



Working Draft
Report

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Greater Norwich Employment and Retail Baseline

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For and on behalf of GVA Grimley Limited

1. Introduction

- 1.1 GVA have been commissioned to undertake an Employment, Retail and Town Centre Study on behalf of the three local authorities (Norwich City Council, Broadland District Council and South Norfolk Council) and Norfolk County Council that form the Greater Norwich area.
- 1.2 The overall purpose of the study is to identify the future needs and opportunities for retail, office, industrial and warehousing floorspace across the three local authority areas. It will also focus on the sub-regions town centres, identify key interventions required to maintain and enhance their viability and vitality.
- 1.3 A sound approach to future growth and the identification of a deliverable strategy relies on a sound understanding of the area to which it relates, it therefore needs to be built on a robust and comprehensive baseline analysis of data. This report provides the summary of the data analysis undertaken to inform the wider study and sets out the key challenges and opportunities facing the Greater Norwich area.
- 1.4 The baseline draws on a range of secondary data sources, both those publicly available and also a number of subscription datasets, to establish the baseline demographic, economic and market context. Primary research has been undertaken (via a telephone survey) establish up to date shopping patterns.
- 1.5 As with all datasets there are limitations to the coverage and detail they provide. The key challenge for the study is the interpretation of data that is only available at a local authority level. As is explored in the baseline the Greater Norwich area is a truly integrated location, with activity and linkages crossing borough boundaries, principally driven by the scale of the Norwich urban area relative to its rural hinterland.
- 1.6 This dynamic means that data analysis at the local authority level can mis-understand how the local economy operates with the Norwich urban area stretching across borough boundaries. Unfortunately there is no simple way of overcoming this data issue, however by bringing together a range of datasets (coupled with site surveys and drawing on the client team's local knowledge) a more nuanced understanding of how the area functions.

2. Employment Baseline

2.1 The following section provides an analysis of socio-economic data to provide a baseline for understanding the local authorities that compose Greater Norwich; Broadland, Norwich, and South Norfolk. Data for this section is sourced from the Office of National Statistics (ONS).

Population and Labour Market Profile

2.2 In 2015 the population of Broadland was 163,270, an increase of 6.8% from the population recorded in the 2001 Census. In 2015 the population of Norwich was 138,872, an increase of 14.3% from the population recording in the 2001 Census. In 2015 the population of South Norfolk was 131,010, an increase of 18.3% from the population recorded in the 2001 census. As shown in Table 1, population growth in Norwich and South Norfolk was greater than in benchmark areas whereas growth was not as great in Broadland.

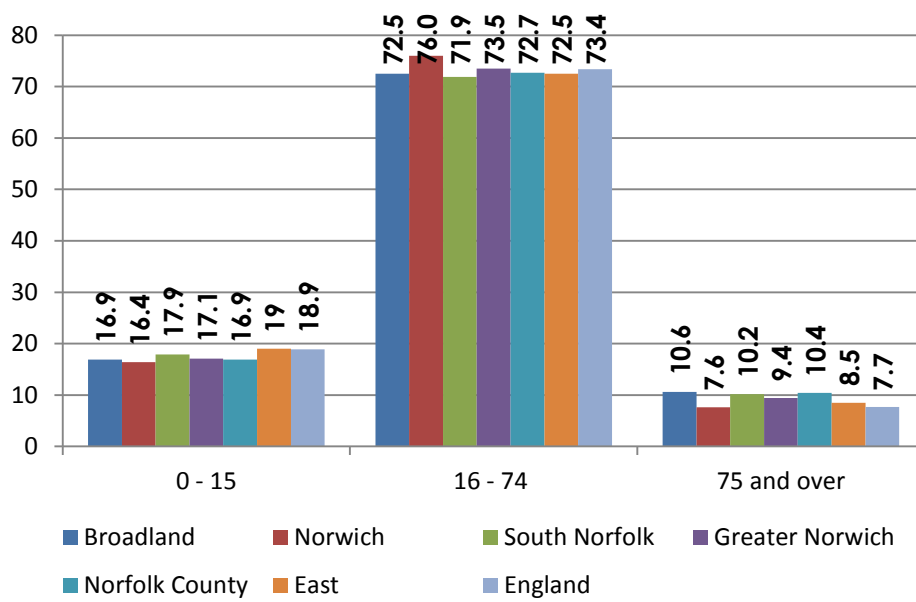
Table 1: Population Change

	2001	2015	2001 - 2015 Change (%)
Broadland	118,513	126,628	6.8
Norwich	121,550	138,872	14.3
South Norfolk	110,710	131,010	18.3
Greater Norwich	350,773	396,510	13.0
Norfolk County	796,728	884,978	11.1
East	5,388,140	6,076,451	12.8
England	49,138,831	54,786,327	11.5

Source ONS, 2016

2.3 2011 Census data in Figure 1 below shows that Broadland and South Norfolk have smaller working age populations (16-74) and larger elderly populations (75 and over) than the East region and England. In comparison, Norwich has a large working age population, at 76%, and a small elderly population.

Figure 1: Age Distribution - 2011

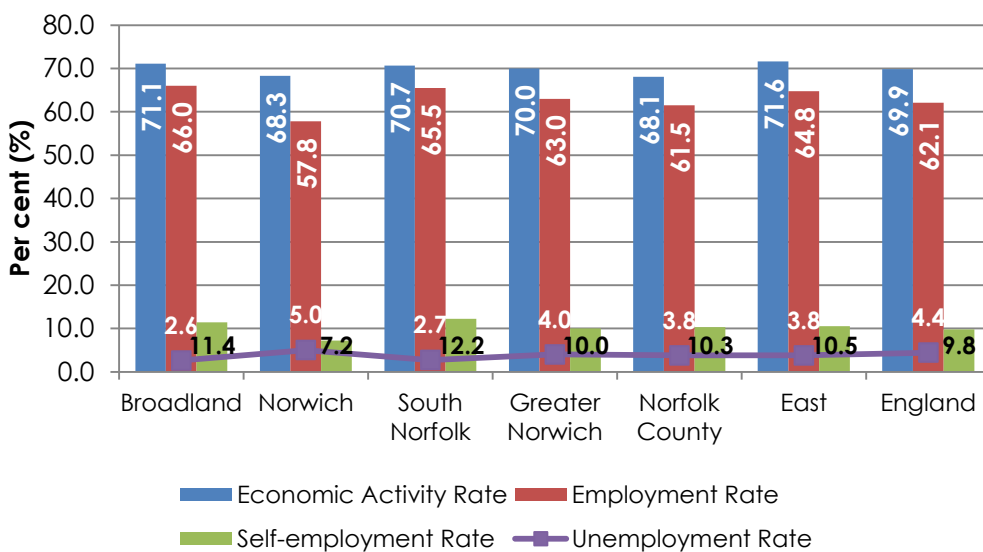


Source ONS, 2016

2.4 Figure 2 shows the economic activity and employment related indicators for Broadland, Norwich, South Norfolk, and benchmark areas.

2.5 The figure shows the employment rate, i.e. the percentage of labour force that is employed including students. It also shows the economic activity of the working age population which relates to whether or not a person, including students, was working or looking for work. So while the employment rate provides a measure of actual labour force in employment, the economic activity is reflection of the wider health of the labour market as it shows active participation in the labour market.

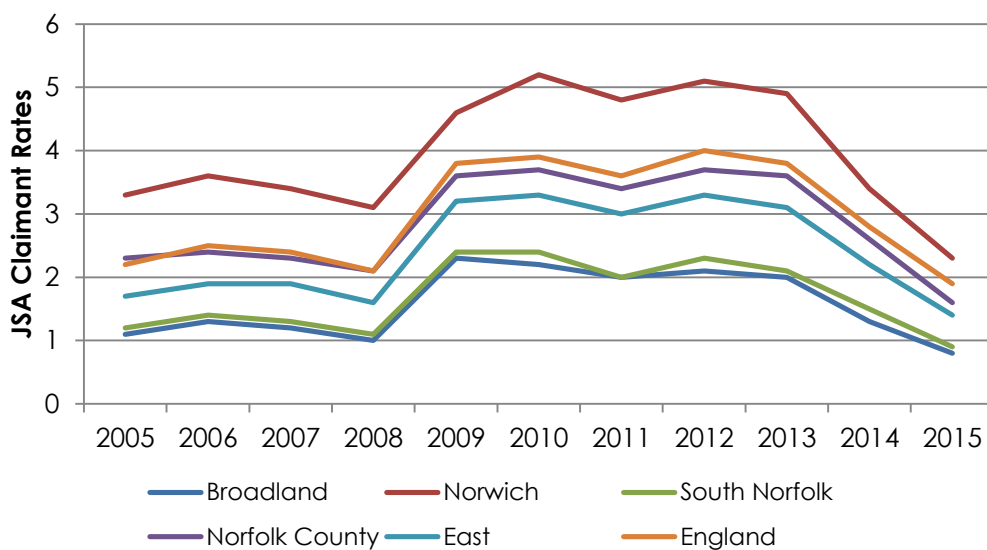
Figure 2: Economic Activity and Employment – 2011



Source ONS, 2016

- 2.6 Regarding economic activity, each of the local authorities show higher rates than the Norfolk County but Norwich performs worse than the national average. Each of the local authorities performs worse than the East Region.
- 2.7 Each of the local authorities has similar employment numbers; 59,597 in Broadland, 58,247 in Norwich, and 58,512 in South Norfolk. However, whereas Broadland (66%) and South Norfolk (65.5%) have similar employment rates and perform better than benchmark areas, the employment rate in Norwich is low (57.8%) and below benchmark areas. This pattern is also reflected in rates of self-employment.
- 2.8 As a result, Norwich has almost double the unemployment rate, at 5%, of Broadland (2.6%) and South Norfolk (2.7%), performing worse than benchmark areas.
- 2.9 Figure 3 shows the percentage of working age residents who claim Jobseeker's Allowance (JSA) in Broadland, Norwich, South Norfolk, and benchmark areas. JSA is a state benefit that supports claimants as they search for work and therefore provides an alternate proxy indicator for unemployment.

Figure 3: JSA Claimant Rate

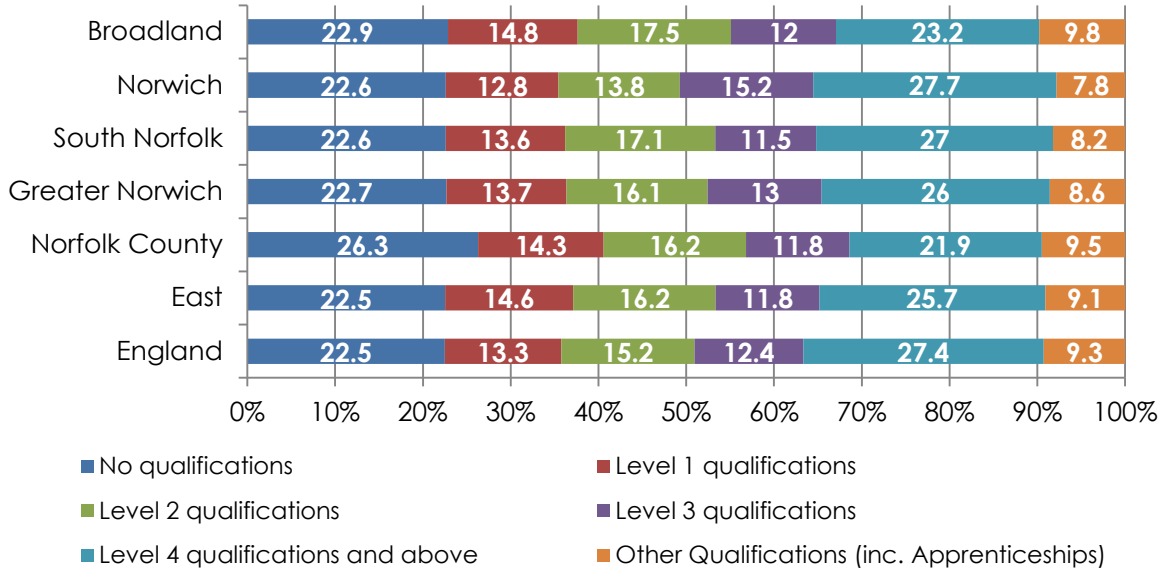


Source ONS, 2016

- 2.10 Broadland and South Norfolk have low JSA claimant rates with less recessionary impact than experienced in benchmark areas, peaking at 2.4% in 2009. In comparison, the JSA claimant rate in Norwich is consistently 1% above the national average and suffered prolonged recessionary impact, peaking at 5.2% in 2010. Claimant rates in 2015 have fallen below 2005 levels for each, which suggests recovery but may also be reflective of Government initiatives to revise benefits and the claimant rate through Universal Credit.

2.11 Skills and learning are central to economic growth and global competitiveness. Figure 4 shows the skills profiles of Broadland, Norwich, South Norfolk, and benchmark areas.

Figure 4: Highest Levels of Qualification - 2011

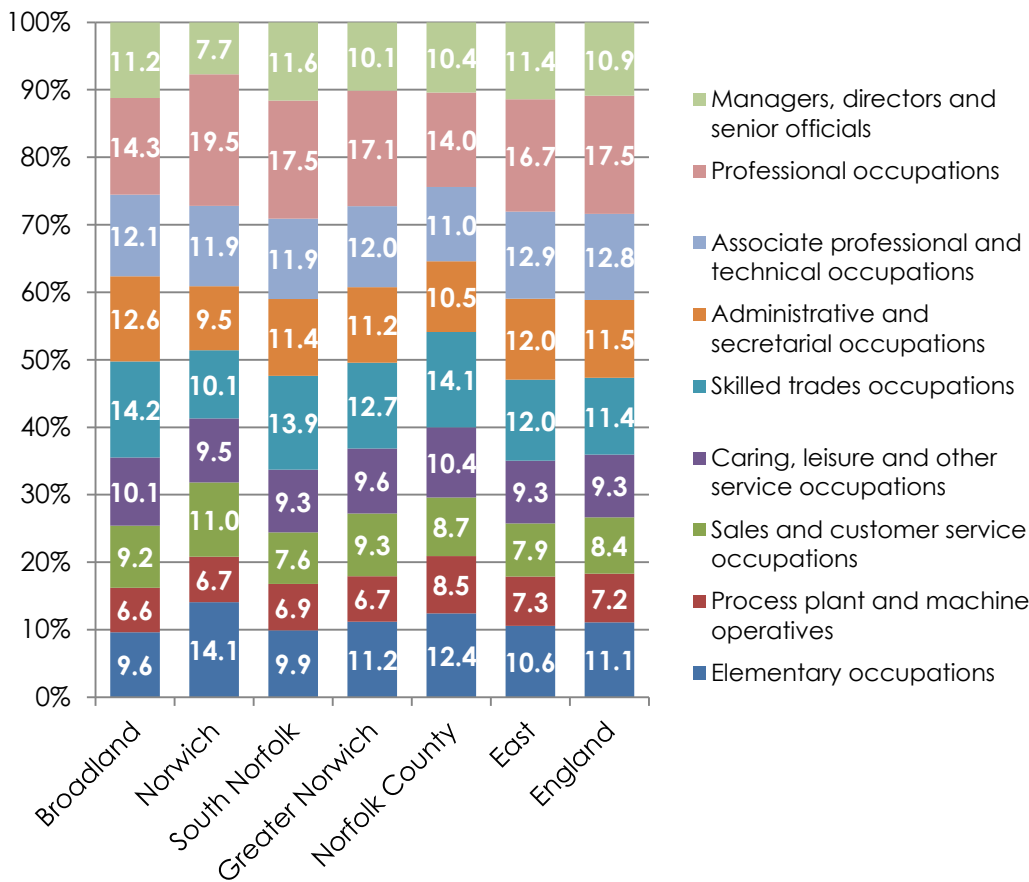


Source ONS, 2016

2.12 Each of the local authorities have skills profiles that are reflective of the national average. Of particular interest, Broadland has a lower proportion of residents with level 4 qualifications and above (23.2%) than the national average (27.3%). Additionally, Broadland and South Norfolk have higher proportions with level 2 qualifications and Norwich and South Norfolk have lower proportions with other qualifications.

2.13 Figure 5 shows the distribution of resident's occupation within Broadland, Norwich, South Norfolk, and benchmark areas. Greater Norwich, like benchmark areas, has a diverse occupational profile.

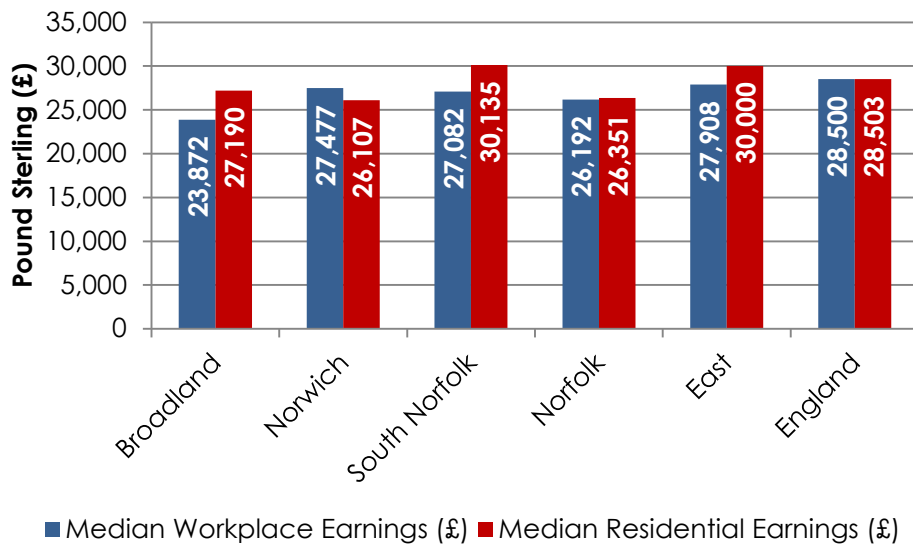
Figure 5: Distribution of Resident Occupations - 2011



Source ONS, 2016

- 2.14 Broadland and South Norfolk have similar skills profiles, yet Broadland higher proportions employed in Sale and Customer Service, Care, Leisure, and Administrative occupations alongside a lower proportion employed in professional occupations than in South Norfolk. South Norfolk is the most reflective of the national average.
- 2.15 Norwich has a high population proportion employed in low skilled occupations and professional occupations, at either ends of the spectrum, but low proportions in skilled trades and at senior levels. When considered alongside Figure 1, the relatively low representation of senior and skilled trade occupations may be an outcome of the young population in Norwich.
- 2.16 Figure 6 shows the comparison of average gross annual work place and residential earnings in each authority and benchmark areas. Median work place earnings include the earnings of individuals who work in an area whereas residential earnings include the earnings of individuals who live in an area. There is some overlap as some individuals will both live and work in an area.

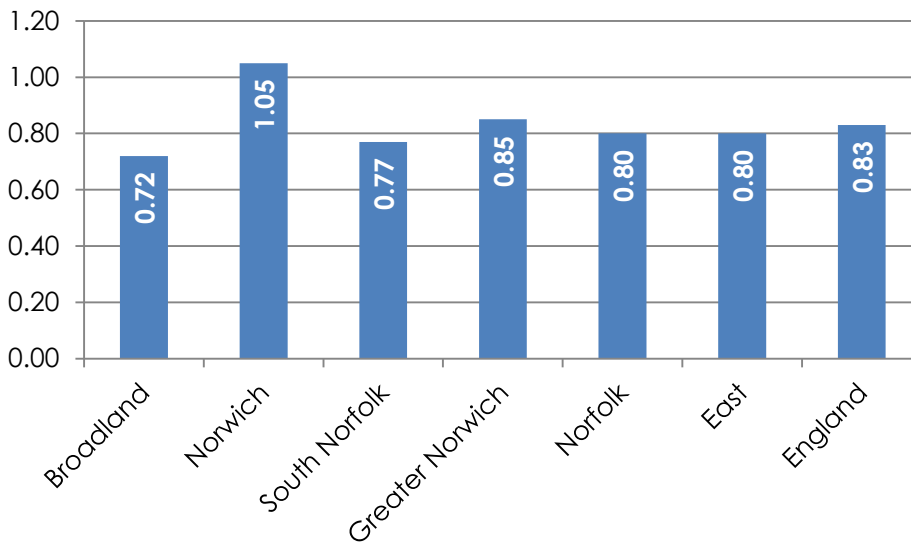
Figure 6: Average Earnings - 2015



Source ONS, 2016

- 2.17 According to the Annual Survey of Hours and Earnings (ASHE), ONS, in 2015 the average resident income was £27,190 in Broadland, £26,107 in Norwich, and £30,135 in South Norfolk. The 2015 average workplace income was £23,872 in Broadland, £27,477 in Norwich, and £27,032 in South Norfolk.
- 2.18 Lower workplace earnings than residential earnings suggest that jobs within the local authority pay less than for those that residents commute out of the local authority for, as such appears to be the case in Broadland and South Norfolk. In Norwich, workplace earnings being higher than residential earnings suggests that there are well paying jobs in the local authority but these are not being occupied by local residents.
- 2.19 Figure 7 shows the job density in Broadland, Norwich, South Norfolk, and the benchmark areas. Job density is defined as the number of filled jobs in an area divided by the number of working age people resident in that area. The job density ratio of Broadland (0.72) and South Norfolk (0.77) is less than that of wider benchmark areas. In comparison, the job density ratio of 1.05 in Norwich suggests that there are more jobs in the local authority than can be filled by local residents and are therefore occupied by in-commuters.
- 2.20 Low job density, if left unchecked, although not a significant concern for these authorities, has the potential to form a feedback loop with out-commuting, as one reinforces the other. In the case of Greater Norfolk, Norwich is considered to be under-bounded and while the job density ratio for the function economic area of the city may be different, this cannot be calculated from job density ratio data available from the ONS.

Figure 7: Job Density - 2014

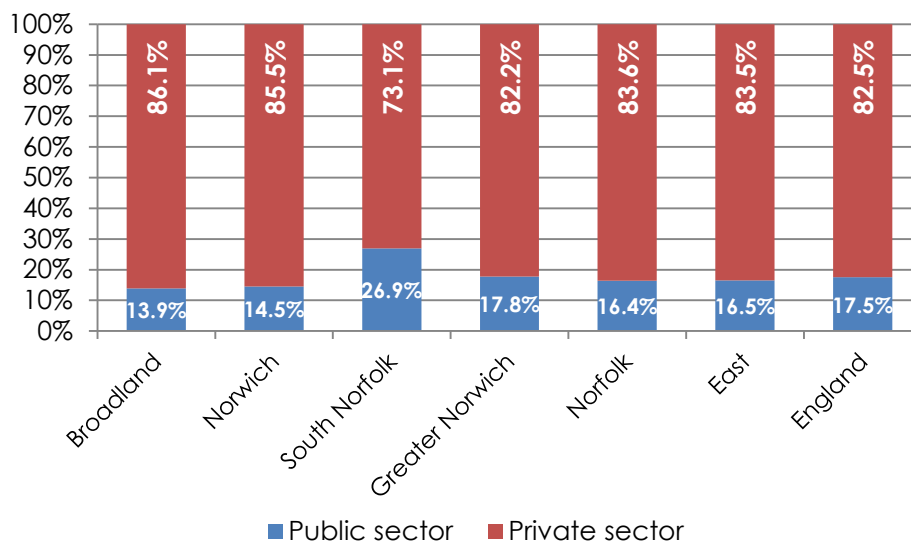


Source ONS, 2016

2.21 Figure 8 shows the public/private sector profile of employment in Broadland, Norwich, South Norfolk, and benchmark areas. It shows low public sector dependence in Broadland and Norwich but high dependence in South Norfolk, with 26.9% employed in the public sector.

2.22 As shown in Table 2, public sector related industry is the second largest employer in each of the three local authorities which includes health and social care, education and public administration, providing 20% of jobs.

Figure 8: Public/Private Sector Profile - 2015



Source ONS, 2016

2.23 Table 2 provides a list of industries by broad sectors and the percentage of residents who work in each these industries in 2015. Further to the sectoral split discussed above, public sector related

industries are collectively the largest employer in each of the local authorities. This is pronounced in South Norfolk, employing 38.5% of the local population, reflecting the presence of the Norfolk and Norwich hospital.

2.24 Conversely, South Norfolk has a relatively low proportion of residents employed in high-skill professional services and finance (14.4%) compared to benchmark areas. Further, Broadland and South Norfolk have relatively low proportions of employment in transport and communication compared to the national average. Like other urban economies, Norwich has a high proportion of employment in arts and other services (6.7%) and low employment in primary sectors.

Table 2: Proportion of Employment by Broad Industries (for residents) - 2015

	Broadlands	Norwich	South Norfolk	Greater Norwich	Norfolk	East	England
O - Q: Public Admin, Education and Health	25.7%	26.9%	38.5%	29.8%	27.2%	23.6%	25.5%
G & I: Retail, Hotels and Restaurants	23.5%	26.4%	21.5%	24.3%	26.6%	24.3%	22.8%
K - N: Professional Services and Finance	22.1%	22.2%	14.4%	20.0%	18.3%	22.5%	23.2%
C: Manufacturing	9.6%	5.0%	7.8%	7.0%	9.2%	7.6%	8.0%
F: Construction	8.6%	3.9%	6.8%	5.9%	6.1%	6.2%	4.6%
H & J: Transport and Communication	4.2%	8.4%	4.2%	6.2%	5.5%	8.4%	9.0%
R - U: Arts and Other Services	3.8%	6.7%	3.9%	5.2%	5.0%	4.6%	4.5%
B, D & E: Mining and Utilities	1.0%	0.3%	1.0%	0.7%	1.4%	1.2%	1.1%
A: Agriculture and Fishing	0.3%	0.0%	0.5%	0.2%	0.3%	1.6%	1.3%

Source ONS, 2016

LQ Analysis

2.25 The following section considers sector specialism in the borough against the wider comparator areas through the Location Quotient (LQ) analysis. LQs provide a simple yet powerful tool to compare places and employment activity. An LQ value of 1 shows the employment in a sector is proportionately the same as the benchmark geography (i.e. there is no sector specialism), whereas an LQ value of greater than 1 shows that a sector is proportionately more strongly

represented in the two local authorities (i.e. there is a specialism). Conversely, an LQ value of less than one shows sector under-representation.

2.26 The three tables below identify sectors within Broadland, Norwich, and South Norfolk that have 50 employees or more and comparative strength against wider benchmark. A gradient of three colours has been used to define the strength specialism. Given that industries with weak LQ values have been selected out, shades of pink show very strong to strong specialism, white indicates moderately strong specialism and blue encompasses moderate specialism to under-representation.

2.27 Broadland sector specialisms are inclined towards extraction, low-skill manufacturing, construction, wholesale, hospitality, professional and technical services, computer-related services, and public sector activities. When compared with benchmark areas, Broadland has sectoral strength in the following sectors¹:

- Extraction: **petroleum and natural gas extraction**.
- Manufacturing: **food products, beverages, wood products excluding furniture, rubber and plastic products**, non-metallic mineral products, fabricated metal products except machinery and equipment, electrical equipment, and other transport equipment.
- Construction: **construction of buildings**, specialised construction activities.
- Wholesale: wholesale including and excluding motor vehicles and motorcycles.
- Logistics: freight rail, road and sea transport, postal services, and storage.
- Hospitality: hotels, restaurants and food services.
- Professional and Technical Services: **activities auxiliary to financial services**, real estate activities, legal and accounting activities, activities of head offices, advertising and market research, **veterinary activities**, and office administration.
- Computer-related Services: computer programming and consultancy, and **computer repair**.
- Public Sector Activities: human health, **residential care activities**, and social work.

2.28 Norwich sector specialisms are inclined towards manufacturing, repair, retail, logistics, media production and transmission, computer-related services, professional services, public sector activities, and arts and recreation. When compared with benchmark areas, Norwich has sectoral strength in the following sectors:

- Manufacturing: **beverages, leather and related products**, chemicals and chemical products, and electrical equipment.

¹ Industries in bold have a LQ value of 2 or above when compared to the national average.

- Repair: **repair and installation of machinery and equipment**, repair of motor vehicles and motorcycles, and **repair of computers and personal and household goods**.
- Retail: retail including and excluding motor vehicles and motorcycles.
- Logistics: land transport and transport via pipelines, air transport, and warehousing and support activities to transportation.
- Media Production and Transmission: **publishing activities**, motion picture, video and television programme production, sound recording and music publishing activities, programming and broadcasting activities, and telecoms.
- Professional and Technical Services: computer programming and consultancy, information service activities, financial service activities, activities auxiliary to financial services, real estate activities, legal and accounting activities, activities of head offices, advertising and market research, and other professional services.
- Public Sector Activities: public admin and defence, education, and social work.
- Arts and Recreation: creative, arts and entertainment activities, libraries, galleries and museums, sports, amusement and recreation activities, and activities of membership organisations.

2.29 South Norfolk sector specialism are inclined towards extraction, manufacturing, utilities and waste management, construction, wholesale, professional and technical services, and public sector activities. When compared with benchmark areas, South Norfolk has sectoral strength in the following sectors:

- Extraction: **mining and quarrying**.
- Manufacturing: beverages, textiles, wood products excluding furniture, paper products, fabricated metal products except machinery and equipment, electrical equipment, **motor vehicles, trailers and semi-trailers**, furniture, other manufacturing.
- Utilities and Waste Management: electricity, gas, steam, and air conditioning supply, water collection, treatment and supply, and **sewerage**.
- Construction: construction of buildings, **civil engineering**, and specialised construction activities.
- Wholesale: wholesale including and excluding motor vehicles and motorcycles.
- Professional and Technical Services: computer programming and consultancy, information service activities, real estate activities, activities of head offices, **scientific research and development**, advertising and market research, other professional services, veterinary activities, **security services**, and office administration.

- Public Sector Activities: public admin and defence, **human health**, residential care activities, and social work.

Table 3: Broadland Location Quotient - 2015

Industry	Broadland to Norfolk	Broadland to East	Broadland to England
06 : Extraction of crude petroleum and natural gas	3.8	28.7	21.9
10 : Manufacture of food products	1.4	2.7	2.3
11 : Manufacture of beverages	1.9	2.5	4.4
16 : Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.2	1.9	2.0
18 : Printing and reproduction of recorded media	1.5	1.4	1.3
22 : Manufacture of rubber and plastic products	1.5	2.0	2.3
23 : Manufacture of other non-metallic mineral products	1.3	0.9	0.6
25 : Manufacture of fabricated metal products, except machinery and equipment	1.5	1.7	1.6
27 : Manufacture of electrical equipment	1.3	1.4	1.2
30 : Manufacture of other transport equipment	1.7	1.4	1.1
37 : Sewerage	0.6	0.7	1.9
41 : Construction of buildings	1.6	1.6	2.3
43 : Specialised construction activities	1.3	1.5	1.9
45 : Wholesale and retail trade and repair of motor vehicles and motorcycles	0.9	0.8	1.2
46 : Wholesale trade, except of motor vehicles and motorcycles	1.4	1.2	1.3
53 : Postal and courier activities	1.3	1.3	1.2
55 : Accommodation	0.7	1.3	1.1
56 : Food and beverage service activities	0.9	1.0	0.9
61 : Telecommunications	2.6	1.1	0.9
62 : Computer programming, consultancy and related activities	1.3	0.5	0.5
66 : Activities auxiliary to financial services and insurance activities	3.8	6.9	5.6
68 : Real estate activities	1.0	1.1	0.9
69 : Legal and accounting activities	1.3	1.0	0.9
70 : Activities of head offices; management consultancy activities	1.5	0.7	0.6
73 : Advertising and market research	1.3	0.9	0.5
75 : Veterinary activities	1.5	1.9	2.2
77 : Rental and leasing activities	1.0	1.1	1.7
81 : Services to buildings and landscape activities	1.3	0.7	0.9
82 : Office administrative, office support and other business support activities	1.5	1.3	1.0
86 : Human health activities	0.8	1.0	0.9

Industry	Broadland to Norfolk	Broadland to East	Broadland to England
87 : Residential care activities	1.5	2.1	2.2
88 : Social work activities without accommodation	1.0	1.1	1.1
95 : Repair of computers and personal and household goods	1.2	0.9	2.2

Source ONS, 2016

Table 4: Norwich Location Quotient – 2015

Industry	Norwich to Norfolk	Norwich to East	Norwich to England
11 : Manufacture of beverages	1.5	2.0	3.5
15 : Manufacture of leather and related products	1.6	2.5	2.4
18 : Printing and reproduction of recorded media	1.6	1.5	1.4
20 : Manufacture of chemicals and chemical products	1.0	0.9	0.9
27 : Manufacture of electrical equipment	1.0	1.1	0.9
33 : Repair and installation of machinery and equipment	1.6	2.1	2.3
36 : Water collection, treatment and supply	1.6	0.7	1.0
45 : Wholesale and retail trade and repair of motor vehicles and motorcycles	1.1	1.1	1.5
47 : Retail trade, except of motor vehicles and motorcycles	1.1	1.3	1.4
49 : Land transport and transport via pipelines	1.2	1.2	1.2
51 : Air transport	4.0	1.5	1.0
52 : Warehousing and support activities for transportation	1.2	0.6	0.6
56 : Food and beverage service activities	1.0	1.1	1.0
58 : Publishing activities	2.5	2.2	2.8
59 : Motion picture, video and television programme production, sound recording and music publishing activities	2.4	1.7	1.8
60 : Programming and broadcasting activities	4.0	17.3	0.8
61 : Telecommunications	2.0	0.9	0.7
62 : Computer programming, consultancy and related activities	1.7	0.7	0.6
63 : Information service activities	2.0	0.6	0.5
64 : Financial service activities, except insurance and pension funding	2.0	2.2	1.0
66 : Activities auxiliary to financial services and insurance activities	1.3	2.3	1.9
68 : Real estate activities	1.2	1.2	1.0
69 : Legal and accounting activities	1.3	1.1	0.9
70 : Activities of head offices; management consultancy activities	1.3	0.6	0.5
73 : Advertising and market research	1.8	1.2	0.7

Industry	Norwich to Norfolk	Norwich to East	Norwich to England
74 : Other professional, scientific and technical activities	1.0	0.8	0.8
78 : Employment activities	1.6	1.4	1.7
79 : Travel agency, tour operator and other reservation service and related activities	1.4	1.3	0.9
80 : Security and investigation activities	2.0	2.8	1.7
84 : Public administration and defence; compulsory social security	1.7	2.1	1.7
85 : Education	1.3	1.3	1.3
88 : Social work activities without accommodation	1.1	1.2	1.2
90 : Creative, arts and entertainment activities	2.7	3.5	1.3
91 : Libraries, archives, museums and other cultural activities	1.3	1.9	1.8
93 : Sports activities and amusement and recreation activities	1.3	1.5	1.6
94 : Activities of membership organisations	1.7	1.6	1.6
95 : Repair of computers and personal and household goods	2.3	1.6	4.1
96 : Other personal service activities	1.0	1.0	1.1

Source ONS, 2016

Table 5: South Norfolk Location Quotient – 2015

Industry	South Norfolk to Norfolk	South Norfolk to East	South Norfolk to England
01 : Crop and animal production, hunting and related service activities	1.8	0.3	0.3
08 : Other mining and quarrying	3.5	6.6	3.4
11 : Manufacture of beverages	0.7	0.9	1.5
13 : Manufacture of textiles	1.5	1.6	0.9
16 : Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.1	1.8	1.8
17 : Manufacture of paper and paper products	1.5	1.8	1.6
25 : Manufacture of fabricated metal products, except machinery and equipment	1.2	1.4	1.3
27 : Manufacture of electrical equipment	1.6	1.7	1.5
29 : Manufacture of motor vehicles, trailers and semi-trailers	5.3	8.8	5.3
31 : Manufacture of furniture	0.7	1.1	1.0
32 : Other manufacturing	1.4	1.3	1.9
35 : Electricity, gas, steam and air conditioning supply	1.6	1.1	0.5
36 : Water collection, treatment and supply	2.8	1.2	1.8
37 : Sewerage	0.7	0.9	2.3
41 : Construction of buildings	0.9	0.9	1.3

Industry	South Norfolk to Norfolk	South Norfolk to East	South Norfolk to England
42 : Civil engineering	1.6	1.5	2.2
43 : Specialised construction activities	1.0	1.1	1.3
45 : Wholesale and retail trade and repair of motor vehicles and motorcycles	1.0	1.0	1.3
46 : Wholesale trade, except of motor vehicles and motorcycles	1.1	1.0	1.1
50 : Water transport	3.5	2.9	1.8
55 : Accommodation	0.7	1.3	1.1
62 : Computer programming, consultancy and related activities	1.2	0.5	0.4
63 : Information service activities	1.4	0.4	0.3
68 : Real estate activities	1.1	1.1	0.9
70 : Activities of head offices; management consultancy activities	1.1	0.5	0.4
72 : Scientific research and development	5.1	1.5	3.7
73 : Advertising and market research	2.0	1.3	0.7
74 : Other professional, scientific and technical activities	1.2	0.9	0.9
75 : Veterinary activities	1.1	1.3	1.5
79 : Travel agency, tour operator and other reservation service and related activities	1.0	0.9	0.6
80 : Security and investigation activities	2.8	3.8	2.3
82 : Office administrative, office support and other business support activities	1.8	1.5	1.2
84 : Public administration and defence; compulsory social security	0.9	1.1	0.9
86 : Human health activities	2.6	3.4	3.0
87 : Residential care activities	1.0	1.3	1.4
88 : Social work activities without accommodation	1.0	1.0	1.0
94 : Activities of membership organisations	1.2	1.1	1.1
96 : Other personal service activities	1.1	1.1	1.1

Source ONS, 2016

Employment and Commuting Pattern

- 2.30 Travel to work areas can help identify where the bulk of the residential population work. We have analysed the commuting pattern of the residents and workers in each borough based on ONS data. Clearly the extent of the Norwich urban area somewhat distorts the travel to work analysis as people who live in the urban area may technically cross a borough boundary to work within the same urban location.
- 2.31 ONS identifies that the current criteria for defining Travel to Work Areas (TTWA) is 'that generally at least 75% of an area's resident workforce work in the area and at least 75% of people who work in

the area also live in the area. The working area must have a population of at least 3,500. However, for areas with a population in excess of 25,000 self-containment rates as low as 66.7% are accepted'.

- 2.32 Broadland has fewer jobs than working residents and is therefore an exporter of workers. This results in net outward commuting from the region. In 2011, 33,245 commuted out from Broadland and 18,876 commuted in. This is also the case for South Norfolk, which had an outflow of 28,647 and an inflow of 22,686.
- 2.33 Unlike Broadland and South Norfolk, Norwich has more jobs than working residents and is therefore an importer of workers. This results in net inward commuting from the region. In 2011, 21,504 commuted out from Norwich and 48,471 commuted in.
- 2.34 The three tables below show the ten local authorities with the largest inflows into each of the three Greater Norwich authority areas and the ten local authorities with the largest inflows from the three Greater Norwich authority areas. These inflows and outflows document significant economic linkages with neighbouring authorities in the rest of Norfolk and the East region.

Table 6: Top Ten Local Authorities for Inflows and Outflows – Broadland 2011

Local Authority	Inflow	Local Authority	Outflow
Norwich	7,681	Norwich	19,976
South Norfolk	3,455	South Norfolk	4,779
North Norfolk	3,003	North Norfolk	2,711
Breckland	1,871	Breckland	1,157
Great Yarmouth	1,333	Great Yarmouth	1,668
Waveney	550	King's Lynn and West Norfolk	420
King's Lynn and West Norfolk	215	Waveney	394
Mid Suffolk	90	Westminster, City of London	160
Suffolk Coastal	53	Mid Suffolk	116
St Edmundsbury	40	Ipswich	90

Source ONS, 2016

Table 7: Top Ten Local Authorities for Inflows and Outflows – Norwich 2011

Local Authority	Inflow	Local Authority	Outflow
Broadland	19,976	Broadland	7,681
South Norfolk	13,361	South Norfolk	7,025
Breckland	4,628	Breckland	1,504
North Norfolk	3,540	North Norfolk	1,078
Great Yarmouth	2,031	Great Yarmouth	848
Waveney	1,628	Waveney	548
King's Lynn and West Norfolk	604	King's Lynn and West Norfolk	235
Mid Suffolk	333	Mid Suffolk	194
Suffolk Coastal	246	Westminster, City of London	159
Ipswich	160	Ipswich	134

Source ONS, 2016

Table 8: Top Ten Local Authorities for Inflows and Outflows – South Norfolk 2011

Local Authority	Inflow	Local Authority	Outflow
Norwich	7,025	Norwich	13,361
Broadland	4,779	Broadland	3,455
Breckland	4,201	Breckland	2,697
Mid Suffolk	1,372	Waveney	2,303
Waveney	1,650	Mid Suffolk	1,782
North Norfolk	891	Great Yarmouth	854
Great Yarmouth	842	North Norfolk	539
King's Lynn and West Norfolk	254	St Edmundsbury	445
Suffolk Coastal	230	Suffolk Coastal	334

Source ONS, 2016

- 2.35 The data also helps us to define a self-containment rate for Greater Norwich. A self-containment rate highlights the extent to which residents of an area work outside that area and the extent to which jobs within an area are filled by in-commuters. It shows the number of employed residents crossing local authority boundaries in their journeys to work, and so whether local authorities may reasonably be regarded as functional local labour markets.
- 2.36 A self-containment rate can be calculated to be either supply-side or demand-side. The supply-side containment rate is the proportion of the resident workforce retained by the local authority and the demand-side containment rate is the proportion of the resident workforce occupying local jobs.
- 2.37 Table 9 below includes containment rates for Broadland, Norwich, South Norfolk, and Greater Norwich as a whole. The table shows whereas individual local authorities have low containment rates, together Greater Norwich retains over 80% of its workforce and attracts significant in-commuting.

Table 9: Containment Rates - 2011

	Supply-side Containment Rate (%)	Demand-side Containment Rate (%)
Broadlands	33.9	47.2
Norwich	60.1	39.9
South Norfolk	40.1	45.6
Greater Norwich	82.6	68.9

Source ONS, 2016

Economic Performance

- 2.38 The following section examines the general health of the Broadland, Norwich, and South Norfolk economy in terms of Gross Value Added (GVA), competitiveness index, and key economic sectors.

Gross Value Added

- 2.39 Table 10 examines the total Gross Value Added (GVA) levels and its rates of change for Broadland, Norwich, South Norfolk, and benchmark areas. The 2015 GVA Output per capita of Norwich was large, at £30,792 and 25% more than that of the national average. The GVA output per capita of South Norfolk was reflective of the national average whereas the GVA output per capita of Broadland was almost 30% lower, at £17,292.

2.40 GVA growth however has been strongest in South Norfolk (65.1%) and Broadland (49.5%), and significantly greater than the national average. Conversely, GVA growth in Norwich has been poor, achieving an increase of 3.4% since the 2001 census.

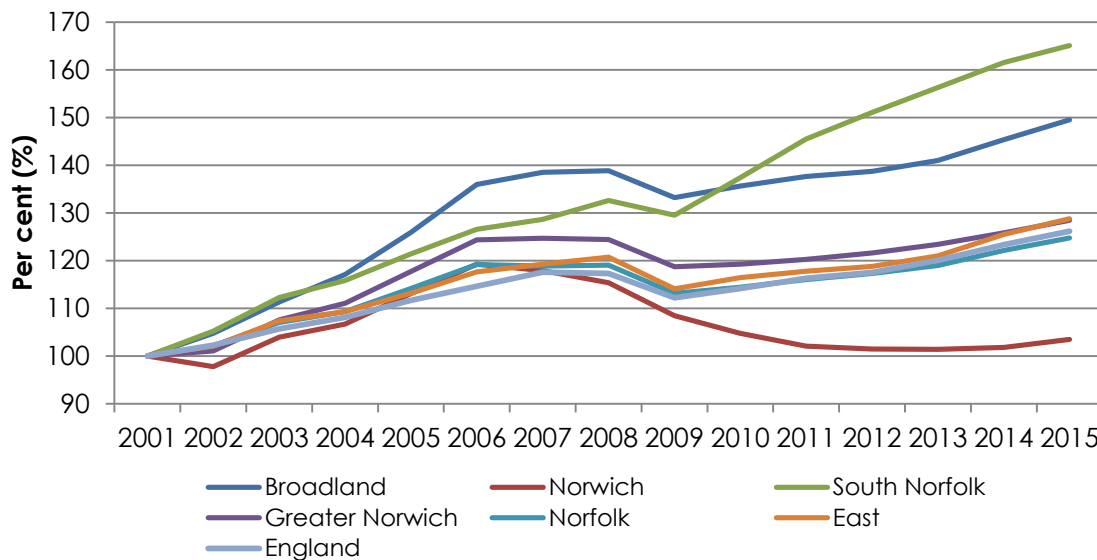
Table 10: Gross Value Added – 2015

	2015 GVA Output (£ millions)	2015 GVA Output per Capita (£)	2001 - 2015 GVA Growth (%)
Broadland	2,189	17,292	49.5
Norwich	4,276	30,792	3.4
South Norfolk	3,256	24,855	65.1
Greater Norwich	9,721	24,519	28.4
Norfolk	18,809	21,254	24.8
East	137,855	22,687	28.8
United Kingdom	1,596,000	24,512	26.2

Source Experian, 2016

2.41 Figure 9 shows the change in GVA output to base year in Broadland, Norwich and South Norfolk in relation to benchmark areas. It shows that Broadland and South Norfolk achieved high GVA growth despite the 2008/9 recession period. Norwich, however, had GVA growth levels in-line with the national average until 2008/9 at which point growth fell behind all benchmark areas and only began recovering slowly in 2014.

Figure 9: GVA Change from Base Year



Source Experian, 2016

2.42 Table 11 compares GVA contribution of broad sectors in Broadland, Norwich, South Norfolk and benchmark areas in 2014. It shows that services are the principle driver of each authority economy forming Greater Norwich.

2.43 Regarding GVA contribution, Norwich is the most reflective of the UK average, most notably with regard to the scales of finance and retail. Conversely, Broadland has a relatively large financial sector whereas the sector is relatively miniscule in South Norfolk. The lack of finance and ICT in South Norfolk is made up for with professional services, contributing almost 40% to GVA output.

Table 11: GVA Contribution by Broad Sector - 2014

	Broadland	Norwich	South Norfolk	Greater Norwich	Norfolk	East	UK
Professional & Other Private Services	21.8	29.2	39.9	31.1	30.0	29.1	27.6
Public Services	16.5	22.2	24.7	21.8	21.5	17.1	18.2
Finance & Insurance	16.4	9.8	0.9	8.3	5.1	4.2	6.9
Wholesale & Retail	11.7	12.9	7.7	10.9	11.1	13.1	11.6
Manufacturing	10.6	6.8	5.9	7.4	10.7	11.2	9.6
Construction	9.0	4.3	8.4	6.7	6.7	7.9	6.1
Agriculture, Forestry & Fishing	4.8	0.3	4.8	2.8	3.6	1.4	0.7
Accommodation, Food Services & Recreation	3.1	4.5	2.1	3.4	4.1	4.1	4.2
Information & communication	2.8	5.5	1.8	3.7	2.5	5.4	6.3
Transport & storage	2.2	3.6	1.7	2.6	2.9	4.6	4.4
Utilities	1.1	0.8	1.9	1.2	1.6	1.8	2.4
Extraction & Mining	0.0	0.0	0.2	0.1	0.3	0.1	1.9

Source Experian, 2016

Business Demography

2.44 The following section reviews business stock and sizes, business survival rates and growth rates to provide context of business demography in Broadland, Norwich, and South Norfolk.

Businesses by Size and Industrial Sector

2.45 In 2015, there were 4,695 business units in Broadland, 4,445 in Norwich, and 5,490 in South Norfolk. The business structure in each local authority is dominated by micro (1-10 employees) and small businesses (10-49 employees), yet Norwich has a higher proportion of businesses with 50 employees or more than the national average and over double the amount (3.9%) of Broadland (1.4%) and South Norfolk (1.6%).

Table 12: Business Unit Size and Total Counts- 2015

	Micro (0 to 9)	Small (10 to 49)	Medium-sized (50 to 249)	Large (250+)	Total Counts
Broadland	88.9%	9.6%	1.2%	0.2%	4,695
Norwich	83.4%	12.7%	3.0%	0.9%	4,445
South Norfolk	90.8%	7.7%	1.2%	0.4%	5,490
Greater Norwich	87.9%	9.8%	1.7%	0.5%	14,630
Norfolk	88.0%	10.0%	1.6%	0.3%	32,230
East	89.7%	8.5%	1.5%	0.4%	253,955
England	89.3%	8.8%	1.6%	0.4%	2,213,650

Source ONS, 2016

2.46 Table 13 shows the distribution of business units in Broadland, Norwich, and South Norfolk by sector in 2015. The four primary sectors by business count in each local authority are professional services and finance, retail and hospitality, construction, and transport and communication. Proportions across the three local authorities are skewed by the presence of agriculture in Broadland and South Norfolk, related to their rural character, and retail in Norwich, related to its urban character.

Table 13: Distribution of Business Units by Sector - 2015

	Broadlands	Norwich	South Norfolk	Greater Norwich	Norfolk	East	England
K - N: Professional Services and Finance	26.9%	31.4%	27.0%	28.3%	25.3%	30.7%	32.7%
G & I: Retail, Hotels and Restaurants	20.2%	27.4%	18.6%	21.8%	23.4%	19.2%	20.0%
F: Construction	17.9%	8.0%	13.0%	13.1%	13.3%	14.5%	11.8%
H & J: Transport and Communication	8.1%	10.1%	8.7%	9.0%	7.7%	12.4%	12.3%
A: Agriculture and Fishing	7.8%	0.7%	13.3%	7.7%	10.4%	4.7%	4.5%
C: Manufacturing	6.5%	4.9%	5.4%	5.6%	6.2%	5.4%	5.2%
O - Q: Public Admin, Education and Health	6.4%	8.9%	7.7%	7.7%	6.9%	6.4%	6.5%
R - U: Arts and Other Services	5.8%	8.1%	5.7%	6.5%	6.3%	6.2%	6.5%
B, D & E: Mining and Utilities	0.5%	0.4%	0.5%	0.5%	0.6%	0.5%	0.5%

Source ONS, 2016

Business Birth and Survival Rates

2.47 Table 14 shows the survival rates of businesses over a five year period from 2009 to 2013. The data shows the recessionary impact on business survival rates with a significant drop between 2009 and 2010 in Broadland, Norwich, South Norfolk and benchmark areas. Survival rates achieved across the three local authorities are slightly higher than the national average.

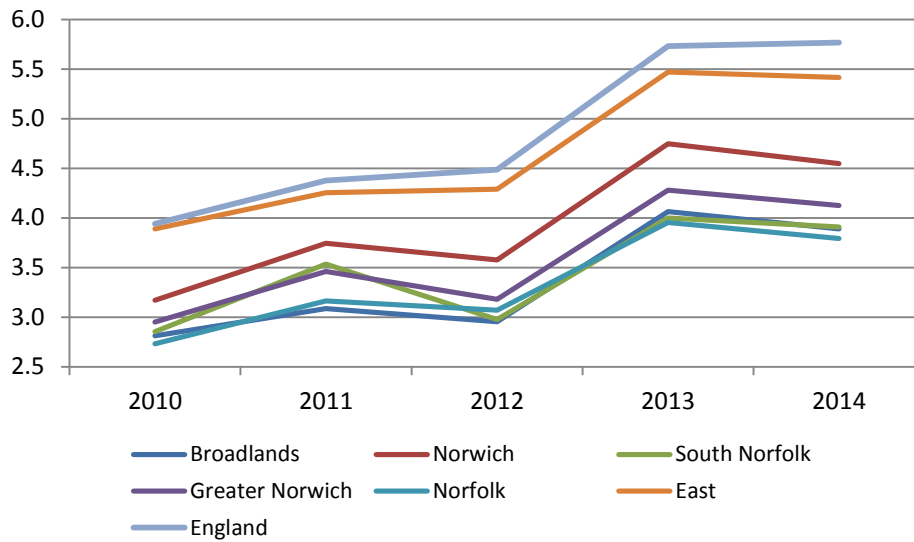
Table 14: Business Survival Rates

	Year	Births	Per cent (%)				
			Year 1	Year 2	Year 3	Year 4	Year 5
Broadland	2010	350	91.4	78.6	62.9	54.3	47.1
	2011	385	94.8	81.8	67.5	54.5	-
	2012	370	95.9	78.4	64.9	-	-
	2013	510	94.1	75.5	-	-	-
	2014	490	91.8	-	-	-	-
Norwich	2010	415	89.2	75.9	57.8	49.4	43.4
	2011	495	91.9	76.8	62.6	51.5	-
	2012	480	91.7	72.9	61.5	-	-
	2013	645	93	76.7	-	-	-
	2014	625	88	-	-	-	-
South Norfolk	2010	350	88.6	77.1	60	54.3	45.7
	2011	440	95.5	80.7	64.8	53.4	-
	2012	375	93.3	77.3	61.3	-	-
	2013	510	94.1	80.4	-	-	-
	2014	505	96	-	-	-	-
Norfolk	2010	2,330	89.5	76.2	61.2	52.8	46.1
	2011	2,720	94.1	78.3	64.5	53.7	-
	2012	2,655	93.2	76.5	63.3	-	-
	2013	3,445	94	77.5	-	-	-
	2014	3,330	92.8	-	-	-	-
East	2010	22,580	87.8	73.9	58.7	49.8	43.1
	2011	24,930	93.9	77.4	62.7	52.8	-
	2012	25,335	92.1	75.6	61.5	-	-
	2013	32,570	94.2	76.8	-	-	-
	2014	32,595	93.1	-	-	-	-
England	2010	207,520	86.8	72.5	57.1	48.1	41.4
	2011	232,460	93.1	75.5	60.4	50.8	-
	2012	239,975	91.1	73.7	59.2	-	-
	2013	308,770	93.5	75.1	-	-	-
	2014	313,200	92.2	-	-	-	-

Source ONS, 2016

2.48 Figure 10 below shows the number of businesses created per 1000 residents in each of the local authorities that form Greater Norwich and benchmark areas between 2010 and 2014. The figure shows that although each of the geographic areas have experienced growth in business births per 1000 residents over the period, each local authority performs on par or better than the Norfolk County but worse than the region and national average.

Figure 10: Business Births per 1000 residents



Source CoStar, 2016

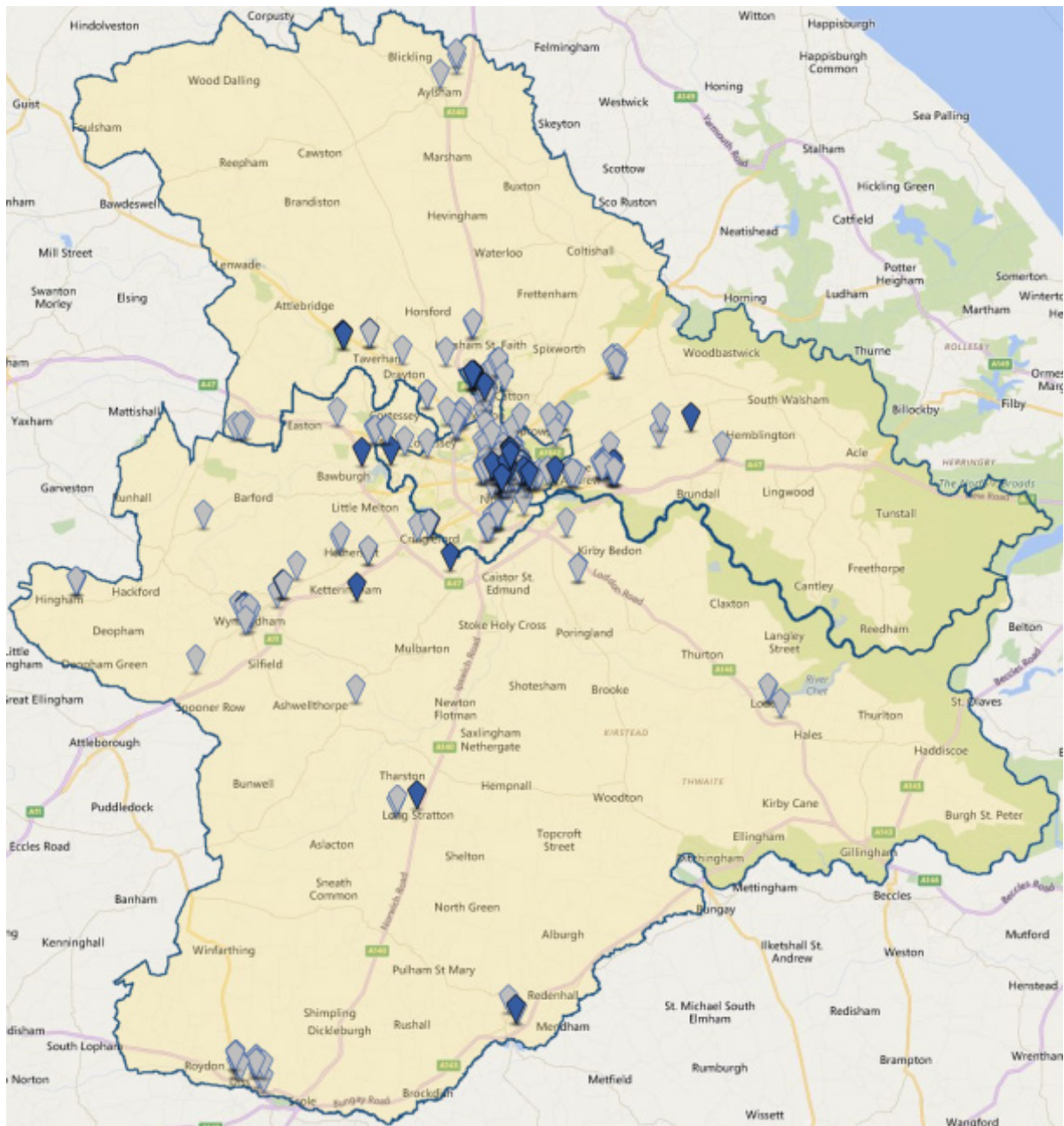
3. Commercial Property Market Review

- 3.1 To understand how the property market itself may influence future provision we consider market performance in terms of deals completed (space take up) between December 2010 and December 2015 and advertised space (vacancies).
- 3.2 The CoStar database seeks to record actual market activity (i.e. the 'turnover' of occupiers and premises) as such the majority of lease renegotiations and extensions are not included. It should be noted that the CoStar database relies on the participation of agents to maintain its accuracy; as such a number of smaller deals may not be captured. However, it provides a consistent and robust record of the predominant market trends from which the market can be understood.

Greater Norwich Office Market

- 3.3 Figure 11 shows the location of office buildings within Greater Norwich. Blue pins indicate buildings with some level of availability whereas grey pins indicate that a building is fully let. Figure 11 shows that offices are predominantly located in urban centres, such as central Norwich and Wymondham, and on designated sites, such as Rakheath Industrial Estate, Broadland Business Park and Norwich International Airport.

Figure 11: Greater Norwich Office Locations



Source CoStar, 2016

- 3.4 Generally the rental trends in an area are driven by factors such as general market condition, demand and supply, locational factors and the nature and quality of the stock.
- 3.5 As shown in Figure 12, the quality of the existing office stock throughout Greater Norwich is mixed with several BREEAM certified buildings.

Figure 12: Offices in Greater Norwich



Source CoStar, 2016

- 3.6 Table 15 below provides key office stock indicators for Greater Norwich. It shows that, according to CoStar analytics, there are 457 existing rentable office spaces in Greater Norwich, comprising 522,304 sq m of floorspace. Norwich makes up the majority of the floorspace, at 74%. Although the vacancy rate in South Norfolk is relatively high, the rents are higher and the months on market are lower in Broadland and South Norfolk compared to Norwich, this could suggest higher levels of demand in areas outside of central Norwich, but will also reflect the lower level of supply.

Table 15: Greater Norwich Office Stock Summary Statistics

	Greater Norwich	Broadland	Norwich	South Norfolk
No. of Properties	457	64	337	56
Total Floorspace (sqm)	522,304	91,976	386,914	43,414
Rents (£psm, 5 yr avg.)	115	133	109	122
Vacancy (% , 5 yr avg.)	6.6	3.7	6.5	12.9
Months on Market (5 yr avg.)	19	15	20	19

Source CoStar, 2016

- 3.7 Table 16 and Table 17 show office take-up by number of deals and floorspace between 2010 and 2015 by size band. The number of deals have more than doubled from 35 in 2010, albeit with a fall in 2013, to 77 in 2015. Although year-on-year floorspace take-up has been more varied, take-up reflects the growth in deals, having risen from 8,208 sqm in 2010 to 17,660 in 2015. These values suggest that the office market in Greater Norwich is healthy and that post-recession recovery is being achieved.
- 3.8 The largest proportion of lettings across the five years was for space of below 185 sqm (64%). However, total take-up was more evenly spread across the three size bands below 1,850 sqm. Given the lack of deals for office space that is 1,850 sqm and above in size, total floorspace take-up is significantly smaller than in other size bands. Analysis therefore indicates that demand is greatest for office spaces of below 185 sqm in size, yet required land provision is likely to be similar for the different size bands of office space.

Table 16: Office Take-Up Deals by Size Band

	2010	2011	2012	2013	2014	2015
Below 185 sqm	22	28	29	24	36	51
185 - 464 sqm	10	11	11	5	14	17
465 - 1,849 sqm	3	2	13	3	4	9
1,850 sqm and above	0	0	2	0	1	0
Total	35	41	55	32	55	77

Source CoStar, 2016

Table 17: Office Floorspace Take-Up by Size Band

	2010	2011	2012	2013	2014	2015
Below 185 sqm	1,988	2,789	2,914	1,914	2,775	4,563
185 - 464 sqm	2,611	3,420	3,030	1,549	3,877	5,404
465 - 1,849 sqm	3,610	1,822	9,758	1,654	2,905	7,693
1,850 sqm and above	0	0	4,098	0	1,983	0
Total	8,208	8,031	19,801	5,116	11,539	17,660

Source CoStar, 2016

- 3.9 Table 18 below shows that, in addition to deal counts, average rents were highest for units below 185 sqm. These findings reinforce the suggestion that demand is highest for units with floorspace below 185 sqm.
- 3.10 It should be noted however that, in general, smaller units tend to achieve higher rents on a £ per sq m basis. They are often let on flexible lease terms which command a premium and service charges are often included in the rent. The significantly higher rents achieved on sub 185 sq m units may therefore be in part a consequence of their small size, rather than a direct indication of demand.
- 3.11 The average deal size was c. 230sqm, which would suggest that the average business occupying space within Greater Norwich is an SME, with around 23 employees (based on average occupier densities).

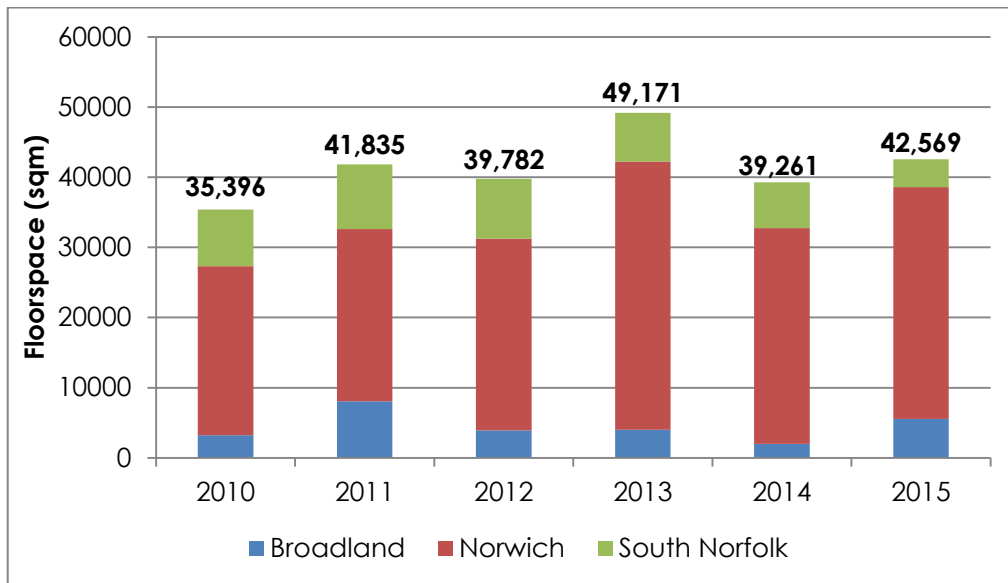
Table 18: Office Take-Up by Size Band

	Total Deals	Total Take Up (sqm)	Average Unit Size (sqm)	Average Achieved Rent (£psm)
Below 185 sqm	190	16,942	89	111
185 - 464 sqm	68	19,891	293	102
465 - 1,849 sqm	34	27,442	807	106
1,850 sqm and above	3	6,081	2,027	67

Source CoStar, 2016

- 3.12 Figure 13 and Figure 14 show available and vacant office floorspace respectively. Available floorspace includes vacant floorspace in addition to floorspace that may be available but is currently occupied, i.e. a business that is looking to relocate.
- 3.13 Figure 13 shows that available floorspace increased to a peak of 49,171 sqm in 2013, before falling back to 42,569 sqm in 2015. Although some variability is evident, office floorspace availability has remained relatively stable since 2010. Available office space is shown to be principally located in the Norwich local authority area.

Figure 13: Available Office Floorspace

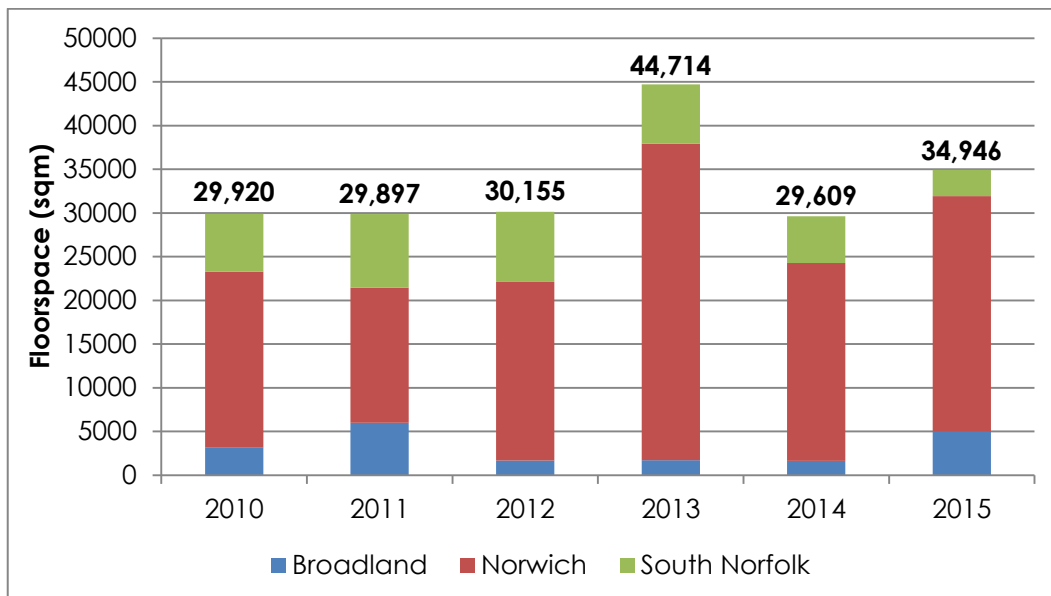


Source CoStar, 2016

3.14 Variability in vacant office floorspace, shown in Figure 14, is more pronounced than figures for total available floorspace but shows the same trend of peaking in 2013, at 44,714 sqm, before falling back to 34,946 sqm in 2015. Again, the majority of vacant floorspace in Greater Norwich is located in the Norwich local authority area.

3.15 Significant availability of non-vacant floorspace, which has persisted since 2010, may indicate lack of demand.

Figure 14: Vacant Office Floorspace (sqm)



Source CoStar, 2016

3.16 In December 2016, there were a total of 54 rentable office spaces being advertised through CoStar Focus database in Greater Norwich, comprising 44,073 sqm of available space.

- 3.17 Table 19 shows that although the majority of units were under 465 sqm (67%), the largest total floor space was accounted for by the six units over 1,850 sqm (58%).

Table 19: Office Floorspace Availability

	No. of Units	Total Floorspace (sqm)
Below 185 sqm	18	1,927
185 - 464 sqm	18	5,291
465 - 1,849 sqm	12	11,509
1,850 sqm and above	6	25,346
Total	54	44,073

Source CoStar, 2016

- 3.18 Following earlier figures, Table 20 shows the majority of units and floor space currently available is in the Norwich local authority area.

Table 20: Office floorspace availability by Local Authority

Location	No. of Units	Total Floorspace (sqm)
Broadland	8	5,273
South Norfolk	9	4,931
Norwich	37	33,868

Source CoStar, 2016

- 3.19 Considering specific locations, 89% of available units and 92% of available floorspace is considered to be located in or directly connected to Norwich city. Analysis therefore confirms that Norwich is the sub-regional economic centre with several units located outside of the local authority area considered to be tied to the city.

Table 21: Office Floorspace Availability by Urban Area

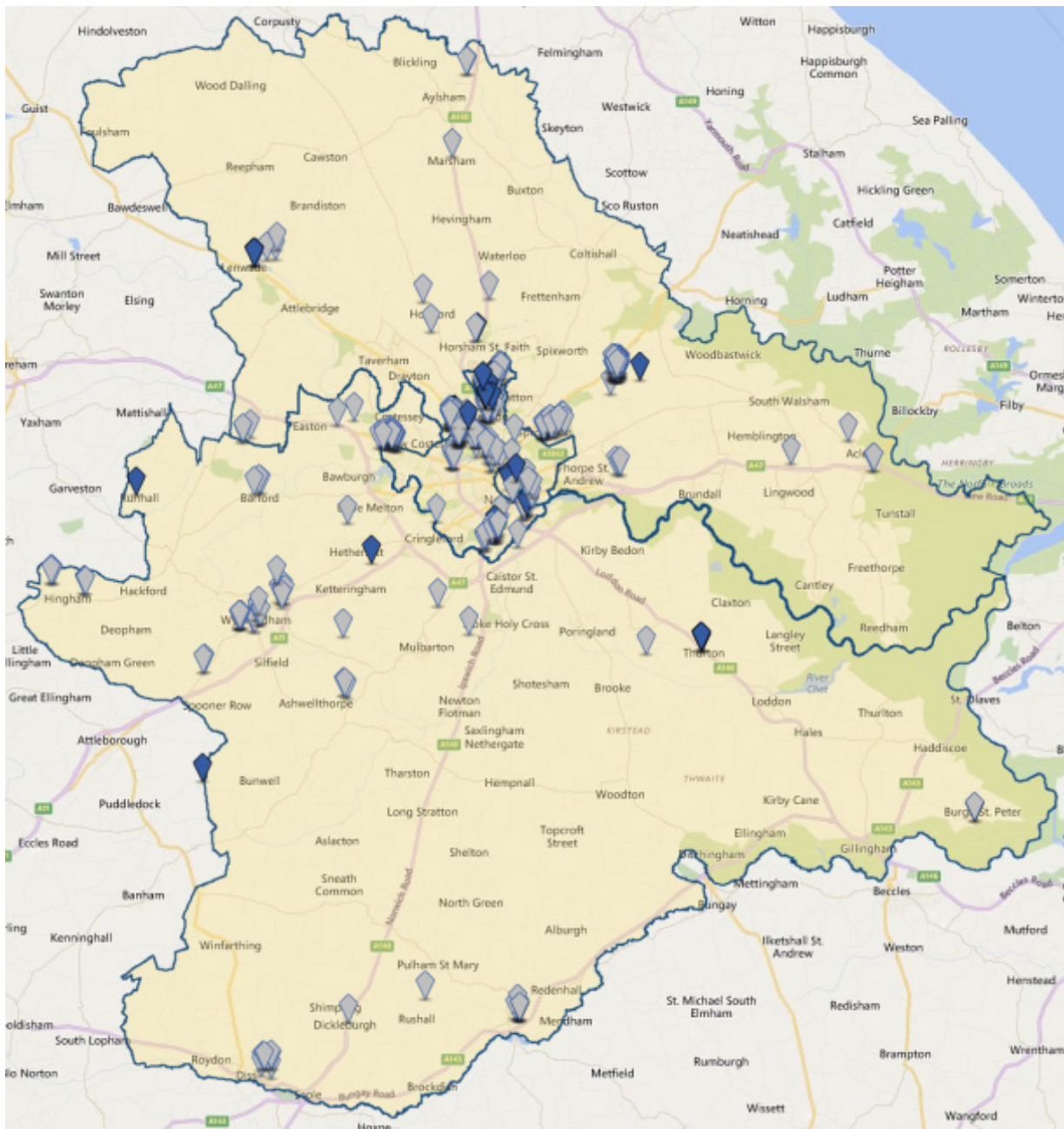
Location	No. of Units	Total Floorspace (sqm)
Harleston	1	172
Norwich	49	40,572
Wymondham	4	3,328

Source CoStar, 2016

Greater Norwich Industrial Market

- 3.20 Figure 15 shows the location of industrial units within Greater Norwich. Blue pins indicate buildings with some level of availability whereas grey pins indicate that a building is fully let. Figure 15 shows that industrial units are predominantly located in urban centres, such as central Norwich and Wymondham, and on designated sites, such as Rakheath Industrial Estate and Norwich International Airport.

Figure 15: Greater Norwich Industrial Unit Locations



Source CoStar, 2016

- 3.21 Generally the rental trends in an area are driven by factors such as general market condition, demand and supply, locational factors and the nature and quality of the stock.
- 3.22 As shown in Figure 16, the quality of the existing industrial stock throughout Greater Norwich is mixed but typically of medium quality.

Figure 16: Industrial Units in Greater Norwich

Source Costar, 2016

- 3.23 Table 22 below provides key industrial stock indicators for Greater Norwich. It shows that, according to CoStar analytics, there are 454 existing rentable industrial spaces in Greater Norwich, comprising 1,077,945 sqm of floorspace. Norwich makes up the majority of the floorspace, at 48%. A low vacancy rate and months on the market combined with a relatively high average monthly rent indicates that demand for industrial space is higher in Broadland than in Norwich and South Norfolk.

Table 22: Greater Norwich Industrial Stock Summary Statistics

	Greater Norwich	Broadland	Norwich	South Norfolk
No. of Properties	454	183	196	75
Total Floorspace (sqm)	1,077,945	383,494	516,631	177,820
Rents (£psm, 5 yr avg.)	43	47	42	42
Vacancy (% , 5 yr avg.)	6.0	2.7	7.1	9.6
Months on Market (5 yr avg.)	14	10	19	9

Source CoStar, 2016

- 3.24 Table 23 and Table 24 show industrial take-up by number of deals and floorspace between 2010 and 2015 by size band. The number of deals peaked in 2010 and again in 2014 at 52, remaining relatively stable across the period. Floorspace take-up was more varied and total values determined by the number of deals for units with floorspaces over 1,849 sqm. Floorspace take-up peaked at 30,156 in 2011 with the highest number of deal for units over 1,850sqm.
- 3.25 The largest proportion of lettings across the five years was for space between 185 and 464 sqm (38%), which was closely followed by spaces below 185 sqm (35%). However, total floorspace let over the period was dominated by units that fall within the 465 to 1,849 size band (35%), and closely followed by those over 1,849 sqm (33%). Analysis therefore indicates that while demand is higher for spaces below 465 sqm, land provision is likely to be most required by larger units.

Table 23: Industrial Unit Take-up Deals by size band

	2010	2011	2012	2013	2014	2015
Below 185 sqm	16	14	17	21	10	19
185 - 464 sqm	21	12	18	13	26	15
465 - 1,849 sqm	12	14	4	10	15	9
1,850 sqm and above	3	5	2	0	1	3
Total	52	45	41	44	52	46

Source CoStar, 2016

Table 24: Industrial floorspace take-up by size band

	2010	2011	2012	2013	2014	2015
Below 185 sqm	1,658	1,922	1,552	2,396	1,223	2,337
185 - 464 sqm	6,643	3,336	4,777	3,721	7,169	4,199
465 - 1,849 sqm	8,984	11,376	2,731	7,621	8,940	6,762
1,850 sqm and above	11,231	13,522	6,461	0	2,336	10,384
Total	28,516	30,156	15,521	13,738	19,669	23,682

Source CoStar, 2016

- 3.26 Table 24 shows that, in addition to deal counts, average rents are higher for smaller units. These findings reinforce the suggestion that demand is highest for smaller units.
- 3.27 It should be noted however that, in general, smaller units tend to achieve higher rents on a £ per sq m basis. They are often let on flexible lease terms which command a premium and service charges are often included in the rent. The significantly higher rents achieved on sub 185 sq m units may therefore be in part a consequence of their small size, rather than a direct indication of demand.
- 3.28 Table 25 below shows that, in addition to deal counts, average rents are higher for smaller units. These findings reinforce the suggestion that demand is highest for smaller units.
- 3.29 It should be noted however that, in general, smaller units tend to achieve higher rents on a £ per sq m basis. They are often let on flexible lease terms which command a premium and service charges are often included in the rent. The significantly higher rents achieved on sub 185 sq m units may therefore be in part a consequence of their small size, rather than a direct indication of demand.

Table 25: Industrial unit take-up by size band

	Total Deals	Total Take Up (sqm)	Average Unit Size (sqm)	Average Achieved Rent (£psm)
Below 185 sqm	97	11,089	114	58
185 - 464 sqm	105	29,844	284	47
465 - 1,849 sqm	64	46,414	725	45
1,850 sqm and above	14	43,935	3,138	43

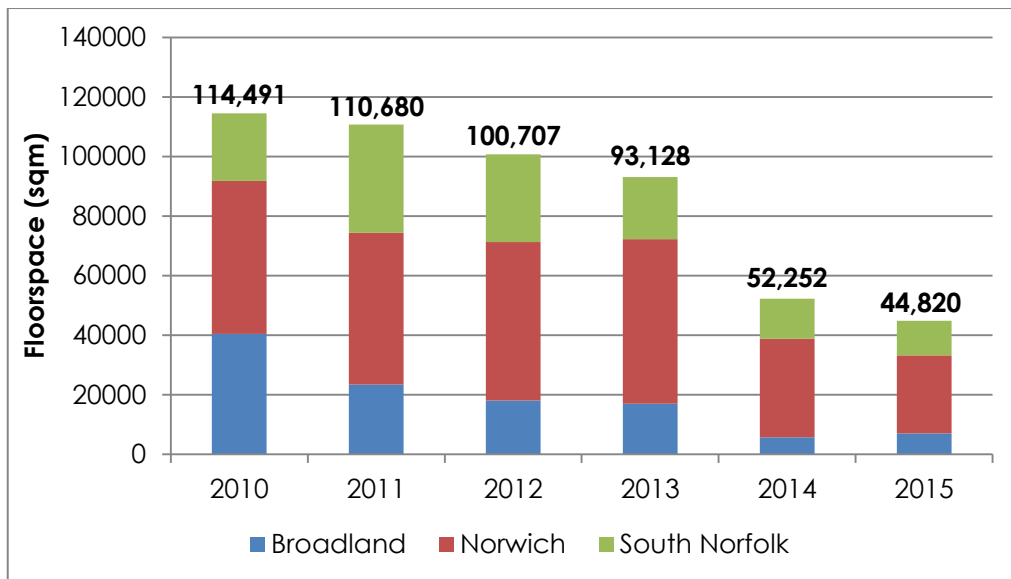
Source CoStar, 2016

- 3.30 Figure 17 and Figure 18 show available and vacant industrial floorspace respectively. Available floorspace includes vacant floorspace in addition to floorspace that may be available but is currently occupied, i.e. a business that is looking to relocate.

3.31 Figure 17 shows that available floorspace has fallen year-on-year from a peak of 114,491 sqm in 2010 to 44,820 sqm in 2015. Whereas available floorspace was more evenly spread across the three local authorities in 2010, availability has decreased by a significantly higher proportion in Broadland than in Norwich and South Norfolk.

3.32 A recent decline in available floorspace implies that healthy demand existing in the sub-region for industrial floorspace, which is pronounced in Broadland. Sustained letting activity, as shown in Table 23, and falling availability indicates a need for a larger pipeline of industrial unit developments.

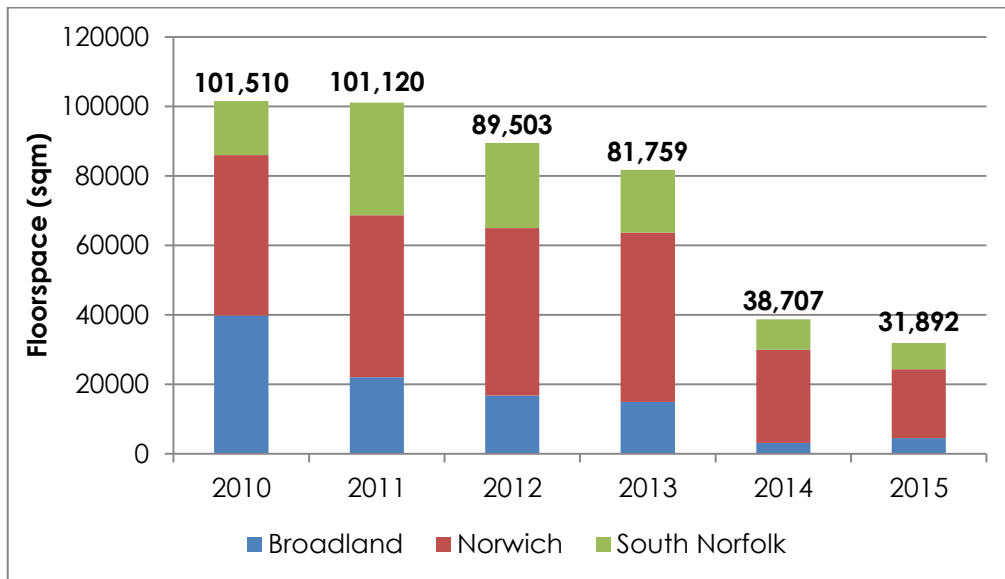
Figure 17: Available Industrial Floorspace (sqm)



Source CoStar, 2016

3.33 Similar to trends in available industrial space, vacant industrial space peaked in 2010 at 101,150 sqm before falling year-on-year to 31,892 sqm in 2015. Again, falling amount vacant floorspace has been pronounced in Broadland.

3.34 Reviewing Figure 17 and Figure 18, falling availability which is driven primarily by falling vacant floorspace reinforces the suggestion that an increased pipeline of future development may be required to continue to meet current levels of demand.

Figure 18: Vacant Industrial Floorspace (Sqm)

Source CoStar, 2016

3.35 In December 2016, there were a total of Greater Norwich 43 rentable industrial spaces being advertised through CoStar Focus database, comprising 182,532 sqm of available space.

3.36 Table 26 shows that although the majority of available units were between 185 and 1,849 sqm (88%), the largest total floor space was accounted for by the three units over 1,850 sqm (88%).

Table 26: Industrial Floorspace Availability

	No. of Units	Total Floorspace (sqm)
Below 185 sqm	2	257
185 - 464 sqm	19	5,706
465 - 1,849 sqm	19	16,781
1,850 sqm and above	3	159,788
Total	43	182,532

Source CoStar, 2016

3.37 Following earlier figures, Table 27 shows the majority of units currently available are in the Norwich local authority area whereas the majority of floorspace is in South Norfolk. Referring to Table 28, the larger amount of floorspace availability in South Norfolk is the result of two large units that have become available in Wymondham.

Table 27: Industrial Floorspace availability by Local Authority

Location	No. of Units	Total Floorspace (sqm)
Broadland	8	2,387
South Norfolk	7	160,134
Norwich	28	20,012

Source CoStar, 2016

Table 28: Industrial Floorspace availability by urban area

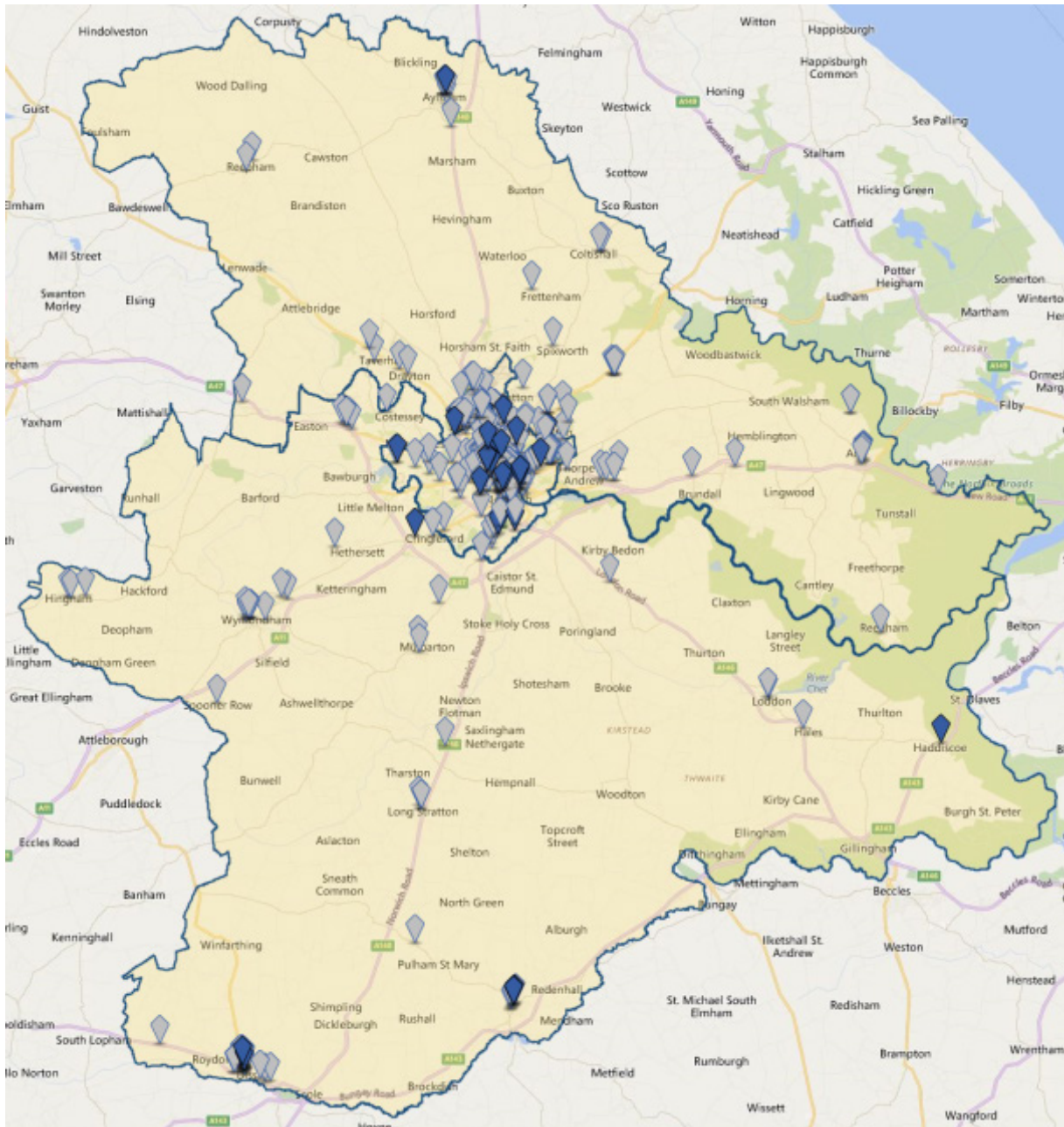
Location	No. of Units	Total Floorspace (sqm)
Beccles	1	965
Harleston	2	475
Norwich	38	23,192
Wymondham	2	157,930

Source CoStar, 2016

Greater Norwich Retail Market

3.38 Figure 19 shows the location of retail spaces within Greater Norwich. Blue pins indicate buildings with some level of availability whereas grey pins indicate that a building is fully let. Figure 19 shows that retail spaces are predominantly located in urban centres, such as central Norwich, Wymondham, and Diss.

Figure 19: Greater Norwich Retail Space Locations



Source CoStar, 2016

3.39 Generally the rental trends in an area are driven by factors such as general market condition, demand and supply, locational factors and the nature and quality of the stock.

3.40 As shown in Figure 20, the quality of the existing retail stock throughout Greater Norwich is mixed.

Figure 20: Retail Space in Greater Norwich



Source CoStar, 2016

3.41 Table 29 below provides key retail stock indicators for Greater Norwich. It shows that, according to CoStar analytics, there are 1,000 existing rentable retail spaces in Greater Norwich, comprising 711,383 sqm of floorspace. Norwich makes up the majority of the floorspace, at 74%. Although the vacancy rates and months on the market are higher in Norwich, the scale of the market and access to consumers drives demand and translates into much higher rents.

Table 29: Greater Norwich Retail Stock Summary Statistics

	Greater Norwich	Broadland	Norwich	South Norfolk
No. of Properties	1,000	65	832	103
Total Floorspace (sqm)	711,383	113,586	526,014	71,783
Rents (£psm, 5 yr avg.)	284	78	304	145
Vacancy (% , 5 yr avg.)	1.6	0.5	1.9	0.6
Months on Market (5 yr avg.)	10	7	11	6

Source CoStar, 2016

- 3.42 Table 30 and Table 31 show retail take-up by number of deals and floorspace between 2010 and 2015 by size band. The number of deals peaked at 57 in 2011 yet remained relatively stable across the period. As a result, year-on-year floorspace take-up has also relatively stable, increasing slightly in 2015. These values suggest that the market for retail space in Greater Norwich is robust.
- 3.43 The largest proportion of lettings across the five years was for space of below 185 sqm (72%). However, floorspace take-up was largest for units within the 465 - 1,849 sqm size band. Given the lack of deals for office space that is 1,850 sqm and above in size, floorspace take-up remains sizeable. Analysis therefore indicates that demand is greatest for office spaces of below 185 sqm in size, yet land provision is likely to be required across the size bands.

Table 30: Retail unit take-up deals by size band

	2010	2011	2012	2013	2014	2015
Below 185 sqm	45	43	32	43	36	34
185 - 464 sqm	5	10	12	6	13	10
465 - 1,849 sqm	5	3	7	6	4	6
1,850 sqm and above	1	1	0	0	1	1
Total	56	57	51	55	54	51

Source CoStar, 2016

Table 31: Retail floorspace take-up by size band

	2010	2011	2012	2013	2014	2015
Below 185 sqm	3,392	3,256	2,460	3,573	3,140	2,646
185 - 464 sqm	1,284	2,999	2,924	1,660	3,722	3,060
465 - 1,849 sqm	5,388	2,733	6,932	7,131	2,181	6,323
1,850 sqm and above	2,626	3,958	0	0	3,568	2,476
Total	12,690	12,947	12,317	12,364	12,612	14,505

Source CoStar, 2016

- 3.44 Table 32 below shows that, in addition to deal counts, average rents were significantly higher for units below 465 sqm. These findings reinforce the suggestion that demand is higher for smaller units.
- 3.45 It should be noted however that, in general, smaller units tend to achieve higher rents on a £ per sq m basis. They are often let on flexible lease terms which command a premium and service charges are often included in the rent. The significantly higher rents achieved on sub 185 sq m units may therefore be in part a consequence of their small size, rather than a direct indication of demand.

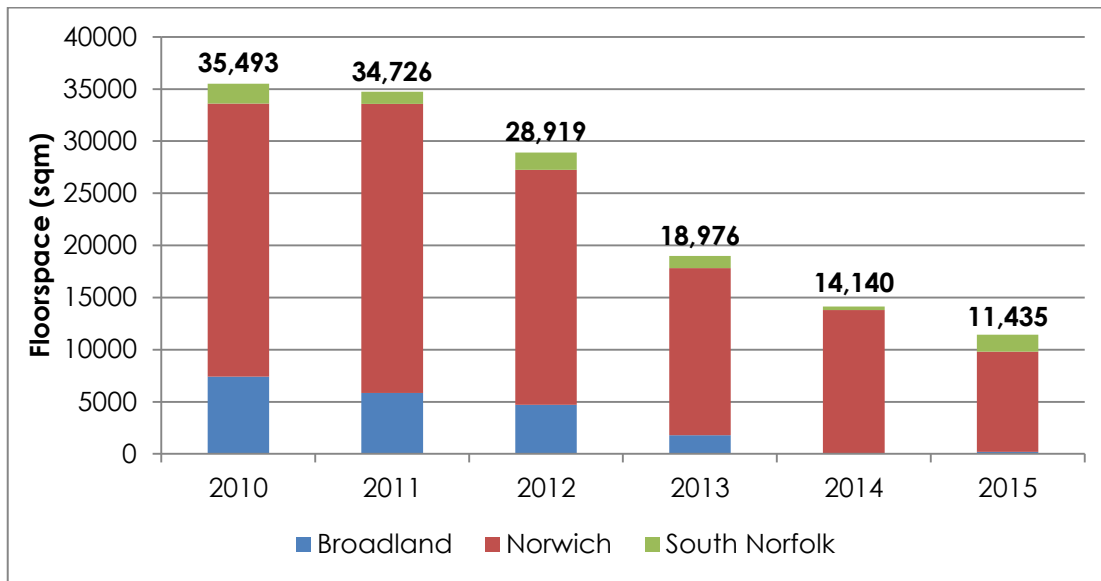
Table 32: Retail unit take-up by size band

	Total Deals	Total Take Up (sqm)	Average Unit Size (sqm)	Average Achieved Rent (£psm)
Below 185 sqm	233	18,467	79	333
185 - 464 sqm	56	15,649	280	348
465 - 1,849 sqm	31	30,688	990	135
1,850 sqm and above	4	12,629	3,157	116

Source CoStar, 2016

- 3.46 Figure 21 and Figure 22 show available and vacant industrial floorspace respectively. Available floorspace includes vacant floorspace in addition to floorspace that may be available but is currently occupied, i.e. a business that is looking to relocate.
- 3.47 shows that available floorspace has fallen year-on-year from a peak of 35,493 sqm in 2010 to 11,435 sqm in 2015. The majority of available floorspace is located in the Norwich local authority area.
- 3.48 A recent decline in available floorspace implies that strong demand existing in the sub-region. Sustained letting activity, as shown in Table 30, and falling availability indicates a need for more retail space to be made available.

Figure 21: available retail floorspace (sqm)

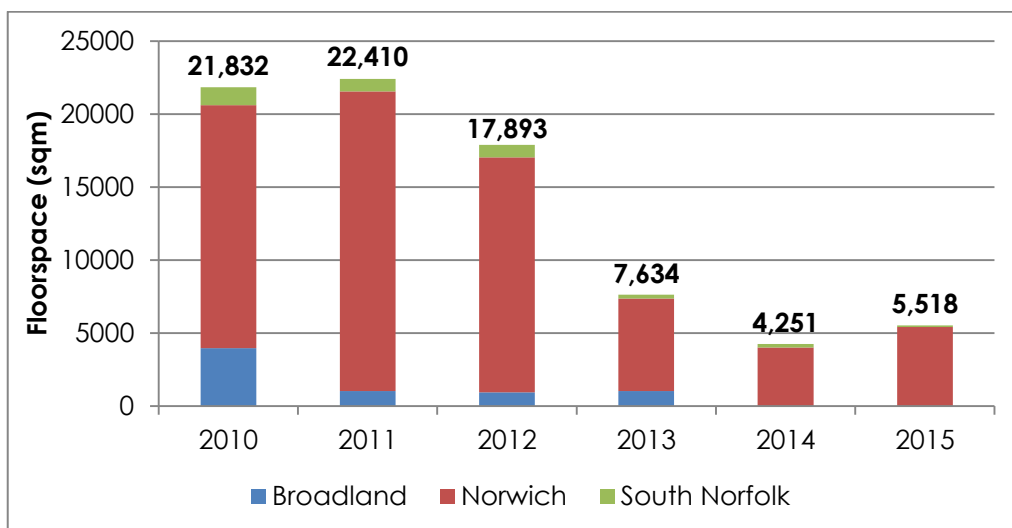


Source CoStar, 2016

3.49 Loosely reflecting trends in available retail space, vacant retail space peaked in 2011 at 22,410 sqm before falling to 4,251 sqm in 2014 and rising again slightly to 5,518 sqm in 2015.

3.50 Reviewing Figure 21 and Figure 22, falling availability suggests a need for more retail space to be made available to meet demand yet much of the available space is in fact occupied, suggesting high levels of churn in the market.

Figure 22: vacant retail floorspace (sqm)



Source CoStar, 2016

3.51 In August 2016, there were a total of Greater Norwich 56 retail spaces being advertised through CoStar Focus database, comprising 54,206 sqm of available space.

- 3.52 Table 33 shows that although the majority of units were under 185 sqm (59%), the largest total floor space was accounted for by the two units sized over 1,850 sqm (80%).

Table 33: retail floorspace availability

	No. of Units	Total Floorspace (sqm)
Below 185 sqm	33	2,658
185 - 464 sqm	16	4,385
465 - 1,849 sqm	5	3,947
1,850 sqm and above	2	43,216
Total	56	54,206

Source CoStar, 2016

- 3.53 Following earlier figures, Table 34 shows that the majority of units and floor space currently available is in the Norwich local authority area.

Table 34: retail floorspace availability by local authority

Location	No. of Units	Total Floorspace (sqm)
Broadland	2	223
South Norfolk	7	1,587
Norwich	47	52,396

Source CoStar, 2016

- 3.54 Considering specific locations, 93% of available units and 99% of available floorspace is considered to be located in or directly connected to Norwich city. Analysis therefore confirms that Norwich is the sub-regional economic centre with several units located outside of the local authority area considered to be tied to the city.

Table 35: retail floorspace availability by urban area

Location	No. of Units	Total Floorspace (sqm)
Diss	2	136
Harleston	2	177
Norwich	52	53,892

Source CoStar, 2016

4. Summary and SWOT Analysis

4.1 The following key points can be made about the economy across Greater Norwich:

- In line with benchmark areas, each of the authorities that compose Greater Norwich have diverse economies with significant employment in public sector activities, retail, and professional services;
- Manufacturing is present in Greater Norwich, ranging from creating leather products in Norwich to the manufacturing of vehicles and trailers in South Norfolk;
- Each of the authority areas saw recessionary impact in terms of unemployment, GVA output loss, and business formation and survival rates;
- Norwich and South Norfolk currently have GVA per capita outputs that are above the national average whereas Broadland falls behind;
- Considering the role of ICT in the economy, Norwich outperforms Broadland and South Norfolk yet falls behind the national average;
- The highest proportion of lettings of office and retail space in Greater Norwich is for smaller units (below 185sqm). Smaller units have high rents and quick letting times, suggesting higher demand;
- The highest proportion of lettings of industrial space in Greater Norwich is for smaller units (below 465sqm). These units have higher rents and typically quick letting times, again suggesting high demand;
- A shortage of good quality industrial and retail stock is foreseeable which may lead to the sub-region not meeting investment potential;
- Across Greater Norwich, vacant and available industrial and office floor space has fallen over recent years; occupancy rates have risen.

4.2 The bullet points below set out a SWOT analysis for Greater Norwich based on socio-economic baseline and commercial property market review above.

Strengths

- Norwich is the regional administrative centre for East Anglia, with good connections to the wider region;
- The region has a high containment rate of its workforce and attracts in-commuting, suggesting a healthy and interconnected local economy;
- A sizeable working age population in the urban centre of Norwich;

- High economic activity and GVA growth in Broadland and South Norfolk;
- There is robust demand for office, industrial and retail units, reflecting the regions diverse economy;
- Completions of large industrial units in Wymondham exemplify interest to invest in Greater Norwich.

Weaknesses

- An aging population in the more rural Broadland and South Norfolk authorities;
- Culture of entrepreneurship is not as strong as seen nationally, with low business birth rates per 1000 residents;
- Economic activity is low Norwich and GVA output saw severe recessionary impact which has seen little recovery since.

Opportunities

- Co-ordinated political impetus and strategy is set to support local growth sectors;

Threats

- The current economic and political climate may strain the local economy;
- Risk of lower performance than neighbouring areas, such as Cambridge and Peterborough, with growth in office employment staying in London or being captured by centres outside of Greater.



Appendix I

X



Appendix II X



Appendix III

X