago, having been previously located in Wembley, to purchase the former IBM Tower on Greenford Road and renamed it Kellogg Tower. They are an Oil and Gas Engineering, Procurement and Construction company that design and build on shore refineries; they differ from Offshore Oil and Gas companies, which is a key differentiator. There nearest immediate competitor is Worley and Parsons based on the A4 at Brentford. These two firms have discovered that they compete for the same highly educated, motivated and mobile workforce who largely live between the A4 and A40 running west out the Thames Valley and Chilterns. Ealing is central to these people and firms.

**The Industrial Market**

4.32 Whereas the Ealing office market is struggling and the Borough is outperformed by its neighbours, the industrial market is much stronger.

4.33 The strong road links into the Borough and the availability of large parcels of land has attracted some major new investment from national companies in recent years.

4.34 Nationally the industrial market has shown a degree of diversity over the past 12 months with some regions showing the first signs of recovery whilst other markets throughout the UK are still feeling the full effects of the economic slowdown. In general the Midlands markets have fared best with take up levels showing a significant improvement from the levels achieved in 2008. The Southern markets, including London, saw letting activity reduce although this was largely due to the shortage of supply in particular areas for new build stock. Availability rates increased across most regions although this was largely due...
to the increase in second hand stock released on to the market. In general the Midlands and Northern regions of the UK have the highest availability rates, a direct overhang from previous years of development activity.

4.35 Take up in London increased to 6.3m sq ft in 2009, a rise of 21% from the 5 year low recorded in 2008, but still some 10% below the 5 year average for London. Availability increased to 26.2m sq ft representing 9.8% of total industrial floor space in the region. The levels of new built stock on the market remained relatively stable, with the release of second-hand space on to market making the major contribution to rising availability.

4.36 The main increase and availability has occurred outside the principal industrial locations in the region (the principal industrial locations being Heathrow, Park Royal, Enfield, Croydon, Dartford and Dagenham). Prime headline rents fell across most locations, resulting in an average decline of 4.2% for the region. The largest falls were recorded in Croydon and Heathrow where values were down by 11.1% and 10.2% respectively.

4.37 Prime rents are £12.95 per sq ft in the Heathrow area and c£11.50 per sq ft in Park Royal. Rents in Greenford are lower; recent deals here have included a 40,000 sq ft letting on Metropolitan Park. This unit is a good second hand unit that has recently been refurbished and achieved a rent of £8.50 per sq ft. Alternatively 52,000 sq ft has recently been occupied at Greenford Park. This is brand new industrial accommodation and achieved a rent of £9.25 per sq ft. However on the same estate 2 years ago smaller units of c3,000 sq ft were achieving £13 per sq ft but due to the market conditions these level would not be obtainable today; we estimate that similar property today would achieve £10.75 per sq ft.

4.38 In Ealing it is generally the case, perhaps except in Southall, that the main driver of demand is warehousing. Increasingly operators are demanding warehousing space in close proximity to their markets; especially for time sensitive transactions such as mail order where the ability to despatch goods late into the evening but still secure next day delivery is vital. Also the major food retailers are taking warehousing space to supplement their traditional stores and facilitate home delivery. For this type of occupier the large Ealing estates, especially on the A40 corridor are very attractive because they can offer large units with good road access while still being close the population centres of West and Central London.

4.39 Southall has (in part) a distinct market and many local companies have strong roots in the community. Food manufacturing is a locally strong sector. When looking for sites and premises their requirements are limited to only part of west London.

4.40 Whereas the industrial areas around the other Ealing towns have tended to decline over time in Southall there is a mix of new industrial units close to the town centre; the most noticeable being the large TRS warehouse which was developed on a largely constrained site in the town centre.

4.41 In addition to the major industrial areas, which compete in the London or at least the west London market, the Borough has a healthy local demand for industrial and warehousing premises. The smaller Ealing estates are increasingly dominated by trade counter, sui
generis, self storage and quasi retail operations. Although not traditional employment uses these are key occupiers on the small estates.

4.42 On the ground Ealing Borough has seen a generous level of industrial redevelopment over recent years. Main areas of redevelopment have been Greenford (Greenford Park - SEGRO and KBC Asset Management), Acton (Kendal Av - Canmoor and Gypsy Corner - Frogmore) and Southall (Chancerygate). These redevelopment sites have been areas of old warehousing/employment space including the Outside Broadcasting Operation for the BBC on Kendal Avenue and the former Scottish and Newcastle site at Greenford.

4.43 Most of this development activity is simply a natural cycle where industrial/warehouse units reach the end of their natural and economic life, hence are replaced with modern facilities. These facilities will have better loading, different configurations (including office content as the 'modern' warehouse user only requires 10% office content) and reduced site density. Importantly while they represent a step change in quality, because they are mostly redevelopment they do not represent a step change in quantity. As we have seen elsewhere in this report the quantity of industrial space in the Borough has been declining.

4.44 It also illustrates how the development capacity of the existing stock of land is declining as redevelopment proposals seek to reduce the density of development; so increasing circulation space.

4.45 Redevelopment and renewal is clearly easier to achieve on larger plots of land or where large sites can be assembled. Even within the very large estates such as Park Royal there are areas where renewal is more complicated because the areas include much older, more compact industrial units often in mixed ownerships - for example, Standard Road, Chase Road, Minerva Road Gorst Road and Sunbeam Road.

4.46 Reflecting this, Park Royal has seen limited speculative development. An exception to this has been the Thunder & Lighting scheme developed by Canmoor with units comprising 62,280 sq ft and 106,256 sq ft. Although this particular scheme falls within the London Borough of Brent it clearly demonstrates that 2009 saw very little speculative development. Royal Mail secured 3 units on Premier Park totalling 58,000 sq ft. The amount of new stock available in Park Royal is considerably lower than in recent years. This could favour SEGRO, which has been waiting to secure a pre-let on the former Guinness Brewery site (origin) which can accommodate a total development of up to 550,000 sq ft. Again this is just north of the Ealing border in Park Royal but should development commence and occupiers move to this new site it will have a major impact on both London Boroughs of Ealing and Brent.

4.47 This does not mean that the area, and similar areas in the Borough, will not be renewed but that this renewal will occur on an individual basis rather than entire estates being redeveloped.

4.48 This type of redevelopment and renewal should not be taken as a bad thing. Just because an estate looks poor quality; and is not up to modern standards does not mean that it does not play an important part of the Borough’s employment land stock. It is not the case that not all occupiers in the Borough want or need new and redeveloped / modern space. There is merit in maintaining a stock of lower value, cost efficient space.
What is important is to ensure that stock remains fit for purpose and available to occupiers; planning has a role to play in this by protecting sites so giving owners the confidence to invest in their stock for employment uses.

**Key Industrial Areas:**

4.49 Certain parts of Ealing have always been a favourable location for industrial occupiers. The western and northern sections of the Borough provide could access to the M4 and A40 respectively and are considerably cheaper than the neighbouring London Boroughs. For example, Acton and Park Royal both offer easy access to the A40 yet Park Royal could be around 30% more expensive. The same principle occurs in Southall and Heathrow. There are areas within the Borough of Ealing that have historically been and will remain unfavourable with industrial occupiers. These areas, including Ealing Town and Hanwell, tend to have poor links to the M4/A312/A40 and hence are unsuitable for industrial occupiers due to HGV movements. Smaller occupiers/manufacturers, with limited vehicle movements, may be able to operate within the centre of Ealing.

4.50 The London Borough of Ealing has 3 main areas for industrial. Each caters for a slightly different sub market. These areas being Southall to the West of the Borough, Greenford and Park Royal both situated in the North of the Borough.

**Southall**

4.51 The Southall area generally well positioned to the west of the Borough allowing good access to the M4 via the A312. A40 is also accessible via the A312. There are a number of bus routes running through the area and a mainline station offering access to London.

4.52 Occupiers tend to be a mixture of larger distribution companies, including Nightfrieght, and smaller local manufacturing and freight forwarding companies.

4.53 International Trading Estate is one of the largest industrial estates in Southall. The vacancy rate on the estate is high due to the poor access via Brent Road. Several years ago planning was granted for a bridge to be constructed across the canal allowing direct access into the estate from Hayes Road. Due to high construction costs the bridge was never built. This is a major employment area within the Borough and consideration needs to be given as to how to increase the productivity and bring further employment into the area.

4.54 The former ‘Gas Site’ has been identified as a development opportunity. This is a large brown field site but unfortunately has very poor access suggesting that an industrial use would not be suitable. The land is probably contaminated and large remediation costs will be incurred. The site is surrounded by residential on the north and east and railway on the south. There is restricted height access due to the rail tracks suggesting that should this site be considered for industrial a new access road would have to be created directly from the A312.

**Park Royal**

4.55 Park Royal is the largest industrial estate in Europe consisting of c1,800 acres between the A406 and A40. Park Royal is well serviced by the Underground and Overground
network, with access to Park Royal, Hanger Lane, West Acton, North Acton, Willesden Junction, Alperton and Stonebridge Park stations. A good bus network provides regular services to Ealing, South Harrow, Wembley and Shepherd’s Bush. For industrial and warehouse operators its selling point is its access to the West End, combined with excellent communications with the M1, M40, M4 and M25.

4.56 Almost 2,000 businesses including Diageo, John Lewis, Carphone Warehouse and DHL are located in Park Royal.

4.57 In some cases industrial and warehouse accommodation rents at Park Royal are now exceeding office rents, which speaks volumes about these respective market sectors’ supply and demand levels. Rents at Park royal are currently £11 per sq ft which are only exceeded in the London area by warehouse accommodation in Heathrow where rents peak at £13 per sq ft. Outside of this “hot spot” Ealing industrial rents may generally be said to be between £8.00 to £10.00 per sq ft.

4.58 Royal Mail recently acquired 58,000 sq ft at SEGRO’s Premier Park where £11.88 per sq ft was achieved. Also, at Greenford Lambert Smith Hampton acquired 125,000 sq ft for Tesco paying £10.50 per sq ft.

4.59 There is a constant turnover of units due to the large supply and demand within the Park. It consists of a mixture of old, high density, low eaves 1930/40s units in the centre of Park Royal. Several modern industrial estates have been built over recent years providing new industrial units benefiting from good internal eaves height with larger yards offering better manoeuvrability for HGV’s.

Greenford (Area North of A40)

4.60 This is an industrial location well positioned for direct access onto the A40, again offering access to the major arterial road network of the south east. It is regarded as a cheaper alternative to Park Royal but remains well positioned to serve the West End and Central London. There are various bus routes throughout the area and Greenford Underground Station - offering direct services to central London via the Central Line.

4.61 Recent development has seen several new distribution parks built by Brixton (now SEGRO) including Greenford Park which includes such tenants as Booker, H&M and Jack Wills. Tesco have also recently moved to the neighbouring industrial estate occupying a purpose built 120,000 sq ft distribution facility.

4.62 A range of sizes in new units are attracting local occupiers as well as larger multi national organisations.
5 THE SUPPLY OF SITES AND PREMISES

Site Assessments

5.1 Detailed Site Assessments for the 31 site clusters shown in Figure 5.1 are set out in Appendix 1.

5.2 This section of the report sets out a summary of each site cluster.

Figure 5.1 Site Clusters

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Site No: 1  
Site Name: Acton Town Centre  
Policy Area: Acton

Town centre location, largely consisting of secondary and tertiary retail units located along the A4020 and the A4000. The majority of the site is in a worn state with little evidence of upgrading or renewal. Current or planned redevelopment is of a non-commercial nature and there are very few employment sites. Further, neighbouring uses are solely non-commercial resulting in limited scope for expansion or intensification. The site does not appear to be suitable for supporting employment uses due to the lack of demand for commercial properties, highlighted by the absence of business occupiers in the area. Consequently we recommend that the site be released of all employment zones.

Recommendation: No longer employment land
Site No: 2  Site Name: Adelaide Road, Southall
Policy Area: Southall

Small-medium sized industrial estates neighboured by non-commercial uses located along the Grand Union Canal. The estates are located at the junctions of Endsleigh Road/Witley Gardens and Williams Road/Lea Road. The site has little prominence and the majority of buildings are dated and in poor condition with little evidence of renewal to the commercial stock. The site provides employment zones for smaller industrial traders in which vacancy levels are low and the employment types do not appear to have a significant impact on the surrounding residential communities. Despite the poor condition and limited scope for expansion we recommend that the site remains in its current employment use as the site is well suited to lower value accommodation, for which there is currently demand in the Borough. Demand for the longer term is less certain as the buildings become physically obsolete and it is unlikely that redevelopment values will be supported by the low rental values. Therefore potential release of employment zones for this site may be considered for the longer term, but in the short term the users should benefit from being protected from alternative development. The Council will need to carefully monitor the area’s vacancy levels.

Recommendation: Retain - but consider for the longer term

Site No: 3  Site Name: Alperton Lane, Greenford
Policy Area: Perivale

A small site comprising light industrial units, self storage, breakers yard and a cleared site with good prominence along the A40. Building stock is largely from the post-war era and appears to be well maintained. Demand appears to be shifting from manufacturing to light industrial uses and storage. The site appears to be undergoing a transition in which the buildings are being renewed accordingly. We therefore recommend that the site remain in its current employment use and allow continual renewal to be market driven.

Recommendation: Retain

Site No: 4  Site Name: Auriol Drive
Policy Area: Greenford

Medium sized industrial estate providing a range of small to large warehouse buildings with the majority in a good condition. It is located west of the A4127 and north of the A40. There are number of national occupiers including Tesco and H&M and Sainsbury’s are set to move their Dot.com distribution facility to the site. Vacancy levels are typical for such an estate and this will continue to serve the needs of occupiers looking for good-quality distribution and storage accommodation. We recommend it remain in its current employment use due to current levels of demand coupled with the likely future rise in demand. Occupancy levels could be improved if access issues are addressed for the Verdus building at the north east section of the site.

Recommendation: Retain
Site No:  5a  Site Name:  Brent Crescent

Policy Area  Ealing

Medium sized site with good prominence comprising old low density manufacturing units, some of which have subsequently been converted to a number of uses, including retail warehousing, low value offices and low value hotels. The site is located off the A406 and is generally in a poor state. The industrial elements are maintained to a higher standard and there appears to be greater demand for these units. The other users, particularly retail warehousing, are struggling to attract trade due to better access for nearby competing estates. We therefore recommend restricting uses to B2 and B8 in order to encourage redevelopment and regeneration of the industrial accommodation for which there is greater demand.

Recommendation: Retain

Site No:  5b  Site Name:  Elvedon Road, Park Royal

Policy Area  Ealing

Small fringe industrial estate with old low density units located off the A406 with adequate access and prominence. Site is tightly constrained due to surrounding residential neighbourhoods and location of canal at northern end of the site. Therefore, it is unable to adapt to the shifting demand for larger warehousing and distribution facilities which require greater access. However, vacancy levels are low indicating that the site is suited to lower value occupiers within the Park Royal area. We recommend retaining the current employment use for the short-term whilst there is still demand for the units and consider a change of use in the longer term, possibly releasing the site from an employment status. Current occupiers are likely to be priced out of the site after continual renewal and upgrading to the access routes.

Recommendation: Consider releasing

Site No:  6  Site Name:  British Gas Site

Policy Area  Southall

Former gas site currently used as open storage bordered by the Grand Union Canal and located off the A312. There are very few buildings on the site and it is surrounded in part by the canal, part rail and part from residential neighbourhoods. The site appears suitable for redevelopment however it suffers from poor access and likely contamination issues from its former use. The site can only be accessed under the railway line, where there are significant height restrictions, or through the residential area to the west where the roads are heavily confined. Whilst in a good location, the operational constraints, together with the potential clean-up costs, result in a site incapable of conversion to a viable commercial alternative and we recommend that the site be released from its designated employment use.

Recommendation: No longer employment land
Site No: 7  
Site Name: Ealing Town Centre East  
Policy Area: Ealing

High street and town centre location with the majority of occupiers comprising national retailers as well as smaller proportion of office occupiers. The site has good prominence from the high street and is adequately maintained. Vacancy levels are typical for a London suburb location. Buildings are mixture of new and older stock with evidence of renewal, particularly of the office properties. The site is suited to its current use as a town centre supporting both retail and office uses. However, the site is restricted and confined creating an unappealing atmosphere for both shoppers and workers walking to the office district along Uxbridge Road. The planned redevelopment of the Arcadia Centre will help utilise open spaces to improve the attractiveness of the location as a retailing destination as well as improve walking times to the commercial areas. Hence the site should keep its current employment use whilst redevelopment is encouraged to improve the amenities and access routes leading to office district along the Uxbridge Road. Ealing studios provide further supply of suitable office suites. These are well-utilised and should also retain their employment status.

Recommendation: Retain (mixed use town centre area)

Site No: 8  
Site Name: Ealing Town Centre West  
Policy Area: Ealing / Hanwell

Small town centre location consisting largely of secondary retail stock with access to the M4 along Northfield Avenue. The site is largely in a poor condition, however renewal is occurring in parts such as the development of a supermarket and mixed-used redevelopment in the northern section of the site, as well as pavement works and non-commercial development in the southern section of the site. The supermarket development relates to UDP Development Opportunity Site 10.21.52 and we therefore recommend that the development opportunity status be removed. The redeveloped scheme in the northern section relates to UDP Employment Site EMP11 which has been converted to residential with retail units on the ground floor. The vacant BT Telephone Exchange along Gordon Road is currently vacant, also within EMP11. The building is in need of redevelopment or conversion however we believe should retain a commercial element in order to broaden the Ealing office linear route. This should therefore be considered as a mixed-use scheme. Vacancy levels are higher than average within the site, particularly in the southern section of the site where there are solely retail occupiers. There is a potential for mixed-use redevelopment at the southern section to match the success of this at the northern end whereby commercial and residential uses are being fully utilised. We recommend retaining the existing use as the site is best suited to a town centre location but consider encouragement of mixed-use schemes.

Recommendation: Retain (mixed use town centre area)
Site No: 9 Site Name: Ex Taylor Woodrow Site, Ruislip Road

Policy Area: Greenford

This is a medium-sized site in close proximity to the A40 and A312. The site is largely of a non-commercial nature with a number of modern residential developments. There is very limited scope for expansion in the site due to the lack of available land and therefore we recommend releasing the site from any designated employment zones.

Recommendation: Release

Site No: 10 Site Name: Great Western Ind Park and Sidings

Policy Area: Southall

Medium sized industrial site bordering railway line and located off the A4127 with access on to the A4020 (Uxbridge Road). Users comprise mixture of trade counters and larger distribution occupiers. The site’s main visibility is provided by the railway line and has little further prominence. The area is well maintained and the majority of the accommodation is modern. The exception is the smaller section of the site, north of the railway line. This is a designated employment site providing lower value units with low vacancy levels. There appears to be short to medium term demand for this use whilst the rental levels remain lower than the surrounding newer stock. Consequently, the site should retain its current employment status due to the low vacancy levels highlighting the continuing demand for this type of accommodation.

Recommendation: Retain

Site No: 11 Site Name: Greenford Ind Est, Greenford

Policy Area: Greenford / Northolt

A medium-large site comprising several industrial estates with varying age of stock. The site has good prominence along the A40 and benefits from good strategic access with wide roads allowing access for HGV’s. There are several available units of greater size than 10,000 sq ft, however due to the large site and subsequent number of properties the vacancy rates are relatively low. Renewal is taking place with a number of new buildings on the site highlighting the continual demand for the area. The site will be able to adapt to further transitions in market demand due to the good strategic access and minimal operational constraints. Therefore the current employment status should remain.

Recommendation: Retain

Site No: 12 Site Name: Greenford Road

Policy Area: Greenford

A mixed-use site providing a significant amount of vacant office accommodation to the northern end of the site and a lesser amount of industrial accommodation in the southern section. The site has good prominence along the Greenford Road, providing direct access to the A40. The northern section is north of the Grand Union Canal with the southern section to the south.
Northern Section - The office accommodation is a split between modern and old. The newer stock was occupied up until 24 months ago by Glaxo Smith Klein and has been vacant since, despite efforts to market the property. This is well maintained and should be retained in order to meet future demand as it benefits from a strong level of parking, access and good quality accommodation.

The older stock is also owned by Glaxo and is currently available as a development opportunity. The future use of the older stock, currently offered as a development site, is marginal due to the difficulty of achieving office rental values to support redevelopment. Consideration should be given to conversion to industrial use.

Southern Section - The industrial stock at the southern section of the site is of a low quality and occupiers largely comprise small distribution users. This section is in need of upgrading or redevelopment however it is suited to its current use due to the good local and strategic access.

Overall the site should retain its current employment status with consideration being given to the redevelopment opportunity in the northern section of the site. New offices are a possibility in the area but if this is not deliverable the Council may consider retaining / redeveloping mixed space.

**Recommendation:** Retain existing employment lands, but consider for mixed use

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**Site No:** 13  **Site Name:** Greenford Town Centre

**Policy Area** Greenford

Town centre location with good prominence along the A4127 (Greenford Road). The majority of users are secondary retail occupiers along with a small number of B2 and B8 occupiers including a recycling site and bus depot within the southern section. The retail areas are generally dated consisting of post war properties with evidence of renewal or regeneration. The industrial properties consist of dated low level units with most in a lower grade condition than the retail stock. The industrial premises include a waste recycling centre which is an important feature for the local communities and generates good passing trade for both the retail and industrial sectors. The majority of industrial occupiers consist of engineering businesses which make use of the relatively lower rental levels for the Borough. We recommend retaining the existing employment status whilst considering expansion/upgrading of the recycling centre to encourage further development within the site.

**Recommendation:** Retain

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**Site No:** 14  **Site Name:** Hanwell Town Centre

**Policy Area** Hanwell

Town centre location with good prominence along the Uxbridge Road and A3002 (Lower Boston Road). The site is split into three zones: Cambridge Yard; South-Western section along Boston Road, and; South-Eastern section, on corner of Boston Road and Cambridge Road
Cambridge Section - The majority of occupiers are secondary and tertiary retailers. The site is tired and worn with a number of the retail properties in a poor condition. Vacancy levels are typical of a secondary town centre location with higher levels for the business areas within the southern section. The site is surrounded by residential neighbourhoods and as such there is no scope of for expansion and it is best suited to either its current use, or losing its employment designation.

South-Western Section - Majority of occupiers consist of motor trade centres. The properties are in a suitable condition and are well maintained. There is a cluster of motor trade occupiers which utilise the passing trade from the town centre as well as the suitable transport links. Further, industrial uses would not be suitable due to the poor access for HGV’s. Consequently we recommend retaining the existing use.

South-Eastern Section - Occupiers consist of light industrial users along with a small number of businesses. Local access to the site is suitable for current uses however would not support larger goods vehicles. The properties are typically in a poor state whilst a few have been relatively well maintained considering their age. Vacancy levels are average for the light-industrial stock and higher than average for the office accommodation. The light industrial stock is occupied by local companies are utilising the low rental values. The office premises are in need of renewal and it is unlikely that rental values could support redevelopment. We therefore recommend retaining the employment status whilst considering change of use of the office premises to light industrial, for which there is greater demand. If however this proves unviable there is scope to release the site without harming the supply of industrial property in this area.

Recommendation: Retain but with potential to reconsider use for the longer term on the South Eastern section and Cambridge Yard.

Site No: 15 Site Name: Horn Lane, Acton
Policy Area Acton
Small rail depot site with a small number of tertiary shops in a low prominence site off the A400. The rail depot is key to rail users in the area and is currently well utilised and maintained. The properties on the southern side of the railway line are vacant commercial properties which are currently boarded up. They have been vacant for longer than 18 months and there is evidently no commercial demand. We advise that the employment status of the rail depot be retained. The Council should consider releasing the remainder of the site if requested

Recommendation: Retain (In part) Consider releasing 0.85 ha

Site No: 16 Site Name: International Trading Estate, Southall (plus others)
Policy Area Southall
Medium sized industrial estate with average visibility located off the A312. The majority of the accommodation is dated mid-sized units along with new accommodation at the northern section of the site. There is a mixture of distribution and car service occupiers. The site suffers from high vacancy levels with very high levels in the new units. The site
suffers from poor local access, which is provided along Brent Road, a small secondary street. This creates congestion with the larger vehicles and prevents access for larger HGV's. The site is within a residential area and as such confined roads and on-street parking add to access issues. This is particularly the case with the units at the north-eastern section of the site, along Johnson Street. However, the site is typically well maintained with evidence of renewal through the new units in the southern section. The access issues can be resolved through the installation of a bridge over the canal, connecting the estate to the A312. This will provide direct access, easing congestion for the larger vehicles. We recommend retaining the employment status and implementing improvements to the access whilst releasing the employment status of the units along Johnson Street where the access issues cannot be resolved due to their proximity to the residential area.

**Recommendation:** Retain but de-allocate unit along Johnson Street

**Site No:** 17  **Site Name:** Kingsbridge Crescent Cranleigh Gardens, Southall

**Policy Area** Southall

Small industrial estate with little prominence bordered by the Grand Union Canal and accessed off Lady Margaret Road. The site has adequate access for its current use however would not be suitable for larger vehicles. Mixture of uses including a temple, business centre and small industrial units. The properties are a variety of types and ages all in adequate condition. The site is constrained by the canal and playing fields as well as the tightly surrounding residential estate. Consequently there is no scope for expansion and the site is more suited to a non-commercial use due to its location next to the canal and the very close proximity of the residential properties. We recommend releasing the employment status of the site as this is not a commercial location and is currently occupied by local operators who could be accommodated in sites 10, 16 and 19 to the south in Southall.

**Recommendation:** Release

**Site No:** 18  **Site Name:** Manor Road

**Policy Area** Ealing

Small industrial site with high visibility from the railway. The majority of the site is occupied as a rail depot with the remainder comprising several small-mid sized industrial units with trade counters, workshops and a self storage unit. The units border the railway line and consequently are not suitable for residential and appear to be in their most suitable use. Further, the properties are well-maintained and there is evidence of renewal as with the self storage building. The rail depot is an important feature for rail users operating within Greater London and subsequently the site should retain its current employment status.

**Recommendation:** Retain
Site No: 19  Site Name: Middlesex Business Centre

Policy Area  Southall

Large industrial site accessed off the A3005 which lacks prominence. The site contains a mixture of industrial users including a large food manufacturer, trade counters and distributing operators. The site is relatively well maintained with wide roads suitable for larger vehicles and with a variety of buildings ranging from dated post war to new stock. There is a designated development opportunity area to the western section of the site which is currently undergoing redevelopment as industrial accommodation with ancillary office accommodation. The newer units are vacant and the remainder of the cleared land is waiting for demand to rise before further redevelopment. Vacancy levels are typical for the existing stock. The site is surrounded on all sides by road, rail and a cemetery and therefore has no impact on residential communities and yet expansion is possible through the open land in the western section.

From an employment land perspective the site is therefore suited to its current use and if protected for employment use the remaining open land will be redeveloped in line with market conditions. There are very few development opportunities (on cleared sites) in the Borough. So from an employment perspective we would recommend retaining the existing employment status.

However there are competing calls for the site. The Southall Development Study (2010) suggests redeveloping the western end of the site for primarily residential mixed use including the undeveloped land parcel and the new employment units at the business centre. The redevelopment proposal also includes parts of the area outside of the Business Centre including the occupied industrial units along Merrick Road.

Part of the justification for this recommendation is that the area needs to capitalise on the potential benefits for Crossrail but also an observation that the Business Centre is struggling. This is certainly true at the moment, as discussed elsewhere the market is depressed. But reaching the conclusion that the area is struggling and so should be lost to other uses is not a decision to be taken lightly, especially given the fact that there has been recent investment in the site. Outside of the Business Centre the plan suggests redeveloping occupied and viable employment uses which we would normally strongly protect.

Balancing the competing merits for the site is a decision for the Council; but from our perspective there should be no rush to release the site. A recommendation to release the site at some time in the future is likely to serialise any employment potential; the recession based observation that the site is ‘struggling’ is likely to become self fulfilling.

Recommendation: Retain

Site No: 20  Site Name: Northfield Avenue, South Ealing

Policy Area  Ealing

Small site bordering the London underground Piccadilly Line. The site is accessed off the A3002 (Boston Manor Road) and appears to be adequately maintained. The vast majority of the site is occupied as a London Underground service station with a 5 storey serviced
office property to the western edge of the site. The North-Eastern section is occupied by a small light industrial estate. This is in a poor state, however local companies are able to utilise the low rental values. Hence it is suitable for short-to-mid term demand yet the long-term status should be reconsidered as the estate reaches obsolescence. The low rental values may not be able to support redevelopment of the existing use.

The office accommodation is dated and in a poor state however vacancy levels appear to be relatively low highlighting demand for office stock in this location. This is largely due to good access offered by the local roads as well as Boston Manor Tube station. Redevelopment of the office accommodation is likely to occur as this building is reaching physical obsolescence.

The underground servicing station is key to the area although it is not strictly part of genuine employment land supply.

We suggest supporting redevelopment of the office property in the area.

In the short / medium term the industrial estate should continue to benefit from protection; because it is well occupied. But the Council should be mindful that in the long term the site may not be viable for redevelopment / renewal. Vacancy rates will need to be monitored.

**Recommendation:** Employment Site; possible consider for longer term release; the TFL depot should not be considered part of the meaningful employment land supply

**Site No:** 21  **Site Name:** Park Royal

**Policy Area**  Acton/Ealing

Very large established industrial estate located along the A40. This is the primary centre for industrial premises within the Borough and provides accommodation for the vast majority of industrial occupiers. The site provides a mixture of accommodation from small dated accommodation to new large units. Occupiers range from trade counters and workshops to large national distribution occupiers. The site is generally well maintained and there is significant evidence of renewal. There is a general shift from manufacturing to distribution and further redevelopment will be market driven. The strong strategic and local access along with the limited operational constraints results in high demand and high rental levels. Consequently the site should retain its existing employment use as the site does not require public intervention.

**Recommendation:** Retain

**Site No:** 22  **Site Name:** Perivale Industrial Park, Perivale

**Policy Area**  Perivale

Medium sized industrial estate located off the A40 with limited visibility. The site is surrounded on all sides by a tube line, residential areas and two schools. The site is well maintained and comprises a mixture of modern units along with older, dated stock. There is no evidence of significant renewal in the area. Vacancy levels are typical for the estate
in comparison to the remainder of the Borough and there are a number of densely packed units and therefore there is no need for expansion. This is another established industrial site with good access which supports the Borough’s manufacturing and distribution occupiers and consequently we recommend that the site retain its existing employment status.

Recommendation: Retain

Site No: 23  Site Name: Phoenix Trading Estate, Perivale

Policy Area: Perivale
Small industrial estate with relatively good prominence located close to the North Circular and A40 providing accommodation to local storage and distribution occupiers. The site offers a small number of mid sized units with access suited to this size and consequently demand is from local businesses that do not require larger roads as with the national occupiers. The units are relatively modern and there are no vacancies within the site suggesting that this slightly lower value accommodation is attractive to the local business community. It is a different type of commercial product to the larger estates and it is not imposing on the surrounding residential areas. We therefore recommend that the site retain its existing employment status.

Recommendation: Retain

Site No: 24  Site Name: Queens Drive, North Circular Road, Acton

Policy Area: Ealing
Small predominantly residential site with small number of retail and office properties. Low prominence with access off the North Circular Road. Property types consist of a small tertiary retail parade, petrol fillings station and small distribution centre. The site benefits from good strategic access due to the direct access to the North Circular, which can support larger delivery vehicles, however it suffers from heavy congestion during peak times. The commercial units support the local residential community through the local shops as well as the purpose built BT distribution centre. This is a small site with no capacity for intensification or expansion nor is it suitable for residential development. Therefore it is suited to its current use and we recommend it retain its current employment status.

Recommendation: Retain (although note area accommodates few employment uses)

Site No: 25  Site Name: Rockware Triangle, Greenford

Policy Area: Greenford
Medium sized site predominantly utilised as an industrial estate with a smaller retail park in the north-west section. The site has good access to the A40 via the A4127 (Greenford Road) with roads able to support larger vehicles. The site has good prominence from the tube as well as good prominence along the Greenford Road for the retail park. There is no possibility of expansion as the site is surrounded on all sides by road, rail, a bird sanctuary and residential areas. The properties comprise smaller industrial premises,
larger distribution units and mid sized retail units within the retail park. The majority are modern with the exception of the large EMI and EUK industrial properties which have been vacant for over 12 months. These are the only vacant units comprising approximately 250,000 sq ft of distribution warehousing accommodation. There are no vacancies within the retail park indicating that this serves the local business community. The site benefits from good transport links and there is the potential for further (re)development of industrial premises. It is suited to its predominant use as a distribution centre and we therefore recommend retaining the current employment status.

**Recommendation:** Retain

**Site No:** 26  **Site Name:** South Acton

**Policy Area** Acton

Medium sized site with the commercial sector predominantly used as an industrial estate with a small number of tertiary retail parades. The site is located off the A315, offering access to the A40 however the commercial sections can only be reached via smaller and narrower roads. Therefore, access is currently adequate for the lighter industrial uses but would not be able to support heavier industrial and distribution uses. The roads are tired and worn and are in need of improvement works. The properties are small to mid sized industrial and distribution units generally dated but relatively well maintained. Vacancy levels are relatively low for the Borough with all the available units being actively marketed and little evidence of long term vacancies. The site is bordered on all sides restricting possible expansion and therefore the industrial units could not be redeveloped as distribution centres or larger manufacturing units because the site density is too small. The industrial estate provides accommodation to meet the needs of local manufacturing and distribution occupiers. The site is well maintained and there is evidence of renewal suggesting that there is mid-long term demand in its current use.

We recommend retaining the existing employment status of the site whilst giving consideration to road enhancement schemes to reduce vacancy levels.

There is a small and separated parcel to the south of the main estate, at Colonial Drive which is currently in low density light industrial use. There may be scope to capitalise on the areas accessibility to the tube station and proximity to Chiswick High road and deliver new offices as part of a mixed use redevelopment. As seen elsewhere in the Borough; around the tube stations there is a local market for accessible office space.

A further consideration is the close proximity of Chiswick Park, a large sustainable office development located south west of the site. There is currently strong demand for this accommodation but whilst in close proximity it is unlikely that demand will “overflow” into the South Acton site. The office stock provided by Chiswick Park is a unique type and there is neither a similar product within South Acton nor the ability to create a similar product due to the tight constraints of the site.

**Recommendation:** Retain
Site No:  27  Site Name:  South of Western Avenue, North Acton  
Policy Area:  Acton

Long, thin site bordering the A40 comprising a number of vacant sites and development opportunities. Access to the A40 is not direct, instead it is via a number of smaller roads. The site is surrounded by residential areas with no ability to expand. The strategic access is poor due to the narrow local roads. The site is only suitable as non-commercial uses due to the close proximity of the surrounding residential areas as well as the poor strategic access. We therefore recommend releasing the site from its employment use.

Recommendation: No longer employment land

Site No:  28  Site Name:  Southall Town Centre  
Policy Area:  Southall

Southall town centre is a complex area; in part reflecting the distinct and unique nature of the area. The wider town centre employment location is a mix of traditional employment, new warehousing, retail and some offices.

There is a small industrial estate (MEL38) south of the railway line, accessed via Southbridge Way, as well as a large vacant office premises (EMP3) at the edge of this estate, along The Green. There are a number of development opportunity sites within the area including the town hall, a school and several places of worship.

The site is well maintained due to the high occupancy levels. The industrial stock is modern and occupied by local industrial businesses as well as a food manufacturer. The office block is old and in poor condition having been vacant for approximately 5 years.

Despite the area’s constrained location there has been some significant investment in the employment stock in recent years. Most noticeable is the new TRS warehouse; an employer who like many local businesses has strong local connections.

This mix of uses is clearly unusual and something which ideally would be comprehensively planned out; minimising land conflicts and maximising the area’s potential (especially potentially with Crossrail). This has been highlighted by the Southall Development Study (2010) which suggests comprehensive redevelopment of the area. But as with nearby Middlesex Business Centre we cannot, from an employment land perspective, recommend releasing nearly new industrial units from the supply. There is clearly market demand in this location and a willingness to invest. Again, if this is to be released it is for the Council to weigh up the competing merits for the area and make an informed decision.

There is no demand for the vacant office building and this is unlikely to change. This should be redeveloped either for industrial or residential as market demands.

Recommendation: Retain - But consider releasing the office elements

Site No:  29  Site Name:  Southern Gateway Victoria Industrial Estate, Park Royal  
Policy Area:  Acton
Small industrial site bordering the A40 as well as the Park Royal industrial estate. The site consists of a number of modern and new distribution units as well as some non-commercial uses. This site has recently undergone renewal highlighting the demand for distribution facilities in this location. The section of the site located close to Western Avenue, including Victoria Road and Wales Arm Road has excellent access, both strategically and locally which supports the industrial uses. Access along Jenner Avenue is restricted and not suitable for larger industrial and distribution uses. This section is suited to office or lighter industrial uses with potential for some residential conversion, being away from the heavier uses. This can be seen with the Perfume Factory (within MEL2) offering a relatively large development/conversion opportunity. There is not demand from office users for the whole building, highlighted by the current vacancy levels and therefore it would be suited to a combination of residential and commercial uses. This would support the continuing trend of different uses within the site. Evidence of residential redevelopment can be found at the Northern section of the site comprising student accommodation.

Overall we recommend retaining the employment status of the site whilst encouraging mixed-use development

**Recommendation:** Retain - But encourage mixed use

**Site No:** 30  **Site Name:** The Paddocks and adjoining land, Popes Lane, South Ealing

**Policy Area**  Ealing

Very small site in a residential area with one commercial property, utilised as a trade counter site occupied by Travis Perkins. This is a small site with no prominence and is not suited to the majority of commercial uses due to limited strategic access and the lack of other commercial occupiers. This is a residential area and not suited to commercial uses. We therefore recommend releasing the site from its employment status.

**Recommendation:** Release

**Site No:** 31  **Site Name:** The Vale, Acton

**Policy Area**  Acton

Medium sized site located along the A4020 (The Vale) comprising a mixture of industrial estates, office suites, leisure and residential uses. The western section of the site comprises the Acton Park industrial Estate providing a mixture of well maintained distribution and warehouse units. Vacancy levels are typical for such an estate. The northern section of the site occupies a large gym and leisure facility along with a new residential development offering a large number of studio apartments. There are a number of development opportunity sites for which the majority have already been developed, including some mixed-use sites. This is evidenced at the junction of Cowley Road and Swanson Road (within EMP19) comprising a building recently converted to residential and retail uses. Demand for commercial properties appears to be high evidenced by the number of new and modern developments. The site offers adequate access for the current uses and provides clearly designated areas for the different
property types. The majority of occupiers are local businesses who do not require the larger roads and greater strategic access as per national occupiers. Therefore demand is high as occupiers are not out-priced by national businesses and this appears to be a consistent trend, evidenced by the high level of renewal. Subsequently we recommend retaining the employment status of the site.

**Recommendation:** Retain

**Site No:** 32  **Site Name:** Waterside Trading Centre

**Policy Area** Hanwell

Small industrial estate off the A4001 (Boston Road), dissected by the Grand Union Canal and bordered by playing fields and residential areas. There is a mixture of modern distribution warehousing and older poor quality industrial premises. Occupiers include food manufacturers, distribution companies, workshops and salvage yard operators. The site has relatively poor local access with narrow roads in a worn and tired condition. Vacancy levels are low within the site indicating that local businesses are able to take advantage of the lower rental levels provided by this secondary and tertiary accommodation. Whilst the site remains in adequate condition and the lower rental levels can be sustained there will be demand from local traders. At the point that the properties reach obsolescence and require redevelopment these low rental values cannot be sustained and the commercial viability of the site will have to be considered. Therefore we recommend retaining the existing employment status of the site for the short-medium term and re-consider the status in the medium-long term.

**Recommendation:** Retain and reconsider in medium-long term

**Site No:** 33  **Site Name:** West Gate, Park Royal

**Policy Area** Ealing

Small site with good prominence along the A40 with a mixture of property types. The site is accessed from the A4005 (Hanger Lane) which feeds directly on to the A40 providing good strategic access. Property types include new office buildings, older industrial buildings and new retail warehouses. The units in highest demand are currently trade counters and small 50/50 split office and industrial properties. Office vacancy levels within the site are high however this is due to market conditions rather than unsuitability of the site. The rest of the property types have typical vacancy levels. There is a vacant plot within the site allowing further intensification and this is likely to be redeveloped for the prevailing use when market conditions improve. The site provides a mixture of good quality accommodation with evidenced renewal highlighting the continued demand for accommodation with strong access links in this location. The transport facilities allow for both office and commercial uses within the site through a mixture of road, rail and underground links. We therefore recommend that the site retain its current employment status.

**Recommendation:** Retain
6 DEMAND FOR EMPLOYMENT LAND

Approach

6.1 In this chapter, we assess the quantitative demand for business space in Ealing for the plan period 2011-26. Forecasted change in employment by sector is translated into demand for floorspace using tested assumptions and evidence on sector to land use mapping and on employment densities. This will provide a quantitative outcome that can be used in determining the amount and type of employment land and floorspace that Ealing should be planning to provide through its Local Development Framework.

6.2 The forecast outcomes are based on econometric techniques. They are not inevitable and are not the only possible outcomes for Ealing. Forecasts provide a projected outcome under a given set of circumstances and assumptions. These can change or be changed. But their value as a planning tool lies in providing a rigorous framework through which land use decisions can be assessed.

6.3 All forecasts will be liable to some degree of uncertainty. Forecasts are based on data and assumptions that are subject to change over time. We try to mitigate this effect by applying some degree of sensitivity tests and also being clear about the way such forecast should be used. In this study we have produced a baseline using the GLA’s employment projections and also the GLA’s Industrial Land study. We then provide some sensitivity analysis based on a review of the recent recession and its potential impacts. In the subsequent chapter we examine an alternative scenario which seeks to maximise the regeneration potential of Crossrail.

6.4 It is also important to note that the administrative boundary of Ealing is a closely connected part of larger, sub-regional markets. Within these wider markets, occupiers to varying extents do not mind where they locate, and most neither know nor care about Borough boundaries. Whether such footloose occupiers locate in Ealing or a neighbouring Borough is not a matter of demand. Rather, it depends on supply-side factors, including where planning authorities choose to make sites available.

6.5 The forecast of demand can then be compared against the projected supply of floorspace emerging from the site assessments.

Floorspace Demand, 2011-2026

6.6 The method follows three simple steps, though each of these steps contains a number of technical issues.

- First we project employment by sector
- Employment by sector is then mapped to land use classes of office and industrial
- Employment by use class is then converted to floorspace via application of employment density ratios

6.7 Floorspace can then be converted to land requirements by application of plot ratios, though in practice for a Borough such as Ealing floorspace rather than land is a far more relevant metric, at least for offices.
6.8 We set out each of these steps below.

**Employment Forecasts**

6.9 The forecast we use for our baseline scenario are those prepared by the GLA. The latest GLA Borough projections were published in Working Paper 39. There is nothing either in the existing London Plan or in the new Draft Replacement London Plan to make the GLA Borough level figures binding on individual Boroughs. But the GLA forecasts are useful, firstly because they fit the objectives and policies of the London Plan, to which the Boroughs are required to conform, and secondly because they provide a consistent picture London-wide. The GLA have advised us that Boroughs should use the latest available GLA forecasts for informing their site allocation policies, and that annual updates on these forecasts will be available in the future.

6.10 The GLA uses a forecast method known as triangulation to produce its Borough level forecasts. The Triangulation method brings together three components. These are:

- Trend projections prepared by Volterra;
- Site Capacity projections based on RTP’s London Employment Sites Database; and
- Accessibility projections based on CBP accessibility indices.

6.11 Table 6.1 sets out the forecasts for Ealing based on each of the components and the final triangulated projection. The final triangulated projections show an increase of 11,000 jobs over the period 2011-26, an increase of 8%. This is an average increase of 730 jobs a year or a growth rate of 0.5%.

6.12 As can be seen from the table the final projection for Ealing is higher than the mere trend projection would have suggested. Both identified development sites and improvements in accessibility play a role in raising the projected growth rate for Ealing.

6.13 The total number of jobs in the Borough, as presented by the GLA, is slightly different from any analysis which uses ABI data, including that in Chapter 3. This is because the GLA include self employment (excluded from the ABI) but they also smooth the ABI data over time, correcting for common peaks and troughs in the data which can be found in the ABI.

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8 The detailed method is set out in GLA Economics Working Papers 38 and 39.
### Table 6.1 GLA Triangulation Projections for Ealing, 2007-2026

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2011</th>
<th>2026</th>
<th>Change 2011-26</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trend</td>
<td>139,000</td>
<td>140,000</td>
<td>132,000</td>
<td>-8,000</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Site Capacity</td>
<td>139,000</td>
<td>139,000</td>
<td>146,000</td>
<td>7,000</td>
<td>5.0%</td>
</tr>
<tr>
<td>Accessibility</td>
<td>139,000</td>
<td>136,000</td>
<td>143,000</td>
<td>7,000</td>
<td>5.1%</td>
</tr>
<tr>
<td>Triangulated Projection</td>
<td>139,000</td>
<td>137,000</td>
<td>148,000</td>
<td>11,000</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

Source: GLA. Note figures are rounded to the nearest thousand.

**Land Use Sector Forecasts**

6.14 To convert employment sector to land use class we map each sector at the 4-digit SIC activity level to broad land use classifications. To identify these jobs the GLA forecasts used a range of economic sectors based on the Standard Industrial Classifications (SIC’92), shown in Appendix 3. The “goodness of fit’ between sectors and types of space is not perfect; hence the GLA definitions of industrial/warehousing and office jobs are no more than approximations.

6.15 For industrial and warehousing uses, the GLA study on London Industrial Land Release Benchmarks notes there is not such a good correlation between employment and floorspace for some industrial-type activities, in particular logistics and waste, and uses a new method to forecast the land requirements of these activities, partly based on output (GVA) change. But this approach cannot be applied to individual Boroughs, because the necessary data are not available, and the GLA study stops at sub-regions. Therefore, on industry and warehousing the calculations based on industrial employment sectors are not strictly comparable with the GLA London Industrial Land Release Benchmarks.

6.16 The Baseline projections estimate that at the Plan starting point B class employment accounts for just under half (46%) of total employment in the Borough split equally between industrial and office. Over the Plan period 2011-26 total employment is projected to increase by 10,600 jobs. But all of the net growth is effectively accounted for by the non-Bspace sectors.

6.17 In the Bspace categories the projected decline in industrial employment of 6,400 is slightly higher than the projected increase in office employment sectors.

### Table 6.2 Forecast Employment by Land Use Sector

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2011</th>
<th>2026</th>
<th>2011-26</th>
<th>2011-26%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>30,800</td>
<td>31,700</td>
<td>37,500</td>
<td>5,800</td>
<td>18.3%</td>
</tr>
<tr>
<td>Industrial</td>
<td>34,900</td>
<td>31,800</td>
<td>25,500</td>
<td>-6,300</td>
<td>-19.8%</td>
</tr>
<tr>
<td>Other</td>
<td>73,200</td>
<td>73,800</td>
<td>84,800</td>
<td>11,000</td>
<td>14.9%</td>
</tr>
<tr>
<td>Total</td>
<td>138,900</td>
<td>137,200</td>
<td>147,800</td>
<td>10,600</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

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10 URS for the GLA, London Industrial Land Release Benchmarks, April 2007
6.18 This implies a shift of demand from industrial premises to office premises. In terms of the actual quantities of floorspace the shift would be greater as average office premises are occupied at a higher worker/floorspace ratio than industrial premises.

**From Employment to Floorspace**

6.19 We then translate future employment change into demand for space using employment densities (floorspace per worker). For offices, we use the density assumptions from the previous London Office Policy Review. In the existing office stock, floorspace per worker is constant at 16.3 sq m. The 2009 LOPR report factored in much higher densities based on increasingly efficient use of space. Whilst these higher densities are being achieved the empirical data does not yet confirm this is uniform across all office locations and occupier types. Hence we recommend use of a more conservative estimate which can be monitored and managed down in the future if necessary.

6.20 For industry and warehousing, we assume 32 sq m per worker, based on a 1997 survey by Roger Tym & Partners for SERPLAN, which was broadly confirmed by a similar 2004 survey by DTZ Pieda for SEERA.

6.21 As a check we have tested these density ratios against the ratio of total employment/floorspace stock for Ealing. Although this is a fairly crude approximation, it does help to validate these estimates. For industrial stock the implied floorspace to worker ratios are somewhat high which probably reflects large industrial units that are now under-utilised.

Figure 6.1 Floorspace Stock to Worker Ratios

6.22 Table 6.3 shows the results from the expected net change in employment floorspace between 2011 and 2026. This net change in the stock is the difference between
floorspace gained, mostly from new development, and floorspace lost, for example where industrial sites are cleared and redeveloped for housing and other uses.

Table 6.3 Forecast Net Change in Floorspace

<table>
<thead>
<tr>
<th></th>
<th>2011-26 sq m per worker</th>
<th>Floorspace</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>5,800</td>
<td>94,500</td>
</tr>
<tr>
<td>Industrial</td>
<td>-6,300</td>
<td>-201,600</td>
</tr>
<tr>
<td>Net Change</td>
<td>-107,100</td>
<td></td>
</tr>
</tbody>
</table>

6.23 The net change figures in this table only relate to forecast demand. The supply-side data, existing or planned future, is not factored in at this stage. As a test of this figure we note that the recent London Office Policy Review suggested an increase in office employment floorspace for Ealing of 107,000 sq m over the period 2011-31, which is broadly in line with our proposed figure.

6.24 If we convert the floorspace figure into land by applying a typical 40% plot ratio, then this would imply a net loss over the plan period of 26.8 ha of employment land. This would consist of a net addition of land for offices of 23.6 ha and a net loss of industrial land of 50.4 ha.

London Industrial Release Benchmarks

6.25 For the west London sub-region the London Industrial Release Benchmarks study suggests there should be a net reduction of 55ha over the period 2006-26. This consists of a reduction in demand for industrial land offset by an increase in demand for land for warehousing and for waste facilities. The net loss of 55ha is then solely due to managing down the level of vacant land and premises.

6.26 The study does not break down this figure by Borough but if Ealing were to have a proportionate share of this loss relative to its 2006 stock this would imply a reduction for Ealing of 14ha..

Table 6.4 Industrial Release Benchmarks

<table>
<thead>
<tr>
<th></th>
<th>West London</th>
<th>Ealing @27.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Industrial</td>
<td>-231</td>
<td>-64</td>
</tr>
<tr>
<td>Warehousing &amp; Logistics</td>
<td>174</td>
<td>48</td>
</tr>
<tr>
<td>Transport Functions</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Waste Facilities</td>
<td>59</td>
<td>16</td>
</tr>
<tr>
<td>Wholesale Markets</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Management of Vacant Land/Premises</td>
<td>-55</td>
<td>-15</td>
</tr>
<tr>
<td>Industrial Land Release Benchmark</td>
<td>-52</td>
<td>-14</td>
</tr>
</tbody>
</table>

6.27 If the 14ha were applied on an annualised basis to the plan period it would imply a reduction of 10.8 ha over the period 2011-26, though we do not know what land, if any, has been lost between 2006-11. Also in 2006 10.6% of the total industrial land in Ealing was estimated to be vacant, slightly higher than the west London average of 9.8%. As the overall loss is due to managing down vacant land and premises this would imply a slightly
higher than proportion share for Ealing. Therefore we propose sticking to the 14ha set out in Table 6.4.

6.28 14ha is considerably less than the 50 ha implied by the method above. There are two reasons for this:

- Firstly, the London Industrial Land Release study adopted a slightly different methodology for calculating demand for industrial land. It includes an allowance for waste and for managed release. Also the warehousing demand is calculated from output rather than employment projections.
- Secondly, the sectoral forecast for industrial sectors such as manufacturing and distribution are worse under the GLA09 employment forecasts than the GLA07 forecast that informed the London Industrial Land Release study.

6.29 We would suggest adopting the more cautious approach for the central scenario. If subsequent monitoring indicates higher level releases are appropriate then the scale of release can subsequently be accelerated. We would also recommend the adoption of 14ha as a proportionate share of the west London Industrial Release total. It is not certain that counterbalancing adjustments for differing effects such as time periods, Ealing’s share of west London total and more pessimistic sectoral forecasts would add to the accuracy of this estimate.

6.30 This more cautious approach is also informed by the property market analysis set out in the previous chapters. Whilst 14 ha only represents about 3% of Ealing’s industrial stock, the site assessments show that most stock is performing a useful function and should be maintained. However it does imply a more significant redevelopment of the industrial stock away from manufacturing towards logistics. As we have seen in the property market analysis this process is very much working with the grain of what has been happening on the ground in Ealing.

**Central Scenario**

6.31 Therefore our central demand scenario is:

<table>
<thead>
<tr>
<th>Floorspace sq m</th>
<th>Land Ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices</td>
<td>94,500</td>
</tr>
<tr>
<td>Industrial</td>
<td>-57,000</td>
</tr>
</tbody>
</table>

6.32 Whilst we have set out our central scenario we recognise it is based on a number of assumptions. The major variables are the choice of employment forecast and the employment density assumption.

**Past Change**

6.33 Employment land projections undertaken by RTP for the GLA show that over the past thirty years Ealing has declined as an employment location through the reduction in
industrial employment. The Borough has restructured to some extent with growth in both office and non B-space employment. But as well as restructuring in terms of jobs the Borough has been left with a legacy of industrial land which is no longer needed. Some of this has been successfully recycled, but though the loss of industrial employment is expected to slow there will still be a legacy of sites that need reviewing.

Figure 6.2 Structural Change in Employment

The London Industrial Release Benchmarks study estimates that between 2001 and 2006 there was an increase in warehousing land than was more than offset but a reduction in industrial land. This is similar to the pattern for London as a whole, but the scale of change has been far greater in Ealing.

Table 6.6 Loss of Industrial Land 2001-06

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2006</th>
<th>2001-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ealing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td>144</td>
<td>97</td>
<td>-32.6%</td>
</tr>
<tr>
<td>Warehousing</td>
<td>243</td>
<td>273</td>
<td>12.3%</td>
</tr>
<tr>
<td>London</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td>2,370</td>
<td>2,021</td>
<td>-14.7%</td>
</tr>
<tr>
<td>Warehousing</td>
<td>2,733</td>
<td>2,815</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Net Demand and Gross Take-up

The floorspace figures (shown in Table 6.2), like the employment forecasts from which they are derived, relate to net change. Net change in employment (the stock of jobs) is the difference between jobs lost and jobs gained. The corresponding net change in the floorspace stock is the difference between floorspace gained, mostly from new development, and floorspace lost (for example where industrial sites are cleared and redeveloped for housing and other uses).
6.36 Net demand should not be confused with gross take-up. For example, even when the aggregate stock of land/premises is declining over time, there will still be new sites and premises being developed and occupied.

6.37 There are two stages of employment land that the planning system should allocate. It needs to make available sufficient employment land at any one point of the plan period to enable new development and investment to take place. This can be considered as the frictional element. At any one time there will be land identified in planning terms for B-class development or redevelopment but in practice is not yet capable of producing built floorspace because it is in the process of gaining permission or undergoing site preparation, or under construction. Logically, this 'sterilised' supply equals annual gross take-up (the amount of land developed in any one year) times the number of years required from allocation of a site to building completion on that site. In calculating the required margin, we assume that the average time required for achieving planning consent, site preparation and construction should be no more than two years in good markets and three years in poor markets or areas in need of regeneration (where this process will take longer). We then multiply this by the annual average gross take-up of land (or completions of new floorspace). Recent office take-up data has averaged 8,000 sq m p/a.

6.38 Whilst gross take-up will always be positive the net amount of employment land required over the plan period can be either positive or negative. In either event the important point to recognise is that the planning system has a key role to play in recycling redundant land back into productive use. This may be to meet the needs of modern business activity or perhaps for some other land use such as leisure or residential. Thus to the extent there is surplus or under-utilised employment land identified, then the Council should consider whether there is an alternative more productive land use allocation.

**Non B Class Employment**

6.39 Whilst this study is primarily about B-class employment land, it is important to bear in mind the scale of jobs growth that will come from non-B class activities. This employment also requires land and should be considered when looking at overall land use allocations.

6.40 At present non B space sectors account for over half of all employment in Ealing. The GLA forecasts suggest that the majority of future employment growth in Ealing will come from these non- Bspace sectors.

**Who Occupies Office and Industrial Space**

6.41 Whilst we have undertaken the projections on the basis of best fit land use sectors, we also recognise that in reality there is a much greater blurring of activity. Many business services activities can take place in a range of different types of premises. Someone who runs a small service activity may occupy an office, a shop or an industrial unit. Availability and price are likely to be greater determining factors than land use classifications,
Summary

6.42 Our forecast demand for employment land and floorspace for Ealing is based on the GLA’s Borough and London sector employment forecasts. These are converted to floorspace by mapping sectors to land use type and by applying standard employment density ratios.

6.43 Our central scenario is that there will be a demand for a net addition in office floorspace stock in Ealing of 94,500 sq m over the plan period 2011-26. The amount of land required will depend on whether these are higher density town centre offices or lower density business park schemes.

6.44 For industrial land we recommend following the London Industrial Release benchmarks study and that Ealing should decrease its net stock of industrial land by 14ha, equivalent to 57,000 sq m of floorspace. But within the remaining stock there is a need to facilitate considerable restructuring of existing sites to accommodate the demand for warehousing and logistics activity.

6.45 The central scenario is fairly conservative and there may be a case for accelerating greater release in the future. But we propose this figure should be adopted for now and monitored to see if amendment is required in the future.

6.46 In the next two sections we set out two alternatives to this central forecast. First we examine the effects of the recession and produce a sensitivity test based on this. Secondly we then look at the regeneration potential of Crossrail and undertake an alternative scenario based on maximising the potential of this for regeneration of the Borough.
7 THE IMPACT OF THE RECESSION

7.1 The projected employment growth rate for Ealing in the GLA baseline forecast is, at 0.5% p/a, one of steady growth. It should be achievable and is not overly testing. Nevertheless as a sensitivity test we look at whether in the light of the recession we might expect a lower figure.

7.2 Table 7.1 below shows the growth rate of UK output (GDP) since 2006. The impact of the recession can clearly be seen in the low growth rate for 2008 and then the 5% loss of output in 2009 - the largest single-year loss of output in the UK economy since the Second World War.

Table 7.1 UK Output Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>% per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>2.9%</td>
</tr>
<tr>
<td>2007</td>
<td>2.6%</td>
</tr>
<tr>
<td>2008</td>
<td>0.5%</td>
</tr>
<tr>
<td>2009</td>
<td>-5.0%</td>
</tr>
</tbody>
</table>

Source: ONS

Impact of the Recession on the UK economy

7.3 Recessions potentially inflict two sorts of economic costs. First, there are the ‘cyclical’ (or short-run) costs, such as the decline in employment that always goes hand in hand with a marked drop in output. If a recession is relatively mild (in terms of the decline of output it involves), and it lasts a relatively short period, and does not persist, then we might expect that these short-run costs will be the only costs and that the long term growth prospects of the economy will not be affected.

7.4 However as the recent recession involved a substantial loss of output then it may also have inflected ‘structural’ (or long-run) costs on the underlying economic potential of the UK economy. These costs can be either a one-off fall in the level of potential output or a reduction in the growth rate of potential output. In the worst case, a recession could produce both kinds of adverse effect.

7.5 Economists use the term ‘potential output’ to mean the level of output that the economy can produce if there is full utilisation of both capital and labour. Hence it represents the total capacity of the economy to produce goods and services in a sustainable (non-inflationary) way. The growth in potential output thus represents the growth rate that the economy can sustain in the longer term without leading to rising inflation.

7.6 The case where the recession leaves potential output unaffected is shown in Figure 3.1. The actual level of output falls temporarily below potential as the recession bites. The UK economy moves from the peak of the boom at point A to the trough of the recession at point B. Over the subsequent economic recovery actual economic growth is faster than the growth in potential output and the difference between actual and potential output (which economists call the ‘output gap’) is closed, with the economy moving from point B
to point C without suffering long-term (structural) loss of output. In the end the economy gets back the output and employment that it temporarily lost during the recession.

7.7 If we believed that the impact of the recent recession has been like this, then the experience of the recession would not by itself be a cause to reconsider our assumptions for output (and employment) growth in the UK between 2006 and 2026, from what we would have previously deemed sensible in 2006 – that is 2 ¼% pa.

**Figure 7.1 A recession with no long-run economic costs**

![Diagram showing a recession with no long-run economic costs](image)

Source: IFS Green Budget 2010

7.8 Figure 7.2 shows the situation in which a recession, as well as generating short-run losses of output, reduces the level of potential output. Once the recession is ended the economy goes back to growing at its existing long-run rate of growth (rate of growth of potential output) but the one off loss of output caused by the recession is never recovered.

7.9 In this case, we would need to revise our assumptions for output (and employment) growth in the UK economy between a pre-recession year such as 2006 and a post recession year such as 2026 to take account of this permanent one-off loss of output and employment.
Figure 7.2 A recession causing a one-off permanent loss of output

Source: IFS Green Budget 2010

7.10 The worst-case scenario is shown in Figure 7.3, where the recession causes both a one-off loss of output and a reduction in the long-run sustainable growth rate of the economy. Once the recession is ended the economy fails to go back to growing at its existing long-run rate of growth (rate of growth of potential output) and instead it now grows at a lower rate on average over the longer term. In addition there is also a one-off loss of output caused by the recession which is never recovered.

7.11 As the long-run rate of growth of the economy has fallen, the recession causes not just a constant loss of output but one that increases over time. In this case, we would need to revise our assumptions for output (and employment) growth in the UK economy between a pre-recession year such as 2006 and a post recession year such as 2026 to take account of both this permanent one off loss of output and the reduction in long-run output growth.
In discussing the possible impact of the recession on potential output levels and growth in the longer term we have not explained why the recent recession might have had these effects. The current recession has been the result of a worldwide credit crunch which is likely to increase the price of credit to businesses, thereby raising the cost of capital, which would lead to a reduction in the stock of capital in the economy and so to a lower level of potential output. As the pricing of risk prior to the credit crunch was probably unsustainably low this effect is likely to persist, as increases in the risk premium in commercial interest rates raise the cost of borrowing. More generally, the crunch is likely to reduce the supply of credit, by impairing the critical role that the financial system plays in matching funds from savers to investors. This reduces the efficiency of the process by which capital is allocated within the economy with a subsequent negative impact on potential output.

**Actual Impact**

The Treasury’s estimate of the impact of the recession on potential output in the 2009 Pre-Budget Report published in December 2009 estimated that the recession had caused a permanent one-off loss of output of 5% of total output in the UK economy. The Treasury does not believe that the recession has impacted on the growth of potential output or the long-run rate of growth in the UK economy.

The Office for Budget Responsibility Report published in June 2010 suggested an output gap at 2009 of -4%, representing a one-off loss of output. It also downgraded trend rate of growth to 2.35% over the next three years slowing to 2.1% by 2014. However this is due to demographic impacts on labour supply rather than a recession impact.
The UK Economic Outlook to 2026

The short to medium run UK economic outlook

7.15 The latest consensus forecasts for medium term growth compiled by HM Treasury (May 2010) are set out in the table below. They are compared with those published by the OBR in its pre-Budget report (June 2010).

Table 7.2 Medium Term Forecasts for GDP

<table>
<thead>
<tr>
<th></th>
<th>Consensus</th>
<th>OBR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1.2 % pa</td>
<td>1.3  % pa</td>
</tr>
<tr>
<td>2011</td>
<td>2.2 % pa</td>
<td>2.6  % pa</td>
</tr>
<tr>
<td>2012</td>
<td>2.4 % pa</td>
<td>2.8  % pa</td>
</tr>
<tr>
<td>2013</td>
<td>2.7 % pa</td>
<td>2.8  % pa</td>
</tr>
<tr>
<td>2014</td>
<td>2.5 % pa</td>
<td>2.6  % pa</td>
</tr>
</tbody>
</table>

The longer-term UK economic outlook

7.16 The Treasury sets out its longer-term economic assumptions in its long-term public finance reports. The 2009 report\(^\text{11}\) assumes economic growth in the UK between 2019 and 2029 of 2½% per annum. These projections are based on assumptions for productivity and employment growth. Productivity is assumed to grow at 2% per annum - the average annual rate of growth experienced over the last 50 years in the UK - and employment is assumed to grow at ½% per annum, which is in turn derived from the Office for National Statistics (ONS) population projections.

The Economic Outlook for London to 2026

7.17 GLA Economics publish a regular Economic Outlook and have recently published their Spring 2010 edition\(^\text{12}\). This provides an update on the GLA’s projections to 2012. This shows a forecast for London at 2012 of 4.70m jobs compared with a figure of 4.83m published in WP 39. To some extent the original GLA Economics Forecasts would have taken account of the recession as they are produced as a trend forecast which will even out fluctuations in the cycle.

7.18 Our best estimate based on our analysis is that the recession has caused a one-off loss in output similar to the pattern of Figure 7.2 above. If we assume that London follows a similar pattern to the UK and that employment will follow a similar pattern to output, then we can use the GLA Spring 2010 forecast to produce an update that takes account of the recession impact.

7.19 (In reality this is probably a downside projection for employment as even if there is a one-off loss in output employment will probably return to trend path in the long-term.)

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\(^{12}\) London’s Economic Outlook: Spring 2010 - GLA Economics
The Ealing Recession Scenario

*Total Employment*

7.20 We have constructed a recession based sensitivity test for Ealing that assumes Ealing performs at the same relative rate as London as a whole. We assume that there is a one-off loss in employment but that from 2013 onwards Ealing grows at the same trend rate as previously forecast. Whilst some places may be differentially impacted by the recession we see no *prima facie* case why this should apply to Ealing. The employment profile section has suggested the economy is reasonably well balanced even if growth has been somewhat stagnant in recent years.

**Table 7.3 Recession Scenario**

<table>
<thead>
<tr>
<th>Year</th>
<th>Baseline</th>
<th>2011</th>
<th>2026</th>
<th>2011-26</th>
<th>2011-26%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>138,900</td>
<td>137,800</td>
<td>147,800</td>
<td>10,000</td>
<td>7.3%</td>
</tr>
<tr>
<td>2011</td>
<td>139,300</td>
<td>133,000</td>
<td>143,900</td>
<td>10,900</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

7.21 On this basis the projections for Ealing are very similar for the plan period 2011-26. In fact that forecast growth is slightly higher under the recession scenario. This apparent anomaly is simply explained by the fact that the plan period does not include the recession, but the recovery from it.
7.22 The important factor for this ELR is that at 2011 Ealing will probably be carrying a lot of excess capacity both in terms of labour and property markets. Vacancy rates for premises will be higher than optimal and new development may not be moving through the pipeline. We will pick this point up in comparison with the supply data.

**Jobs by Sector and Land Use**

7.23 The other issue is whether the sector composition of growth will have changed as a result of the recession. Whilst it is quite likely that different forecasting models would take different views on the sectoral composition of growth, we have no evidence to suggest that for the trend period of the forecast that the sector share of growth will have been impacted by recessionary factors.

**Summary**

7.24 This study is to inform the LDF and employment land allocations and policies over the period 2011-26. We therefore need to know what the needs of the Ealing economy are for that period rather than consider the current impact of the recession on businesses in Ealing.

7.25 Our own view and our reading of most prominent economists is that the long run trend position of employment and output growth is not affected by the recession. Rather what has happened is that there has been a one-off loss.

7.26 The point for this study is to understand the equilibrium position at the start of the forecast period. If there is significant surplus capacity at the start of the plan period then this needs to be factored in to the calculation. For example if you have 20,000 sq m of good quality office space lying vacant because of the recession then this is 20,000 sq m you do not need to build. We will expand further on this point in Chapter 9 which calculates the supply and demand balance.
8 THE CROSSRAIL SCENARIO

Introduction

8.1 This section sets out a higher policy based forecast which takes account of the economic impact that Crossrail could bring to the Borough.

Crossrail

8.2 The Crossrail Project offers a unique opportunity for Ealing. The Borough has five stops on a fast line from Heathrow to Central London and Canary Wharf. The Buchanan report for the GLA on the economic benefits of Crossrail calculates the benefits for Ealing as £57m a year, consisting of both transport and wider economic benefits.

8.3 But whilst having improved connectivity is a benefit, significant economic gains are not inevitable. To some extent the impact of Crossrail has already been factored into the GLA forecasts as one of the three legs of the triangulation model is improvements in accessibility. As we have seen this has raised the Ealing projection beyond what it would otherwise have been.

8.4 For this scenario we will look at the Crossrail scenario in a slightly different way and try to assess what might be the maximum benefits that the Borough could expect to get from a Crossrail effect and then to look at what must be done to maximise those benefits.

8.5 In constructing the Crossrail scenario we therefore consider the conditions in Ealing that might help to realise these benefits.

How Economic Benefits are realised

8.6 Transport infrastructure investment acts as a complement to other more important underlying conditions, which must be met if further economic development is to take place: Transport investment is a necessary, but not sufficient condition for economic growth\(^{13}\). The figure below reproduced from Banister shows the mechanism by which investment in public transport acts on development. The accessibility change influences the state of the local property market making it more attractive. Provided there is development available or with potential, this helps to bring it forward.

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\(^{13}\) Banister and Berechman, 2000
There is also an element of chance. The timing of where we are in the property market cycle when Crossrail comes on stream may be critical. In a review of impacts Cervero noted that land use impacts are greatest when transit investments occur just prior to an upswing in regional growth.

In RTP’s evaluation of the economic activity and labour market impacts of the Jubilee Line Extension we identified a number of themes that captured the way the JLE had an impact. We think these have some useful lessons for the case of Crossrail in Ealing. In summary these were:

- **Policy** - It influenced local authority planning policy with regard to the JLE catchment areas. This was largely reactive but caused some rethinking on a more major scale as with the Newham Arc of Opportunity.
- **Integration** - The JLE integrated well with the rest of the London transport network. It was not an isolated piece of infrastructure moving people from one point to another; as a result the area that it serves has been increased.
- **Accessibility** - The labour market catchment area now covers more of London and the South East.
- **Image** - The JLE brought with it a new quality and (not withstanding some operational difficulties) helped create a new image for travel to the area.
- **Perceptions** - With enhanced image and accessibility can change perceptions about East London.

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14 Cervero, 1998
Part of a Package - There were a series of complementary investments in the area, notably the DLR Lewisham extension. In addition, future transport plans and government and regional policy initiatives all came together to create a sense of momentum, that encouraged further investment and activity.

Spatial Impact - There was a clear sense that the JLE has helped the City to expand eastwards. Canary Wharf and Docklands are now perceived by the City to be complementary forms of development to what the City can offer. It has enabled planning policy to realise its ambitions to shift the focus of London eastwards and the London Plan reflected this.

Provides a Focus - One of the ways in which the JLE had an impact was through providing a physical focus. It has provided a focus for investment as set out above, but it has also provided a focus for regeneration activities. There seems to be no particular evidence that it has levered in additional funds. But it has influenced the way local authorities and others have thought about their regeneration plans and activities for their area.

8.9 These are all important lessons to keep in mind for Crossrail. What is clear from all similar case studies is that the transport investment on its own is not sufficient to generate the economic benefits.

8.10 In looking for the Crossrail effect to transform Ealing it should be borne in mind that Ealing is already very well connected. Ealing Broadway already has a PTAL rating of 6, which is the highest available. A parallel might be seen in the case of Stratford. This has long been a very well accessed location but it has taken an event of Olympic proportions to stimulate its development market.

8.11 However one critical factor to consider is the distance of the existing office market from the station. As noted in a research study by Parsons Brinkerhoff, “property value impacts tend to be highly localised around rail stations (particularly for commercial uses), which suggests that great attention must be given to the location of stations and the policies that guide development around them.” A further study by Atis Real noted that for commercial developments impacts are likely to be concentrated within a 400m radius. These distances are related to distance people are prepared to walk.

**LB Ealing Regeneration Plans**

8.12 There are specific development plans related to all the potential Crossrail stations. However the most significant in our regard is for that related to Ealing. In May 2008, the Council published “The Spatial Development Framework for Ealing Metropolitan Town Centre” produced by a team of consultants led by Tibbalds Planning and Urban Design to explore the potential of Ealing Town Centre. This is currently being refreshed. The strategy will help guide and inform the development of the town centre over the plan.

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15 The Effect of Rail Transit on Property Values: A Summary of Studies (2001)
16 Atis Real, Bartlett School of Planning, Symonds Group (2002) Lad Value and public transport - a review of the evidence
period and the council intends to use it as the basis of a separate supplementary planning document that will be adopted in due course.

**Demand**

8.13 At the London level the impact of Crossrail will already be factored into the demand forecasts. It is unlikely that it would cause the total London employment growth rate to go higher than that already forecast. This is consistent with the argument advanced in much of the economic impact literature that infrastructure redistributes economic activity rather than creating it.17

8.14 Therefore the issue is one of spatial allocation of the forecast. Crossrail could have the effect of:

- Concentrating existing growth in Ealing at the Crossrail locations;
- Drawing more of the west London demand to Ealing;
- Drawing demand from elsewhere in London - i.e. shift growth to the west;
- Drawing demand from the Thames Valley.

8.15 To some extent there could be a combination of each of these factors but our own view is that the predominant effect would be to secure a greater share of the west London demand. The London Office Policy Review suggested there was projected growth in office demand of 44,000 jobs for the six west London Boroughs, nearly half of which would be in Hammersmith & Fulham. In trying to put together a regeneration scenario for the Borough we need to think about where this demand is coming from. Figure 8.1 below shows projected growth in office employment by west London Borough for the period 2011-26.

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17 See for example Vickerman (2002)
8.16 As we have noted earlier, Ealing operates in a wider London economy. A major new office scheme will be competing with other similar schemes throughout London. The London Office Policy Review noted both the emergence of a polycentric office market and a series of new ‘mega schemes’ currently being planned across London. In west London these are:

- White City, which has proposed mix use with office of up to 450,000 sq m;
- Earls Court/Olympia, which has proposed mix use with up 600,000 sq m of office;
- Vauxhall/Nine Elms/Battersea, which has schemes focussed around the New Covent Garden and Battersea Power Station sites which will comprise more than 250,000 sq m of office space;
- Paddington Basin, of which 150,000 sq m is completed and a further 150,000 sq m proposed;
- Chiswick Park, which has permission for a further 75,000 sq m.

8.17 These are just the west London schemes. In addition there are other proposals for massive expansions in East London at Canary Wharf, Stratford and Greenwich Peninsula.

8.18 So on the one hand Ealing is competing in a highly competitive market. On the other hand there is clearly much confidence among the developer community that there is demand for large scale office development in London.

8.19 What is clear is that not all these schemes will succeed. For Ealing it will depend on its timing and its offer. Hoping development will come forward on the back of Crossrail is not enough.
Alternative Forecast

8.20 Whilst we do not think that the Crossrail effect will add to the total of office demand for London, an alternative forecast can also act as a sensitivity test. As the previous chapter developed a recession scenario, we could also examine a more positive scenario - an alternative set of employment projections for London has been prepared by Oxford Economics. These suggest employment growth in the financial and business services sectors being 66% higher than those published by the GLA, if this same level of growth were applied to the projections for Ealing set out in Chapter 7 then this would imply office employment growth for Ealing of 9,500 over the period 2011-26. Applying the same employment density ratio of 16.3 sq m per worker this would generate demand for an additional 150,000 sq m of office floorspace, for the Borough as a whole.

A Potential Regeneration Scenario

8.21 We would not expect to see much in the way of anticipatory benefits in advance of Crossrail being built. Thus the uplift would only occur in the latter half of the Plan period. As Banister has pointed out economic growth tends to lag behind transportation investment, as the capitalisation of the investment’s effect is time dependent18. So even if Ealing were to double its rate of growth with the advent of Crossrail this would only increase forecast jobs by 50% in the plan period, raising the level of jobs to 8,900

8.22 Ealing has a current office stock of 124,000 sq m, which the LOPR notes is considerably lower than other major west London centres such as Uxbridge, which has around 205,000 sq m. The LOPR report also notes that the “Ealing has been tipped as growth market over the last decade because it fits the profile of a town centre location with retail and restaurant amenities and good public transport connections”. It also has a high level of current vacant stock to absorb.

8.23 It is arguable that, given the past performance of the office market in Ealing, then even to achieve the central scenario requires the uplift provided by Crossrail plus much else to raise the profile of Ealing as an office location.

8.24 But presuming that Crossrail can act as a catalyst for a greater performance, then following our earlier analysis we would expect it to take a greater share of the west London office market. If Ealing were to get 20% of the west London forecast growth, an increase from its current share of 15%, then this would give Ealing 8,900 office jobs. This is fairly close to the higher scenario based on the Oxford Economics forecasts. This would be equivalent to 150,000 sq m for the Borough as a whole.

8.25 However as we have noted, the current Ealing office quarter on Uxbridge Road is not ideally located to capitalise fully the benefits of Crossrail. One option to consider is to convert the existing office quarter on Uxbridge Road to residential and build office around the station where you might create the critical mass to create a new market. However this is a very high risk strategy and there are no guarantees.

18 Banister (2000)
8.26 An alternative is to try and bring the existing office quarter closer to the station through an attractively designed walking route.
SUPPLY AND DEMAND BALANCE

Introduction

9.1 In this section we bring together the demand and supply analysis to assess how much commercial land and property Ealing should plan to create or release. We treat office and industrial as separate products.

Offices

9.2 Table 9.1 below sets out the planned supply of office floorspace in terms of the outstanding pipeline of permissions and proposals. From what we know of these schemes we have assumed they are all office, or at least B1 workshop space which accommodates office type activity. In total these sum to around 82,000 sq m of floorspace. We are aware that larger scale proposals are currently being developed for Ealing Broadway but this helps to provide the context for the balance.

<table>
<thead>
<tr>
<th>Address</th>
<th>Site Area (ha)</th>
<th>Proposed use</th>
<th>Amount of Employment Floorspace</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ex Leamington Park, Park Royal</td>
<td>0.6</td>
<td>Employment</td>
<td>12,000</td>
</tr>
<tr>
<td>Adelaide Depot and British Waterways, Adelaide Dock (port), Endsleigh Road</td>
<td>0.7</td>
<td>Mixed use</td>
<td>500</td>
</tr>
<tr>
<td>Southwall Gas Works Site</td>
<td>30.0</td>
<td>Mixed use</td>
<td>0</td>
</tr>
<tr>
<td>1-42 The Broadway</td>
<td>1.8</td>
<td>Mixed use</td>
<td>18,000</td>
</tr>
<tr>
<td>Ealing Broadway Station</td>
<td>2.0</td>
<td>Mixed use</td>
<td>34,500</td>
</tr>
<tr>
<td>Town centre carpark, 2-16 Ruislip Road/177 Greenford Road</td>
<td>1.2</td>
<td>Mixed use</td>
<td>2,000</td>
</tr>
<tr>
<td>75 High Street/2-4 North Road</td>
<td>0.3</td>
<td>Mixed use</td>
<td>3,000</td>
</tr>
<tr>
<td>Land at Montague Waye, Regina Road</td>
<td>0.2</td>
<td>Mixed use</td>
<td>2,000</td>
</tr>
<tr>
<td>79-101 Uxbridge Road and land to rear, Hanwell</td>
<td>0.4</td>
<td>Mixed use</td>
<td>2,000</td>
</tr>
<tr>
<td>New Broadway, Bond Street, High Street, Sandringham Mews</td>
<td>0.6</td>
<td>Mixed use</td>
<td>7,000</td>
</tr>
<tr>
<td>62 Horn Lane, Acton</td>
<td>0.1</td>
<td>Residential and employment</td>
<td>1,000</td>
</tr>
<tr>
<td>Western Gateway, Park Royal</td>
<td>N/A</td>
<td>Employment</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9.3 We then combine the current supply with the projected change in stock. However we first need to adjust for vacancy rates. At present these are running at very high levels in Ealing, in part due to the point of the economic cycle. We estimate vacancy rates are currently at 20% where as optimal vacancy rate to encourage churn and choice in the market lies at around 8%.

9.4 Adjusting the vacancy rate down to 8% by 2026 would occupy 58,600 sq m of floorspace leaving an additional 35,900 to find. At present there is a planned 82,000 sq m in the pipeline and hence there is an excess supply of 46,100 sq m.
9.5 This implies that some of the existing stock of office floorspace should be released or that alternative uses might be found for some of the outstanding permissions.

### Crossrail Scenario

9.6 If we use the higher Crossrail scenario then the balance will change and there is a small under-supply of 9,400 sq m. We would not recommend searching for additional sites however as under this scenario it is quite likely that development would be being occupied at a higher density. If this were to become a high grade office centre competing with other major office locations in Central London then density ratios would probably move closer to the 13.8 sq m per worker identified in LOPR. As a result less space would be needed to accommodate the same number of workers.

<table>
<thead>
<tr>
<th>Table 9.3 Office Floorspace Balance - Crossrail Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forecast Change in Occupied Stock</td>
</tr>
<tr>
<td>Adjustement for Vacancy</td>
</tr>
<tr>
<td>Additional Supply Required</td>
</tr>
<tr>
<td>Current Planned Pipeline Development</td>
</tr>
<tr>
<td>Under Supply</td>
</tr>
</tbody>
</table>

### Industrial

9.7 The total quantum of industrial land to be lost is 14ha. This only represents some 3% of the total industrial stock. However it does imply a more significant redevelopment of the industrial stock away from manufacturing towards logistics. As we shall see in the property market analysis this process is very much working with the grain of what has been happening on the ground in Ealing.

9.8 There are a few small sites and edge of sites where this loss could be readily accommodated without causing any harm to the economy of the local area.
10 CONCLUSIONS

Summary

10.1 Ealing has a reasonably good balance to its economic structure but employment growth has been flat in recent years. Given that this has been a period of growth generally in London it may expose frailties as we go through a harsher economic climate. Ealing is part of the successful west London economy but has underperformed its neighbouring locations.

10.2 Our forecast demand for employment land and floorspace for Ealing is based on the GLA’s Borough and London sector employment forecasts. These are converted to floorspace by mapping sectors to land use type and by applying standard employment density ratios.

10.3 Our central scenario is that there will be a demand for a net addition in office floorspace stock in Ealing of 94,500 sq m over the plan period 2011-26. The amount of land required will depend on whether these are higher density town centre offices or lower density business park schemes. The total new stock to be supplied is, however, diminished by existing vacancies.

10.4 Even with the addition of Crossrail we would not expect the position of Ealing to change majorly within the Plan period, with perhaps the maximum that could be expected would be for the floorspace increase to rise to 150,000 sq m.

10.5 In either event Ealing Metropolitan Centre should be seen as the prime focus for major office development.

10.6 For industrial land we recommend following the London Industrial Release benchmarks study and that Ealing should decrease its net stock of industrial land by 14ha, equivalent to 57,000 sq m of floorspace.

Policy Recommendations

10.7 In this section we test the established local development policies already in use in Ealing against our emerging conclusions and recommendations.

10.8 Although the Borough is implementing the new planning system (replacing the established Unitary Development Plan) this does not mean the Borough’s policies have to be automatically redrafted. There is clearly benefit in ensuring consistency between the old and new.

10.9 However some of our analysis does show that a change of emphasis for some policies may be justified, particularly to support the struggling office sector, which as we have seen needs to reverse its pattern of decline relative to neighbouring Boroughs. Ealing needs to retain what critical mass it has and encourage new development.

10.10 For general industrial and warehousing the policies need to accommodate the continued decline in the manufacturing sectors but encourage the growing warehouse and distribution sector.
Below we take each of the UDP policy headings in turn and make appropriate recommendations for change.

**Employment Chapter Overall Strategic Policy**

Policy 1.6 of the UDP sets the strategic context for the detailed employment land policies:

*To promote balanced economic development; with an emphasis on employment serving community regeneration areas, encouraging a high quality, modern, attractive working environment and local enterprise. New development will also be expected to be consistent with the principles of continuous environmental improvement* *(note this policy was not ‘saved’)*

In our opinion this statement does not pick out the main issues which the Borough needs to follow. The aim for balanced economic development could be used as a starting point for more detailed policies but subsequent polices do not appear to build on this objective - e.g. ‘balance’ is not further defined or quantified.

An updated strategic policy context may be useful in the future but we think it should explicitly target the main employment land issues; namely the need to regenerate the local office market and manage the stock of existing general industrial and warehousing land. We suggest wording along the following lines:

*The Borough will promote business and enterprise in Ealing by securing the stock of employment land, encouraging regeneration and renewal and being responsive to market demands. For industrial and warehousing businesses we will protect our position as one of London’s premier locations. For the office market we will reverse our relative underperformance compared to neighbours, with a focus on providing high quality office space in Ealing town centre and capturing benefits afforded by Crossrail and other major infrastructure investments*.

**Policy 6.1 - Supply of Land and Property for Business Use**

Policy 6.1 is the main employment land policy. It is presented in two halves; first a statement which effectively protects the identified employment areas for employment uses, and secondly a policy which permits small scale employment in residential property.

**Employment Sites Protection Policy**

The main thrust of the policy is to protect the main employment areas for employment uses.

This is perhaps the main employment land policy of the whole plan; the ability for Ealing to add new land to its employment land stock is limited and the emphasis should be on managing the existing stock.

But at the same time we know that Ealing will need less land in the future than it has at the moment; despite the former policy seeking to protect designed employment sites some have been lost because of a lack of market interest and residential development pressure.
10.19 We think that the fact the policy appears to have worked in some areas, while not in others could potentially undermine the policy as a whole. We suggest that the Council prioritise the employment land stock into sites they expect to strongly protect and those where we may expect sites to be lost over time.

10.20 This may have been the inexplicit intention of separating the Major Employment Locations from more general employment sites; but if this is the case we need a more proactive management policy to control the loss of the secondary employment sites.

10.21 Our analysis effectively puts the existing stock into three broad categories (excluding the town centres).

10.22 Firstly a small number of sites which should be de-allocated from the employment land stock. These have either been lost to residential or have been so diluted by retail and other sui generis uses to no longer qualify as protected employment land. In line with recommendations elsewhere we suggest the Southall Gasworks site be removed from any employment land consideration.

10.23 Secondly we have identified a core of employment sites, largely corresponding to the Major Employment Land allocations which should be the Boroughs primary focus for general industrial and warehousing land; these sites should be protected for main B space uses. Where appropriate these sites may also accommodate office development, we return to this under a specific office policy.

10.24 Thirdly we have identified a group of smaller employment areas, largely corresponding to the Boroughs remaining ‘employment sites’. We know that the Borough is likely to continue to lose employment land and it is these sites which are most likely to be lost over time. They are smaller in scale than the MELs and more likely to be restricted by neighbouring residential uses. Later we recommend a specific policy to control the loss of these sites over time.

10.25 There is a potential policy discord in the Southall area, where we are aware that the emerging local policies suggest extinguishing extant industrial and warehousing uses for wider, non employment, policy reasons. Our advice as outlined above, taken purely from an employment perspective, is to try and protect these Southall sites. Recent investment in employment sites, for example TRS, should be protected. Our property market advice suggests the Middlesex Business Centre would succeed as an employment location in the longer, post recession economy. However it is for the Council to weigh up the competing merits of the sites.

- **Residential Property**

10.26 We suggest the Council consider the need for a specific policy covering employment uses in residential property. This is because we don’t think the policy adds any specific distinctiveness to that already established in general planning principals and other policies in the plan. As a general principal, development should be allowed providing it is not detrimental or contrary to other policies in the plan; especially those protecting residential amenity.
In practical terms we don’t see any circumstance where planning permission would be granted for a residential extension to facilitate employment floorspace in circumstances where a standard residential extension would be refused. We are also concerned about an inability to control development permitted under this general permissive policy.

If the Council wishes to maintain a specific policy we would suggest that it be covered by the general housing and amenity policies of the plan; especially given that the intention is that the business use is always ancillary to the residential use.

Key Office Policies

The existing plan has two main policies dealing with office uses.

Firstly Policy 6.3, which allows office development in employment locations and town centres (note the policy is permissive but does not promote new office space); secondly Policy 6.4, which allows a change of use of existing office buildings for either alternative employment uses or in some cases residential.

Combined, we think these two policies are too weak; they do not convey the policy urgency to promote the Borough’s office sector. Nor do they adequately stress a sequential priority or spatial approach to the Borough’s office sector.

We have noted above that Ealing Borough lacks the market image as a office location, its market is weak and this has been exacerbated by a (market) expectation that office buildings can be converted to residential uses. We have noted that office values in the Borough have in part been supported by a residential hope value.

So we suggest the policies are redrafted. At the moment the policies start from a caveated ‘normally permit’ stance:

“The Council will normally permit proposals for office development at an appropriate scale and in accordance with the sequential test”

This should be strengthened to explicitly encourage new office development in those locations at the top of the spatial priority for new office floorspace.

At the moment the policy goes on to identify the broad areas it considers appropriate. But this does not imply any spatial hierarchy or policy focus. We think the policy should define this spatial priority, to help guide development, and by being specific allow the policy to be more firmly implemented in the key areas.

Our analysis suggests the spatial priority for new large scale office development should be:

- Firstly Ealing Town Centre; especially the Business Quarter on the Uxbridge Road corridor.
- Secondly Park Royal

For these locations the Council should consider relaxing the criteria controlling scale and sequential approach but instead provide guidance on the quantity of floorspace the policy seeks to positively encourage in the locations.
10.38 Also the requirement to promote mixed use development should be relaxed; where deliverable the amount of new office development should be maximised and developers freed of any constraints to secure a mix of development which can better be located elsewhere.

10.39 As a guide we suggest up to 90,000 square metres in Ealing Town Centre especially the Business Quarter on the Uxbridge Road corridor.

10.40 There is also some merit in encouraging additional space at Greenford Green; our analysis suggests this will be difficult to justify commercially but as part of the areas redevelopment the Council should re-examine the viability of providing additional space at this location.

10.41 We have carefully considered whether the policy ought to differentiate between central Ealing (i.e. the business quarter) and the existing Uxbridge Road corridor which links Ealing and West Ealing. But we can see no justification as to why the policy should be so explicit. There is a risk that the promotion of one area over another could undermine the existing critical mass (at Uxbridge Road) at the expense of new development further east (which may or may not be developed). We think Ealing needs to maintain what space it already has, encourage new development regeneration and renewal in parallel to promoting new opportunities. Both areas should have equal policy priority.

10.42 There are other potential areas for new office space in the Borough; almost any accessible MEL could be promoted for new office space. But we are cautious that the GLA forecasts suggests only a modest loss of general industrial and warehousing land, most of which we would expect to come from smaller losses where the removal of non conforming uses may bring some residential amenity benefit. There is also a finite amount of new office space needed and we think a focused approach to its provision is needed. The loss of good quality industrial and warehousing land (which is difficult to replace or intensify on existing sites) should be resisted, even if office development appears to provide more value and more jobs.

10.43 Outside of these two main areas the spatial priority should be encourage new office development in the town centres; or if following a sequential approach within the protected employment areas (MEls). However we don’t think large scale office development is desirable or deliverable in either of these locations, and if promoted too aggressively may blunt the spatial approach outlined above.

10.44 Instead policy should explicitly encourage smaller scale offices in these locations, suitable for local services and the local market. Here developers should be actively encouraged to consider new office space as part of mixed development schemes.

10.45 In all cases the loss of existing office space should be resisted. There is a growing demand for new offices and the Council needs to take a cautious stance to allowing the continued loss of floorspace.

*Key industrial and warehousing policies*

10.46 Existing policies encourage new industrial and warehousing development into the existing major employment locations.
10.47 We don’t expect this policy position to change; the MELs will continue to be the most suitable location for this type of development.

10.48 But we suggest some of the policies be made more permissive to warehousing uses than currently drafted. Industry is explicitly stated as the ‘preferred’ type of space in the MELS but we don’t think this can be justified; given that industrial employment will continue to fall and new warehousing is likely to become increasingly important to the viability of these areas.

10.49 Also we see no justification to make developers provide warehousing space to industrial space standards.

10.50 Instead each development needs to be viewed on its merits, considering local accessibility and compatibility with neighbouring uses - similar to the policy stance at the moment.

10.51 We considered recommending specific policy advice for different parts of the Borough; for example explicitly permitting warehousing on the A40 corridor while not in Southall (because of local access). But we do not this can robustly be justified; Southall may be suitable for some types of warehousing but what scale and nature depends on the individual proposal. So we prefer a criteria based policy similar to already drafted, emphasising the need for warehousing sites to be accessible. Supplementary text could state that it is less likely large warehouses will be suitable in Southall (and Acton) because of access.

10.52 Related to Southall is a parallel recommendation that the accessibility constraints of the Southall sites be remedied. As noted elsewhere, the sites south west of Southall (including International Trading Estate) are currently underperforming with high levels of vacancy. But there is market demand for these sites providing access issues can be remedied; the future of these sites is now more important given the release of the gasworks site. We would suggest that the plan’s commentary specifically highlights this issue and works with other stakeholder to further develop a viable solution.

**Ancillary Development in Major Employment Locations**

10.53 Existing policy rightly recognises that successful employment locations need a mix of ancillary uses. In principle this policy should be retained although we suggest it explicitly limits some types of development. We think it is prudent to explicitly limit retail to small shops only, limiting the potential that large retail operators will use the policy to promote large units on employment sites.

**Workspace for Artistic and Cultural Activities**

10.54 This policy attempts to use these activities as a catalyst to secure regeneration in parts of the Borough. We are unsure what evidence it relies on to implement this policy and secure new space potentially against the will of developers.

10.55 We know from other Council research that creative sector is a strength of the Borough. But this research does not suggest the sector needs supporting through employment land policies or by making developers provide a type of space they do not wish to offer.
However there is enough evidence to ask developers to consider providing space as part of mixed use development schemes within the town centres, and possibly the more diverse protected employment sites.

We suggest that this be reflected in the main office policies of the plan, asking developers to consider either (and/or) small B1 type units which could be used for either traditional office uses or creative industries. So before discounting B1 as part of their development scheme they are asked to consider a wider target market than traditional office occupiers.

Controlling the release of employment sites

We know that the Borough will continue to lose employment land, we forecast (using the GLA evidence as a stating point) at least 14 hectares will be lost over the plan period.

The loss of employment land should be carefully controlled but we should not pretend we can identify the most suitable sites to lose today, nor should our quantitative number be taken too literally.

Our assessments have looked at the portfolio of land in the Borough; with few exceptions we find it well occupied and viable, at least in the short term. There is a real risk that if we proactively highlight individual areas for medium term redevelopment we will cause existing businesses to be prematurely extinguished.

But there are some concerns about the long term viability of the smaller ‘employment sites’. If and when these sites more forward for redevelopment it is likely not all will be needed in the future.

We suggest a criteria driven approach be used to determine the need to retain sites as and when redevelopment opportunities arise. Developers should be asked to demonstrate that:

- The site is not variable for re-occupation at the moment (i.e. it is not letable at a reasonable market rate);
- The site is not viable for redevelopment / renewal for an employment use (including small offices where appropriate);
- The site is not viable for mixed use redevelopment, securing some (quantity TBC) employment space;
- The applicant’s redevelopment proposal does not undermine the viability of any neighbouring employment uses, for example intruding a conflict between a new residential use and established industry.

We would expect developers to demonstrate the above by actively marketing their sites for an employment use prior to seeking a change of use to a non employment use. How long a site should be promoted for is a matter for debate and largely dependent on a property market cycle. In a recession, or other depressed market, even the best sites may not be taken up simply because no property is being taken up anywhere.

As a minimum we would expect a site (or property) to be marketed for at least six months. But this should not be taken as an absolute benchmark trigger. Any submission to the Council citing a lack of market interest must be framed in the wider market context.
10.65 We would expect applicants to demonstrate that other comparable sites and premises are being marketed for less time than their own site and still being taken up. Applicants should be asked to consider the medium and potential long term market demand for their sites, and the quantity of land the GLA expects Ealing to accommodate in the plan period.

10.66 All parties should be mindful that the stock of employment land is finite; it is easier to release employment land to other uses, reflecting short term market demand, than replace it later in the period.

10.67 To operate this type of policy, and engage with applicants in the development management process, will require the Borough to keep its self informed as to the performance of the Ealing property market. In monitoring the market the Council should be proactive; forming its own opinions as to the health of the market prior to commencing negotiations with developers.

_Waste Sites_

10.68 As discussed elsewhere the Borough needs to secure a supply of adequate waste and recycling facilities. Waste and recycling could be included in the general employment land policy, although clearly with caveats protecting amenity of residents and also other site users. Not all waste type actives are incompatible with major employment locations.

10.69 At the moment Greenford Depot site in Greenford serves a valuable role as a waste site; to strengthen the protection afforded to this site we suggest considering it as a MEL.

_Monitoring & Targets_

10.70 Much of the analysis, and most of the policy recommendations relate to land and floorspace. This is the currency with which Planners can determine applications and make land allocations.

10.71 However the key deliverable for the Borough, and its economic policies and objectives, must be jobs. Ensuring a plentiful supply of jobs both for Ealing Borough and where appropriate for London.

10.72 Across Ealing the latest GLA projections suggest the Borough should provide for a net additional 10,600 new jobs over the plan period. This should be the key minimum headline figure the plan looks to.

10.73 It is important that it is viewed as a minimum; it should not be used as a justification not to promote additional employment in sequentially preferable locations.

10.74 For offices our analysis suggests potential for higher job growth than suggested by the new GLA numbers; there is scope to secure more jobs in sequentially preferable locations and linked to major infrastructure investment. The minimum target above assumes 5,800 net additional office jobs in the Borough. The stock of jobs increasing from 31,700 in 2011 to 37,500 by the end of the plan period. The Crossrail scenario suggests 9,500 net additional office jobs in Ealing Borough; so around 41,200 office jobs overall.
This growth will be focused on the most accessible parts of the Borough, within Central Ealing, Park Royal and perhaps Greenford. For the majority of the Borough the challenge will be to retain the existing jobs and existing stock of floorspace,

The table below illustrates the number of office jobs within each the Borough’s policy areas at the start of the plan period and provides an indicative future spread. We have assumed an additional 9,500 office jobs; broadly reflecting our Crossrail scenario.

**Table 10.1 Future Office Jobs**

<table>
<thead>
<tr>
<th></th>
<th>2011 Estimated</th>
<th>Additional Jobs</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acton</td>
<td>7,100</td>
<td>2000</td>
<td>9,100</td>
</tr>
<tr>
<td>Ealing</td>
<td>18,000</td>
<td>6500</td>
<td>24,500</td>
</tr>
<tr>
<td>Greenford</td>
<td>3,200</td>
<td>1000</td>
<td>4,200</td>
</tr>
<tr>
<td>Hanwell</td>
<td>800</td>
<td>-</td>
<td>800</td>
</tr>
<tr>
<td>Northolt</td>
<td>400</td>
<td>-</td>
<td>400</td>
</tr>
<tr>
<td>Perivale</td>
<td>800</td>
<td>-</td>
<td>800</td>
</tr>
<tr>
<td>Southall</td>
<td>1,800</td>
<td>-</td>
<td>1,800</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>31,700</strong></td>
<td><strong>9,500</strong></td>
<td><strong>41,200</strong></td>
</tr>
</tbody>
</table>

Note: 2011 Jobs are estimated; including self employed. All numbers are rounded to nearest 100.

This is only indicative because, as noted above, it should not be used to constrain future growth in accessible and sequentially acceptable locations. In Central Ealing for example, already a major public transport hub and Crossrail station the amount of new office space should be maximised; quantified by what is physically and financially viable.

We also suggest Park Royal and as a second office growth location and potentially Greenford. Although Park Royal is not as accessible as Central Ealing at least two areas of growth should be promoted, minimising the risk that the Borough wide office market becomes dependent on only one location while at the same time not trying to spread investment and focus too widely.

We have assumed that the 9,500 net additional jobs they will be provided as follows:

- **6,500 in Ealing; reflecting Ealing as the focus of the Crossrail scenario and the Boroughs main town centre**
- **2,000 at Park Royal; as a second area of office growth in the Borough**
- **1,000 at Greenford, although this is indicative and subject to testing as part of any Greenford Green proposals,**

An important caveat to all the all demand numbers throughout this report is that they are ‘net’ numbers. Just because we don’t suggest a policy area as one for net additional job growth does not suggest planners should not encourage new development. This will be needed to renew the stock and ensure that across the Borough the policy areas don’t lose jobs because stock is obsolete or lost to housing. Any windfall loses in these areas will need replacing, either on the same site or overtime in more accessible parts of the area. It is vital that all parts of the Borough retain a local stock of jobs.
10.81 For general industrial space the base forecasts assume a decline of 6,300 jobs across the Borough. But as discussed above we recommend planning for a smaller decline, inline with the London Industrial Release Benchmarks. These suggest a smaller loss, 14ha over the plan period, which would equate to around 1,750 jobs across the Borough.

10.82 This is a very small decline compared to the stock of floorspace and jobs. Unlike offices, where there is scope to provide additional space on new sites, replacing lost industrial stock is difficult.

10.83 The move towards more office based employment will shift the Boroughs focus more towards Ealing town and perhaps re-emphasise Park Royal if additional office space is permitted over time. Areas which are less suitable for large quantities of office space; Southall, Hanwell and Acton for example will see there share of total B space employment fall.

10.84 One very important conclusion for future monitoring is that the Borough must remain well informed as to how its property market is performing. We suggest above that developers should be asked to demonstrate sites have been reasonably marketed as part of their evidence before suggesting they should be allowed to fall to another use. But unless the Council is proactive in keeping its self informed, and making its own decisions about the heath of the market it will have no basis on which to judge these submissions.
APPENDIX 1

SITE ASSESSMENTS
<table>
<thead>
<tr>
<th>Type</th>
<th>Age</th>
<th>Type of Buildings</th>
<th>Quality of Care</th>
<th>Overall</th>
<th>Buildings Comment</th>
<th>Renewal Market Interest</th>
<th>General Judgement</th>
</tr>
</thead>
<tbody>
<tr>
<td>A3002</td>
<td>1990</td>
<td>Retail mainly consisting of smaller High Street retail.</td>
<td>Generally poor with refurbishment likely.</td>
<td>Good access to M4. Base of access to local roads and provisions are good.</td>
<td>owa shopping parade which helps to keep the retail lively.</td>
<td>Compatible with the majority of local urban centers.</td>
<td>Fit for purpose.</td>
</tr>
<tr>
<td>Uxbridge Road</td>
<td>2000</td>
<td>Drive Industrial Estate are in much better condition than older industrial estates neighbouring which are in mixed ownership.</td>
<td>Fit for purpose.</td>
<td>Fit for purpose. Retail consists of a mix or more modern occupiers including banks, hot food takeaway, pharmacists, nail salons and some clothing. There is a relatively even mixture of national and local occupiers. Industrial site at the southern end consists of a recycling site and bus depot.</td>
<td>Potential for office or mixed use redevelopment.</td>
<td>Largely compatible with the majority of mixed urban centers.</td>
<td>Fit for purpose.</td>
</tr>
<tr>
<td>Uxbridge Road</td>
<td>2010</td>
<td>Potential for office or mixed use redevelopment.</td>
<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
<td>Potential for office or mixed use redevelopment.</td>
<td></td>
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<tr>
<td>Uxbridge Road</td>
<td>2015</td>
<td>Potential for office or mixed use redevelopment.</td>
<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
<td>Potential for office or mixed use redevelopment.</td>
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<tr>
<td>Uxbridge Road</td>
<td>2020</td>
<td>Potential for office or mixed use redevelopment.</td>
<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
<td>Potential for office or mixed use redevelopment.</td>
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<tr>
<td>Uxbridge Road</td>
<td>2025</td>
<td>Potential for office or mixed use redevelopment.</td>
<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
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<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
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<td>Uxbridge Road</td>
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<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
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<tr>
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<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
<td>Potential for office or mixed use redevelopment.</td>
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<tr>
<td>Uxbridge Road</td>
<td>2045</td>
<td>Potential for office or mixed use redevelopment.</td>
<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
<td>Potential for office or mixed use redevelopment.</td>
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<tr>
<td>Uxbridge Road</td>
<td>2050</td>
<td>Potential for office or mixed use redevelopment.</td>
<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
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<tr>
<td>Uxbridge Road</td>
<td>2055</td>
<td>Potential for office or mixed use redevelopment.</td>
<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
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<tr>
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<td>2060</td>
<td>Potential for office or mixed use redevelopment.</td>
<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
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<tr>
<td>Uxbridge Road</td>
<td>2065</td>
<td>Potential for office or mixed use redevelopment.</td>
<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
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<tr>
<td>Uxbridge Road</td>
<td>2070</td>
<td>Potential for office or mixed use redevelopment.</td>
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<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
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<td>Uxbridge Road</td>
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<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
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<td>Uxbridge Road</td>
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<tr>
<td>Uxbridge Road</td>
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<tr>
<td>Uxbridge Road</td>
<td>2100</td>
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<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
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<tr>
<td>Uxbridge Road</td>
<td>2105</td>
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<tr>
<td>Uxbridge Road</td>
<td>2110</td>
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<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
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<td>Uxbridge Road</td>
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<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
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<tr>
<td>Uxbridge Road</td>
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<tr>
<td>Uxbridge Road</td>
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<td>Uxbridge Road</td>
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<tr>
<td>Uxbridge Road</td>
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<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
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<tr>
<td>Uxbridge Road</td>
<td>2140</td>
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<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
<td>Potential for office or mixed use redevelopment.</td>
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<tr>
<td>Uxbridge Road</td>
<td>2145</td>
<td>Potential for office or mixed use redevelopment.</td>
<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
<td>Potential for office or mixed use redevelopment.</td>
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<tr>
<td>Uxbridge Road</td>
<td>2150</td>
<td>Potential for office or mixed use redevelopment.</td>
<td>Poor local market, demand obviously there for rail users. Poor demand generally. Consider releasing non rail part.</td>
<td>Potential for office or mixed use redevelopment.</td>
<td></td>
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<tr>
<td>Building Site/Location</td>
<td>Type and Age of Buildings</td>
<td>Quality of Care</td>
<td>Overall</td>
<td>Buildings</td>
<td>Comment</td>
<td>Market Interest</td>
<td>General Judgement</td>
</tr>
<tr>
<td>------------------------</td>
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<td>--------</td>
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</tr>
<tr>
<td>Brentford, Chiswick</td>
<td>Older industrial estates</td>
<td>Poor</td>
<td>Adequate</td>
<td>None</td>
<td>-</td>
<td>Unlikely</td>
<td>Adequate for office and residential use.</td>
</tr>
<tr>
<td>Brentford, London</td>
<td>Predominantly Asian</td>
<td>Good</td>
<td>Adequate</td>
<td>None</td>
<td>-</td>
<td>-</td>
<td>Adequate for office and retail use.</td>
</tr>
<tr>
<td>Brentford, Westminster</td>
<td>Older factory buildings</td>
<td>Poor</td>
<td>Adequate</td>
<td>None</td>
<td>-</td>
<td>-</td>
<td>Adequate for office and retail use.</td>
</tr>
<tr>
<td>Brentford, Bermondsey</td>
<td>Predominantly office</td>
<td>Good</td>
<td>Adequate</td>
<td>None</td>
<td>-</td>
<td>-</td>
<td>Adequate for office and retail use.</td>
</tr>
<tr>
<td>Brentford, Greenford</td>
<td>Predominantly industrial</td>
<td>Good</td>
<td>Adequate</td>
<td>None</td>
<td>-</td>
<td>-</td>
<td>Adequate for office and retail use.</td>
</tr>
<tr>
<td>Brentford, Queens</td>
<td>Predominantly office</td>
<td>Good</td>
<td>Adequate</td>
<td>None</td>
<td>-</td>
<td>-</td>
<td>Adequate for office and retail use.</td>
</tr>
<tr>
<td>Brentford, Twickenham</td>
<td>Predominantly office</td>
<td>Good</td>
<td>Adequate</td>
<td>None</td>
<td>-</td>
<td>-</td>
<td>Adequate for office and retail use.</td>
</tr>
</tbody>
</table>

**Operational constraints:**

- **Parking:** Limited parking availability due to close proximity to residential properties.
- **Access:** Access to the site is restricted due to the close proximity to residential properties.
- **Utilities:** Utilities for the site are inadequate due to the close proximity to residential properties.

**General observations:**

- The site is currently used for industrial purposes.
- The site is located near a residential area, which may affect operational activities.
- The site is in close proximity to a railway line, which may affect operational activities.

**Conclusion:**

- The site is suitable for office and retail use, with some limitations due to operational constraints.
- The site is well connected to the town centre and has good accessibility.
- The site is currently in use for industrial purposes, which may require some modifications for office and retail use.

**Recommendations:**

- Site improvements are recommended to address operational constraints and enhance accessibility.
- The site is suitable for office and retail use, with some modifications to address operational constraints.
- The site is currently in use for industrial purposes, with potential for conversion to office and retail use.
Mixed but mostly purpose built. Constructed between 1970s and 1990s. There are a few modern developments such as along Cowley Road. The older and newer stock. The oldest dating back to approximately 1950s and 1960s and alongside some very new developments.

There is a mixture of commercial and residential uses within the area and the large variety is suited to this site.

General site upkeep is generally good. There are few operational constraints and whilst the area is a mixture of commercial and residential, the commercial properties are of a like nature and fit well with this mixed commercial and residential area.

The site contains a number of designated development opportunities however it appears that the majority of these have already been developed including the Virgin Active development and a Tesco along Cowley Road. These are all very modern developments appearing to have occurred within the last 2 - 3 years.

The site contains a number of bus routes, cycle routes and walkways. There are also a number of underground railway stations in the area however these are approximately a 10 - 15 minute walk. There are no other sustainable transport options.

The newer stock to the majority of uses with The Vale providing suitable traffic flow for the B1 business units and the smaller distribution and workshop units. A smaller proportion of secondary and tertiary retail units.

The buildings are a mixture of small to large dated stock ranging in construction from approximately 1940 to 1980/90. The majority are of brick construction. The Vale is the main office accommodation site and the Automotive Trade Counter is the main warehouse and retail unit.

Generally they are well maintained and cared for with most damage appearing to be constantly repaired.

There is strong evidence of renewal and redevelopment. This is within all sectors however it appears that the majority of these developments have already occurred. The Grand Union canal dissects the site where there is also a number of temporary buildings in use with the salvage yards and automotive repair centres.

Quality of Environment Overall Site

<table>
<thead>
<tr>
<th>Site No</th>
<th>Location/Address</th>
<th>Predominant Market</th>
<th>Sector</th>
<th>Occupiers</th>
<th>Provision of Car parking and servicing space</th>
<th>Type and age of buildings</th>
<th>Service To, from and compatibility with neighbouring uses</th>
<th>General site upkeep</th>
<th>Operational constraints</th>
<th>Development Strategy</th>
<th>Type and age of buildings</th>
<th>General judgement</th>
<th>Market Will remain for these units</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 The Vale, Acton</td>
<td>Mixture of good quality office buildings, industrial units and new build retail warehousing.</td>
<td>Mixture of trade counters, automotive repair centres and salvage occupiers.</td>
<td>Demand appears to be relatively consistent for this site.</td>
<td>Excellent strategic access is adequate for the majority of the uses with the A4020 providing access to the M4, A4 and A40.</td>
<td>There is good prominence and compatibility with neighbouring uses.</td>
<td>Generally they are well maintained and cared for with most damage appearing to be constantly repaired.</td>
<td>No significant evidence of traffic congestion however the roads are narrow indicating there may be congestion at peak times.</td>
<td>With a number of bus routes, cycle routes and walkways.</td>
<td>No operational constraints in the vicinity.</td>
<td>All B2 distribution and workshop units. A smaller proportion of secondary and tertiary retail units.</td>
<td>Marginal. It is not ideal for employment site due to strategic and local access issues as well as the operational constraints which will prevent any expansion of the site however it is suitable for lighter industrial uses.</td>
<td>For the majority the buildings are fit for purpose.</td>
<td>Good condition generally</td>
</tr>
<tr>
<td>32 Waterside Trading Centre</td>
<td>Industrial and salvage occupiers.</td>
<td>Demand appears to be relatively consistent for this site.</td>
<td>Excellent strategic access is adequate for the majority of the uses with the A4020 providing access to the M4, A4 and A40.</td>
<td>There is good prominence and compatibility with neighbouring uses.</td>
<td>Generally they are well maintained and cared for with most damage appearing to be constantly repaired.</td>
<td>No significant evidence of traffic congestion however the roads are narrow indicating there may be congestion at peak times.</td>
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<td>For the majority the buildings are fit for purpose.</td>
<td>Good condition generally</td>
<td></td>
</tr>
<tr>
<td>33 East Acton</td>
<td>Mixture of good quality office buildings, industrial units and new build retail warehousing.</td>
<td>Mixture of trade counters, automotive repair centres and salvage occupiers.</td>
<td>Demand appears to be relatively consistent for this site.</td>
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<td>For the majority the buildings are fit for purpose.</td>
<td>Good condition generally</td>
</tr>
</tbody>
</table>
Notes from 14 July 2010 Ealing’s Employment Land Review Meeting

**Strengths**
- Labour force - demographics and skill sets of population seemed to be considered an unanimous strength. Inc. good language skills.
- Public transport - clearly a major strength; mentioned by many
  - But note - also a weakness; the labour force can also get to better paid jobs in the west end.
- High quality office space that is walkable, near a town centre
- Nice, highly demanded residential areas make Ealing a very attractive place to live and is considered to be one of its top strengths
  - But not all quality houses. Some cheaper areas nearby so occupiers can access lower skilled labour when needs be.

**Weaknesses**
- There is a challenge to “drag” people/offices from other surrounding places like Hammersmith which have recently seen more growth
  - Public transport both a strength and weakness
- Uxbridge Road - poor urban design, nothing that makes you feel good as you walk along it. The question was then asked by Ealing Council: if they were to make one investment into the area what should it be? The answer seemed to be transport and better connectivity.
- Lack of critical mass - Ealing is not on everyone’s radar as a location to do business
- Concern that want critical mass Ealing has is being eroded - for mixed use. Esp Uxbridge Road. Undermines confidence in large office schemes.
- Vacancy issues, but the point was raised that this a problem everywhere and that most of Ealing’s high vacancy rates are found in old, outdated buildings
- Strong competition from other areas who offer a better product.

**Competition**
- The comment was made that it would be helpful if Ealing “wooed” investors more. The Council then asked for suggestions to do this. The response was not to impose nitpick fees when developers are coming into the area with a 60, 70, 100 million pound investment.
- Warning that the council should not be too aspirational; the market needs to see plans being implemented over 12/24months. Otherwise market loses confidence.

**Perception**
- Some perceive Ealing as being anti-development and catering to a few high-powered residents who do not want to see the area become denser. Given lack of land developers need high density buildings development. The Council’s response was that we need to make residents realize that there are tradeoffs.
Perception is that no developer is going to come into Ealing in the short term and build speculatively

Perception by some that the Ealing Council needs to make sure something happens in the short run. The comment was that Ealing has to be realistic and get something deliverable done within the next year or else all this planning will be a missed opportunity

**Quality of Stock**

- If you are looking from the occupier perspective, industry is looking for more flexible workspaces so Ealing should provide a spectrum of different spaces
- Comment made that if there is any commercial hope for Ealing, then the Council has to show that they are serious and committed to such an effort by giving huge spaces and “don’t pepper pot it with residential.” It seemed to be divided whether mixed-use was a good idea or not
- Discussion on whether to continue to build on what is already here in Ealing, but some think this won’t be enough. Even some who agreed it would not be enough asked, but where else are you going to build it?
- Not many comments or thoughts when presented with the question about whether any industrial spaces in particular might be more appropriate to lose and redevelop

**General industrial**

- In the main healthy; local demand in many areas.
- Where vacancy is high it is because if infrastructure - especially roads, access and delivery restrictions.
- International Park needs a £6m bridge to connect to Heathrow - if it got it would revitalise those Southall Estates.
- Crossrail will be very bad for genuine. Congestion will get much worse and area less desirable - car parking restrictions that will be tightened plus delivery restrictions.
- Southall needs investment to access the roads. International Trading Estate is very close to Heathrow but local access is very poor... (the £6m bridge?)
- The small gen.ind round Southall centre is problematic because of access and parking restrictions...
- A40 sites are good... in demand... but smaller fragmented sites have no future... also residents are complaining more.. will not live next door.
- Do not be restrictive about B2 or B8 - want open use b1c/b2/b8...
- Don’t let Acton go - it has a role to play - be flexible about allowing redevelopment (for B space emp or non B emp).

**Offices**

- Can LBE create a critical mass like Chiswick Park in Acton. The Guinness Buildings are not in the right location.
- We need to create new office areas; not only pick over old.
But a huge lack of demand problem. Also schemes are just not viable out of the centre - Park Royal rents mean large development is not viable.

- Others would want to focus on the Broadway / Uxbridge road
- But can that deliver the scale and critical mass....
- Problem at moment, and for foreseeable future, is not land but simply viability. Maybe 5 - 10 years before we become viable again.
- Q - Does the 100,000 sq m target look viable - no one will build this spec... it must come from Park Royal plus smaller around the town centre. Much of this is needed to regenerate the poor stock - so we need it. 100,000 sq m is not viable in Ealing Broadway - cannot squeeze the sites that much and rents are depressed because of poor vacancy rates...
- However prob with poor rents is that it affects the book value - don’t want to write down.

**Crossrail**

- Positive feeling by Ealing businessman who is also a resident
- Comment was made that if asked by a client he would recommend industry keep away because of congestion issues; it’s all about the roads.

**Additional Thoughts Discussed Afterward**

- Ealing may be great for families, but what attracts young people? Often creating places young workers want to work = attracting innovative businesses
- There are lots of reasons Ealing is not doing as well as Hammersmith or Hillingdon, but should be more on par with Hounslow. However, one difference that has created a problem for Ealing is that it has more Victorian style buildings than Hounslow which have been harder to convert and accommodate spaces for parking.
APPENDIX 3

EALING SMALL BUSINESSES
Introduction

To help inform the study specialist small business consultants Abi Consultants were asked to investigate the demand for space from small businesses. The consultants were already hosting a number of small business workshops on behalf of LBE and Business Link. They also routinely offer business planning assistance to small businesses in LBE.

This work is not quantitative, nor is it meant to be a representative sample of small businesses. But it may help signpost more detailed development management considerations and local economic development priorities. The views below are those of Abi; informed through their experience in the Borough.

It does highlight the difficulty local businesses can have in finding small, flexible but still affordable space. While affordability is realistically a matter for the market it emphasises the importance of LBE protecting small, cheap, industrial estates and pockets of office development.

It also highlights some other interesting issues, including the availability of Broadband Internet and clustering of some uses (e.g. food).

There is also a re-occurring theme that small businesses like areas such as Chiswick High Road, where they can benefit from town centre amenities for meeting clients and where staff can go shopping etc. Unlike many of the Ealing centres Chiswick has been ‘gentrified’ in recent years.

Needs for Specialist and Affordable Small Units/Offices

The following comments are based on discussions Abi have had with a professional business support specialists, networking groups and accountancy firms. In addition, we have drawn on our work with regards to premises needs of small businesses.

- One of the key business / sector growth areas in west London is food manufacturing. This had been identified back in 2005 as part of the City Growth Strategy initiative for Park Royal (See the West London Alliance).
- Premises access and affordability is one of the key factors which determine location of these new enterprises. There is a lack of such units across Ealing. We believe there are commercial opportunities to develop such units in Southall and Acton.
- An area for opportunity for Ealing Council and property developers is to design and build micro food units (400-1,000 sq ft) which will attract first time entrepreneurs and existing food businesses (like restaurants) who want to manufacturer their own food brands.
- Flexible leases and licensing (easy in / easy out) are attractive options for many of these food entrepreneurs. We believe there are commercial opportunities to develop attractive and affordable “move-on” accommodation for entrepreneurs who have outgrown their home premises.
- The Doughnut Factory in Acton provides attractive deals and more such development should be encouraged especially in Central Ealing and Southall.
- Food companies interviewed in 2005 gave the following positive and negative reasons for being in Park Royal:
Positive

- Access to Customers
- Access to Suppliers
- Access to Transportation Links
- Availability and Cost Competitiveness of the Workforce

Negative

- High rents
- Traffic Congestion
- Poor Image
- Poor Environment

- 45% of business interviewed indicated that they are either committed to relocating out of Park Royal or are considering re-locating to different location.

Food Innovation Centre

- Feedback from local food and drink SMEs identified a need for a dedicated food innovation centre which would act as a hub for small food and drink businesses.
- In 2008 Park Royal Partnership established the Park Royal Food Innovation Centre, which acts as a hub for food processing companies in London, helping them to achieve growth by providing a range of specialist services which encourages them to innovate in terms of new products, processes, packaging, healthy eating and sustainability.
- The Centre includes a showcase/development kitchen as well as facilities for networking, training and meetings.

Live Work Units

- We believe there are commercial opportunities for live/ work units, specially designed to combine workspace and home.
- These are ideal for creatives, freelancers, self-employed video artists, photographers, film-makers, sculptors etc.
- Existing planning regulations which prevent home-based businesses are largely rooted in the view that workplaces and homes make bad neighbours. There has been a gradual move towards the concept of "mixed development", but in practice a pretty rigid divide is drawn between residences and workplaces.
- Rules affecting "live/work space" can be highly restrictive. Traditionally the type of case coming before a planning committee or enforcement officer is one where a home-based business use such as physiotherapy or car repair has expanded to the extent that it causes a nuisance to neighbours - due to noise, smells or too many clients visiting. These types of nuisance are likely to be far less common with teleworking.
Our discussion with freelancers, business support specialists and potential entrepreneurs lead us to believe that Ealing should encourage developers to build live work units. This could meet two key Council objectives; provide more homes and affordable small business/office units.

The Managing director of Creative Space Management Toby Hyam has challenged the commercial property industry to take a more flexible approach to lease terms. He said that the extremely flexible nature of leases on offer at some workhubs were more akin to the business model used by mobile phone providers and health clubs.
Ealing Premises Survey - Case Study

Business: Kensington Interior Design & Build Ltd
Address: 6 Medway Parade, Perivale, Greenford, Middlesex UB6 8HR
Email address: info@kensingtondesign.co.uk
Website: www.kensingtondesign.co.uk
Established: 1999
Business Owner: Yes

The Business
An independent design and construction group based in Perivale since 2006:
- Offers a unique, seamless solution: planning, approvals and design, construction and utilities, exquisitely detailed interiors
- An intimate understanding of customer requirements
- Adhering to superior standards
- Comprehensive, leading-edge facilities
- Combining complementary resources - from design to execution
- Dedicated professionals with proven skills

Employment / HR
- The Company employs 5 f/t employees.
- Finding the right people to work for the role is always challenging and to provide training support is the key element for our business needs. They are very keen to find out how to access the various training opportunities available for our staff.

Premises / Land
- The company operates for a small industrial unit (700 sq ft) for which they pay £12K pa with £4K rates. They are looking at growing and so taking more space, ideally 1,500 sq ft. They would also like to stay in Perivale / Ealing. But one problem is that the supply of cost efficient space is limited; what space is available to them is too expensive and too high specification for their needs. They are happy to compromise quality in return for cheaper space.
- This emphasis the important role seemingly poor quality space plays in the local market. Many occupiers purposely don’t want to pay for high quality space and are willing to compromise.
**Business growth**

- To date the availability of the right property has not constrained business growth. One of the reasons for this is the excellent public transport and motorway accessibility for the company, its staff and clients,

**Why LB Ealing is a good place to do business from.**

- Multi cultural, Eastern European employment base and a middle class community;
- Being in the area has created new business opportunities;
- This is also a great opportunity for growth, if marketed correctly by Ealing Council, to help and promote Ealing as a “business friendly” Borough.

**Why LB Ealing is a bad place to do business from.**

- Only challenge they cite is getting support through local partnerships including the Council, because it’s a long drawn out process.
Ealing Premises Survey - Case Study

Business: Turtle Networks
Address: Unit 48 Concord Road, London W3 0TH
Email address: enquiries@turtle.net
Website: www.turtle.net
Established: 1999
Business Owner: Yes

The Business

- Turtle Networks is a software development firm specialising in graphic design, coding, security and hosting.
- They are fanatical about the quality of our products and services and are always seeking to improve through customer feedback, staff development & training with the desire to remain the leading company in our industry.
- As well as creating bespoke software, they have created a set of applications that they sell directly, customise and market. This gives them a great insight to the exact best practises to market online medium and be successful.
- They also co-own VoxSciences, a voice recognition technology solutions company offering Voice-to-Text services. They are developing a portfolio of solutions that utilise voice recognition technology and that provide business users with convenient, cost saving services.

Employment / HR

- 10 f/t employees.
- They report that they employ local people. Staff attraction is not an issue for them nor is training requirements. The company provides training as and when need arises.
- Ealing has tremendous manpower/skill base which was one of the reason they located in the Borough.

Premises / Land

- They operate from a 800 sq ft. unit within the Concord Business Centre just off the A40.
- They pay £12,000 p/a in rent and £2,800 p/a in rates. They believe their rent is higher than similar units in Brent and Hammersmith.
- They benefit from and like flexible easy in/easy out terms of conditions.
In the near future they will be looking for similar size premises (500 sq ft) and if they decide to stay in Ealing their preference will be Ealing Broadway.

They feel that Ealing needs more small premises for independent firms and these premises ought to be in the main town centres (Southall, Greenford) where there are restaurants and coffee shops. At the moment if they want to take space they are stuck for choices (they would probably end up in Central London). This echoes a wider consultation finding that small businesses like areas such as nearby Chiswick High Road, which provide small business space and a vibrant social scene.

They think Ealing Council should look into development of small office / studio “clusters” (made up of small offices and small business units for light manufacturing or distributions), similar to, for example, the Islington Business Design Centre.

They note that near to them are a lot of empty units which could be adapted to meet the premises needs of niche businesses such as film broadcasting media.

Business growth

Availability of high speed broadband is the second reason they are likely to move out of the Borough. At the moment they get a maximum of 2-3mb.

Premises cost is a barrier to foreseeable business growth.

Why LB Ealing is a good place to do business from.

Very accessible for clients.

Near to M1, M40.

Park Royal industrial estate is an excellent customer base.

Why LB Ealing is a bad place to do business from.

Above market rate rents for small offices

Lack of suitable premises in Ealing Broadway.

References

Ealing Business Seminar, 01.07.10

Acton Business Forum

City Growth Strategy Report, 2005