AVISON YOUNG

Broadland District Council
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NORWICH City Council
South Norfolk Council

Employment Land Assessment Addendum 2020

Greater Norwich

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Contents

Appendices

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For and on behalf of Avison Young (UK) Limited

1. Introduction

1.1 Avison Young (formerly GVA) was commissioned in 2017 to undertake a joint Employment, Retail and Town Centre Study on behalf of Norfolk County Council, Norwich City Council, Broadland District Council and South Norfolk Council which together form the Greater Norwich area. The study built upon an economic and property market baseline report, published in December 2016 by Avison Young.

1.2 The overall purpose of the study was to identify the future needs and opportunities for retail, office, industrial and warehousing floorspace across the three local authority areas. This report particularly focused on identifying the future collective requirements in respect of employment needs needed to be addressed through the Greater Norwich Local Plan. It provides the technical assessment of the future demand for and supply of employment land within the Greater Norwich area. It considers the scale and nature of future employment growth, the resultant requirements for new floorspace, how suitable the existing/identified sites are for meeting this need and any quantitative or qualitative need for additional land to be identified.

1.3 Over the past 5-10 years there have been significant changes happening within the planning context and the economic context. With the ongoing impacts of COVID-19, the uncertainty of Brexit and the major changes to the planning system this addendum report comes at a critical time, but also one where there is no certainty about future performance.

1.4 The objective of this addendum report is to seek out the meaning of all these impacts and suggest the implications this may have for Greater Norwich. Whilst this can't provide a definitive answer it will provide greater clarity around the most likely outcome and the needs that arise from those.

1.5 This addendum is not a stand-alone piece of work and should be read in conjunction of the Greater Norwich Employment and Retail Baseline (December 2016) and the Greater Norwich: Employment Land Assessment (August 2017).

2. Economic and Property Market Baseline

2.1 The section presents a review of the economic and property market baseline analysis realised for the 2017 Employment Land Assessment study. Whilst replicating the same structure as in the previous report, this section aims to highlight changes between 2015 and 2020 (data permitting) and how the economy of Greater Norwich has evolved since the 2017 report was published.

Employment Baseline

Population Profile

2.2 Table 1 shows the average annual population growth (CAGR) between 2001 and 2015 (latest year of data presented in the Greater Norwich Employment and Retail Baseline, December 2016) and between 2015 and 2019 (the latest available data to date).

2.3 This table shows that South Norfolk is the fastest growing district in Greater Norwich and is growing faster than the Norfolk, East of England or England average, both between 2001 and 2015 and between 2015 and 2019. The growth of population actually accelerated in South Norfolk between 2015 and 2019, in comparison to the period 2001-2015.

2.4 Population growth in Broadland was more moderate but has increased in the period 2015-2019. Although this population growth remains below the Greater Norwich average (driven up by the rapid growth in South Norfolk), it is greater than the growth observed in Norfolk County, the East of England or England.

2.5 Finally, Norwich City has seen a moderate growth of population since 2001, which has further reduced in the period 2015-2019 to reach 0.4% in average per annum. The lowest population growth in the comparison areas.

Table 1 – Population Change

	2001	2015	2019	2001-2015 average annual change (%)	2015-2019 average annual change (%)
Broadland	118,814	126,626	130,783	0.5%	0.8%
Norwich	122,366	138,097	140,573	0.9%	0.4%
South Norfolk	110,848	131,199	140,880	1.2%	1.8%
Greater Norwich	352,028	395,922	412,236	0.8%	1.0%
Norfolk County	798,618	884,748	907,760	0.7%	0.6%
East of England	5,400,463	6,075,970	6,236,072	0.8%	0.7%
England	49,449,746	54,786,327	56,286,961	0.7%	0.7%

Source: NOMIS, Population estimates

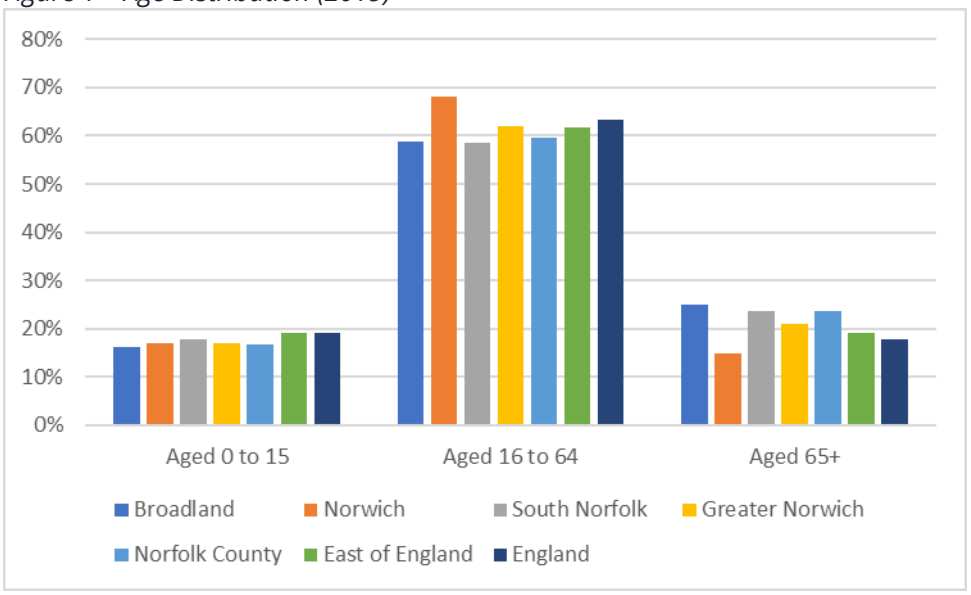
2.6 The total population of Greater Norwich is allocated almost equally between the three local authorities, with 32% of the population in Broadland and 34% of the population in both Norwich and South Norfolk. South Norfolk had the smallest share of population with 31% against 34% in Broadland and 35% in Norwich.

2.7 Population data broken down by age group, as presented in Figure 1, shows that Greater Norwich has a relatively high working-age population (16-64) compared to Norfolk or the East of England, but comparable to the national average. This high proportion of working-age population in Greater Norwich is driven by very high proportion of working-age population in Norwich City specifically - 68%, compared to 59% and 58% for Broadland and South Norfolk respectively, 61% in average in Greater Norwich, 58% in Norfolk, 61% in the East of England and 62% in England.

2.8 The under 16 population is relatively comparable in all the comparable areas, ranging from 16% of the population and 19% of the population. It can also be noted the Norwich City has a large proportion of 18-24 year old population (student population) which is not surprising given the presence of the University of East Anglia in the Borough. This population category represents 16.2% of the total population in 2019, almost double the proportion in England (8.4%). Both Broadland and South Norfolk have a 18-14 year old population of 6.1%, below the national average.

2.9 Higher level of variance is seen in the 65 and over population, with a particularly low share of this population in Norwich (15%) compared to Broadland (26%) and South Norfolk (24%). The share of 65 and over observed in Norwich is closer to the national average (18%) but well below the County average (25%) or the average for the East of England (20%).

Figure 1 – Age Distribution (2019)



Source: NOMIS, Population estimates

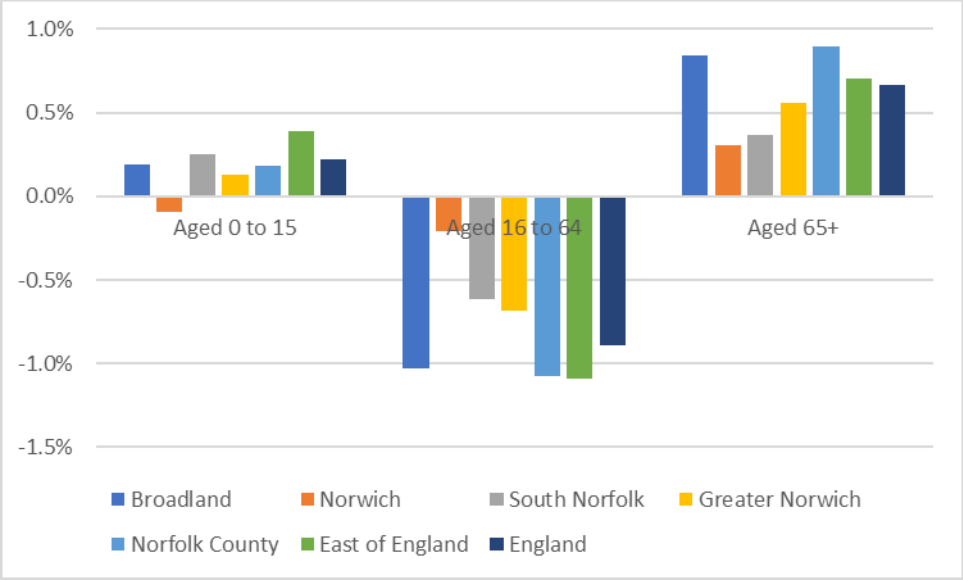
2.10 This allocation of the population is not surprising given that Norwich is the principal urban centre in Greater Norwich and in Norfolk County. Urban areas are generally characterised by a higher share of working age residents, young professionals and higher education students – the latter being a particular factor given the presence of the UEA.

2.11 There are some minor changes in this allocation of the population in Greater Norwich, consistent with the trends observed in the wider areas (i.e. Norfolk, East of England, England).

2.12 Figure 2 shows the shift in population, by age group, between 2015 and 2019. This figure shows that the size of the working-age population has decreased in Greater Norwich, but to a lesser extent than in Norfolk, East of England or England, to the benefit of an increase of the under 16 population and 65 and over population.

2.13 Broadland is the local authority which has seen the greatest level of change in Greater Norwich, whilst the level of change in Norwich City was minor.

Figure 2 – Change in Age Distribution 2015 to 2019



Source: NOMIS, Population estimates

Labour Market Profile

2.14 It should be noted that the figures presented in this section are partly based on Annual Population Survey (Figure 3 to Figure 7) which can present a certain margin of error at the District level. Although figures presented are based on a sample size large enough to be considered reliable, this should be kept in mind.

2.15 Figure 3 shows the economic activity and employment related indicators for Broadland, Norwich, South Norfolk, and benchmark areas.

2.16 The figure shows that employment rate (i.e. the percentage of labour force that is employed); as well as the rate of economic activity (i.e. whether or not a person 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.

2.17 Regarding economic activity, both Broadland and South Norfolk perform above the Norfolk, East of England and England averages. Norwich has one of the lowest rates of economic activity, well below the Norfolk rate and just above the national average.

2.18 This is reflected in the employment rate, with Norwich showing one of the lowest rates, nearly 2% below the Norfolk average and at a level comparable to the national average.

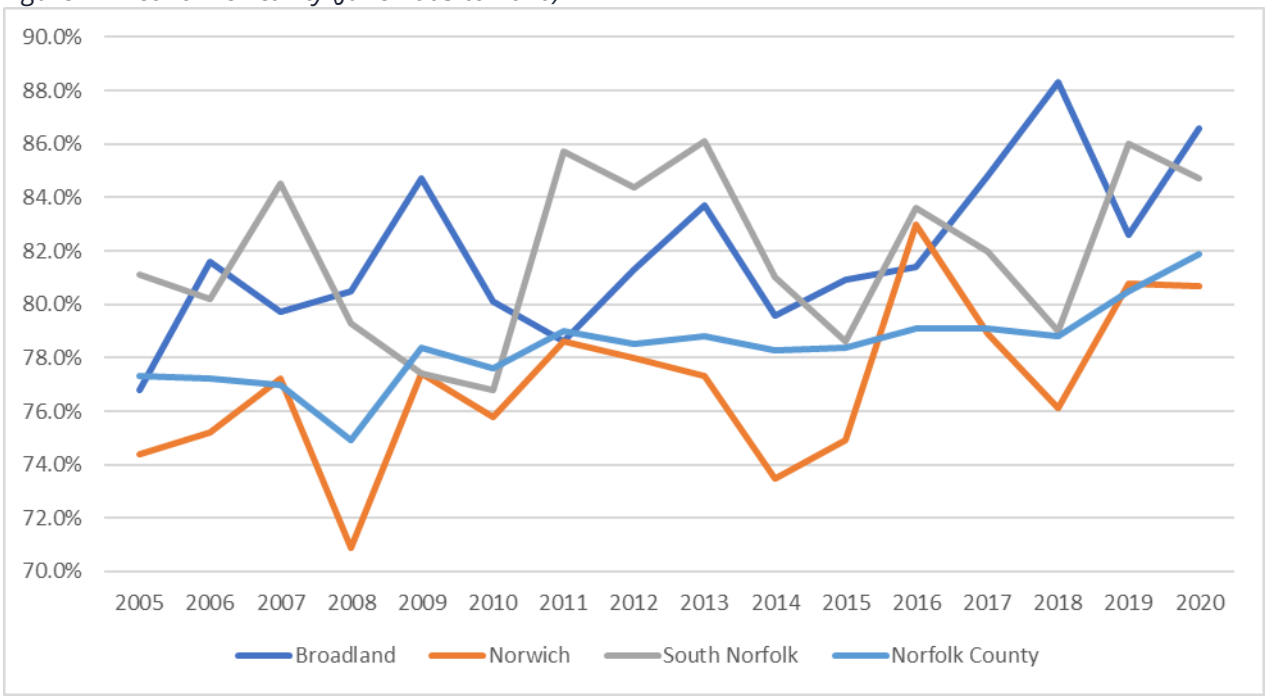
Figure 3 – Economic Activity and Employment (June 2020)

Source: NOMIS, Annual Population Survey

2.19 The local authorities have the following numbers of people in employment: 62,600 in Broadland; 72,600 in Norwich and 66,000 in South Norfolk.

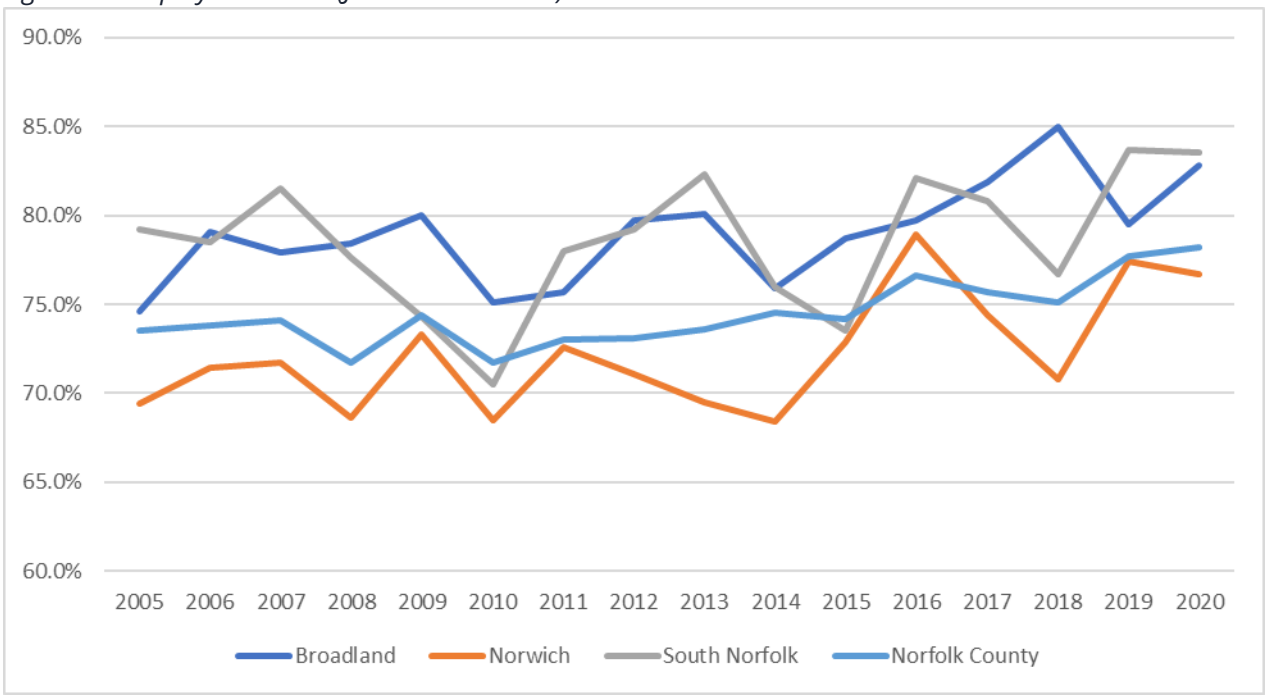
2.20 Both economic activity and employment rates have fluctuated over the years but have shown a similar trend, with Broadland and South Norfolk performing relatively well and Norwich lagging behind and overall performing below the County average, as shown in Figure 4 and Figure 5 below.

Figure 4 – Economic Activity (June 2005 to 2020)



Source: NOMIS, Annual Population Survey

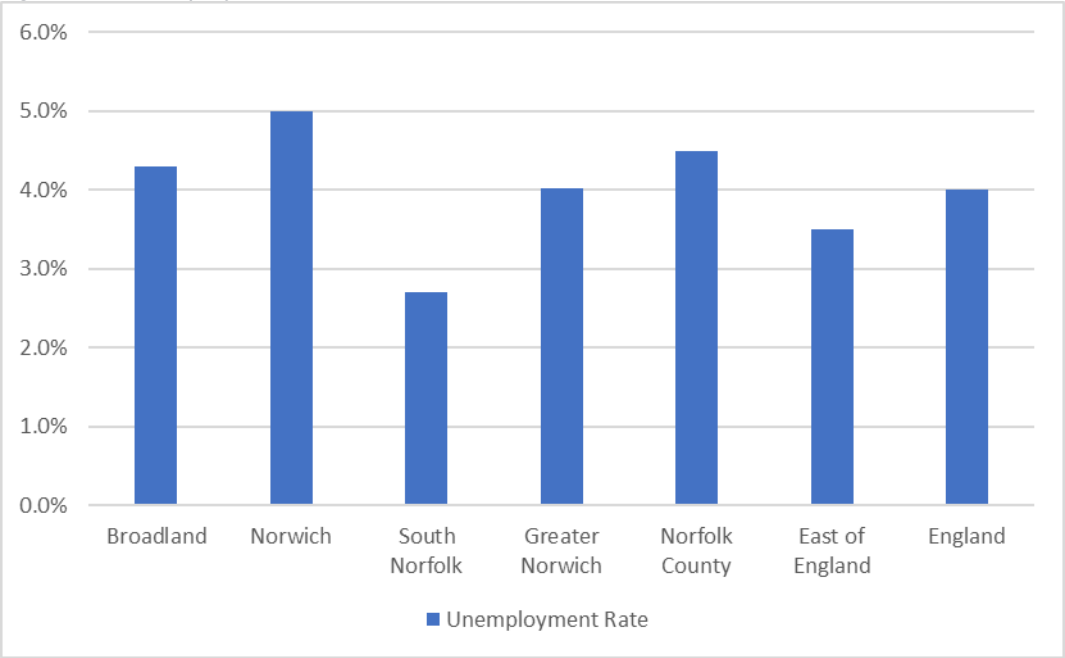
Figure 5 – Employment Rate (June 2005 to 2020)



Source: NOMIS, Annual Population Survey

2.21 Unsurprisingly, the unemployment rate in Norwich is the highest of the three local authorities, with a rate of 5% in June 2020 – 1% above the national average.

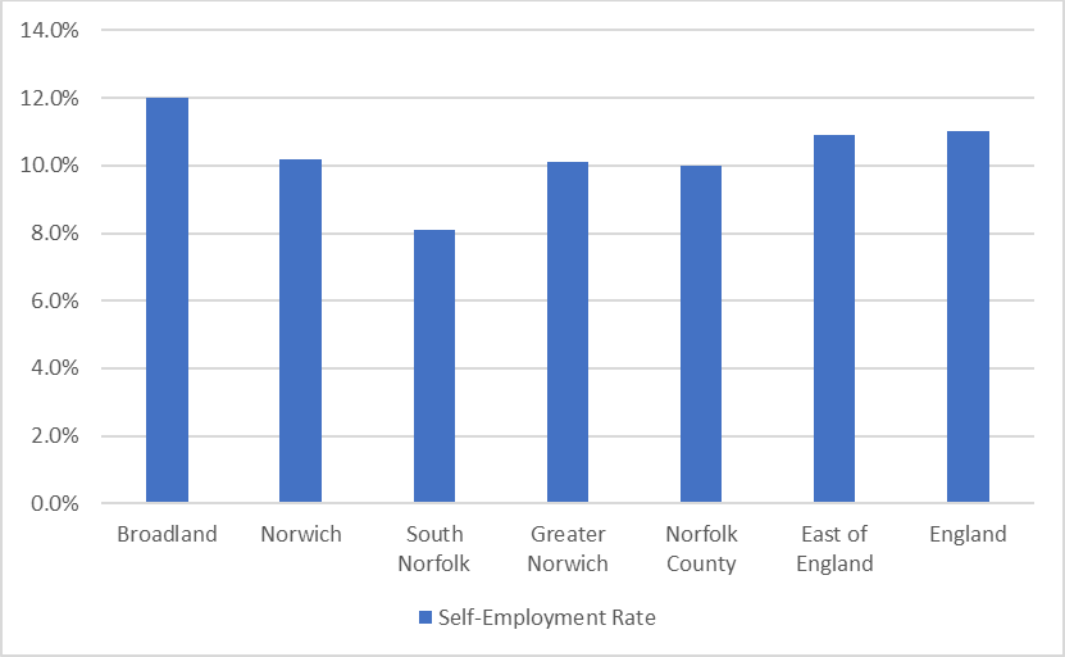
Figure 6 – Unemployment Rate (June 2020)



Source: NOMIS, Annual Population Survey

2.22 The rate of self-employment in Greater Norwich is comparable to the rate in Norfolk but below the regional and national average, despite having a high rate in Broadland of 12% (compared to only 8.1% in South Norfolk and 10.2% in Norwich).

Figure 7 – Self-Employment Rate (June 2020)



Source: NOMIS, Annual Population Survey

2.23 Skills and learning are central to economic growth and global competitiveness. Figure 8 shows the skills profiles of Broadland, Norwich, South Norfolk and benchmark areas.

2.24 Greater Norwich tends to have skill levels above the County average, comparable to the regional average but below the national average.

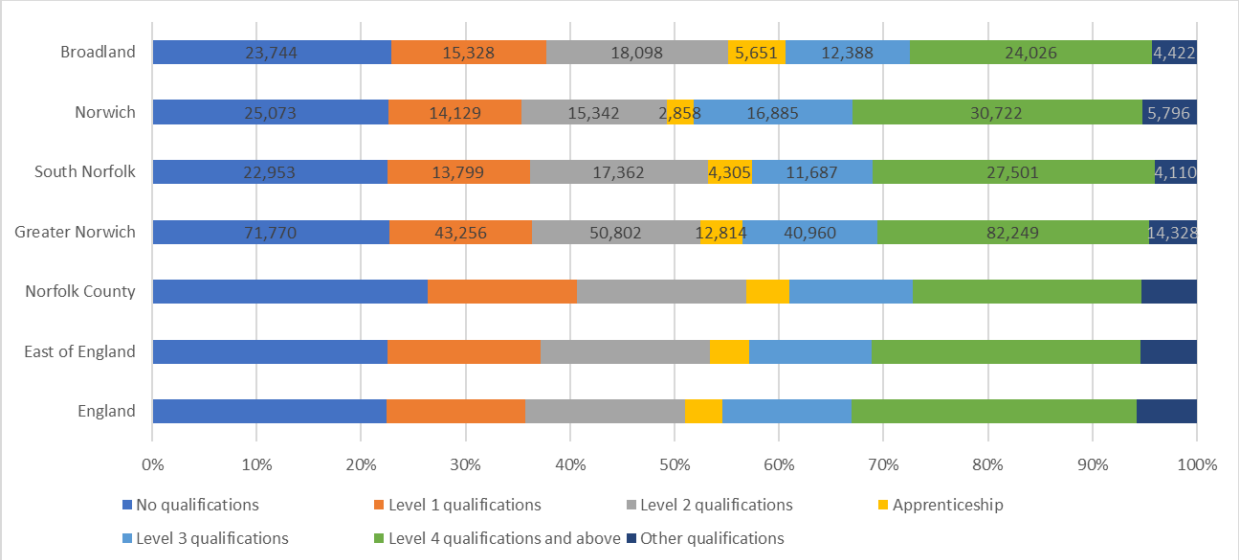
2.25 The proportion of other qualifications and apprenticeship is relatively comparable between all three local authorities, with 8% to 10% of the population (aged 16 or over) falling into these categories.

2.26 There is however a divergence in term of "low" (level 2 and below) and "high" (level 3 and 4) levels of qualification, with Norwich having a higher share of highly qualified individuals (43%) than South Norfolk (39%) and Broadland (35%). Inversely, Norwich as a much smaller share of low qualified individuals than the other two local authorities.

2.27 All three local authorities are "out-performing" the County average in terms of level of education (higher share of high qualification levels); Norwich and South Norfolk are both "out-performing" the regional average; and only Norwich is performing better than the national average.

2.28 As this analysis is based on the 2011 Census (latest dataset available), we cannot identify any change since the previous report (Greater Norwich Employment and Retail Baseline (December 2016)) was published.

Figure 8 – Highest Levels of Qualification, aged 16 or over (2011)



Source: NOMIS, ONS Census 2011

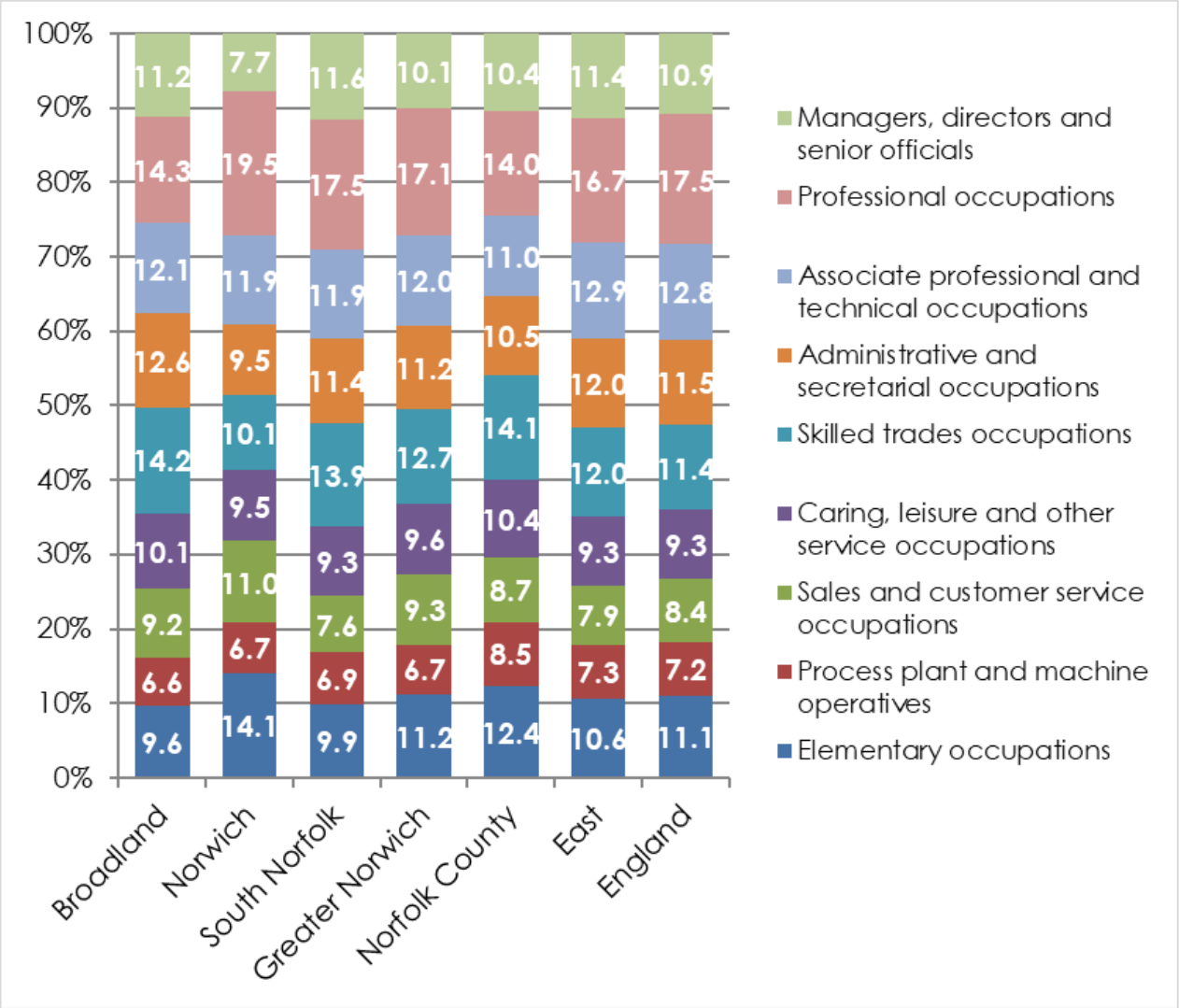
2.29 Figure 9 shows the distribution of resident's occupation within Broadland, Norwich, South Norfolk, and benchmark areas. Greater Norwich, like benchmark areas, has a diverse occupational profile.

2.30 Broadland and South Norfolk have similar skills profiles, yet Broadland has higher proportions employed in Sale and Costumer Service, Care, Leisure, and Administrative occupations alongside a

lower proportion employed in professional occupations than South Norfolk. South Norfolk is the most reflective of the national average.

2.31 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.

Figure 9 – Distribution of Resident Occupations (2011)



Source: NOMIS, ONS Census 2011

2.32 *Figure 10* shows the comparison of median 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.

2.33 Median salary is used, instead of average (mean) salary, to minimise the impact of extreme salaries (particularly high salaries) on the overall figure presented (the average salary, within a small base

number of salaries, could be skewed by a very high salary and therefore the analysis would depict an embellished situation than the reality for the majority of the population).

2.34 The median salary (both resident analysis and workplace analysis) is higher in Broadland and South Norfolk than in the County average but below the region and national average. Norwich has a median salary well below the County, regional and national averages.

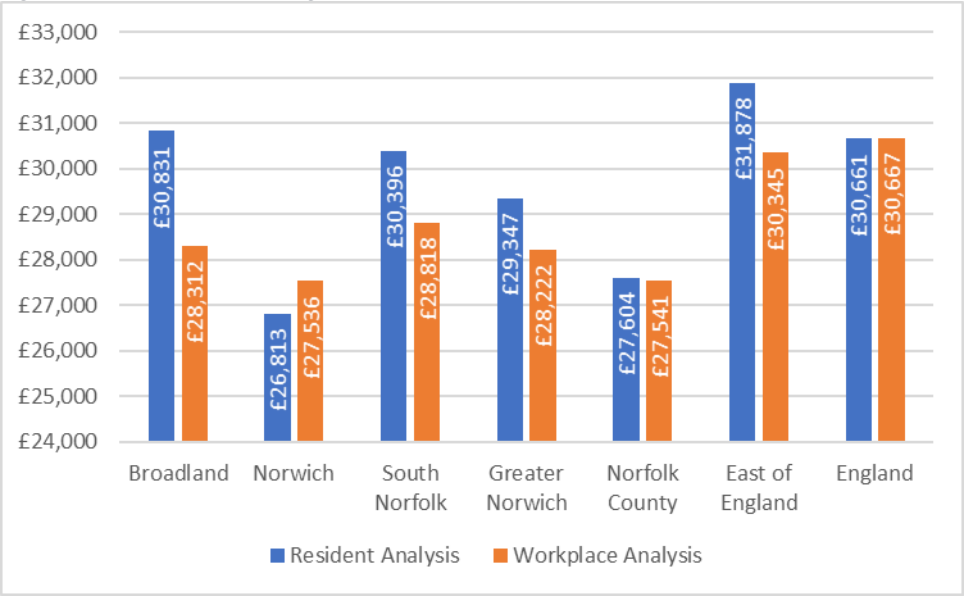
2.35 Lower workplace earnings than residential earnings suggest that jobs within the local authority pay less than for those that residents commute out of the local authority for, as such appears to be the case in Broadland and South Norfolk. In Norwich, workplace earnings being higher than residential earnings suggests that there are well paying jobs in the local authority, but these are not being occupied by local residents.

2.36 This graph indicates that the population of Norwich is characterised by a higher proportion of low pay as opposed to Broadland and South Norfolk which are closer to the regional trend (but still lagging behind). It is likely that higher value jobs in Norwich are taken up by people living in Broadland and South Norfolk (or people in those jobs eventually moved out of Norwich, in less urban areas or areas where they could get a garden or larger homes), leaving lower paid jobs to people living in Norwich.

2.37 Workplace median earning is lower in Norwich than it is in Broadland and South Norfolk. This again would suggest the presence of higher value employment in the latter two districts.

2.38 The regional trend is most likely driven up by high salaries achieved in places such as Cambridge (life science activities) and places on the edge of Greater London (such as Brentwood, Epping Forest, Watford or Three Rivers) where salaries would be higher than average to compete with salaries offered in London.

Figure 10 – Median Earnings (2019)



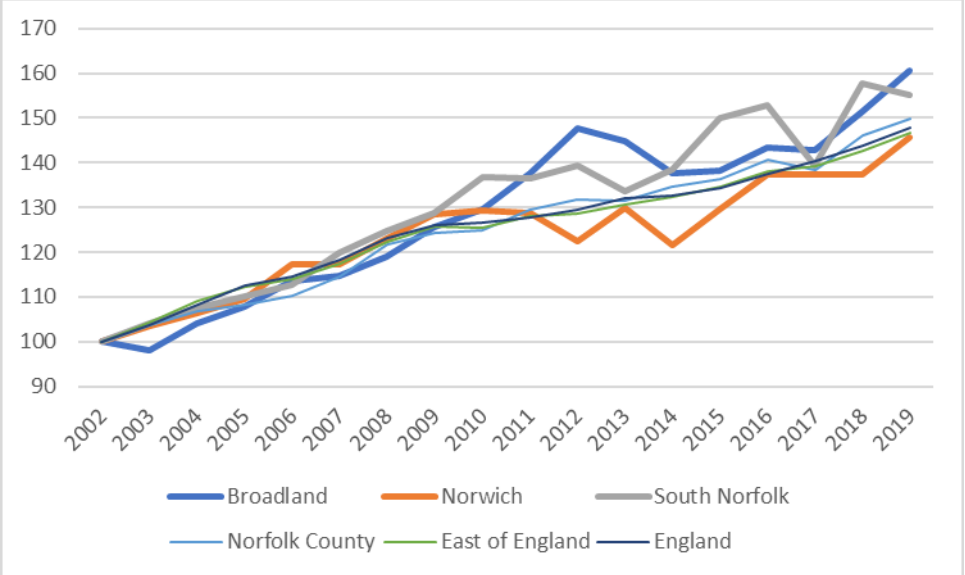
Source: NOMIS, Annual Survey of Hours and Earnings

2.39 In terms of evolution of earning, Figure 11 and Figure 12 show that Norwich as performed in a very similar way to the county, regional and national average, with a similar growth of both the resident analysis and workplace analysis median salaries between 2002 and 2019 (although there has been divergences throughout the years).

2.40 Broadland has out-performed all areas, for both resident and workplace earning.

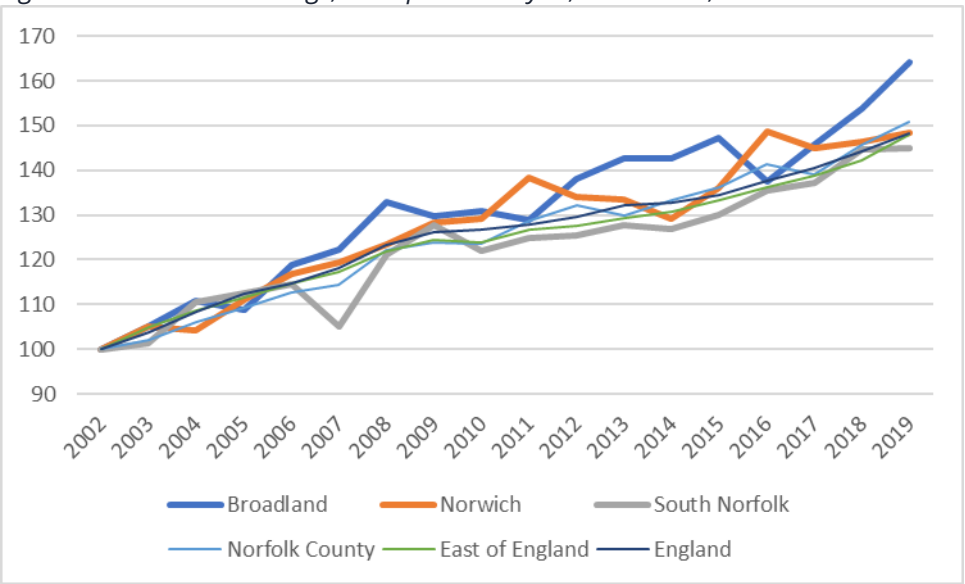
2.41 Finally, South Norfolk has seen its resident median earning growing faster than any other benchmark area, with the exception of Broadland, but its workplace median salary growing at a similar pace than the County, regional and national average (and Norwich).

Figure 11 – Median Earnings, Resident Analysis, 2002-2019, indexed



Source: NOMIS, Annual Survey of Hours and Earnings

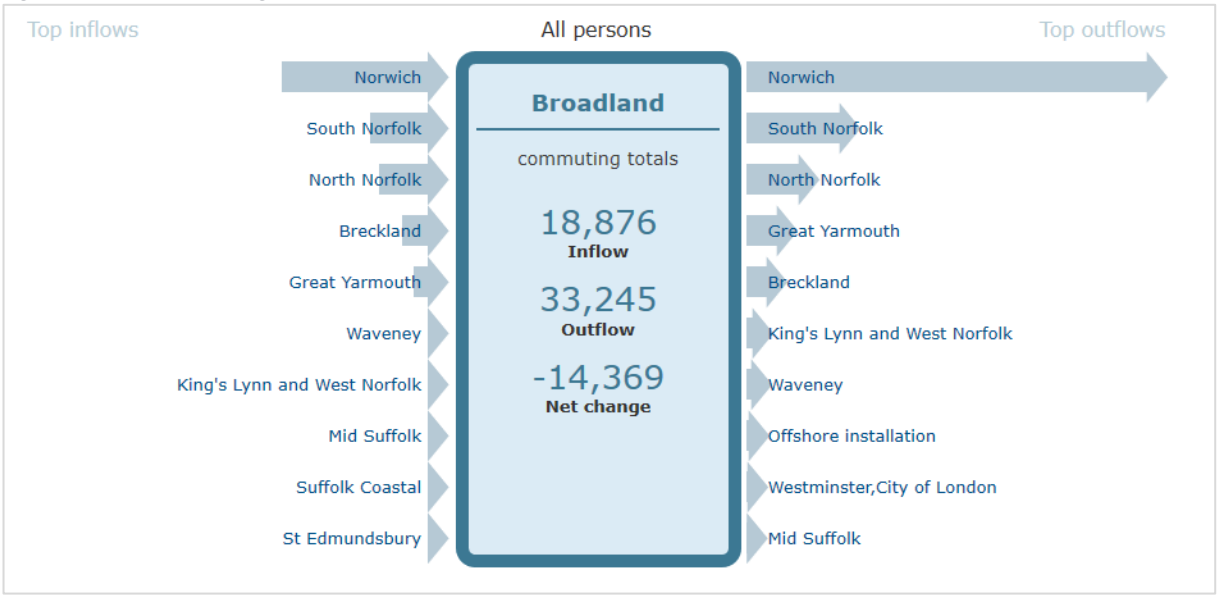
Figure 12 – Median Earnings, Workplace Analysis, 2002-2019, indexed



Source: NOMIS, Annual Survey of Hours and Earnings

2.42 Figure 13 shows the commuting pattern for Broadland. The figure shows that Broadland loses day time population, with more people travelling out of the district to work than people travelling into the district. Broadland is losing circa 15,000 people, with residents mainly commuting to Norwich for work, and to a much lesser extent to South Norfolk. Similarly, the majority of inward-commute (into Broadland) is from Norwich, and to a lesser extent from South Norfolk.

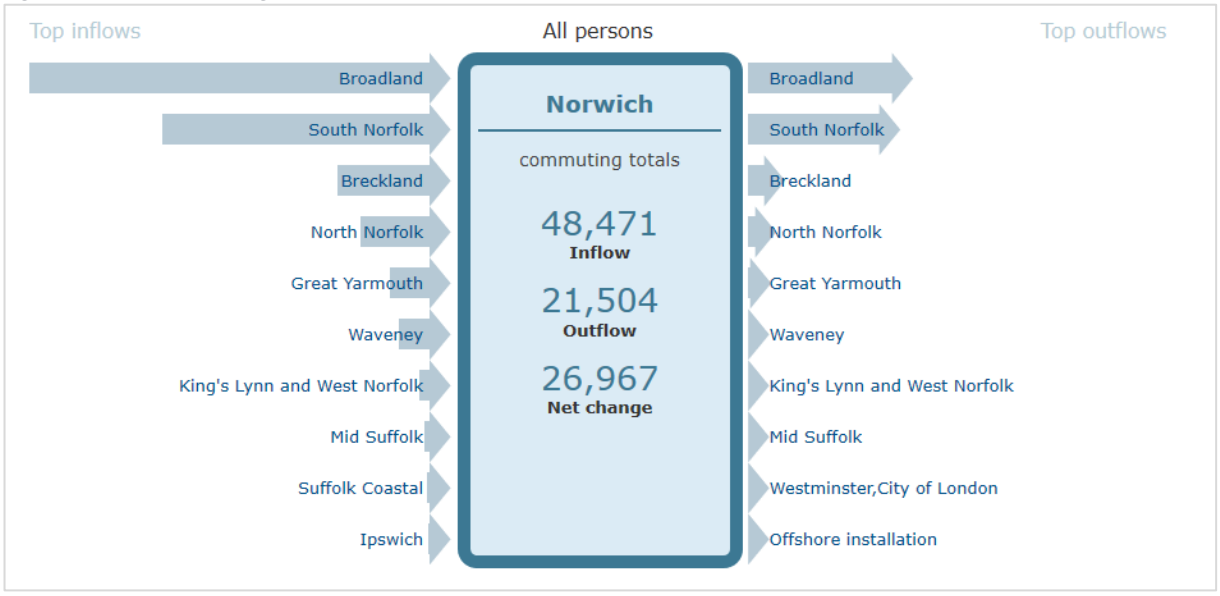
Figure 13 – Commuting Pattern, Broadland (2011)



Source: NOMIS, Location of usual residence and place of work

2.43 It is not surprising to see that Norwich has a net change in population, with a net increase of circa 27,000 mainly commuting in from Broadland and South Norfolk. Similarly, the majority of outward-commuters travels to Broadland and South Norfolk.

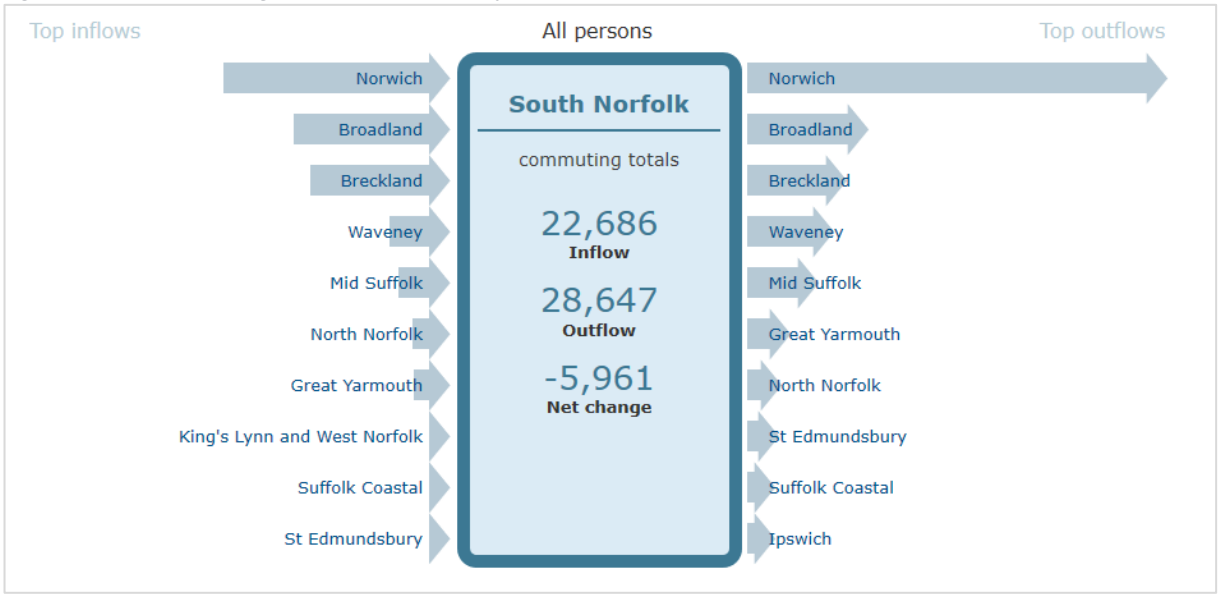
Figure 14 – Commuting Pattern, Norwich (2011)



Source: NOMIS, Location of usual residence and place of work

2.44 Similarly to Broadland, South Norfolk sees a net decrease of population of circa 6,000, with people travelling to work mainly to Norwich and to a much lesser extent to Broadland. The majority of inward-commuters travels comes from Norwich and Broadland.

Figure 15 – Commuting Pattern, South Norfolk (2011)



Source: NOMIS, Location of usual residence and place of work

2.45 From the above figures, we can deduce that the vast majority of people living in Greater Norwich also works in Greater Norwich. Based on 2011 data (Location of usual residence and place of work), about 83% of residents of Greater Norwich also worked in Greater Norwich.

2.46 These figures, broken down at the local authority level, can also be used to derive the containment rate of each district (proportion of local residents occupied in local employment). These figures are presented in *Table 2*.

Table 2 – Proportion of Employment by Broad Industries, change 2015-2018

	Containment Rate
Broadland	33.9%
Norwich	60.1%
South Norfolk	40.1%
Greater Norwich	82.6%

Source: NOMIS, Location of usual residence and place of work

Employment

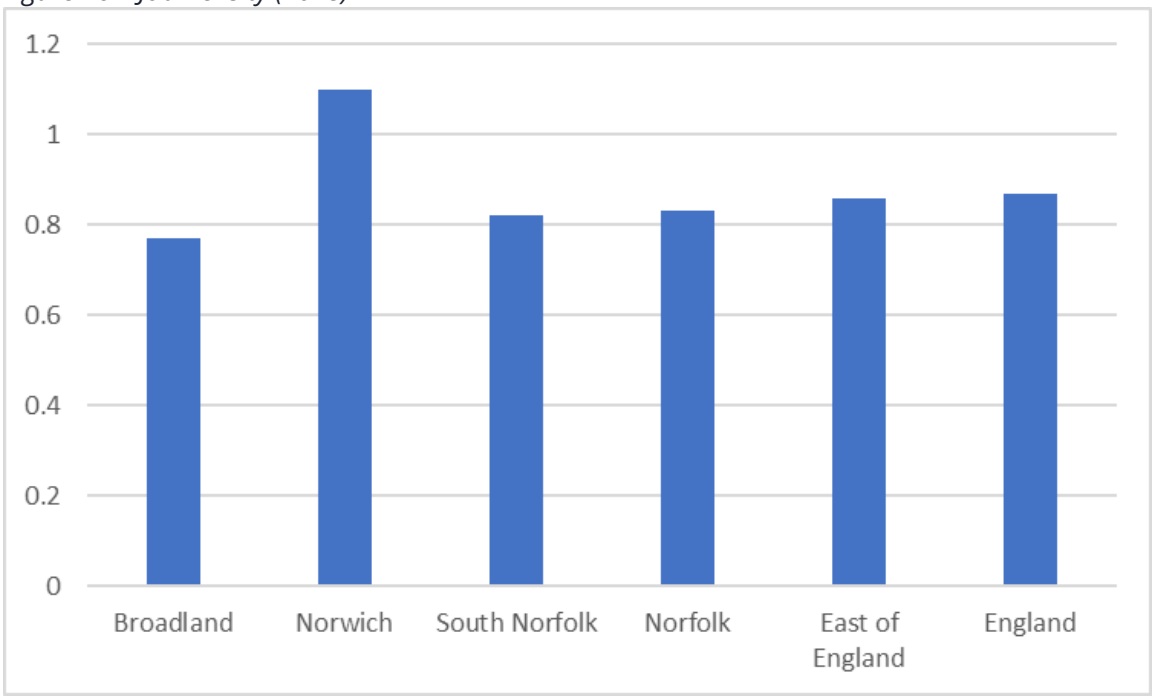
2.47 Figure 16 shows the job in Broadland, Norwich, South Norfolk, and the benchmark areas. Job density is defined as the number of filled jobs in an area divided by the number of working age people resident in that area.

2.48 The job density ratio of Broadland (0.77) and South Norfolk (0.82) is less than that of wider benchmark areas.

2.49 In comparison, the job density ratio of 1.10 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.

2.50 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.

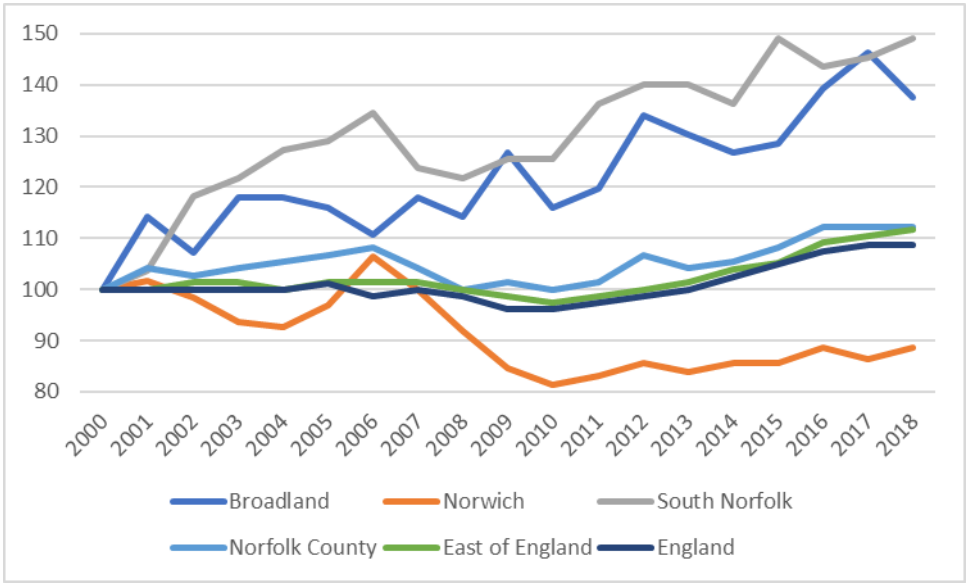
Figure 16 – Job Density (2018)



Source: NOMIS, Job Density

2.51 Figure 17 shows that job density has improved in all three local authorities since the latest report was published (2015 figures) but also that job density in Norwich has been particularly affected with a sharp drop starting in 2007; whilst Broadland and South Norfolk have seen an upward trend since 2000.

Figure 17 – Job Density, 2000-2018, Indexed
Source: NOMIS, Job Density

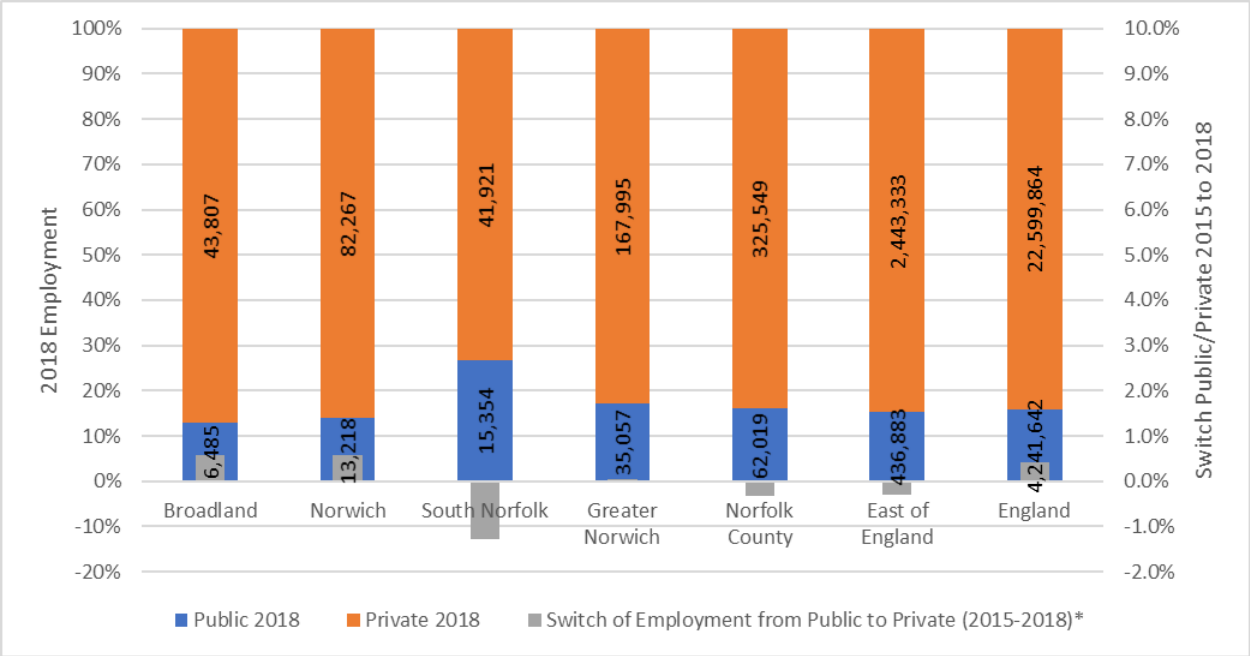


2.52 Figure 18 the public/private sector profile of employment in Broadland, Norwich, South Norfolk, and benchmark areas. It shows low public sector dependence in Broadland and Norwich but high dependence in South Norfolk, with 26.8% employed in the public sector in 2018.

2.53 The figure also shows the evolution of the situation since 2015, with the shift of share from public to private employment. The figure shows that the reliance on public sector employment has actually increased in South Norfolk since 2015, when the share of public sector employment was 25.5% (+1.3% between 2015 and 2018). The same trend is observed at the County level and regional level, however to a lesser extent.

2.54 The reliance on public sector employment has decreased in Broadland and Norwich, similarly to the figures for England.

Figure 18 – Public/Private Sector Profile (2018)



* This shows the change of the share of private employment between 2015 and 2018. A positive figure indicates that there is proportionally more private employment (compared to public employment) in 2018 than in 2015.
Source: NOMIS, Business Register and Employment Survey

2.55 Table 3 provides a list of industries by broad sectors and the percentage of employment in each these industries in 2018. This is based on BRES data (workplace analysis).

2.56 Norwich is by far the largest employment market in Greater Norwich, with circa 94,500 jobs in 2018 – against 57,000 jobs in South Norfolk and 50,300 jobs in Broadland.

2.57 The main sectors of employment in the three local authorities include human services (human health and social work activities, education) followed by wholesale and retail.

2.58 Additionally, Broadland and Norwich follow the same dynamic in terms of employment, with a high proportion of job in high-value professional services activities (i.e. finance, scientific and technical activities, real estate) as well as other office-based activities (i.e. administrative and support services). South Norfolk tend to have a higher reliance on human and social care services (with more than one

in 4 jobs in this broad sector), which is not entirely surprising given it is host to the Norfolk and Norwich University Hospital.

Table 3 – Proportion of Employment by Broad Industries (2018)

	Broadland	Norwich	South Norfolk	Greater Norwich	Norfolk	East of England	England
A : Agriculture, forestry and fishing	3%	0%	4%	2%	4%	2%	1%
B : Mining and quarrying	1%	0%	0%	0%	0%	0%	0%
C : Manufacturing	9%	5%	7%	7%	9%	7%	8%
D : Electricity, gas, steam and air conditioning supply	0%	0%	0%	0%	0%	0%	0%
E : Water supply; sewerage, waste management and remediation activities	1%	0%	2%	1%	1%	1%	1%
F : Construction	7%	3%	6%	5%	5%	6%	5%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	16%	18%	14%	16%	17%	17%	15%
H : Transportation and storage	2%	5%	3%	4%	4%	6%	5%
I : Accommodation and food service activities	7%	7%	6%	7%	8%	7%	7%
J : Information and communication	2%	3%	2%	2%	2%	3%	4%
K : Financial and insurance activities	12%	4%	1%	5%	3%	2%	3%
L : Real estate activities	2%	2%	2%	2%	2%	2%	2%
M : Professional, scientific and technical activities	6%	7%	7%	7%	6%	10%	9%
N : Administrative and support service activities	6%	13%	6%	9%	8%	10%	9%
O : Public administration and defence; compulsory social security	2%	5%	4%	4%	4%	3%	4%
P : Education	7%	12%	7%	9%	9%	9%	9%
Q : Human health and social work activities	14%	8%	26%	15%	14%	12%	12%
R : Arts, entertainment and recreation	2%	3%	2%	2%	3%	2%	2%
S : Other service activities	1%	3%	2%	2%	2%	2%	2%
T : Activities of households as employers	0%	0%	0%	0%	0%	0%	0%
U : Activities of extraterritorial organisations and bodies	0%	0%	0%	0%	0%	0%	0%
TOTAL	**50,260**	**94,410**	**57,075**	**201,745**	**386,100**	**2,878,750**	**26,842,000**

Source: NOMIS, Business Register and Employment Survey

2.59 Table 4 shows the change in proportion in each area between 2015 and 2018. Broad industries which have increased in proportional size in the area are highlighted in green.

2.60 Again, there are differences between the three local authorities in Greater Norwich.

2.61 South Norfolk has seen the largest employment growth between 2015 and 2018, proportionally to its base, with an increase of 6.1%, which is well above the national average and just above the regional average. Norwich has seen a growth of 5.4% (but has the largest increase in terms of absolute jobs), above the national average but just under the regional average. Finally, Broadland has seen a more moderate growth of 4.3%, above the national average but well below the regional average.

2.62 Broadland has seen a majority of proportional increase in the primary sector (i.e. agriculture, mining, utilities), transport and storage activities, accommodation and food services and office-based activities (i.e. finance, real estate, administrative and support services).

2.63 The main sectors that have gained in importance in Norwich are manufacturing, transportation and storage, accommodation and food services, office-based activities (i.e. real estate, professional, scientific and technical activities, and administrative and support activities). Education has also increased in the district, probably linked to activities at the University of East Anglia.

2.64 The main sectors which have gained in importance in South Norfolk are also transportation and storage, accommodation and food services, office-based activities (finance, professional, scientific and technical activities), public services (public administration, health and social activities) and entertainment activities – showing a focus on personal activities in this district (service to the person, leisure).

Table 4 – Proportion of Employment by Broad Industries, change 2015-2018

	Broadland	Norwich	South Norfolk	Greater Norwich	Norfolk	East of England	England
A : Agriculture, forestry and fishing	0.4%	0.0%	-0.3%	0.0%	-0.1%	0.0%	0.0%
B : Mining and quarrying	0.8%	0.0%	-0.1%	0.2%	0.0%	0.0%	0.0%
C : Manufacturing	-0.4%	0.3%	-0.4%	-0.1%	0.1%	-0.1%	-0.1%
D : Electricity, gas, steam and air conditioning supply	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.1%
E : Water supply; sewerage, waste management and remediation activities	0.4%	0.1%	1.1%	0.4%	0.2%	0.1%	0.1%
F : Construction	-1.3%	-0.7%	-0.4%	-0.8%	-0.9%	-0.4%	0.2%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	-0.7%	-2.1%	-0.9%	-1.4%	-0.9%	-1.2%	-0.4%
H : Transportation and storage	0.4%	0.8%	0.3%	0.6%	0.7%	1.0%	0.2%
I : Accommodation and food service activities	0.7%	0.7%	0.6%	0.7%	0.3%	0.1%	0.4%
J : Information and communication	-0.3%	-0.7%	-0.1%	-0.4%	-0.3%	-0.4%	0.0%
K : Financial and insurance activities	1.6%	-0.8%	0.3%	0.1%	0.4%	0.1%	-0.1%
L : Real estate activities	0.1%	0.2%	-0.1%	0.1%	0.0%	0.2%	0.0%
M : Professional, scientific and technical activities	-0.3%	1.8%	0.5%	0.9%	0.9%	1.3%	0.2%
N : Administrative and support service activities	0.8%	2.7%	-0.4%	1.3%	0.1%	0.2%	0.0%
O : Public administration and defence; compulsory social security	-0.6%	-1.4%	0.3%	-0.7%	-0.1%	-0.3%	-0.1%
P : Education	-0.3%	0.5%	-0.4%	0.0%	0.3%	0.2%	-0.2%
Q : Human health and social work activities	-0.6%	-0.5%	0.3%	-0.3%	-0.1%	-0.2%	0.0%
R : Arts, entertainment and recreation	-0.3%	-0.2%	0.3%	-0.1%	-0.1%	0.2%	0.1%
S : Other service activities	-0.5%	-0.7%	-0.6%	-0.6%	-0.6%	-0.8%	-0.1%
T : Activities of households as employers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
U : Activities of extraterritorial organisations and bodies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	**2,085**	**4,865**	**3,275**	**10,225**	**9,150**	**159,250**	**909,000**
	4.3%	**5.4%**	**6.1%**	**5.3%**	**2.4%**	**5.9%**	**3.5%**

Source: NOMIS, Business Register and Employment Survey

2.65 A Location Quotient (LQ) analysis, presented in Appendix I, Appendix II and Appendix III was realised to identify the sector specialism in each of the districts against the wider comparator areas. 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.

2.66 The three tables identify sectors within Broadland, Norwich, and South Norfolk that have 50 employees or more and comparative strength against wider benchmark. Colour coding has been used to define the strength specialism. Industries with weak LQ values (LQ below 1) have been left uncoloured, yellow cells show some specialism to medium specialism (LQ between 1 and 2), green cells show strong specialism (LQ above 2).

2.67 Broadland sector specialisms are inclined towards ***farming activities, extraction, some manufacturing and insurance activities***. When compared with benchmark areas, Broadland has sectoral strength into the following sectors (LQ above 2 when compared with regional and/or national average):

- Crop and animal production, hunting and related service activities
- Extraction of crude petroleum and natural gas
- Manufacture of beverages
- Manufacture of wood and of products of wood and cork
- Manufacture of rubber and plastic products
- Insurance, reinsurance and pension funding, except compulsory social security
- Veterinary activities

2.68 Norwich sector specialisms are inclined towards ***some manufacturing, technology, media and culture***. When compared with benchmark areas, Norwich has sectoral strength into the following sectors:

- Manufacture of beverages
- Manufacture of electrical equipment
- Publishing activities
- Motion picture, video and television programme production, sound recording and music publishing activities
- Programming and broadcasting activities
- Financial service activities, except insurance and pension funding
- Employment activities
- Libraries, archives, museums and other cultural activities
- Activities of membership organisations
- Repair of computers and personal and household goods

2.69 South Norfolk sector specialisms are inclined towards ***farming activities, some manufacturing, waste management, research and human health activities***. When compared with benchmark areas, Norwich has sectoral strength into the following sectors:

- Crop and animal production, hunting and related service activities
- Manufacture of textiles
- Manufacture of wood and of products of wood and cork
- Manufacture of motor vehicles, trailers and semi-trailers
- Sewerage
- Waste collection, treatment and disposal activities; materials recovery
- Water transport
- Scientific research and development
- Veterinary activities
- Office administrative, office support and other business support activities
- Human health activities

Business Demography

2.70 In 2020, there were 5,420 business units in Broadland, 6,310 in Norwich, and 6,545 in South Norfolk. The business structure in each local authority is dominated by micro (1-9 employees) and small

businesses (10-49 employees), yet Norwich has a higher proportion of small businesses (10-49 employees) and medium-sized businesses (50-249 employees) than the national average. It has also more than double the of medium and large businesses (4.6%) of Broadland (2.2%) and South Norfolk (2.3%).

2.71 Inversely, Norwich has a lower proportion of micro businesses than the other two local authorities in Greater Norwich and any of the benchmark areas.

Table 5 – Business Unit Size and Total Counts (2020)

	Micro (0 to 9)	Small (10 to 49)	Medium-sized (50 to 249)	Large (250+)	Total Counts
Broadland	84.6%	13.2%	2.1%	0.1%	5,420
Norwich	76.9%	18.5%	4.3%	0.3%	6,310
South Norfolk	87.2%	10.5%	2.1%	0.2%	6,545
Greater Norwich	82.9%	14.0%	2.9%	0.2%	18,275
Norfolk	83.0%	14.1%	2.6%	0.3%	39,365
East of England	85.4%	11.8%	2.5%	0.3%	311,615
England	84.9%	12.2%	2.6%	0.4%	2,769,360

Source: NOMIS, UK Business Counts – Local Units

2.72 Compared to business counts in 2015, we can see that there has been an increase in the number of micro, small and medium-sized businesses in all three local authorities, with the exception of medium-sized businesses in Norwich which remains unchanged from its 2015 level.

Table 6 – Business Unit Size Counts, change 2015-2020

	Micro (0 to 9)	Small (10 to 49)	Medium-sized (50 to 249)	Large (250+)	ALL
Broadland	7.3%	1.4%	9.5%	-50.0%	6.4%
Norwich	6.6%	2.6%	0.0%	-33.3%	5.3%
South Norfolk	10.7%	5.4%	27.3%	0.0%	10.4%
Greater Norwich	8.3%	3.0%	8.2%	-27.3%	7.4%
Norfolk	4.8%	1.6%	2.5%	-4.3%	4.3%
East of England	11.4%	3.6%	8.6%	-1.0%	10.3%
England	12.6%	3.8%	5.9%	4.6%	11.2%

Source: NOMIS, UK Business Counts – Local Units

2.73 Table 7 shows the distribution of business units in Broadland, Norwich, and South Norfolk by industrial sector in 2020. All three local authorities are characterised by a large proportion of businesses in the professional, scientific and technical activities and wholesale and retail trade. The levels achieved by these sectors are however comparable to the regional and national average.

2.74 South Norfolk has a high proportion of businesses in the agriculture, forestry and fishing industry, well above the level observed in the benchmark areas.

2.75 Norwich is characterised by a higher proportion of businesses in the accommodation and food service activities, which is not entirely surprising given the role of Norwich as regional centre.

2.76 Both South Norfolk and (particularly) Broadland have a high proportion of businesses in the construction industry.

2.77 Finally, both Broadland and Norwich have a high proportion of businesses in the administrative and support services industry – but not greater than the level observed at the regional and national levels.

Table 7 – Business Count by Industry (2020

	Broadland	Norwich	South Norfolk	Greater Norwich	Norfolk	East of England	England
A: Agriculture, forestry and fishing	7.2%	0.8%	11.5%	6.5%	8.9%	4.0%	3.7%
B: Mining and quarrying	0.1%	0.1%	0.2%	0.1%	0.2%	0.1%	0.1%
C: Manufacturing	6.3%	3.8%	5.5%	5.2%	5.5%	4.9%	4.6%
D: Electricity, gas, steam and air conditioning supply	0.2%	0.0%	0.2%	0.1%	0.2%	0.1%	0.2%
E: Water supply; sewerage, waste management and remediation activities	0.5%	0.3%	0.5%	0.4%	0.5%	0.4%	0.4%
F: Construction	17.5%	8.0%	12.7%	12.5%	12.8%	14.2%	11.4%
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	15.2%	21.8%	13.5%	16.9%	17.2%	15.6%	16.0%
H: Transportation and storage	3.2%	4.8%	4.1%	4.1%	4.1%	5.0%	4.5%
I: Accommodation and food service activities	4.8%	9.3%	5.0%	6.4%	7.4%	5.7%	6.4%
J: Information and communication	5.1%	6.1%	5.1%	5.4%	3.9%	7.4%	7.8%
K: Financial and insurance activities	1.9%	2.8%	1.9%	2.2%	1.8%	2.1%	2.5%
L: Real estate activities	3.4%	3.7%	3.1%	3.4%	3.1%	3.4%	3.7%
M: Professional, scientific and technical activities	12.4%	13.2%	14.5%	13.4%	11.8%	14.9%	15.8%
N: Administrative and support service activities	7.3%	8.2%	7.3%	7.6%	7.3%	8.5%	8.8%
O: Public administration and defence; compulsory social security	1.7%	0.7%	1.6%	1.3%	1.5%	0.8%	0.7%
P: Education	2.5%	2.8%	2.6%	2.6%	2.5%	2.3%	2.3%
Q: Human health and social work activities	5.2%	6.5%	5.2%	5.7%	5.2%	4.6%	5.0%
R: Arts, entertainment and recreation	2.2%	2.7%	2.1%	2.4%	2.4%	2.5%	2.8%
S: Other service activities	3.4%	4.4%	3.4%	3.7%	3.6%	3.5%	3.6%

Source: NOMIS, UK Business Counts – Local Units

2.78 Table 8 shows the growth in the number of businesses between 2015 and 2020. This table shows that Norfolk and the three local authorities in Greater Norwich have been affected by a contraction in the number of businesses in wholesale and retail trade despite a growth at the regional and national levels. The greatest decline was observed in Norwich (-6.8%).

2.79 There has also been a substantial decline in the number of businesses in the financial and insurance industry and in public administration in Norwich, whilst the number of businesses in these industries has increased in Broadland and South Norfolk.

2.80 On the other hand, Norwich has seen an important growth of the transportation and storage industry, with almost double the number of businesses in 2020 compared to 2015 (+150 businesses).

2.81 The construction sector has also been a strong industry of growth, in all three local authorities, with an additional 395 construction businesses in 2020 (compared to 2015) in Greater Norwich. This is the largest growth (in number of businesses) in Greater Norwich, whilst transportation and storage was the fastest growing sector (proportionally to its initial size).

Table 8 – Business Count by Industry, % growth 2015-2020

	Broadland	Norwich	South Norfolk	Greater Norwich	Norfolk	East of England	England
A: Agriculture, forestry and fishing	1.3%	66.7%	0.0%	2.1%	-0.3%	-0.3%	1.6%
B: Mining and quarrying	0.0%	0.0%	0.0%	0.0%	7.7%	11.4%	7.2%
C: Manufacturing	3.0%	4.3%	12.5%	6.8%	3.1%	5.6%	4.9%
D: Electricity, gas, steam and air conditioning supply	100.0%		0.0%	33.3%	20.0%	22.2%	48.5%
E: Water supply; sewerage, waste management and remediation activities	25.0%	0.0%	16.7%	14.3%	11.1%	11.6%	10.0%
F: Construction	20.3%	31.2%	16.1%	20.9%	18.5%	25.5%	24.3%
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	-1.8%	-6.8%	-3.3%	-4.5%	-4.7%	2.5%	4.5%
H: Transportation and storage	29.6%	96.8%	31.7%	51.5%	32.5%	44.9%	43.3%
I: Accommodation and food service activities	6.1%	10.3%	17.9%	11.3%	9.6%	10.6%	14.2%
J: Information and communication	12.2%	0.0%	21.8%	9.9%	5.4%	11.6%	16.6%
K: Financial and insurance activities	5.0%	-7.9%	47.1%	8.0%	4.4%	14.5%	14.4%
L: Real estate activities	12.1%	9.3%	21.2%	13.8%	12.6%	11.3%	13.2%
M: Professional, scientific and technical activities	-2.9%	3.7%	13.1%	5.1%	2.5%	7.2%	8.1%
N: Administrative and support service activities	9.7%	6.2%	18.5%	11.2%	6.3%	15.2%	18.9%
O: Public administration and defence; compulsory social security	20.0%	-25.0%	10.5%	4.3%	1.7%	-8.5%	-5.4%
P: Education	3.8%	16.7%	13.3%	11.6%	9.3%	7.4%	6.2%
Q: Human health and social work activities	1.8%	-3.5%	-1.4%	-1.4%	-4.8%	-2.5%	-3.0%
R: Arts, entertainment and recreation	14.3%	9.7%	-3.4%	6.2%	-1.0%	7.0%	9.3%
S: Other service activities	-2.6%	-5.1%	2.3%	-2.1%	-2.7%	1.0%	1.6%

Source: NOMIS, UK Business Counts – Local Units

Table 9 – Business Count by Industry, # change 2015-2020

	Broadland	Norwich	South Norfolk	Greater Norwich
A: Agriculture, forestry and fishing	5	20	0	25
B: Mining and quarrying	0	0	0	0
C: Manufacturing	10	10	40	60
D: Electricity, gas, steam and air conditioning supply	5	0	0	5
E: Water supply; sewerage, waste management and remediation activities	5	0	5	10
F: Construction	160	120	115	395
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	-15	-100	-30	-145
H: Transportation and storage	40	150	65	255
I: Accommodation and food service activities	15	55	50	120
J: Information and communication	30	0	60	90
K: Financial and insurance activities	5	-15	40	30
L: Real estate activities	20	20	35	75
M: Professional, scientific and technical activities	-20	30	110	120
N: Administrative and support service activities	35	30	75	140
O: Public administration and defence; compulsory social security	15	-15	10	10
P: Education	5	25	20	50
Q: Human health and social work activities	5	-15	-5	-15
R: Arts, entertainment and recreation	15	15	-5	25
S: Other service activities	-5	-15	5	-15

Source: NOMIS, UK Business Counts – Local Units

2.82 Table 10 shows the survival rates of businesses over a five year period from 2013 to 2017, with additional data on business births in 2018. Similarly to the observation made in 2015, the survival rates achieved across the three local authorities are slightly higher the national average, in general.

2.83 South Norfolk tend to perform better than the other two local authorities in Greater Norwich and better than the benchmark areas (county, region, nation).

Table 10 – Survival Rates and Births

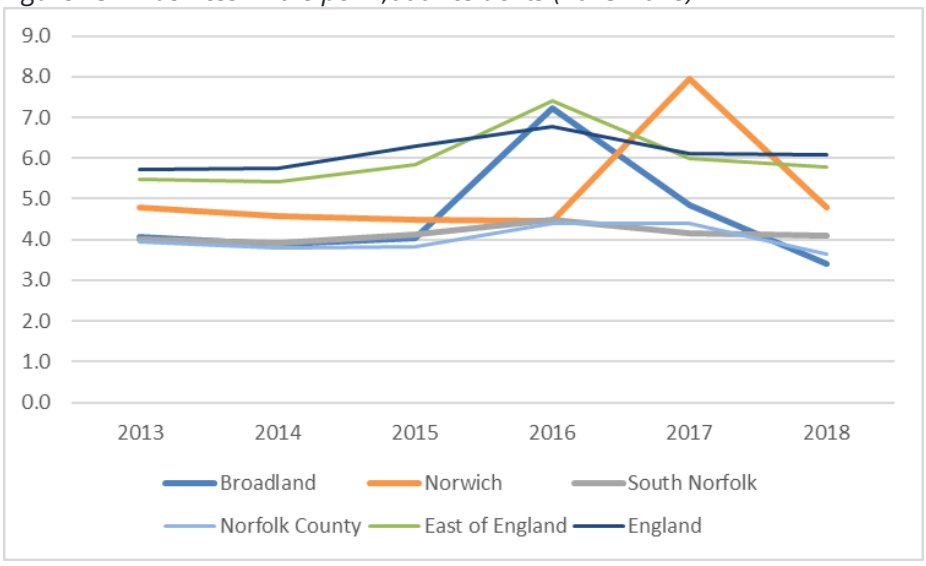
	Year	Births	Survival Rate				
			Year 1	Year 2	Year 3	Year 4	Year 5
Broadland	2013	510	94.1	75.5	61.8	52.0	44.1
	2014	490	91.8	78.6	66.3	57.1	:
	2015	510	91.2	74.5	58.8	:	:
	2016	920	94.0	81.0	:	:	:
	2017	625	89.6	:	:	:	:
	2018	440	:	:	:	:	:
Norwich	2013	645	93.0	76.7	62.0	51.2	41.9
	2014	625	88.0	68.8	58.4	49.6	:
	2015	620	90.3	67.7	54.0	:	:
	2016	625	90.4	69.6	:	:	:
	2017	1,115	90.6	:	:	:	:
	2018	675	:	:	:	:	:
South Norfolk	2013	510	94.1	80.4	68.6	59.8	51.0
	2014	505	96.0	80.2	67.3	54.5	:
	2015	540	94.4	78.7	62.0	:	:
	2016	595	93.3	74.8	:	:	:
	2017	565	92.0	:	:	:	:
	2018	565	:	:	:	:	:
Norfolk County	2013	3,445	94.0	77.5	63.7	53.6	45.1
	2014	3,330	92.8	77.6	64.0	52.9	:
	2015	3,380	92.6	74.6	60.1	:	:
	2016	3,910	92.2	75.2	:	:	:
	2017	3,945	90.9	:	:	:	:
	2018	3,300	:	:	:	:	:
East of England	2013	32,570	94.2	76.8	63.0	53.3	44.7
	2014	32,595	93.1	77.4	63.0	51.6	:
	2015	35,440	91.5	73.5	58.0	:	:
	2016	45,400	93.6	60.4	:	:	:
	2017	36,935	90.0	:	:	:	:
	2018	35,880	:	:	:	:	:
England	2013	308,565	93.6	75.1	60.9	51.2	42.5
	2014	312,920	92.3	75.9	61.4	49.4	:
	2015	344,065	89.7	71.4	55.2	:	:
	2016	373,580	91.6	68.0	:	:	:
	2017	339,345	89.1	:	:	:	:
	2018	340,045	:	:	:	:	:

Source: ONS, Business Demography (2018)

2.84 Figure 19 shows the change in business births year on year, based on the population size. This graph shows that Broadland and Norwich both saw a sharp increase in business birth in 2016 and 2017 respectively, to achieve rates comparable to the regional and national levels.

2.85 The rest of the data for the three local authorities shows a performance generally below the regional or national average in terms of business births.

Figure 19 – Business Births per 1,000 residents (2013-2018)



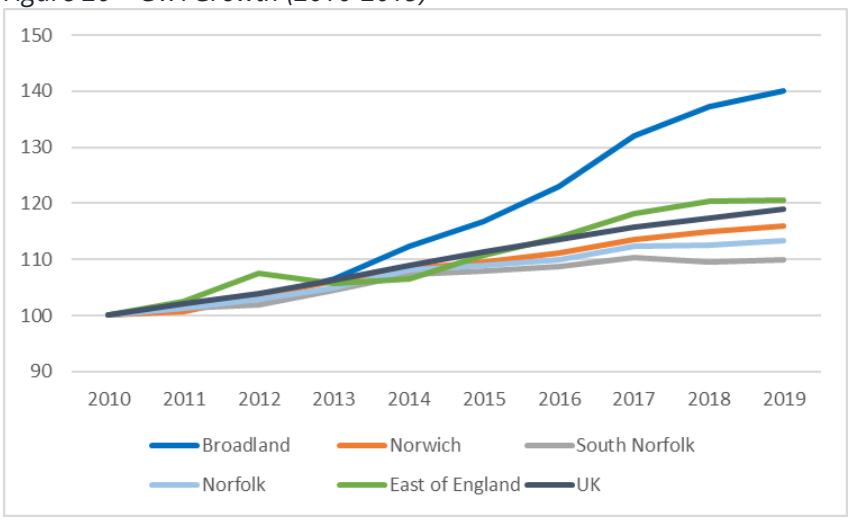
Source: ONS, Business Demography (2018)

Economic Performance

2.86 As seen in Figure 20, Broadland has seen a fast increase of GVA between 2010 and 2019 (circa +40% over the period), according the Experian data, far above the national average (circa +19%).

2.87 The growth in Norwich and South Norfolk was more modest (circa +16% and +10% respectively).

Figure 20 – GVA Growth (2010-2019)



Source: Experian, September 2020

Property Market Baseline

2.88 To understand how the property market itself may influence future provision we consider historical market performance in terms of deals completed (space take up) and advertised space (vacancies).

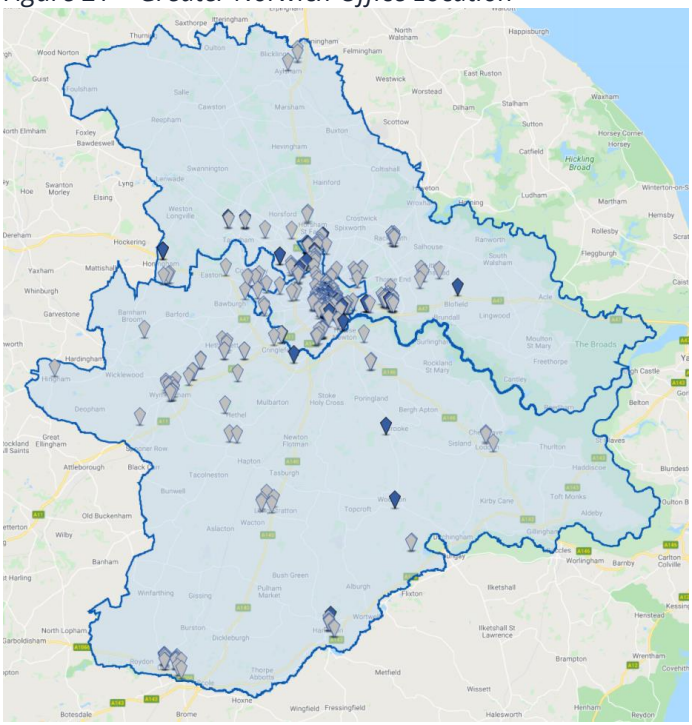
2.89 The CoStar database seeks to record actual market activity (i.e. the 'turnover' of occupiers and premises) as such the majority of lease renegotiations and extensions are not included. It should be

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. Typical properties that will be absent from the data include owner-occupier properties (where no commercial agent would usually be involved as there is no sales or leasing activity), smaller secluded units which would be traded between individuals rather than through a commercial real estate agent, or properties which would not have been leased or sold in modern time (i.e. properties that were last leased or sold before the creation of the CoStar Database for instance). Properties that are left vacant but not made available on the market will also be excluded from the vacancy figures (as the market is not aware of those properties being vacant and available). However, it provides a consistent and robust record of the predominant market trends from which the market can be understood.

Greater Norwich Office Market

2.90 Figure 21 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. The figure shows that offices are predominantly located in urban centres, such as central Norwich and Wymondham, and on designated sites, such as Rackheath Industrial Estate, Broadlands Business Park and Norwich International Airport.

Figure 21 – Greater Norwich Office Location



Source: CoStar, November 2020

2.91 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.

As seen in

Figure 22 the quality of the existing office stock throughout Greater Norwich is mixed with several BREEAM certified buildings.

Figure 22 – Offices in Greater Norwich

Broadland	Norwich	South Norfolk
		
		
		
		

Source: CoStar, November 2020

2.92 Table 11 provides key office stock indicators for Greater Norwich. It shows that, according to CoStar analytics, there are 540 existing rentable office spaces in Greater Norwich, with the vast majority of them being located in Norwich (71%).

2.93 There are nearly 6.5m sqft of existing office floorspace in the area, again, principally in Norwich (71%).

2.94 Average space is relatively comparable across the area, with the average size ranging between 10,500 sqft and 13,000 sqft depending on the local authority.

Table 11 – Office Overview

	Greater Norwich	Broadland	Norwich	South Norfolk
# of Properties	540	77	382	80
Total Floorspace (sqft)	6,474,920	1,012,073	4,604,109	855,554
Average Floorspace (sqft)	11,991	13,144	12,053	10,694

Source: CoStar, November 2020

2.95 Figure 23 to Figure 25 provide an overview of the historical occupancy and vacancy (which combined indicate the total existing floorspace) between 2010 and 2020 (year-to-date) in Greater Norwich.

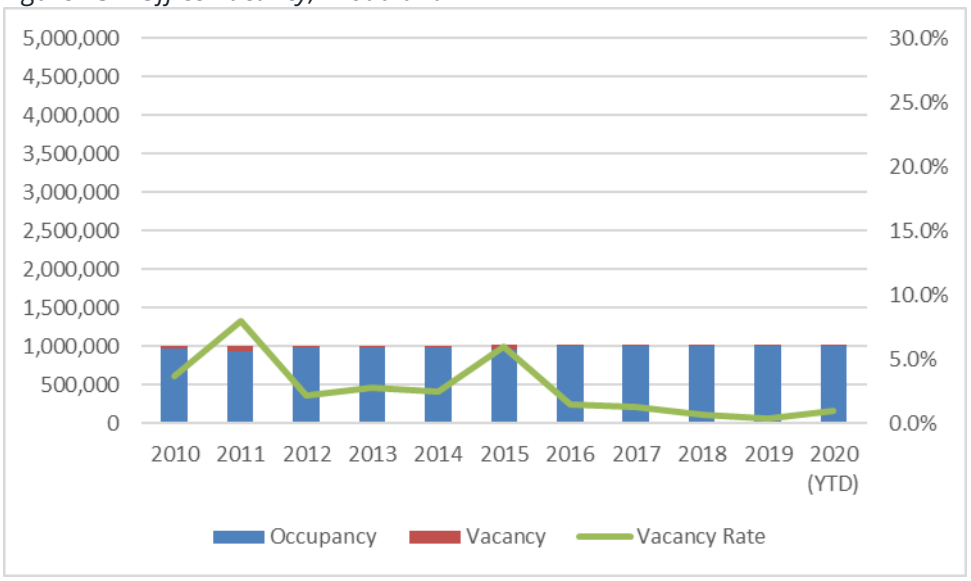
2.96 All graphs have been provided in the same scale to reflect the actual size of the market in each of the local authorities.

2.97 Broadland offers 16% of the existing office space in Greater Norwich and has had a very low rate of vacancy since 2016 (around 1%), meaning that the majority of the 1m sqft office stock is currently occupied. The vacancy rate in Broadland is structurally low, with very few exceptions of vacancy reaching 5% and above. A low vacancy rate can be seen as unhealthy for economic growth (lack of space for businesses to move to and grow or adapt their activities). Broadland has seen a minor increase in existing office floorspace between 2010 and 2020 of circa 6,000 sqft.

2.98 Norwich is by far the largest market for office space, with circa 4.6m sqft of existing space (71% of Greater Norwich offer). Similarly to Broadland, it has had a structurally low vacancy rate, below 5% since at least 2010, with a very low rate of 1.2% and below in the past 3 years. A low vacancy rate can be seen as unhealthy for economic growth (lack of space for businesses to move to and grow or adapt their activities). Norwich has seen an increase in existing office floorspace between 2010 and 2020 of circa 51,000 sqft.

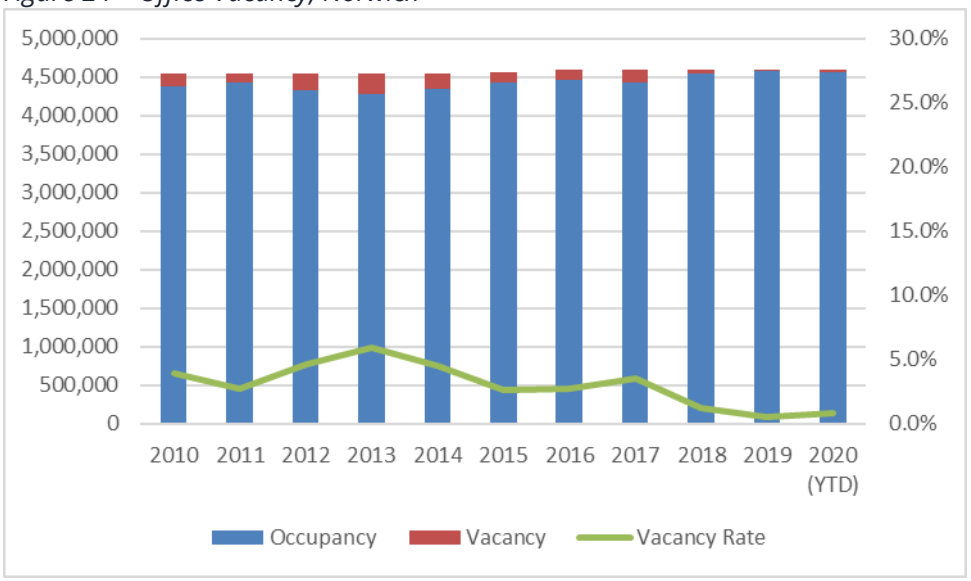
2.99 South Norfolk office market is relatively comparable to Broadland in terms of size (0.85m sqft, 13% of the total offer in Greater Norwich) but had historically a high rate of vacancy (above 25% between 2010 and 2012). This rate has progressively decreased over the years to stay below 5% from 2015 and currently is of 1.4%. We can also see that there is a substantial increase in floorspace between 2010 and 2020 (+219,000 sqft).

Figure 23 – Office Vacancy, Broadland



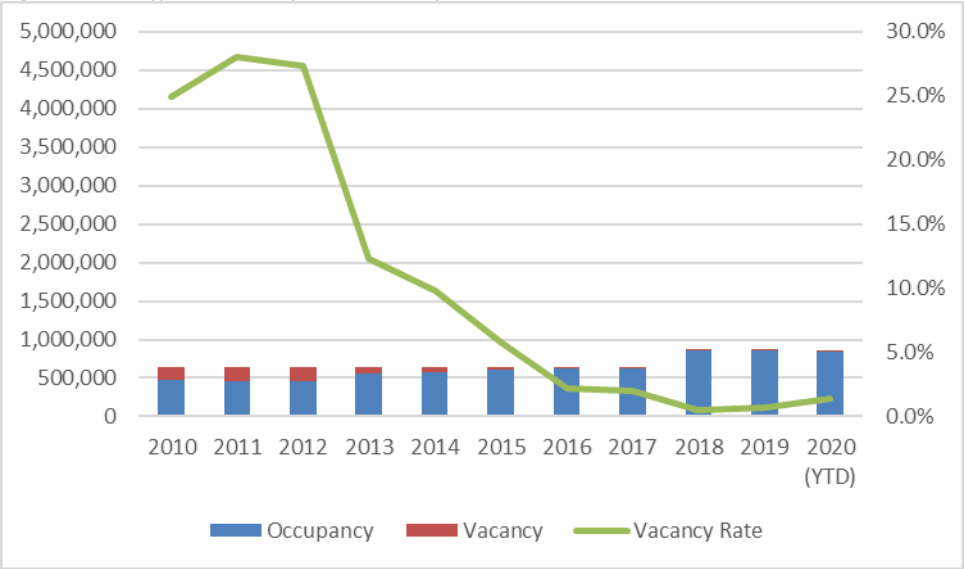
Source: CoStar, November 2020

Figure 24 – Office Vacancy, Norwich



Source: CoStar, November 2020

Figure 25 – Office Vacancy, South Norfolk



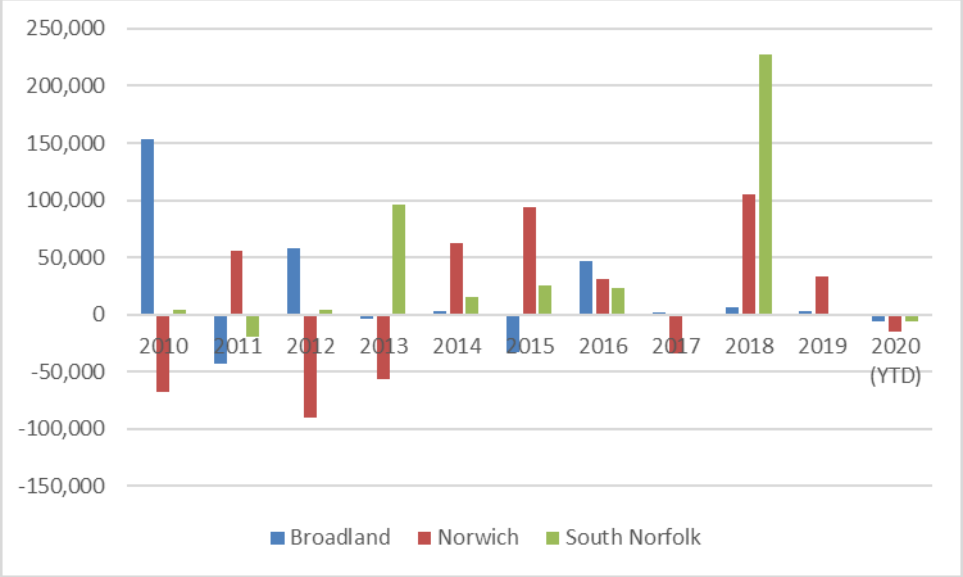
Source: CoStar, November 2020

2.100 Figure 26 shows the net absorption of space in each of the three local authorities in Greater Norwich.

2.101 All three local authorities have had over the past 10 years, in average, a positive annual net take-up of space. South Norfolk has had an average of circa 33,500 sqft of office space taken-up per year, Broadland has had c. 16,900 sqft of space taken-up and Norwich, despite being the largest market, has only seen c. 10,800 sqft of office space taken-up every year in average.

2.102 Norwich market has seen several years of negative take-up, particularly in the first few years from 2010, with a better performance observed from 2014 onwards.

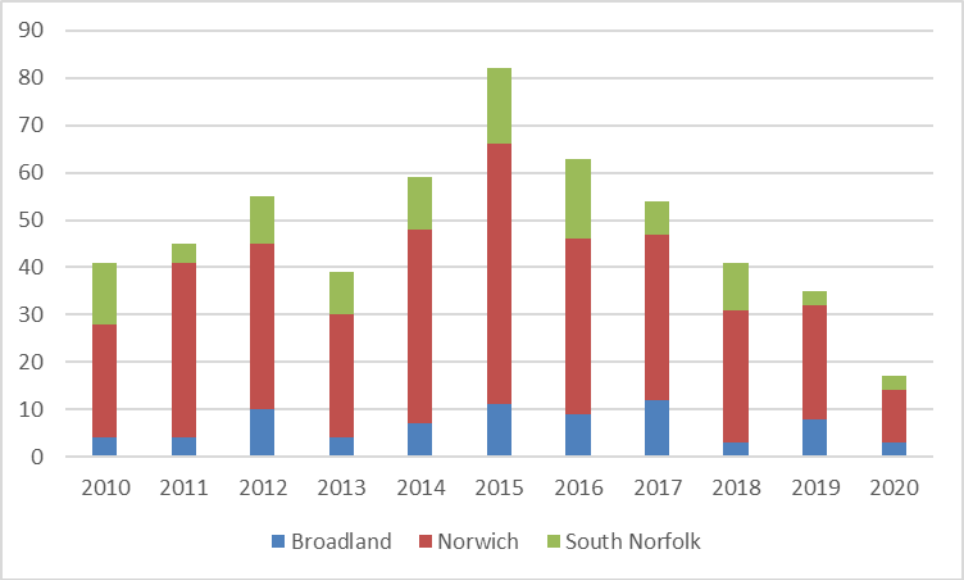
Figure 26 – Office Net Take-up (sqft)



Source: CoStar, November 2020

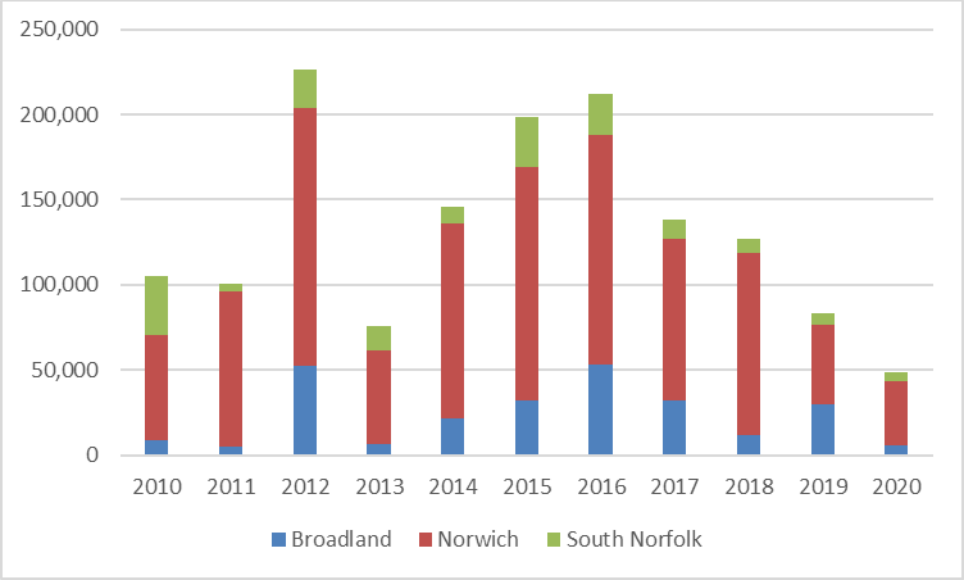
2.103 In terms of lease activity, the majority of deals signed and floorspace leased was in Norwich, which is also the largest office market out of the three local authorities. As shown in Figure 28, there has been between c. 50,000 sqft and c. 225,000 sqft of office space leased in a single year in Greater Norwich, with 71% of this space leased in Norwich against 18% in Broadland and 12% in South Norfolk between 2010 and 2020. These numbers are comparable to the repartition of existing office floorspace between the three local authorities, which could suggest that there isn't a strong preference for one local authority over another (or limited opportunities to have a preference, due to the low level of vacancy).

Figure 27 – Office Lease Deals



Source: CoStar, November 2020

Figure 28 – Office Leased Floorspace (sqft)



Source: CoStar, November 2020

2.104 The vast majority of leases have been made for small size properties. This is similar in the three local authorities. Since 2015, 63% of office properties leased in Greater Norwich measured 2,000 sqft or less, 24% measured between 2,000 and 5,000 sqft.

2.105 There hasn't been a single lease signed for a property above 50,000 sqft in Greater Norwich since at least 2015. The largest office space leased between 2015 and 2020 measured just over 36,000 sqft and is located in Broadland. The largest lease in Norwich was of comparable size (over 30,000 sqft) whilst the largest office lease in South Norfolk was much smaller (c. 6,600 sqft).

Table 12 – Office Leases by Size Band, past 5 years

	Broadland	Norwich	South Norfolk
Below 2,000 sqft	27	114	42
2,000-5,000 sqft	12	47	11
5,000-10,000 sqft	4	19	3
10,000-25,000 sqft	2	9	0
25,000-50,000 sqft	1	1	0
50,000-100,000 sqft	0	0	0
Above 100,000 sqft	0	0	0

Source: CoStar, November 2020

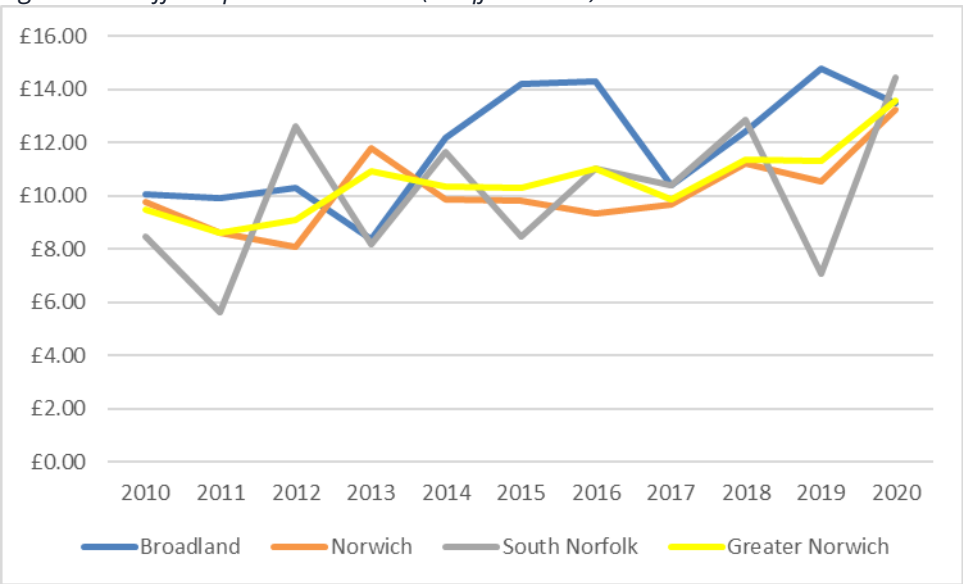
2.106 Figure 29 shows the evolution of rental values of office space in Greater Norwich since 2010. Average values (£/sqft/year) are based on signed lease deals in the respective years and can fluctuate a lot due to the small number of deals, particularly in Broadland and South Norfolk.

2.107 The average rent value over the past 5 years (2015-2020) is as follows:

- Greater Norwich: £10.77
- Broadland: £13.26
- Norwich: £10.15
- South Norfolk: £10.24

2.108 These values represent an increase, compared to the 2010-2014 period of 13% in Greater Norwich, 24% in Broadland, 9% in Norwich and 3% in South Norfolk.

Figure 29 – Office Space Rent Levels (£/sqft/annum)

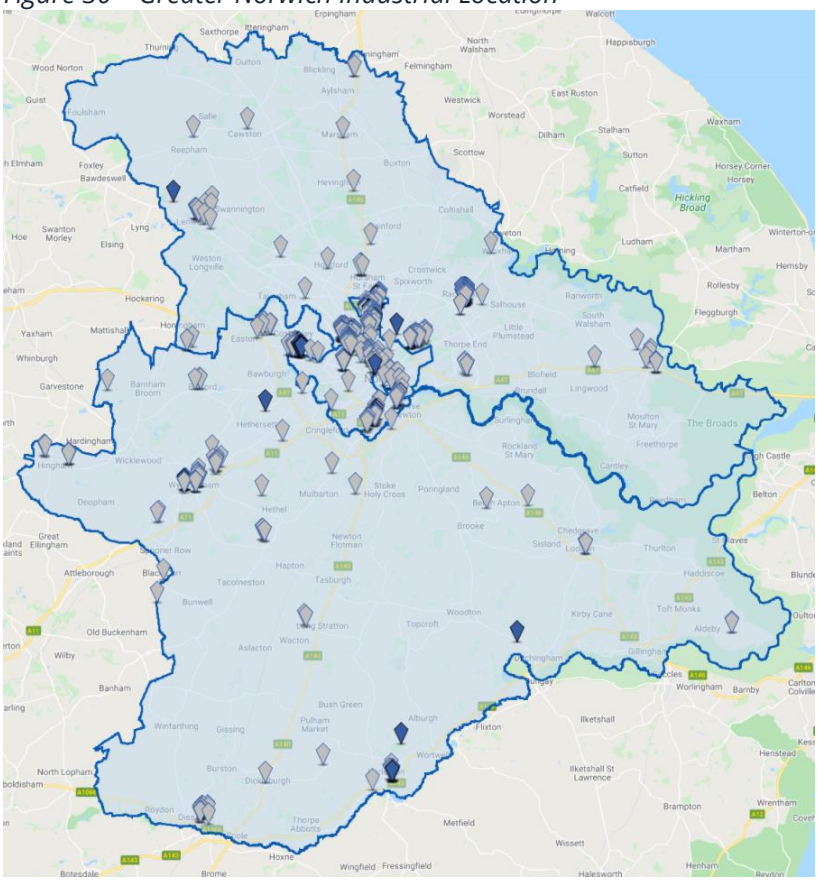


Source: CoStar, November 2020

Greater Norwich Industrial Market

2.109 Figure 30 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. The figure shows that industrial units are predominantly located in urban centres, such as central Norwich and Wymondham, and on designated sites, such as Rackheath Industrial Estate and Norwich International Airport.

Figure 30 – Greater Norwich Industrial Location

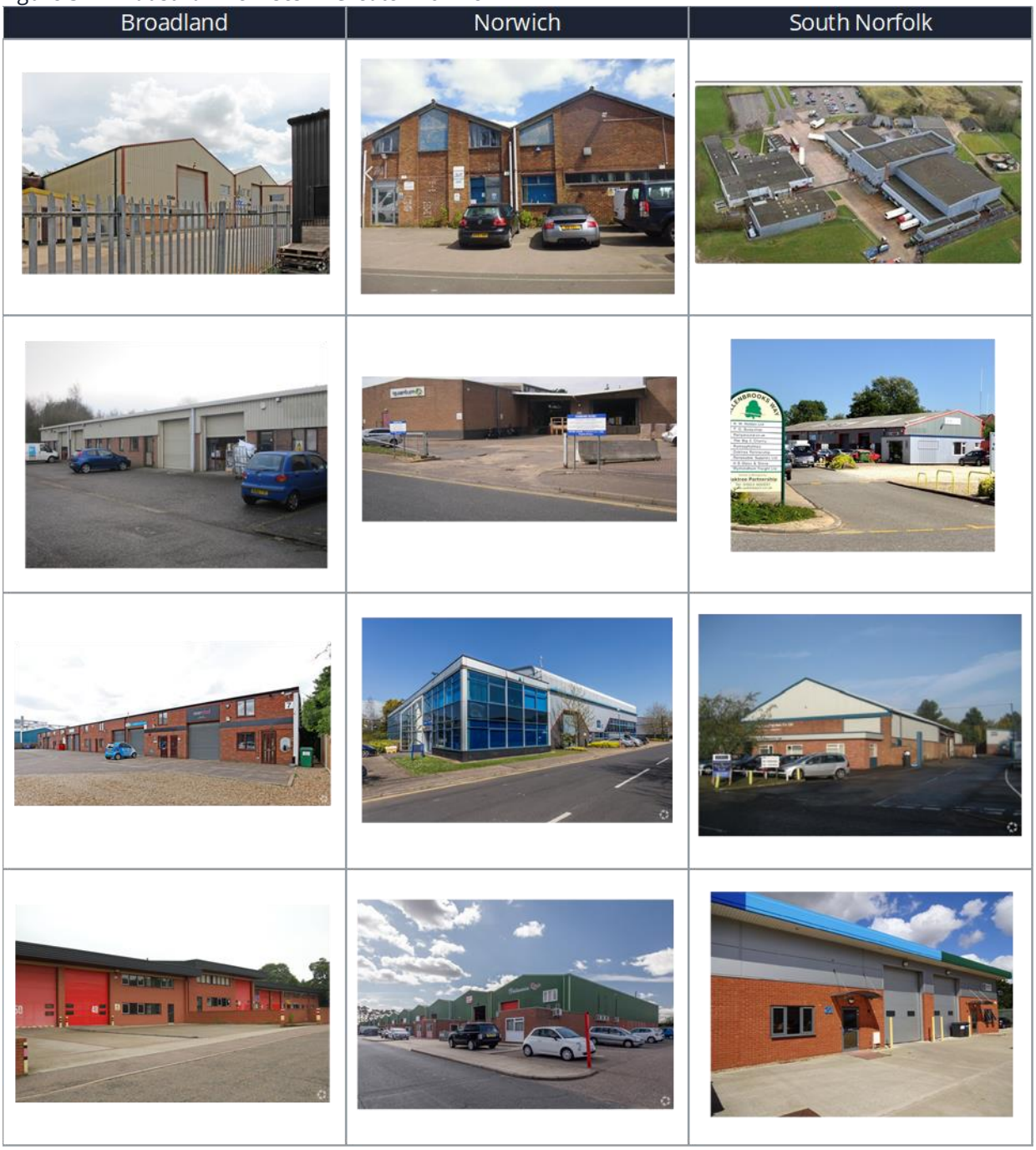


Source: CoStar, November 2020

2.110 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.

2.111 As shown in Figure 31, the quality of the existing industrial stock throughout Greater Norwich is mixed but typically of medium quality.

Figure 31 – Industrial Premises in Greater Norwich



Source: CoStar, November 2020

2.112 Table 13 provides key industrial stock indicators for Greater Norwich. It shows that, according to CoStar analytics, there are 587 existing rentable industrial (and light industrial) spaces in Greater Norwich, of which almost half are located in Norwich (48%). Broadland provides 34% of the properties and South Norfolk 18%.

2.113 There are over 13.5m sqft of existing office floorspace in the area, again, with a distribution between the three local authorities fairly similar to the one above.

2.114 Average space is relatively comparable across the area, with the average size ranging between 22,000 sqft and 24,000 sqft depending on the local authority.

Table 13 – Industrial Premises Overview

	Greater Norwich	Broadland	Norwich	South Norfolk
# of Properties	587	197	285	105
Total Floorspace (sqft)	13,587,681	4,458,801	6,790,355	2,338,525
Average Floorspace (sqft)	23,148	22,634	23,826	22,272

Source: CoStar, November 2020

2.115 Figure 32 to Figure 34 provide an overview of the historical occupancy and vacancy (which combined indicate the total existing floorspace) between 2010 and 2020 (year-to-date) in Greater Norwich.

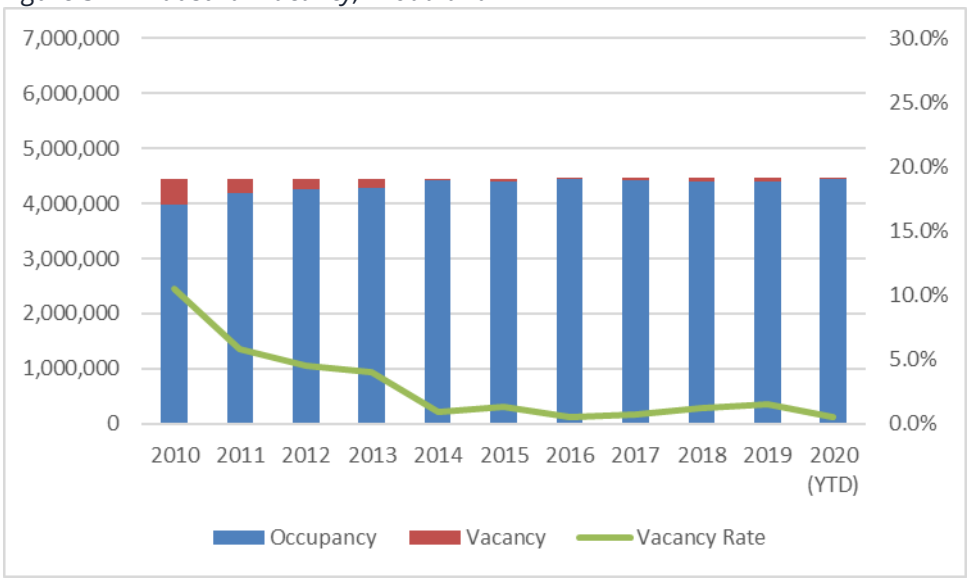
2.116 All graphs have been provided in the same scale to reflect the actual size of the market in each of the local authorities.

2.117 Broadland offers 33% (4.5m sqft) of the existing industrial space in Greater Norwich and has had a very low rate of vacancy since 2014 (around 1%), meaning that the majority of the stock is currently occupied. The vacancy rate in Broadland has substantially decreased since 2010, when the rate was of circa 10%. A low vacancy rate can be seen as unhealthy for economic growth (lack of space for businesses to move to and grow or adapt their activities). Broadland has seen a minor increase in existing industrial floorspace between 2010 and 2020 of circa 10,000 sqft.

2.118 Norwich is by far the largest market for industrial space, with circa 6.8m sqft of existing space (50% of Greater Norwich offer). Similarly to Broadland, the vacancy rate in the area decreased in 2014 but the rate (unlike in Broadland) has increased rapidly again since 2018. The current vacancy rate is around 16% since 2019. Norwich has seen an increase in existing industrial floorspace between 2010 and 2020 of circa 140,000 sqft.

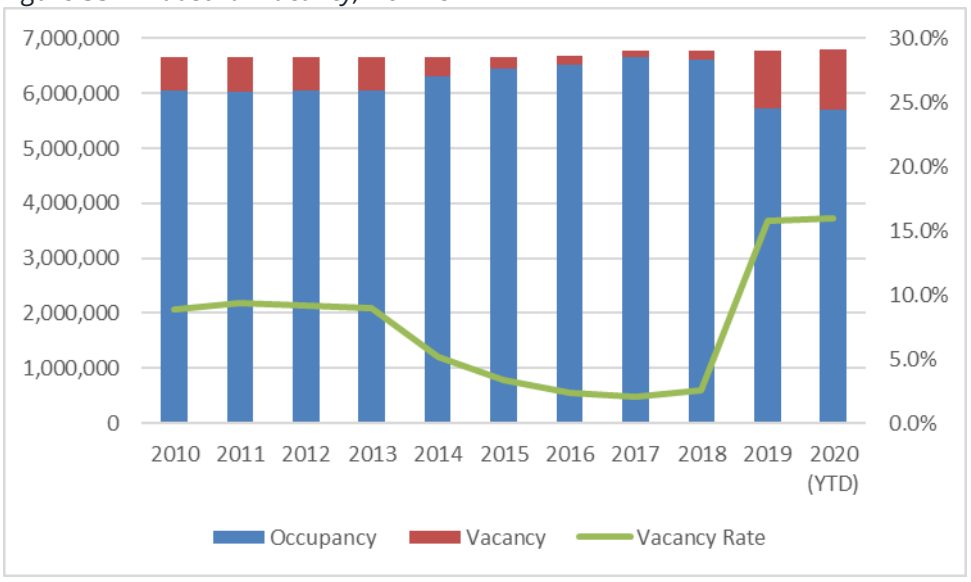
2.119 South Norfolk industrial market is relatively comparable to Broadland in terms of size (2.4m sqft, 17% of the total offer in Greater Norwich). Similarly to Broadland, the vacancy rate has substantially decreased since 2010, when the rate was of circa 10%, to be around and below 1% since 2016. A low vacancy rate can be seen as unhealthy for economic growth (lack of space for businesses to move to and grow or adapt their activities). We can also see that there is a substantial increase in floorspace between 2010 and 2020 (+224,000 sqft).

Figure 32 – Industrial Vacancy, Broadland



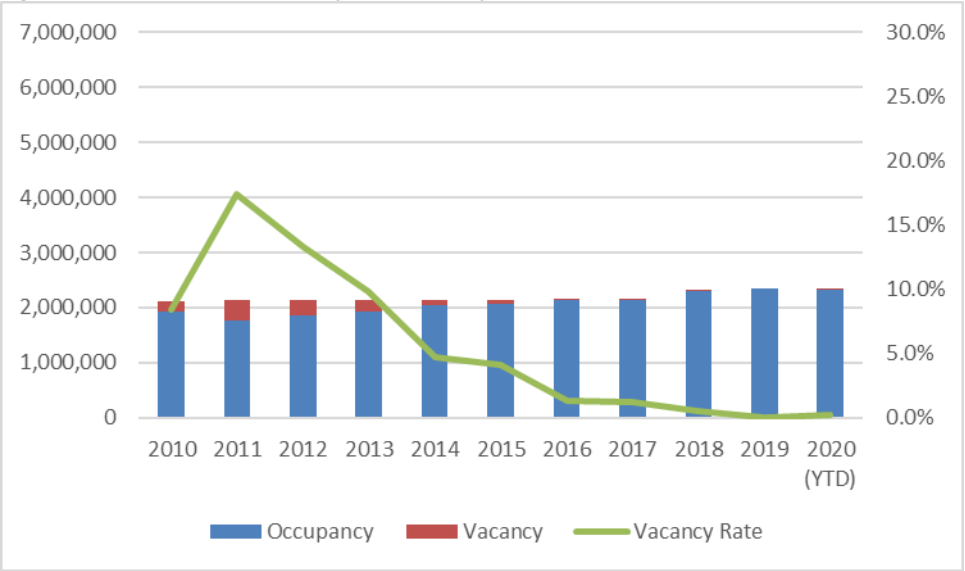
Source: CoStar, November 2020

Figure 33 – Industrial Vacancy, Norwich



Source: CoStar, November 2020

Figure 34 – Industrial Vacancy, South Norfolk

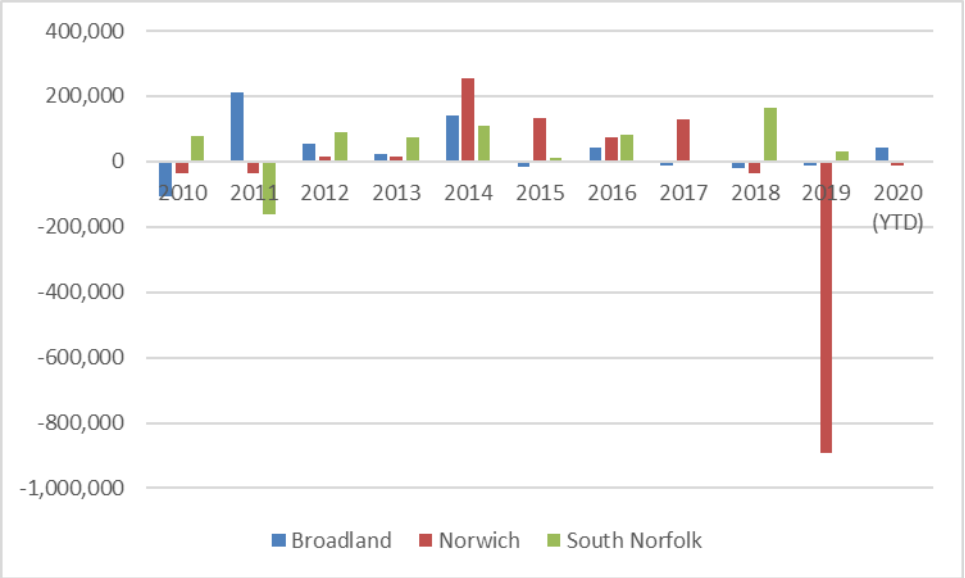


Source: CoStar, November 2020

2.120 Figure 35 shows the net absorption of industrial space in each of the three local authorities in Greater Norwich.

2.121 Both Broadland and South Norfolk have had, over the past 10 years, in average, a positive annual net take-up of space. South Norfolk has had an average of circa 43,500 sqft of industrial space taken-up per year, Broadland has had c. 31,800 sqft of space taken-up. Norwich has had, in average a negative net take-up of space of -35,500 per annum, mainly due to a huge drop in 2019 (-890,000 sqft in this year alone).

Figure 35 – Industrial Net Take-up (sqft)

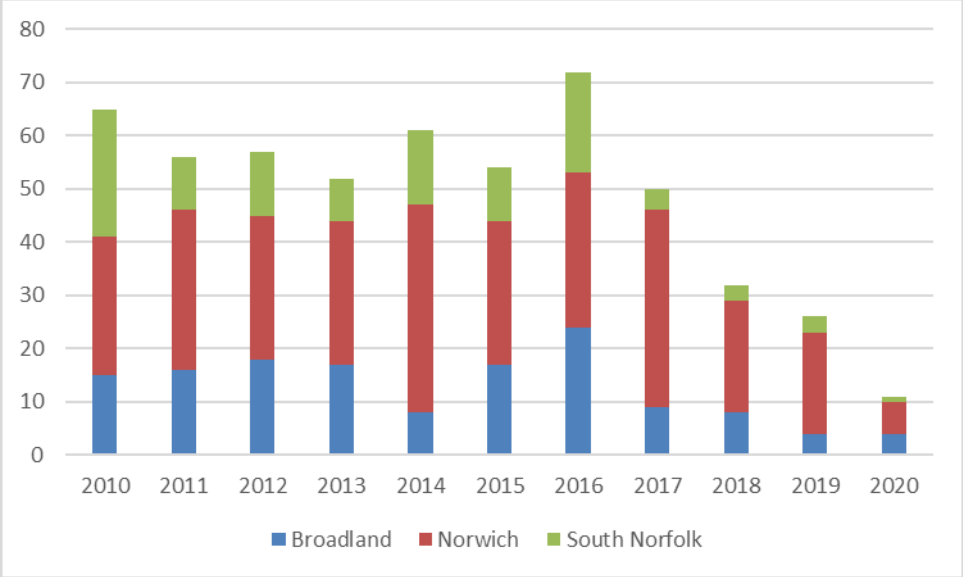


Source: CoStar, November 2020

2.122 In terms of lease activity, the majority of deals signed and floorspace leased was in Norwich, which is also the largest industrial market out of the three local authorities. As shown in Figure 37, there has

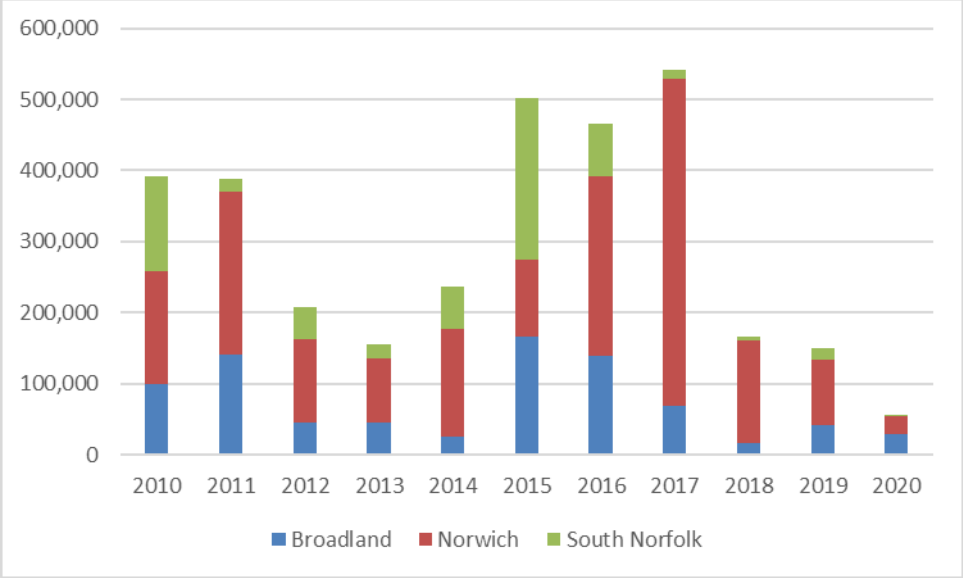
been between c. 150,000 sqft and c. 550,000 sqft of industrial space leased in a single year in Greater Norwich (excluding 2020), with 56% of this space leased in Norwich against 25% in Broadland and 19% in South Norfolk between 2010 and 2020. These numbers are roughly comparable to the repartition of existing office floorspace between the three local authorities, which could suggest that there isn't a strong preference for one local authority over another (or limited opportunities to have a preference, due to the low level of vacancy).

Figure 36 – Industrial Lease Deals



Source: CoStar, November 2020

Figure 37 – Industrial Leased Floorspace (sqft)



Source: CoStar, November 2020

2.123 The majority of leases signed since 2015 have been for small units, with only 6 units larger than 50,000 sqft, including 2 above 100,000 sqft.

2.124 The largest unit lease in Broadland measured 48,000 sqft, 133,000 sqft in Norwich and 139,000 sqft in South Norfolk.

Table 14 – Industrial Leases by Size Band, past 5 years

	Broadland	Norwich	South Norfolk
Below 2,000 sqft	25	31	8
2,000-5,000 sqft	17	56	22
5,000-10,000 sqft	11	29	7
10,000-25,000 sqft	7	15	1
25,000-50,000 sqft	6	4	0
50,000-100,000 sqft	0	3	1
Above 100,000 sqft	0	1	1

Source: CoStar, November 2020

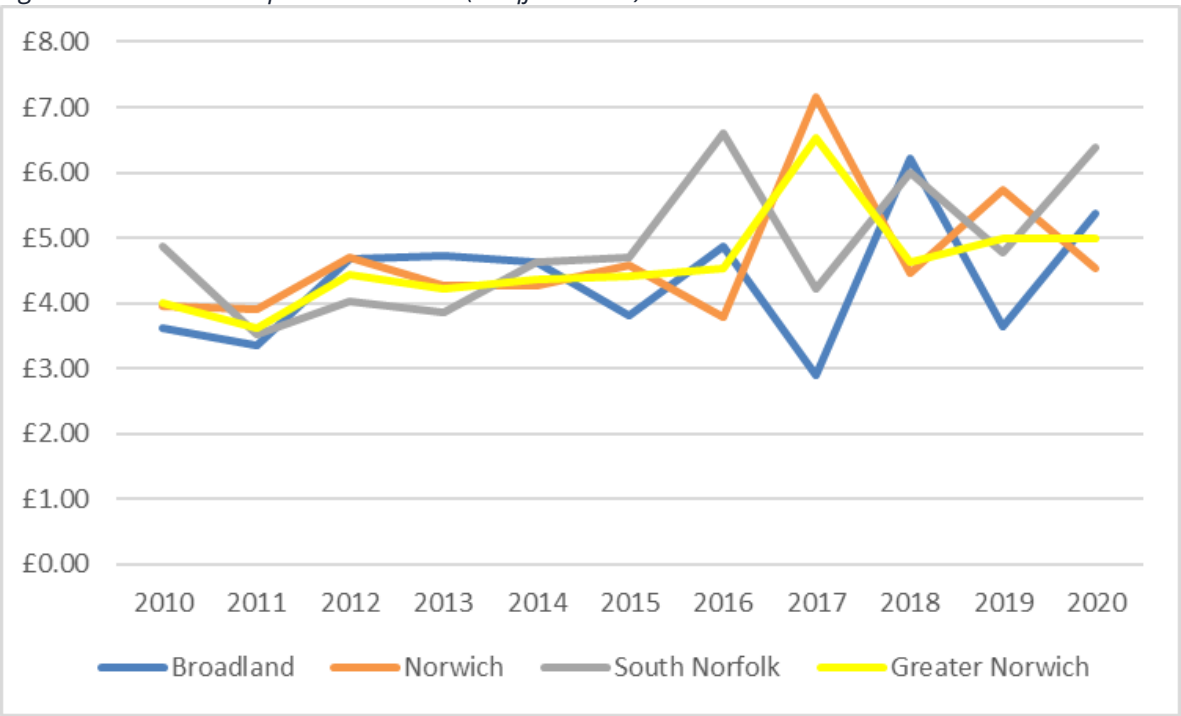
2.125 Similarly to office space, average industrial rent values (£/sqft/year) are based on signed lease deals in the respective years and can fluctuate a lot due to the small number of deals, particularly in Broadland and South Norfolk.

2.126 The average rent value over the past 5 years (2015-2020) is as follows:

- Greater Norwich: £5.19
- Broadland: £4.08
- Norwich: £5.59
- South Norfolk: £5.13

2.127 These values represent an increase, compared to the 2010-2014 period of 27% in Greater Norwich, 6% in Broadland, 34% in Norwich and 18% in South Norfolk.

Figure 38 – Industrial Space Rent Levels (£/sqft/annum)



Source: CoStar, November 2020

Current Economic Context and Expected Shifts

2.128 This section aims to provide a rapid overview of challenges and opportunities created by the current economic context in the UK, with two external factors potentially having a huge impact on future economic activities: Brexit and Covid-19. This section does not aim to provide a full understanding of the situation and future impacts but rather to highlight some of the possible challenges and opportunities for Greater Norwich due to the high level of uncertainty that still remains around those two elements. Although there is still a high level of uncertainty over their impact on the economy and how markets will adapt, both could present substantial challenges and opportunities for Greater Norwich.

2.129 Already observed for several years, we have seen a sharp increase in the share of e-commerce among overall sales in the UK (i.e. versus traditional brick and mortar retail) following the Covid-19 crisis and lockdown measures put in place by Central Government. Whilst this has accentuated the decline in demand for retail space (with some major retailers going into administration or initiative a CVA), it has led to an increase in demand for warehousing space (with logistics and distribution players acquiring large amount of floorspace in recent years and particularly in 2020).

2.130 Combined to the expected impact of Brexit on international trade (and border clearance), Covid-19 has highlighted the need to rethink the supply-chain and mitigate the reliance on international suppliers. This could lead to two major shifts in the economy with a repatriation of primary and

secondary activities to the UK and an additional need for additional storage/warehousing space in the UK to allow businesses to build up stock, particularly manufacturers and retailers.

2.131 As delivery services are competing to gain shares of the e-commerce economy, services such as same day delivery are becoming the norm. together with the change of focus of customers on local retailing following the Covid-19 crisis (shop local, support your community), this has led to an increase in demand for logistics space in urban area (last mile delivery) and the emergence of micro-fulfilment sites (i.e. basement, repurposing of vacant retail space or car parks, etc.).

2.132 Finally, Covid-19 could lead to a shift in employment density within the workplace. Whilst there is currently no evidence of this employment density within industrial and warehousing space are increasingly coming into question. Social distancing precautions and increased stock holding may reduce densities, however increased mechanisation, more technical jobs provision and integrated office space may increase densities.

2.133 In the office sector the impact of Covid-19 on working patterns is predicted to have an impact, albeit the nature of this is yet unknown. Some predict less office space overall being occupied by a business despite maintaining the same employment levels as more people work remotely at least part of the time – this would (in effect) increase office density. However, the need to achieve greater social distancing and the change in nature of the office from solo workspace to collaboration space may have the reverse effect.

Summary

Key Findings

2.134 Based on average earning (workplace analysis versus residence analysis), we could assume that residents of Broadland and South Norfolk (main commuters to Norwich) occupies a large share of high paid jobs in Norwich, with Norwich residents access lower paid jobs on average. Existing jobs in Broadland and South Norfolk are, on average, more valuable than jobs in Norwich. This is despite having a higher proportion of highly educated people in Norwich (who likely occupy better paid employment in other districts). As a regional service centre providing retail and leisure offer, Norwich will naturally have a higher proportion of low skilled/paid jobs than Broadland and South Norfolk. Low paid jobs are more likely to be filled by local people (from Norwich City) rather than commuters given the opportunity costs associated with these jobs is too high.

2.135 The presence of highly qualified workforce in Norwich provides an opportunity to deliver more high value employment in this area (which could be connected to the University of East Anglia and the

Norwich University of the Arts). The retention of its student population, through initiative such as start-up support (i.e. development of incubators or accelerators), should be considered in association with other initiatives aimed to reinforce the presence of high value employment in Greater Norwich.

2.136 Low job density[1] in Broadland and South Norfolk (residents need to commute out to work) but improving; high job density in Norwich (people commuting in for work) but impacted by financial crisis and has seen slow rate of growth since. Job density in Norwich has been increasing since 2010 but has still not recovered its 2007 level (pre financial crisis).

2.137 Norwich is characterised by a lower proportion of micro businesses than the other two local authorities or the benchmark areas. However, micro businesses have been the fastest size band in Norwich between 2015 and 2020, with a drop of the number of large businesses and a stagnation of the number of medium-sized businesses over the same period. The shift, from a local economy supported by a large businesses towards an economy increasingly reliant on micro businesses could be an issue for Norwich if the portfolio of commercial properties does not follow this trend. A lack of suitable space in Norwich could force micro businesses out of the area, which would potentially have a domino effect (as some micro businesses would eventually grow and become small, medium or large businesses). Norwich would therefore be constrained to mainly rely on the relocation of existing medium and large businesses into Norwich (from elsewhere) to ensure economic growth.

2.138 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.

2.139 Manufacturing is present in Greater Norwich, ranging from creating food products in Broadland and Norwich to the manufacturing of vehicles and trailers in South Norfolk.

2.140 Research and Development activities at the Norwich Research Park provide a significant cluster of strength in life sciences, health, food and environmental sciences. Norwich also outperformed all the benchmark areas in terms of growth in this sector in recent years (employment in professional scientific and technical activities).

2.141 Demand for property is characterised by small scale demand. These units have higher rents and typically quick letting times and low vacancy, again suggesting high demand.

[1] Where 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

2.142 There is a potential shortage of good quality industrial stock, particularly in Broadland and South Norfolk, which may lead to the subregion not meeting its growth potential if not address by new development.

2.143 Across Greater Norwich, vacant and available industrial and office floorspace has fallen over recent years; with the exception of industrial space in Norwich (which has seen its vacancy rate increasing rapidly over the past few years).

2.144 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 a regional centre for East Anglia, with good connections to the wider region;
- Greater Norwich has a high containment rate of its workforce and attracts in-commuting, suggesting a healthy and interconnected local economy;
- There is a sizeable working age population in the urban centre of Norwich;
- High representation of students within the Norwich City Council area, providing a diverse skill base and underpinning a range of leisure and cultural activities;
- High levels of economic activity and GVA growth in Broadland;
- Reasonable repartition of businesses across all size bands demonstrates the capacity of the area to cater for a wide range of demand in terms of property specification;
- Robust demand for office, industrial and retail units, reflecting the regions diverse economy;
- An established presence of high value sectors such as engineering, health and food technology;
- Completions of commercial units exemplify interest to invest outside the city core into the wider urban geography of Greater Norwich.

Weaknesses

- An aging population in the more rural Broadland and South Norfolk authorities;
- Culture of entrepreneurship across the sub-region is not as strong as seen nationally, with generally low business birth rates per 1000 residents;
- Economic activity is low Norwich (in part a result of high proportions of students in the population);
- Loss of office in centres, particularly Norwich, which is partially captured by peripheral business parks.

Opportunities

- Co-ordinated political impetus and strategy is set to support local growth sectors;
- Sectors such as food, health, logistics, Knowledge Intensive Business Services and technology are likely to show increasing demand for floorspace and sites in Greater Norwich;
- The proximity to the coast (off-shore industry) is an opportunity for Greater Norwich to lead on a low carbon growth (high value manufacturing) and benefit from access to renewable energy.

- Impact of Brexit and Covid-19 could amplify the reliance on local supply chain (i.e. food, health) and on logistics;
- Greater Norwich is an attractive place to live and work, and has a strong talent pool that will unpin growth in high value sectors;
- Greater Norwich is seeing infrastructure development that is helping to unlock new sites in proximity to Norwich;
- Greater Norwich has strong and established connections between its centres and commercial locations, particularly those in proximity to Norwich such as Wymondham and Rackheath, which creates a cluster and drives growth to benefit Greater Norwich as a whole;
- Greater Norwich is well positioned to capitalise on international links, such as its Airport and proximate ports to the East which serve a large catchment;
- Greater Norwich has strong ties to cities such as Cambridge and London, and continues to build on these such as the tech corridor that is being established on the A11;
- Greater Norwich has one of the strongest food and health clusters in Europe and is creating capacity to support its growth;
- The rural renaissance supporting more home workers and the rural economy is an opportunity to rebalance the local economy internally and retain and attract a higher share of high value professionals in Greater Norwich.

Threats

- The current economic and political climate may strain the local economy, particularly in terms of resource costs and access to talent;
- Risk of lower performance than neighbouring areas, such as Cambridge and Peterborough district, with poor capture of office employment growth;
- Shift in business demography towards an increased reliance on small businesses may require an adaptation of the current property portfolio to respond to the changing demand;
- Sub-optimal management of competition between employment locations which is complicated by local authority boundaries, particularly on the Norwich urban periphery, and risks hollowing the Norwich city centre;
- Employment policy in Greater Norwich tends to focus on the role of the Norwich city which may be resulting in oversight of other locations, particularly those on the periphery of the sub-region.

3. Base Economic Forecast

3.1 This section presents the base economic forecast for Greater Norwich. It is to be noted that our demand assessment considers forecasting of employment numbers for the Greater Norwich area as whole, not the individual districts. This is due to the functional nature of the Greater Norwich economy which is much more integrated across the three local authorities.

3.2 Our economic baseline reveals that core, specifically high-value, economic activities in the Greater Norwich area extend across the three local authorities, with complex overlaps and influences on each other. The three local authorities are inter-connected in terms of assets, infrastructure and growth locations. Such integrated economic geographies require a strategic approach to economic forecasting, which has demand driven by a complex range and network of factors and that an overarching view is provided for the economic needs.

Base Employment Forecast

3.3 To determine the base forecast for Greater Norwich, Experian Employment Forecast (September 2020) has been considered. The base Experian forecast sets out the 'business as usual' employment growth scenario for each of the three local authorities in Greater Norwich to 2040 across 38 economic sectors. These forecasts have been combined to create a forecast for Greater Norwich. figures are presented as Full Time Equivalent (FTE) to allow for direct translation into floorspace needs.

3.4 It should be noted that the 2017 Employment Land Assessment was based on the East of England Forecast Model (EEFM) 2017. Unfortunately, the EEFM has not been updated since and Experian Forecast, which are updated quarterly, was used as an alternative forecast.

3.5 It should also be noted that there is a large discrepancy in baseline figures, which would influence the number of FTE jobs created (or lost) between 2020 and 2038 (the end of the Plan period). To reduce the risk of a discrepancy in the baseline position, Experian baseline figures (2020) were adjusted to match the Business Register and Employment Survey (ONS) 2019 (latest data available), which is the official national statistics and represents the most robust and accurate baseline position. Experian forecast growth was then applied to this BRES baseline position.

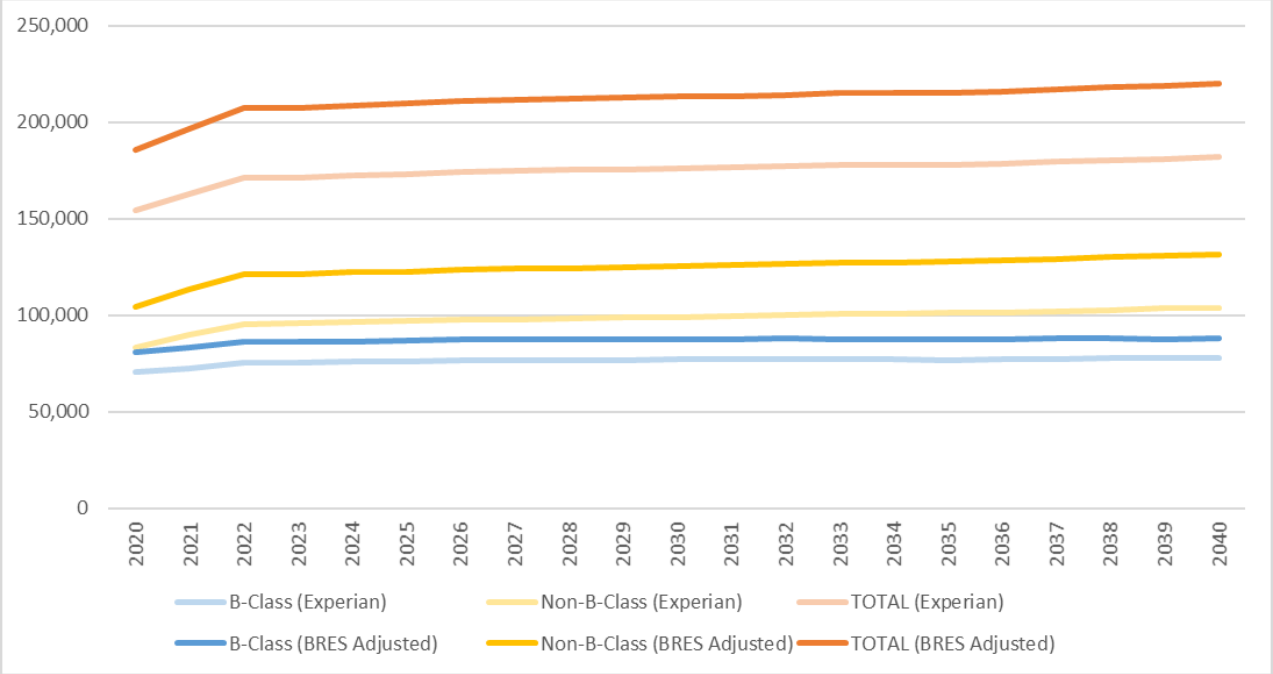
3.6 The baseline forecast employment growth would see approximately c.32,700 FTE jobs created within Greater Norwich over the remaining of the Plan Period (2020 to 2038).

3.7 Figure 39 shows total employment levels from 2020 to 2040 in Greater Norwich, as well as the break down between B-Class and Non-B-Class employment, both for the Experian forecast and the Experian

forecast re-based with BRES 2019 data. As shown in the graph, growth is comparable between the two sets of data (applying Experian growth forecast to both), which will generate a slightly higher creation of jobs between 2020 and 2038 (the end of the Plan period) in the BRES adjusted forecast due to the higher base value (starting position).

3.8 It should be noted that despite the impact of Covid-19 (which is incorporated into the baseline Experian forecast), there is not an indication of a loss of employment in Greater Norwich over forecast, with all losses expected between 2019 and 2020 (see later paragraphs for more detailed consideration of this).

Figure 39 – Forecasts for Jobs Growth in Greater Norwich



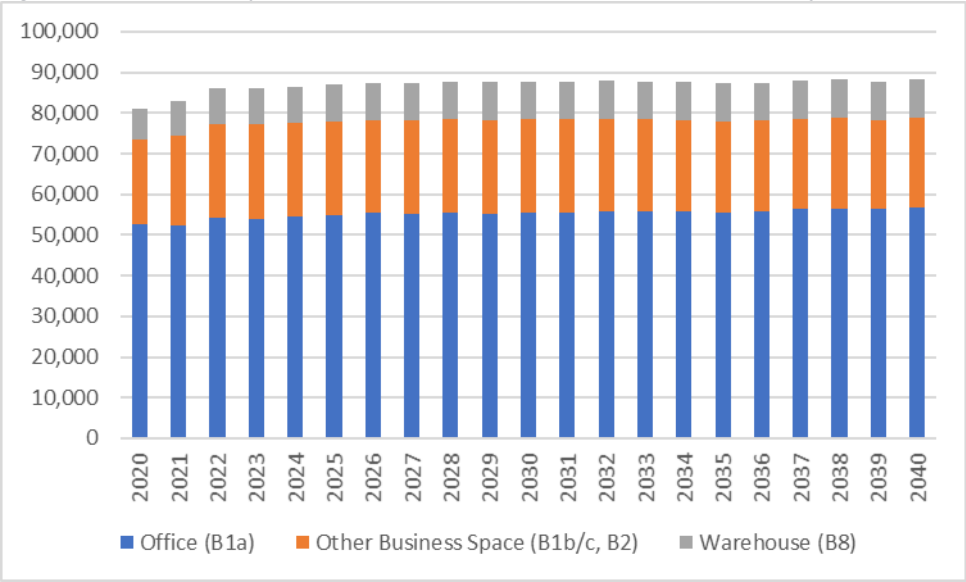
Source: Avison Young, based on Experian September 2020 and BRES 2019

3.9 Within the B-Class employment, the majority of jobs are forecast to be in B1a (office), followed by B1b/c, B2 (industrial) and finally B8 (warehousing).

3.10 Over the remainder of the Plan period (2020-2038), the main source of employment growth will come from B1a space (+3,842 jobs), although activities in offices will see the slowest growth proportionally to its base (+6.1%). Industrial jobs are expected to grow by 1,560 (+6.9%), whilst warehousing jobs will increase by 1,869 (+22.6%, the fastest proportional growth).

3.11 However, the majority of the growth will be seen in non-B-Class employment, with an additional 25,410 jobs created between 2020 and 2038 (+22.5%).

Figure 40 – Forecasts for Jobs Growth in Greater Norwich, B-Class Only



Source: Avison Young, based on Experian September 2020 and BRES 2019

3.12 It should be noted that Experian forecast predicts that the economy of Greater Norwich will be more resilient than the rest of England in general.

3.13 Experian forecasts also predict a recovery of the economy as soon as 2021, with a bounce back (V-shape recovery) in effect this meaning the major job losses are predicted to happen in 2020 compared to 2019 employment levels. As the scale and duration of the pandemic's impact on the economy becomes better understood it is likely these forecasts will be adjusted to reflect new information available. At the UK level, the unemployment rate is predicted to reduce as soon as Q1 2021.

Table 15 – Unemployment Rate Forecasts, UK

Unemployment Rate	V-shape recovery	Delayed V-shape recovery
2020Q1	3.9%	3.9%
2020Q2	6.2%	6.2%
2020Q3	7.0%	7.9%
2020Q4	8.0%	9.5%
2021Q1	7.7%	9.2%
2021Q2	7.1%	8.8%
2021Q3	6.6%	8.2%
2021Q4	6.0%	7.5%
2022Q1	5.6%	7.0%
2022Q2	5.1%	6.5%
2022Q3	4.9%	6.1%
2022Q4	4.6%	5.8%
2023Q1	4.5%	5.5%
2023Q2	4.4%	5.3%
2023Q3	4.3%	5.0%
2023Q4	4.2%	4.9%

Source: Experian Covid-19 UK Core Scenario, September 2020

3.14 The latest Experian forecasts (September 2020) shows a slight improvement of the level of forecasted employment compared to the previous release of the data (June 2020). This is likely due to a number of factors including the scaling back of lockdown restrictions, the hope of seeing a vaccine being rollout by the end of 2020/early 2021 and a in turn a full reopening of the economy by summer 2021.

Table 16 – Employment Growth, Greater Norwich

Employment growth	2020	2021	2022
Experian Forecast, June 2020	-10.7%	6.4%	5.2%
Experian Forecast, September 2020	-7.5%	5.4%	5.2%

Source: Experian June 2020 / September 2020

3.15 These results are predicated on a combination of historic performance and national sector trends and form the Base Forecast (central case). Alternative growth scenarios that draw on local characteristics are considered later in this section.

3.16 Using the employment density assumptions as presented below, jobs are translated into additional floorspace requirements. As a base model we use the following employment densities, which are based on our understanding of the nature of economic activity within (and likely to be attracted) to the area, the subsequent occupier requirements within these activities, and the guidance provided by the HCA Density Guide Second Edition, 2015:

- B1a/b – 12 square metres per employee (NIA);
- B1c/B2 – 36 square metres per employee (GIA); and
- B8 – 77 square metres per employee (GEA).

3.17 Note that, whilst still current government guidance, the standard employment density assumptions across office, industrial and warehousing space are increasingly coming into question. In the office sector the impact of Covid-19 on working patterns is predicted to have an impact, albeit the nature of this is as yet unknown. Some predict less office space overall being occupied by a business despite maintaining the same employment levels as more people work remotely at least part of the time – this would (in effect) reduce increase office density. However, the need to achieve greater social distancing and also the change in nature of the office from solo workspace to collaboration space may have the reverse effect.

3.18 Similarly in the industrial/distribution sector social distancing precautions and increased stock holding may reduce densities, however increased mechanisation, more technical jobs provision and integrated office space may increase densities.

3.19 These issues are discussed in more detail in the Conclusion section of this report but, with the limited level of data available, we believe that recommended assumption should be maintained, at least until robust data is available to support an alternative approach.

3.20 Subsequently, floorspace is translated into land requirement using the following plot ratios, which are assumed reasonable for the nature of activities in Greater Norwich and follow industry standards (floorspace/land requirement):

- B1a/b – 1/1;
- B1c/B2 – 0.4/1; and
- B8 – 0.4/1.

3.21 Table 17 shows the change in employment, floorspace requirement and land requirement between 2020 and 2038 (remaining of the Plan period) in the baseline scenario. Note that these figures exclude any adjustment for windfall and churn, which are discussed below.

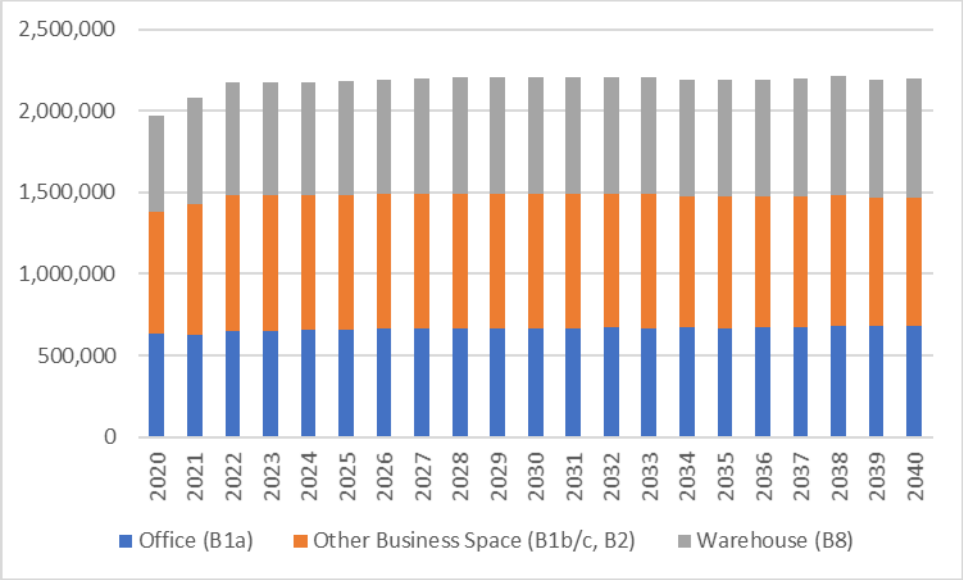
Table 17 – Baseline Forecast, Greater Norwich, change 2020-2038

	Employment (FTEs)	Floorspace (sqm)	Land Requirement (ha)
Office (B1a)	3,842	46,106	4.6
Other Business Space (B1b/c, B2)	1,560	56,164	14.0
Warehouse (B8)	1,869	143,885	36.0
TOTAL B-CLASS	**7,271**	**246,154**	**54.6**

Source: Avison Young

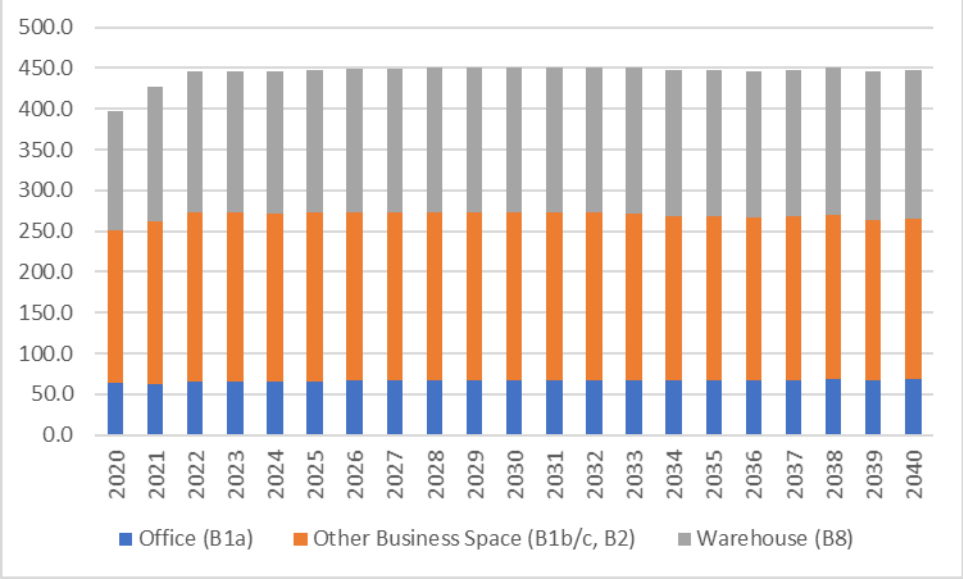
3.22 Figure 41 and Figure 42 show the change in floorspace and land requirement over the period 2020-2040.

Figure 41 – Floorspace requirement (sqm) in Greater Norwich, B-Class Only



Source: Avison Young

Figure 42 – Land Requirement (ha) in Greater Norwich, B-Class Only



Source: Avison Young

Contingency Allowance and Market Churn

3.23 In order for future employment forecasts to be based on more than economic growth 'predictions' and to better reflect the fluid nature of land allocations, the forecasting models makes two additional allowances.

3.24 Firstly, a contingency allowance is made which takes into account the fact that a proportion of designated employment land will not be entirely used by B-Use-Class employment. Land uses such as: recycling, waste management, combined heat and power plants and bus depots can, under certain circumstances and where appropriate, be located on employment land.

3.25 A significant part of the projected employment growth also arises from sectors which have traditionally not been located on B Class employment land such as healthcare, education, hotels and leisure.

3.26 Under specific circumstances and where appropriate, employment land might also be used as part of a more mixed-use scheme which would enable employment development to come forward on a proportion of it.

3.27 Further, with the extension of Permitted Development Rights making the conversion of office premises to residential use more straightforward, there is the potential for an increase in the unexpected loss of employment floorspace, although much of this is captured within the data.

3.28 To estimate the amount of land that may be used for non-B class activities, historic net losses of employment land to other uses such as housing and leisure as reported in the Greater Norwich Annual Monitoring Report 2018/19 has been used.

3.29 It is important that only land that is truly lost to B Class employment activity is included within the Windfall allowance rather than land which is transferred between B class land uses (i.e. land that changes from B2 activity to B8). To provide this estimate we have utilised the 'net' change from the AMR. Where the net change has been negative (i.e. floorspace lost is greater than floorspace gained) we have included these in the Windfall estimate, where the opposite is true these are included within the 'Churn' allowance.

Table 18 – Allowance for Windfall Losses

	Office (B1a)	Other Business Space (B1b/c, B2)	Warehouse (B8)
2010/11	0	0	0
2011/12	0	0	0
2012/13	0	0	0
2013/14	0	0	0
2014/15	30,694	0	0
2015/16	0	0	0
2016/17	0	0	0
2017/18	0	0	0
Average Annual Loss	**3,837**	**0**	**0**

Source: Avison Young

3.30 As shown above there have been no 'net' losses of employment space within Greater Norwich in most years to other uses ("Windfall Losses"). The exception is 2014/15 when considerable office stock was lost, largely within the City area. However, it should be noted that this headline masks a divergent trend at the local authority level, with the City experiencing ongoing losses of space, which have broadly been offset by gains in South Norfolk and Broadland.

3.31 Taking the average loss of space over the period considered and projecting this average rate forward over the Plan Period we have identified an allowance for windfall of circa 69,062 sqm of floorspace.

3.32 This approach has its limitations, principally because it is backward looking and does not pick up future changes to how land will be used.

3.33 This data is still used, however, with the proviso that it should be monitored each year and new figures considered to give a longer term projection of losses of employment land. This could have a considerable effect on future employment land needs, depending on employment land losses in each year. Data collected above also includes data used in the previous Employment Land Assessment, with figures going back to 2010/11, giving a larger picture of the situation.

3.34 As well as making an allowance for unexpected losses of employment land, allowance is made for the fact that locational and premises needs of businesses change over time. This requires businesses to move. In other instances an existing business might cease its operations and a new business take over a site for redevelopment. For this to happen smoothly there is a need for certain level of available vacant land. This type of demand has been called 'churn' demand or 'frictional vacancy'.

3.35 An allowance for 'churn' is calculated from the average annual construction rate of space within the area as recorded within the Annual Monitoring Report, as noted above this includes data for years where there has been a net increase in floorspace. The net annual 'gain' is shown below.

Table 19 – Allowance for Market Churn

	Office (B1a)	Other Business Space (B1b/c, B2)	Warehouse (B8)
2010/11	0	0	0
2011/12	8,525	10,907	7,482
2012/13	0	0	0
2013/14	46,639	33,243	35,021
2014/15	0	724	819
2015/16	26,617	2,035	13,194
2016/17	34,284	2,453	20,781
2017/18	41,259	3,722	10,338
Average Annual Churn	**19,666**	**6,636**	**10,954**

Source: Avison Young

3.36 It typically takes two years to achieve a planning consent, site preparation and construction after a site has changed hands. For these reasons the annual net take-up of employment floorspace is multiplied by two to estimate the churn demand. This is, in effect, an allowance for the necessary frictional vacancy to allow the market and relocation chains to operate.

3.37 This allowance for churn, allows the commercial property market realities to be added to the baseline economic forecast.

3.38 Including the allowance for Windfall and Churn, the land requirement for the period 2020-2038 is 74.3 ha, most of which is required for B8 use (warehousing).

Table 20 – Baseline Forecast, Including Windfall and Churn, Greater Norwich, change 2020-2038

	Employment (FTEs)	Floorspace (sqm)	Land Requirement (ha)
Office (B1a)	3,842	154,498	15.4
Other Business Space (B1b/c, B2)	1,560	69,435	17.4
Warehouse (B8)	1,869	165,793	41.4
TOTAL B-CLASS	**7,271**	**389,727**	**74.3**

Source: Avison Young

3.39 It should be noted that, whilst over the remaining of the Plan period, the forecast have identified a need for an additional 15.4 ha of office land, 17.4 ha of industrial land and ha of employment land and 41.4 ha of warehousing land, this requirement could be slightly higher during the plan period for industrial space, with a maximum need for 23.8 ha for B1b/c, B2 space (by 2023), which will remain above 21 ha until 2033 before rapidly decreasing over the last 5 years of the Plan. Overall however, the total employment land requirement will not exceed 74.3 ha. This should be considered in relation with release of employment land.

4. Alternative Growth Scenario

4.1 This Study undertakes detailed economic forecasting for each of the three Greater Norwich local authorities, Broadland, Norwich and South Norfolk, in order to understand future employment growth in Greater Norwich. The approach used identified a base economic forecast (set out above) to understand 'business as usual' however given the nature of the Greater Norwich economy it is unlikely 'business as usual' will be a true reflection of the future economy – as such an alternative growth scenario is required.

4.2 The alternative growth scenario developed builds upon our understanding of past economic performance, the strengths and weaknesses of the local economies, factors expected to influence future growth, and the wider macro-economic context for key economic sectors. Its production provides a conjoined growth position that is linked to the economic 'strategy' that is emerging for Greater Norwich in terms of the mix and focus of sector activity. As such, alongside wider economic development initiatives, it supports any future planning policy decisions taken to align with the wider economic growth agenda.

4.3 To understand the range and portfolio of future employment land and floorspace need, it is important to understand the potential nature of employment growth within Greater Norwich, and specifically within each of the three local authority areas, to ensure sufficient provision is made and protected through existing and potential employment sites across Greater Norwich.

4.4 Based on the socio-economic analysis undertaken at the Greater Norwich wide and local authority, which forms the baseline understanding for this Study, a number of key economic strengths have been identified. These strengths underpin future opportunities, suggesting that the following sector-specific employment activity could drive future economic growth across the Greater Norwich sub-region, and within some or all of the three authority areas.

4.5 Greater Norwich has an internationally recognised cluster of ***knowledge-based activities***, anchored by the UEA and its linked research facilities, major international businesses (such as Lotus) and its connectivity via the Airport. These provide a platform for growth which may different from business as usual.

4.6 Norwich Research Park is home for a number of world class researches, educational and training institutions including the John Innes Centre, Quadram Institute (at the forefront of research into food and health), The Earlham Institute, the University of East Anglia, and Norfolk and Norwich University Hospital with their associated infrastructure and specialist facilities.

4.7 Research, education and training activities on the Norwich Research Park are currently complemented by business support functions within the individual institutions and the facilities and services at the Norwich Innovation Centre and Norwich Bio-Incubator as well as a New Enterprise Centre. The Research Park also hosts award winning buildings like the Centrum, which provides office and research spaces for growing companies with flexible lease terms and range of space offers.

4.8 Three of the Biotechnology and Biological Science Research Council's eight strategic research institutes are located on the Norwich Research Park.

4.9 In addition, Greater Norwich shows specific specialism in ***agri-biotech***, ***food and health***, ***genomics***, ***medical-tech*** and ***industrial bio-tech***. Some of the businesses in the area cover a diverse range of specialisms including:

- ***food processing technology***
- ***chemicals***

4.10 Greater Norwich is host to the Food Enterprise Park, a 100 acre development site within the Greater Norwich Food Enterprise Zone. About half of the site benefits from Local Development Order status to encourage and support food production, processing and agriculture through the co-location of commercial enterprises. Major investments are expected to be drawn to the area, with a £200m of improvements to the A47 agreed by Central Government, which will create a direct access to the site with a new roundabout by 2023, reducing significantly travel time to and from the site. The Food Enterprise Park is located 6 miles away from the Norwich Research Park, facilitating collaboration with world class food and bioscience R&D institutions such as the John Innes Centre or the Quadram Institute. Whilst in early phases of development, the site has already had some take-up and has ambition to expand.

4.11 The ***manufacturing and engineering sector*** also have a strong presence across Greater Norwich. Whilst the large scale, traditional manufacturing and production activity once synonymous with Greater Norwich has declined a number of key technology based engineering and manufacturing businesses remain in or have been attracted to the area.

4.12 Some traditional engineering activities can still be found within parts of Greater Norwich, but these have been joined by a range of ***advanced manufacturing and high technology product/systems*** development businesses with a strong association with the application of ***digital and computing technology***.

4.13 ***Digital*** tech businesses are at the heart of the UK economy and are playing an important role in driving growth. Whilst remaining small in size, the digital sector has been growing and is now established with Norwich being named as a top tech city in the Tech Nation report and described as becoming a thriving digital tech hub[2]. The Quadram Institute, within the Norwich Research Park, contributes to this recognition together with the University of East Anglia, Norwich University of the Arts, the Ideas Factory or the Whitespace.

4.14 The Cambridge-Norwich Technology Corridor which stretches between Norwich and Cambridge is expected to become the UK's newest hotspot for economic growth. It is expected to provide a link between the ambitious partners of the Greater Norwich City Deal- to enable advanced manufacturing, engineering and knowledge based industries to grow and develop to facilitate the continued growth of the Cambridge Phenomenon. The project aims to create 10,000 new jobs, attract £905m of private investment and see up to 20,000 homes built between Norwich and Newmarket by focussing on 11 key areas along the route by 2031.

4.15 Norwich is also home to ***cultural and creative*** organisations of national importance including the Sainsbury Centre for Visual Arts at the University of East Anglia. The Writers' Centre in Norwich has an established national reputation and its work has resulted in the City being named as England's first UNESCO City of Literature. The Theatre Royal in Norwich, home to a range of drama, dance, operatic and musical productions. Norwich University of the Arts has a strong tradition of vocational education in the creative industries with specialities in graphic design and digital content creation.

4.16 The Norfolk and Norwich Festival is the fourth largest city festival in the UK Festival. Graphic design and communications agencies are growing in importance in Norwich. The links between digital creative industries and the ICT sector are equally strong and the opportunity to build upon existing clusters of activity in Greater Norwich.

4.17 The composition of the ***Creative Industries*** sector has evolved with an increased emphasis on ***digital*** and computer based industries such as ***ICT and Digital Creative.***

4.18 Norwich is acknowledged as a leading centre in the UK ***finance*** and ***insurance*** services market. Norwich is home to several large companies including Aviva, Marsh, Virgin Money, Royal Bank of Scotland, Central Trust Capital or Swiss Re.

4.19 Earlier baseline research shows that the Greater Norwich has an industrial concentration of finance, insurance and ***businesses services***. Traditional locations such as the Norwich City Centre and those

[2] https://technation.techcityuk.com/cluster/norwich/

that continue to provide development opportunities, such as the Broadland Business Park which boasts Aviva as one of its largest occupiers, illustrate this strength.

4.20 Assets such as the financial skills academy and the University of East Anglia ensure that a pool of young and appropriately qualified workers are located in Norwich who provide a robust base for major companies offering high value jobs.

Alternative Demand Forecast

4.21 Taking the above analysis into account and having reviewed the policy, market and strategy base for Greater Norwich alongside analysis of the existing employment floorspace and business stock it is clear that the baseline forecast may not truly reflect the economic potential of Greater Norwich in terms of the sectoral composition of growth.

4.22 Whilst the base forecast indicates that there are positive growth prospects across the B class uses, with all expected to see some level of employment land requirement over the plan period it is clear that is potentially underplays the area's strength and potential in key sectors, particularly those within the knowledge intensive industries.

4.23 As such it is critical that a forecast reflects the potential of these sectors so policy decisions can be made. However it is equally important that it is founded on a clear set of assumptions and evidence that provide confidence in the future.

4.24 Therefore to understand the impacts of realising this potential we have developed alternate scenarios that consider different forms and scales of growth in range of knowledge economy related activities. These look at additional growth potential over and above that within the base forecast. The sectors and their growth potential that the alternate scenario involves are:

- Life science (R&D, biotechnology)
- Professional, Business, Finance and Insurance Services
- Advanced Manufacturing and Engineering
- Creative and Technology Industries

4.25 Based on our research and understanding of the institutional and location drivers presented in this section, we believe that these sectors provide a suitable range of alternative growth patterns in order to shape the future employment growth and the consequent employment floorspace and land requirements that stem from it. The following section presents the scope and prospects of growth of these sectors in Greater Norwich.

Forecasting Approach

4.26 The institutional and locational drivers in Greater Norwich provide the basis for future growth over and above the 'long term' trend for the area. To understand the potential scale of the opportunity and its implications on land needs we have looked into the national prospects for sector growth.

4.27 **Life Sciences**: To understand the impact of growth in life sciences related employment we have looked into recent research published online.

4.28 According to the IQVIA (formerly IMS) Market Prognosis[3], a leading market forecasting publication that provides insights into the economic and political issues affecting the local pharmaceutical and healthcare industries, the annual average growth rate assumed for Life Sciences is expected to be 3% per annum between 2019 to 2023.

4.29 Similar publication from Deloitte[4] estimated an annual growth of 2.9% per annum between 2017 and 2022.

4.30 Finally, the UK Life Science Industrial Strategy[5] estimates that the life sciences sector could growth by as much as 3.3% annually over the next 50 years.

4.31 For incorporating this growth within the base forecasts we have considered the Research and experimental development on biotechnology and the Other research and experimental development on natural sciences and engineering in the 5-digit SIC codes and have applied 3.3% annual growth (or the Experian forecast growth, whichever is the greatest) over the remaining of the Plan period.

4.32 Table 21 shows the impact of this adjustment on employment levels, floorspace and land requirement over the remaining of the Plan period. It shows a slight increase of employment compared to the baseline scenario in B1b/c, B2 use class employment (+99 jobs), translating into a requirement for an additional 3,568 sqm of B1b/c, B2 floorspace and 0.9 ha of land.

[3] https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/the-global-use-of-medicine-in-2019-and-outlook-to-2023.pdf?_=1605263904829

[4] https://www2.deloitte.com/uk/en/pages/life-sciences-and-healthcare/articles/global-life-sciences-sector-outlook.html

[5] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/650447/LifeSciencesIndustrialStrategy_acc2.pdf

Table 21 – Life Sciences Scenario, Greater Norwich, change 2020-2038

Employment (FTEs)	Base Scenario	Life Sciences
Office (B1a)	3,842	3,842
Other Business Space (B1b/c, B2)	1,560	1,659
Warehouse (B8)	1,869	1,869
TOTAL B-CLASS	**7,271**	**7,370**
Floorspace (sqm)	Base Scenario	Life Sciences
Office (B1a)	154,498	154,498
Other Business Space (B1b/c, B2)	69,435	73,003
Warehouse (B8)	165,793	165,793
TOTAL B-CLASS	**389,727**	**393,294**
Land Requirement (Ha)	Base Scenario	Life Sciences
Office (B1a)	15.4	15.4
Other Business Space (B1b/c, B2)	17.4	18.3
Warehouse (B8)	41.4	41.4
TOTAL B-CLASS	**74.3**	**75.1**

Source: Avison Young

4.33 **Advanced Manufacturing**: As explained in the previous section, the Greater Norwich economy has a particular strength in advanced manufacturing and engineering activities, which is likely to provide a strong economic driver for future growth over and above the baseline trend in the area. To understand the potential scale of the opportunity and its implications on land needs we have looked into the national prospects for sector growth.

4.34 Research produced by RBS defines a broad range of activities that are captured within the "Advanced Manufacturing" sector including pharmaceuticals, metal products, rubber and plastics (including composites) and machinery and equipment, alongside automotive and ICT activities.

4.35 RBS recognised the strength of the UK sector, being the ninth largest manufacturing nation (by output) in the world and predicted that the sector will be at the forefront of economic growth. They forecast growth rates of between 1% and 3% per annum.

4.36 Clearly not all of these sectors are relevant to the Greater Norwich economy, however key components of the RBS definition relate to the existing and future make up of areas manufacturing sector. Within the Experian forecast these sectors are "Computer & Electronic Products (manufacture of)"; "Food, Drink & Tobacco (manufacture of)"; "Machinery & Equipment (manufacture of)" and "Transport Equipment (manufacture of)"

4.37 To test the implications of realising this potential we have applied an average growth multiplier of 2% per annum within the identified sectors for the period up to 2038 (or the Experian growth rate, whichever is the greater).

4.38 Table 22 shows the impact of this adjustment on employment levels, floorspace and land requirement over the remaining of the Plan period. It shows a slight increase of employment compared to the baseline scenario in B1b/c, B2 use class employment (+65 jobs), translating into a requirement for an additional 2,342 sqm of B1b/c, B2 floorspace and 0.6 ha of land.

Table 22 – Advanced Manufacturing Scenario, Greater Norwich, change 2020-2038

Employment (FTEs)	Base Scenario	Advanced Manufacturing
Office (B1a)	3,842	3,842
Other Business Space (B1b/c, B2)	1,560	1,625
Warehouse (B8)	1,869	1,869
TOTAL B-CLASS	**7,271**	**7,336**
Floorspace (sqm)	Base Scenario	Advanced Manufacturing
Office (B1a)	154,498	154,498
Other Business Space (B1b/c, B2)	69,435	71,777
Warehouse (B8)	165,793	165,793
TOTAL B-CLASS	**389,727**	**392,069**
Land Requirement (Ha)	Base Scenario	Advanced Manufacturing
Office (B1a)	15.4	15.4
Other Business Space (B1b/c, B2)	17.4	17.9
Warehouse (B8)	41.4	41.4
TOTAL B-CLASS	**74.3**	**74.8**

Source: Avison Young

4.39 **Professional and Business Services**: according to the industrial strategy report the sector is forecasted to grow at a much stronger pace of 4% per annum[6]. A subsequent report from the Government forecasted the growth in the sector at 17% over a 10-year period (from 2014)[7], which is similar to an annual growth of circa 1.58% per annum.

4.40 We have applied the lower rate of 1.58% to the following Experian sectors: Finance; Insurance & Pensions; Professional Services (or the Experience growth rate, whichever is the greatest).

4.41 Table 23 shows the impact of this adjustment on employment levels, floorspace and land requirement over the remaining of the Plan period. It shows an increase of employment in B1a jobs (+257) compared to the baseline scenario and a slight increase in B1b/c, B2 use class employment

[6] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/211843/professional-and-business-services-indsutrial-strategy-infographics.pdf

[7] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/211842/bis-13-922-growth-is-our-business-professional-and-business-services-strategy.pdf

(+32 jobs), translating into a requirement for an additional 3,081 sqm of B1a floorspace, 1,163 sqm of B1b/c, B2 floorspace and 0.3 ha of land of both types (0.6 ha in total).

Table 23 – Professional and Business Services, Greater Norwich, change 2020-2038

Employment (FTEs)	Base Scenario	Professional and Business Services
Office (B1a)	3,842	4,099
Other Business Space (B1b/c, B2)	1,560	1,592
Warehouse (B8)	1,869	1,869
TOTAL B-CLASS	**7,271**	**7,560**
Floorspace (sqm)	Base Scenario	Professional and Business Services
Office (B1a)	154,498	157,580
Other Business Space (B1b/c, B2)	69,435	70,598
Warehouse (B8)	165,793	165,793
TOTAL B-CLASS	**389,727**	**393,971**
Land Requirement (Ha)	Base Scenario	Professional and Business Services
Office (B1a)	15.4	15.8
Other Business Space (B1b/c, B2)	17.4	17.6
Warehouse (B8)	41.4	41.4
TOTAL B-CLASS	**74.3**	**74.9**

Source: Avison Young

4.42 **Creative & Tech**: Both Creative and tech industries have been identified as one of the fastest growing sectors in the UK and a great driver for East Anglia's economy. As a proxy to this sector we have used the following Experian sectors: Media Activities; Recreation.

4.43 A recent study from PwC forecasted the growth of the creative and tech sector to 2.8% over the period 2020-2024[8]. We have applied this rate (or the Experian growth rate, whichever is the greatest) to the above sectors.

4.44 Table 24 shows the impact of this adjustment on employment levels, floorspace and land requirement over the remaining of the Plan period. It shows an increase of employment in B1a jobs (+41) compared to the baseline scenario and a slight increase in B1b/c, B2 use class employment (+6 jobs), translating into a requirement for an additional 496 sqm of B1a floorspace, 227 sqm of B1b/c, B2 floorspace and 0.1 ha of land (allocated roughly equally between each use class).

[8] https://www.pwc.co.uk/industries/entertainment-media/insights/entertainment-media-outlook.html

Table 24 – Digital & Creative Scenario, Greater Norwich, change 2020-2038

Employment (FTEs)	Base Scenario	Creative & Tech
Office (B1a)	3,842	3,883
Other Business Space (B1b/c, B2)	1,560	1,566
Warehouse (B8)	1,869	1,869
TOTAL B-CLASS	**7,271**	**7,318**
Floorspace (sqm)	Base Scenario	Creative & Tech
Office (B1a)	154,498	154,994
Other Business Space (B1b/c, B2)	69,435	69,662
Warehouse (B8)	165,793	165,793
TOTAL B-CLASS	**389,727**	**390,449**
Land Requirement (Ha)	Base Scenario	Creative & Tech
Office (B1a)	15.4	15.5
Other Business Space (B1b/c, B2)	17.4	17.4
Warehouse (B8)	41.4	41.4
TOTAL B-CLASS	**74.3**	**74.4**

Source: Avison Young

The Impact of Covid-19

4.45 Almost overnight the COVID-19 pandemic has fundamentally changed the way that the UK population and economy operates. Whilst it has not necessarily created new dynamics in sectors it has rapidly accelerated trends that have been slowly shifting business and consumer behaviour over the last few years.

4.46 Unsurprisingly this has created significant uncertainty in the economy, both in terms of its immediate performance and also the long term implications for maintaining and growing activity across a whole range of sectors. Whilst it is clearly too early to understand the full impacts of the current crisis on the economy as a whole, and any particular sub-sectors within it, sufficient time has passed and data now available to begin to understand both the scale of short term impacts and the potential longer term implications there may be for the economy.

4.47 As the UK entered lockdown in March the economy was broadly split into two categories – those activities deemed 'essential' and 'safe' to continue to operate, and those that weren't and as such were forced to close.

4.48 Figure 43 shows the impact of Covid-19 on several indicators tracked as part of the Avison Young's Cities Recovery Index. A Cities Recovery Index was established by Avison Young's Research team for the purpose of this report specifically and is not publicly available online.

4.49 The figures shows that several domains have been affected more than other, with for example a sharp drop in Hotel and Leisure activities in March 2020, during the first national lockdown, as well as in mobility, residential activities (new builds) or return to the office (office occupancy), whilst some other indicators have seen a better resilience despite an important drop such as retail activities (mainly supported by essential shopping and an important rise in e-commerce) or commercial activities (mainly supported by a sharp growth of the logistics sector for instance in response to the rise in e-commerce).

4.50 This figures also shows that whilst we can observe a second drop of most of the indicators during the second national lockdown, this drop remains more limited that the one observed in March.

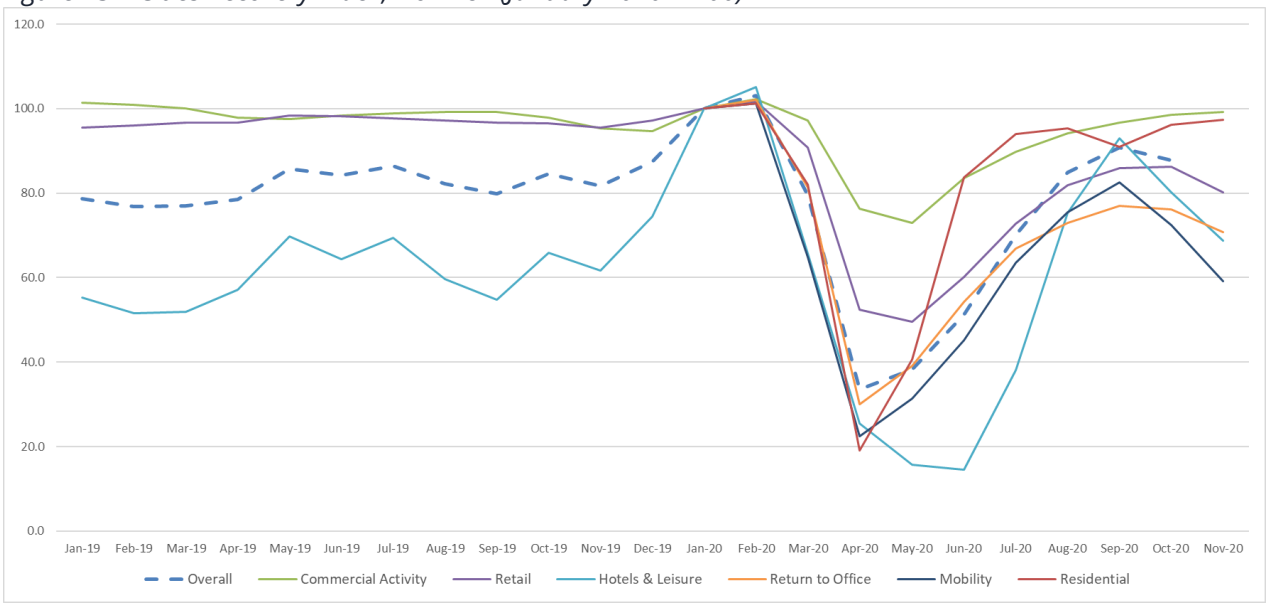
4.51 It can be noted that at the time of publication of this Recovery Index (Mid-November 2020), some indicators have almost regain their January 2020 and show signs of further recovery and growth despite the nation being in the middle of the second lockdown as the economy is adapting the situation.

4.52 On the other hand, other indicators indicates a re-fall such as mobility, hotel and leisure, retail and return to the office, as some business have been forced to shut down and people have been asked to minimise their displacements (work from home if possible, no social gathering with people outside your household, international travel is only permitted for business purposes, etc.).

4.53 Based on the Cities Recovery Index, we can assume that the economy of Norwich has been more volatile than the national average, with an overall score of 30 in April at its lowest point (similar to the London score) against a score of 37 at the national level. However, Norwich has proven to be relatively resilient (in comparison to other major cities in the UK of the national average). By the 31st October 2020 (and before the second national lockdown), the Norwich overall score was circa 90 (compared to a 1st February 2020 score of 100), well above the national score of circa 70. This is to be threated carefully as the index at the national level isn't strictly similar to the one developed and adapted for Norwich.

4.54 We have not modified the forecast to include the impact of Covid-19 as this is already covered in the September 2020 Experian forecast used for this study. However, it would be recommended to follow closely the evolution of the local economy has several phenomenon could have a material impact over the level of employment land requirement in the future. These phenomenon include the rise of the e-commerce (and therefore an increased demand for warehousing and logistics space) or the "deglobalisation" and the repatriation of the supply chain in order to reduce the risk linked to international trade (and therefore an increased demand for industrial space).

Figure 43 – Cities Recovery Index, Norwich (January 2020 = 100)[9]



Source: Avison Young

An Enhanced Forecast for Greater Norwich

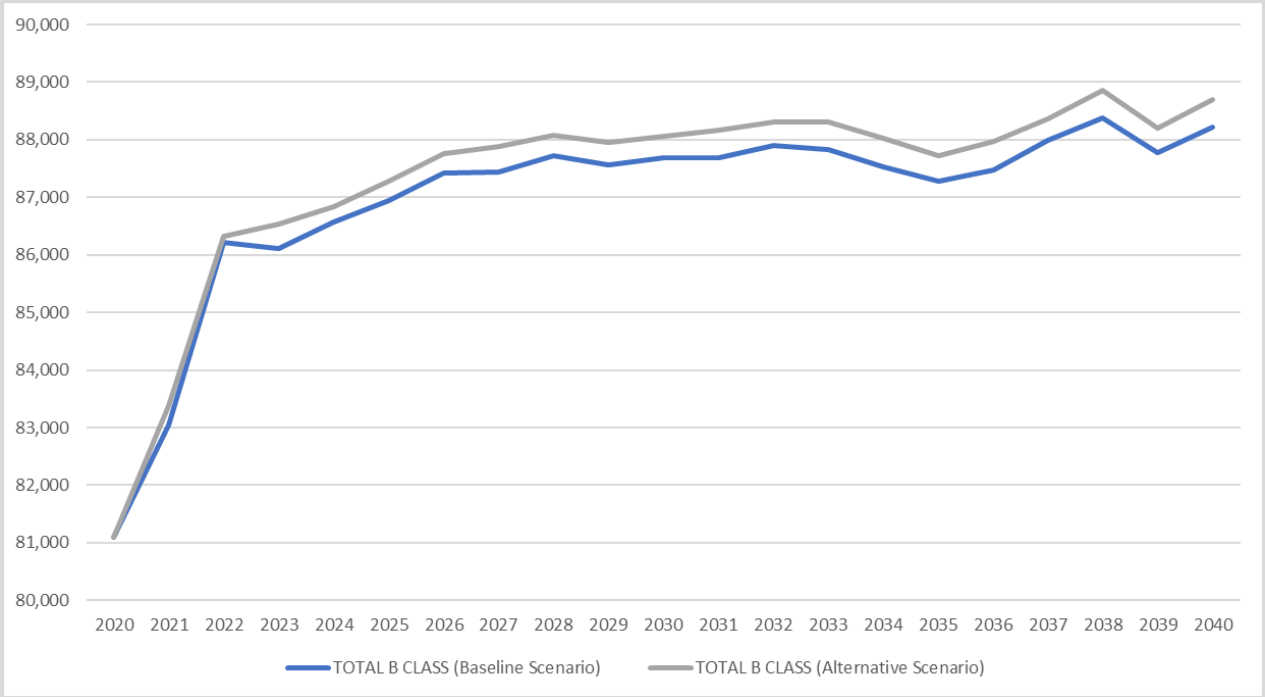
4.55 To provide an understanding of the scale of growth achievable within Greater Norwich based on our assessment of economic potential we have brought each of the sector specific adjustments together into a single 'enhanced' employment forecast for the area.

4.56 This is presented in Figure 44.

4.57 The figure shows the increase in employment forecasted in the Alternative Scenario against the Baseline Scenario (Experian Forecast, re-based to BRES 2019 employment baseline position). The Alternative scenario forecast a further 483 jobs by 2038 more than the Baseline Scenario, with 285 jobs in B1a space and 198 in B1b/c, B2 space.

[9] *Mobility: Norwich isn't provided as a location, and there aren't any nearby cities to be used as a proxy. As such, the figure for England has been used instead.*
Retail: getting weekly city-specific footfall data would incur additional costs to be collected. East of England monthly data has been used instead.
Residential: Zoopla data for Norwich would incur additional costs to be collected, no available substitutions were available and therefore this data is excluded. Residential sector index therefore only consists of regional weekly EPC registrations.
Hotel & Leisure: accessing weekly data would incur costs. Monthly data collected by Avison Young's Hotel team has been used instead.
Commercial Activity: Port activity data has been excluded from this indicator as no nearby ports.
Commercial Activity: HGV & Car Counts data collected at 4 sites on the A47 south and north of Norwich.

Figure 44 – Forecasts for Jobs Growth in Greater Norwich, Baseline vs Alternative Scenarios



Source: Avison Young

4.58 Table 25 shows the change in employment between 2020 and 2038 and the floorspace and land requirement associated with this change for both the Baseline Scenario and the Alternative Scenario.

4.59 Under the Alternative Scenario, it is estimated the Greater Norwich will be required to deliver c.400,300 sqm of employment space, of which 39.5% would be for B1a space, 19.1% for B1b/c, B2 space and the remaining 41.4% for B8 space. This translates into a requirement for 76.4 ha of employment land, of which 20.7% would be for B1a space, 25.1% for B1b/c, B2 space and the remaining 54.3% for B8 space.

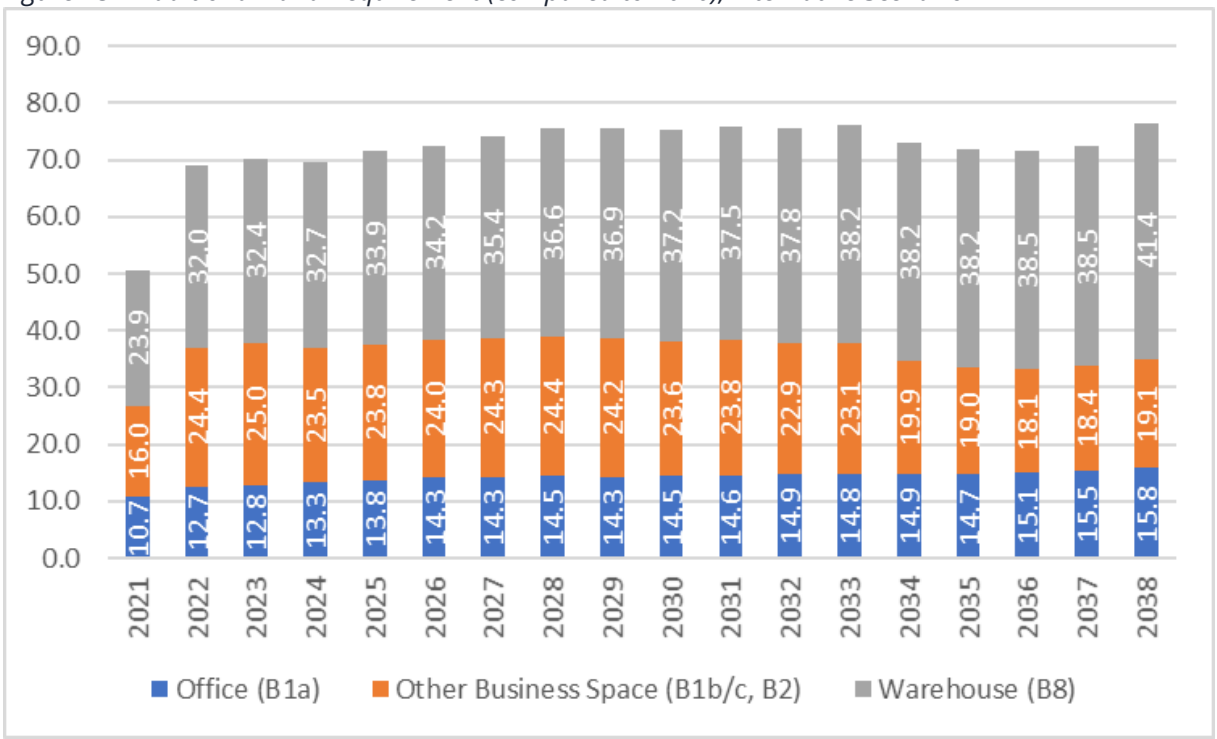
Table 25 – Alternative Scenario, Greater Norwich, change 2020-2038

Employment (FTEs)	Base Scenario	Alternative Scenario
Office (B1a)	3,842	4,127
Other Business Space (B1b/c, B2)	1,560	1,758
Warehouse (B8)	1,869	1,869
TOTAL B-CLASS	**7,271**	**7,754**
Floorspace (sqm)	Base Scenario	Alternative Scenario
Office (B1a)	154,498	157,919
Other Business Space (B1b/c, B2)	69,435	76,570
Warehouse (B8)	165,793	165,793
TOTAL B-CLASS	**389,727**	**400,282**
Land Requirement (Ha)	Base Scenario	Alternative Scenario
Office (B1a)	15.4	15.8
Other Business Space (B1b/c, B2)	17.4	19.1
Warehouse (B8)	41.4	41.4
TOTAL B-CLASS	**74.3**	**76.4**

Source: Avison Young

4.60 Figure 45 shows the land requirement from 2021 to 2038 that will be needed to support the forecasted employment growth in Greater Norwich, including allowance for windfall loss and market churn.

Figure 45 – Additional Land Requirement (compared to 2020), Alternative Scenario



Source: Avison Young

5. Conclusion and Recommendations

5.1 Under this section, we draw together a quantitative and qualitative assessment of employment land supply (as assessed in the 2017 Employment Land Assessment) and forecast employment demand (to 2038) to establish the balance between these two factors, and the ability for the existing employment land supply to meet demand in terms of the quantum of land available. This is considered in relation to the total land supply in the three local authorities combined.

5.2 The qualitative elements of balancing employment land demand and supply goes beyond the quantum to understand whether the right type of employment land is being provided in the right locations, to meet the land requirements of different types of sector specific employment activity.

5.3 For all the key strategic knowledge economy sectors identified for Greater Norwich, the requirement for its locations are detailed, which supports the identification of the site clusters which supports the growth of this sector in Greater Norwich economy. Further requirements which provide secondary support for the growth of sector specific activity are also identified.

Available Floorspace and Land

5.4 The 2017 Employment Land Assessment identified a total available supply of 363 ha (including vacancy on existing sites and vacancy on allocated sites) to accommodate future growth. This is well in excess of the requirement established in the report (Table 25, 76.4 ha).

5.5 Whilst we have not reviewed the land supply since the 2017 Employment Land Assessment, data published in the Annual Monitoring Reports shows limited activity (windfall and churn) in Greater Norwich between 2017 and 2020. Using this data, we can assume that less than 20 ha of employment land has been either developed for employment or lost to alternative use.

Balancing Demand and Supply

5.6 Bringing both the requirement and supply figures together it is clear that there is significant capacity within Greater Norwich to accommodate future growth, with nearly 4.5 times the amount of land required. However, considering the description of sites (as assessed in the 2017 Employment Land Assessment), it is evident that some are likely to be more suitable for specific types of future employment activity than others. For example:

- Certain potential sites are large scale brownfield sites which would require significant site clearance and remediation in order to prepare the site for new employment development, which could affect the viability of delivering any form of employment activity on site.
- Some brownfield sites accommodate existing power and utilities infrastructure, or infrastructure and built development supporting the functionality of neighbouring sites or may be required to accommodate these types of provision in the future, which could constrain the employment development potential on these sites.
- A number of potential sites provide large scale opportunities or fall within rural locations which, given the lack of a local concentration of industries that require large floorplates such as storage and distribution (B8) activities, will require an element of strategic direction rather than dependence on market-led development.

5.7 This emphasises the importance of understanding the balance of land required to accommodate future employment growth on both a quantitative and qualitative basis, in order to ensure the right type of employment location can be provided for the range of potential employment activity in Greater Norwich over a medium and longer term outlook, considering the shifts in economic context, operational characteristics of local businesses and associated workspace requirements.

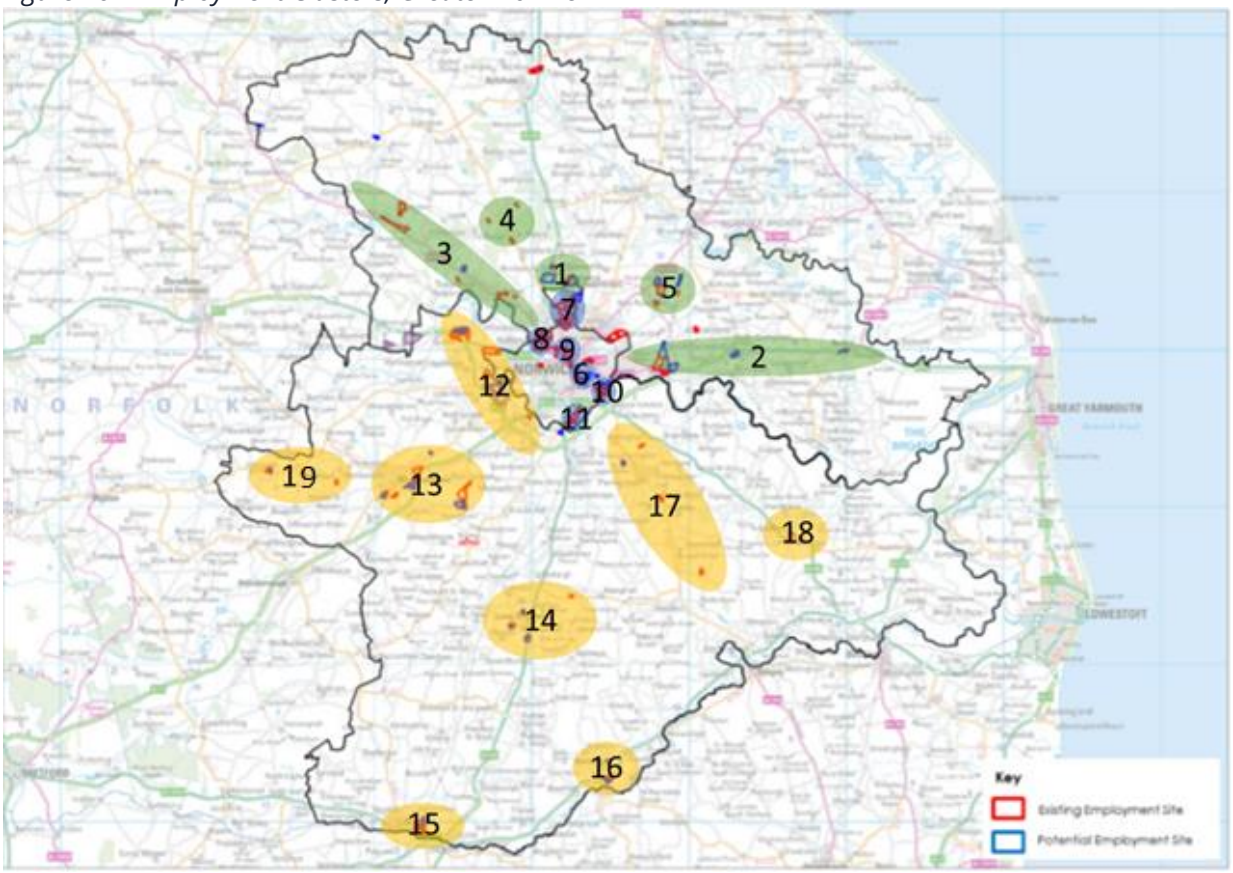
Alignment of Site Characteristics with Sector Requirements

5.8 The challenge for supporting the economic growth of Greater Norwich is clearly not related to the quantum of employment land available across the sub-region, but rather reflects the suitability of this land in meeting the demand from the different growth sectors and employment activities. This suitability is dependent on a set of key characteristics relating to identified employment activity clusters (existing and potential employment sites) and how this meets the requirements for Greater Norwich's key sector specific growth requirements.

5.9 Using a qualitative understanding of the balance between employment land demand and supply, a portfolio of sites / site clusters is identified which maximise land use assets and infrastructure connectivity, and meet with the occupier demands and requirements to support growth in the key growth sectors identified for the Greater Norwich sub-region.

5.10 This draws on the conclusions made about the sites in each Greater Norwich authority in the 2017 Employment Land Assessment (Supply Assessment).

Figure 46 – Employment Clusters, Greater Norwich



Source: Avison Young

5.11 Numbered shadings indicate the site clusters in Greater Norwich (Broadland in green; Norwich in blue and South Norfolk in yellow), which will accommodate additional space to cater for economic growth and could also contribute to sector specific economic growth opportunities. The following clusters are identified, and labelled in Figure 46:

1. Norwich Airport
2. A47 Corridor (Broadland)
3. A1067 Corridor
4. B1149 Corridor
5. Rackheath
6. Norwich City Centre
7. Vulcan Road
8. Sweet Briar Road

9. Heigham
10. Martneau Lane Area
11. Hall Road
12. A47 Corridor
13. Wymondham
14. Long Stratton
15. Diss
16. Harleston
17. B1332 Corridor
18. Loddon
19. Hingham

5.12 This strategic portfolio of site clusters underpins a strategy to co-ordinate and focus future site delivery and investment to ensure the area acts like a functional economic hub, rather than a group of local authority areas with competing or conflicting propositions.

5.13 The economic sector analysis informing the initial phases of this Study, and further consideration of sector performance and how this can be translated into future economic growth projections, informs the identification of a set of key location requirements for each type of sector specific activity relevant to the Greater Norwich area.

5.14 Table 26 combines these location requirements with the strategic employment clusters identified in Greater Norwich to identify the clusters that can meet these requirements. This is not an exhaustive list, but identifies the key locations where activity already exists and can be supported and increased, or where there is a good opportunity to support new activity. This takes into consideration market presence, the capacity to accommodate a significant scale of activity, the presence of key occupiers related to the identified economic growth sectors, and links with supply chains and the ability to draw skills to the area.

Table 26 – Alignment of Site Clusters with Sector Specific Activity and its Location Requirements

Sector	Requirements	Locational Characteristics	Typologies	Target Clusters
Life Sciences, Health and Food tech R&D	- Existence in a cluster underpinned by anchor tenants and institutions- ecosystem of education, large corporate and SME occupiers - Access to local skilled workforce - Proximity to Advanced Manufacturing activity clusters - Accessibility and connectivity- local, regional and international - Safety and privacy requirements - Good Broadband and Digital Infrastructure	- Urban clustering with education and large corporate occupiers institutions - Urban edges and peripheral locations - Research Park	- Out of science/ business park - Small to medium floorplate - Single to mixed occupiers - Flexible coworking office spaces - Co-working lab spaces	- A47 Corridor (South Norfolk) / Norwich Research Park - Food Enterprise Park
Professional, Business and Finance Services	- Existence in a cluster through anchor tenants and institutions - Good public transport connectivity for employees - Integration with complementary retail and leisure - Good Broadband and Digital Infrastructure - Interface between large and SME businesses	- Existing urban centres - Urban edges and peripheral locations – Business Park	- Small to medium sized floorplates; flexible - Co-working and small office footprint - business parks with small to medium size floorplates - Home working	- Norwich City Centre - A47 (Broadland) / Broadland Business Park - Town Centres
Advanced Manufacturing & Engineering	- Good connectivity to the strategic road network - Availability of large scale sites in non-residential areas - Access to local skilled workforce - Accessibility and connectivity- local, regional and international - Proximity and accessibility to London and South East markets and supply chains - Link with supply chains such as ports and airports - Increasing requirement for access to more local supply chain - Clustering with existing manufacturing activity and similar types of business activity	- Urban peripheral and edges; Out of town - industrial estate - Suburban - Rural	- Small, medium and large floorplate - tech and industrial parks	- Norwich Airport - Diss - Wymondham / Hethel - Sweet Briar Road - A47 Corridor (South Norfolk) / Bowthorpe Employment Area
Digital / Tech Industries	- Mixed use environments - Proximity to anchor tenants and institutions (supporting clustering of activity) - Access to local skilled workforce - Integration with the existing urban fabric - Proximity to local services and amenities (i.e. high streets and town centres) - Proximity to Cultural / Creative clusters - Good public transport connectivity for employees - Good broadband and digital infrastructure - Ecosystem of both large/ institutional and SME spaces.	- Urban mixed-use environments - city and town centres - Integration with education institutions	- Office / bench spaces - Small to medium floorplate - Co-working - Potential for larger floorspaces out of town linked to other industries (Fintech for example)	- Norwich City Centre - A47 (Broadland) / Broadland Business Park - Town Centres
Cultural / Creative Industries	- Good connectivity to the strategic road network and public transport - Integration with complementary retail and leisure for wider offer - Good broadband and digital infrastructure - An active creative class supported by cultural and education institutions	- Existing urban centres - Urban edges and peripheral locations (principally for supply chain)	- Mix office, studio and light industrial - Small, medium and large floorplates	- Norwich City Centre - Town centres - Urban fringes
Logistics	- Excellent connectivity to the strategic road network - Accessibility and connectivity- local, regional and international - Traditionally focussed on availability of large scale sites in non-residential areas, increasingly turning towards smaller scale sites in residential areas (last mile fulfilment, micro-fulfilment centres) - Good Broadband and Digital Infrastructure particularly for smaller sites in residential areas (same day delivery, automation, robot delivery)	- Urban edges and peripheral locations – Business Park and Industrial Estates - Increasing presence in urban centres (micro-fulfilment centres)	- Medium to large warehousing space out of urban areas; high floor to ceiling space - Small urban units (vacant retail, basement, under-used car park)	- Norwich Airport - Vulcan Road (wholesale) - Wymondham - Norwich City Centre (micro-fulfilment) - Hall Road - Sweet Briar Road

Source: Avison Young

5.15 Some of the requirements, locational characteristics and typology requirements mentioned in Table 26 have appeared or have been amplified as a result of the Covid-19 pandemic (and to a lesser extend the preparation to Brexit).

5.16 Two main characteristics are to be highlighted: the impact on the demand for office space and the requirements of the logistics/distribution industry.

5.17 Covid-19 has demonstrated the need for more flexible office space. There is not currently any indication that working from home will reduce the demand for office space. Although fewer people are expecting to be working in the office at one time, even in the longer term, with a fair share of people working from home one or two days a week, the Covid-19 has highlighted the importance of collaboration and well-being of employees. In response, office occupiers are increasingly seeking to reconfigure their space to provide an increased share of breaking area, meeting room, individual booth (to accommodate online meetings) and wellness and social areas (lounge, etc.). Overall, whilst the number of employees present in the office at any time is expected to dramatically decrease, the likely increase in employment density could counter the impact of working from home in terms of floorspace demand.

5.18 Whilst there is no meaningful data currently available, the most recent data (i.e. YouGov survey[10]) suggest that an additional 5% of the workforce (who did not previously) would want to work from home full-time after Covid-19 and an additional 20% would want to work from home part-time. Assuming that part-time is 2.5 days a week, we could therefore assume that there will only be 15% less employees working from their workplace (assuming that they technically can work from home and that their employer agrees to it). Applied to office employment only, as a sensitivity test, this would have a minor impact on land requirement over the Plan Period (from 15.8 ha down to 15.0 ha for office employment land). This is however excluding the potential impact on office configuration, with some businesses putting the importance of collaboration and wellbeing at the forefront of their agenda and creating more space for their employees to interact, socialise and relax.

5.19 Logistics space has been characterised by a greater importance of last-mile delivery, this trend has been particularly intensified by the Covid-19 crisis and the sharp rise of e-commerce and the shift of local businesses, retailers and restaurants towards the online marketplace, associated with fast home deliveries. This has led to a large increase in demand for warehousing of all sizes, including the emergence of micro-fulfilment centres (small, usually under-used space such as basement, in urban areas).

[10] https://yougov.co.uk/topics/economy/articles-reports/2020/09/22/most-workers-want-work-home-after-covid-19

5.20 The growth of micro-fulfilment centres in urban areas is likely to increase over years due to the long lasting impact of Covid-19 on consumers' behaviours, the increase of e-commerce as a share of total retail revenue, the new role of the gig economy in home deliveries (with companies such as Deliveroo, for instance, now offering grocery deliveries), and new technologies (such as robot delivery, drones, etc.).

Appendix I

LQ Employment Broadland 2018

Broadland Vs.	Greater Norwich	Norfolk	East of England	England
01: Crop and animal production, hunting and related service activities	1.50	0.81	1.89	2.35
02: Forestry and logging	-	-	-	-
03: Fishing and aquaculture	-	-	-	-
05: Mining of coal and lignite	-	-	-	-
06: Extraction of crude petroleum and natural gas	4.00	6.50	48.54	90.42
07: Mining of metal ores	-	-	-	-
08: Other mining and quarrying	-	-	-	-
09: Mining support service activities	-	-	-	-
10: Manufacture of food products	1.82	0.84	1.77	1.71
11: Manufacture of beverages	1.74	2.37	3.54	4.40
12: Manufacture of tobacco products	-	-	-	-
13: Manufacture of textiles	-	-	-	-
14: Manufacture of wearing apparel	-	-	-	-
15: Manufacture of leather and related products	-	-	-	-
16: Manufacture of wood and of products of wood and cork	1.68	1.52	2.27	2.03
17: Manufacture of paper and paper products	0.57	0.54	0.47	0.54
18: Printing and reproduction of recorded media	1.33	1.52	1.42	1.96
19: Manufacture of coke and refined petroleum products	-	-	-	-
20: Manufacture of chemicals and chemical products	-	-	-	-
21: Manufacture of basic pharmaceutical products and pharmaceutical preparations	-	-	-	-
22: Manufacture of rubber and plastic products	2.46	1.82	2.43	2.29
23: Manufacture of other non-metallic mineral products	1.27	1.33	0.99	1.21
24: Manufacture of basic metals	-	-	-	-
25: Manufacture of fabricated metal products, except machinery and equipment	1.67	1.71	1.76	1.63
26: Manufacture of computer, electronic and optical products	0.57	0.30	0.19	0.27
27: Manufacture of electrical equipment	-	-	-	-
28: Manufacture of machinery and equipment n.e.c.	1.92	0.76	0.85	1.08
29: Manufacture of motor vehicles, trailers and semi-trailers	-	-	-	-
30: Manufacture of other transport equipment	1.88	1.14	0.61	0.36
31: Manufacture of furniture	1.85	0.95	1.01	0.81
32: Other manufacturing	0.89	0.84	0.71	0.79
33: Repair and installation of machinery and equipment	0.65	0.57	0.71	0.78
35: Electricity, gas, steam and air conditioning supply	-	-	-	-

Broadland Vs.	Greater Norwich	Norfolk	East of England	England
36: Water collection, treatment and supply	-	-	-	-
37: Sewerage	-	-	-	-
38: Waste collection, treatment and disposal activities; materials recovery	1.08	0.76	1.04	1.50
39: Remediation activities and other waste management services	-	-	-	-
41: Construction of buildings	1.89	1.58	1.36	1.62
42: Civil engineering	0.80	0.76	0.62	0.73
43: Specialised construction activities	1.44	1.42	1.42	1.71
45: Wholesale and retail trade and repair of motor vehicles and motorcycles	0.91	0.95	0.98	1.31
46: Wholesale trade, except of motor vehicles and motorcycles	1.16	1.22	1.00	1.07
47: Retail trade, except of motor vehicles and motorcycles	0.90	0.81	0.92	0.95
49: Land transport and transport via pipelines	0.50	0.43	0.41	0.42
50: Water transport	-	-	-	-
51: Air transport	-	-	-	-
52: Warehousing and support activities for transportation	0.50	0.59	0.28	0.37
53: Postal and courier activities	1.33	1.30	1.31	1.47
55: Accommodation	1.52	0.67	1.26	1.09
56: Food and beverage service activities	0.87	0.82	0.91	0.81
58: Publishing activities	0.32	0.45	0.39	0.35
59: Motion picture, video and television programme production, sound recording and music publishing activities	-	-	-	-
60: Programming and broadcasting activities	-	-	-	-
61: Telecommunications	1.66	2.27	1.06	0.93
62: Computer programming, consultancy and related activities	0.85	1.08	0.47	0.40
63: Information service activities	-	-	-	-
64: Financial service activities, except insurance and pension funding	0.56	0.76	0.75	0.27
65: Insurance, reinsurance and pension funding, except compulsory social security	3.99	7.58	24.27	35.16
66: Activities auxiliary to financial services and insurance activities	0.63	0.76	0.79	0.68
68: Real estate activities	0.95	1.14	1.02	0.92
69: Legal and accounting activities	0.80	1.01	0.70	0.63
70: Activities of head offices; management consultancy activities	1.06	1.33	0.51	0.49
71: Architectural and engineering activities; technical testing and analysis	0.91	0.76	0.61	0.68
72: Scientific research and development	-	-	-	-
73: Advertising and market research	0.71	1.18	0.71	0.42
74: Other professional, scientific and technical activities	0.97	0.97	0.77	1.17
75: Veterinary activities	1.74	1.26	1.57	2.35
77: Rental and leasing activities	1.23	0.61	0.63	0.71
78: Employment activities	0.68	0.87	0.67	0.87
79: Travel agency, tour operator and other reservation service and related activities	0.44	0.54	0.40	0.33
80: Security and investigation activities	-	-	-	-
81: Services to buildings and landscape activities	0.62	0.76	0.45	0.57

Broadland Vs.	Greater Norwich	Norfolk	East of England	England
82: Office administrative, office support and other business support activities	0.89	1.14	1.03	0.71
84: Public administration and defence; compulsory social security	0.61	0.68	0.84	0.64
85: Education	0.76	0.80	0.77	0.80
86: Human health activities	0.63	0.71	0.92	0.81
87: Residential care activities	1.64	1.31	1.85	1.87
88: Social work activities without accommodation	0.96	1.03	1.08	1.05
90: Creative, arts and entertainment activities	0.32	0.38	0.31	0.28
91: Libraries, archives, museums and other cultural activities	0.52	0.51	0.71	0.64
92: Gambling and betting activities	-	-	-	-
93: Sports activities and amusement and recreation activities	0.80	0.88	0.90	0.91
94: Activities of membership organisations	0.37	0.61	0.67	0.45
95: Repair of computers and personal and household goods	0.43	0.76	0.57	0.53
96: Other personal service activities	0.71	0.65	0.57	0.58
97: Activities of households as employers of domestic personnel	-	-	-	-
98: Undifferentiated goods- and services-producing activities of private households for own use	-	-	-	-
99: Activities of extraterritorial organisations and bodies	-	-	-	-

Appendix II
LQ Employment Norwich 2018

Norwich Vs.	Greater Norwich	Norfolk	East of England	England
01: Crop and animal production, hunting and related service activities	-	-	-	-
02: Forestry and logging	-	-	-	-
03: Fishing and aquaculture	-	-	-	-
05: Mining of coal and lignite	-	-	-	-
06: Extraction of crude petroleum and natural gas	-	-	-	-
07: Mining of metal ores	-	-	-	-
08: Other mining and quarrying	-	-	-	-
09: Mining support service activities	-	-	-	-
10: Manufacture of food products	0.68	0.32	0.66	0.64
11: Manufacture of beverages	0.93	1.27	1.89	2.35
12: Manufacture of tobacco products	-	-	-	-
13: Manufacture of textiles	-	-	-	-
14: Manufacture of wearing apparel	-	-	-	-
15: Manufacture of leather and related products	-	-	-	-
16: Manufacture of wood and of products of wood and cork	0.34	0.30	0.45	0.41
17: Manufacture of paper and paper products	0.92	0.87	0.76	0.86
18: Printing and reproduction of recorded media	1.22	1.39	1.30	1.80
19: Manufacture of coke and refined petroleum products	-	-	-	-
20: Manufacture of chemicals and chemical products	2.14	1.13	0.95	0.78
21: Manufacture of basic pharmaceutical products and pharmaceutical preparations	2.14	0.68	0.76	1.05
22: Manufacture of rubber and plastic products	0.55	0.41	0.54	0.51
23: Manufacture of other non-metallic mineral products	0.88	0.91	0.68	0.84
24: Manufacture of basic metals	-	-	-	-
25: Manufacture of fabricated metal products, except machinery and equipment	0.45	0.46	0.47	0.44
26: Manufacture of computer, electronic and optical products	0.92	0.49	0.30	0.44
27: Manufacture of electrical equipment	1.84	2.03	2.02	1.76
28: Manufacture of machinery and equipment n.e.c.	0.77	0.30	0.34	0.43
29: Manufacture of motor vehicles, trailers and semi-trailers	-	-	-	-
30: Manufacture of other transport equipment	-	-	-	-
31: Manufacture of furniture	-	-	-	-
32: Other manufacturing	0.59	0.56	0.47	0.53
33: Repair and installation of machinery and equipment	1.62	1.42	1.77	1.94
35: Electricity, gas, steam and air conditioning supply	0.91	0.68	0.43	0.24
36: Water collection, treatment and supply	1.07	1.35	0.51	0.88

Norwich Vs.	Greater Norwich	Norfolk	East of England	England
37: Sewerage	-	-	-	-
38: Waste collection, treatment and disposal activities; materials recovery	0.25	0.17	0.24	0.34
39: Remediation activities and other waste management services	-	-	-	-
41: Construction of buildings	0.48	0.41	0.35	0.42
42: Civil engineering	0.51	0.49	0.40	0.47
43: Specialised construction activities	0.77	0.76	0.76	0.92
45: Wholesale and retail trade and repair of motor vehicles and motorcycles	1.17	1.22	1.26	1.68
46: Wholesale trade, except of motor vehicles and motorcycles	0.97	1.01	0.84	0.89
47: Retail trade, except of motor vehicles and motorcycles	1.18	1.06	1.20	1.24
49: Land transport and transport via pipelines	1.34	1.16	1.10	1.12
50: Water transport	-	-	-	-
51: Air transport	2.14	4.06	1.01	0.76
52: Warehousing and support activities for transportation	1.74	2.03	0.96	1.28
53: Postal and courier activities	0.83	0.81	0.82	0.91
55: Accommodation	0.61	0.27	0.51	0.44
56: Food and beverage service activities	1.12	1.06	1.17	1.05
58: Publishing activities	1.80	2.60	2.20	1.98
59: Motion picture, video and television programme production, sound recording and music publishing activities	1.84	2.71	2.02	1.08
60: Programming and broadcasting activities	1.53	2.32	2.02	0.78
61: Telecommunications	1.03	1.42	0.66	0.58
62: Computer programming, consultancy and related activities	1.14	1.45	0.63	0.53
63: Information service activities	0.93	1.35	0.34	0.19
64: Financial service activities, except insurance and pension funding	1.67	2.25	2.23	0.82
65: Insurance, reinsurance and pension funding, except compulsory social security	-	-	-	-
66: Activities auxiliary to financial services and insurance activities	1.51	1.83	1.89	1.63
68: Real estate activities	1.13	1.35	1.21	1.09
69: Legal and accounting activities	1.34	1.69	1.17	1.06
70: Activities of head offices; management consultancy activities	1.01	1.27	0.49	0.47
71: Architectural and engineering activities; technical testing and analysis	1.01	0.85	0.68	0.75
72: Scientific research and development	-	-	-	-
73: Advertising and market research	1.38	2.28	1.36	0.81
74: Other professional, scientific and technical activities	1.04	1.04	0.83	1.26
75: Veterinary activities	0.28	0.20	0.25	0.38
77: Rental and leasing activities	1.15	0.57	0.59	0.66
78: Employment activities	1.69	2.18	1.67	2.18
79: Travel agency, tour operator and other reservation service and related activities	1.43	1.74	1.30	1.06
80: Security and investigation activities	1.39	1.46	1.14	1.30
81: Services to buildings and landscape activities	1.43	1.74	1.03	1.31
82: Office administrative, office support and other business support activities	0.48	0.61	0.55	0.38

Norwich Vs.	Greater Norwich	Norfolk	East of England	England
84: Public administration and defence; compulsory social security	1.30	1.45	1.80	1.37
85: Education	1.27	1.35	1.30	1.34
86: Human health activities	0.45	0.51	0.66	0.58
87: Residential care activities	0.58	0.47	0.66	0.67
88: Social work activities without accommodation	1.03	1.11	1.15	1.12
90: Creative, arts and entertainment activities	1.54	1.83	1.52	1.37
91: Libraries, archives, museums and other cultural activities	1.66	1.62	2.27	2.04
92: Gambling and betting activities	1.53	0.71	0.76	0.63
93: Sports activities and amusement and recreation activities	1.22	1.35	1.38	1.39
94: Activities of membership organisations	1.49	2.43	2.67	1.83
95: Repair of computers and personal and household goods	1.84	3.25	2.42	2.26
96: Other personal service activities	1.01	0.93	0.81	0.82
97: Activities of households as employers of domestic personnel	-	-	-	-
98: Undifferentiated goods- and services-producing activities of private households for own use	-	-	-	-
99: Activities of extraterritorial organisations and bodies	-	-	-	-

Appendix III

LQ Employment South Norfolk 2018

South Norfolk Vs.	Greater Norwich	Norfolk	East of England	England
01: Crop and animal production, hunting and related service activities	2.20	1.20	2.78	3.46
02: Forestry and logging	-	-	-	-
03: Fishing and aquaculture	-	-	-	-
05: Mining of coal and lignite	-	-	-	-
06: Extraction of crude petroleum and natural gas	-	-	-	-
07: Mining of metal ores	-	-	-	-
08: Other mining and quarrying	-	-	-	-
09: Mining support service activities	-	-	-	-
10: Manufacture of food products	0.80	0.37	0.78	0.75
11: Manufacture of beverages	0.46	0.63	0.94	1.16
12: Manufacture of tobacco products	-	-	-	-
13: Manufacture of textiles	2.52	1.67	2.00	1.06
14: Manufacture of wearing apparel	-	-	-	-
15: Manufacture of leather and related products	-	-	-	-
16: Manufacture of wood and of products of wood and cork	1.49	1.34	2.00	1.79
17: Manufacture of paper and paper products	1.51	1.44	1.25	1.43
18: Printing and reproduction of recorded media	0.34	0.38	0.36	0.50
19: Manufacture of coke and refined petroleum products	-	-	-	-
20: Manufacture of chemicals and chemical products	-	-	-	-
21: Manufacture of basic pharmaceutical products and pharmaceutical preparations	-	-	-	-
22: Manufacture of rubber and plastic products	0.45	0.33	0.45	0.42
23: Manufacture of other non-metallic mineral products	0.96	1.00	0.75	0.92
24: Manufacture of basic metals	1.61	1.12	0.83	0.43
25: Manufacture of fabricated metal products, except machinery and equipment	1.32	1.34	1.38	1.28
26: Manufacture of computer, electronic and optical products	1.51	0.80	0.50	0.72
27: Manufacture of electrical equipment	-	-	-	-
28: Manufacture of machinery and equipment n.e.c.	0.57	0.22	0.25	0.32
29: Manufacture of motor vehicles, trailers and semi-trailers	3.44	5.58	8.93	3.81
30: Manufacture of other transport equipment	1.66	1.00	0.54	0.32
31: Manufacture of furniture	1.31	0.67	0.71	0.58
32: Other manufacturing	1.77	1.67	1.41	1.56
33: Repair and installation of machinery and equipment	0.29	0.25	0.31	0.34
35: Electricity, gas, steam and air conditioning supply	1.88	1.40	0.89	0.50
36: Water collection, treatment and supply	1.77	2.23	0.83	1.46

South Norfolk Vs.	Greater Norwich	Norfolk	East of England	England
37: Sewerage	2.76	2.39	3.13	2.77
38: Waste collection, treatment and disposal activities; materials recovery	2.17	1.53	2.11	3.03
39: Remediation activities and other waste management services	-	-	-	-
41: Construction of buildings	1.07	0.89	0.77	0.92
42: Civil engineering	1.98	1.88	1.52	1.81
43: Specialised construction activities	0.99	0.98	0.97	1.18
45: Wholesale and retail trade and repair of motor vehicles and motorcycles	0.80	0.84	0.87	1.16
46: Wholesale trade, except of motor vehicles and motorcycles	0.91	0.96	0.79	0.84
47: Retail trade, except of motor vehicles and motorcycles	0.80	0.72	0.81	0.84
49: Land transport and transport via pipelines	0.88	0.77	0.73	0.74
50: Water transport	3.53	1.91	2.50	2.12
51: Air transport	-	-	-	-
52: Warehousing and support activities for transportation	0.22	0.26	0.12	0.16
53: Postal and courier activities	0.98	0.96	0.96	1.08
55: Accommodation	1.18	0.52	0.97	0.85
56: Food and beverage service activities	0.92	0.87	0.97	0.86
58: Publishing activities	0.28	0.40	0.34	0.31
59: Motion picture, video and television programme production, sound recording and music publishing activities	-	-	-	-
60: Programming and broadcasting activities	-	-	-	-
61: Telecommunications	0.37	0.50	0.23	0.21
62: Computer programming, consultancy and related activities	0.90	1.15	0.50	0.42
63: Information service activities	1.54	2.23	0.56	0.31
64: Financial service activities, except insurance and pension funding	0.28	0.37	0.37	0.13
65: Insurance, reinsurance and pension funding, except compulsory social security	-	-	-	-
66: Activities auxiliary to financial services and insurance activities	0.50	0.60	0.63	0.54
68: Real estate activities	0.84	1.00	0.90	0.81
69: Legal and accounting activities	0.62	0.78	0.54	0.49
70: Activities of head offices; management consultancy activities	0.93	1.17	0.45	0.43
71: Architectural and engineering activities; technical testing and analysis	1.07	0.89	0.71	0.80
72: Scientific research and development	3.33	5.36	1.47	3.76
73: Advertising and market research	0.63	1.05	0.63	0.37
74: Other professional, scientific and technical activities	0.96	0.96	0.76	1.15
75: Veterinary activities	1.54	1.12	1.39	2.08
77: Rental and leasing activities	0.54	0.27	0.28	0.31
78: Employment activities	0.14	0.18	0.14	0.18
79: Travel agency, tour operator and other reservation service and related activities	0.79	0.96	0.71	0.58
80: Security and investigation activities	1.14	1.21	0.94	1.07
81: Services to buildings and landscape activities	0.63	0.77	0.45	0.58
82: Office administrative, office support and other business support activities	1.96	2.51	2.27	1.56

South Norfolk Vs.	Greater Norwich	Norfolk	East of England	England
84: Public administration and defence; compulsory social security	0.86	0.96	1.19	0.90
85: Education	0.76	0.81	0.78	0.80
86: Human health activities	2.23	2.51	3.25	2.85
87: Residential care activities	1.12	0.90	1.27	1.29
88: Social work activities without accommodation	0.99	1.07	1.11	1.08
90: Creative, arts and entertainment activities	0.71	0.84	0.69	0.63
91: Libraries, archives, museums and other cultural activities	0.34	0.33	0.47	0.42
92: Gambling and betting activities	0.72	0.33	0.36	0.29
93: Sports activities and amusement and recreation activities	0.81	0.89	0.91	0.92
94: Activities of membership organisations	0.74	1.21	1.32	0.90
95: Repair of computers and personal and household goods	-	-	-	-
96: Other personal service activities	1.25	1.15	1.00	1.02
97: Activities of households as employers of domestic personnel	-	-	-	-
98: Undifferentiated goods- and services-producing activities of private households for own use	-	-	-	-
99: Activities of extraterritorial organisations and bodies	-	-	-	-

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