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1 INTRODUCTION

1.1 Study Brief (GLA specification)

The London Industrial Land Demand study is a key component of the evidence base shaping the London Plan and its Implementation Framework.

Based on the GLA Specification issued during the tendering process, the study will produce advice on these issues and:

- Analyse the short, medium and long term demand and supply dynamics for industrial land and related uses in London including logistics, waste and recycling, utilities, transport functions, renewable energy generation and wholesale markets.
- Draw upon the recently published 2015 study on industrial land supply in London and incorporate updated estimates of floorspace in industrial and related uses.
- Update the indicators and benchmarks of industrial land release to other uses.
- Produce quantified benchmarks for industrial land release in hectares.
- Generate alternative scenarios to reflect different outcomes in terms of how industrial activity operates in relation to the London economy.

1.2 Service provider Team

The lead consultants are CAG Consultants. The study will be led by **REDACTED** a Partner of CAG and supported by:

- Colliers International - a global leader in provision of real estate service and will provide industrial property market data and analysis
- Ramidus Consulting – a specialist property market consultancy who bring knowledge of how occupiers use space
- Peter Brett Associates – who have produced national and reginal policy guidance on the use of employment land
- **REDACTED** – of UCL who brings knowledge of facilities management and the way the Central London economy is serviced.

1.3 Service provider Output

The service provider will provide clear and precise advice rooted in an understanding of both market and policy. More specifically, the service provider will deliver the outputs listed in the GLA specification including:

- Sub-regional, Inner/Outer London, industrial property market and borough level monitoring benchmarks of industrial land release for 2016–2041, including sensitivity tests and a breakdown of the benchmark into its constituent sectors.

- Advice on any necessary revisions to the borough demand categorisations outlined in the current London Plan and Land for Industry and Transport SPG.

- An evidence based report, including executive summary, presenting our findings and recommendations.

- Presentation of (draft) findings at two seminars.

2 Method

2.1 Introduction

The GLA specification specifies the work required according to a series of tasks.

2.2 Part A: Industrial Land and Floorspace Demand

Task A1: Demand and Supply Dynamics

This task presents the context but in some way is also a summary of the findings. The service provider will review and revise our findings as the study progresses.

The service provider will draw on the industrial property market data and agency intelligence of Colliers to analyse the recent performance of the London industrial market in relation to the wider South East. This will include trends in rents, take-up and occupier sectors. Given some of the questions being posed by the later tasks the service provider proposes more emphasis than in previous studies on analysing the London industrial economy in relation to, and also benchmarked against, that of the wider South East.

The service provider will also interview other industrial property research teams in London for their views on these dynamics. Both Jones Lang Lasalle and Gerard Eve have agreed to be interviewed as part of this study.

The service provider will also analyse industrial employment trends by London's sub-regions and counter-part sub-regions of the wider South East.

Task A2: Analysis of Supply Side Data

The service provider will update the supply side data as appropriate to get the latest up to date profile of London's stock of industrial land and premises. The Industrial Land Supply and Economy Study 2015 should provide a good recent starting point. The service provider will request data from the London Development Database from the end of the research period for that study until present to analyse change in Industrial stock from that date. This will provide change in floorspace by location and use class and will enable calculation of an updated baseline.

The service provider will also draw on the London Development Database and on the recently completed London Employment Sites Database to analyse future committed change to the existing stock.

Task A3: Forecast London Industrial Land Demand

As has been demonstrated by previous studies of Industrial Land in London there are a wide range of activities that occupy this land. The 2011 London Industrial Demand Benchmarks study segmented these activities by broad typology and prepared different forecasts using different methodologies for each use type.

- General industrial land was forecast from application of GLA economics employment projections and application of employment density and plot ratios

- Land for warehousing and logistics was derived from the relationship between GDP and warehouse floorspace and trends in the extent to which London's demand for goods was serviced from outside of London's borders.

- Land for Waste and Recycling was based on a method for calculating waste arisings prepared by the GLA Waste Team

- Land for utilities was dependent on wider strategic policies on how to accommodate growth

- Land for Transport was dependent primarily of the strategic requirements of Transport for London.

- Land for Wholesale markets was essentially a policy driven question.

The service provider will again undertake the forecasts by each of the component sectors and set out under the Project Considerations below the approach to forecasting demand from each of these sectors.

Task A4: Spatial Distribution of Forecast Demand

Each of the forecast categories of industrial demand will be forecast at Borough level. This will enable comparison with borough level supply as set out under Task B1 to identify where there are mismatches.

Whilst preparing the forecast at borough level is useful as policy building blocks it is recognised that in property market terms demand is not restricted to administrative boundaries. The emphasis will therefore be on forecasting at sub-regional level (aligned with property market areas). The distribution of this sub-regional demand is then something for local Boroughs to address through employment land supply policies.

The service provider will also comment qualitatively on the nature of demand in each of these sub-regional areas setting out the type of property market product that is likely to be in demand. The service provider will also note where the existing stock may no longer reflect this profile of demand.

Task A5: Typology of Demand

The nature of demand for space on London's industrial estates is enormously varied.

The service provider will develop a typology of demand that reflects this diversity of activities rather than simply their SIC designations. The typology will reflect the full range of activities from heavy industrial and waste management, through light industrial and distribution to office and service-based activities. The task specifically requires segmentation between three types of activity that:

- Are not suited to vertical stacking or residential areas

- Industrial uses that could be physically intensified though vertical stacking or other means

- Could be co-located with residential development

In doing so the service provider will build on some of the work we recently carried out on the Old Kent Road Employment Study which looked at design considerations of activities that could co-locate with residential development.

Give that existing data sources may not fit this typology the service provider will also attempt to map it against SIC categories as the most widely available data set to measure industrial activity.

Task A6: Demand from Emerging Growth Sectors

As indicated in the approach to Task A5, demand for space on industrial land is extremely varied; it is also evolving. As more traditional activities decline or relocate, newer types of occupiers are replacing them. Sometimes these newer businesses are moving from elsewhere and seeking 'cheaper' premises. Others reflect new business processes, for example, graphic design and web design firms replacing printers. Yet others reflect changing social and political imperatives, for example, waste management and recycling activities. As part of this task the service provider will undertake a thorough review of those activities that are growing on industrial land in order to describe how the nature of demand is changing. The service provider will describe their activities and the types of premises they require (see 'new and emerging sectors' under Project Considerations below).

The service provider will provide data on emerging growth sectors in London and the wider South East region. This will involve breakdown of occupiers by business type (i.e. retail, automotive), the change of the make-up over the years and Colliers view on requirements and trends. The service provider will identify the key occupiers and their flexibility regarding relocation outside London

Policy 4.10 of the London Plan states that the "Plan's managed approach to provision for offices and industrial type activities will help underpin innovative firms seeking affordable and more flexible hybrid, incubator and accelerator premises, as well as ensuring there is adequate capacity to accommodate innovation among more established businesses and those which have bespoke requirements for science and technology park type environments".

New and emerging land uses are difficult to estimate. Of the emerging sectors identified in Policy 4.10 the green enterprise district has a clear link to industrial land and some of the activities around the Life sciences sectors and the film and television industry are likely to be occupiers of industrial land.

As this is a strategic study, the focus will be on identifying whether any of these emerging sectors is likely to generate a significant need for additional land in the future and whether policy is needed to address it.

Task A7: Demand Substitutability between London and South East

The service provider will present an analysis of the London Industrial property markets compared to that of the South East as set out under Task A1. The service provider will provide industrial supply/demand data for London and South East. It will show sectoral requirements, stock availability, vacancy, rents in industrial property markets inside and outside London.

The service provider will also be able to break the data into size bands, grades as well as provide a development pipeline schedules in London and South East.

The service provider will interview property market agents to ascertain the extent to which occupiers are prepared to consider alternative locations between London and the South East. The aim will be to identify the types of activity or types of occupier for whom such substitutability exists. The service provider will also seek to identify the factors that influence location choice where such substitutability exists.

The service provider will interview a small number of industrial businesses that have relocated out of London to the South East to provide some case study examples as to the way this has impacted, if at all, on their business operation.

Workshops

To help inform this analysis the service provider will hold a series of workshops for stakeholders from both local authorities and private sector development interests. There will be four workshops to be held jointly with the London Office Policy Review study, each covering a different geographic segment of the London and South East property market area.

Task A8: Servicing the London Economy

Whilst the concept of servicing the London economy is widely acknowledged what is less well understood is the way this operates in practice. To provide further insight in to this process the service provider has included as part of their team Peter McLennan, a lecturer at UCL who specialises in facilities management. He will describe the processes, interconnectedness and scale of the supply chain operation in Central London.

The service provider will also interview Facilities Managers of major Central London estates for their views on the impact on activity of having to bring in goods from further away and how business might respond and seek to understand from them the goods and activities that are time critical.

The Colliers team will also offer in-house views on how industrial sector could best service London economy.

The second part of Task A8 looks more explicitly at consolidation centres. The service provider will review the work carried out for the 2011 Industrial Demand and Land Release Benchmarks study which concluded that whilst in general Consolidation Centres had been successful in managing goods for construction activity they had made no real impact into the retail market.

The service provider will review these findings through structured interviews with industrial property market agents and selected major logistics operators. The service provider will also review any newly published research on the topic since the 2011 study.

2.3 Part B: Demand/supply scenarios and associated industrial land retention/release benchmarks

Task B1: London Industrial Release Benchmarks

As stated in the GLA Specification this tasks involves comparing the demand side forecast of Task A3 with the supply side estimates of Task A2.

The service provider will present a comparison of the supply and demand estimates at both borough and sub-regional level. In the past this has enabled a calculation of the amount of industrial land that can be released as a benchmark target. The service provider will undertake this exercise but anticipate that, in the baseline projection, the supply and demand totals will be much more closely aligned at least at the London level.

The service provider will review the existing benchmarks and categorisations for London Boroughs. For the 2011 Industrial Land Benchmarks Study we developed a set of objective criteria against which each borough could be assessed to determine its appropriate classification. These criteria were:

- **Property Agent opinion**. Whilst subjective these views can be cross-checked other agents and property market professionals.

- **Current stock of industrial and warehousing floorspace.** A limited stock suggest more caution over further release.

- **Vacant industrial land.** Previously based on data from the 2010 Industrial Land Baseline, which can this time be taken from the recent 2015 Land Supply study. A high vacancy rate implies more scope for release.

- **Rents**. VOA data on rateable values serves as a consistent proxy for rents. A higher rent will be an indicator of higher demand relative to supply.

The service provider will review whether these are still the best criteria to adopt and amend as necessary before repeating the assessment process.

Task B2: Alternative Benchmark Scenarios

The GLA specification requests alternative scenarios and suggest a series of scenarios that might inform this thinking. The service provider willset out for the GLA a series of potential scenarios such as those suggested in the GLA specification. From this list the service provider will then agree with the Authority two alternative scenarios (or combination of scenarios) to quantify. It is anticipated that at least one of these scenarios will have a higher overall benchmark release figure at the London level than the baseline scenario. The other scenario might explore alternative spatial patterns of activity within London.

The quantified scenarios will be produced for the sub-regional and borough level as required by the GLA specification.

Task B3: Impact of Alternative Scenarios on London Economy

For many years planning policy in London has aimed to resist or slow down the loss of industrial land, by selectively protecting industrial sites, so it is not permitted to redevelop them for higher-value uses such as housing. The study specification suggests that the next London Plan may relax these policies, so that more industrial sites are lost and there is more capacity for much-needed new housing.

To this purpose, Task B2 is to build alternative scenarios that show industrial land being lost at different rates over the period 2016-41 – and corresponding job change in the economic sectors that use that land. As shown in the GLA specification, Task B3 is to assess the potential impacts of these scenarios, which include:

i ‘Impacts on London’s economic function including contribution to London GVA, contribution to London’s exports

ii Impacts on business-to-business supply chains/logistics and customer deliveries

iii Impacts on [property] supply/availability and rents

iv Impacts on high value activities, including those associated with the Central Activities Zone and the northern Isle of Dogs

v Impacts to particular activities that could be considered a “need” within ‘core industrial uses’ for example car servicing garages or inner/outer London logistics consolidation centres

vi Impact on labour markets, skills and employment

vii Impacts on sustainability including vehicle miles, air quality, congestion, energy and management of waste. This task should take into account parallel research being led by TfL which is investigating the transport implications of re-locating and consolidating industry in London away from areas of good public transport.

viii Impact on operation of current and potential future public transport network (notably loss of land for transport functions such as bus garages.)'

Behind this list of issues there is a policy-critical question: what is the rationale for protecting industrial land in London? This rationale has changed over time. In the past it was largely about the labour market – aiming to ensure that there are enough jobs, and good enough jobs, to match the numbers and skills mix of workers living in the capital and surrounding areas. As the share of London's jobs accounted for by industrial sectors has fallen (it currently stands at about 7%), this consideration may have become less important.

In recent years a different argument has gained ground – relating to the industrial activities that supply goods or services to London businesses and London residents; if these activities ('non-basic industries') cannot locate close to their customers, the result will be damage to residents' quality of life and the capital's economy, including the all-important functions of Central London. As mainstream manufacturing has left London over the years, it seems that London's remaining industrial activities have been increasingly dominated by such 'non-basic' industries and services – whose reason for being in London is to be close to their customers, often because just-in-time supply is required. Examples include food and drink including catering supplies, transport including buses, taxis and couriers, building-related services and supplies, vehicle maintenance / repairs and many kinds of distribution. Often businesses in these industries find it profitable to be in London despite higher rents and poorer-quality accommodation, because ready access to customers increases revenues and lowers some costs, such as transport.

The main purpose of Task B3 is to test these and related arguments against up-to-date evidence. In this analysis it will be born in mind that not all change is necessarily for the worse. If markets worked perfectly, there would be nothing wrong with transferring industrial land in London to uses that command higher land values, such as housing or retail; economic well-being would be maximised by displacing industrial uses to other places, which are less attractive for housing or retail and hence command lower land values for these uses. Planning cannot replace these market mechanisms, but should correct them when they fail – which they do often and badly, because perfect markets only exist in economics textbooks.

In planning the study method the service provider has had this principle in mind throughout. and describe the method below, discussing in turn the eight questions set out under points i-viii above. For ease of exposition the order of these questions has been changed and some grouped together. The questions are challenging, and there is very little know about them at present. Each could represent a major study in its own right. The service provider's approach attempts to shed some light on each of these questions.

Impact on London's economic functions

Question i in the study specification relates to the impacts of the different scenarios on London's economic function, including its GVA (economic output) and exports. To assess these impacts the service provider will start from the scenarios produced by Task B2 – which will translate future quantities of industrial land into future jobs by economic sector. With reference to official economic statistics the service provider will estimate the implications of this job change for London's output and London's contribution to exports.

The analysis of course will show that, other things, being equal, less industrial land in London means lower output and a smaller contribution to exports than would otherwise be the case. If, as is likely, much of the land lost to industry is transferred to housing, less industrial land will also mean lower output per head, because more people will live in London. But this need not be a bad thing. If industrial activities shift to other locations where they can operate more efficiently, this can make both the London and national economics more efficient and more productive – with higher output per worker working in London (productivity), as well as the UK.

In analysing London's industrial employment, both past and future, as well as absolute change the service provider will consider relative change against the UK as a whole and the greater South East in particular. This 'shift-share' comparison of London with the region and nation is missing from the London Industrial Supply Study. It will help us understand the impact of factors specific to London, as opposed to macroeconomic forces that affect the UK and the region as a whole. It will test the hypothesis mentioned earlier, that London's industrial decline has been largely in 'basic' or export industries, while industries that serve London's businesses and residents have been more likely to remain in London. It will also help answer other questions posed in the specification.

Impact on labour markets, skills and employment

To address this question the service provider will first estimate the occupational profile of job change in the three scenarios. For this the service provider will translate jobs by sector into jobs by broad occupation, using industry-to-occupation matrices provided by official statistics. The service provider will consider the jobs lost in the context of the labour market as a whole, and assess in broad terms how far people whose industrial jobs disappear from London are likely to find alternative employment in other sectors in London, or outside London in either industrial or non-industrial sectors. For this assessment the service provider will make assumptions on future labour demand outside London, informed by the analysis of trends in the UK and the greater South East mentioned in the last section.

Impact on property availability and rents

The Industrial Supply Study tested the hypothesis that London's shrinking supply of industrial land has led to increasing rents. But did not establish a relationship between supply and rents (nor did it draw any other conclusions from its property market analysis). This may be due to limitation of the analysis: for example it considered London in isolation, whereas to understand rental change in London one would need to compare it with national and regional benchmarks. Another possible explanation is that at least in some sections of the market the demand for space is highly elastic, so if supply shifts downwards many occupiers choose to locate elsewhere rather than pay the higher rents they would need to pay in order to stay in London.

In this study the service provider will fill this gap by providing a comparison of current industrial rental values and past rental change in London against the rest of the region and country. This will provide a broad view of whether London's restricted land supply has resulted in higher rents or greater rental growth (or in property slumps, less rental decline) than other areas. In broad terms this analysis may suggest that, all other things being equal, the lower supply scenarios will result in higher rents. But within the resources available for this study it will not be possible to forecast the impact of alternative supply scenario on rents, or indeed property availability (vacancy rates), The relationships are too complicated and the available data too coarse.

As noted earlier, if industrial rents in London are higher than other areas this is not necessarily a bad thing. In some cases industrial activities that generate the greatest economic benefit from being in London (or specific parts of London) are happy to pay high rents in exchange for good access to their customers, while activities that have no strong reasons for being in London can operate more efficiently

elsewhere. But in other cases displacing industry from London may cause harm, due to various kinds of market failure.

Market failure

Question ii relates to the impacts of reduced industrial activity in London on business-to-business supply chains, logistics and customer deliveries. Question iv is about impacts on the Central London economy. Questions v and viii are about industrial activities that may be displaced from London but are 'needed' there, such as car servicing garages, distribution depots and bus garages. Question vii covers environmental impacts relating to motor traffic and waste management.

All these questions revolve round a common theme – the relationship between London's industrial activities and their customers. They relate to the concern discussed earlier – that, as these industrial activities are displaced from London, the supply of goods and services to these customers may deteriorate. For business customers this may mean that competitiveness is lost, perhaps harming the clustering advantages that make London special. For personal customers it may harm quality of life. Even if industries that have moved out continue to serve their customers in London as well as they did before, this may be at the cost of additional freight movements and travel, adding to carbon emissions, air pollution and stress on the infrastructure.

There are certainly many examples of seemingly successful adjustments, where business models change so that London customers can be served remotely. In relation to car servicing or repairs, for example, rather than take their vehicle to a garage in London car owners can now have it picked up and taken elsewhere, possibly by a transporter that carries a number of cars at the same time – perhaps reducing harmful emissions overall. Instead of storing construction materials at their own warehouses in London, some building firms have materials delivered direct to the site from suppliers' premises further away, using modern communications to shorten the time between order and delivery. Similarly just-in-time goods such as fresh catering supplies and newspapers may be brought in efficiently from further away. By and large our understanding of these adjustments, and even more so their environmental impacts, is only anecdotal. This study is a chance to find out more.

For this the service provider will start from the analysis of industrial change by sector. The service provider will aim to establish a broad typology of industrial activities, classifying these activities in two dimensions

- Who their customers are distinguishing final consumers (individuals and households) from business-to-business supplies

- How far they have grown or declined in London – comparing employment change in London, and sections of it, with national and regional benchmarks.

If the classification of activities is fine-grained enough, this analysis will provide broad initial answers to the questions set out at the beginning of this section.

2.4 Project Considerations

Definitions of Industrial Land

The service provider notes the definitions of Industrial Land categories set out at section 3.1 of the GLA Specification and will analyse and forecast each of these components separately as set out under Task A3.

Employment Projections and Employment Densities

The 2011 Industrial Land Demand and Release Benchmarks study distinguished between Production sectors and Service sectors that occupied industrial land. For the former it forecast through application of employment projections and employment density ratios. The service provider will repeat this process.

For the service sector occupiers it recognised their presence but did not make any additional allowance for future occupation of industrial land by such activity.

In considering how these sectors are treated there is an important overlap with the parallel London Office Policy Review study being commissioned by the GLA and it is important these two studies adopt a consistent approach. Many activities, particularly in the Administrative and Support Services sector, that may have formerly occupied office space are now often to be found in industrial premises, whether through choice or whether because of lack of alternatives.

The service provider will identify a sub-set of activities that fall into the category that might occupy either industrial or office premises and forecast for these sectors separately. There will then need to be a policy discussion between the Authority and the parties to the two studies as to how these sectors should be treated in terms of forecasts demand for business space.

Logistics/warehousing/storage

The 2011 Industrial Land Demand and Release Benchmarks study calculated demand for warehouse space from the established relationship between GVA and warehouse floorspace together with the extent to which London's demand was serviced from inside or outside its borders. It found an increasing proportion of London's warehouse demand was provided from the Greater South East and forecast forward on this basis.

The service provider will review both the method and data to see the extent to which this relationship can still be seen to hold true.

The forecasts for warehouse space are likely to feature prominently in the alternative scenarios generated under Task B2 where we explore the extent to which activity needs to be based in London or can be supplied from outside its borders.

Waste management and recycling

The 2011 Industrial Land Demand and Release Benchmarks (ILDRB) study identified a need for an additional 22 ha of land for waste over the period 2011-31 based on a method agreed with the GLA for calculating waste arisings.

The service provider will use these latest figures and the methodology set out in the ILDRB in order to update requirements for land for waste management. The service provider would also complement this with discussions with the GLA Waste Team in order to identify any issues related to land provision for this sector.

The service provider will analyse the three broad categories of waste: municipal waste; commercial and industrial waste; and construction demolition and excavation waste. The service provider will review the method and calculations for each of these three categories.

The service provider will also examine the drivers of demand such as demographic factors and management factors to assess if there are likely to be any significant breaks to past trends. The service provider will also consult with the London Waste and Recycling Board to discuss projects supporting the development of advanced conversion technologies.

Wholesale markets, utilities and transport

For each of these sectors we would use the 2011 Industrial Land Demand and Release Benchmarks study as the starting point and check whether its recommendations are still appropriate in 2016 in view of changes in the planning and policy context, employment land provision and market demand.

For wholesale markets, the Land for Industry and Transport SPG notes that, “The wholesale markets sector also has the potential to make more efficient use of scarce land resources and to contribute to the Mayor’s other broader objectives for different parts of London.” It seeks consolidation of wholesale markets activity but notes “that the scope to expand, relocate or redevelop the markets poses considerable legal, planning, viability and other challenges and that more detailed research would be necessary to investigate these further”.

To update and reality-check the expectations set out in the last ILDRB study the service provider will undertake phone interviews with:

- The City of London which is responsible for New Spitalfields, Smithfield and Billingsgate. We will review any recent research on these markets and discuss the latest plans for Billingsgate and Smithfield.

- Hounslow Borough Council with regards to Western International Market. In particular, we will want to discuss the redevelopment which has taken place since 2007 and how it has affected the type of activities, trade levels, and land use as well as what has become of the original site.

- Covent Garden Market Authority (CGMA) to discuss progress on the redevelopment of New Covent Garden. We will want to investigate the impact of the redevelopment on the amount of floorspace available to wholesale trade compared to what currently exists.

For water, energy and utilities the service provider will review the findings from the last ILDRB and their subsequent incorporation in policy in terms in the Land for Industry and Transport SPG.

The service provider will conduct phone interviews with the principal utilities providers to determine if there are any future needs arising for industrial land or sites that may in the future be freed up.

With regards to transport, the main uses which may occupy industrial sites include bus garages and rail freight interchanges. Where to locate bus depots is a problem in London. The service provider will consult with various departments of Transport for London and integrate their knowledge to the analysis. With regards to rail freight interchange, the service provider anticipates that TfL will provide details of rail freight developments.

New emerging sectors

Task A6 above describes how growth sectors will be addressed. Some of these activities are ‘industrial’ in character, but many also employ a high proportion of professional, skilled and technical workers. Many do not involve ‘making things’, but rather assembly, customisation, design, maintenance, repair,

storage and value-adding. Further, many do not involve ‘things’ at all, but are trading services: customer support, design, sales, software and training. The following chart provides some examples.

Occupier types	
Art production & installation	**Interior design**
Audio-visual equipment	**Mail management**
Clothing and fashion	**Packaging supplies**
E-trading	**Photography/studios**
Electrical services	**Recording equipment repair**
Event management	**Recycling**
Film editing and production	**Short-run digital printing**
Freight forwarding	**Software support**
Furniture design & manufacture	**Training**
Graphic design	**Wine importation**

Such occupiers require economical buildings of simple specification in locations with good access to the central London economy. They require functional space, of a higher standard than many traditional local industrial estates provide. The buildings should be simple and functional in design, and available in a range of sizes. Often there is benefit in these spaces being capable of being used for different permutations of production space, office space, workshops and repair, and storage and distribution. Such a diverse range of activities confounds the premises description of industrial, and introduces the concept of hybrid office/industrial activities Ideally they should be provided on integrated estates with good management; and access is paramount both in terms of getting to clients efficiently and also in terms of access and turning space for delivery vehicles.

Non-industrial businesses occupying industrial land

As noted above in the proposed method for forecasting general industrial land the service provider propose to identify a sub-set of activities that fall into the category that might occupy either industrial or office premises and forecast for these sectors separately.

Forecasting future land requirements

The demand driven forecast for each of the categories of industrial land demand will be cross-checked against market data on rents.

Industrial Property Markets

The service provider will undertake analysis of South East industrial including (but not exclusively) trends in development rates, take-up, rents and land values across key market area geographies such as the Thames Gateway, Lea Valley, Park Royal/A40 corridor, Heathrow/M4 corridor, Wandle Valley and around edge of the Central Activities Zones. Colliers will also look into qualitative factors which impact on the market.

Inter-regional issues

As noted under Task A1 the service provider will place the analysis of the London industrial property market within a wider London and Greater South East perspective. This will both benchmark relative performance and look at the inter-relationships.

Stock and trends

The service provider will undertake further analysis of data from the Industrial Land Supply study to provide information on trends both at the London level

Vacant land and premises

As required by the GLA specification, the service provider will review the currently adopted assumptions about the appropriate level of frictional vacancy for industrial land and premises. This will be done through review of any recently published research on the issue and through consultations with industrial property market agents.

Intensification

The service provider will look at case studies of where intensification has happened in practice or it is proposed such as at Park Royal and will demonstrate where the industrial activity takes place in London and the wider South East. Industrial transactions will be presented on the map to illustrate industrial hubs.

Sustainability objectives and servicing the Central Activities Zone

As noted under Task A8 we propose to specifically explain the way in which the Central London economy is serviced through a facilities management perspective. This will shed further light on the patterns of activity and the implications of longer trips on economic efficiency

Relationship with the Strategic Housing Land Availability Assessment

The demand for housing land in London provides the principal policy context within which industrial land, as a competing land use must be considered. Some proposed new infrastructure proposals such as Crossrail 2 and the Bakerloo Line Extension build much of their business case on the release on industrial land for housing. In considering the value of industrial land to the London economy the service provider will be conscious of these alternative land use options.

Industrial land release proposals/aspirations

The service provider will make use of such information as can be provided by the GLA as to future proposals for industrial land in Opportunity Areas and other proposed regeneration areas. This may include proposals for further industrial land release as, say at the Old Kent Road. Or it may include aspirations for intensification, as say at Park Royal, although we will need to test the extent to which these aspirations can be realised in practice.

Future trends

In considering how past trend may be projected forward into the future the service provider will review how any changes in technologies or processes may impact on these future trends.

Geography

The service provider will identify the key industrial areas in London and South East. The proposed geographical breakdown is: Thames Gateway, Lea Valley, Park Royal/A40 corridor, Heathrow/M4 corridor, Wandle Valley and around edge of the Central Activities Zones. The service provider can add/change those locations should it be needed.

Refinements to the borough level groupings

As set out at Task B1 the service provider will review both the criteria used to determine the appropriate Borough categorisations for the Land for Industry and Transport SPG and also the resultant classifications.

2.5 Work Programme

The work programme is set in Schedule 5. This is in accordance with the timetable set out in the GLA specification.

The service provider is happy to introduce flexibility to this timetable should the client require, for example, additional time for consultations.