Assessment of Employment Needs For North West Leeds

Leeds City Council

Final Report
June 2015

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EXECUTIVE SUMMARY

Introduction

i) This Assessment of Employment Needs for North West Leeds has been prepared for Leeds City Council to provide insight into the local employment characteristics of the area, including employers' needs, opportunities and constraints. While concentrating on the particular employment characteristics of North West Leeds, the study had regard to the overall economic and employment context of the wider area and North West Leeds' role in that context.

ii) The study area covers the Outer North West and Aireborough housing market characteristic areas. The wards making up the study area are:

- Adel and Wharfedale
- Guiseley and Rawdon
- Horsforth
- Otley and Yeadon.

iii) The approach undertaken in preparing this Assessment of Employment Needs for North West Leeds involved primary and secondary research techniques to draw information from a broad spectrum of sources. The core component of the study was the consultation of businesses through a business survey and direct conversations with businesses to gain an in-depth understanding of the local employment issues and constraints to growth.

Findings

iv) The North West Leeds area has a strong history of industry and manufacturing, with several long-term enterprises that remain present in and loyal to the area. The community is affluent and well-educated and there is a strong desire to remain in the area.

v) The study identified that the businesses seeking space in North West Leeds are businesses already in the area looking to upgrade premises. Operators in the area that are searching for alternative space are exclusively looking for space in the North West Leeds area and are not considering alternative locations in Leeds such as the Enterprise Zone in South Leeds. The key reason for wanting to stay in the area is for proximity to staff and owners' residences, rather than for operational reasons.

vi) There is a lack of available industrial premises in North West Leeds, meaning that those operators looking for alternative space in the area are struggling to acquire appropriate space. The connection to the area is such that operators are prepared to remain in suboptimal premises in order to stay in the area. The lack of supply is dampening the take-up of industrial premises, with the underlying demand not being fully satisfied. While there is more choice for office premises in North West Leeds, there is a lack of incubator/serviced office space in the area.

vii) The Leeds and Bradford International Airport (LBIA) is an asset for North West Leeds, the single largest employer and an attractor to the area. However, the full economic benefit of having the City's airport in the area has not been fully realised as yet. There are only limited economic and business relationships between the area's businesses and the airport. Further growth of the LBIA has the potential to act as a catalyst for employment growth in North West Leeds and the increased passenger capacity and wider breadth of destinations would benefit local businesses.

Demand

viii) The types of industries wanting sites and the premises that will be in demand will be similar to what is currently in the area. That is, the industry sectors taking up B-class land in North West Leeds will be smaller scale manufacturers, a small number of larger manufacturers, and generally small to medium sized professional services.

ix) The historic nature of development in North West Leeds, with businesses establishing several decades ago has resulted in a piecemeal form of employment provision in the area. There is a lack of a consolidated, modern and dedicated industrial area where businesses can collocate and the stock is protected from encroachment of residential uses.

x) There is more office stock currently being marketed in North West Leeds and this sector is recovering more slowly from the recession than the industrial market. Therefore there is less urgency in providing further office premises to the market. However, there appears to be a gap in the market for serviced office space, which could provide an opportunity for the large number of home-based businesses to graduate to more professional accommodation.

xi) The take-up of B-class land in North West Leeds since 2001 averaged about 0.8 ha per annum. However, this take-up rate probably under-represents the true demand in North West Leeds in coming years due to the recession and a lack of supply for operators to move in to. An annual take-up of 1.6 ha per annum was adopted, which equates to an employment take-up of 20.2 ha by 2028. Allowing for a five-year buffer for flexibility in the market, equates to a demand for 28.8 ha by 2028.

xii) The predicted demand for new employment land is based on local need generated mainly from existing businesses in the area that have growth potential or a need to move to more modern premises in North West Leeds. The necessary or desirable long term capacity for growth is difficult to quantify with complete accuracy; particularly as the study area is limited and does not include Leeds as a whole. The Leeds economy is growing, its businesses are modernising and innovating, and the city will need further employment land to accommodate this. The growth of the airport has the potential to attract investment outside the local area, and from outside Leeds, particularly in knowledge-based sectors. This would also have benefits to the long term aspirations to increase the capacity and connectivity of the airport.

Recommendations

xiii) While there is still capacity in the existing site allocations to accommodate further employment uses, in order to maintain flexibility in the market to 2028, to ensure that further units are available to the market in a timely manner and to relieve the tightness in the market, it is recommended that some 12-14 ha of additional stock over and above the existing site allocations be brought to the market beyond 2021.

xiv) The land around the LBIA represents a good location for the provision of further employment stock in North West Leeds as it is an existing employment node and is well serviced by roads and public transport, in comparison to other areas in North West Leeds. Furthermore, the location of further employment land in close proximity to the LBIA would provide collocation benefits for both the airport and businesses in the employment hub, as well as providing an efficient use of the existing and proposed infrastructure around the airport.

1.0 INTRODUCTION

1.2 This Assessment of Employment Needs for North West Leeds has been prepared for Leeds City Council to provide insight into the local employment characteristics of the area, including employers' needs, opportunities and constraints.

1.3 The study has been prepared on behalf of Leeds City Council by the BE Group, property and economic development consultants based in Warrington.

1.4 Leeds City Council has undertaken extensive work preparing for its Core Strategy and Site Allocations Plan, including technical studies and draft site allocations. This study is a strategic assessment of the particular employment characteristics in North West Leeds to complement the work undertaken thus far. The study will have regard to the overall economic and employment context of the wider area and North West Leeds' role in that context.

1.5 Leeds City Council has received approaches from the Leeds and Bradford International Airport (LBIA) in regards to the Airport's plans to expand, including the provision of employment land on existing green belt areas. This study is to be used by Leeds City Council in its consideration of further employment land proximate to the LBIA.

Methodology

1.6 The approach undertaken in preparing this Assessment of Employment Needs for North West Leeds involved primary and secondary research techniques to draw information from a broad spectrum of sources. Primary research methods used included site visits, face-to-face and telephone interviews with the business community and property market stakeholders such as business owners/managers, developers and their agents, complemented by a written survey of local businesses. Consultations were also undertaken with a number of the area and City's public sector agencies and key institutions, such as the LBIA and universities. The core component of the study was the consultation of businesses through the business survey and direct conversations with businesses to gain an in-depth understanding of the local employment issues and constraints to growth.

1.7 The site visits were undertaken to gain an understanding of the local property market and identify vacant premises. This data was corroborated with discussions with locally active agents and a desktop review of marketed premises.

1.8 The study also included a review of the socio-economic profile of the local area and an analysis of property sales data. The data gathered through the primary and secondary research was used to provide an assessment of the employment needs for North West Leeds. The BE Group has prepared a series of recommendations and conclusions based on the analysis to guide the planning for the area, including consideration of the need for further employment land in and around the LBIA.

1.9 Attached at Appendix 1 is a list of all consulted individuals and organisations. Appendix 2 contains a copy of the questionnaire used for the business survey. The survey was undertaken by telephone interviews and received 212 responses.

The Study Area

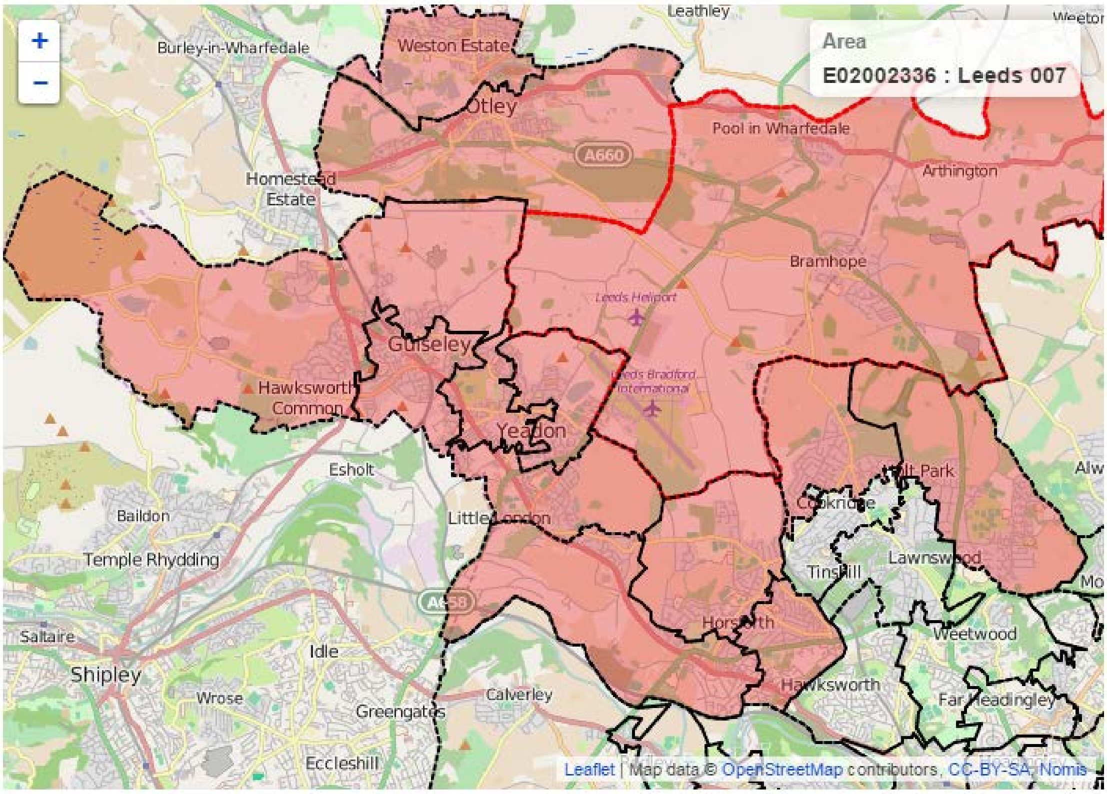
1.10 The study area covers the Outer North West and Aireborough housing market characteristic areas. As this area is smaller than a local authority area boundary, socio-economic data was compiled using ward and Middle Super Output Area (MSOA) boundaries. The wards making up the study area are:

- Adel and Wharfedale
- Guiseley and Rawdon
- Horsforth
- Otley and Yeadon.

1.11 The study area is a generally affluent area with several long-term businesses and the LBIA as the single largest employer in the area. The A65 and A660 are the key arterials connecting the study area to Leeds City Centre and the A658 is the main connection to Bradford City. The position of North West Leeds is such that it has an important relationship with both Leeds City Centre and Bradford City Centre.

1.12 A key issue with the study area is its distance from the motorway network. Connections to the motorways are through busy A-level roads involving several intersections. This can be a constraint to business growth in North West Leeds, particularly for industrial and warehousing premises. Figure 1 below illustrates the North West Leeds area, using MSOAs as the boundaries.

Figure 1 – North West Leeds (using MSOAs as the boundaries).



Source: NOMIS

1.13 There are a number of economic drivers that will potentially influence the need for premises in North West Leeds, including:

- Presence and growth of the airport
- Capacity issues in employment locations elsewhere in the region
- High level of micro businesses in the area
- Expanding service sectors
- Potential need for start-up or innovation space in Leeds
- Overarching performance of the United Kingdom and European economies.

2.0 STRATEGIC CONTEXT

Introduction

2.1 The national, regional and local planning framework and strategic direction is of importance to the review and analysis of employment areas in North West Leeds. This section reviews the strategic context in which the district's economy operates. An understanding of the strategies and reports contained in this review is needed to show strategic alignment and a holistic approach to promote sustainable development. The consultants' recommendations follow the general principles set by them.

National

National Planning Policy Framework – Department for Communities and Local Government (March 2012)

2.2 The NPPF sets out the Government's economic, environmental and social planning policies for England, articulating the Government's vision of sustainable development. It provides a framework for the production of local and neighbourhood plans, and has replaced all the previous Planning Policy Statements and Guidance Notes.

2.3 In terms of business and economic development, the NPPF argues that *"Investment in business should not be over-burdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including poor environment or any lack of infrastructure, services or housing."* Local planning authorities should:

- *"Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth*
- *Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated requirements over the plan period*
- *Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate requirements not anticipated in the plan and to allow a rapid response to changes in economic circumstances*
- *Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries*

- *Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement*
- *Facilitate flexible working practices such as the integration of residential and commercial used within the same unit."*

2.4 Planning policies should also *"avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities."*

2.5 In addition to this, paragraph 51 indicates that local planning authorities *"should normally approve planning applications for change to residential use and any associated development from commercial buildings (currently in the B use classes) where there is an identified need for additional housing in that area, provided that there are not strong economic reasons why such development would be inappropriate."*

Regional Context

2.6 The following studies have been reviewed that provide the regional context to the issues of supply and demand for employment land in Leeds.

Leeds Employment Land Review 2010 Update, Leeds City Council

2.7 The Leeds Employment Land Review (ELR) was an input into the Leeds Local Development Framework and is a partial review of the Leeds Employment Land Review 2006.

2.8 The ELR identified an overall employment floorspace demand in Leeds between 2010 and 2026 of 645,000 sqm for office and 1,680,000 sqm for industrial/warehousing (including margin of five years' supply). The equivalent hectares for industrial/warehousing was calculated to be 420-480 ha.

2.9 The ELR included an assessment by sub-region, including the North West Leeds area (named Outer North West in the ELR). The ELR identifies 29.07 ha of employment land in North West Leeds as at 2010 to be retained for employment uses, including 3 ha for offices and 26.07 ha for industrial/warehousing. This corresponds to about 6 percent of the retained employment land area in Leeds. The identified need for industrial/warehousing land to 2026 in North West Leeds was projected to be 26 ha, leading to a net balance of supply and demand, by 2026, assuming all land is developable within that timeframe. An additional need of 4 ha was projected for the period 2026-28.

2.10 In regards to the ELR’s implications for this study for North West Leeds, the calculated industrial/warehousing demand would require all land that was available as at 2010 to be developed by 2026, with no margin for a lower yield due to on-the-ground constraints limiting development, slow delivery of land, etc., nor does it provide a level of choice for operators looking to enter the market. Therefore the net balance between supply and demand is in practice likely to mean that further land is required to service North West Leeds prior to 2026.

Leeds Bradford International Airport

2.11 The LBIA is the key economic asset in North West Leeds and the major employer. The LBIA is primarily a passenger airport, with very little cargo throughput. The airport has a current annual passenger throughput of approximately 3.3 million passengers, with Department for Transport forecasts to increase to about 7.1 million by 2030.

2.12 Airports can be a catalyst of major economic activity in an area, providing a focus for a range of aviation and non-aviation employment uses. Businesses are attracted to the node due to the wide range of services needed by the airport and airlines, proximity to the airport for business trips, proximity to freight handling operations, typically excellent surface access and high visibility to customers. The LBIA has not attracted a substantial quantity of employment uses on surrounding land, limited by being in the shadow of Manchester Airport and having poor road access. Access improvements to the airport and increasing passenger numbers would provide stimulus to attracting more employment uses in surrounding areas.

2.13 The current masterplan for the airport covers the period 2005-2016. A new masterplan has been drafted but not released to guide the growth of the airport to support the projected growth to 2030. Passenger number growth will be through increased routes and increased airline operators flying to/from the airport. The new masterplan will include options to increase the capacity of the terminal and cargo handling areas, further car-parking, support services, freight industrial area and air innovation park. The air innovation park is intended to be located on green belt area to the north of the airport site and to the west of existing industrial uses.

2.14 In addition Leeds City Council has recognised the long term benefits the airport brings to the local and regional economy and committed to a coherent policy approach that supports the sustainable growth of LBIA. Whilst this study focuses on North West Leeds it is important to note the wider ambitions and aspirations of the city and growth of the airport may justify further expansion.

Leeds Bradford International Airport – Commercial Hub Assessment, DTZ

2.15 The LBIA Commercial Hub Assessment was prepared by DTZ in November 2014 to provide advice to the airport in relation to commercial and industrial demand at the airport, including the demand for the air innovation park. The report assessed the sources of growth in passenger numbers for the airport and compared to other UK regional airports in terms of surrounding commercial land uses.

2.16 The demand assessment for industrial and office land reviewed commercial transactions within a two-mile radius of the airport as a basis for projecting land requirements for the next 15 years. Table 1 summarises the report's approach to assessing demand for industrial and commercial space at the airport.

Table 1 – LBIA Assessment of Industrial and Office Land Demand, DTZ

Area	Industrial	Office
Average Transaction Floorspace 2008-13 (sqm)	11,602	2,881
15 years of take-up (sqm)	174,030	43,215
Less vacant space at time of writing (sqm)	161,616	37,540
Land area based on plot ratio assumptions (ha)	46.2	5.87
Demand due to Airport growth (ha)	2.69	2.72
Total growth in demand (ha)	8.57	48.92
Loss of non-operation uses due to expanded airport (ha)	3.2	
Gross employment land (ha)	61	
Existing underutilised employment land (ha)	21	
Total net employment land requirement (ha)	40	

Source: Leeds Bradford International Airport – Commercial Hub Assessment, DTZ

2.17 The DTZ report also provides recommendations for floorspace for each use and by phasing, which is replicated in Table 2.

Table 2 – Proposed Phasing Schedule for Commercial Land in LBIA, DTZ

Use	Floorspace			
	Phase 1 (sqm)	Phase 2 (sqm)	Phase 3 (sqm)	Total (sqm)
Office	14,258	20,822	27,581	62,661
Industrial	16,632	8,120	23,082	47,833
R&D	0	9,576	13,659	23,235
Logistics	6,229	13,095	0	19,323
Retail			3,685	3,685
Hotels		60 bed	100 bed	
Total	37,118	51,613	68,007	156,738

Source: Leeds Bradford International Airport – Commercial Hub Assessment, DTZ

2.18 Specifically for the Air Innovation Park component of the masterplan (the industrial, office and research area) the report provided an indicative land and floorspace schedule, as shown in Table 3.

Table 3 – Indicative Development Schedule, Air Innovation Park, DTZ

Use	Net site Area (sqm)	Gross Floor Area (sqm)
Office	52,056	41,645
Industrial	136,667	47,834
R&D	66,387	23,235
Logistics	37,413	13,095
Total	292,523	125,809

Source: Leeds Bradford International Airport – Commercial Hub Assessment, DTZ

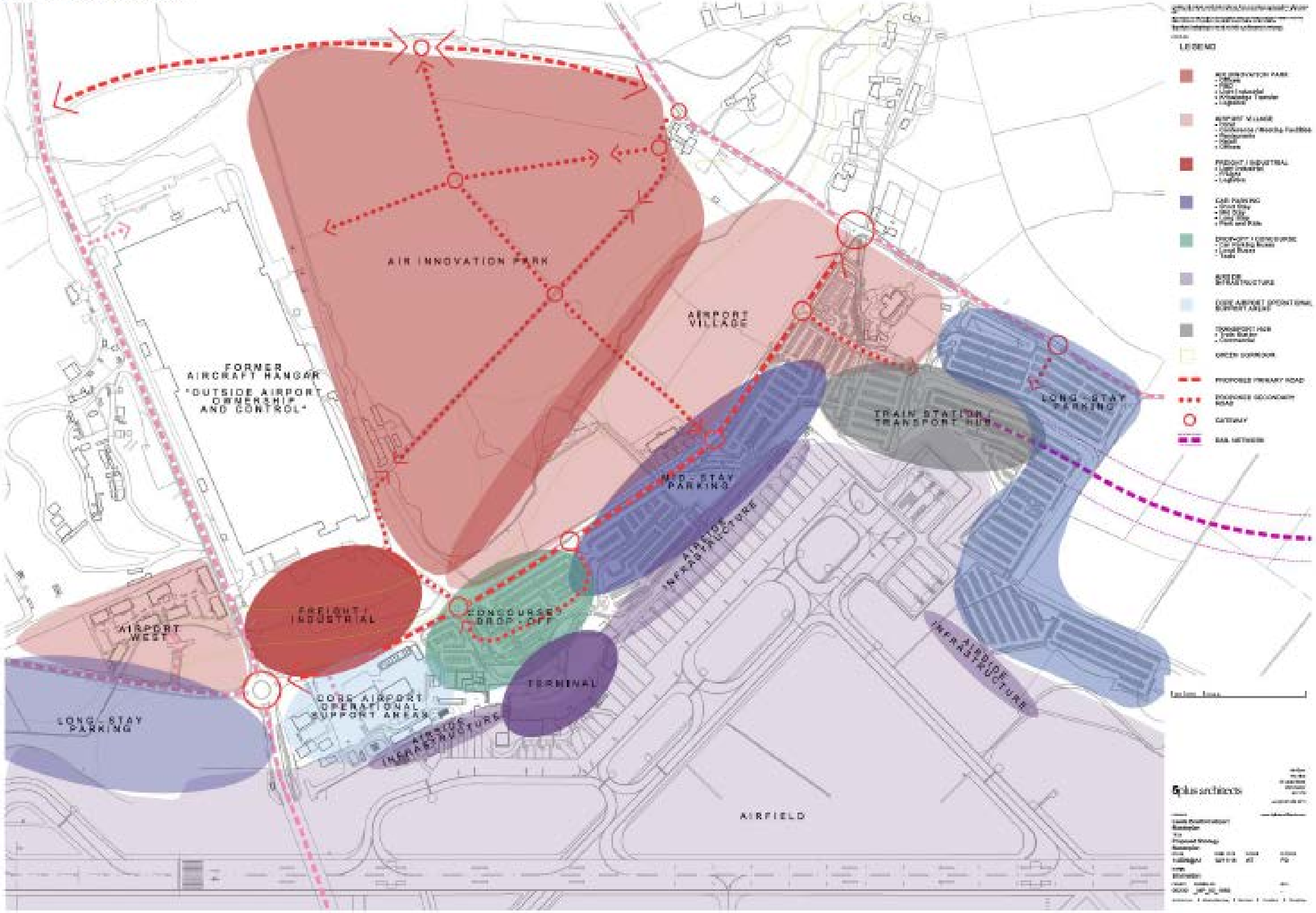
2.19 The indicative masterplan for the LBIA, included in the Commercial Hub Assessment and based on the report's analysis is replicated overleaf.

2.20 BE Group has some concerns regarding using the average floorspace of transactions in the locality as a basis for the projections of land take-up. The transactions information does not isolate new land take-up or account for businesses moving out of the area. Analysis of the list of industrial transactions that was used as the basis of the assessment (Table 6.4 of the DTZ report) shows that 94 percent of the total floorspace transacted was located within the Leeds Bradford International Airport Industrial Estate, a single building comprising several individual units that was built several decades ago. Over this time numerous businesses have moved in and out of the estate with no net take-up of employment land in the locality. Therefore, it is considered that the analysis is likely to have overstated demand for employment land at LBIA. This is considered to be particularly pertinent for North West Leeds, where most of the demand for premises in the area is driven by businesses already in the area looking to upgrade or expand. Therefore, their transaction in finding an alternative site would be offset (partially or fully) by the addition to the market of their former premises.

2.21 It is recommended that any future employment hub be subject to phasing in order to prove successful demand before allowing further release of land.

Figure 1 – Indicative Masterplan for LBIA

Figure 7.2: Indicative Masterplan



Source: Leeds Bradford International Airport – Commercial Hub Assessment, DTZ

3.0 SOCIO-ECONOMIC PROFILE

Introduction

3.1 This section summarises the socio-economic characteristics of the North West Leeds region, with particular regard to the local workforce. It provides the demographic and socio-economic context to the provision of employment space in the district. Equivalent data for Leeds City and Great Britain are provided for comparison. 2011 Census data and subsequent population and labour force publications from the Office of National Statistics (ONS) formed the main data source for this profile, either directly from ONS and Nomis sources or indirectly through data publications compiled by Leeds City Council.

3.2 The North West Leeds study area has been defined as comprising the Outer North West and Aireborough housing market characteristic areas. Data has been sourced using areas that best fit these boundaries.

3.3 The residential population of North West Leeds is well educated and relatively affluent. The residents are generally employed in highly skilled occupations, such as managerial or professional positions.

3.4 Education, retail and professional and scientific services were the largest employing sectors in the area. The manufacturing sector is proportionally a more important employer in North West Leeds than the City as a whole.

Overview of the Residential Population

3.5 The North West Leeds district had a population of approximately 85,600 persons in 2012, which represents 11.3 percent of the Leeds City population at that time. The breakdown of the population by ward is provided in Table 4.

Table 4 – Population by Ward 2012

Area	Population 2012
Adel and Wharfedale	19,036
Guiseley and Rawdon	24,845
Horsforth	22,457
Otley and Yeadon	19,295
Total North West Leeds Area	85,633
Leeds City	757,700
Yorkshire and the Humber	5,316,700
Great Britain	61,881,400

Source: ONS Mid-year population estimates; Leeds City Council

3.6 Table 5 illustrates the low unemployment rate of the economically active residents of North West Leeds in comparison to Leeds City as a whole, with the unemployment rate about half that of Leeds City as at the time of the 2011 Census.

Table 5 – Economic Activity and Unemployment Rates 2011, Percent

Area	Economically Active (Percentage of 16-64 year olds)	Unemployment Rate 2011 (Percentage of Economically Active)
Adel and Wharfedale	79.2	5.1
Guiseley and Rawdon	84.2	4.1
Horsforth	82.2	4.3
Otley and Yeadon	82.1	5.1
Total North West Leeds Area	82.0	4.6
Leeds City	75.8	9.0
Yorkshire and the Humber	74.7	8.6
England and Wales	76.8	7.6

Source: Nomis, Census 2011

3.7 Table 6 shows that the North West Leeds population has a larger proportion of its working age population with the highest National Vocational Qualification (NVQ) level, NVQ4 and above (degree level and above) than the City, regional or national averages. Conversely there was a lower representation of those with apprenticeships and other qualifications than the wider areas. This may have implications for local businesses looking to attract apprentice workers, with a mismatch between local skills and business requirements. The wards of Horsforth and Adel and Wharfedale had the highest level of NVQ4 and above qualifications, reflecting Trinity University's position in Horsforth.

Table 6 – Qualifications (2011), Percentage of 16-64 year olds

Level	NVQ 4 and above	NVQ 3	NVQ 2	NVQ 1	Apprenticeships and Other qualifications	No qualifications
Adel and Wharfedale	45.1	12.4	15.6	12.5	6.0	8.5
Guiseley and Rawdon	39.1	14.8	16.6	14.2	6.3	9.1
Horsforth	45.7	14.2	15.2	11.1	6.0	7.8
Otley and Yeadon	33.0	14.1	17.7	15.2	7.3	12.7
Total North West Leeds Area	40.5	13.9	16.3	13.3	6.4	9.5
Leeds City	29.6	17.2	15.7	14.2	7.7	15.7
Yorkshire and the Humber	27.2	16.3	18.6	14.6	11.2	12.1
England and Wales	29.7	14.5	17.2	15.2	8.6	15.0

Source: Nomis, Census 2011

3.8 Table 7 (overleaf) illustrates the breakdown of employment by main occupation group, including for each ward and the comparison areas as at 2011. A higher proportion of managers and senior officials and professionals was evident in North West Leeds, relative to the regional and national averages, reflecting the educated nature of the workforce. This was most evident in the Horsforth and Adel and Wharfedale wards. Conversely the proportions of mid to lower skilled occupations are less represented in the area.

Table 7 – Employment by Main Occupation Group, percentage of employment persons

Socio-Economic Class	Adel and Wharfedale	Guiseley and Rawdon	Horsforth	Otley and Yeadon	Total NW Leeds	Leeds City	Yorkshire and the Humber	England and Wales
Managers and senior officials	15.1	12.4	12.5	10.1	12.4	9.5	10.0	10.8
Professional occupations	27.3	22.4	28.2	19.2	24.2	18.5	15.4	17.4
Associate professional and technical occupations	14.4	15.1	15.9	11.9	14.3	13.1	11.4	12.7
Administrative and secretarial occupations	12.0	12.4	12.1	11.9	12.1	12.0	10.9	11.4
Skilled trades occupations	8.2	10.0	8.4	12.0	9.7	10.2	12.3	11.5
Personal service occupations	7.0	8.7	7.3	10.6	8.4	9.1	9.6	9.4
Sales and customer service occupations	6.2	7.0	6.1	7.8	6.8	9.4	9.1	8.4
Process plant and machine operatives	3.2	4.6	3.2	6.7	4.5	6.6	8.8	7.2
Elementary occupations	6.6	7.4	6.3	9.8	7.6	11.6	12.5	11.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: Census 2011

Business and Employment Data

3.9 Table 8 measures local economic activity using Business Register and Employment Survey (BRES) data. BRES provides details of the number of jobs within differing industry sectors within a local authority area. BRES is a comparatively recent measure of local economic activity, only introduced in 2011 and not readily comparable with older data which is usually based on Annual Business Inquiry statistics. The BRES statistics reveal that there were some 31,805 employment positions (employees plus working owners) in North West Leeds as at 2013. This represented 7.6 percent of the businesses in Leeds City at that time.

Table 8 – Employment by Main Industry Sectors

	Employment Structure, proportion of jobs, percent			
	NW Leeds	**Leeds City**	**Yorkshire & the Humber**	**England & Wales**
1 : Agriculture, forestry & fishing*	0.1	0.0	1.5	1.5
2 : Mining, quarrying & utilities	0.3	1.8	1.3	1.1
3 : Manufacturing	9.2	7.0	11.0	8.4
4 : Construction	4.4	4.1	4.3	4.5
5 : Motor trades	2.4	1.7	2.3	1.8
6 : Wholesale	3.9	3.9	4.2	4.1
7 : Retail	10.4	7.8	9.7	10.1
8 : Transport & storage (inc postal)	7.1	3.8	5.0	4.4
9 : Accommodation & food services	7.3	5.5	6.1	6.9
10 : Information & communication	5.8	3.7	2.4	4.1
11 : Financial & insurance	3.5	5.0	2.9	3.6
12 : Property	2.9	2.1	1.7	1.9
13 : Professional, scientific & technical	10.2	11.1	6.7	8.2
14 : Business administration & support services	6.3	11.9	8.0	8.2
15 : Public administration & defence	1.5	4.4	4.8	4.5
16 : Education	11.1	9.5	10.2	9.3
17 : Health	9.7	12.0	14.0	13.0
18 : Arts, entertainment, recreation & other services	3.8	4.6	4.0	4.5
Total	**100.0**	**100.0**	**100.0**	**100.0**

Source: Business Register and Employment Survey 2013

**Excludes farm based agriculture.*

3.10 The number of registered businesses in North West Leeds has grown by about 450 employment positions (1.4 percent growth) since 2009. By comparison the BRES data reveals that the number of employment positions by a slightly faster rate in Leeds City (2.2 percent) and England and Wales (1.9 percent) but declined in Yorkshire and the Humber (-1.8 percent).

3.11 Location quotients are measures of an area's differentiation from a national or regional average. They are useful in identifying an area's comparative advantages or disadvantages. A location quotient greater than 1 indicates that the area has a higher representation of the particular variable, whereas a quotient less than 1 indicates that the area is less represented than the national or regional average. Table 9 lists the location quotients for employment industries in the four North West Leeds wards in relation to the England and Wales average.

Table 9 – Employment Location Quotients, Comparison to England and Wales

	Adel and Wharfedale	Guiseley and Rawdon	Horsforth	Otley and Yeadon	NW Leeds	Leeds City	England & Wales
1 : Agriculture, forestry & fishing*	0.1	0.1	0.0	0.1	0.1	0.0	1.0
2 : Mining, quarrying & utilities	0.6	0.5	0.1	0.2	0.3	**1.6**	1.0
3 : Manufacturing	0.7	1.0	0.9	**1.5**	1.1	0.8	1.0
4 : Construction	1.0	**1.7**	0.9	0.5	1.0	0.9	1.0
5 : Motor trades	0.9	**1.8**	1.3	1.2	1.3	0.9	1.0
6 : Wholesale	0.6	1.0	**1.4**	0.7	1.0	1.0	1.0
7 : Retail	1.3	1.3	0.5	1.2	1.0	0.8	1.0
8 : Transport & storage (inc postal)	0.0	0.6	0.2	**4.0**	**1.6**	0.9	1.0
9 : Accommodation & food services	**1.6**	0.9	0.9	1.2	1.1	0.8	1.0
10 : Information & communication	**1.4**	**2.7**	**1.6**	0.4	**1.4**	0.9	1.0
11 : Financial & insurance	0.2	0.5	**2.1**	0.6	1.0	**1.4**	1.0
12 : Property	**1.7**	1.1	**2.2**	1.2	**1.5**	1.1	1.0
13 : Professional, scientific & technical	0.9	1.0	1.3	**1.5**	1.2	**1.4**	1.0
14 : Business administration & support services	0.5	0.4	0.9	1.0	0.8	**1.5**	1.0
15 : Public administration & defence	**1.4**	0.4	0.0	0.3	0.3	1.0	1.0
16 : Education	1.2	**1.4**	**1.7**	0.6	1.2	1.0	1.0
17 : Health	1.3	0.6	0.9	0.5	0.7	0.9	1.0
18 : Arts, entertainment, recreation & other services	1.3	1.1	0.9	0.5	0.8	1.0	1.0

Source: Business Register and Employment Survey 2013; BE Group analysis

**Excludes farm based agriculture.*

3.12 Table 9 above highlights several key aspects of the local employment market in North West Leeds, including:

- The transport and storage (including postal) sector is a major employer in Otley and Yeadon due to the LBIA but is significantly underrepresented elsewhere in North West Leeds.
- Information and communication is a key sector in Horsforth, and to a lesser degree in Guiseley and Rawdon and Adel and Wharfedale, but not a significant sector in Otley and Yeadon.
- Manufacturing is only a proportionally larger employer in Otley and Yeadon.
- Motor trades and construction are important sectors in Guiseley and Rawdon.
- Finance and insurance is an important sector in Horsforth but underrepresented in the other wards.
- Employment in the property sector is proportionally larger in all wards, most particularly Horsforth and Adel and Wharfedale.
- Public administration and defence is overrepresented in Adel and Wharfedale but significantly underrepresented elsewhere in North West Leeds.
- The location of Leeds Trinity University in Horsforth means that education is proportionally larger in this ward.

3.13 Analysing the BRES data for the transport sector in Otley and Yeadon further reveals the dominance of the LBIA as an employer in this ward, over other divisions of the transport and storage, including postal, industry. The number of employment positions in each division of the transport sector as at 2013 is listed below. Unsurprisingly, given North West Leeds location, there was no water transport employment.

- Warehousing and support activities for transportation – 550 workers
- Air transport – 1,299 workers
- Land transport and transport via pipelines – 63 workers
- Postal and courier activities – 56 workers.

3.14 Critically for this study, the remainder of the North West Leeds study area only had 32 employment positions as at 2013 in warehousing and support activities for transportation, all of which were in the Horsforth ward. This suggests that the only need for warehousing and support activities for transportation in the area is in association with the LBIA.

Numbers and Sizes of Businesses

3.15 The most recent data available for number of businesses in a small area is ONS VAT registration data for 2008. Subsequent data is only released at the local authority level. Therefore, the data does not account for changes since 2008, most importantly, the effects due to the recession. Therefore such data should be treated as indicative only.

3.16 Table 10 shows the distribution of office and industrial premises (hereditaments identified by the Valuation Office for the purposes of business rates collection). The spatial distribution can be analysed by Middle Super Output Areas (MSOAs). These MSOAs do not align with the ward boundaries. The table includes the MSOA codes, the locations within each MSOA and the ward names that most closely align with the MSOA. The North West Leeds study area comprises 13 such MSOAs (compared to four wards). The table summarises the number and total floorspace of industrial and office premises in North West Leeds as at 2008.

Table 10 – Distribution of Premises and Floorspace, 2008

MSOA	Area(s)	Approximate Ward(s)	Number of Units		Floorspace (000 sqm)	
			Factories/ Warehouses	Offices	Factories/ Warehouses	Offices
E02002332	Otley	Otley & Yeadon	#	#	#	#
E02002333	Otley	Otley & Yeadon	137	142	69	17
E02002336	LBIA, Bramhope, Arthington	Otley & Yeadon, Adel & Wharfedale	56	66	188	14
E02002337	Guiseley, Hawksworth Common	Guiseley & Rawdon	#	16	#	3
E02002338	Guiseley	Guiseley & Rawdon	103	46	62	9
E02002339	Yeadon, Guiseley	Otley & Yeadon, Guiseley & Rawdon	46	52	29	13
E02002340	Yeadon	Otley & Yeadon	53	#	27	#
E02002342	Cookridge	Adel & Wharfedale	#	#	#	2
E02002343	Yeadon, Little	Otley & Yeadon	18	38	7	28

MSOA	Area(s)	Approximate Ward(s)	Number of Units		Floorspace (000 sqm)	
			Factories/ Warehouses	Offices	Factories/ Warehouses	Offices
	London					
E02002345	Holt Park	Adel & Wharfedale	#	15	#	22
E02002350	Horsforth	Horsforth	29	69	12	39
E02002356	Horsforth	Horsforth	30	83	89	118
E02002357	Horsforth	Horsforth	20	58	#	42
North West Leeds (disclosed data only)			**492**	**585**	**483**	**307**

Source: ONS Commercial and Industrial Floorspace 2008/ Census 2011

 # Numbers not released due to nondisclosure restrictions

3.17 In some areas the number of premises was too small so that the data was unavailable to protect confidentiality of individual premises. Of the disclosed data, as at 2008 there were approximately 490 industrial premises comprising a total of 483,000 sqm. Therefore the average size was about 980 sqm. However, there was significant variation within the area, with premises in MSOA E02002336 (the MSOA that includes the LBIA) having an average of approximately 3,360 sqm. There were approximately 590 office premises comprising some 307,000 sqm of floorspace as at 2008. This equates to an average floorspace per premises of 520 sqm. The MSOAs with the largest average office floorspaces were E02002345 (Holt Park) with 1,470 sqm and E02002356 (Horsforth) with 1,420 sqm. It should be noted that averages such as these can be influenced by a small number of very large premises and most property markets are comprised of a large number of smaller premises and a small number of larger premises.

Workplace Population

3.18 The workplace population of North West Leeds as at the time of the 2011 Census is summarised in Table 11. As can been seen in the table, the area represents only 8.7 percent of the workforce in the City, with Oltey and Yeadon (including the LBIA) and Horsforth being the larger wards in North West Leeds.

Table 11 – Workplace Population

Ward	Number of Workers	Percentage of Leeds City
Adel and Wharfedale	4,688	1.1
Guiseley and Rawdon	7,990	1.9
Horsforth	10,785	2.6
Otley and Yeadon	12,044	2.9
Total North West Leeds	35,507	8.7
Leeds City	409,815	100.0

Source: ONS Census 2011

3.19 Table 12 shows the distance travelled to work of the workplace population of North West Leeds in comparison to Leeds City. Interestingly for an outer urban area, the average distance travelled was less than the Leeds City average. The table also shows that the proportion of those working from home was almost double the City average at the time of the 2011 Census, and the proportion that stated no fixed work address was also higher, which are typically single operator tradespersons.

Table 12 – Distance Travelled to Work

Distance Travelled	North West Leeds		Leeds City	
	Number of Workers	Percentage	Number of Workers	Percentage
Less than 2km	6,145	18.7	55,837	13.6
2km to 5km	5,341	16.3	78,172	19.1
5km to 10km	5,929	18.1	87,552	21.4
10km to 20km	5,334	16.3	75,364	18.4
20km to 30km	1,352	4.1	27,478	6.7
30km to 40km	434	1.3	10,420	2.5
40km to 60km	384	1.2	8,921	2.2
60km and over	641	2.0	12,594	3.1
Work mainly at or from home	4,507	13.7	29,647	7.2
No fixed place	2,729	8.3	23,830	5.8
Average distance (km)	11.5		14.3	

Source: ONS Census 2011

Summary

3.20 The residential population of North West Leeds is well educated and economically active. Even at the time of the 2011 Census, when the recession was impacting on employment throughout the UK, unemployment rates in North West Leeds were about 4-5 percent, which from an economic perspective is considered ‘full employment’.

3.21 The occupations of the residential workforce reflect their highly educated status, with high proportions of professionals and managers. The BRES data revealed several areas within North West Leeds where there are higher than average proportions of employment in certain industries, including transportation in Otley and Yeadon, information and communications, particularly in Horsforth, finance and insurance in Horsforth and manufacturing in Otley and Yeadon. Outside of direct or service connections to the LBIA there was very little employment in the transport and storage sector.

3.22 Despite being an outer urban area, without a city centre or major employment node (excluding the LBIA), North West Leeds has a lower average distance travelled to work than Leeds City. It is evident that the local area is supplying a significant proportion of the local demand for employment. This has been corroborated by some of the consultation as summarised later in this report.

4.0 PROPERTY MARKET

Introduction

4.1 The market conditions for employment uses is reviewed in this chapter, with analysis of the current availability of stock, a review of the historic level of enquiries for premises in North West Leeds and an overview of the general national property and business trends as relating to employment space.

Property Supply

4.2 A schedule of the vacant floorspace being marketed in the study area (as at May 2015) has been compiled mainly from a combination of a physical survey undertaken by a representative of BE Group in April, a trawl of commercial property agents' websites and consultations with agents. The marketed space is taken to be a reasonable approximation to that which is vacant – although there may be occupiers waiting for interest in their property before moving, and empty units not actually being marketed.

Industrial

4.3 Table 13 shows that there was some 16,600 sqm of marketed existing industrial floorspace, over only seven properties, identified in the study area. All are being marketed as leasehold premises. The Leeds Bradford International Airport Industrial Estate includes the two largest premises, comprising about 12,500 sqm of the total space (75 percent of built, available stock). An approved industrial development comprising five 185 sqm units (total 925 sqm) was also being marketed as freehold units.

Table 13 – Amount of Marketed Industrial Property

Location	Floorspace (sqm)	Tenure	Rent (£ per sqm)
Unit 1 Springhead Mills, Guiseley	140	leasehold	70
Unit 10B LBIA Industrial Estate, Yeadon	3,127	leasehold	n/a
LBIA Industrial Estate, Yeadon	9,407	leasehold	n/a
Unit 3A Woodside, Low Lane, Horsforth	1,310	leasehold	50
Unit E Carlton Business Park, Yeadon	1,360	leasehold	50
Unit A Carlton Business Park, Yeadon	615	leasehold	n/a
Units 3&7 Clayton Wood Bank, Lawnswood	626	leasehold	n/a
Approved Development			
Pool Rd, Otley, 5 units	185 each	freehold	Sale £210,000

Location	Floorspace (sqm)	Tenure	Rent (£ per sqm)
Woodbottom Industrial Park, Low Hall Rd, Horsforth, 3 units	560 930 4,500	leasehold/ freehold	

Source: BE Group 2015

Offices

4.4 Table 14 shows that there are 25 existing premises comprising a total of about 6,100 sqm of marketed office space in North West Leeds. An approved final phase of the Airport West development was also being marketed comprising 770 sqm. The significant majority of premises were being marketed as leasehold units, although the Airport West units were being marketed as both freehold and leasehold.

Table 14 – Amount of Marketed Office Property

Location	Floorspace (sqm)	Tenure	Rent (£ per sqm)
Featherbank Ct, Horsforth	60	leasehold	n/a
Low Ln, Horsforth	33	leasehold	220
Peter Bennett House, Lawnswood Business Pk, Adel	1,129	leasehold	n/a
Victoria House. Lawnswood Business Pk, Adel	434	leasehold	160
Unit 2, Clayton Wood Ct, West Park	163	leasehold	160
Lancaster House, Airport West, Yeadon	379	leasehold/ freehold	n/a
Altitude House, Airport West, Yeadon	101	leasehold	140
Farnley Park, Otley	112	leasehold	120
Farnley Park, Otley	51	leasehold	150
Pool Rd, Pool in Wharfedale	12	leasehold	150
International Development Centre, Valley Rd, Ilkley	28	leasehold	120
Station Rd, Burley in Wharfedale	185	leasehold	160
Brook St, Ilkley	71	leasehold	110
Brook St, Ilkley	89	leasehold	20
Wira Business Park, Ring Road, West Pk	930	leasehold	n/a
Sanderson House, Station Rd, Horsforth	33	leasehold	110
15 High St, Yeadon	56	leasehold	80
5 Woodside Mews, Clayton Wood Close	200	leasehold	n/a
Jason House, Kerry Hill, Horsforth	106	leasehold	n/a
Iberian House, New Road Side, Horsforth	167	freehold	£245,000 sale price
Lister House, Lister Hill, Horsforth	523	leasehold	n/a

Location	Floorspace (sqm)	Tenure	Rent (£ per sqm)
Tithe House, Town Street, Horsforth	151	leasehold	90
Woodside House, 148 Low Ln, Horsforth	200	leasehold	n/a
Rockford House, Low Ln, Horsforth	586	leasehold	120
Airedale House, Park Rd, Guiseley	500	leasehold	100
Approved Development			
Final Phase, Airport West, Yeadon	770	leasehold/ freehold	n/a

Source: BE Group 2015

Implications for Businesses in North West Leeds

4.5 The current availability of industrial space in North West Leeds suggests that the industrial market is considerably tightly held and businesses have very limited options to enter the market or upgrade premises. Only one property was marketed as being for sale, which provides no choice for businesses seeking to own their own premises. The rent market, while having more premises on the market, is also limited in terms of choice of location and quality. None of the industrial premises currently available for rent would be considered high quality or modern premises, although there are two approved developments, one in Otley and one in Horsforth. The rent price points of £50-70/sqm is reasonable and suggests that despite a shortage of supply rents have not yet overheated.

4.6 The office market provides more choice for prospective businesses than the industrial market, both for quantity of marketed premises and location of sites. Businesses would have options of location and premises when seeking accommodation. 18 of the 25 marketed properties have floorspace less than or equal to 200 sqm. Only two premises were marketed at about the 1,000 sqm size, Wira Business Park (930 sqm which is in several adjacent units) and Peter Bennett House (1,129 sqm) and thus there is considerably less choice for operators seeking larger premises in the area.

Take-up of Land in North West Leeds

4.7 Table 15 summarises Leeds City Council data on completions of employment land developments in the four wards of North West Leeds since 2001.

Table 15 – Completion Data of Employment Land, North West Leeds, 2001-14

Year	Number of Completed Sites	Total Completed Site Area (ha)	Total Floorspace Capacity (sqm)
2001	1	0.87	1,210
2002	0	0	0
2003	0	0	0
2004	0	0	0
2005	2	0.92	4,400
2006	1	0.46	1,730
2007	3	2.28	9,690
2008	2	0.64	980
2009	3	1.58	3,735
2010	7	1.92	6,930
2011	4	0.60	1,785
2012	0	0	0
2013	0	0	0
2014	2	1.26	8,350
Total	**25**	**10.53**	**38,810**
Average (inc zero years)	**1.8**	**0.8**	**2,770**
Average (ex zero years)	**2.8**	**1.2**	**4,310**

Source: Leeds City Council

4.8 The above table shows the variability of take-up of employment land in the area. The year with the largest total floorspace capacity was 2007 and 2010 was the year with the most completions and the largest total land take-up. The table highlights the small nature of the local market with the low overall quantity of completions in the area.

4.9 The Annual Monitoring Reports prepared by Leeds City Council has some variations in take-up data compared to the list above, but shows a consistent message in terms of scale and overall take-up of land, as summarised overleaf with data for Otley and Guiseley/Yeadon/Rawdon.

Table 16 – Completion Data of Employment Land, Annual Monitoring Reports, 2010-13

		Otley				Guiseley/Yeadon/Rawdon			
Year		**B1 Office**	**B1 Other**	**B2/B8**	**Total**	**B1 Office**	**B1 Other**	**B2/B8**	**Total**
2010/11	Area (ha)	0.02	0	0	0.02	0	0	0	0
	Floorspace (sqm)	100	0	0	100	0	0	0	0
2011/12	Area (ha)	0	0	0	0	0.10	0	0.07	0.17
	Floorspace (sqm)	0	0	0	0	430	0	40	470
2012/13	Area (ha)	0	0	0.57	0.57	0.1	0	0.51	0.61
	Floorspace (sqm)	0	0	540	540	100	0	420	520

Source: Leeds City Council Annual Monitoring Reports

Modern Occupier Needs and the Emerging Property Trends

4.10 BE Group through its long experience operating in the commercial property market across the UK, as well as in the study area specifically, understand market perceptions and the conditions facing the industrial and office sectors. The following sub-sections draws upon this market experience, providing a brief commentary on modern occupier needs and emerging trends within both sectors.

Modern Occupier Needs

4.11 In this sub-section the report outlines what modern businesses are looking for in terms of their property, as well as those developers providing space for them.

4.12 There are two key property sub-markets to consider in understanding the demand for premises. The first is the demand from companies looking for premises for their own occupation; the second, which is necessarily derived from the first, comes from specialist property developers who will provide solutions for these companies.

4.13 Many end-user companies, especially small ones, looking for accommodation prefer occupying an existing building to either organising the construction of one for themselves or entering into a design and build agreement with a developer. This is due to the management time involved and the long lead-in whilst premises are built; while it may also be difficult to rationalise and visualise such an important acquisition off-plan. Furthermore, smaller end users are generally less cognisant of the development process, have less capacity to project manage and fund a new build and less resources to commit to the project.

4.14 Having premises built for owner occupation requires a long lead-time to cover the planning, negotiation and construction time involved often greater than 12 months. Furthermore not every company wants a brand new building, partly because they are generally more expensive than second-hand ones.

4.15 Experience shows today’s companies want well located, accessible space. Specification, parking, external loading and the quality of the immediate environment will all be factored into the decision to acquire.

4.16 However the recent combination of low interest rates and the depressed stock market has led to an unusually large number of companies looking to own their premises (although current market conditions have softened this due to the lack of available finance). One route to achieving this is by developing their own site, especially if they cannot find a suitable freehold property. Nationally most requests for such small sites to enable self-build are of less than 0.4 ha in size.

4.17 Although design and build options can be convenient, they are quite expensive because the controlling developer makes its profit not only on the land sale, but also on managing the building process. Consequently if the company is able, some prefer to buy land direct and organise building contractors themselves. This is especially the case with lower value added industries where high quality buildings are of secondary importance. However without strong planning control this scenario can lead to business areas of lower aesthetic value and layout.

4.18 Developers acquiring sites consider the nature of the market, as outlined above, as well as the potential for speculative development, i.e. riskier, supply-led, rather than demand-driven construction. They also prefer to acquire prominent, (easy to develop) greenfield sites close to arterial roads or motorways because irrespective of sustainable transport policies, private transport still predominates. They naturally want land that is attractive to end-users. Furthermore property development is intensely entrepreneurial and extremely price sensitive. So although land may be available on the open market, if it is at too high a price, then the developer will not acquire it.

Emerging Property Trends

Industrial

4.19 Occupiers are generally looking for smaller premises as average company size, in terms of number of workers, continues to decrease. In line with rising aspirations and a concentration on higher value added activities, companies are looking for higher quality accommodation. In rural areas company sizes are generally already small; and the desire for high quality is less of a priority due to affordability issues. Successful industrial businesses typically require dedicated, self-contained, secure yard areas, and for units over 2,000 sqm the trend seems to be at least one dock level loading bay and a 40 metre turning circle to allow heavy goods vehicles access into and out of the unit.

4.20 Large requirements, above 10,000 sqm, are comparatively rare, and where they do exist are generally for distribution warehousing or specialised production/laboratory facilities. Excellent access to the motorway network and a significant urban area are key requirements for such entities. As such North West Leeds is at a comparative disadvantage to other areas in the City and wider region in attracting industrial premises due to its poor access to the motorway network. Most deals for larger premises are contract-led with a flurry of activity as a number of specialist distribution companies look for units, before one of them secures the contract on offer. However these companies generally cannot wait for a bespoke warehouse to be built for them and so, due to the rarity of such large, available buildings their search areas are increasingly wide.

4.21 Freehold demand is relatively strong as a result of low interest rates, poor stock market pension performances and increased private sector interest in property investment. However, this is a market that has been constrained by supply due to a lack of speculative development, with an irregular and small quantity of available stock on the market.

4.22 Outsourcing of many aspects of the production and distribution process has led to a declining need for traditional, large scale, all-encompassing manufacturing facilities. This is gradually being replaced by smaller, sub-assembly light manufacturing space. Shorter leases (five years) and break clauses (three years) are now becoming much more common.

Offices

4.23 For offices the trend is for smaller suites as average business sizes fall. There are two strands to this. Micro-businesses (those with less than ten employees) often want serviced offices or similar types of easy-in, easy-out schemes that lower their risk of exposure. Small businesses (with 10-49 employees) typically are looking for offices in the region of 150-500 sqm.

4.24 Improving technology means specifications are changing, for example wireless networks may soon make raised floors superfluous and make the conversion of

Victorian and other similar buildings easier. Changes in working practices also means that floorspace requirements are reducing through home working and hot-desking. There has also been a cultural shift in office based businesses to accepting higher densities in the workspace.

4.25 In line with rising aspirations and a concentration on higher value added activities, successful companies are looking for higher quality accommodation. For example air conditioning is becoming almost a standard requirement in new schemes, which pushes up rentals by £5-10/sqm on average. Furthermore some occupiers (looking for more than 200 sqm) increasingly want self-contained premises, i.e. their own front door, toilets, reception, utilities, etc. There is increasing demand for relatively short leases (one to three years), which helps account for the increasing popularity of serviced offices.

4.26 Prior to the credit crunch, freehold demand was strong. However, as with the industrial market, the recession and lack of available finance is constraining this sub-market and has largely eradicated speculative development, outside of major city centres. Again, where there is demand, the lack of available premises, particularly for sale, is a factor in suppressing the market.

4.27 Occupiers requiring higher skills, especially those linked to key growth sectors will be concerned about access to an appropriate pool of skilled labour, which can drive demand towards city centres, research facilities and higher education institutes.

4.28 Property will need to be increasingly flexible to accommodate research-based manufacturing space as more complex processes develop, but still within an office environment. Clustering around like-minded companies will also drive demand to key business park locations, with good availability of 'white collar', knowledge-based, skilled staff. Other businesses will require central urban locations such as the professions and creative industries, where face-to-face contact is important or where public transport is important to attract staff.

5.0 PROPERTY MARKET – ANALYSIS

Introduction

5.1 This section considers the more detailed issues related to supply and demand for industrial and office property within the study area as a basis to identifying gaps in the provision of workspace in North West Leeds. The comments of agents active in the area's industrial and office property markets are analysed. The industrial market refers to accommodation for manufacturing, storage, distribution and warehousing purposes including smaller workshop premises.

5.2 Ten commercial agents were contacted by email and telephone requesting an interview of the local property market, with five agreeing to the discussion. To protect anonymity of individuals and organisation, names of commentators are not revealed.

5.3 These are stakeholders who are actively engaged in the sale and/or lease of industrial and office premises 'on the ground' and so have good firsthand knowledge of the market in and around North West Leeds. The views they give provide useful practical input which balances the higher level evidence provided by forecasting and policy analysis.

5.4 Agents were interviewed by telephone through a semi-structured interview which focused on the following questions:

- What are your opinions of the workspace market at present?
- What units are you currently marketing? What are businesses looking for?
- Review property offer – office, industrial, land – is there enough property and is it good enough quality?
- Are they mainly freehold or leasehold – is there a shortage of either one of these?
- How quickly are units letting? What are popular sizes? What sizes do not find occupiers?
- Are certain areas more popular than others?
- Weaknesses and shortfalls in existing offer – what can be done about it?
- How does North West Leeds fit in the wider economy?
- How does property in North West Leeds fare relative to other locations in Leeds?

- What is the average price per square foot/square metre for the office/industrial premises you represent?

5.5 Their views have been summarised in a series of tables.

Table 17 – Property Market Comments – General

Contact	Comment
Local Agent	There is currently an imbalance between supply and demand in and around Leeds, with too little supply for the current demand. As such high quality stock is taken up very quickly. Lack of supply is due to limited speculative development. Also, demand and income from properties has not risen sufficiently compared to rising build costs to stimulate an increase of local development. The delay in employment allocations for the LDF has also led to a shortage of new sites.
National Agent	Motivations for being in North West Leeds are because staff or owners live there and those businesses that being near the motorway is not important. That represents a "decent minority" of enquiries
National Agent	Enquiries for space are generated by local businesses looking for alternative space. Businesses are in the area because owners or staff reside locally.
Local Agent	The industrial market is excellent in Leeds and in North West Leeds. The office market is very slowly recovering. The LBIA is not really seen as a determinant to locate in the area, though some mention that it might be convenient. Motorway access is poor, but not holding the area back. The market is driven by business owners wanting to locate their business close to their home. The area is a quite affluent area so there are a number of managing directors living in the area.

Source BE Group, 2015

5.6 Table 18 provides a summary of the comments received from stakeholders with regards to the local industrial property market.

Table 18 – Property Market Comments – Industrial

Contact	Comment
Local Agent	There is generally a shortage of industrial stock coming available in Leeds. Along the M62 corridor from Huddersfield to Normanton there is about 550,000 sqm of space needed that without active speculative development will not be achieved.

Contact	Comment
	In the NW Leeds market smaller industrial units tend to move quickly, with freehold units selling quickly. Smaller, freight-style units south of the airport are popular. The Leeds Bradford International Airport Industrial Estate property on the A658 near the airport is dated, too large for the area and is too far from the motorway. It can mainly be used for stock storage. This is why it has struggled to be leased. One negative of industrial space near the airport is the lack of motorway access. Industrial space in this area achieves rents of: - Prime, larger space – £60/sqm - Mid level – £50/sqm - Basic – £20-40/sqm
National Agent	Most interest in the market is for up to about 2,500 sqm but there are no options for such premises in the market. The Council has allowed older industrial stock to be redeveloped for residential but has not replaced the sites. Market is being constrained by lack of supply in North West Leeds. There is an interest for modern premises, not the cheaper, older stock, of which some is available. But there is no modern stock available. The large Leeds Bradford International Airport Industrial Estate is nearing end of its economic life, but is reasonably tenanted at this time, with some short-term tenancies as well as longer term. However, units are generally 4,600-9,300 sqm and would not build that size today in this area. There is a fairly even mix of interest in leasehold and freehold industrial premises up to about 2,500 sqm, with a mix of distributors and manufacturers. Rents for new build mid-size premises would be about £60-75/sqm. Older stock would be about £20-40/sqm. The LBIA is not really a draw for industrial premises, the smaller firms attracted to the area are not really interested in airport and the larger freight distributors are not interested in the area.
Local Agent	The industrial market is excellent at the moment. There is a considerable lack of good quality products, which has a stifling effect on the market. It is becoming a “landlord’s market” with increases in prices and rents. There is not enough supply in the market. Good quality products go very quickly. Demand is for units about 280-460 sqm. Agent has a

Contact	Comment
	unit on the books about 1,310 sqm that is probably too large for the area, but even that now has interest. North West Leeds is a desirable place to live. Therefore, historically older premises have gone to residential and land that becomes available also has been taken up by residential. This has led to a lack of supply. Businesses interested in industrial premises in the area are typically already in the area in older, smaller stock and they are looking to upgrade. Rents for smaller premises are about £60-70/sqm and for larger premises about £45/sqm.

Source BE Group, 2015

5.7 Table 19 provides a summary of the comments received on the local office market.

Table 19 – Property Market Comments – Office

Contact	Comment
Local Agent	Office space (e.g. Airport West) tends to struggle because of lack of car parking and poor motorway access
National Agent	The office market in the area (and generally outside of City Centre) is pretty patchy. Business parks with motorway access have fared better but generally the out of town market remains patchy. There are a range of businesses enquiring about sites in the area – satellite offices, media, developers, manufacturers with split office/ industrial locations. Enquiries are generally for 200-460 sqm premises, with occasional interest in larger premises. The market is driven by the leasehold sector, but some owner/ occupier interest. There is no speculative development outside of the City Centre. As the City Centre becomes more expensive, there may be a ripple effect to out of town locations that are more affordable. Offices in Lawnswood Business Park are achieving up to £170/sqm with flexible lease terms. Most enquiries are from established North West Leeds businesses, looking for new premises in the same area. Most want to stay in the area to be close to staff and owners' residences. Some mention that the airport is an advantage. Airport West started very well, there was good interest and take-up. However when market turned it struggled to attract interest (like most

Contact	Comment
	areas) and was offering attractive deals just to pay the overheads. If a business wanted a site in the North West there would be sites for them to go to.
Local Agent	The office market is different to the industrial market, it is recovering more slowly. Rents remain low. There is more choice in supply of stock, particularly for up to about 500 sqm. If looking for larger premises, the supply is quite sparse, but that is a smaller part of the market. When businesses choose between City Centre or out of town locations the choice is a better location with very limited/expensive parking in the City Centre or a more distant location with sufficient parking. Businesses that choose North West Leeds obviously put car parking as the higher priority.
Local Agent	Rent for the Airport West offices is about £135/sqm and it is considered that there is growth potential for rent at Airport West.

Source BE Group, 2015

Summary

5.8 The agents were generally positive about the property sector in the area, particularly the industrial market.

5.9 The agents highlighted the local nature of the commercial property market in the area – the characteristic that most operators looking for space are existing businesses in North West Leeds. They also highlighted that the main motivation for wanting to locate in the area is to be close to the residences of owners and/or staff.

5.10 The industrial market is being constrained by an acute lack of supply of vacant stock. There is particular interest in the smaller end of the market in North West Leeds. The lack of motorway access probably limits the breadth of industrial operators interested in the area, although one agent commented that this was not holding the area back as it is for lifestyle reasons that businesses want premises in the area.

5.11 It was agreed that the office market was performing more slowly than the industrial market, but was recovering from the recession. There is more choice of premises and the agents considered that businesses wanting office stock could find adequate premises.

6.0 STAKEHOLDER CONSULTATION AND BUSINESS SURVEY

Introduction

6.1 In addition to the consultation with locally active agents, the study included consultation with key local businesses and stakeholders in the public and private sectors. This was to gain a detailed understanding of the local property and business market dynamics in North West Leeds. The consultation was undertaken through face to face and phone conversations. The below section provides a summary of the discussion points from each entity.

Business Organisations

Leeds Chamber of Commerce

6.2 The Leeds Chamber of Commerce covers Leeds, Bradford and other parts of the West Yorkshire region. The Leeds Chamber has recently merged with the Bradford Chamber and the York/North Yorkshire Chamber to form the regional West and North Yorkshire Chamber of Commerce.

6.3 The representative of the Chamber identified two major problems for business around Leeds generally – access to transport networks and skills. In regards to skills, local businesses report that a significant barrier to growth for them is a lack of young people ready to enter the workplace, either as full-time employees or even to join apprenticeship schemes. School leavers enter the job market with little or no careers' advice, no work experience and no understanding of the local economy. They are generally unprepared for the world of work and struggle to go into employment.

6.4 The representative also stated that management and leadership skills are also lacking, especially amongst smaller business organisations and the problems relate both to recruiting suitable personnel for senior roles as businesses expand, and in up-skilling entrepreneurial bosses to enable them to take on the challenges of business growth. The presence of the universities in the city is seen as helpful in attracting bigger businesses into the area but small businesses typically don't look to universities to help them acquire the skills they need – a qualification route is seen as long-winded and irrelevant. In some sectors (such as the digital economy), the time it takes a traditional university just to get a programme accredited means the content has become obsolete.

6.5 Furthermore, many of the most able graduates get sucked out of the local economy to go and work in London – this is a problem for all regions of the UK.

6.6 The transport problem is also felt across the North of England. The inadequacy of the rail network is a particular issue, and this compounds the skills shortage as it shrinks the available talent pool when recruiting. People are only willing to commute for a certain length of time each day and poor transport infrastructure means that that time takes in a smaller radius in the North than it does in London. Commuting times between Leeds and Manchester are considerably longer than a journey of equal length would be in the South East of England. The road network is also under-funded and has been for some time.

6.7 The importance of LBIA to the regional economy cannot be understated, yet it holds potential to deliver so much more. Daily flights to Heathrow and onwards to the rest of the world have made it easier for our export community to reach growth markets but surface access to LBIA is an issue and will continue to hinder expansion in turn ensuring it remains less attractive to business travellers. The creation of employment land around the airport would be attractive to the Chamber if proposals could facilitate significant upgrades to the surrounding road network including new infrastructure to better connect this location to the city centres of Leeds, Bradford and the surrounding economic and residential centres. The Chamber would welcome proposals which secure rail connectivity (light or heavy) in this location as this would make the Leeds region more accessible to business travellers and investors.

6.8 In terms of commercial premises, the respondent stated that manufacturing space of the right quality and in the right location is at a premium across the region, especially for businesses with a specialist requirement. There are cheap industrial units but they are typically old, low quality and not in locations useful to modern enterprises. The Leeds City Region Enterprise Zone is starting to pick up but it has problems: the sewage works in the middle of the zone is an issue, especially for businesses needing a clean environment and it makes the whole site less desirable as a location generally; there is no public transport to the area at all; and the incentives offered for businesses to locate there are paltry and unlikely to prove much of a draw.

6.9 The representative considered that technology parks that are the out-of-town, campus model favoured by US tech development doesn’t work in this country because these are typically young businesses, run by people who want to be in city centres, where there's more social life and a sense of vibrancy and life.

Public Agencies

Leeds City Council Highways and Transport Department

6.10 West Yorkshire Transport recently received a substantial grant to fund a package of schemes across the area, which will support regional growth, GVA and other strategic objectives. This funding will be split between short-term, quick-fix projects, providing an immediate boost to the region; and longer-term, 'transformational' projects, which will sustain growth and development for the future.

6.11 An immediate project identified was the upgrading of the road links out to the airport. A number of options are currently under consideration for this link: the low cost option is to make improvements to the existing road network, but this is limited in potential as there are tight constraints on these roads, most of which go through residential neighbourhoods; another option is improvements to the A65 and then link north across to the airport, possibly with a new link road. A primary concern in the selection of the route will be the well-being of communities around the airport, many of which experience significant disruption currently due to airport traffic. The business case will be made on the needs of existing requirements and the likelihood of organic growth in the local economy, including the growth of the airport itself. Although the possibility of a new business park or similar development will be considered as part of the modelling for the business case, it is not a major factor in planning the link road strategy.

6.12 The road scheme should be completed by 2020-2021.

6.13 The transformational aspect of the proposed infrastructure package is the possibility of creating a fixed rail link out to the airport terminal, spurred off the existing line out of Leeds City Centre. There is, however, no agreement as to how best to proceed with this, or even whether this is the best way to improve rail connectivity to the airport. An alternative suggestion is to build an additional station on the line, closer to the airport and operate it as an 'airport parkway' station, with a regular shuttle bus service to the terminal. The combined authority is debating which of these options it considers best, in light of the high costs of building a fixed link and of the Department for Transport report into the future of the airport, which suggested that such a link was not financially viable. This same DfT report, suggests that the airport will grow significantly over the next 15 to 30 years and this may lead to a re-evaluation of the need for improved rail connectivity.

6.14 Timing on a rail scheme is hard to predict as it will depend on other partners' (the rail companies, Network Rail, national government) willingness to invest.

West Yorkshire Combined Authority – Transport Planning

6.15 The representative interviewed is responsible for advising on land use as it relates to public transport in the Combined Authority. The representative stated that the LBIA was the major driver for public transport options to North West Leeds, with the City Centre to airport corridor being the main corridor for public transport.

6.16 Bus services are generally considered to be fairly strong between the City Centre and the LBIA. There are no plans for additional services in the area, either localised services or links to the City Centre. The services are working within very limited budgets and therefore they would not be able to fund additional services to new employment sites that are not accessible to public transport. New sites that are developed that are not accessible through the public transport system could contribute funding through an S106 agreement.

Major Facilities and Institutions

University of Leeds – Innovation and Enterprise Partnership

6.17 The Innovation and Enterprise Partnership at the university is one of a number of initiatives within the university, promoting enterprise and technologically based businesses around the city.

6.18 There is presently a major project in train to create a new, much larger, facility on campus to replace the existing Innovation Centre. This will consist of a brand new, high profile building on Woodhouse Lane, just on the edge of the City Centre, which will act as a gateway into the university itself. It will include small office space but also (and crucially) more specialist facilities for high tech and bio tech start-up businesses. There is a great demand for laboratory facilities, which the current Centre is unable to satisfy (all four existing labs have been occupied since 2007 and five requests for lab space have been made to the Centre in the last six months).

6.19 The aim of the Centre, and the Partnerships team, is to stimulate more innovation amongst existing local businesses and to offer incubation facilities for start-ups. Partnerships can comprise technical developments between various university departments and local businesses – usually for particular projects; the placing of individual researchers and specialists from the university into organisations to offer specialist expertise for some limited period; through PhD students engaging in research projects in a 'live' business setting; or by levering funding from public bodies which has a research as well as an implementation aspect. Although the university supports ventures across all its areas of expertise, including the humanities and cultural sector, most of the businesses engaged with the Innovation Centre are technology-focused, especially medical technology, which is a key strength of the University of Leeds.

6.20 There is high demand for workspace on campus by start-up and spin-out companies, who perceive proximity to the university facilities and expertise to be valuable to them but expansion of the university itself is putting pressure on space internally – hence the new building, which will sit on the site of an existing car park (phase one is the construction of a new, multi-storey car park), freeing up the current Innovation Centre building for university use.

6.21 Where the representative sees a gap in workspace offerings around Leeds is in specialist grow-on space for high tech/bio tech companies when they reach the 10 to 20 employees stage. At this point, they out-grow the university facilities but there is no science or technology park in Leeds for them to move out to. Some go to York, others end up down in Sheffield, or, if they are able, build their own facilities. It is not a lack of straight office or manufacturing space which is at issue, but the lack of tech-enabled or clean/aseptic lab space, which is the problem. Many of these businesses need specialist disposal facilities, separate power sources, etc and these can't be found in the existing business parks such as Thorpe Park or the EZ in South Leeds. (As an aside, the EZ is considered an undesirable location by many businesses because of the social problems in the areas immediately adjacent to the zone. The representative didn't think that building specialist labs here would be a great solution)

6.22 Building a science and innovation park up near the airport has some merit and could attract small businesses looking for specialist grow-on space. The problem with this location is the lack of adequate transport infrastructure to the area.

Leeds Beckett University – Enterprise and Innovation Academy

6.23 The Academy operates across the university and runs part of various business hubs, which support around 120 businesses. They also offer training, mentoring and help with graduate recruitment to local businesses and support for their own graduates going into business.

6.24 The hubs work with a wide variety of different businesses, many of them in the business to business service sector or in technology, but that's a broad generalisation. The majority are micro-businesses and some are virtual, online ventures. There is a substantial proportion of start-ups.

6.25 The innovation hubs have been operating for approximately 12 years and demand for their services has been fairly steady over that time – although there has been a slight decline recently, put down to internal marketing issues. Generally the hubs are fully occupied. Small businesses are able to operate from these on a flexible basis without long-term lease arrangements.

6.26 The representative was not sure about demand generally as there are plenty of offices vacant in Leeds, but believes that for the right sort of space, there would likely be unmet need. Specifically, this would need to be flexible space, probably close to or part of a cluster of similar businesses, forming communities of interest and with additional facilities to add value. The university sees itself as adding value through the provision of business expertise, mentoring and support. Flexible financing models for taking up space is crucial, and provision of things like hot-desking and virtual offices would also be a draw.

6.27 Leeds Beckett University has a Memorandum of Understanding to work with the City Council and is aware of various of its development projects and keen to work with them on any suitable scheme. The university is looking for additional locations for business hubs and there could be potential for some sort of partnership arrangement in the North West area (although no solid funding in place).

6.28 A key for determining where would be suitable locations for very small businesses is accessibility of the site. A location by the airport has the benefit of possibly offering better parking facilities than the City Centre and the airport itself provides a useful connection to London and internationally but lack of public transport links is a real problem for micro-businesses, which often employ junior people on very low salaries. Easy access to a local train link is probably more important to these businesses than proximity to the airport. The road infrastructure to that area from Leeds centre is also a problem.

6.29 The representative considered that a train line up to the airport would make "a phenomenal difference" to the accessibility and therefore desirability of the site.

Leeds Trinity University – Leeds Trinity Business Network

6.30 The Leeds Trinity Business Network was established in 2011 by the university as a space for local businesses to meet and network. The university identified a lack of alternative fora for businesses in the area to interact. As a Horsforth institution, the university considered that is would be beneficial for local businesses to have such a forum at which to network. The Business Network also provides the university with opportunities to increase its profile within the local business community, potentially opening doors to business.

6.31 The Business Network holds networking events approximately every six weeks. The format of the events is a presentation on a given topic over lunch, with opportunities for attendees to network. Topics are varied, including sales, negotiations, social media and international relations. Popular topics relate to fine-tuning social media skills (e.g. using it to increase sales, on-line etiquette, etc), funding options for local businesses or any local interest topic. The role and presence of the LBIA does not come up in discussions in the networking sessions.

6.32 Leeds Trinity has a small enterprise centre on campus, which is currently operating, but is about to be officially launched. The enterprise centre has capacity for five businesses and is currently full. The facility is considered a trial or pilot scheme, with the university considering a larger model. There has been interest from potential businesses looking to locate to the pilot scheme, but that cannot be accommodated. The representative considered that further space could be filled by local operators.

6.33 The enterprise centre is used by start-up operations and micro businesses. They are interested in the shared facilities or having a virtual office, where they can use the enterprise centre's address instead of their home address. It has been taken up by small consulting firms, with very small media organisations showing interest in the premises.

6.34 The representative also links businesses with university interns. Interns in high demand are those studying digital media, design or coding – the interns are often used establishing a targeted social media campaign for the business. Low demand areas for interns are finance or accountancy.

6.35 The representative considers that there are very few places for businesses to meet and interact outside of the City Centre.

Leeds and Bradford International Airport – represented by WYG Leeds

6.36 Comment from the LBIA was provided by WYG Leeds, town planning and transport consultants to the LBIA. WYG have worked with the LBIA over several years.

6.37 The LBIA has prepared a draft masterplan to guide growth of the LBIA's facilities to align with the Department for Transport projections of passenger throughput increasing to 7.1 million in 2030. Improvements in services in recent times have been positive for the airport, including British Airways flights to London and KLM connections to Schiphol.

6.38 The representative provided BE Group with the Leeds Bradford International Airport – Commercial Hub Assessment prepared by DTZ and reviewed in chapter 2.0 of this report. Much of the discussion was regarding the masterplan and the planning for commercial uses in and around the airport. The growth of the throughput in the airport in coming years will require further air-side activities, which will require the consumption of land currently used for commercial and freight handling purposes. The masterplan also includes an Airport Village node to accommodate auxiliary airport related services, such as catering, hotel and other airport functions.

6.39 The representative stated that the Innovation Park proposed in the market plan arose from identifying a gap in the market for high-technology premises. The airport has been in discussions with local universities to establish links between their campuses and the Innovation Park.

6.40 Regarding surface access to the LBIA, the representative stated that the airport is desperately keen for a rail link and station for the airport. This would enable passengers to travel from the City Centre to the airport in about 10 minutes, which would be very beneficial for the airport and City Centre businesses.

Businesses

6.41 A number of businesses were directly consulted through telephone and face-to-face interviews in April and May. The businesses were selected through a range of methods – firstly BE Group was advised on specific businesses that Leeds City Council was aware of that had recently moved to/from the area or that were looking for commercial space in the area. Secondly larger firms were targeted, using online subscription based property searches to identify such operators. Thirdly, businesses that responded in the business survey (see later in this chapter) that they were seeking alternative premises and expressed a willingness to provide further feedback were recontacted for a more in-depth discussion.

Airedale International Air Conditioning Ltd

6.42 Airedale International Air Conditioning moved from its premises in LS19 in 2013, following a fire which destroyed its premises there. For the last 18 months, they have been operating out of a number of factory and office units in South West Leeds. They are now rebuilding a new HQ back on the original site in North West Leeds and hope to be back there by the end of 2015. They employ approximately 350 people in Leeds, as well as 120+ in Consett, in the North East and 100 or so in other locations, both in the UK and abroad.

6.43 The representative stated that approximately 25% of their revenue comes from exports.

6.44 The company was founded in Rawdon 40 years ago and the reason for returning to the original location is that the majority of employees (an estimated 80%+) live on that side of the city. The workforce is very highly skilled and the engineering skills required are very specialised so retaining current employees is a top priority and pretty much the only reason for the company to return to Rawdon.

6.45 Skilled engineers are trained up in-house as it was stated that it is virtually impossible to recruit people with the right skills and experience in the North of England (recent experience of opening an office in London suggests that this isn't an issue there). Airedale recruit engineering graduates from the local universities but it then takes two- to three years to raise their skill levels to a point where they are productive in the business. This represents a significant investment of time and money by the company and they therefore place employee retention high on their agenda. During the time the business has been in Wortley, it has had to offer flexible working to staff who would otherwise have struggled to reach the premises through the rush hour traffic.

6.46 The representative stated that the biggest downside to the location in North West Leeds is the inadequacy of the local transport infrastructure. The airport is marooned on a windy hilltop, without road or rail networks to service it properly. Already congested road access is being made worse by increased development of the area and additional housing and community services planned for the surrounding neighbourhoods will only exacerbate existing problems. The A65, which is the main road link back into Leeds is already backed up to Horsforth roundabout and it is unclear that this is going to be resolved in the foreseeable future. The view expressed was that a fully developed 10 year plan is needed to improve transport links to the North West Leeds area, with a road-widening scheme along the length of the A65 into the city centre. The representative stated that it is unclear what the strategy is for North West Leeds, if, indeed, there is one. Lack of transport connectivity is seen as a major barrier to development in the area.

6.47 Other than historical attachment and the presence of the workforce, as previously mentioned, there is no attachment to Leeds as a place. The company expects that it will expand over the next few years and that it will require additional capacity (over and above its new premises) within five years. This might either be adjacent to the Leeds site or overseas, in a lower cost location such as Hungary. This decision has not yet been taken and the outcome is unknown.

Produmax

6.48 Produmax currently operate out of two different premises in Yeadon and Otley. The company was established in the late 1970s and currently employs 52 people across the two sites. Produmax is an advanced manufacturing firm specialising in precision engineering.

6.49 The firm will be moving to a single new-built premises in Baildon, with all employees relocating to the new facility, once the building is complete.

6.50 Produmax had been looking for new premises for some time and the development in Baildon was the first to come forward where it could acquire suitable premises. It is not seen as being a significant move in terms of geography (“It’s four miles down the road”) and the fact that a change of local authority is involved had not been noticed and wasn’t deemed in any way significant.

6.51 The move is desirable because it gives the company bigger, better, more suitable premises for the sort of manufacturing they do. The business is a precision engineering company and the new building offers facilities suited to modern high-tech manufacturing in a purpose-built, efficient property. There is on-site parking, good vehicular access (a major problem with the current base in Otley is access) and even a train station within easy distance – something absent from both Yeadon and Otley.

6.52 Produmax was able to get an RGF grant to relocate and this was a definite incentive to move when and where they did.

6.53 There is no expectation that the company will move out of its new facility or require additional space in the foreseeable future.

6.54 The advantages of their current locations have been: proximity to the airport (80% of Produmax's revenue comes from export so easy access to international travel is important); social connection to Otley town centre (shops and other amenities are within walking distance of the offices); there is a decent supply of skilled workers in the area – most employees are taken on at apprentice level but some are also recruited 'fully skilled' and this has never been a problem in North West Leeds.

GSE Research Ltd

6.55 GSE is a relatively new business, which has been in its current premises for just a year, but has been based in North West Leeds since 2011. It employs around 12 people on site, all in office-based positions, as its production is all outsourced to other parts of the UK and overseas. It gathers and disseminates research and best practice in governance, sustainability and environmental management. Some of the staff live quite locally but the majority travel to work from other parts of West Yorkshire and beyond.

6.56 There are no problems with recruitment of skilled people locally. The company mostly hires graduates with general skills and abilities rather than looking for specific knowledge or industry experience. The size of Leeds and the presence of two large universities mean that there is a good pool of this sort of graduate to choose from.

6.57 GSE is unlikely to stay in its current premises more than a year or two longer. The company needs to be closer to public transport networks for the benefit of its staff and preferably closer to rail links to and from London, where much of its business is conducted. In time, the business hopes to expand and will then need larger premises with more flexible configurations of space.

6.58 Transport is a major issue in considering whether staying in this part of Leeds: the area is seen as hard to access, especially from the West or the South. Currently, the roadworks along the ring road are a serious disruption and make commuting in from those directions very difficult.

6.59 The firm has chosen to locate in Leeds because of the sense that the city has a vibrancy and liveliness to it. There is a buzz in Leeds, although it is less perceptible outside the city centre. The city is not, however, vital to the business, just seen as a destination place with good connectivity at the heart of the city.

6.60 The advantages of the premises is that they are affordable and there is some flexibility in the space offered. There is an on-site cafe, which is a definite plus as there is very little in the way of food outlets, shops or other social amenities nearby. There is some parking (although not enough).

6.61 The disadvantages relate mostly to the age of the building (1960s), which is single-glazed and lacks adequate car parking provision. Although the property is on the Leeds Ring Road, it is poorly served by public transport. There is nowhere for staff to go during their lunch hours within walking distance of the building.

6.62 GSE would not consider locating up near the airport at present as there is nothing up there to draw the company in that direction. There would need to be a regular bus service and/or a train station before it would even be considered. The area is also too far away from the motorway network to be a viable business hub: the airport is 'out on a limb' and not easy to get to. Travelling by road, there are multiple pinch-points, no matter which direction you approach it from and it takes roughly an extra hour to get anywhere from there as against coming from the city centre. The representative stated that the biggest thing needed to develop the airport is to improve the roads and rail links.

A W Hainsworth and Sons Ltd

6.63 Hainsworth's is an old, established textile business in the West Leeds area. They have been on their present site since 1882 and have no intention of moving. The company currently employs between 140 and 150 people, most of whom come from the local area, although a few travel in from neighbouring Yorkshire towns such as

Huddersfield and Wakefield. The company has a local employment strategy and generally seeks to hire staff in the local community.

6.64 There are some issues about finding the range of skills the business needs locally: there is a very diverse requirement, ranging from qualified engineers, to designers and creative people, as well as machine operatives, office staff, etc. The company has an apprentice scheme but finds recruiting school leavers to be challenging. There is recognition that more perhaps needs to be done to engage with local schools to remedy this. Other recruitment is generally of experienced staff, who bring existing knowledge to the business. They employ relatively few new graduates.

6.65 There is no current perceived need to expand the premises. The business occupies 13,000 sqm on site and has another 5,600 sqm under roof, which is currently empty. This should not be considered spare capacity, however, as this space comprises older buildings, divided into smaller rooms, which are not best suited for modern manufacturing uses. The intention is to use these buildings as creative labs, both for uses directly related to the company's own activities, and to let out to other small, bespoke craft businesses (e.g. a cabinet maker), with symbiotic requirements. The aim is to develop a creative hub on site, which will allow Hainsworth's to benefit from proximity to broader design influences. This is linked to a desire to push the regeneration of the Farsley/Stanningley area of Leeds as a creative centre, with textiles at its core.

6.66 As a family-owned business, Hainsworth is committed to its place in North West Leeds and to the regeneration of the area. The challenge is to lift the traditionally deprived West Leeds corridor into a more desirable and vibrant part of the city; a task which is reckoned to be harder in Leeds than in London because of the massive growth of the latter. The representative was critical of the emphasis on investing in Leeds City Centre at the expense of some of the less attractive outer areas and of the 'quick fix' options of building on green field land beyond the city boundary, as opposed to re-using brownfield sites and upgrading existing facilities to make them suitable for contemporary uses. The need to take a long term view of the city, from a holistic perspective, was stressed.

6.67 The advantages of the location in Stanningley are seen to be its proximity to the airport and the ease of access to both Leeds and Bradford city centres, with their further links across the country. Hainsworth is a global brand and finds its location in the North of England conducive to doing business on an international scale.

Hopkins Catering Equipment Ltd

6.68 Hopkins Catering Equipment is a manufacturer of commercial kitchens and catering equipment. Hopkins moved into its present building 27 years ago, when the business took a 25 year lease to accommodate the growth of the business. When the lease came up two years ago, the company looked to move to more suitable premises but the property they found on the Grangefield Industrial Estate fell through and they wound up buying their premises in Valley Mills, in spite of its short-comings. Although they looked round the area for more suitable space, there was nothing locally that met their requirements.

6.69 There are 66 members of staff, based on site in Pudsey and roughly 80% of them live within a three mile radius of the factory. There is a great deal of resistance amongst employees to the idea of moving any distance. Because of the difficulties in travelling round the city, even a move of a few miles would result in loss of many employees. This is particularly important because the business is struggling to recruit new members of staff. They cannot find skilled workers locally and the business is so busy that trained engineers working there cannot spare the time to train up the next generation. Hopkins is currently working with local colleges to develop fast track apprenticeships to help create the skills they need in their workforce.

6.70 As a rapidly growing business, Hopkins needs additional manufacturing space but there are no suitable premises nearby. They are finding themselves investing money in the existing buildings, which the representative does not believe represents good value, either for productivity or as an investment in property. The alternative is to seek a ‘satellite’ site nearby, this is also sub-optimal from a business perspective, but there is a shortage of suitable properties even for this option. The available premises in the area are mostly warehouses rather than factory units.

6.71 A move to premises near the airport would not be possible because the commuting times would increase so much for employees that they would be unlikely to stay with the business. Similarly, there would be advantages to be closer to the motorway network but not if that meant losing staff.

6.72 Being within the Leeds City area isn't important to the company but being connected to the local community is – there is a strong sense of being a 'local employer' and that is important.

6.73 The representative stated that the ideal solution would be to be able to acquire a parcel of land, close to the existing factory and build a bespoke facility from scratch, without too many restrictive covenants.

Europlus Direct

6.74 Europlus Direct provides computer support services and hardware. They have international offices, but their headquarters are at Airport West, the office park opposite the LBIA at Yeadon.

6.75 The business relocated from Saltaire, Bradford as they had outgrown their previously premises. They chose Airport West as it was available at the time, they were able to purchase the premises freehold, it was not too far away from their previous premises and it had good bus transport links. The lack of trains is a big downside and the main disadvantage of the site.

6.76 All but one of the staff moved with the business as it was still in a similar area. The business employs about 40 staff. The representative stated that it is easier to attract staff now that they are at Airport West.

6.77 In relocating the business, they considered that being very close to the LBIA would be a significant advantage as over 90% of their business is international. However, the restricted number of flights from LBIA means that they take more flights from Manchester Airport. In particular, the links to Heathrow start too late in the day (arrive about 10:30am) to be useful for business.

6.78 Due to the nature of their business, road transport links are not considered a significant issue. They do not rely on freight transport. At the small number of meetings they do have with clients, road access is mentioned. Europlus Direct does not have any significant business relationship with the City Centre and thus links to there are not of importance.

6.79 Further uses that the representative would like to see in the area include more retail within walking distance of Airport West for employees at lunchtime.

Gecko Direct Ltd

6.80 Gecko Direct is a digital printing and marketing business based in Moorfield Business Park. It employs about 60 staff. Due to the nature of their business, they require industrial and office space in about equal quantities. At present they have three buildings at Moorfield Business Park, two of which they lease and one that they purchased.

6.81 The business is currently looking for alternative premises in which it could accommodate all operations in one building. Given that they need about equal quantities of both office and industrial space, they are having difficulty acquiring a site. They are looking for about 2,800 sqm in total, split relatively evenly between office and industrial space.

6.82 From an operational point of view, there is not a significant reason to stay in North West Leeds. However, due to the residential locations of staff they would like to stay in the area and have been looking within a five mile radius of their current premises. Superfast broadband is a critical requirement for their business as they are digitally based and use the cloud for data storage.

6.83 Proximity to the LBIA is not that important, however it is convenient when needed. The poor access to the motorway network is not an issue for the business.

Winder Power

6.84 Winder Power is a manufacturer of industrial electrical transformers. It employs about 100 staff and moved to their current premises at Pudsey in about 2008.

6.85 Winder Power's former premises were in the same vicinity, only about one mile away. They relocated because the older premises became unsuitable and new premises became available. They wanted to stay in the area. The new premises is under a leasehold agreement, which is Winder Power's preference.

6.86 The business does have problems with the road network, both for staff getting to/from work and for haulage. The representative considers it the biggest issue facing Leeds. Their current site can have access difficulties for heavy vehicles, both due to potholed roads and cars parked along the kerbs.

6.87 The representative stated that staff with basic level skills are relatively easy to find, but the specialist requirements of transformer manufacturing mean that highly skilled workers are difficult to recruit. Winder Power has a relationship with Leeds College that has improved over time in providing staff with the necessary skill set.

Rushbond PLC

6.88 Rushbond PLC developed the Airport West office park. They provided comment on the Airport West development and the market in the area generally.

6.89 Rushbond developed Airport West and sold the office buildings on a freehold basis. They are aware that some of the buildings were resold in the recession at reduced prices. They have planning consent for a further 2,600 sqm office development nearby but would not be bringing forward speculatively.

6.90 The representative considers that the office market is starting to improve in the area after a steep decline during the recession. The market for office space is highly localised. The airport does not create significant demand either for office or industrial space at present.

6.91 The representative considers that an industrial scheme anywhere in North West Leeds would likely to be successful because of the shortage of this type of accommodation in the area. The problem is that private developers are unlikely to build this sort of scheme because the returns to landowners are so much lower than building residential or office schemes.

Coney Park Estates – represented by Walton and Co.

6.92 Coney Park Estates is located on the western side of Harrogate Road (A658), opposite the Leeds Bradford International Airport Industrial Estate. The current uses on the site include Sentinel Car Park for users of the airport (not operated by the airport) and caravan/trailer storage.

6.93 The representative highlighted that the uses on the site have been in place for several years and represent “secondary employment uses” of the site. An extension of the temporary permissible use is almost in place to continue the uses on the site.

6.94 Coney Park Estates has plans for further uses on the site and will soon be providing Council with a master-plan outlining their intents for the site. The owners are looking at the potential for higher value uses of the site, including industrial, light industrial, offices, petrol station and hotel. The master-plan would include options to extend the uses north of the existing footprint to incorporate the helipad site. The master-plan would include a new roundabout on Harrogate Road as the entrance to the site.

6.95 The representative stated that the development of the master-plan incorporated recognition that there is a market for smaller industrial units and offices in the area. The Sentinel Car Park, which is successful and in-demand facility, would remain as part of the redevelopment.

6.96 The represented stated that the land is owned by a trust and therefore is taking a long-term view of the site.

Business Survey

6.97 A survey of existing Leeds businesses was undertaken in April 2015 to gauge the level of satisfaction with existing workspace and the intentions to seek alternative premises in the foreseeable future. A sample of 550 businesses was contacted by a representative of BE Group to complete the survey on the telephone with the business representative. The final number of responses for the survey was 211. A copy of the questionnaire used is attached in Appendix 2.

Company Size

6.98 The 211 companies employ a total of 2,252 people. Of these 138 (6.1 percent) are part-time employees.

6.99 Table 20 shows that responses generally follow the national profile of small company employment. 75.8 percent are micro businesses (1-10 employees), with 95.3 percent employing less than 50. There are eight companies with over 50 employees, these are:

- AETC Ltd (220 employees)
- T.M.A. Loans (102 employees)
- Saturn Direct (91 employees)
- Brenntag UK & Ireland (85 employees)
- Encase Packaging (80 employees)
- Road Skills (57 employees)
- S.N.G Building Contractors (54 employees)
- Totally Wired Solutions (52 employees).

Table 20 – Company Size

Company Size, employees	Number of Companies	Percent
0-2	69	32.7
3-5	56	26.5
6-10	35	16.6
11-20	21	10.0
21-50	20	9.5
51+	8	3.8
Not stated	2	0.9
Total	**211**	**100**

Source: BE Group 2015

Current Premises

6.100 Companies were asked to state the type of property they occupy e.g. offices, industrial, warehouse, etc. Table 21 shows that overall, 41.7 percent of respondents work from home. 27 percent of the companies occupy office space (including serviced space), whilst 24.7 percent of respondents are in industrial/warehouse accommodation. Just one company stated that it occupies a high tech laboratory location, however this does not preclude some companies having high tech functions within larger office, industrial or warehouse operations.

Table 21 – Responses by Premises Type Occupied

Premises Type	Number of Companies	Percent
Home	88	41.7
Office	53	25.1
Industrial	40	19.0
Warehouse	12	5.7
Retail – High Street	6	2.8
Serviced Office	4	1.9
Barn Conversion/Farm location	4	1.9
Retail – Out-of-Town	2	0.9
High tech/lab	1	0.5
Site	1	0.5
Total	**211**	**100**

Source: BE Group 2015

6.101 Companies occupying commercial premises (i.e. not those working from home) were asked to indicate whether they own or rent their property. Table 22 shows that overall a much higher proportion of companies rent their premises, rather than own them.

Table 22 –Tenure of Premises Occupied

Tenure	Number of Companies	Percent
Freehold	36	29.3
Leasehold	87	70.7
Total	**123**	**100**

** This figure does not include the 88 companies operating from home*

Source: BE Group 2015

6.102 Companies were also asked to note whether any house builders had approached them regarding the potential to redevelop their property. Just one company responded that they had been approached. However it should again be noted that 41.7 percent of companies work from home and therefore a very high proportion is actually exempt from this question.

6.103 Table 23 indicates the sizes of premises occupied by companies. Of the companies operating from commercial premises, overall emphasis is on premises of 500 sqm or less (58.6 percent). 41.5 percent are in micro and small business accommodation of 0-200 sqm. Furthermore 17.1 percent of businesses occupy larger 2,001-5,000 sqm premises,

Table 23 – Size of Premises Occupied

Size of Unit (sqm)	Number of Companies	Percent
0-100	27	22.0
101-200	24	19.5
201-500	21	17.1
501-1000	16	13.0
1001-2000	12	9.8
2001-5000	21	17.1
Site	1	0.8
Not stated	1	0.8
Total	**123***	**100**

** This figure does not include the 88 companies operating from home premises*

Source: BE Group 2015

6.104 Table 24 provides the breakdown in sized specifically for industrial or warehouse premises where stated.

Table 24 – Size of Industrial or Warehouse Premises Occupied

Size of Unit (sqm)	Number of Companies	Percent
0-100	4	7.7
101-200	9	17.3
201-500	9	17.3
501-1000	11	21.2
1001-2000	7	13.5
2001-5000	12	23.1
Total	**52**	**100**

Source: BE Group 2015

6.105 Respondents were asked to comment on whether they were satisfied with their present accommodation, and if not to explain why not. Table 25 shows that 99.0 percent were content overall and none were very unsatisfied. The company that stated it is unsatisfied with its current premises explained that it is due to a requirement for additional space.

Table 25 – Satisfaction with Current Premises

Satisfaction	Number of Companies	Percent
Very Satisfied	48	22.7
Satisfied	161	76.3
Unsatisfied	1	0.5
Very Unsatisfied	0	0
Not stated	1	0.5
Total	**211**	**100**

Source: BE Group 2015

Business Relationship with Leeds Bradford Airport

6.106 Businesses were also asked to comment upon their relationship with Leeds Bradford Airport. 14 percent of respondents (30 companies) stated that they use the Airport for some elements of their business. 25 use it for business travel, two deliver and collect passengers from the airport (a taxi company and a coach company), one sends freight by air, one collects/delivers imported goods (a courier company), and one uses the Airport to import spare parts.

Future Accommodation Requirements

6.107 Companies were asked to indicate whether they are considering moving premises in the next twelve months, or beyond. Just seven companies (3.3 percent of respondents) indicated that they are intending to relocate; with one proposing that this will happen in the next year. Two of these companies also highlighted that they have been unsuccessful in finding suitable new premises in recent months.

6.108 In addition, all companies were asked to state whether or not there is any potential for expansion on their current site. Ten companies felt there is potential (4.7 percent of respondents).

6.109 In terms of property requirements, one company requires warehouse space, and five require an office. One respondent who indicated they wish to relocate unfortunately did not provide any additional information.

6.110 The company that requires warehousing premises is a window production/fitting company that has indicated that they would be looking for 101-200 sqm of moderate quality space anywhere on an industrial estate in Leeds. The company had no preference as to whether this space is freehold or leasehold. It also stated that it is actively looking for space and has had significant difficulty in finding anywhere suitable due to their being a lack of choice.

6.111 The forecasted future office space needs by size, tenure, quality and location type is shown in Table 26 below. The company that did not comment on their future requirements have been excluded from the table.

Table 26 – Future Office Requirements
S

Location Type	Current Size, sqm	Required Size, sqm	Tenure and Quality	Area Preferred	Difficulty in Finding Premises?
Business Park	0-100	0-100	Leasehold/ Moderate	Leeds City	No
Town Centre	0-100	0-100	No Preference/ Moderate	Otley	No
Town Centre	0-100	0-100	No Preference/ New	Otley	No
Town Centre	0-100	101-200	Leasehold/ Moderate	Leeds City	No
Business Park	0-100	0-100	No Preference/ Moderate	Leeds City	No

Source: BE Group 2015

6.112 All the office occupiers hoping to relocate currently occupy 0-100 sqm premises. Four of the five companies wish to remain in the same size premises, with the fifth hoping to take larger space (101-200 sqm). Two would like to be located in Otley town centre, and one within Leeds centre. The other two require space within a business park in Leeds City. Four have a preference for moderate quality space, and one would prefer a new/prestigious office. Two would like to rent their premises, but three have no preference regarding the tenure of the property.

6.113 Six out of seven companies expecting to move in the foreseeable future identified the most important factor(s) when looking for alternative accommodation. To summarise;

- Five companies stated that access was an important factor
- Five companies stated that price was an important factor
- Two companies stated that environment was an important factor.

6.114 Participating companies were also given the opportunity to make additional comments and raise any concerns they have regarding business space, however no further comments were made.

Summary

6.115 The consultation with businesses, key institutions and public agencies through direct interviews and the business survey has provided an overview of the local market and has corroborated the information gathered from the local agents and the property and socioeconomic data.

6.116 Businesses that expressed an interest in seeking alternative premises have also stated strongly that they would want to stay in the local area. There is a strong loyalty and affinity to the area and the location of houses of staff and owners in the area is a key determinant in businesses wanting to stay in the area. Regarding the leakage of businesses to Baildon, the local businesses consider that Baildon still is in the same area and that it is not moving away from North West Leeds, even if it is across local authority boundaries.

6.117 The businesses seeking further space are prepared to forego appropriate options elsewhere in Leeds and further afield to remain in the area, despite limited operational or businesses incentives to do so. Businesses mentioned that they are willing to stay in suboptimal premises in the area, rather than relocate out of North West Leeds.

6.118 There were only a small number of operators seeking further space in the area. However, these operators are particularly keen to remain in the area and there are currently limited options for industrial premises for such operators to relocate to.

6.119 Transport and congestion is seen as a key issue for local businesses, but generally one in which they are prepared to endure. Transport was seen as more of an issue for staff getting to and from work, rather than cited as a limitation to business operations.

7.0 CONCLUSIONS AND RECOMMENDATIONS

Main Issues

7.1 The strengths of the North West Leeds market are:

- Its industrial/manufacturing base, including several long-term businesses that are loyal to the area.
- High growth businesses, including advanced manufacturing and information/ communications are present in the area.
- There are a number of small but growing businesses in the North West Leeds area.
- The residential community is highly educated, providing a significant, local labour asset.
- The Airport, while not generating a large quantity of non-aviation employment land needs at present, is a draw to the area, the largest single employer and a catalyst for growth.
- The area has smaller, self-contained centres (e.g. Otley) with potential for employment growth. Businesses within these centres have a strong loyalty to their local community and when seeking alternative premises would want to stay within the local area.

7.2 The key issues and findings identified throughout this report are listed below:

- There are several long-term businesses in the area which are content to remain in North West Leeds.
- The residential population is an affluent, well-educated community.
- There is strong anecdotal evidence that the key reason for businesses remaining in the area or looking for alternative sites in the area is due to proximity to owners or staff residences, rather than for business relationship reasons.
- Information from the consultation with businesses and the agents suggests that businesses looking for space in the area are existing businesses already in North West Leeds looking to upgrade/expand premises.
- Similarly to the above point, these businesses looking for space in North West Leeds are not prepared to look further afield, with areas in South Leeds or

Thorp Arch not being considered as reasonable alternatives due to the distance from North West Leeds and the residences of owners and staff. Businesses are prepared to remain in suboptimal premises to remain in the area. Businesses have relocated to Baildon in Bradford as it is considered that this is still part of the same area, even though it crosses the local authority boundary.

- The poor road access to and within the area (particularly lack of motorway access) was cited as a disadvantage of the area. Interestingly it was cited more as an inconvenience for staff, rather than as an operational disadvantage.
- It was considered that the road network limits the range of businesses that would look to locate to the area, limiting the potential for freight related operations to link with the LBIA.
- The LBIA was considered a reasonable asset for the area, although was not considered by agents as a key marketing advantage in attracting businesses to the area. Conversations with business operators revealed a variety of opinions on the airport, with some finding it a key advantage for business links to London, some still preferring to use Manchester Airport given its wider variety of routes and some not using the airport at all.
- The LBIA has been a catalyst for establishing a node of employment in Yeadon, although the quantity of businesses surrounding the airport is smaller than might be seen around airports of regional cities elsewhere in the UK.
- Several of the businesses in North West Leeds are home based operations. There was an identified lack of incubator/serviced office space for businesses looking to expand to the next stage.
- North West Leeds was considered a reasonable area from which to attract staff and was considered an attractive place to work. Some businesses cited limitations in attracting skilled trade workers.
- The enterprise centres of the three universities consulted were considered successful and popular. There appears to be limited choice outside of these three small enterprise centres for innovation or start-up centres in Leeds. The major employment areas, particularly the South Leeds Enterprise Zone, were considered unsuitable for business incubator space for entrepreneurs. The university representatives were not averse to an incubator space being provided in North West Leeds

- The business survey revealed that only a small percentage of businesses in the area were dissatisfied with their existing premises and were looking for alternative sites. However, those that were dissatisfied expressed difficulties in finding alternative premises, which was corroborated by the interviews with businesses that were known to be looking for alternative premises.
- There has been a loss of older employment stock in North West Leeds, with land being taken up for residential purposes. One of the agents questioned whether such stock had been replaced in sufficient quantities in alternative sites in the area.
- The industrial market appears to be particularly constrained in terms of supply, which is limiting take-up of premises and delaying businesses' plans to upgrade premises. There appears to be latent demand now for further premises, which would enable existing businesses to upgrade or expand and allow choice for businesses looking to enter the market.
- The office market has more choice in terms of currently available premises and urgency for further stock is not as apparent as in the industrial sector. However, there is a lack of serviced office space that could potentially support businesses currently operating from home and looking to upgrade their premises.
- The take-up of employment sites in North West Leeds has averaged about 0.8 ha per annum since 2001.

Demand for Further Premises

7.3 From the primary research undertaken for this study it is apparent that the main driver of demand for employment premises in the North West Leeds area is from businesses already in the locality. Furthermore, their main driver for wanting to stay in the area, rather than looking for alternative premises elsewhere in Leeds or further afield, is wanting to stay close to the homes of owners and staff.

7.4 Therefore the types of industries wanting sites and the premises that will be in demand will be similar to what is currently in the area. That is, the industry sectors taking up B-class land in North West Leeds will be smaller scale manufacturers, a small number of larger manufacturers, and generally small to medium sized professional services. The space required for such industries will generally be smaller industrial and office premises, although capacity should be provided in the provision of sites for the larger, long-term operators in the area to upgrade their premises yet remain in the locality.

7.5 There has been some loss of older employment stock in North West Leeds to residential uses. The area is an affluent and desirable place to live and developers have acquired older industrial premises and redeveloped for residential uses. There remain several older premises in the area and thus there continues to be a risk that further employment stock could be lost.

7.6 The historic nature of development in North West Leeds, with businesses establishing several decades ago and towns growing around them has resulted in a piecemeal form of employment provision in the area. There is a lack of a consolidated, modern and dedicated industrial area where businesses can collocate and the stock is protected from encroachment of residential uses.

7.7 There is more office stock currently being marketed in North West Leeds and this sector is recovering more slowly from the recession than the industrial market. Therefore there is less urgency in providing further office premises to the market. However, there would still need to be planning for sufficient stock to 2028 and beyond. There appears to be a gap in the market for serviced office space. Such space would be particularly important in a market such as North West Leeds with several home based businesses. This would provide an option for micro businesses seeking more professional accommodation than operating from home and they would benefit from the shared resources and flexible rent options of serviced offices.

7.8 The 2010 ELR identified a need for some 26 ha of industrial/warehousing land in North West Leeds between 2010 and 2026, equating to about 1.6 ha per annum. The take-up of B-class land in North West Leeds since 2001 as seen in Table 14 averaged about 0.8 ha per annum. However, this take-up rate probably under-represents the true demand in North West Leeds in coming years due to:

- The financial crisis and recession, which dampened demand and speculative development since 2008;
- Operators in North West Leeds remaining in older, substandard premises to remain in the area, while expressing a desire for upgraded premises;
- Some operators moving to Baildon, which they consider remaining in the area, but crosses the local authority and study area boundaries;

7.9 The actual take-up since 2010 has also averaged about 0.8 ha per annum, half of the

2010 ELR demand projection. That is, the actual growth in take-up has lagged behind the projected demand, which corroborates with the reported tightness in industrial supply and businesses seeking sites but unable to find adequate premises and therefore not relocating.

7.10 Therefore, while historic take-up trends provide a good indication of growth in employment land, for the reasons listed above, it is considered that the likely take-up to 2028 would be higher than 0.8 ha per annum to meet the needs of local businesses. The projected demand in the 2010 ELR of 1.6 ha per annum is more likely to represent a realistic figure for growth in take-up to 2028.

7.11 However, it should be noted that the actual take-up is unlikely to be uniform from year to year and that there will be periods of accelerated growth and periods of no growth. The market conditions at the moment suggest that there is demand for accelerated growth in industrial premises but this is not being translated to development of land for industrial purposes due to a continued aversion towards speculative development and a preference for other development types.

7.12 An average of 1.6 ha per annum of employment land take-up equates to 20.2 ha of land to 2028. Including a five-year buffer to allow for flexibility in the market increases the projected take-up to 28.8 ha by 2028.

Site Allocations

7.13 The site allocations provided to BE Group include key sites at Yeadon, Otley and Rawdon, specifically:

- Coney Park Estates site, Yeadon (caravan/trailer storage, car park and underutilised site)
- Whitehouse Lane, Yeadon (vacant site with topography issues)
- E Busk Lane, Otley (undeveloped)
- A54/New York Lane, Rawdon (site under development for warehouse)

7.14 These sites have the capacity to accommodate further employment uses if developed to capacity. If all sites are developed efficiently and in a timely manner there would be sufficient capacity to satisfy demand to 2028. However it is questionable as to the potential yield of floorspace that could be provided at the Whitehouse Lane site due to topography constraints. The Coney Park Estates site (some 17 ha) is a potential redevelopment site and well positioned for mid-sized industrial premises. It is unknown at this stage as to the timeframe of being able to bring this site on for industrial uses, although the owners have indicated that they have plans for a range of uses on the site, including industrial and office space.

7.15 However, it is noted that despite there being a current tightness in the industrial market, with some operators struggling for space or relocating to Baildon in recent years, three of the four of these sites have not proceeded to development as yet. Even if all are developed in a timely manner, towards the end of the planning period there would be a tightening of the market as the sites reach capacity. Further stock would need to be in the development pipeline in the second half the planning period to ensure continuity of supply.

7.16 Given an albeit small number of industrial operators are expressing difficulty in attaining space, there is an argument for the identification and provision of further employment land that can be brought to the market and developed quickly to relieve this tightness in the market in North West Leeds.

Size of Premises

7.17 The employment land should be provided to allow for the development of premises that meet the needs of the local business community. Tables 23 and 24 summarise the sizes of units of the respondents of the survey, both for all premises and specifically for industrial or warehouse premises. The tables show that the majority of premises are small, which is corroborated by the consultation with agents and the review of available stock. However, there is variety in the sizes and some operators are looking for larger premises. 27 percent of premises, including 37 percent of industrial or warehouse premises were in the 1,000-5,000 sqm size bracket. Only four built and marketed industrial premises and one marketed office building could accommodate businesses requiring this size of premises.

7.18 From the consultations with businesses, only one (Gecko Direct) specified a future floorspace requirement in alternative premises, which was 2,800 sqm split evenly between office and industrial space. None of the marketed properties fit this size and split criteria. Such a split between industrial and office space is unusual and would likely require a design and build package.

7.19 Therefore employment land provision should be sufficient to allow industrial/warehouse premises of up to 5,000 sqm, although the majority of industrial/warehouse units provided should be in the 500-1,500 sqm range.

7.20 There is potential for small-scale serviced offices within North West Leeds. Such premises would provide flexible rent options and shared office/administration resources. Available space would be from a single desk or office up to about 60-80 sqm. There would be potential to link to the enterprise centres of one or more of the universities, either as a second location under the same branding or as a looser co-operation arrangement.

7.21 Proposed improvements to the road and rail networks are unlikely to alter the size of premises in demand in North West Leeds. It will still be highly unlikely that North West Leeds would attract the large distribution operators requiring floorspace well in excess of 10,000 sqm, even with the proposed improvements.

Location of Premises

7.22 As stated earlier, the key determinant of businesses in choosing to locate in the area is to be close to the homes of owners and staff. Businesses looking for alternative premises in North West Leeds are those that are already there, once again looking to remain close to homes. This attachment to the area is also evidenced in the number of long-term businesses in North West Leeds.

7.23 Therefore the base position must be that the provision of employment premises to meet the demands of North West Leeds in coming years must be located in or very close to North West Leeds. The South Leeds Enterprise Zone or major industrial or business parks in the remainder of Leeds are unlikely to appeal to this market and is not an adequate solution to meet the demand generated by North West Leeds.

7.24 Even within the North West Leeds area, there is evidence that businesses are reluctant to relocate too far away from their existing premises, with some of the consultation revealing businesses only considering a three or five mile radius around their current site. Therefore one site to meet the floorspace demand of the area will be insufficient, with businesses requiring choice of location within North West Leeds.

7.25 Further location criteria for premises in North West Leeds follow general good planning principles, including:

- locating adjacent to existing employment hubs;
- locating on major arterials and the public transport routes;
- locating in close proximity to services such as banking, retailing, lunch

options, etc.;
- selecting flat sites;
- access to superfast broadband.

7.26 It is therefore recommended that employment sites be provided in Yeadon/Rawdon and in Otley. The Yeadon/Rawdon site would be the larger of the two sites, providing the location for larger industrial/warehousing premises as well as for smaller operators. The Otley site would provide capacity for growth of the Otley economy, servicing its local needs. However, through the Site Allocations Plan site assessments and the Call for Sites, no suitable sites have been identified.

Commentary on Employment Hub at LBIA

7.27 The proposed Air Innovation Park at the LBIA as outlined in the DTZ report includes industrial, research and office uses as well as support uses such as retailing and hotels. The DTZ report included a calculated net demand for gross employment land of 40 ha on the Airport site, including a net site area of 29.3 ha in the Air Innovation Park. As outlined in paragraph 2.20 of this report, the BE Group has concerns that this calculated demand is an overstatement of the likely local demand.

7.28 The location of the LBIA's Air Innovation Park appears to satisfy several of the location criteria outlined above. The site is adjacent to existing employment areas, could benefit from the public transport provision (including future planned upgrades) to the LBIA, is proximate to the A658 and provides capacity for a range of unit sizes. As part of a broader expansion of the airport, it would provide capacity for aviation-related businesses to locate proximate to the LBIA and allows other land to be freed up for specific aviation uses.

7.29 It is not apparent where, within North West Leeds, a significantly superior site for employment uses of similar scale could be established (excluding current site allocations) and brought to the market in a reasonably efficient and timely manner. Expanding the node surrounding the airport represents a logical, efficient and attractive solution to supplying further land in the area from a market perspective.

7.30 Furthermore, the development of an employment hub at this location at the same time as the airport is in a growth phase and the proposed road and rail transport infrastructure is developed, leads to market synergies. The employment hub would benefit from the increased activity at the airport, in terms of passenger capacity, increased destinations and more business opportunities. The airport would benefit from local businesses being in close proximity to the airport, giving the airport a higher business profile. The proposed transport infrastructure would benefit both the employment hub and the airport, thereby representing an efficient use of infrastructure funds.

7.31 However, as stated the scale of the proposed Innovation Park appears to be in excess of requirements for North West Leeds to 2028 based on local needs, with the allocation of current sites being able to meet demand if brought to the market in a timely manner. This site allocation would result in tightness in the market in the second half of the planning period and the proposed Innovation Park at the LBIA could provide a role in alleviating that tightness and ensuring continuity of supply.

7.32 Therefore a gross employment land allocation of approximately 12-14 ha at the Air Innovation Park site, to come on line beyond 2021 would be appropriate in providing that continuity of supply to 2028. This is based on local need as the assessment has not considered the wider Leeds employment market. The LBIA as a draw to the area may result in further demand from outside the wider Leeds area and can be considered as part of the Site Allocations plan.

7.33 As the throughput of the LBIA increases, through increased capacity on routes and a wider breadth of destinations, the airport would be seen as a more important asset by local businesses and more attractive as a location option. A new built business park, within the airport's land and with research/innovation links would be an attractive option for many operators seeking space in North West Leeds and it should be well tenanted. Improvements to the road and rail linkages to the airport would provide further advantages to businesses locating to the site. Locating an employment area at the airport would represent an efficient use of the upgraded transport infrastructure.

7.34 Research or aviation specific uses within the Air Innovation Park would be over and above this demand. The DTZ report outlines a net site area of 6.7 ha for research and development within the Air Innovation Park and identifies aviation specific uses, such as air freight in other parts of the masterplan, outside of the Air Innovation Park. A net area of 6.7 ha for the research and development component is a substantial allocation of land and, if successfully tenanted, would enable several mid-sized research companies to collocate in the area. This research space would be more than a business incubation space (although this may form part of the site) similar to the enterprise centres that appear to be popular within the three universities.

7.35 The market for such research space is unclear at this time. While the demand for incubator space appears to be solid and it is recommended that the provision of such space be provided in North West Leeds, the demand for larger scale space for research and development businesses is less clear. Potentially two market sectors could be:

- Advanced manufacturing research
- Digital media

7.36 Both advanced manufacturing and digital media/information and communications sectors are present in North West Leeds, although both would be considered small clusters. The growth and development of the research components of either or both of these sectors such that the net 6.7 ha of research and development land would be taken up would require significant support and promotion of the sectors to stimulate interest and development.

Appendix 1

List of Consultees

Appendix 1 – List of Consultees

A W Hainsworth and Sons Ltd
Airedale International Air Conditioning Ltd
Bilfinger GVA
Coney Park Estates
Europlus Direct
Gecko Direct Ltd
Gent Visick
GSE Research Ltd
Harvey Burns and Co
Holder and Co
Hopkins Catering Equipment Ltd
Leeds Beckett University
Leeds Bradford International Airport
Leeds Chamber of Commerce
Leeds City Council
Leeds Trinity University
Produmax
Rushbond PLC
University of Leeds
West Yorkshire Combined Authority
Winder Power

Appendix 2

Business Survey Questionnaire

Leeds City Council
Business Survey 2015

Company Details

Company Name	
Contact Name	
Position	
Address	
Email Address	
Tel No	
Business Activity	
How does your business use Leeds/Bradford Airport? I.e. do you ship goods via the Airport or use it for business travel?	

Employees

1. Number of: **full-time** employees ___________ and/or **part-time** employees ___________

Current Accommodation

2. Type of accommodation (please tick main type/use)

Office	☐	Serviced office	☐	High-tech/lab	☐
Industrial	☐	Warehouse	☐	Retail – High Street	☐
Site (undeveloped land)	☐	Barn conversion/Farm location	☐	Retail – Out of Town	☐

3. Is the property:

Owned ☐ Rented ☐

4a. Have any house builders approached you? Yes ☐ No ☐

4b. If yes to 4a, please provide more details below

____

____

____

5. Size of unit:

0-100 sqm *(0-1076 sqft)*	☐	101-200 sqm *(1077-2152 sqft)*	☐	201-500 sqm *(2153-5382 sqft)*	☐
501-1000 sqm *(5383-10,764 sqft)*	☐	1001-2000 sqm *(10,765-21,529 sqft)*	☐	2001-5000 sqm *(21,530-53,821 sqft)*	☐

Larger, sqm ______________________________

Site size, hectares/acres ______________________________

6. How satisfied are you with your current accommodation?

Very satisfied ☐ Satisfied ☐ Unsatisfied ☐ Very unsatisfied ☐

7. If you are unsatisfied or very unsatisfied, please state your reasons.

____

____

Future Accommodation

8a. Are you considering moving premises within the next:

12 months? Yes ☐ No ☐ *Beyond 12 months*? Yes ☐ No ☐

8b Have you looked to move recently and been unsuccessful? Yes ☐ No ☐

8c Is there potential for you to expand on your current site? Yes ☐ No ☐

If you are considering moving premises, please respond to questions 9a – 9k, otherwise go directly to question 10.

9a. What type of accommodation will you be looking for? (please tick main type/use)

Office	☐	Industrial	☐	Serviced office	☐
Warehouse	☐	High-tech/Lab	☐	Land	☐

9b. Tenure required?

Freehold ☐ Leasehold ☐ No Preference ☐

9c. Quality of premises preferred?

Prestigious/ New ☐ Moderate ☐ Basic/Budget ☐ No Preference ☐

9d. Will this be **additional** ☐ or **alternative** ☐ to existing property?

9e. What size of unit/site will you be looking for?

0-100 sqm *(0-1076 sqft)*	☐	101-200 sqm *(1077-2152 sqft)*	☐	201-500 sqm *(2153-5382 sqft)*	☐
501-1000 sqm *(5383-10,764 sqft)*	☐	1001-2000 sqm *(10,765-21,529 sqft)*	☐	2001-5000 sqm *(21,530-53,821 sqft)*	☐

Larger, sqm ____________________

Site size, hectares/acres ____________________

9f. General location – please indicate preferred areas(s) below:

Yeadon	☐	Guiseley	☐	Menston	☐
Otley	☐	Leeds/Bradford Airport	☐	Ilkley	☐
Leeds City Centre	☐	Anywhere in Leeds	☐	Aire Valley/Enterprise Zone	☐
Bradford	☐	Anywhere in Leeds/ Bradford Area	☐	Other (please specify ____________________	

9g. Location type preferred:

Town centre	☐	Industrial estate	☐
Business park	☐	Rural	☐

9h. What do you consider to be the most important factor when seeking alternative accommodation?

Access	☐	Price	☐	Workforce	☐	Supply Chain	☐
Environment	☐	Airport	☐	Other (Please State Below)			

____

____

9i. Are you actively seeking new premises?

Yes	☐	No	☐

9j If yes to 9i, have you had any difficulties finding new premises?

No difficulty	☐	Significant difficulty	☐
Some difficulty	☐	Great difficulty	☐

9k If yes to 9j, why have you encountered difficulties?

____

____

Additional Comments

10. If you have any additional comments affecting your choice of premises please use the space below. Topics might include:

- Road Infrastructure
- Public transport
- Staff availability
- Business support
- Funding availability
- Property availability
- Planning issues

Prompts: Would a new road improve access?