Hertsmere Economic Study 2026

Hertsmere Borough Council

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Quality information

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1.1 Introduction

1.1.1 The Hertsmere Economic Study has been commissioned by Hertsmere Borough Council (HBC) to provide an updated, robust evidence base for the emerging Local Plan. This study builds upon previous economic assessments, integrating the latest data, policy guidance, and market intelligence to ensure that the Council's employment land and economic development strategies remain fit for purpose through to 2041.

1.1.2 The scope of the study includes employment land defined as office and industrial land and businesses, falling under the following use classes:

Offices:

- E(g)(i) Offices; and
- E(g)(ii) Research and Development.

Industrial:

- E(g)(iii) Light industrial;
- B2 General industrial; and
- B8 Storage or distribution

1.1.3 The area of assessment is the whole of HBC. In total, 13 designated Employment Areas and Employment Sites were assessed in detail, as well as two Safeguarded Sites and five other sites currently not designated for employment use. Where sites do not meet the size-orientated criteria for assessment as set out by the PPG, the stock represented by these is still captured in the study within the total floorspace calculations, and property market analysis.

1.2 Policy Context

1.2.1 Hertsmere's employment land strategy is shaped by a robust framework of national, regional, and local policies. These are aimed at supporting sustainable economic growth and effective employment land planning.

1.2.2 At the national level, the National Planning Policy Framework (NPPF, 2025) establishes a presumption in favour of sustainable development, requiring local plans to create the conditions for business investment, expansion, and adaptation. The NPPF mandates that planning policies set out a clear economic vision, identify strategic sites for investment, and facilitate modern economic needs, including laboratories, data centres, and digital infrastructure. Complementing this, the Planning Practice Guidance (PPG) directs authorities to base employment land assessments on local market conditions, cross-boundary cooperation, and a robust evidence base reflecting business needs and market signals.

1.2.3 Locally, the Hertfordshire Skills and Employment Strategy and the Hertfordshire Enterprise and Innovation Strategy emphasize skills development, support for growth sectors, and leveraging Hertsmere's creative industries cluster. The study also references the Local Plan and "key employment sites", ensuring that local policy aligns with national objectives, supports sectoral strengths, and responds flexibly to evolving economic circumstances and infrastructure needs.

1.3 Functional Economic Market Area

1.3.1 Hertsmere's Functional Economic Market Area (FEMA) is defined through a multi-criteria approach, in line with Planning Practice Guidance, considering commuting patterns, administrative boundaries, housing and commercial property markets, and transport connectivity.

1.3.2 The study finds Hertsmere to be relatively self-contained, but with strong economic and labour market interconnections to five neighbouring local authorities: St Albans, Watford, Welwyn Hatfield, Three Rivers, and Dacorum. These connections are driven by shared travel-to-work flows, overlapping housing and commercial property markets, and integrated transport infrastructure, particularly the road and rail networks. The FEMA's definition is further supported by commercial property market analysis, which positions Hertsmere as its own sub-market within the wider Hertfordshire market, and by recent changes in economic governance following the transition of the Local Enterprise Partnership (LEP) functions to Hertfordshire County Council and Hertsmere Futures. Overall, the FEMA reflects Hertsmere's strong local identity while recognising significant cross-boundary economic dynamics, ensuring that employment land and economic needs assessments are robustly aligned with real-world patterns of business activity and workforce movement.

1.4 Socio-Economic Baseline

1.4.1 Hertsmere's population grew by 7.8% between 2011 and 2021, reaching 107,827 residents. This growth matched the FEMA (Functional Economic Market Area) but was slightly below the East of England (8.3%) and above England (6.6%). Notably, the working-age population (16–64) increased by 5.6%, outpacing all comparator geographies. However, projections to 2041 suggest a mere 0.5% overall population increase, with a striking 41.4% rise in the 65+ cohort and an 8.6% decline in the working-age group. This demographic shift signals a future challenge: an ageing population and a shrinking labour pool, which could constrain economic growth and reduce the borough's attractiveness for investment and innovation.

1.4.2 In 2021, Hertsmere's economic activity rate was 62.6%, slightly below the FEMA (63.0%) but above the East of England (59.8%) and England (58.6%). The unemployment rate stood at 2.8%, higher than the FEMA (2.6%) and regional average (2.5%), but just below the national average (2.9%). Job density was robust at 1.10 – higher than all comparators – indicating a healthy local job market with more jobs than working-age residents. This suggests Hertsmere offers ample employment opportunities, though the declining working-age population could challenge this dynamic in the future.

1.4.3 Hertsmere's employment landscape is both diverse and specialised. The largest sector is professional, scientific, and technical activities (over 15% of jobs), reflecting a strong knowledge-based economy. Construction (nearly 12%) and wholesale/retail (over 13%) are also significant. Location quotient analysis highlights specialisation in construction, financial and insurance activities, real estate, and arts/entertainment. Over the past decade, real estate and professional services have seen the strongest growth, while wholesale/retail and administrative/support services have declined. The borough is under-represented in manufacturing, business administration, and retail compared to regional and national averages, but excels in creative and digital industries, notably film and TV production anchored by Elstree and Sky Studios.

1.4.4 Hertsmere is home to 7,660 enterprises (2024), with micro-businesses (0–9 employees) comprising 91.4%. Business growth since 2019 (3.4%) exceeded that of the FEMA, region, and nation. Business density is high (695 per 10,000 population), and the borough has a slightly higher proportion of high-turnover businesses (>£1 million) than regional and national averages. The one-year business survival rate (93.6%) is also favourable, indicating a supportive environment for entrepreneurship and investment.

1.4.5 In 2021, 39.6% of Hertsmere's residents aged 16+ held NVQ4+ qualifications, above regional and national averages but below the FEMA. The proportion with no qualifications (16%) is lower than regional and national figures, suggesting a relatively skilled workforce. Over the past decade, there has been a marked increase in higher-level qualifications and a decline in those with no qualifications. Investment in the skills pipeline is evident, with over £17 million channelled into local education and training initiatives, including green construction bootcamps and film industry apprenticeships.

1.4.6 Median annual gross pay for full-time residents was £42,168 in 2024, higher than regional and national averages but below the FEMA. Workplace-based earnings (£44,347) outpace all comparators, suggesting that jobs within the borough are relatively well paid. Productivity, as measured by GVA per head (£46,819 in 2022), is significantly above FEMA, regional, and national averages, underscoring Hertsmere's status as a high-value economic hub.

1.4.7 Homeworking surged post-pandemic, with 17.2% of the workforce days predicted to be practicing flexible working in 2023–2030[1]. This varies by sector and will influence future employment land requirements, particularly for office and digital sectors.

1.4.8 The creative sector, especially film and TV, is a key strength, with employment shares far above regional and national averages. The sector's true impact is likely under-represented in official data. The borough is also poised for growth in data centres, with the DC01UK facility and further potential for tech-media synergy.

1.5 Property Market Review

Office Market (E(g)(i) uses)

1.5.1 The office market in Hertsmere comprises 222 properties, providing 256,799 sqm of floorspace, which is 10.1% of the FEMA's (Functional Economic Market Area) total office floorspace. The average building size in Hertsmere is 1,157 sqm, with a notable concentration of larger premises – 27% of office stock exceeds 1,000 sqm, higher than regional and national averages. Borehamwood, Elstree Way and Centennial Business Park, are the main office hubs.

1.5.2 Growth in office floorspace has been minimal – just 0.3% between 2016 and 2025, much lower than the FEMA (8.8%), East of England (7.4%), and England (7.7%). This limited expansion reflects both subdued demand and land supply constraints. Vacancy rates have risen from 4.7% in 2016 to 8.8% in 2025, now exceeding the optimal frictional rate of 8% and indicating a slight oversupply or market imbalance. Larger offices (>1,000 sqm) continue to experience the highest vacancy, but mid-sized properties (250–500 sqm) have also seen increased vacancies, suggesting a broad softening of demand post-pandemic.

1.5.3 Net absorption of office space has generally been negative in recent years, reflecting the impact of hybrid working and reduced occupier demand. Despite this, average office rents have increased to £321 per sqm in 2025 – 7.1% above the FEMA average, though below the East of England. Larger offices command a premium, with rents for units over 10,000 sqm reaching £350 per sqm. This divergence underscores a growing preference for high-quality, larger spaces, while smaller units have seen more volatile and limited rental growth.

1.5.4 Overall, the office market is characterised by stable but subdued demand, rising vacancy, and a premium for larger, modern premises. The market is adapting to structural changes in working patterns, with future growth likely to depend on the borough's ability to attract high-value, office-based sectors such as creative, tech, and professional services, particularly in well-connected, amenity-rich locations

Industrial Market (E(g)(iii), B2, B8 uses)

1.5.5 Hertsmere's industrial property market is substantial, with 160 properties providing 333,221 sqm of floorspace – 12% of the FEMA's total. The largest share is in storage and distribution (B8), accounting for 68.4% of floorspace, followed by general industrial (B2, 22.2%) and light industrial (E(g)(iii), 9.3%). Industrial activity is concentrated around Elstree Way (Borehamwood) and Cranbourne Industrial Estate (Potters Bar).

[1] This percentage of working days worked from home is a predicted figure, calculated by AECOM, based on 38-42% of the workforce working an average of 2.56 days per week from home.

1.5.6 Light industrial and general industrial floorspace have remained static over the past decade, while storage and distribution has grown by 15%. Most light and general industrial units are small (<500 sqm), while storage/distribution units are typically larger (1,000–9,999 sqm). Vacancy rates are notably high: light industrial at 6.1%, general industrial at 11.7%, and storage/distribution at 15.2%. These rates are well above FEMA, regional, and national averages, indicating spare capacity and ongoing challenges in matching supply to current demand.

1.5.7 Net absorption for all industrial types has fluctuated, with recent years showing negative or volatile trends – suggesting mixed and shifting demand, possibly due to structural changes in the local economy and competition from larger industrial hubs nearby. Despite high vacancy, rental values are robust: light industrial rents average £157 per sqm, general industrial £186 per sqm, and storage/distribution £197 per sqm, all above regional and national benchmarks. This price premium reflects Hertsmere’s strategic location and strong transport connectivity, but also signals that more affordable space is available elsewhere in the region.

1.5.8 The industrial market’s future will hinge on the borough’s ability to modernise older stock, intensify existing sites, and accommodate growth sectors such as logistics, advanced manufacturing, and film/media supply chain. High vacancy rates suggest opportunities for redevelopment and intensification, but also highlight the need for careful alignment of new supply with evolving occupier requirements.

1.6 Employment Land Supply

1.6.1 This section’s purpose is to evaluate the suitability, quality, and performance of designated Employment Areas, Safeguarded Sites, and Local Significant Employment Sites. The section also considers the suitability for employment use of other sites, not currently designated, which were identified in the SW Herts Economic Study 2024.

1.6.2 In total, 13 designated Employment Areas and Employment Sites were assessed in detail, as well as two Safeguarded Sites and five other sites currently not designated for employment use.

1.6.3 Hertsmere contains 5 Employment Areas and one Key Employment Site:

- Centennial Park is identified as Hertsmere’s flagship employment site. It is a modern, high-quality business park that attracts national and international occupiers, including technology, creative, and professional services firms. The site offers contemporary office and R&D space, excellent accessibility, and a strong business environment. Market demand remains robust, and the site is largely built out, with only limited vacant land available for further development. Centennial Park’s performance is exemplary, making it the borough’s most successful employment location.
- Elstree Way is a large, mixed-use Employment Area accommodating a range of businesses, from creative industries to light industrial and office uses. The site’s scale and diversity allow for flexibility and redevelopment, particularly for sectors such as film and television. While some premises are older, there are opportunities for regeneration and intensification. Elstree Way performs well, especially for creative and media-related activities, and is considered a strategic asset for Hertsmere’s economy.
- Stirling Way is an established industrial and warehouse area. The site benefits from relatively modern units and good accessibility, making it attractive for logistics and light manufacturing. Although the area is largely occupied, there is some potential for redevelopment and intensification. Stirling Way is assessed as performing strongly, supporting a broad range of employment activities.
- Cranborne Road is a mixed industrial and commercial area, but its stock is generally older and less suited to modern business requirements. The site faces viability challenges, with limited opportunities for regeneration or affordable workspace. Its attractiveness to contemporary occupiers is diminished, and it is less competitive compared to Centennial Park or Elstree Way. Cranborne Road’s performance is moderate to weak, with constraints on its ability to support future employment growth.

- Station Close is a small Employment Area characterized by service-oriented, light industrial, and office uses. Its location is accessible, but the site is constrained by surrounding residential and commercial uses, offering little scope for significant new development. The limited size and lack of expansion potential mean Station Close does not perform as well as larger, more flexible sites.
- Otterspool Way is dominated by car dealerships, trade counters, and some light industrial and storage/distribution uses. The site suffers from limited public transport accessibility and lacks amenities, making it less attractive for a wider range of employment uses. Its performance is considered weak, particularly for businesses seeking modern facilities or strong connectivity.

1.6.4 Hertsmere also contains several smaller, Local Significant Employment Sites, such as Wrotham Business Park, Borehamwood Enterprise Centre, Theobald Court, Lismirrane Industrial Park, Hollies Way Business Park, Beaumont Gate (Radlett), and Farm Close (Shenley). These sites vary in quality and age. Many are constrained by limited vacant land, proximity to residential uses, and the need for modernization. While they provide valuable space for small and medium-sized enterprises, their overall performance is mixed, with some sites struggling to adapt to changing business needs.

1.6.5 Two Safeguarded Sites – land adjacent to Cranborne Road Employment Area and land on Rowley Lane – offer potential for extension of existing Employment Areas. These sites are partially vacant and could support growth in creative, tech, and digital sectors.

1.6.6 Additional sites identified through local plan consultation include land south of Aldenham Reservoir (Centennial Park extension), land adjacent to Lismirrane Industrial Estate, Caspian and Tasman House, Mercure Hotel (Tyler Way), and land off Stephenson Way. These sites vary in their planning status and development potential, but collectively offer flexibility for future employment growth, especially for logistics, advanced manufacturing, and creative industries. Current planning approvals have been identified as part of the planning pipeline of future employment space on some of these sites.

1.6.7 Overall, Hertsmere's employment land supply is characterised by a small number of high-performing, modern sites (notably Centennial Park, Elstree Way, and Stirling Way), alongside a range of older, less competitive locations. The borough faces challenges from limited vacant land, Green Belt constraints, and the need to modernise older premises. Strategic planning and targeted interventions will be essential to maintain Hertsmere's economic competitiveness and support future employment growth.

1.7 Employment Land Needs

1.7.1 This section presents a robust, evidence-led assessment of Hertsmere's future employment land needs to 2041. The analysis follows Planning Practice Guidance and aligns with the South West Hertfordshire Economic Study, but is updated with the latest local data and tailored to Hertsmere's unique economic context. The section considers a range of scenarios to account for uncertainty in economic forecasting, including:

- Labour demand (driven by Cambridge Econometrics' forecast employment change)
- Labour supply (based on population and housing growth)
- Past take-up rates (historical trends)

1.7.2 Sector-specific adjustments (notably for film and data centres) are also considered separately, to ensure that future demand has been fully captured.

1.7.3 The approach maps employment sectors to current use classes (E(g)(i), E(g)(ii), E(g)(iii), B2, B8), rebases employment forecasts to official ONS data, and applies up-to-date assumptions on employment densities, plot ratios, and home working practices. This ensures a realistic translation of job growth into floorspace and land requirements. The key assumptions made include:

- Employment Densities & Plot Ratios: Drawn from the HCA Employment Densities Guide (2015) and adjusted for local context. For example, office uses assume 11 sqm per FTE job at 100% plot ratio, while storage/distribution uses assume 70 sqm per FTE at 45% plot ratio.

- Home Working: Adjusted to reflect post-pandemic trends, with an average of 18% home working across sectors (lower than previous studies, reflecting a partial return to office).
- Rebasing & FTE Conversion: Employment forecasts are rebased to 2024 BRES data and converted to full-time equivalents using local ratios, ensuring alignment with actual workforce patterns.
- Sector Mapping: Sectors are mapped to use classes using business register and VOA data, allowing for accurate allocation of jobs to floorspace types.

Labour Demand Scenario

1.7.4 The Labour Demand scenario forms the core of Hertsmere's employment land needs assessment. It uses Cambridge Econometrics employment forecasts, rebased to 2024 ONS data, to estimate future job growth and convert this into requirements for office and industrial space. Employment densities and plot ratios are updated using the HCA Employment Densities Guide and local evidence, ensuring calculations reflect current market conditions. An average home working rate of 18% is applied across sectors, reflecting post-pandemic working patterns. Under this scenario, Hertsmere is forecast to require a net additional 15,423 sqm of office floorspace (1.3 ha) and 40,794 sqm of industrial floorspace (3.2 ha) by 2041. These figures account for optimum vacancy rates and existing supply, providing a robust, evidence-led estimate of future needs.

Labour Supply Scenarios

1.7.5 Two labour supply scenarios are considered to test the sensitivity of employment land needs to demographic change. The first uses ONS population projections and local self-containment rates to estimate the future workforce. This scenario results in a modest net requirement of 2,938 sqm of office space (0.3 ha) and 6,267 sqm of industrial space (1.4 ha) by 2041. The second scenario is based on the government's housing standard method, which assumes higher population and household growth. This approach projects a need for 35,519 sqm of office space (3.5 ha) and 98,512 sqm of industrial space (16.7 ha). Both scenarios are useful for sensitivity testing but are less robust for policy, as they assume local job creation will match population changes, which is rarely the case at the borough level.

Past Take-Up Scenario

1.7.6 The Past Take-Up scenario projects future needs based on the average annual net absorption of employment floorspace over the previous decade. This approach suggests significant net losses of employment space by 2041: -193,488 sqm of office floorspace (-21.3 ha) and -102,288 sqm of industrial floorspace (-30.2 ha). These results reflect past supply constraints, policy influences, and structural changes rather than genuine demand. As such, this scenario is not considered credible for future planning but provides a useful sense-check against other forecasts.

Additional Considerations and Adjustments

1.7.7 Standard forecasting models under-estimate land needs for key growth sectors in Hertsmere, particularly the film industry and data centres. The borough is a national hub for film and television, with major expansions planned at Sky Studios North and Hertswood Studios. Bespoke analysis indicates an additional 10.2 ha of employment land will be required to support the film sector.

1.7.8 Similarly, up to 10.8 ha could be identified for the delivery of additional data centre development, reflecting national growth rates and local investment trends. These sector-specific requirements should be included as additional allocations in the Local Plan to support economic growth. This additional requirement could be met by the delivery of proposed data centres (accounted for in the planning pipeline)[2].

1.7.9 The assessment also considers the replacement of employment land lost to other uses, such as residential development. Using recent data on demolitions, the study estimates an average annual loss of 133 sqm of industrial floorspace, resulting in a total replacement allowance of 2,134 sqm by 2041. No replacement allowance is required for office space, as there have been no significant office demolitions in recent years.

1.7.10 An allowance for optimal frictional vacancy is also applied. This allowance is assumed as 8% for office space and 5% for industrial space.

Preferred Scenario

1.7.11 The Labour Demand scenario, supplemented by bespoke allocations for the film industry and data centres, is recommended as the preferred approach. It provides a realistic, evidence-led estimate of future requirements, balancing economic growth forecasts with local sectoral strengths and market dynamics.

1.7.12 The net requirement for office and industrial space forecasted under this preferred scenario results in a total net requirement of 24.7 ha of employment land by 2041. This includes 1.3 ha for office uses, 3.2 ha for industrial uses, 10.2 ha for the film sector, and up to 10.8 ha for data centres.

1.8 Gap Analysis

1.8.1 The gap analysis for Hertsmere compares the projected demand for employment land with the available supply across the borough to 2041. The assessment considers a range of supply sources, including vacant land on designated employment sites, Safeguarded Sites, alternative non-designated sites, and the planning pipeline of consented but unbuilt employment developments.

1.8.2 A total of 18.4 ha of undeveloped land has been identified across ten sites, comprising 5.6 ha on designated employment sites, 3.9 ha on Safeguarded Sites, and 8.9 ha on alternative sites that could be considered for future employment use. In addition, if all approved planning applications for employment floorspace are delivered, a further 15.3 ha of employment land would be added to the supply. This brings the total potential supply to 33.7 ha.

1.8.3 When compared against the preferred scenario of demand – which includes net requirements for office and industrial uses as well as additional allocations for the film industry and data centres – the total demand is estimated at 24.7 ha. This results in a modest surplus of 5.7 ha of employment land over the plan period. The analysis concludes that, on current evidence, Hertsmere has sufficient supply to meet projected employment land needs to 2041. However, the surplus is sensitive to the deliverability of identified sites, potential changes in market conditions, and the specific requirements of key growth sectors.

1.9 Conclusions and Policy Recommendations

1.9.1 The assessment of employment land in Hertsmere for the Local Plan period to 2041 reveals a landscape shaped by evolving market dynamics and structural changes in demand. The office market in Hertsmere is stable in terms of overall supply but faces ongoing challenges, including a marked increase in vacancy rates (from 4.7% in 2016 to 8.8% in 2025) and minimal growth in floorspace. These trends are attributed to subdued demand, a constrained land supply, and a growing preference for high-quality, modern premises in well-connected locations such as Borehamwood and Elstree. Despite rising vacancies, average rents have increased, particularly for larger, high-quality offices, reflecting a shift towards amenity-rich and flexible workspaces. Labour demand forecasts indicate moderate growth in office-based employment, with a net additional requirement of approximately 12,700 sqm of

[2] Ark data centre (planning application 25/1781/FUL) and Charleston Paddocks data centre (planning application 25/1668/VOC)

office floorspace by 2041. The study underscores the importance of qualitative improvements in office supply, focusing on suitability, flexibility, and modernity to attract high-value sectors, especially in creative, tech, and professional services.

1.9.2 The industrial property market is substantial, with a strong emphasis on storage and distribution, but faces high vacancy rates across all use classes. While industrial rents remain robust and above regional averages, the market is challenged by static growth in light and general industrial floorspace, volatile net absorption, and competition from larger hubs in the wider area. Labour forecasts project a moderate increase in industrial-based employment, translating to a need for an additional 14,428 sqm of industrial floorspace by 2041. The evidence points to opportunities for redevelopment and intensification of existing sites, as well as extensions of successful employment areas, with a strategic focus on supporting growth sectors such as logistics, construction, film/media, and data centres.

1.9.3 Deliverability and viability are major concerns, given that over 80% of Hertsmere is designated as Green Belt, severely limiting opportunities for large-scale new development. The release of Green Belt land will require exceptional justification and is further complicated by infrastructure bottlenecks, particularly in power capacity and transport connectivity. The borough’s employment sites are largely mature, with limited vacant land and only a few opportunities for intensification or redevelopment, often constrained by compatibility and viability issues.

1.9.4 Policy recommendations emphasise a balanced and flexible employment land strategy, safeguarding key employment sites, encouraging the modernisation and intensification of existing stock, and protecting core office clusters. There is a strong case for allocating additional land for logistics and the film industry, supporting sector clustering, and promoting mixed-use development to create vibrant, sustainable communities.

2. Introduction

2.1 Study Context

2.1.1 AECOM has been commissioned by Hertsmere Borough Council (HBC) to prepare this Economic Study ("the study"), which forms a key part of the evidence base for the emerging Hertsmere Local Plan. The purpose of this study is to provide an up-to-date, robust, and comprehensive assessment of the current and future economic needs of the borough, ensuring that the Local Plan is underpinned by clear evidence and is responsive to changing economic conditions, policy requirements, and local priorities.

2.1.2 The study builds upon the South West Hertfordshire Economic Study 2024[3], and reflects the latest data, policy context, and market intelligence, with a particular focus on the borough's evolving economic landscape and the implications for employment land provision.

2.1.3 The study is set against the backdrop of national planning policy, notably the National Planning Policy Framework (NPPF), which outlines the principles that local planning authorities should follow in preparing evidence to inform employment land policies. The NPPF, supported by Planning Practice Guidance (PPG), emphasises the need for local plans to be underpinned by a clear understanding of business needs, market trends, and the functional economic geography of the area.

2.1.4 The scope of the study encompasses all employment land within the borough, defined as land and premises used for office and industrial activities. This includes the following use classes: E(g)(i) (offices), E(g)(ii) (research and development), E(g)(iii) (light industrial), B2 (general industrial), and B8 (storage and distribution)[4]. The study also considers Sui Generis employment uses, although forecasting demand for these is not central to the assessment.

2.2 Objectives

2.2.1 The primary objective of this study is to provide a detailed, evidence-based understanding of the current and future requirements for employment land and premises in Hertsmere. The study aims to:

- Assess the quantity and quality of existing employment land and its suitability to support ongoing and future economic activity.
- Identify the likely future demand for employment land and floorspace over the Local Plan period, taking into account projected economic growth, sectoral trends, and population change.
- Consider the demand for employment land specific to the film industry and for data centres.
- Compare the supply of existing and potential employment land against forecast demand, identifying any gaps or surpluses.
- Provide clear, actionable recommendations for employment land policies.
- Ensure that the Local Plan is responsive to the needs of key growth sectors, supports innovation and enterprise, and aligns with broader economic strategies at the local and regional level.

2.2.2 Within these broad aims, the study also considers the need to allocate sufficient employment land to accommodate the future needs of the film industry in Hertsmere, one of its key growth sectors. Future demand for land to accommodate data centres is also considered.

[3] Hatch (2024); South West Hertfordshire Economic Study
[4] As well as data centres, which commonly classified under Use Class B8. However, some local planning authorities treat data centres as Sui Generis due to their complexity, including client services, maintenance, and infrastructure demands beyond mere storage.

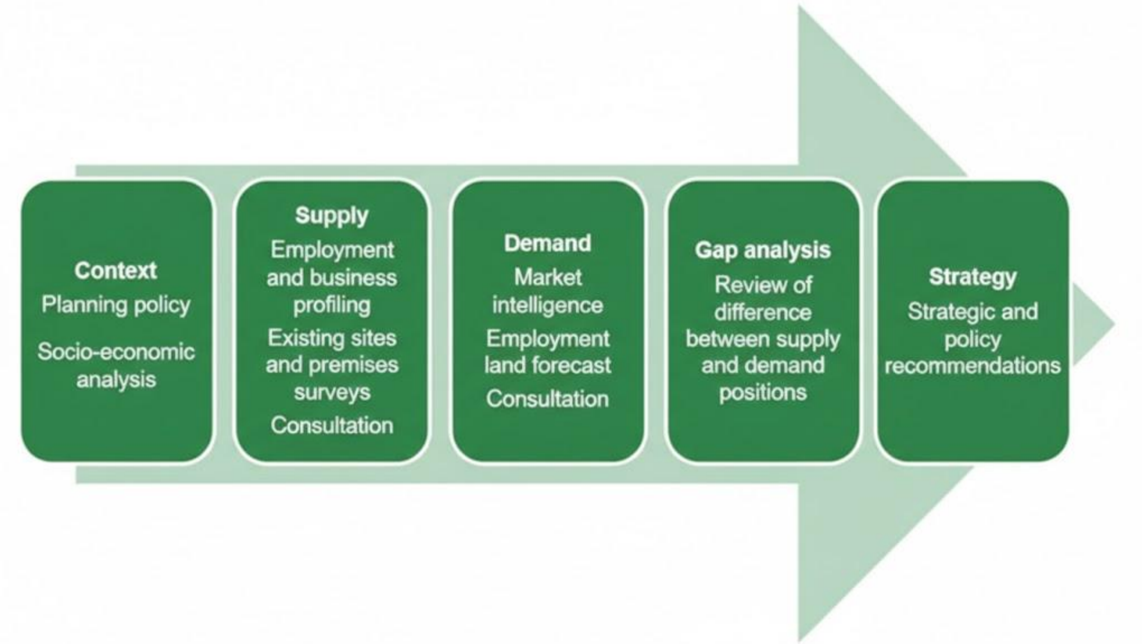
2.3 Approach

2.3.1 The methodology for this Economic Study is consistent with the principles set out in the National Planning Policy Framework (NPPF) and follows the guidance provided in the Planning Practice Guidance (PPG) for Housing and Economic Needs Assessments.

2.3.2 The approach combines quantitative analysis of socio-economic and property market data, and qualitative site assessments. The study also draws on recent policy developments, including updates to national planning policy, and reflects local strategic priorities for economic growth, infrastructure, and skills.

2.3.3 The methodology and tasks forming the approach to this ENA have been designed to conform to the PPG. This approach is illustrated in Figure 2-1.

Figure 2-1 Approach to Study



2.4 Report Structure

2.4.1 The remainder of this report is structured as follows:

- **Policy Context**: Reviews the relevant policy and strategic context, including national, regional, and local economic priorities.
- **Definition of the Functional Economic**: Defines the Functional Economic Market Area (FEMA) for Hertsmere, drawing on commuting patterns, property market linkages, and governance arrangements.
- **Socio-Economic Baseline**: Provides an overview of population, workforce, business base, and economic performance.
- **Property Market Review**: Examines the office and industrial property markets, including trends in supply, demand, rents, and vacancy rates.
- **Employment Land Supply**: Assesses the current supply of employment land, including site quality, market attractiveness, and alignment with growth sectors.
- **Employment Land Needs**: Sets out the methodology and results of future demand forecasting, including scenario analysis.
- **Gap Analysis**: Compares projected supply and demand for employment land and floorspace, identifying any gaps and opportunities.

- **Conclusions and Recommendations**: Provides conclusions and policy recommendations to support the Local Plan and guide future employment land provision in Hertsmere.

3. Policy Context

3.1 Introduction

3.1.1 This section outlines the planning policy and strategic context of relevance to employment land in the borough, highlighting updates made since the publication of the South West Hertfordshire Economic Study, published in September 2024[5].

3.1.2 The main changes since the previous study are the update to the National Planning Policy Framework (NPPF) and a sharper focus on Hertsmere, including a review of local policies and guidance such as the adopted Hertsmere Local Plan 2012-2027 and the Draft Local Plan 2024.

3.2 National Planning Policy/Guidance

National Planning Policy Framework (NPPF) (2025)

3.2.1 The NPPF[6] consolidates the Government's economic, environmental, and social planning policies for England and provides overarching guidance on the Government's development aims. At the heart of the NPPF is a presumption in favour of sustainable development, which the Government states should be seen as a common theme running through plan-making and decision-taking. The framework has three overarching objectives contributing to sustainable development; building a strong, responsive and competitive economy, supporting strong, vibrant and healthy communities and protecting and enhancing the environment.

3.2.2 In relation to the economy and employment land, the NPPF states that planning decisions should help create the conditions in which businesses can invest, expand, and adapt. They should support economic growth and productivity, taking into account both local business needs and wider opportunities for development. Decisions should also allow an area to build on its strengths, counter any weaknesses, and address any challenges of the future, such as seeking '*to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment*' (paragraph 86).

3.2.3 Planning policies should set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to the national industrial strategy, relevant Local Industrial Strategies and other local policies for economic development and regeneration. In addition, the Framework aims to set criteria and identify strategic sites for local and inward investment, facilitate development to meet the needs of a modern economy (including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics), address potential barriers to investment, allow for new and flexible working practices, and enable a rapid response to changes in economic circumstances.

Planning Practice Guidance (2025)

3.2.4 Planning Practice Guidance (PPG)[7] includes guidance on housing and economic needs assessments, and housing and economic land availability assessments.

3.2.5 Guidance on housing and economic needs assessments states that authorities need to prepare an evidence base to understand existing business needs, which will have to reflect local circumstances and market conditions. This includes assessing the best fit functional economic market area (FEMA), existing stock of land for employment uses within the area, recent pattern of employment land supply and loss, market demand and failure, and wider market signals relating to economic growth.

[5] Hatch (2024); South West Hertfordshire Economic Study.
[6] Ministry of Housing, Communities and Local Government (2025); National Planning Policy Framework.
[7] Ministry of Housing, Communities and Local Government (2025); Planning Practice Guidance.

3.2.6 For housing and economic land availability assessments, PPG requires local planning authorities to work with other local authorities within the functional economic market area when assessing availability of land. A wide range of sites should be considered including existing sites that could be improved, intensified or changed.

Planning and Infrastructure Act (2025)

3.2.7 The Planning and Infrastructure Act 2025[8] is new framework legislation for England that reforms town and country planning and consenting for major infrastructure, including housing, transport, energy and related development. The Act supports faster strategic planning and infrastructure delivery to support economic growth and job creation alongside large-scale housing.

Localism Act (2011) (Duty to Co-operate) (2011)

3.2.8 The Duty to Co-operate in relation to planning of sustainable development falls under the Localism Act of 2011[9]. It places a duty on LPAs, County Councils and public bodies in England to undertake active engagement between one another, to share findings and work together across a number of activities relating to planning and sustainable development. More specifically, with regard to this Economic Study, it may mean collaborating to resolve any imbalances with supply and demand of employment land across a FEMA.

Invest 2035: the UK's Modern Industrial Strategy (2024)

3.2.9 Invest 2035: the UK's Modern Industrial Strategy[10] sets out a long-term, place-based approach to economic growth, focusing on high-potential sectors and regions, and prioritising investment in strategic industrial sites and clusters. The strategy identifies eight growth-driving sectors: advanced manufacturing, clean energy industries, creative industries, defence, digital and technology business, financial services, life sciences, and professional and business services.

3.2.10 A core objective of the industrial strategy is unleashing the full potential of cities and regions. To do so, the strategy aims to concentrate efforts on places with the greatest potential for the growth sectors, places with high-potential clusters and strategic industrial sites.

3.3 Local Planning Policy/Guidance

Hertfordshire Skills and Employment Strategy 2021-2024 (2021)

3.3.1 Hertfordshire County Council, Hertfordshire Local Enterprise Partnership (LEP) and the Department for Work and Pensions have worked together to develop and implement a new skills strategy for Hertfordshire[11]. The strategy aims to ensure Hertfordshire’s skills system addresses local challenges and opportunities while aligning provision with future employment needs. It supports all residents to reach their potential and helps businesses and individuals navigate the changing labour market following the Covid-19 pandemic. To support delivery, the strategy is underpinned by a detailed action plan setting out the work programme for the three lead organisations responsible for its implementation, ensuring a coordinated approach to building a resilient and skilled workforce that can drive economic recovery and growth.

3.3.2 Following engagement with local stakeholders, the strategy has been structured around five key themes:

- **Unlocking emerging talent**, support for young people aged 16 – 24 years

[8] https://www.legislation.gov.uk/ukpga/2025/34
[9] UK Public General Acts, (2011); Localism Act 2011.
[10] Department for Business & Trade, Invest 2035: the UK's modern industrial strategy (updated 24 November 2024). Available at: https://www.gov.uk/government/consultations/invest-2035-the-uks-modern-industrial-strategy/invest-2035-the-uks-modern-industrial-strategy
[11] Hertfordshire Futures (2021); Hertfordshire Skills and Employment Strategy 2021-2024.

- **Adult learning and employment**, working towards full employment, promoting lifelong learning and retraining opportunities
- **Skills to grow small and medium size businesses**, enabling employers to build their future workforce
- **Priority and growth sectors**, harnessing the opportunities and investing in skills of the future
- **Placemaking**, seizing the opportunities of Hertfordshire's business assets together with the proximity to London and other key economic areas

3.3.3 The last theme ('Place-making') identifies key business assets that underpin Hertfordshire's economy. Within Hertsmere, the most significant of these is the Creative Cluster, centred around the film and television production industry in Elstree and Borehamwood. This cluster plays a vital role in both the local and regional economy, with nationally significant studios including Elstree Studios, BBC Elstree Centre, and the recently completed Sky Studios Elstree. The concentration of media and creative industries in Hertsmere makes it a strategic hub for the sector and a key driver of economic growth.

3.3.4 The five themes are underpinned by three cross-cutting priorities, described as foundations for responsible growth affecting skills supply and demand. These cross-cutting priorities are:

- Digital skills: Enhancing digital capabilities for residents and businesses, aligned with a Hertfordshire Digital Skills Strategy and national programmes.
- Low carbon and clean growth: Supporting skills for a low-carbon economy and "net-zero future," ensuring the workforce can meet green growth and clean-tech opportunities.
- Inclusive growth and diversity: Ensuring opportunities are spread across communities and vulnerable groups, with a focus on reducing inequalities in access to skills, training and employment.

3.3.5 Central to addressing the skills and employment challenges in Hertfordshire is acknowledging the region's proximity to London, the Oxford-Cambridge Arc, and Golden Research Triangle i.e. the area extending between universities and technology companies in Oxford, Cambridge and London. While this poses opportunity for growing investment in Hertfordshire and attracting people to the region, the strategy recognises it creates challenges for productivity through being a net exporter of highly skilled employees to these areas.

Hertfordshire Enterprise and Innovation Strategy 2021-2025 (2021)

3.3.6 The Hertfordshire Enterprise and Innovation Strategy[12] sets out the actions which will help Hertfordshire's economy recover from the Covid-19 pandemic and encourage business growth. This takes into account the skills, digital and clean growth agendas in the region and acts to influence and enhance local economic development.

3.3.7 To better meet the needs of businesses, the strategy has introduced key themes which will ensure more even support across all businesses (from pre to start-up, growth/scale-up, and established). These are:

- Enhancing the gateway to business support
- Supporting entrepreneurs across Hertfordshire
- Ensuring space is available for enterprise
- Driving our catalytic sectors
- Skills availability to support Enterprise and Innovation

[12] Hertfordshire Futures (2021); Hertfordshire Enterprise and Innovation Strategy 2021-2025.

3.3.8 As part of Goal G3 ‘Space for Enterprise’ the strategy calls for a review into supply and demand of high-quality workspace and develop an investment programme to address gaps in innovation and enterprise support facilities. This is in order to ensure provision of high-quality workspace can help retain and attract companies to Hertfordshire.

Hertfordshire Key Employment Sites Strategy & Action Plan (2020)

3.3.9 Hertfordshire Key Employment Sites Strategy & Action Plan[13] responds to Lambert Smith Hampton’s report on the loss of employment space in Hertfordshire. This report identifies that strong residential values, PDR, and social changes to the way we live and work, are driving this decline. The report also concludes that Hertfordshire’s approach to the loss of employment space should not focus solely on replacing what has been lost. In many cases, the employment space that has been redeveloped was likely outdated or poorly located as changes in working practices such as increased home-working, flexible workspaces, and hot-desking have led to office-based uses requiring less permanent space.

3.3.10 This report also highlights that sectors such as manufacturing typically have less flexibility in their spatial requirements. It is therefore important to make a clear distinction between the types of employment space that should be protected and enhanced, and those that can be released or repurposed without undermining Hertfordshire’s economic objectives.

3.3.11 The report states that assets such as employment land should support the strategic future ambition for the economy based on the following principles:

- Where they sit on the ‘build out spectrum’ – are they allocated but not yet developed (or not significantly so?); are they only partially developed, with significant investment opportunities; or are they substantially or wholly built out, with new businesses only able to take up occupancy if another moves out?
- Overall size
- What opportunities do they offer?

3.3.12 For identifying size and opportunities, the strategy and action plan established a typology for determining opportunities.

Table 3-1 Typology for determining opportunities

Type	Size	Opportunity
Fledgling	Small	Limited
Maturing	Medium	Somewhat
Mature	Large	Substantial

Source: Hertfordshire Local Enterprise Partnership (2020)

3.3.13 Out of the 17 “key employment sites” identified by the Strategy and Action Plan in Hertfordshire, none are located in Hertsmere. However, identifies three “relevant” employment sites within Hertsmere: Centennial Business Park, Elstree Way, and Potters Bar. These sites form part of the county’s broader network of employment locations and are considered important in supporting both existing business activity and future growth potential within the borough.

3.3.14 A primary focus of the strategy is to support the clustering of employment activity across Hertfordshire’s five priority sectors: life sciences, advanced manufacturing and engineering, sustainable construction, environmental technologies, and the creative industries. In Hertsmere, particular attention is given to Elstree Way, where the established creative sector presence anchored by Elstree Studios and the new Sky Studios Elstree forms a vital part of this industry in the County. The strategy highlights opportunities to further enhance and consolidate Elstree Way’s role as a leading hub for creative and digital industries.

[13] Hertfordshire Futures (2020); Hertfordshire Key Employment Sites Strategy & Action Plan.

3.3.15 Each of Hertsmere's three key sites has been assessed for typology and future intervention potential:

- Elstree Way is a medium-sized, mature site with limited opportunities for expansion. Recommended interventions include densification, placemaking, sector-specific clustering, and potential pump-priming to stimulate further investment.
- Centennial Business Park is a smaller, mature site, also with constrained development opportunities. Here, the strategy suggests masterplanning as a key intervention, potentially to support future expansion or reconfiguration.
- Potters Bar is similarly classified as a small, mature site. Proposed interventions include sector clustering, transport innovation, place identity and marketability enhancements, and masterplanning to explore opportunities for expansion or modernisation.

Hertfordshire Draft Local Industrial Strategy (2019)

3.3.16 Hertfordshire Draft Local Industrial Strategy (LIS)[14] identifies that to address the productivity challenge in Hertfordshire and grow the economy, there are seven strategic areas where sustained progress needs to be made. These are as follows:

- **Digital foundations, frontiers and future**: the County needs to act on opportunities to develop digital connectivity fully and effectively;
- **Old New Towns, new New Towns**: A series of new New Towns (Garden Towns/ communities) are planned to be developed across Hertfordshire. These will deliver sustainable built environments and the communities centred around digital solutions;
- **Unlocking science-based clusters in the Golden Triangle**: This will be achieved through life sciences and advanced engineering recognising Hertfordshire's current strength in commercial research and R&D particularly cell and gene sector clustering.
- **East/West growth corridors**: The A414 corridor cutting across Hertfordshire is home to a number of economic assets including the Envirotech Enterprise Zone sites and a cluster of science and tech sectors. This corridor will be able to benefit from growth within or near the corridor including the development taking place at Luton Airport.
- **Space to grow**: Hertfordshire has historically faced challenges in scaling up businesses, due in part to a limited supply of affordable space for growth across the county. This issue has been compounded by the ongoing loss of employment floorspace, which has further constrained opportunities for business expansion.
- **Beyond boundaries – a new relationship with London**: As it stands, Hertfordshire's proximity to London results in the county losing a lot of high-quality, highly skilled residents who commute into the capital. This can result in additional pressures, particularly around the housing market and cost of living, causing challenges for disadvantaged households
- **The Creative Sector**: Hertfordshire has outstanding assets in relation to film and TV, and there is potential to grow this industry. However, Hertfordshire needs to attract and retain the creative people who work in these industries who can have a catalytic effect on the economy.

Unlocking Hertfordshire: Hertfordshire's Recovery Plan (2020)

3.3.17 Hertfordshire Local Enterprise Partnership's Recovery Plan[15] sets out short-to-medium term interventions that the region will take to respond to the economic challenges which emerged from the Covid-19 pandemic. This is particularly important given within Hertfordshire, the incidence of furlough was highest in Broxbourne and Hertsmere. The recovery plan sets out three 'delivery packages' which will be crucial to economic recovery. These are centred

[14] Hertfordshire Futures (2020); Hertfordshire Draft Local Industrial Strategy.
[15] Hertfordshire Local Enterprise Partnership (2019); Unlocking Hertfordshire: Hertfordshire's Recovery Plan.

around enterprise and innovation, skills and creativity, and international trade and investment.

3.3.18 While the overarching vision for economic growth set out in the draft Local Industrial Strategy has not changed in light of the Recovery Plan, it acknowledges that Covid-19 resulted in new challenges. In particular, changes in employment patterns and behaviours as a result of the shift to home-working during the pandemic will have long-term implications for the commercial property market. While the Recovery Plan does not explicitly state how it will deal with these challenges, it acknowledges that there are assets in the region which can be used to attract and support businesses to grow.

3.3.19 The Hertfordshire's Recovery Plan confirms that employment land has already been lost through permitted development rights in recent years and this challenge will continue to grow due to the effects of Covid-19. There are crucial assets in the region which the Plan acknowledges needs to be protected for long-term economic well-being, including the BBC studios at Elstree. The Recovery Plan maintains that growth and clustering of key sectors around these assets will be key to economic recovery which requires business support within these assets, ensuring a strong pipeline of talent and skills, and more marketing of the assets to ensure inward investment continues despite the uncertainty in the economy.

Hertsmere Housing and Economic Land Availability Assessment (2019)

3.3.20 The Hertsmere Housing and Economic Land Availability Assessment[16] provides an overview of Hertsmere's housing and economic land supply to meet the borough's future development needs.

3.3.21 The assessment highlighted Hertsmere's strong economic fundamentals, including the highest business start-up rate in South West Hertfordshire at 22 new businesses per 1,000 working-age residents in 2016, underlining a high level of enterprise activity. Hertsmere also benefits from excellent transport connectivity, with access to the A1(M), M1, and M25, and well-served rail stations at Borehamwood, Radlett, and Potters Bar. The borough's economy is further distinguished by a strong creative sector presence, particularly in TV and film production, with high levels of employment specialisation in publishing, broadcasting, arts, and entertainment.

3.3.22 Overall, the study identified a tight supply of employment land and floorspace across both industrial and office sectors. Available industrial floorspace was estimated at 61,530 square metres (sqm), compared to a demand of 81,900 sqm, with availability rates ranging from 2.0% for small units to 7.3% for large units, and a low vacancy rate of 2.9% in 2018. Over the previous decade since 2009, the average annual industrial take-up was modest at 2,100 sqm, indicating steady but constrained demand. Similarly, in the office market, there was an estimated shortfall of 8,142 sqm, with demand reaching 35,700 sqm and availability rates below 3%, reflecting very limited supply. Average net take-up of office space from 2009 to 2018 was recorded to be 1,400 sqm per annum. To support future employment growth, the assessment recommends the allocation of at least 110 hectares (ha) of designated employment land for B-class uses up to 2027.

Hertsmere Local Plan 2012-2027 (2013)

3.3.23 HBC adopted its Local Plan 2012–2027 in several parts, including the Core Strategy[17] in 2013, the Site Allocations and Development Management (SADM) Policies Plan[18] in 2016, and the Elstree Way Corridor Area Action Plan[19] in 2015. The Core Strategy sets out the strategic vision for sustainable development, with a focus on balancing housing delivery, economic development, and environmental protection. The SADM Plan provides more detailed land allocations and development management policies, including those relating to employment land. As of September 2025, the adopted 2012–2027 Local Plan remains the

[16] HBC (2019); Hertsmere Housing and Economic Land Availability Assessment.
[17] HBC (2013); Hertsmere Local Plan 2012-2027 Core Strategy.
[18] HBC (2016); Hertsmere Local Plan 2012-2027 Site Allocations and Development Management Policies Plan.
[19] HBC (2015); Hertsmere Local Plan 2012-2027 Elstree Way Corridor Area Action Plan (AAP).

most up-to-date development plan and continues to guide planning decisions in relation to employment land and premises.

3.3.24 The Local Plan identifies a network of designated Employment Areas, Key Employment Sites, and Local Significant Employment Sites, which are safeguarded for commercial and industrial uses. The Core Strategy highlights the importance of supporting economic growth by retaining and promoting high-quality employment land, with a focus on accommodating business needs within the borough's existing urban areas. In terms of employment land supply, the emphasis of the current Local Plan is on intensifying or redeveloping existing employment sites rather than allocating significant new employment land. Any future expansion of employment land is likely to require Green Belt release, which would need to be justified through the exceptional circumstances test set out in the NPPF.

3.3.25 Policy CS8 (Scale and Distribution of Economic Development) directs the majority of new employment development to Borehamwood, which is recognised as the borough's primary commercial centre. In addition, the Elstree Way Corridor Area Action Plan supports mixed-use redevelopment that includes commercial space, particularly for office-based employment. The SADM Plan identifies specific Employment Areas in Borehamwood, Potters Bar, Bushey, and Radlett, where development now falling within the broader Class E is supported in principle.

3.3.26 The Core Strategy sets out that there are significant pressures to develop employment land and buildings for other land uses, in particular residential development. To manage the loss of employment floorspace, HBC considered the introduction of Article 4 Directions where appropriate across key employment locations, including Borehamwood, Potters Bar, and Bushey. HBC originally introduced Article 4 Directions in our designated Employment Areas in 2020 and amended in 2023[20]. These Article 4 Directions remove permitted development rights for changes of use from commercial to residential, ensuring that full planning permission is required on land specified in the Direction[21]. This approach aims to protect the borough's limited employment land supply from further erosion.

Hertsmere Local Plan Consultation Draft: Green, Sustainable Growth: Towards 2040 (2024)

3.3.27 HBC consulted on its Local Plan Regulation 18 Draft[22] between April and May 2024. The draft, titled *Green, Sustainable Growth: Towards 2040*, sets out a long-term vision and strategic objectives for sustainable development across the borough. The strategy is organised around eight themes, including 'Working Hertsmere', which outlines the Council's ambition to deliver a strong, competitive, and growing local economy, with suitable sites to meet the needs of new and existing businesses. The 'Working Hertsmere' theme includes the following objectives, which are of particular relevance to this Economic Study:

- Ensuring development takes place in sustainable locations accessible by non-car modes of transport;
- Providing sufficient and suitable land, premises, infrastructure, and a skilled workforce to support businesses of all sizes;
- Broadening employment, education and training opportunities for Hertsmere residents;
- Supporting the growth of the film and television sector, and ensuring its benefits are shared with local communities.

3.3.28 The spatial strategy set out in the draft Local Plan highlights the need for sufficient long-term provision of employment land, recognising that demand is changing in light of post-Covid

[20] https://www.hertsmere.gov.uk/planning-building-control/planning-policy/other-guidance-and-information/article-4-directions-employment-v2
[21] Elstree Way, Borehamwood; Stirling Way, Borehamwood; Cranborne Road, Potters Bar; Station Close, Potters Bar; Centennial Park, Elstree; Wrotham Business Park, Borehamwood; Borehamwood Enterprise Centre, Borehamwood; Theobald Court, Borehamwood; Lismirrane Industrial Park, Elstree; Hollies Way, Potters Bar; Beaumont Gate, Radlett; and Farm Close, Shenley
[22] HBC (2024); Hertsmere Local Plan Green, sustainable growth: Towards 2040 Additional public consultation.

working patterns. While the requirement for office space may evolve, the Local Plan identifies a likely increase in need for warehousing and logistics floorspace across HBC.

3.3.29 The draft Local Plan includes a series of employment land allocations, which draw on evidence from the 2019 SW Herts Economic Study. HBC acknowledges that if updated evidence identifies a greater level of need, then additional employment sites may be considered in future versions of the Local Plan. The currently proposed employment sites include:

- Land North of Hilton Doubletree and South of Sky Studios, with a net developable area of 1.8 ha and indicative capacity for 11,000 sqm of Class E, B2, and B8 uses;
- Land North West of Cranborne Road Industrial Estate, with 2.11 ha and 9,600 sqm of employment floorspace for Class E, B2 and B8 uses;
- Caspian and Tasman House, Aldenham, providing 1.17 ha of land and 5,700 sqm of mixed Class E, B2, and B8 employment space;
- Land to the South of Aldenham Reservoir, identified as a 4.76 ha site with 20,700 sqm of indicative employment floorspace;
- The Mercure Hotel and Land South East of Tyler's Way, offering a developable area of 5.8 ha and potential for 30,000 sqm of storage and distribution space.

3.3.30 Based on currently available evidence, the draft Local Plan includes a sufficient supply of employment sites to meet the HBC's estimated need for industrial and warehousing/distribution floorspace.

4. Definition of the Functional Economic Market Area (FEMA)

4.1 Introduction

4.1.1 The PPG requires local planning authorities (LPAs) to assess development needs working with other LPAs in the relevant functional economic market area in line with the duty to cooperate. It adds that local communities, partner organisations, businesses, business representative organisations and Higher Education Institutions, among others, should be involved in the preparation of the evidence base in relation to development needs.

4.1.2 It is stated that needs for economic uses should be assessed in relation to the functional economic area while identifying and recognising smaller sub-markets with specific features and 'market segments.'

4.1.3 The PPG advises there is no standard approach to defining a functional economic market but notes in Paragraph 012 that:

'the geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply, often referred to as the functional economic market area.'

4.1.4 It goes on to add that it is possible to define functional economic market areas by taking account of a number of factors. The factors include:

- *Spatial economic profile;*
- *Travel to work areas;*
- *Commercial property market areas;*
- *Housing market areas;*
- *Consumer market areas;*
- *Transport and infrastructure networks; and*
- *Economic governance and partnerships areas.*

4.1.5 When it comes to statistical data the PPG suggests a single source for defining Functional Economic Market Areas (FEMAs) – the Office for National Statistics (ONS) Travel-to-Work Areas (TTWAs), which are based on commuting data only. However, the TTWAs ignore administrative boundaries, and are therefore of limited value for Duty to Cooperate discussions.

4.1.6 The methodology for defining the FEMA is therefore based on commuting data, administrative boundaries and housing and commercial property markets.

4.1.7 The objective was therefore to identify an area that records the highest self-containment in terms of commuting flows, and which also best fits the administrative boundaries, housing and commercial property markets. The SW Herts Economic Study 2024 identified the South West Hertfordshire FEMA as comprising the following local authorities:

- Dacorum
- Hertsmere
- St Albans
- Three Rivers
- Watford

4.1.8 This conclusion was reached through a detailed analysis based on the Planning Practice Guidance (PPG) criteria for defining a FEMA and criteria reflect the diverse and interconnected nature of local economies, allowing for a tailored approach to identifying functional economic areas.

4.1.9 The following section assessed whether the FEMA identified in the SW Herts Economic Study 2024 for or South West Hertfordshire[23] remains appropriate in the context of Hertsmere.

4.2 Travel to Work Area

4.2.1 The PPG does not prescribe a threshold of self-containment (people who live and work in the same area) to help define the FEMA. AECOM has adopted the ONS's definition of Travel to Work Areas (TTWAs) that states that: 'The current criterion for defining the TTWAs is that generally at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area… however, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted.'

4.2.2 The lower 66.7% threshold for self-containment for origin and destination commuting is therefore appropriate in the case of Hertsmere, which has a working population in excess of 25,000.

4.2.3 The ONS publishes Origin-Destination data (also known as flow data) as part of the Census, which includes the travel-to-work patterns of individuals. Table 4-1 provides a summary of total commuting inflows and outflows for Hertsmere. The data indicates that in 2021, 18,795 people commuted into Hertsmere, and 16,865 people commuted from Hertsmere, generating an overall net inflow of 1,930 people.

4.2.4 However, it is recognised that Census 2021 took place during the coronavirus (COVID-19) pandemic, a period of unparalleled and rapid change; the national lockdown, associated guidance and furlough measures. Generally, the 2021 Census data reflects the shift to home working seen during this period resulting in lower levels of overall commuting across the majority of areas. While the proportion of people travelling to work is widely reported as being below pre-pandemic levels, trends from the National Travel Survey[24] and Opinions and Lifestyle Survey[25] suggest that the long-term impact of the pandemic on commuting has brought about a shift toward hybrid work, rather than full-time homeworking, and the number of commuting trips has started to recover since the pandemic.

4.2.5 Given the potential uncertainty surrounding the 2021 data, both sets of commuting data (from Census 2021 and 2011) are presented. In 2011, 25,276 people commuted into Hertsmere from a different local authority area for work, while 28,356 commuted from Hertsmere to another local authority area for work. This generated an overall negative net inflow of -3,080.

Table 4-1 Hertsmere worker inflows and outflows

2021 Census			2011 Census		
Inflow	Outflow	Net change	Inflow	Outflow	Net change
18,795	16,865	+1,930	25,276	28,356	-3,080

Source: ONS Census 2011: Origin-Destination data; ONS Census 2021: Origin-Destination data.

4.3 Inflow self-containment

4.3.1 Detailed Origin-Destination data indicates that in 2021 Hertsmere had an inflow self-containment rate – including those who worked at or from home at the time of the Census – of 65.5%, meaning that 65.5% of jobs in the local authority area were taken by people residing there. This is below the 66.7% threshold of ONS's self-containment definition of

[23] Made of Hertsmere Dacorum; Hertsmere; St Albans; Three Rivers; Watford; and Welwyn Hatfield
[24] Department for Transport (2024); National Travel Survey. Available at: https://www.gov.uk/government/collections/national-travel-survey-statistics
[25] Office for National Statistics(2023); Opinions and Lifestyle Survey. UK Data Service. Available at: https://beta.ukdataservice.ac.uk/datacatalogue/series/series?id=2000043

travel to work areas. Therefore, according to the 2021 Census, Hertsmere was not considered to be self-contained as a travel to work area in regard to inflows.

4.3.2 In 2011, Hertsmere had an inflow self-containment rate of 29.1%, which is lower than in Census 2021, and also below the 66.7% threshold of ONS's self-containment definition of travel to work areas. Therefore, according to the 2011 Census, Hertsmere was not considered to be self-contained as a travel to work area in regard to inflows.

4.3.3 Detailed Origin-Destination data (inflows) is presented in Table 4-2 for the top 10 origins, for both 2011 and 2021. The data indicates that in 2011, 3,595 jobs in Hertsmere were taken by residents of Barnet, with 2,352 from Watford, with other key inflow locations including St Albans, Harrow and Welwyn Hatfield. The 2011 Census data highlights that Hertsmere forms a TTWA with a wider range of local authorities including Barnet, Watford, St Albans, Harrow and Welwyn Hatfield.

Table 4-2 Hertsmere worker inflows

2021 Census			2011 Census		
Usual Residence	Working in Hertsmere	Self-containment	Usual Residence	Working in Hertsmere	Self-containment
Hertsmere	35,905	65.5%	Hertsmere	10,378	29.1%
Barnet	2,303	69.7%	Barnet	3,595	39.2%
Watford	1,921	73.2%	Watford	2,352	45.8%
Welwyn Hatfield	1,401	75.8%	St Albans	2,122	51.7%
Harrow	1,381	78.3%	Harrow	1,722	56.6%
St Albans	1,340	80.8%	Welwyn Hatfield	1,682	61.3%
Three Rivers	1,219	83.0%	Enfield	1,431	65.3%
Enfield	1,112	85.0%	Three Rivers	1,325	69.0%
Dacorum	894	86.6%	Dacorum	1,048	72.0%
Central Bedfordshire	577	87.7%	Broxbourne	675	73.8%

Source: ONS Census 2011: Origin-Destination data (2012); ONS Census 2021: Origin-Destination data (2022).

4.4 Outflow self-containment

4.4.1 Detailed Origin-Destination data indicates that in 2021, Hertsmere had an outflow self-containment rate of 68.0%, meaning that 68.0% of working residents in Hertsmere are employed within the local authority area. This is above the 66.7% threshold of ONS's self-containment definition of travel to work areas. Therefore, according to the 2021 Census, Hertsmere was considered to be self-contained as a travel to work area in regard to outflows.

4.4.2 In 2011, Hertsmere had an outflow self-containment rate of 26.9%, which is again lower than in Census 2021, and is below the 66.7% threshold of ONS's self-containment definition of travel to work areas. Therefore, according to the 2011 Census, Hertsmere was not considered to be self-contained as a travel to work area in regard to outflows. The Census 2011 data suggests that Hertsmere, and the local authority areas of Barnet, Westminster, Watford, St Albans and Camden formed a TTWA from an outflow perspective.

4.4.3 Detailed Origin-Destination data (outflows) is presented in Table 4-3 for the top ten destinations, for both 2011 and 2021.

Table 4-3 Hertsmere worker outflows

2021 Census			2011 Census		
Usual place of work	Residing in Hertsmere	Self-containment	Usual place of work	Residing in Hertsmere	Self-containment
Hertsmere	52,770	68.0%	Hertsmere	38,629	26.9%

2021 Census			2011 Census		
Usual place of work	**Residing in Hertsmere**	**Self-containment**	**Usual place of work**	**Residing in Hertsmere**	**Self-containment**
Barnet	2,904	73.5%	Barnet	4,206	37.8%
Watford	1,506	76.4%	Westminster	3,784	47.5%
St Albans	1,315	78.9%	Watford	2,466	53.9%
Harrow	1,091	81.0%	St Albans	1,698	58.3%
Welwyn Hatfield	1,076	83.0%	Camden	1,671	62.7%
Brent	863	84.7%	Welwyn Hatfield	1,636	66.9%
Camden	827	86.2%	Harrow	1,561	70.9%
Westminster	790	87.7%	Brent	1,128	73.9%
Enfield	736	89.1%	Enfield	1,009	76.5%

Source: ONS (2012) Census 2011: Origin-Destination data; ONS (2022) Census 2021: Origin-Destination data (2022).

4.5 Transport Networks

4.5.1 As with the commute to work assessment, an analysis of transport networks is a useful indicator of the potential size and shape of the FEMA for Hertsmere. The average commute time can be applied to understand the catchment area (inflow commuting of workforce), as well as the extent of the area of potential employment for local residents (outflow commuting of workforce). This defines the employment market area.

4.5.2 The average commute time in Great Britain in 2024 was 56 minutes per day across all modes of transport[26], or the equivalent of 28 minutes' journey each way. This was a slight decrease on the average of 29 minutes journey each way in 2023. It is recognised that some commuter journeys may be longer in duration than this.

4.5.3 However, for the purposes of developing a broadly representative FEMA, the principal employment market area is defined as the geographical area reachable from Hertsmere in the average commute time (from the outer boundaries of the local authority area by road, and from stations within Hertsmere by rail).

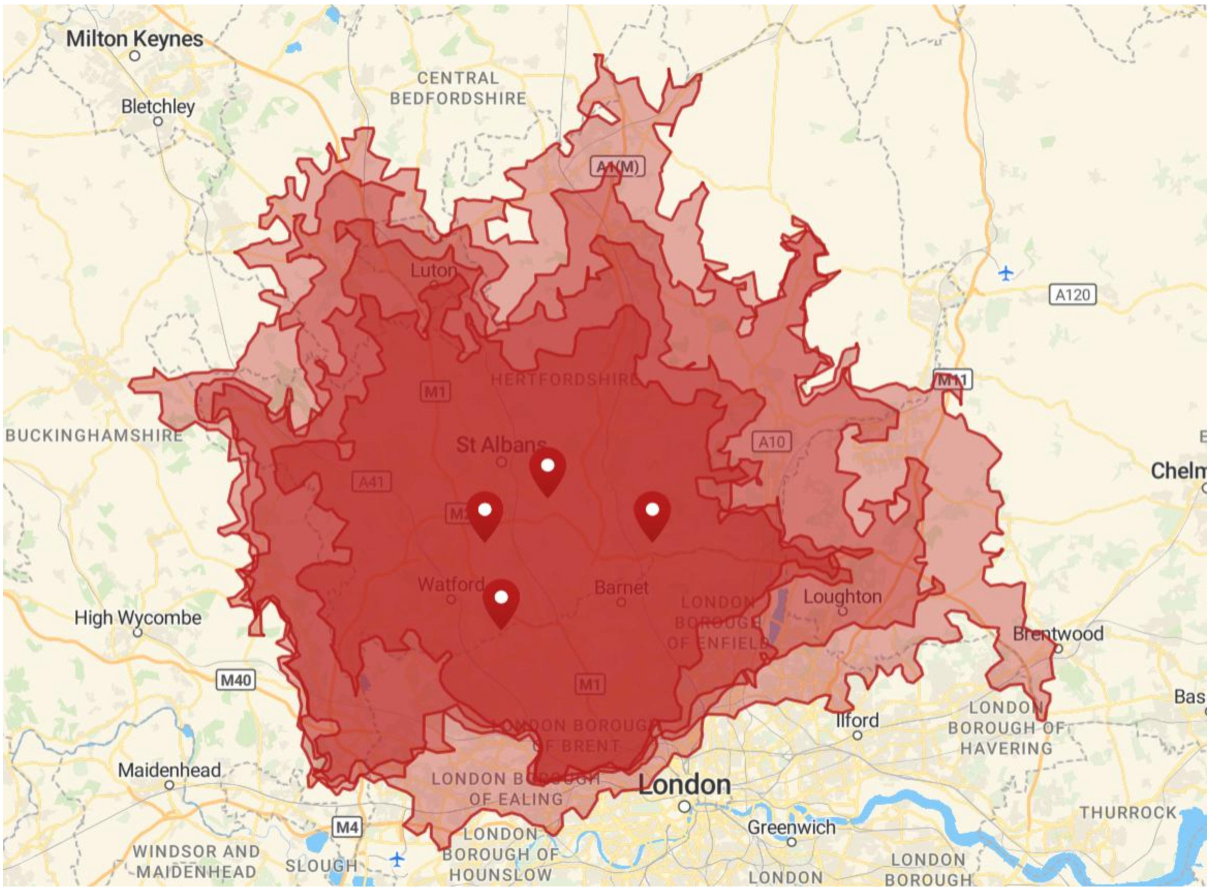
Road

4.5.4 The Hertsmere area is serviced by several strategic roads which provide direct strategic links to London, North Hertfordshire, and the Midlands. These roads include the M25, M1 and A1(M)[27]. These major routes are complemented by a network of primary and secondary distributor roads that support more localised connectivity within the borough.

4.5.5 Respecting speed regulation, 34 local authorities are reachable by car, within a 30-minute drive, from Hertsmere. As shown in Figure 4-1, these are: St Albans, Welwyn Hatfield, Watford, Dacorum, Three Rivers, Chiltern, South Buckinghamshire, Uxbridge, Harrow, Barnet, Enfield, Ealing, Hounslow, Hammersmith and Fulham, Brent, Kensington and Chelsea, Westminster, Camden, Islington, Hackney, Waltham Forest, Haringey, Redbridge, Havering, Brentwood, Epping Forest, Broxbourne, Harlow, East Hertfordshire, Stevenage, North Hertfordshire, Luton, Central Bedfordshire and Aylesbury.

[26] Transport Statistics Great Britain: 2024 Domestic Travel (December 2025). Available at: https://www.gov.uk/government/statistics/transport-statistics-great-britain-2025/transport-statistics-great-britain-2024-domestic-travel
[27] HBC (2023) Hertsmere Sustainable Transport Appraisal and Outline Settlement Transport Studies. Available at: www.hertsmere.gov.uk/asset-library/imported-assets/09-Planning-Building-Control/Planning-Policy/Local-Plan/3684-itp-hertsmere-sustainable-transport-appraisal-final-pdf-11.86-mb.pdf

Figure 4-1 Catchment area of 30-minute journey by road from Hertsmere



Source: Smappen, How Far Can I Go

Rail

4.5.6 Hertsmere benefits from three stations in the borough, Elstree & Borehamwood, Potters Bar and Radlett, each providing north-south connections between London, Hertfordshire and a number of urban centres located further north. Additional railway stations serving Hertsmere are located outside the borough boundary. These include Bushey and Watford Junction, situated in Watford Borough, which primarily serve residents of Bushey. Stations such as Enfield, Cockfosters, High Barnet, and Stanmore located near Hertsmere's southern boundary also provide residents with access to the Transport for London Underground network.

4.5.7 Table 4-4 provides a list of stations which can be reached within 30 minutes (by rail) from a station within Hertsmere, not including those listed within Hertsmere.

Table 4-4 Railway stations accessible within 30-minute rail journey from a railway station in Hertsmere

Stations	Local authority
Mill Hill Broadway	Barnet
Brent Cross West	Brent
West Hampstead (Thameslink)	Camden
London St Pancras	Camden
St Albans City	St Albans
Hendon	Barnet
Cricklewood	Barnet
Kentish Town	Camden

Stations	Local authority
Hadley Wood	Enfield
New Barnet	Barnet
Oakleigh Park	Barnet
New Southgate	Enfield
Alexandra Palace	Haringey
Hornsey	Haringey
Harringay	Haringey
Finsbury Park	Islington / Haringey[28]
Drayton Park	Islington
Highbury & Islington	Islington
Essex Road	Islington
Hatfield	Welwyn Hatfield
Welwyn Garden City	Welwyn Hatfield
Welwyn North	Welwyn Hatfield
Knebworth	North Hertfordshire
Stevenage	Stevenage
Hitchin	North Hertfordshire
Brookmans Park	Welwyn Hatfield
Welham Green	Welwyn Hatfield
Harpenden	St Albans
Luton Airport Parkway	Luton
Luton	Luton

Source: Trainline (2025)

4.6 Housing Market Area

4.6.1 The South West Hertfordshire Strategic Housing Market Assessment, produced by GL Hearn on behalf of Dacorum, Hertsmere, Three Rivers and Watford Borough Councils[29], together with St Albans City and District is used to define the Housing Market Area (HMA).

4.7 Commercial Property Market Area

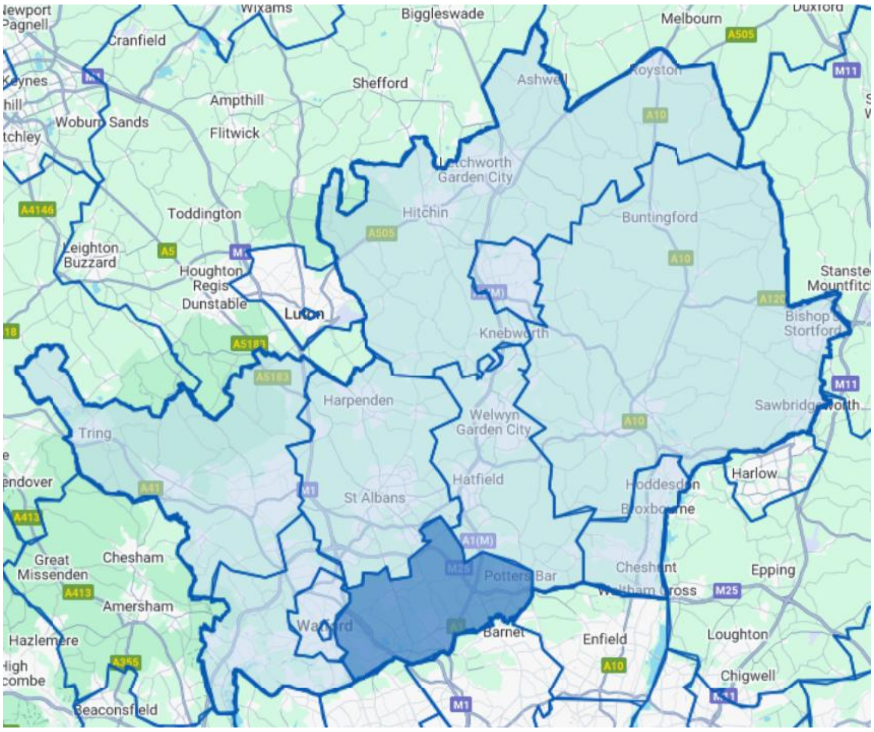
4.7.1 The FEMA is also influenced by the commercial property market area in which Hertsmere sits. Commercial property market areas are geographic boundaries that serve to define core areas that are competitive with each other. Markets are defined by buildings presenting similar characteristics and are formed of non-overlapping areas (i.e. a place cannot be part of two property market areas at the same time).

4.7.2 For the purposes of this Employment Study, it is relevant to look at both the office and industrial property markets. CoStar, a comprehensive database of real estate data throughout the UK, is a useful source of information and provides pre-defined office and industrial property market areas for the entire UK. CoStar defined markets have therefore been assumed as part of the analysis.

[28] Local authority depends on the station entrance/exit used
[29] GL Hearn (2016) South West Hertfordshire Strategic Housing Market Assessment. Available at: https://www.hertsmere.gov.uk/asset-library/imported-assets/09-Planning-Building-Control/Planning-Policy/Local-Plan/SW-Herts-SHMA-Exec-Sum-19-02-16.pdf

4.7.3 Both the industrial and office markets are defined as Hertfordshire, with Hertsmere being defined as its own industrial and office sub-market. As shown in Figure 4-2, the rest of the sub-markets forming the Hertfordshire property market include North Hertfordshire, East Hertfordshire, Broxbourne, Stevenage, Welwyn Hatfield, St Albans, Dacorum, Three Rivers, Watford Central and Watford Fringe.

Figure 4-2 Hertfordshire Property Submarkets



Source: CoStar (2025)

4.8 Economic governance and partnerships area

4.8.1 Hertsmere's economic governance is overseen by Hertfordshire County Council. Following the dissolution of the Hertfordshire Local Enterprise Partnership (LEP) in 2024, the County Council assumed responsibility for the LEP's strategic functions, including infrastructure investment, business support, and skills development. Hertfordshire County Council's economic strategy emphasises on inclusive growth, digital innovation, and sustainable transport connectivity, aligning with national levelling-up priorities and regional development goal.

4.8.2 Hertsmere also plays an active role in Hertfordshire Futures, a strategic partnership established in 2024 as the successor to the LEP. Hertfordshire Futures brings together Hertfordshire County Council, the ten district and borough councils, the NHS, and the Hertfordshire Local Enterprise Partnership's successor functions to coordinate long-term planning for housing, infrastructure, economic development, and environmental sustainability.

4.8.3 Although Hertfordshire is currently a two-tier authority structure, there have been early-stage discussions at the county level about potential local government reorganisation, following similar trends seen in other counties. While no formal proposals have yet been submitted, speculative models under informal review include:

- A single Hertfordshire unitary authority, replacing both the county and district/borough councils; or
- A sub-county model involving two or three unitary authorities, with Hertsmere potentially forming part of a South Hertfordshire unit alongside districts such as St Albans, Watford, and Three Rivers.

4.8.4 Such reorganisation, if progressed, could lead to more integrated economic governance and streamlined delivery of infrastructure and public services. In February 2026, Government published a working paper which identifies Hertfordshire as a proposed geography over which a spatial development strategy (SDS) should be produced[30]. However, at the time of writing, no consultation has been formally launched.

4.9 Conclusion

4.9.1 Hertsmere is relatively self-contained, with some important connections either from an economic governance perspective (administrative boundaries), market characteristics (housing and commercial property markets) and connectivity (travel to work and transport infrastructure).

4.9.2 Based on the assessment conducted in this section, and as summarised in Table 4-5 and represented in Figure 4-3, it can be reasonably concluded that Hertsmere is particularly connected with five other local authority areas:

- St Albans (by virtue of the road and rail network, the housing and property market areas, and economic governance area, and being a key location in relation to worker flows);
- Watford (by virtue of the road network, the housing and property market areas, and economic governance area, and being a key location in relation to worker inflows);
- Welwyn Hatfield (by virtue of the road and rail network, the property market areas, economic governance area, and being a key location in relation to worker flows);
- Three Rivers (by virtue of the road network, the housing and property market areas, and economic governance area); and
- Dacorum (by virtue of the road network, the housing and property market areas, and economic governance area).
- This updated FEMA reflects evolving patterns of economic interaction and commuting behaviour, with a greater emphasis on cross-boundary connectivity and labour market dynamics, particularly in relation to Welwyn Hatfield’s significance, which was not included in the SW Herts Economic Study 2024

Table 4-5 Summary of FEMA Analysis

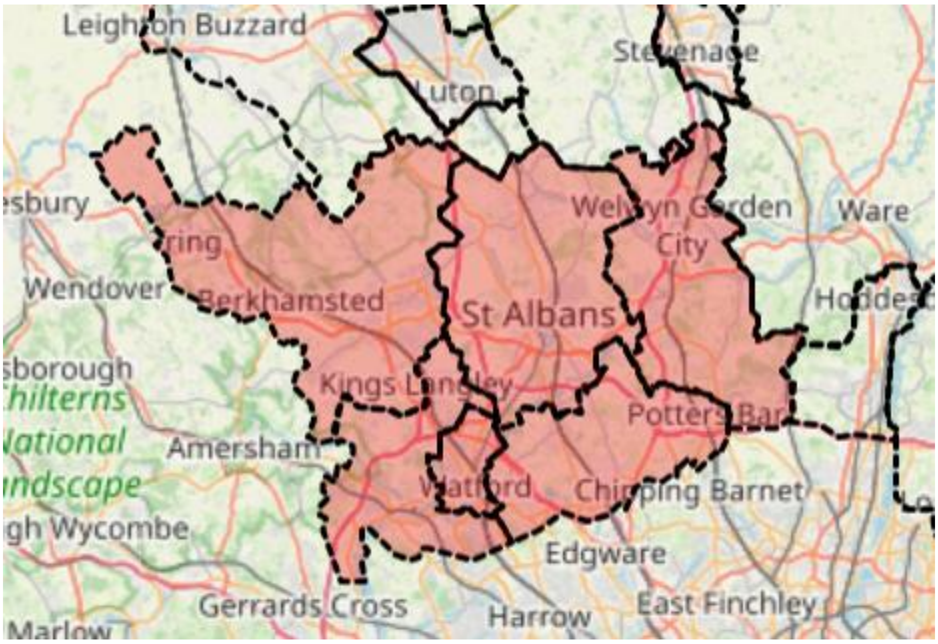
	2011 Inflow self-containment	2011 Outflow self-containment	2021 Inflow-self containment	2021 Outflow self-containment	Road network	Rail network	Housing market area	Property market area	Economic Governance Area
Hertsmere	X	X	X	X	X	X	X	X	X
St Albans	X	X			X	X	X	X	X
Watford	X				X		X	X	X
Welwyn Hatfield	X	X			X	X		X	X
Three Rivers					X		X	X	X
Dacorum					X		X	X	X
Barnet	X				X	X			
Harrow	X				X				

[30] https://www.gov.uk/government/consultations/areas-for-producing-spatial-development-strategies/areas-for-producing-spatial-development-strategies

	2011 Inflow self-containment	2011 Outflow self-containment	2021 Inflow-self containment	2021 Outflow self-containment	Road network	Rail network	Housing market area	Property market area	Economic Governance Area
Camden		X			X	X			
Enfield	X				X	X			

Source: AECOM

Figure 4-3 Hertsmere FEMA



Source: AECOM

5. Socio-Economic Baseline

5.1 Introduction

5.1.1 This section profiles Hertsmere's economic strengths and weaknesses that may impact upon employment land and premises requirements. Key indicators provided include:

- Population by age;
- Economic activity;
- Employment by industry sector, including growth sectors;
- Business stock, size and demography; and
- Qualifications, earnings, and GVA

5.1.2 To provide a comprehensive assessment, Hertsmere is benchmarked against the FEMA, the East of England region and England.

5.1.3 The socio-economic profile of Hertsmere is followed by commentary on economic trends which have impacted on the demand for employment land, such as the adaptation of working practices since the Covid-19 crisis, the impact of the rise of online retail or digital tools on the demand for employment space, and the implications of Brexit and the war in Ukraine on the economy.

5.1.4 Since the SW Herts Economic Study 2024, population trends in Hertsmere and the wider FEMA have remained broadly stable. While growth was recorded between 2011 and 2021, future increases are expected to be driven largely by the over-65 population, with the working-age population projected to decline across both Hertsmere and the FEMA.

5.1.5 In terms of economic activity, the FEMA continues to enjoy unemployment rates below regional and national averages, consistent with findings from the previous SW Herts Economic Study 2024. However, this trend does not apply to Hertsmere, where unemployment falls slightly above FEMA levels, suggesting greater capacity in the local labour market and untapped workforce potential.

5.1.6 Employees by industry in the FEMA shows continued over-representation in construction and professional services, with under-representation persisting in manufacturing and health. Although business administration and support services have been previously over-represented across the FEMA and continue to be supported by a large proportion of employees, this is not the case in Hertsmere. The proportion of employees in this sector falls below the average across the FEMA, East of England and England as a whole. The FEMA maintains a higher share of employment in information and communication compared to regional and national averages, a trend which is also seen across Hertsmere.

5.1.7 Business stock continues across all geographies to be dominated by micro and small enterprises (fewer than 50 employees), with the highest number of businesses within the professional, scientific & technical sector in Hertsmere and the FEMA. As recorded SW Herts Economic Study 2024, the information and communication sector remains a prominent indicating this is a key strength of the borough and the FEMA.

5.1.8 In terms of qualifications and skills, the FEMA continues to outperform national and regional benchmarks, and Hertsmere mirrors this trend albeit still behind the FEMA.

5.1.9 Finally, GVA continues to show a positive trend in Hertsmere and the FEMA, with the geographies maintaining strong productivity levels relative to the wider region.

5.2 Socio-Economic Profile

Population

5.2.1 The future economic needs of Hertsmere will be driven in part by trends in the size of the resident population. ONS Census data[31],[32] shows that the population of Hertsmere increased by 7.8% between 2011 and 2021 from 100,031 to 107,827. Compared to the other geographies, the population of Hertsmere grew at an equivalent rate to the FEMA (7.9%), lower rate than the East of England (8.3%), and higher rate than England (6.6%) over the same period. Over the past decade, the working age population (individuals aged 16 – 64) has increased by 5.6%, higher than all comparator geographies.

5.2.2 The ONS population projection data[33], presented in Table 5-1, illustrates what an area's population structure may look like in the future. In 2041 it is expected that Hertsmere will have experienced a slight net increase in the overall population by 0.5%. However, when broken down by age group, it is the 65 and over age group that will be the primary driver of this increase (41.4%). Conversely the working age population decreased by -8.6% in Hertsmere, a rate higher than the East of England (-0.3%), while this age group is anticipated to grow across the FEMA (16.8%) and England overall (1.7%). The decrease in the working age population may have implications for economic development in the borough. Whereas a faster-growing working-age population typically correlates with increased labour supply and consumer demand, potentially stimulating local businesses, productivity, and innovation, a declining working age population would do the opposite, deterring attracting investment and reducing the pool of skilled workers.

Table 5-1 Estimated Population Change by 2041 Across the Study Areas

	Hertsmere	FEMA	East of England	England
All ages	0.5%	2.8%	7.3%	8.6%
Aged 0 - 15	-7.5%	-7.5%	-1.3%	0.4%
Aged 16 - 64	-8.6%	16.8%	-0.3%	1.7%
Aged 65+	41.4%	38.4%	39.0%	40.4%

Source: ONS (2018). Population Projections

Economic Activity

5.2.3 Economic activity data measures the proportion of working age residents who are active members of the labour market in an area. In 2021, the economic activity rate in Hertsmere was 62.6%, lower than the FEMA (63.0%), albeit higher than the East of England (59.8%) and England (58.6%)[34]. Hertsmere recorded a higher unemployment rate (2.8%) when compared to the FEMA (2.6%) and East of England (2.5%), but a slightly lower rate than the national average (2.9%).

5.2.4 Job density[35], which is the number of jobs in an area divided by the working age resident population (aged 16 – 64), was estimated to be 1.10 in 2023, which is higher than the FEMA (1.04), the East of England (0.84) and England overall (0.87). This suggests that Hertsmere has a healthy job market compared to its FEMA, regional and national comparators. This indicates that the district offers greater employment opportunities per resident of working age and implies there are comparably limited challenges in terms of the availability of employment opportunities within the local authority area.

[31] ONS Census 2011.
[32] ONS Census 2021.
[33] ONS (2018); Population Projections.
[34] ONS Census 2021.
[35] ONS (2023); Job Density.

Employment by Industry

5.2.5 The employment landscape in Hertsmere is characterised by both diversity and specialisation, as showed by the latest Business Register and Employment Survey (BRES) data[36] published by the ONS and location quotient (LQ) analysis presented in Table 5-2. With a workforce of nearly 60,000, Hertsmere's economy is shaped by several key sectors that not only employ large numbers but also show distinctive concentrations compared to the wider FEMA, East of England, and England averages.

5.2.6 Professional, scientific, and technical activities represent the largest share of employment in Hertsmere, accounting for over 15% of all jobs. This sector's prominence signals a strong knowledge-based economy, supported by a skilled workforce and the presence of businesses engaged in research, consultancy, and technical services. Wholesale and retail trade, together with the repair of motor vehicles, follows closely, making up more than 13% of employment. Construction is another major employer, representing nearly 12% of local jobs, which is notably higher than regional and national averages.

5.2.7 The LQ analysis provides further insight into Hertsmere's sectoral strengths. Sectors with an LQ above 1.0 are considered to have a higher concentration of employment locally than in the comparator areas, indicating a degree of specialisation or clustering. In Hertsmere, several industries stand out as presenting a high level of clusterisation:

- construction (LQ of 1.8 against the FEMA and East of England and 2.3 against England);
- financial and insurance activities (LQ of 2.2 against the FEMA and 1.9 against the East of England);
- real estate activities (LQ of 2.1 against the FEMA and East of England and 2.3 against England); and
- arts, entertainment and recreation (LQ of 1.4 against all comparator areas).

5.2.8 These clusters suggest that Hertsmere offers a supportive environment for businesses in these fields, with established networks, infrastructure, and a pool of experienced workers.

5.2.9 Examining employment trends over the past decade reveals both growth and decline across different sectors. Real estate activities have experienced the greatest expansion, with employment rising by 140%. Professional, scientific and technical activities have also grown strongly, up by 80%, further reinforcing Hertsmere's status as a hub for knowledge-intensive industries. Accommodation and food service activities have expanded by nearly 29%. Public administration and defence, construction, and arts, entertainment and recreation have all seen double-digit growth, contributing to the area's economic resilience and diversity.

5.2.10 Conversely, some sectors have declined in employment share. Wholesale and retail trade has contracted by 20%, reflecting broader trends in retail, such as the rise of online shopping and changing consumer habits. Administrative and support services, transportation and storage, and financial and insurance activities have also seen reductions, suggesting a shift away from traditional support roles and some financial services. Utilities and other service activities have experienced more pronounced declines.

[36] ONS; Business Register and Employment Survey 2024.

Table 5-2 Employment by Industry Across the Study Areas

	2024	% of Total	2015-2024 % Change	LQ Analysis FEMA	East of England	England
A : Agriculture, forestry and fishing	350	0.6%	0.0%	1.8	0.4	0.5
B : Mining and quarrying	0	0.0%		0.0	0.0	0.0
C : Manufacturing	2,500	4.2%	11.1%	1.4	0.6	0.6
D : Electricity, gas, steam and air conditioning supply	75	0.1%	-75.0%	0.4	0.5	0.4
E : Water supply; sewerage, waste management and remediation activities	225	0.4%	-10.0%	0.6	0.5	0.5
F : Construction	7,000	11.7%	16.7%	1.8	1.8	2.3
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	8,000	13.4%	-20.0%	1.0	0.9	1.0
H : Transportation and storage	2,000	3.3%	-11.1%	1.0	0.6	0.7
I : Accommodation and food service activities	4,500	7.5%	28.6%	1.4	1.1	1.0
J : Information and communication	3,000	5.0%	0.0%	1.0	1.6	1.1
K : Financial and insurance activities	2,000	3.3%	-11.1%	2.2	1.9	1.0
L : Real estate activities	3,000	5.0%	140.0%	2.1	2.1	2.3
M : Professional, scientific and technical activities	9,000	15.1%	80.0%	1.1	1.8	1.6
N : Administrative and support service activities	4,000	6.7%	-11.1%	0.3	0.6	0.8
O : Public administration and defence; compulsory social security	600	1.0%	33.3%	0.5	0.3	0.2
P : Education	5,000	8.4%	0.0%	1.2	0.9	1.0
Q : Human health and social work activities	5,000	8.4%	11.1%	1.0	0.7	0.6
R : Arts, entertainment and recreation	2,000	3.3%	14.3%	1.4	1.4	1.4
S : Other service activities	1,500	2.5%	-14.3%	1.1	1.2	1.2
TOTAL	**59,750**	**100.0%**	**9.9%**			

Source: ONS (2024). Business Register and Employment Survey

5.2.11 The data presented above identifies key economic industries in Hertsmere including real estate activities, professional, scientific and technical services, construction, accommodation and food services, and arts, entertainment and recreation. However, this high level analysis does not provide a detailed picture of niche sectors in Hertsmere, such as the film industry and data centres, which are key for the Hertsmere's economy. This is considered further in Section 5.4.

Business Stock

5.2.12 ONS Business Count[37] data, presented in Table 5-3, indicates that there were 7,660 enterprises located in Hertsmere in 2024. When broken down by employment size band, most businesses were classed as micro (defined as companies employing up to nine employees), making up 91.4% of businesses. This is broadly in line with the rates in the FEMA (90.5%), East of England (89.7%), and England overall (89.2%). There was a total of 530 small businesses, 100 medium businesses, and 25 large businesses located in the borough. Of these businesses, the professional, scientific, and technical and construction sectors had the largest proportion of businesses. This is echoed across all geographies.

Table 5-3 Business Counts by Employment Size Band Across the Study Areas

	Hertsmere	FEMA	East of England	England
Micro (0 to 9)	91.4%	90.5%	89.7%	89.2%
Small (10 to 49)	6.9%	7.6%	8.4%	8.7%
Medium-sized (50 to 249)	1.3%	1.4%	1.5%	1.6%
Large (250+)	0.3%	0.5%	0.4%	0.4%

Source: ONS (2024). UK Business Counts

5.2.13 Since 2019, the number of businesses in Hertsmere has grown by 3.4%, surpassing the increases seen in the FEMA (-2.0%), East of England (-0.5%), and England as a whole (0.3%). This growth has been primarily driven by micro-sized enterprises, accounting for an increase of circa 245 businesses. This trajectory is a positive economic indicator for Hertsmere, suggesting a favourable environment for business growth and opportunity.

5.2.14 When considering business density, Hertsmere has 695 businesses per 10,000 of the population. This is higher than the FEMA (536), the East of England (411) and England as a whole (405)[38].

5.2.15 Table 5-4 presents a sector profile of businesses in all study geographies. Hertsmere's sector profile of businesses is characterised by strengths in high-value, service-led sectors, with particularly strong representation in construction (16.5%), information and communication (10.2%), property (7.8%), and professional, scientific and technical services (17.6%), all of which are broadly in line with the FEMA. This reflects the borough's proximity to London and its growing creative and digital economy. Conversely, Hertsmere is under-represented in more traditional sectors such as agriculture (0.5%), manufacturing (3.3%), retail (5.7%), and transport and storage (2.9%), compared to regional and national averages. The low share of public administration and education businesses further reinforces Hertsmere's private sector focus, with the overall profile pointing to a dynamic, knowledge-based economy with opportunities to further grow its digital and professional services sectors.

Table 5-4 Sector Profile of Businesses Across the Study Areas

	Hertsmere	FEMA	East of England	England
Agriculture, forestry & fishing	0.5%	0.8%	3.9%	3.9%
Mining, quarrying & utilities	0.5%	0.5%	0.6%	0.5%

[37] Office for National Statistics (2024); UK Business Counts: Enterprises by Industry and Employment Size Band
[38] Calculated using the UK Business Counts (number of enterprises) and Total Population datasets from 2022 (latest available)

	Hertsmere	FEMA	East of England	England
Manufacturing	3.3%	3.3%	5.0%	4.8%
Construction	16.5%	15.7%	17.6%	14.0%
Motor trades	1.8%	2.3%	3.4%	2.9%
Wholesale	4.8%	4.3%	3.8%	3.8%
Retail	5.7%	5.9%	6.7%	7.9%
Transport & storage (inc postal)	2.9%	3.2%	5.0%	4.4%
Accommodation & food services	4.5%	4.3%	5.3%	6.1%
Information & communication	10.2%	10.8%	6.6%	7.3%
Financial & insurance	2.3%	1.9%	1.9%	2.2%
Property	7.8%	4.9%	4.1%	4.5%
Professional, scientific & technical	17.6%	19.7%	14.9%	15.8%
Business administration & support services	9.0%	9.3%	8.6%	8.6%
Public administration & defence	0.1%	0.1%	0.5%	0.3%
Education	1.5%	2.0%	1.9%	1.8%
Health	4.5%	4.3%	3.9%	4.2%
Arts, entertainment, recreation & other services	6.5%	6.6%	6.4%	6.9%

Source: ONS (2024). UK Business Counts

5.2.16 In regard to economic performance, in Hertsmere, the largest proportion of turnover revenue per business is in the £100,000 - £199,000 category, with 32.8% of businesses turning over this amount[39]. This mirrors the trend in the FEMA, East of England, and England. Approximately 875 businesses (11.4%) generated a turnover of over £1 million in Hertsmere. The businesses were mainly construction and wholesale enterprises. This demonstrates that Hertsmere has a slightly higher proportion of high-turnover businesses compared to the East of England (11.3%), and England as a whole (11.3%), although equivalent to the FEMA (11.4%).

5.2.17 Business demography data[40] demonstrates the annual change in the number of businesses across the UK. The one-year survival rate of businesses in Hertsmere was recorded as 93.6% in 2022, higher than the East of England (92.4%) and England (92.4%) albeit slightly lower than the FEMA (93.9%). This survival rate indicates a favourable business environment in Hertsmere as a stable and attractive place for entrepreneurs and investors. Table 5-5 illustrates the demography in Hertsmere between 2018 and 2022. It shows that during this period, there was a net increase in businesses every year, with more births than deaths recorded, apart from most recently in 2022.

Table 5-5 Business Demography in Hertsmere

	2018	2019	2020	2021	2022
Births	1,075	1,045	900	930	860
Deaths	825	795	835	880	965
Net Change	23.3%	23.9%	7.2%	5.4%	-12.2%

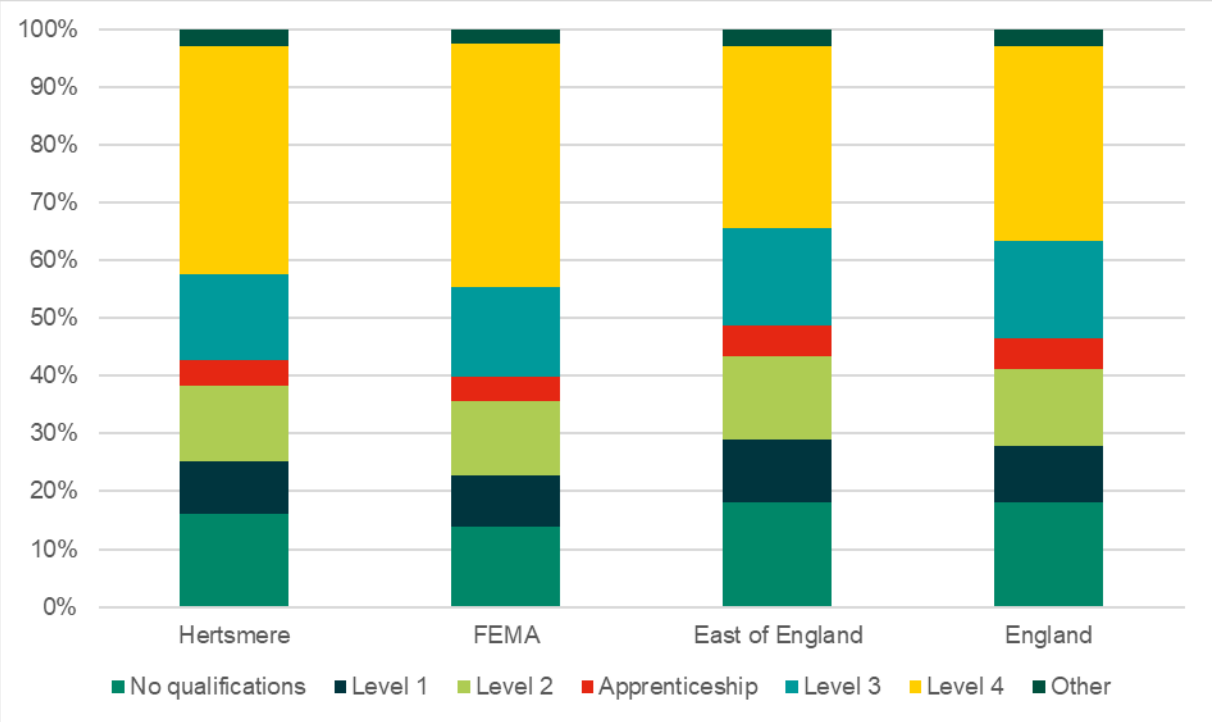
Source: ONS (2023). Business Demography

[39] ONS (2023); UK Business Counts: Enterprises by Industry and Turnover Band
[40] ONS (2023); Business Demography

Qualifications and Skills

5.2.18 The proportion of residents in Hertsmere aged 16 or over with a qualification at NVQ4 level or above[41] is 39.6%[42], as presented in Figure 5-1. This is lower than the average across the FEMA (43.1%) but higher than the regional (31.6%) and national average (33.9%). Regarding residents with no qualifications, 16.0% of residents hold no qualifications in Hertsmere, higher than that recorded for the FEMA (13.8%), but lower than the East of England (18.1%), and England as a whole (18.1%). A higher proportion of residents with advanced qualifications can attract businesses requiring skilled labour, drive innovation, and enhance productivity. Additionally, the lower percentage of residents without any qualifications indicates a potential requirement for development and upskilling activities and those to support work readiness.

Figure 5-1 Highest Level of Qualification Across the Study Areas



Source: ONS (2022). Census 2021: Highest Level of Qualification

5.2.19 Over the 10 years to 2021, the outlook on skills and qualifications has improved significantly in Hertsmere, particularly within the Level 3 and Level 4+ category whereby achievement of this level increased by 38.8% and 42.4% respectively since 2011. This is met with a decline in those receiving no qualifications (-11.1%). This suggests that Hertsmere is experiencing positive growth in skills and educational attainment.

5.2.20 There is evidence of investment to develop the skills pipeline in Hertsmere, with over £17 million invested across a range of programmes and infrastructure. This includes £1.7 million awarded to Oaklands College to deliver green construction and retrofit Skills Bootcamps as part of the Hertfordshire Futures initiative[43], and £15.6 million invested in the development of the Platinum Stages in Borehamwood, which will provide training and apprenticeship opportunities in film and TV production[44]. Additional funding has supported the expansion of

[41] NVQ level or above qualifications include Degree (BA, BSc), Higher Degree (MA, PhD, PGCE), NVQ 4-5, HNC, RSA Higher Diploma, BTEC Higher Level, foundation Degree (NI), Professional Qualifications (i.e. teaching, nursing, accountancy).
[42] ONS Census 2021 & 2011: Highest Level of Qualification
[43] Hertfordshire Futures (2025); Hertfordshire Futures secures largest ever funding award for Skills Bootcamps. https://www.hertfordshirefutures.co.uk/news/2025/hertfordshire-futures-secures-largest-ever-funding-award-for-skills-bootcamps
[44] Borehamwood & Elstree Times (2021); Elstree Studios' £15.6 million expansion in Borehamwood https://www.borehamwoodtimes.co.uk/news/19325501.elstree-studios-15-6-million-expansion-borehamwood/

SEND education provision[45], alongside targeted careers and employer engagement events aimed at connecting local residents with high-value employment opportunities[46].

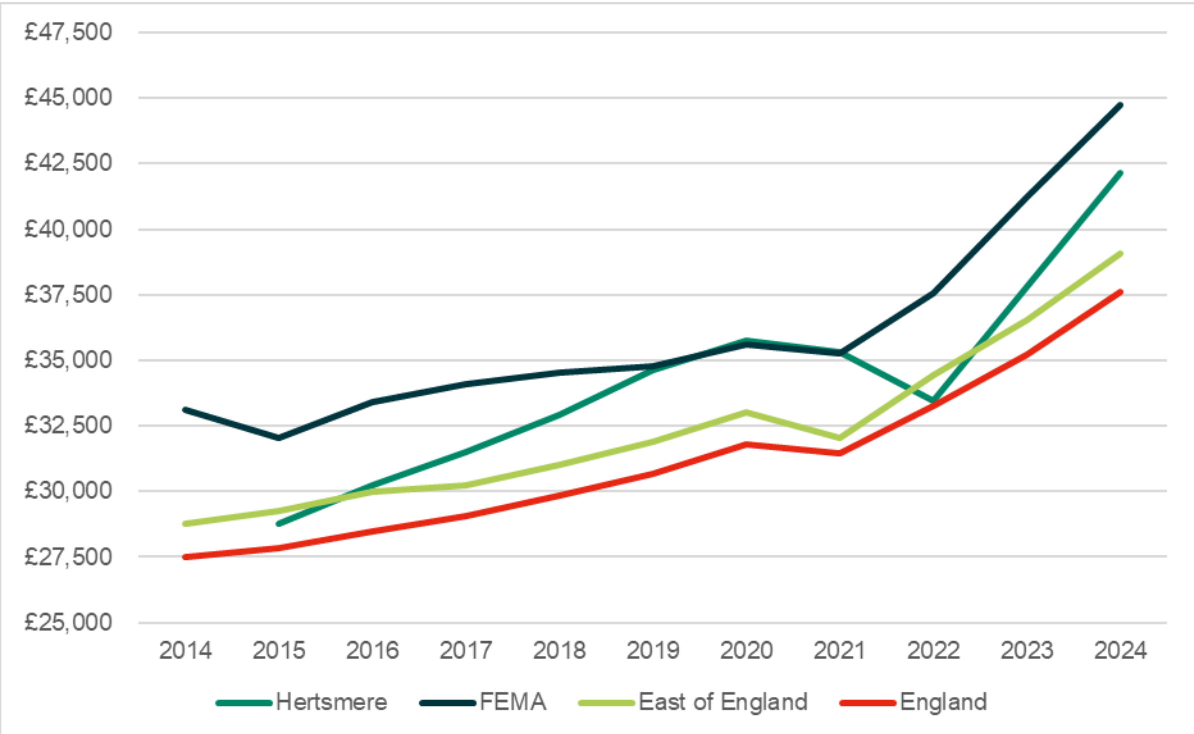
5.2.21 Occupation data from the 2021 Census[47] shows that 40.6% of Hertsmere residents work in professional or managerial occupations, the two highest skilled categories. Although this is lower than the proportion recorded across the FEMA (41.0%), it is higher compared to 33.3% in the East of England and 33.2% in England. This demonstrates the attractiveness of the borough as a location for highly skilled and highly paid workers.

Earnings and GVA

5.2.22 The Annual Survey of Hours and Earnings[48] shows that the median annual gross pay for full time workers who reside in Hertsmere was £42,168 in 2024. This was lower than earnings in the FEMA, albeit higher than the average across the East of England and England as a whole. Workplace based earnings show that for those who work in Hertsmere, annual gross pay was £44,347, higher than the FEMA, regional and national averages. The difference between resident-based[49] and workplace-based[50] earnings suggest the presence of residents commuting outside of the borough to access lower paying jobs elsewhere.

5.2.23 Figure 5-2 shows that Hertsmere has recorded a steady increase in annual earnings over time, broadly reflecting general economic growth over the last decade. Earnings have generally been higher than the regional and national average, albeit consistently below the FEMA. This indicates a positive growth trajectory, albeit while Hertsmere is performing well, it has not performed as strongly as the FEMA in terms wage growth.

Figure 5-2 Median Average Annual Earnings (Full-Time Workers) Across the Study Areas (Resident-Based)

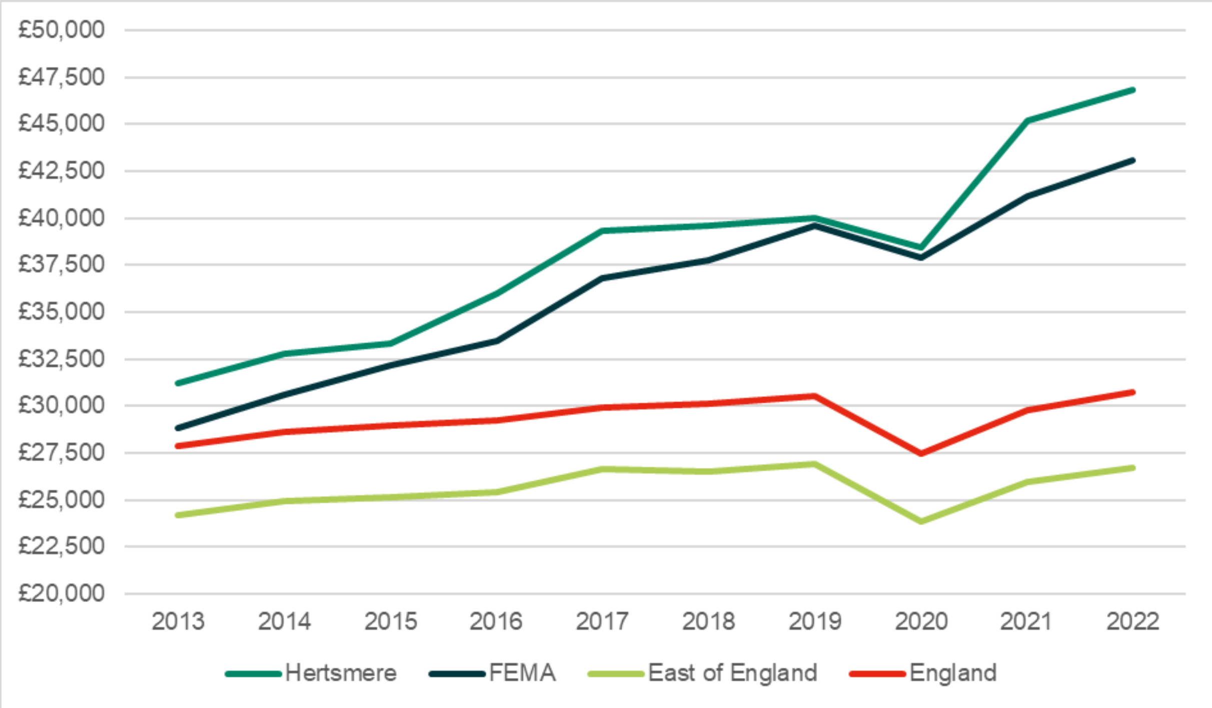


Source: ONS (2024). Annual Survey of Hours and Earnings.

[45] HBC (2024); Hertsmere approves CIL funding to boost SEND provision. https://www.hertsmere.gov.uk/News/Articles/September-2024/Hertsmere-approves-CIL-funding-to-boost-SEND-provision.aspx
[46] Hertfordshire Local Enterprise Partnership (2022); Generation event to spotlight career opportunities for young people in Hertsmere. https://www.hertfordshirelep.com/news/2022/generation-event-to-spotlight-career-opportunities-for-young-people-in-hertsmere
[47] ONS Census 2021.
[48] ONS (2024); Annual Survey of Hours and Earnings.
[49] Earnings of people residing in Hertsmere (regardless of workplace)
[50] Earnings by people working in Hertsmere (regardless of where they live)

5.2.24 Productivity, as measured by GVA per head[51], stood at £46,819 in Hertsmere in 2022. This is higher than the FEMA (£41,178), the East of England (£26,735), and England (£30,715). This indicates that Hertsmere outperforms its immediate economic area as well as the broader regional and national averages in terms of productivity. As shown in Figure 5-3, this gap has remained persistent over the last decade.

Figure 5-3 GVA per Head Across Study Areas



Source: ONS (2023). Regional Gross Value Added (Balanced) at Current Prices

5.2.25 Overall, this indicates that Hertsmere benefits from a strong and productive local economy, underpinned by high workplace-based earnings and sustained productivity growth. While resident-based earnings remain lower, reflecting outward commuting to comparatively lower-paid jobs, those employed within the borough benefit from higher-than-average wages. The consistent outperformance in productivity compared to FEMA, regional, and national benchmarks highlights Hertsmere's role as a high-value economic hub, though there remains scope to further align resident earnings with local employment opportunities.

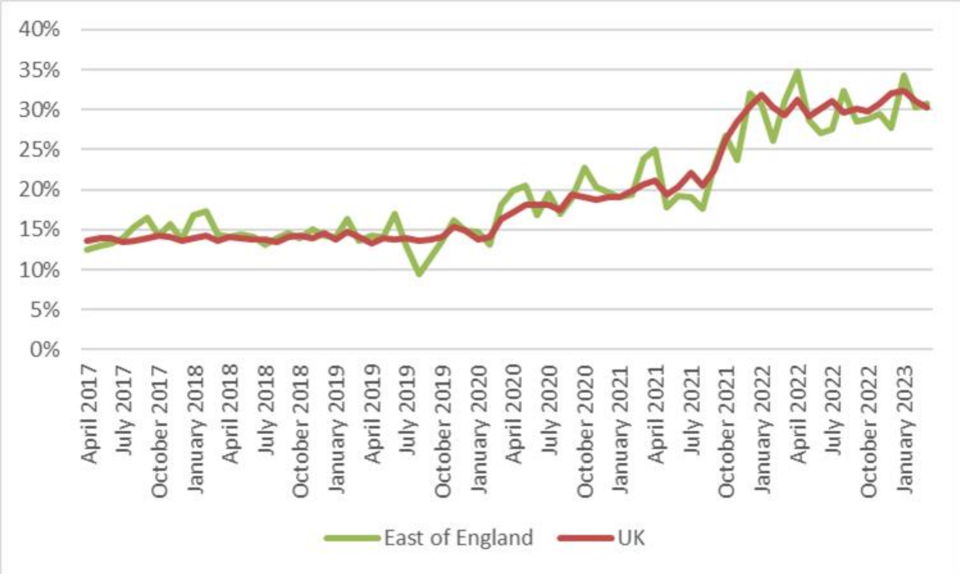
5.3 Home-Working Patterns

5.3.1 The trend in homeworking, which has been around for decades and had been slowly but steadily rising for the past few decades, was suddenly accelerated since the Covid-19 pandemic and the consequential lockdowns.

5.3.2 The figure below shows the rise in homeworking between 2017 and 2023, and the rapid acceleration of the trend between April 2020 and January 2022. ONS data indicates that by March 2023, 30.8% of the working population in the East of England mainly worked from home. This is comparable to the UK average of 30.2%.

[51] ONS (2023); Regional Gross Value Added (Balanced) at Current Prices.

Figure 5-4 Homeworking Practices April 2017- January 2023



Source: ONS (2023). Homeworking by Region by Month

5.3.3 The ONS has not produced any data on homeworking at the Local Authority level in recent years. The ONCS Census data[52] reported that 52.6% of people working in Hertsmere mainly worked from home. However, this figure was directly influenced by the different lockdowns (and instruction given by Government to work from home) and is no longer accurately reflecting current working patterns.

5.3.4 A study by SGA, published in September 2024[53], indicates that homeworking between 2024 and 2030 is estimated to be between 38% and 42% in Hertfordshire.

5.3.5 ONS Annual Population Survey[54] reports data on home-working practices, in 2020, by major industry in the UK. This data is presented in Table 5-6.

Table 5-6 Percentage (%) of employed population in each work from home status, by major industry sector (2020)

	Never	Mainly	Recently	Occasionally
Agriculture, forestry and fishing (A)	66.98%	8.32%	11.06%	13.64%
Mining and utilities (BDE)	66.00%	6.49%	19.77%	7.73%
Manufacturing (C)	70.16%	6.59%	14.80%	8.45%
Construction (F)	69.05%	5.21%	12.74%	13.00%
Wholesale, retail, repair of vehicles (G)	80.27%	4.95%	7.35%	7.43%
Transport and storage (H)	81.43%	3.31%	8.38%	6.87%
Accommodation and food services (I)	87.75%	2.67%	3.18%	6.40%
Information and communication (J)	37.97%	21.88%	32.34%	7.81%
Financial services and real estate (KL)	45.83%	13.30%	33.34%	7.53%
Prof, scientific, technical activ. (M)	43.92%	17.37%	29.15%	9.56%
Admin and support services (N)	67.71%	8.69%	14.26%	9.34%
Public admin and defence (O)	56.13%	7.77%	28.62%	7.48%
Education (P)	56.95%	5.45%	19.77%	17.84%

[52] ONS Census 2021, ODWP01EW - Location of usual residence and place of work
[53] SGA (2024), Future of Work: Local Area Homeworking Rates 1991 to 2030

[54] ONS, Annua Population Survey, Work from home status, 19 April 2021

	Never	Mainly	Recently	Occasionally
Health and social work (Q)	72.31%	5.40%	13.08%	9.21%
Other services (RST)	62.17%	11.39%	14.70%	11.73%

Source: ONS (2020), Annual Population Survey

5.3.6 Cross-referencing the above data of home-working practices by industry, to an average of 38% to 42% of people predicted to be working from home in Hertfordshire between 2023 and 2030, allows to estimate the proportion of home-working in Hertsmere by major industry, as presented in Table 5-7.

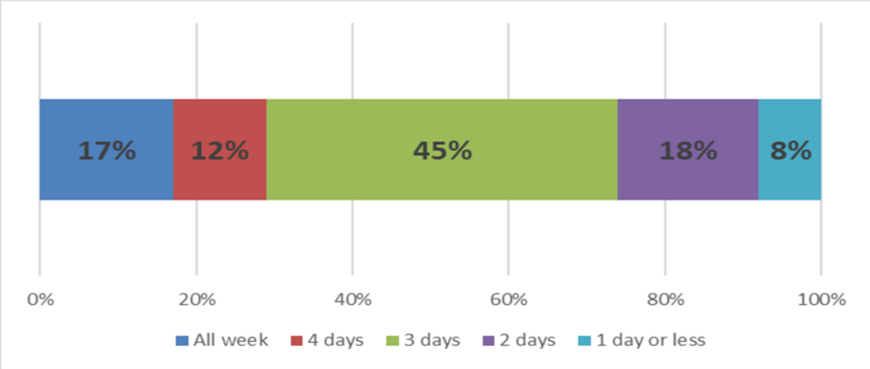
Table 5-7 Estimated Percentage (%) of Home-Working in Hertsmere by Major Industry (2023-2030)

	UK % Home-working (APS 2020)	Hertsmere Employment (BRES 2023)	Hertsmere Home-working (UK APS 2020)	Hertsmere Adjusted Home-working (SGA 38%)	Hertsmere % Home-working (SGA 38%)
Agriculture, forestry and fishing (A)	33.0%	200	66	70	34.8%
Mining and utilities (BDE)	34.0%	400	136	143	35.8%
Manufacturing (C)	29.8%	2,500	746	786	31.4%
Construction (F)	30.9%	6,000	1,857	1,956	32.6%
Wholesale, retail, repair of vehicles (G)	19.7%	7,750	1,529	1,611	20.8%
Transport and storage (H)	18.6%	2,000	371	391	19.6%
Accommodation and food services (I)	12.3%	5,000	613	645	12.9%
Information and communication (J)	62.0%	3,000	1,861	1,961	65.4%
Financial services and real estate (KL)	54.2%	4,500	2,438	2,568	57.1%
Prof, scientific, technical activ. (M)	56.1%	9,000	5,047	5,317	59.1%
Admin and support services (N)	32.3%	3,500	1,130	1,191	34.0%
Public admin and defence (O)	43.9%	500	219	231	46.2%
Education (P)	43.1%	5,000	2,153	2,268	45.4%
Health and social work (Q)	27.7%	5,000	1,385	1,459	29.2%
Other services (RST)	37.8%	3,000	1,135	1,196	39.9%
TOTAL		**57,350**	**20,685**	**21,793**	**38%**

Source: AECOM Calculations

5.3.7 These figures have been adjusted to take into consideration the average attendance to the office by employees practicing flexible working. Survey data published by Lambert Smith Hampton, presented in Figure 5-5, for the UK, indicates an average of 2.26 days worked from home, or 45.3% of the week (not considering people working full-time from their place of work).

Figure 5-5 Average Days per Week Spent in the Workplace



Source: Lambert Smith Hampton, Occupier Survey 2024

5.3.8 Adjusted for partial attendance to the office, the estimated percentage of home-working is estimated to be 17.2% in Hertsmere. Table 5-8 presents the breakdown by major industry.

Table 5-8 Home Working Ration by Industry

	Hertsmere Home-working 2023-2030
Agriculture, forestry and fishing (A)	15.8%
Mining and utilities (BDE)	15.5%
Manufacturing (C)	13.9%
Construction (F)	13.8%
Wholesale, retail, repair of vehicles (G)	9.4%
Transport and storage (H)	8.4%
Accommodation and food services (I)	5.7%
Information and communication (J)	32.1%
Financial services and real estate (KL)	25.8%
Prof, scientific, technical activ. (M)	28.1%
Admin and support services (N)	15.7%
Public admin and defence (O)	19.7%
Education (P)	18.5%
Health and social work (Q)	12.6%
Other services (RST)	18.8%
TOTAL	**17.2%**

Source: AECOM Calculations

5.4 Niche Sectors Requiring Further Consideration

5.4.1 The creative, digital, and technology sector plays a vital role in driving economic growth and employment in Hertsmere, particularly through its established film and TV heritage. Assessing future requirement of employment space for this industry in Hertsmere is complex and may not be fully addressed by traditional assessment methods. Therefore, it will be important to give further consideration to this key sector for Hertsmere, in order to ensure that future space and land requirements are fully captured in this study. Similarly, considerations need to be given to land requirement for data centres, which are essential to the film industry. Relying on traditional methods to estimate future land requirements (i.e. employment forecast) risks to under-estimate the future demand of land to accommodate new data centres[55], indirectly impacting on the attractiveness of Hertsmere for the film industry. To ensure that future demand for space to accommodate data centres, which will support Hertsmere future economic growth, further consideration is also given to this industry.

5.4.2 Based on research carried out by Counterculture LLP[56], Hertsmere's creative industries, led by Elstree Studios in Borehamwood (and now also Sky Studios), generated an estimated £375 million in direct GVA in 2021 and employed over 7,000 people across 1,075 mostly micro-businesses (directly and indirectly). The BBC Elstree Studios and its redevelopment[57] further reinforces the importance of the film sector in Hertsmere.

5.4.3 Elstree studios anchor the film/TV cluster, supporting production and post-production, while new developments like the DC01UK data centre, approved 2025, will create 200 direct jobs upon completion and will support 13,740 indirect jobs and contribute £1.1 billion per annum in GVA across the UK[58]. The importance of data centres in the Hertsmere economy could be further increased following the development of additional proposed data centre, such as the Ark project at the Former Mercure Hotel site[59], which currently has approved planning for the delivery of B8 and ancillary space[60].

5.4.4 The following sub-sections provide a more detailed and up-to-date analysis of the role of the film industry and data centres in Hertsmere and the initial implications for this Economic Study and forecasting of future needs.

Film Industry

5.4.5 5-digit Standard Industrial Classification (SIC) can be used to define the film industry and analyse employment data for Hertsmere. The following 5-digit SIC codes define the broader film industry and cover production, post-production, distribution and exhibition:

- 59.11/1 – Motion picture production activities (feature films, shorts, etc.).
- 59.11/2 – Video production activities (non-broadcast, corporate, etc.).
- 59.11/3 – Television programme production activities (TV drama, series, etc.).
- 59.12/0 – Motion picture, video and television programme post production activities (editing, VFX, sound post, labs).
- 59.13/1 – Motion picture distribution activities.
- 59.13/2 – Video distribution activities.
- 59.13/3 – Television programme distribution activities.
- 59.14/0 – Motion picture projection activities (cinemas).
- 59.20/0 – Sound recording and music publishing activities (for score recording, etc.).
- 90.03/0 – Artistic creation (used by some micro entity film production companies, particularly independents and documentary producers).

5.4.6 Based on this definition of the film industry, BRES data (presented in Table 5-9) shows that there were 670 jobs in the film industry in Hertsmere in 2024 (down from 820 in 2023). This is a small number in comparison to the figure of 7,000 jobs in the creative industry in Hertsmere mentioned in paragraph 5.4.1 above.

5.4.7 This table also shows the importance of the film industry in Hertsmere, which represents between 0.9% and 2% of all employment in the local authority depending on the year. This is significantly higher than the share of employment in this industry across all other

[55] Employment density for data centres also diverges greatly from assumed employment densities applied to industrial activities. Therefore, a bespoke assessment of their requirements is needed.
[56] https://www.hertsmere.gov.uk/Documents/03-Community/Community-Information/Hertsmere-Creative-Strategy-pdf-3.8-Mb.pdf
[57] See planning application 25/0642/FUL
[58] https://www.linkedin.com/pulse/hertsmere-council-approves-europes-largest-data-centre-new-fsxzf/
[59] https://www.ark-d-c.com/locations/elstree
[60] See planning application 22/1117/OUT

comparator areas, with a range of 0.4% to 1.1% in the FEMA, 0.2% to 0.4% in the East of England and 0.5% in England.

Table 5-9 Employment in the Film Industry

	Hertsmere		FEMA		East of England		England	
	Employment	% of Total Employment	Employment	% of Total Employment	Employment	% of Total Employment	Employment	% of Total Employment
2015	1,065	2.0%	4,595	1.1%	12,035	0.4%	123,400	0.5%
2016	530	1.0%	2,570	0.6%	7,055	0.3%	125,400	0.5%
2017	475	0.9%	1,675	0.4%	6,445	0.2%	127,600	0.5%
2018	615	1.1%	2,595	0.6%	8,995	0.3%	131,250	0.5%
2019	585	1.1%	3,050	0.7%	9,105	0.3%	137,200	0.5%
2020	560	0.9%	3,690	0.8%	9,895	0.3%	144,500	0.5%
2021	610	1.0%	4,670	1.0%	10,285	0.4%	145,000	0.5%
2022	480	0.8%	3,035	0.7%	7,890	0.3%	152,850	0.5%
2023	820	1.4%	3,850	0.8%	12,760	0.4%	154,450	0.5%
2024	670	1.1%	3,780	0.8%	11,660	0.4%	155,100	0.5%

Source: ONS (2024). Business Register and Employment Survey

5.4.8 It is acknowledged that the ONS BRES data tends to underestimate employment figures for sectors such as the film industry at the local authority level. This discrepancy arises from the methodology used to define, sample, and allocate employment across industries and SIC codes. Similarly, the employment forecasts provided by Cambridge Econometrics, which are utilised to support the assessment of future employment land demand (refer to Section 7), are likely to underrepresent film industry jobs in areas like Hertsmere due to limitations similar to those of BRES data.

5.4.9 Evidence of this under-estimation is the impact of Sky Studios Elstree which opened in 2023 and are estimated to support 2,000 jobs (direct, indirect and induced). While not all jobs would be located in Hertsmere, it is reasonable to assume that a large share of those jobs will. Based on assumptions set out by Oxford Economics to support the approved planning application of Sky Studios Elstree[61] (to the north of the existing site), out of the 3,827 jobs that will be generated by the expansion (direct, indirect and induced – across the whole of the UK), 1,425 of those jobs will be located in Hertsmere (37.2%). Applying this ratio, the opening of Sky Studios in 2023 would therefore have resulted in 745 additional jobs in Hertsmere, which are not reflected in the BRES data presented in Table 5-9. Between 2022 and 2023, BRES data indicates that employment in the film industry increased by only 340 jobs (45.7% of additional jobs generated by Sky Studios).

5.4.10 This underrepresentation poses a constraint on the employment forecasts as a reliable basis for evaluating future demand for employment land specific to the film industry, a sector of significant importance to Hertsmere's economy. To address this shortfall, the demand assessment should incorporate an additional land requirement specifically tailored to the future needs of the film industry. This adjustment should be informed by an assessment of the gap between official employment data and refined estimates of employment figures within the film sector (adjustment factor).

Data Centres

5.4.11 Hertsmere's established film and TV sector is expected to benefit from new data centre's capabilities, which will enable local media companies to leverage advanced cloud and AI technologies for production, post-production, and distribution processes. Film studios can benefit from the proximity to a major data centre through reduced latency for transferring massive datasets, enabling faster processing via high-performance computing, GPUs, and

[61] https://www6.hertsmere.gov.uk/online-applications/files/9C4CD5A5D12CEF6CCBDE8E069C7C3F20/pdf/22_1526_FULEI-SSEN_ES__AUGUST_2022__-_VOL_2_-_APPENDIX_G1_-_OXFORD_ECONOMICS_REPORT-1396617.pdf

direct cross-connects, which may be critical for visual effects (VFX), where delays from distant cloud services are costly.

5.4.12 While global cloud access means exact distance isn't always make-or-break, nearby facilities cut costs and boost collaboration and reliability, making clusters like Elstree (near the proposed DC01UK data centre) ideal for media-tech synergy. This is supported by other examples of colocation between data centres and film studios such as Wycombe Film Studios in the UK. New data centre facilities in Hertsmere are therefore expected to contribute to position the local authority as a tech and media superhub in the South East.

5.4.13 As for the film industry, it is acknowledged that traditional employment data and forecast do not provide an accurate vision of employment and space requirement for data centres, for several reasons. First, estimating historic employment in data centres is difficult and subject to errors as data centres lack a single dedicated SIC code, so employment in data centres is accounted for under a range of SIC codes[62]. Second, predicting future employment in data centres is subject significant errors as growth is driven by non-employment factors, which are the main variables used by forecasting houses to project employment in the UK. Finally, as data centre employment is accounted for by a wide range of industries, the employment density (and therefore land requirement) associated with these jobs will lead to an under-estimation of the actual future floorspace and land requirements for data centres. Given the importance of this sector in supporting the film industry, and the boom of the sector globally, additional attention to specific requirement relative to this sector should be considered as part of the assessment of future demand for employment land in Hertsmere.

5.5 Summary

5.5.1 This section has provided a comprehensive overview of Hertsmere's socio-economic profile, highlighting key trends and disparities, including:

- By 2041, Hertsmere is expected to see a limited overall population increase of 0.5%, driven primarily by a rise in the 65 and over age group, leading to an ageing population. There is expected to be decline in the working-age population, outpacing regional and national rates. This could reduce labour supply, and demand for employment land across the borough.
- Hertsmere had a 62.6% economic activity rate in 2021 and the higher unemployment rate compared to the FEMA and regional average at 2.8%, but the borough's job density was higher than the comparator geographies, suggesting greater local employment opportunities are available to residents.
- The professional, scientific & technical industry is Hertsmere's largest employment sector, and the borough shows strong performance in the construction, and accommodation and food sectors in terms of job numbers. However, the business administration, manufacturing, and retail sectors are under-represented compared to regional and national levels.
- Hertsmere has a higher proportion of residents with advanced qualifications than the FEMA and East of England averages, contributing to a skilled workforce. Additionally, productivity remains above the FEMA, regional and national averages, highlighting the borough's strong economic performance and its capacity to attract and sustain high-value industries.
- Homeworking trends accelerated post-pandemic, with an estimated 17.2% of Hertsmere's workforce practicing flexible working in 2023-2030. This varies substantially by industry and will impact future employment land requirements.
- The film industry in Hertsmere represents a significantly higher share of local employment (up to 2% in some years) compared to regional and national averages, but official employment data likely underestimates its true impact due to methodological limitations. Additional estimation of future employment space and land

[62] For example: 63110 62020: Computer consultancy activities; : Data processing, hosting and related activities; 62090: Other information technology and computer service activities; 81100: Combined facilities support activities; 43210: Electrical installation; 33120: Repair of machinery

requirements to support this industry may therefore need to be considered, on top of future requirements forecasted by traditional demand needs assessment methods.

- The acceleration of the demand for data centres to support new technologies (such as AI) as well as the film industry should be considered in addition to future requirements forecasted by traditional demand needs assessment methods for employment land.

6. Property Market Review

6.1 Introduction

6.1.1 This section presents analysis of the commercial property market in Hertsmere. Reference is also made to comparator geographies, namely the FEMA as identified in Section 4, the East of England region, and England. This reflects the fact that the commercial property market in Hertsmere is not self-contained, and instead forms part of a much wider market area encompassing the FEMA, county, and region to some extent, varying somewhat by type of floorspace.

6.1.2 Data presented in this section is derived from CoStar which represents a comprehensive database of up-to-date property market data. Trends are presented where applicable, otherwise data for 2025 Year To Date (YTD) – up to September 2025[63] – is shown, being the most recent period for which complete data is available. All data presented reflects that which is available and is subject to gaps and inaccuracies.

6.1.3 Employment-generating properties comprised of office, light industrial, general industrial, and storage and distribution types are considered, in line with the definition of employment land. The relationship between historic and new planning use classes, their relationship to CoStar property type primary and secondary classification, and the nomenclature adopted for this report, are shown in Table 6-1 below. It is recognised that there are other property types which may contribute to employment use activity, but these will not be analysed for the purposes of this evidence base.

Table 6-1 Property Type Classification

Pre-2021 Planning Use Class	New Planning Use Classes	CoStar Primary Type	CoStar Secondary Type
B1a (revoked) – Offices	E(g)(i) – Offices to carry out any operational or administrative function	Office	All
B1b (revoked) – Research and Development (R&D)	E(g)(ii) – Research and Development	Industrial	R&D
B1c (revoked) – Industrial Processes	E(g)(iii) – Uses which can be carried out in a residential area without detriment to its amenity: industrial processes	Light Industrial	Light distribution Light manufacturing Showroom (light industrial)
B2 – General industrial (other than E(g))	B2	Industrial	Food Processing Manufacturing Service
B8 – Storage and Distribution	B8	Industrial	Distribution Warehouse Truck Terminal Refrigeration/ Cold storage Showroom (Industrial)

Source: AECOM

6.1.4 In this section, we refer to use classes using the new Planning Use Class Order: E(g)(i); E(g)(iii); B2; B8. Note that E(g)(ii) is not covered in this section as CoStar only returns one value for this use class in Hertsmere.

6.1.5 The section is divided into two sub-sections covering the office market (E(g)(i)) and the industrial market (E(g)(iii); B2; B8); providing an assessment of local and sub-regional floorspace by analysing key property market indicators.

[63] When data for this assessment was collected

6.1.6 Since the SW Herts Economic Study 2024, demand for office space has remained low across the region including in Hertsmere. This continued decline is largely attributed to the ongoing re-organisation of office use die to changes in working patters following the Covid-19 pandemic. As a result, vacancy rates for office properties have been rising and show no significant improvement in Hertsmere. Larger offices units (over 1,000 sqm) still experience the highest vacancy levels, consistent with the previous study. However, a notable development is the increase in vacancy rates among mid-sized office properties (250-500 sqm), indicating a wider softening of the market. Despite rising vacancies, average office rents have increased slightly but remained broadly stable overall.

6.1.7 In terms of the industrial market, while the pervious study identified a positive net absorption and thus sustained demand for industrial space since 2019, Hertsmere has not followed this trend. Instead, Hertsmere records vacancy rates significantly higher than the East of England and English as a whole, and acts a key contributor to elevated vacancy across the FEMA. These rising vacancies suggest ongoing challenges in matching industrial space to current demand within the borough. Rental rates, however, have continued to grow for light, general and storage and distribution industrial uses.

6.2 Office market [E(g)(i) uses]

Buildings and floorspace

6.2.1 CoStar data indicates that the office market in Hertsmere is comprised of 222 properties, i.e. buildings in office use or an office component within a mixed-use building, accommodating 256,799 square metres (sqm) net internal area (NIA) floorspace, including existing space, and space under renovation.

6.2.2 Table 6-2 shows the number of office properties and the corresponding floorspace (in sqm) for all study geographies. Hertsmere accommodates 14.3% of office properties within the FEMA, and accounts for 10.1% of the FEMA's total office floorspace. The data also shows that the average building size in Hertsmere (1,157 sqm) is broadly similar to the average in the East of England (993 sqm) and England (1,156 sqm), albeit smaller than the average across the FEMA (1,513 sqm). This indicates that the supply of office floorspace in Hertsmere is centred around medium sized premises.

Table 6-2 Office Properties – Buildings and Floorspace

	Number of Buildings	Floorspace (sqm)	Average Building size (sqm)
Hertsmere	**222**	**256,799**	**1,157**
Watford	351	544,535	1,551
Dacorum	432	762,205	1,767
Three Rivers	176	380,677	2,161
St Albans	334	297,784	891
Welwyn Hatfield	173	311,894	1,801
FEMA	**1,688**	**2,553,894**	**1,513**
East of England	**10,032**	**9,963,001**	**993**
England	**101,196**	**116,958,950**	**1,156**

Source: CoStar, (2025)

6.2.3 Table 6-3 presents the change in office floorspace in all study geographies for the 10 year period between 2016 and 2025. It shows that the supply of office floorspace in Hertsmere experienced an increase of 0.3% during that time, considerably lower than the FEMA (8.8%), the East of England (7.4%) and England (7.7%). The limited growth of office floorspace in Hertsmere could potentially reflect a lower level of demand locally by occupiers or the borough's constrained land supply. CoStar data shows that the small increase is due to slow activities (limited new deliveries) rather than losses of office stock.

6.2.4 Across the FEMA, the growth in office floorspace has mainly been driven by additional floorspace in Dacorum (+15.5%; +102,428 sqm), which is the largest office market in the FEMA, St Albans (+13.7%; +25,928 sqm) and Watford (+10.5%; +51,746 sqm). The good performance of these local authorities, when compared with Hertsmere's performance, may be explained by their good connectivity with London (i.e. fast rail services) and the availability of land for office development.

Table 6-3 Change in office floorspace stock between 2016 and 2025 YTD

	Floorspace in 2016 (sqm)	Floorspace in 2025 (sqm)	Change 2016-2025 (%)
Hertsmere	**255,975**	**256,799**	**0.3%**
Watford	492,789	544,535	10.5%
Dacorum	659,777	762,205	15.5%
Three Rivers	355,950	380,677	6.9%
St Albans	261,856	297,784	13.7%
Welwyn Hatfield	320,137	311,894	-2.6%
FEMA	**2,346,484**	**2,553,894**	**8.8%**
East of England	**9,276,730**	**9,863,001**	**7.4%**
England	**108,608,859**	**116,958,950**	**7.7%**

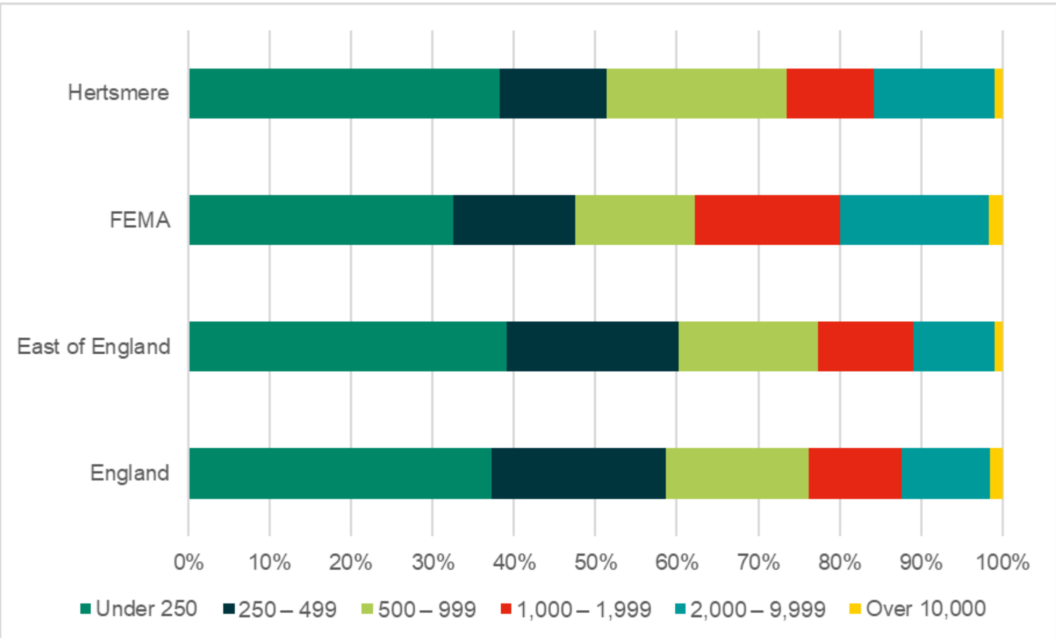
Source: CoStar, (2025)

Premises

6.2.5 Figure 6-1 shows that 38% of all office units in Hertsmere are less than 250 sqm in size. Approximately 35% of all units are between 250 and 1,000 sqm, 26% between 1,000 and 10,000 sqm and 1% larger than 10,000 sqm.

6.2.6 In general, Hertsmere and its FEMA are characterised by a concentration of medium size office buildings, with buildings more than 1,000 sqm accounting for 27% and 38% of total stock, respectively. In contrast, office buildings more than 1,000 sqm account for 23% of total office stock in the East of England and 24% across England as a whole.

Figure 6-1 Office properties - Stock by premises size (sqm) in Hertsmere, the FEMA, East of England and England in 2025 YTD (%)



Source: CoStar, (2025)

Vacancy and absorption rates

6.2.7 MHCLG guidance requires employment land studies to consider evidence of market failure such as physical or ownership constraints that prevent employment sites being used effectively. Therefore, this section presents data on vacancy and absorption rates of office E(g)(i) premises in all study geographies.

6.2.8 CoStar records 'vacancy' in terms of space which is unoccupied and marketed. Table 6-4 shows the vacancy rate for office floorspace in Hertsmere, along with the FEMA, East of England and England. Hertsmere has a marginally lower vacancy rate (8.8%) than the FEMA (9.0%), a higher rate than the East of England (6.2%) and is broadly in line with the national average rate (8.7%). Hertsmere accounts for 9.9% of the vacant office floorspace in the FEMA.

6.2.9 The office floorspace vacancy rates for Hertsmere and the FEMA and England are higher than the optimal 8% frictional level, which indicates an oversupply of office space relative to current demand, potentially reflecting structural changes in the market, such as shifts to hybrid working, outdated stock, or reduced occupier demand.

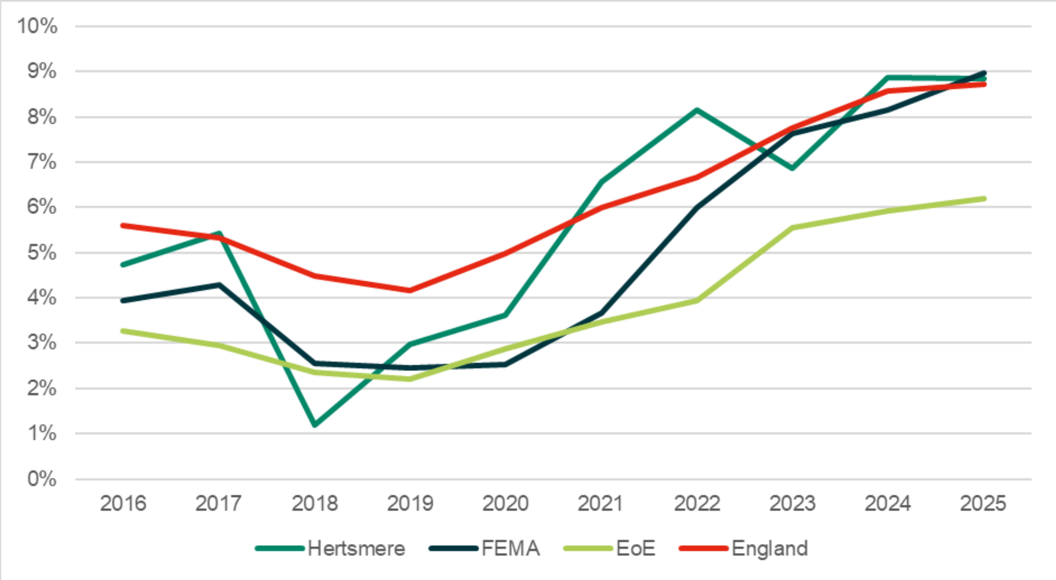
Table 6-4 Vacancy rates of office floorspace in 2025 YTD

	Hertsmere	Watford	Dacorum	Three Rivers	St Albans	Welwyn Hatfield	FEMA	East of England	England
Office floorspace									
Vacancy (%)	**8.8%**	8.8%	9.5%	7.6%	9.4%	9.3%	**9.0%**	**6.2%**	**8.7%**
Vacancy (sqm)	**22,719**	48,015	72,752	29,051	27,957	28,884	**229,378**	**617,912**	**10,211,959**

Source: CoStar, (2025)

6.2.10 Figure 6-2 shows the change in office floorspace vacancy rates between 2016 and 2025 for all study geographies. The vacancy rate in Hertsmere has increased from 4.7% in 2016 to 8.8% in 2025. This represents a lower change in vacancy rates when compared to the FEMA (from 4.0% in 2016 to 9.0% in 2025), but a greater change than across the East of England (from 3.3% in 2016 to 6.2% in 2025) and England (from 5.6% in 2016 to 8.7% in 2025). Across the FEMA, Watford, Dacorum, Three Rivers, St Albans, Welwyn Hatfield as well as Hertsmere experienced an increase in the vacancy rate of office floorspace. Therefore, the increased vacancy rate of the FEMA is driven by change in each of the local authorities.

Figure 6-2 Vacancy rate (%) of office floorspace in Hertsmere, the FEMA, East of England and England between 2016 and 2025 YTD

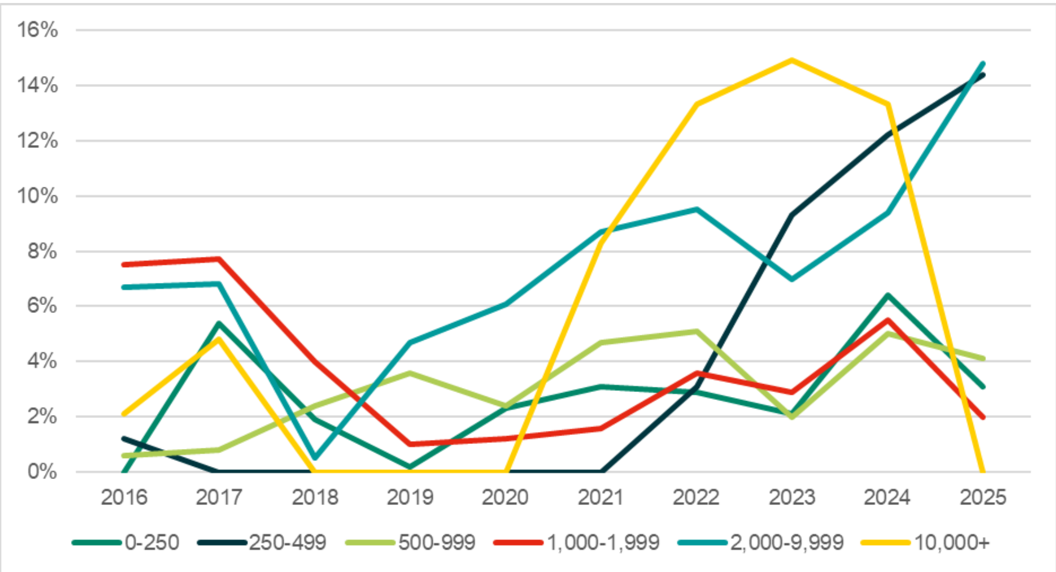


Source: CoStar, (2025)

6.2.11 Figure 6-3 shows the change in vacancy rates by size band. This highlights that premises between 2,000 and 9,999 sqm have seen the greatest increase in the vacancy rate, rising from 6.7% in 2016 to 14.8% in 2025, with most of the increase in vacancy happening between 2023 and 2025. Similarly, the vacancy rate of office premises between 250 and 499 sqm has increased over the past decade, and particularly from 2021. Office premises between 1,000 and 1,999 sqm have experienced the biggest decrease in vacancy rates, from 7.5% in 2016 to 2.0% in 2025, reflecting the increasing demand for mid-sized office spaces.

6.2.12 With the exception of office premises between 250 and 499 sqm and 2,000 and 9,999 sqm, all ranges are well below the frictional vacancy rate (8%). This may indicate possible shortage of supply in these segments of the market, with prospective occupiers having to opt for alternative locations, where supply is available.

Figure 6-3 Vacancy rate (%) of office floorspace in Hertsmere between 2016 and 2025 YTD, by premises size (sqm)[64]



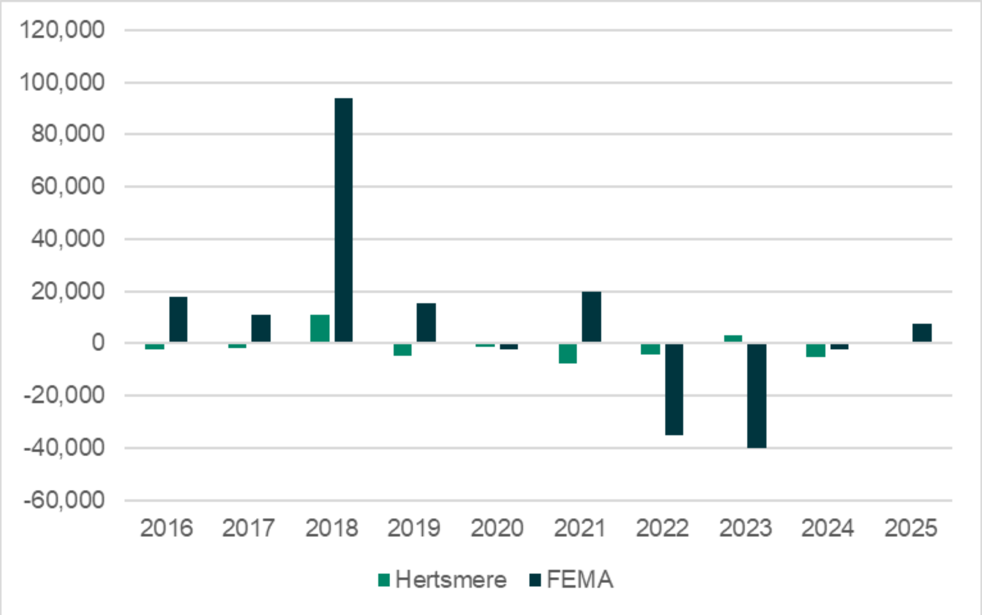
Source: CoStar, (2025)

[64] As there are only 2 buildings of more than 10,000 sqm, the vacancy for this type of office space can be subject to a high level of fluctuations.

6.2.13 Net absorption provides another angle on demand. The measure expresses the change in the overall quantum of occupied floorspace, typically recorded year on year. Positive annual net absorption means that a greater amount of space has been occupied from a given year to the next. Net absorption is not the reverse of vacancy as vacancy is an expression of the level of non-occupancy against total stock. In office markets where stock may be in decline, for example due to the conversion of offices to residential use, vacancy may reduce but net absorption would be negative.

6.2.14 Figure 6-4 presents the net absorption of office floorspace in Hertsmere and the FEMA. Between 2016 and 2019, net absorption was positive in the FEMA, however since 2020 has displayed a negative net absorption on the whole, likely driven by the impact of the COVID-19 pandemic on the use of office space. Hertsmere has recorded a more volatile performance over the same period, though has trended towards a negative net absorption in in more recent years.

Figure 6-4 Net absorption of office floorspace in Hertsmere and the FEMA between 2016 and 2025 in sqm



Source: CoStar, (2025)

Rental values

6.2.15 Table 6-5 presents the average rental values recorded in 2025 for office floorspace in all study geographies. It shows that the average rental value for office floorspace in Hertsmere (£321 per sqm) is 7.1% higher than the FEMA average (£292 per sqm). Rental values in Hertsmere and the FEMA are above the averages for East of England (£240 per sqm) albeit below the average across England (£344 per sqm).

Table 6-5 Average rental values for office floorspace in Hertsmere, the FEMA and East of England (£ per sqm) in 2025

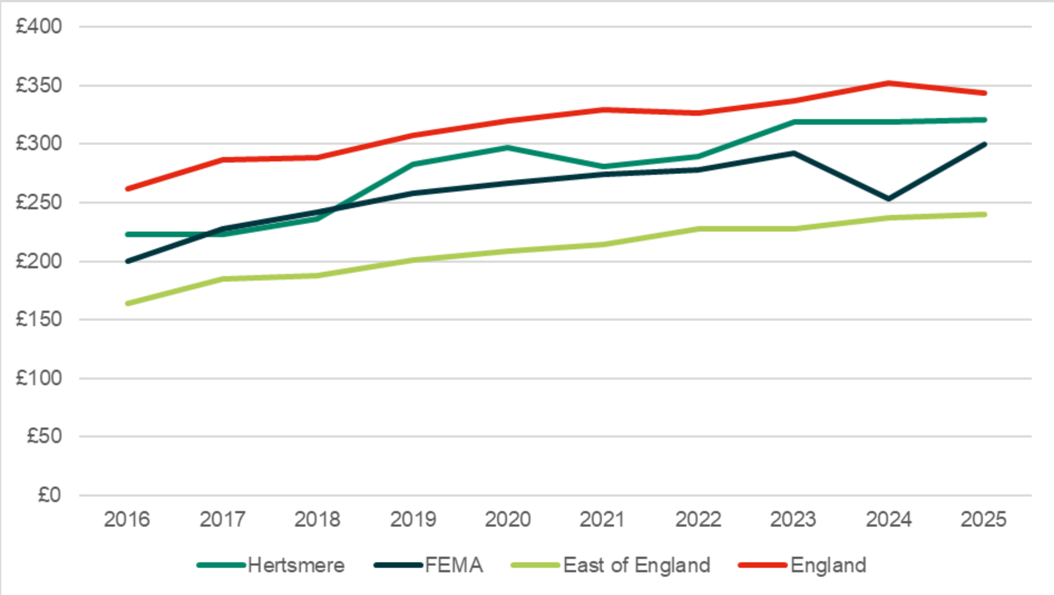
Location	Average £ per sqm
Hertsmere	**321**
Watford	310
Dacorum	236
Three Rivers	280
St Albans	351
Welwyn Hatfield	256
FEMA	**292**

Location	Average £ per sqm
East of England	**344**
England	**240**

Source: CoStar (2025)

6.2.16 Figure 6-5 presents the change in rental values in all study geographies between 2016 and 2025. The average rent per sqm has increased in Hertsmere by an average of 4.4% per annum over this period, lower than the rate across the FEMA (4.9%), higher than the East of England (3.2%) and equivalent to the rate across England (4.4%).

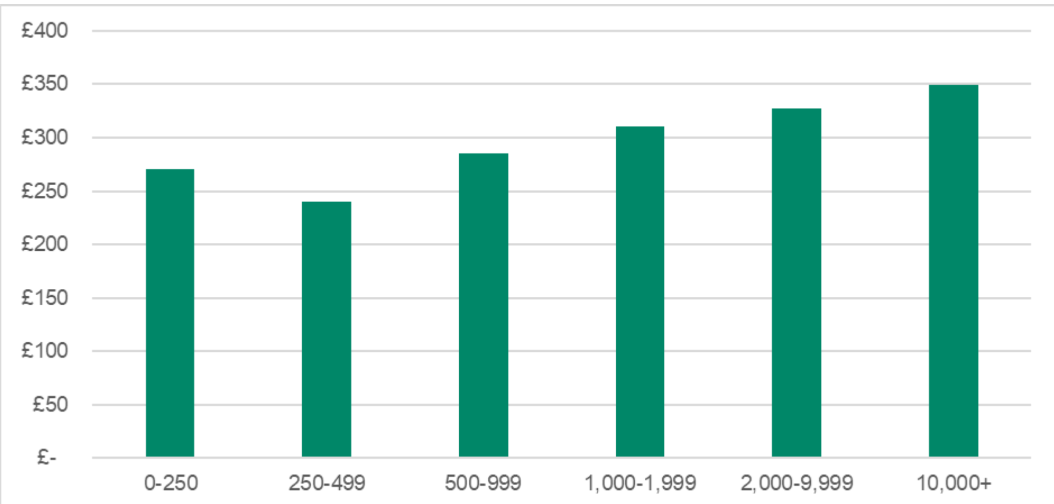
Figure 6-5 Average rent (£ per sqm) for office floorspace in Hertsmere, the FEMA, East of England and England between 2016 and 2025



Source: CoStar, (2025)

6.2.17 The rental value of office properties in Hertsmere tends to increase as the overall floorspace size of the property increases, wherein those properties with the largest floorspace areas tend to attract the highest rent (£/sqm) on average. This is shown in Figure 6-6. The average rental value of properties over 10,000 sqm in size is approximately £350/sqm[65], which is around £80/sqm more than is typical for properties below 250 sqm in size.

Figure 6-6 Average rent (£ per sqm) for office floorspace in Hertsmere, by size band 2025 YTD

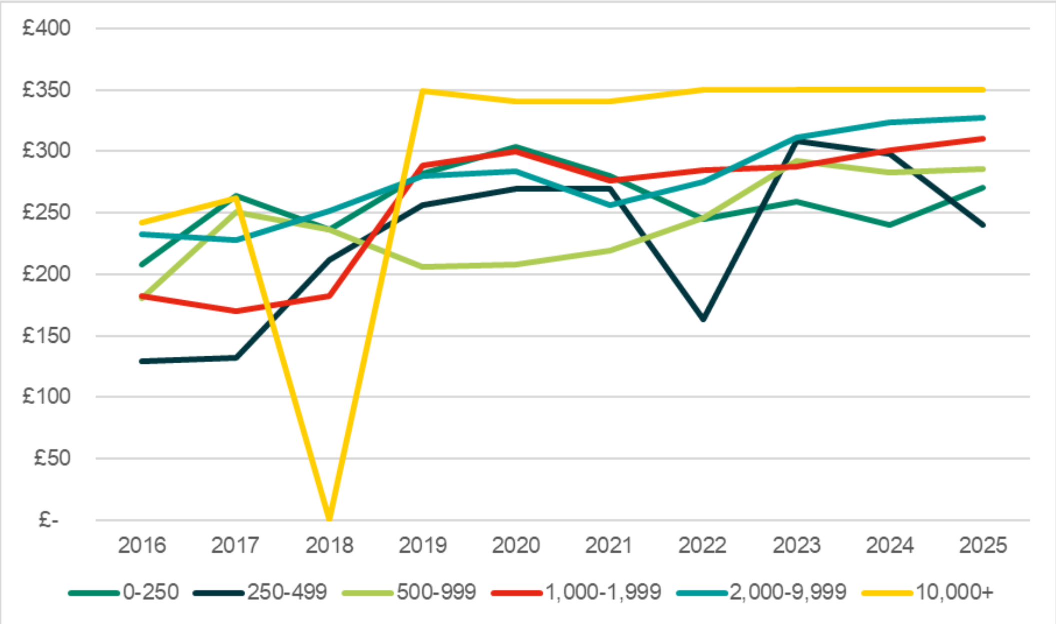


Source: CoStar, (2025)

[65] However, the average rental value for 10,000 sqm + office premises is based on only two properties. It could therefore be subject to large fluctuations over time.

6.2.18 Over the period between 2016 and 2025, the market rental value of office properties has increased across all size bands, though the rate and consistency of growth have varied. Rents were relatively aligned across size categories in 2016 and 2017, but began to diverge from 2019 onward. Larger offices, particularly those over 10,000 sqm, experienced a sharp increase in rental values from 2019, stabilising thereafter. As previously noted, this is based on two properties only; and therefore, any new transaction/lease agreement can have a large impact on the average rental value. In contrast, smaller office units (0–499 sqm) have shown more volatility and comparatively limited rental growth, especially units under 250 sqm. This divergence reflects a growing premium for larger office spaces in the local market. This is shown in Figure 6-7.

Figure 6-7 Average rent (£ per sqm) for office floorspace in Hertsmere by size between 2016 and 2025 YTD



Source: CoStar, (2025)[66]

Office (E(g)(i)) market conclusions

6.2.19 The office market in Hertsmere accommodates approximately 256,799 sqm of floorspace and comprises 10.1% of the total stock in the FEMA. The size of office premises across the borough are larger than the regional and national averages, with buildings more than 1,000 sqm accounting for 27% total stock. The principal concentrations of offices in Hertsmere are located in Borehamwood, including Elstree Way, and Centennial Business Park.

6.2.20 The analysis shows that the demand for office floorspace in Hertsmere is mixed. Hertsmere has a slightly lower vacancy rate than the FEMA, but higher than the East of England average. The vacancy rate has increased at a faster rate than the comparators over the past decade and now falls above the optimal frictional vacancy rate of 8%, which indicates an unbalanced market in terms of supply and demand, suggesting potential supply constraints within the local market. While net absorption of office floorspace has fluctuated in Hertsmere, it has been negative overall. Average rental values in Hertsmere are notably higher than the FEMA and England but lower than the East of England averages. There has been a notable increase in the values associated with larger offices (>1,000 sqm) while smaller properties have registered limited growth in rental values.

[66] Note that no data is available for 2018 for premises over 10,000 sqm

6.3 Industrial market [(E(g)(iii); B2 and B8 uses)]

6.3.1 This section presents findings related to the industrial (E(g)(iii); B2 and B8 uses) property market in Hertsmere, along with comparisons to both the FEMA, East of England and England. Industrial properties, comprising industrial, manufacturing, light industrial, and storage and distribution functions are predominantly located in and around Elstree Way in Borehamwood and Cranbourne Industrial Estate in Potters Bar.

Buildings and floorspace

6.3.2 There are 38 light industrial (E(g)(iii) use) properties in Hertsmere, comprising 31,322 sqm of floorspace. The light industrial floorspace across Hertsmere represents approximately 8.4% of the light industrial floorspace in the FEMA. Light industrial uses account for the smallest proportion of floorspace across all industrial use classes.

6.3.3 Hertsmere is home to 64 general industrial (B2 use) properties, accounting for 73,828 sqm of floorspace. The general industrial floorspace across Hertsmere represents approximately 23.8% of the general industrial floorspace in the FEMA. Across the FEMA, Dacorum has the highest number of general industrial premises (81), and accounts for 17.1% of the total floorspace in the FEMA. Welwyn Hatfield provides the greatest proportion of general industrial floorspace in the FEMA, accounting for 30.4%.

6.3.4 There are 68 storage and distribution (B8 use) properties in Hertsmere, comprising 228,071 sqm of floorspace. Storage and distribution floorspace across Hertsmere represent 10.8% of the storage and distribution floorspace in the FEMA. Across the FEMA, Dacorum has a notably larger share of storage and distribution floorspace comprising 33.5% of the FEMA, whereas Three Rivers only accounts for 3.4% of the total storage and distribution floorspace in the FEMA.

6.3.5 Table 6-6 presents a profile of properties and floorspace by industrial use class.

Table 6-6 Industrial properties – buildings and floorspace (2025 YTD)

	Hertsmere	Watford	Dacorum	Three Rivers	St Albans	Welwyn Hatfield	FEMA	East of England	England
Light industrial [E(g)(iii)]									
Number of properties	**38**	56	65	19	22	92	**292**	**1,824**	**17,815**
Floorspace (sqm)	**31,322**	49,363	90,242	19,743	39,175	142,210	**372,055**	**3,004,778**	**25,086,905**
General industrial [B2]									
Number of properties	**64**	79	81	27	49	70	**370**	**4,794**	**45,151**
Floorspace	**73,828**	36,419	52,870	24,685	27,839	94,226	**309,867**	**6,770,735**	**79,353,548**
Storage and Distribution [B8]									
Number of properties	**68**	114	153	39	90	136	**600**	**5,763**	**54,211**
Floorspace	**228,071**	250,799	706,632	72,007	290,489	562,708	**2,110,706**	**20,850,748**	**197,391,067**
Total									
Number of properties	**160**	249	299	85	161	298	**1,262**	**12,381**	**117,177**
Floorspace	**333,221**	336,581	849,744	116,435	357,503	799,144	**2,792,628**	**30,626,261**	**301,831,520**

Source: CoStar, (2025)

6.3.6 Table 6-7 presents the change in industrial floorspace in all study geographies for the 10 year period between 2016 and 2025. It shows that the supply of office floorspace in Hertsmere experienced an increase of 10% during that time, considerably higher than the FEMA (5%), lower than the East of England (14%) and broadly in line with England (9%).

Hertsmere's growth is driven entirely by the storage and distribution floorspace as there has not been any change in the light industrial and general industrial floorspace over the 10 year period between 2016 and 2025. The absence of additional light and industrial floorspace in Hertsmere between 2016 and 2025 reflects the wider trends and slowdown in industrial activities across England. However, the Local Authority has reported an increase in speculative applications for flexible B2/B8 floorspace, a large number of which have been granted planning permission. This will impact on future stock of industrial space in Hertsmere.

6.3.7 The 15% increase in B8 space in Hertsmere, again, reflecting the wider trend and high demand for logistics space to respond to the needs of online retail, demonstrates the good connectivity of the borough, with good access to the major road network, providing a direct connection with London and the East Midlands.

Table 6-7 Change in industrial floorspace stock between 2016 and 2025 YTD

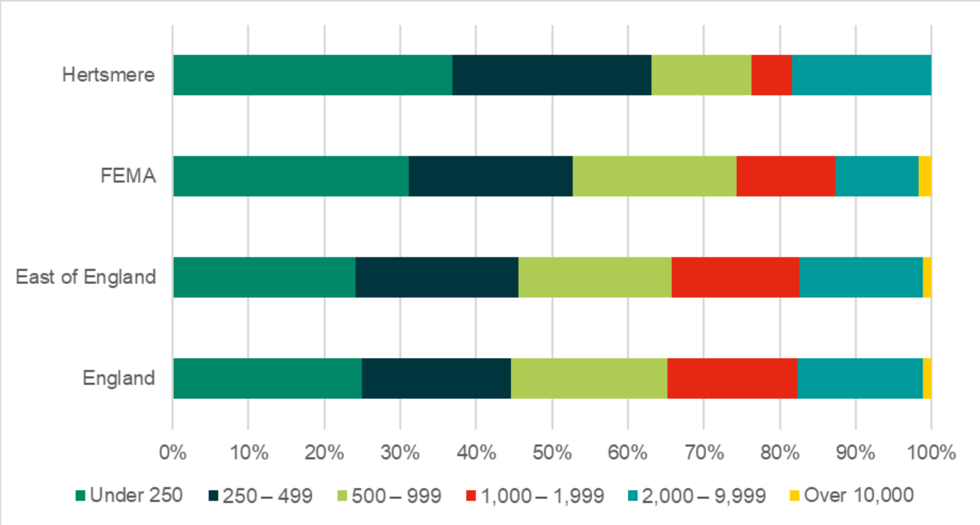
	Hertsmere	Watford	Dacorum	Three Rivers	St Albans	Welwyn Hatfield	FEMA	East of England	England
Light industrial [E(g)(iii)]									
Floorspace in 2016 (sqm)	**31,323**	49,363	89,544	19,743	39,175	152,319	**381,467**	**2,763,876**	**23,990,469**
Floorspace in 2025 (sqm)	**31,322**	49,363	90,242	19,743	39,175	142,210	**372,055**	**3,004,778**	**25,086,905**
Change (%)	**0%**	0%	1%	0%	0%	-7%	**-2%**	**9%**	**5%**
General industrial [B2]									
Floorspace in 2016 (sqm)	**73,827**	41,108	49,698	24,685	27,071	94,226	**310,615**	**6,721,446**	**79,878,680**
Floorspace in 2025 (sqm)	**73,828**	36,419	52,870	24,685	27,839	94,226	**309,867**	**6,770,735**	**79,353,548**
Change (%)	**0%**	-11%	6%	0%	3%	0%	**0%**	**1%**	**-1%**
Storage and Distribution [B8]									
Floorspace in 2016 (sqm)	**198,235**	241,022	615,721	72,007	302,408	539,419	**1,968,812**	**17,338,317**	**172,967,389**
Floorspace in 2025 (sqm)	**228,071**	250,799	706,632	72,007	290,489	562,708	**2,110,706**	**20,850,748**	**197,391,067**
Change (%)	**15%**	4%	15%	0%	-4%	4%	**7%**	**20%**	**14%**
Total									
Floorspace in 2016 (sqm)	**303,385**	331,493	754,963	116,435	368,654	785,964	**2,660,894**	**26,823,639**	**276,836,538**
Floorspace in 2025 (sqm)	**333,221**	336,581	849,744	116,435	357,503	799,144	**2,792,628**	**30,626,261**	**301,831,520**
Change (%)	**10%**	2%	13%	0%	-3%	2%	**5%**	**14%**	**9%**

Source: CoStar, (2025)

Premises

6.3.8 Light industrial properties in Hertsmere tend to be relatively small in size, whereby over half of buildings (63.2%) in this use are less than 500sqm, compared to 52.7% in the FEMA, 45.6% in the East of England and 44.6% in England. There are no properties over 10,000 sqm in Hertsmere. This is shown in Figure 6-8. This could suggest that light industrial activities in Hertsmere are mainly concentrated around smaller (and local) businesses compared to the other geographies.

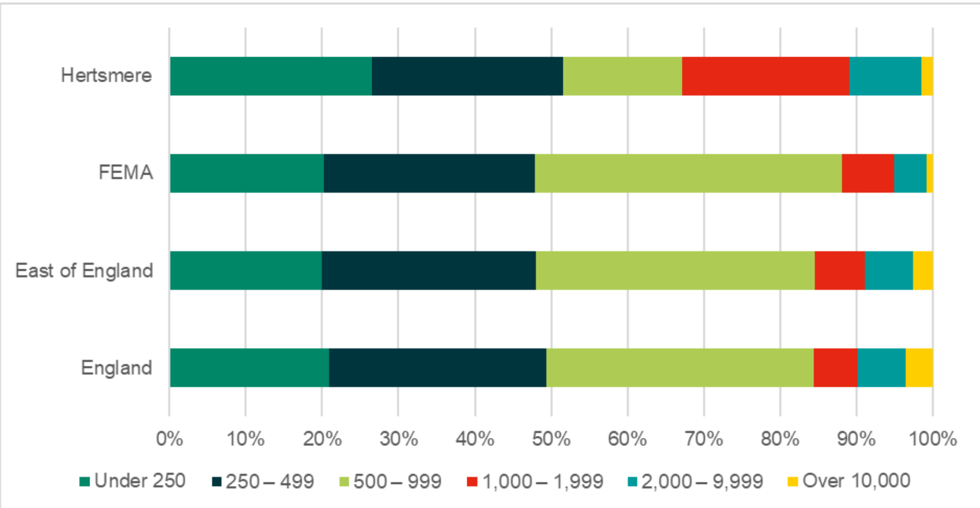
Figure 6-8 Industrial properties - Light industrial [E(g)(iii)] - Stock by premises in Hertsmere, the FEMA, East of England and England in 2025 YTD



Source: CoStar, (2025)

6.3.9 The proportion of general industrial properties in Hertsmere less than 500 sqm in size, account for 51.6% of properties, a higher proportion than recorded for the FEMA (47.8%), the East of England (48.0%) and England (49.4%) as shown in Figure 6-9. As for light industrial, this could suggest a higher concentration of smaller (local) businesses in Hertsmere compared to the other geographies.

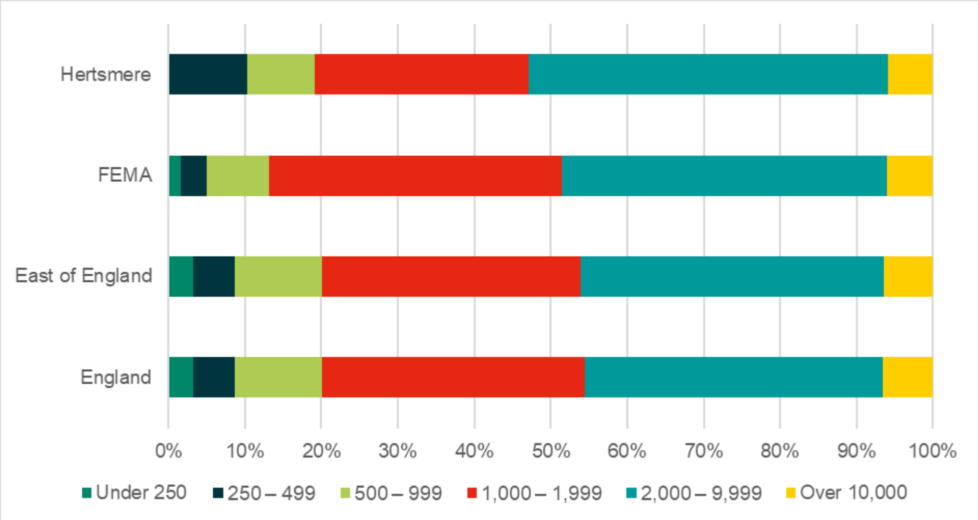
Figure 6-9 Industrial properties - General Industrial [B2] - Stock by premises size (sqm) in Hertsmere, the FEMA, East of England and England in 2025 YTD



Source: CoStar, (2025)

6.3.10 As shown in Figure 6-10, storage and distribution properties typically have larger floorspaces. In Hertsmere, the majority of properties (75.0%) sit within the 1,000 – 9,999 sqm size band, however this is a lower proportion than the FEMA (80.8%), albeit higher than the East of England (73.5%) and England (73.4%). This demonstrates the role of Hertsmere in supporting the Hertfordshire's logistics landscape due to its motorway access but shows that the borough lacks the scale, major facilities, or national prominence of major logistics and storage hubs such as Dacorum's Maylands, or Watford's Watford Fields.

Figure 6-10 Industrial properties - Storage and distribution [B8] - Stock by premises in Hertsmere, the FEMA, East of England and England in 2025 YTD



Source: CoStar, (2025)

Vacancy and absorption rates

6.3.11 Table 6-8 presents a breakdown of industrial floorspace vacancy (in terms of vacancy rate and vacant floorspace) by type (light industrial, general industrial, and storage and distribution).

6.3.12 The light industrial floorspace vacancy rate in Hertsmere (6.1%) is notably higher than the vacancy rate in the FEMA (3.7%) East of England (3.2%) and England (3.5%). The vacancy rate in the FEMA is driven up by the vacancy rate in Hertsmere and St Albans (6.6%), while Watford and Dacorum record vacancy rates of 2.1% and 2.2% respectively.

6.3.13 General industrial floorspace records a higher vacancy rate in Hertsmere (11.7%) when compared to the FEMA (5.8%), the East of England (3.8%) and England (2.5%). Hertsmere exhibits the highest vacancy rate across the FEMA, followed by Watford (8.8%). The higher vacancy rate in Hertsmere is therefore driving the FEMA average up.

6.3.14 Again, there is a higher vacancy rate for storage and distribution floorspace in Hertsmere (15.2%) than other industrial uses, both in absolute and proportional terms. This vacancy rate is higher than the rate in the FEMA (8.5%), East of England (7.0%) and England (7.1%). A reason for the high vacancy rate in Hertsmere is the amount of new B8 space that has been delivered over the past 10 years (+15%), which is amongst the highest in the FEMA.

6.3.15 The high level of vacancy across all industrial use classes (light industrial, industrial and storage and distribution), in comparison to the other geographies, shows that the Hertsmere industrial market is not as strong and resilient than some other more established ones such as Dacorum (and the Hemel hubs, clustered around Hemel Hempstead).

Table 6-8 Industrial properties – Vacancy (2025 YTD)

	Hertsmere	Watford	Dacorum	Three Rivers	St Albans	Welwyn Hatfield	FEMA	East of England	England
Light industrial [E(g)(iii)]									
Vacancy rate (%)	**6.1%**	2.1%	2.2%	4.3%	6.6%	3.7%	**3.7%**	**3.2%**	**3.5%**
Vacant floorspace (sqm)	**1,911**	1,037	1,985	849	2,586	5,262	**13,629**	**95,323**	**884,461**

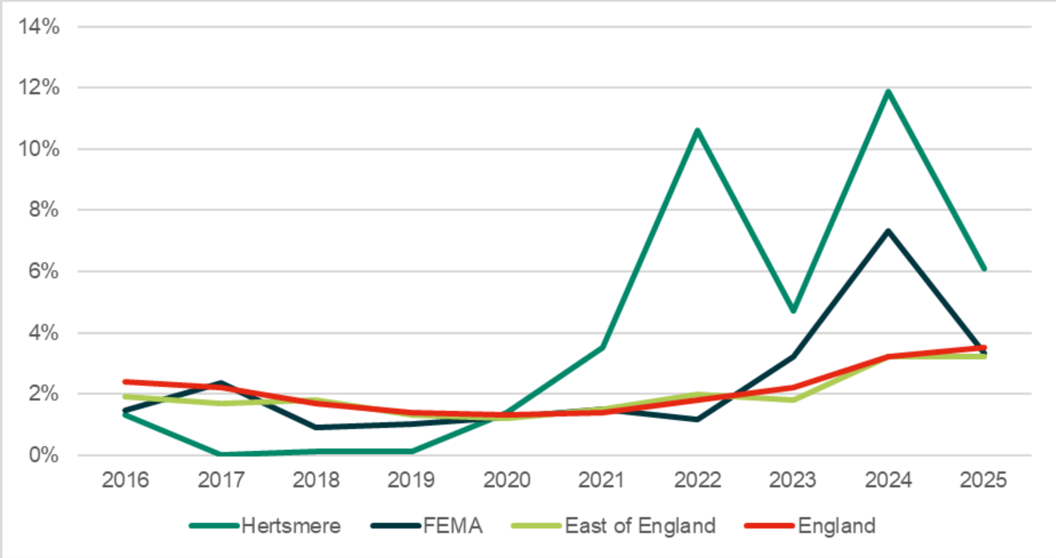
	Hertsmere	Watford	Dacorum	Three Rivers	St Albans	Welwyn Hatfield	FEMA	East of England	England
General industrial [B2]									
Vacancy rate (%)	**11.7%**	1.6%	5.3%	3.9%	5.9%	3.7%	**5.8%**	**3.8%**	**2.5%**
Vacant floorspace (sqm)	**8,661**	583	2,802	963	1,643	3,486	**18,137**	**260,063**	**1,986,459**
Storage and Distribution [B8]									
Vacancy rate (%)	**15.2%**	6.3%	13.3%	7.0%	7.0%	1.7%	**8.5%**	**7.0%**	**7.1%**
Vacant floorspace (sqm)	**34,615**	15,800	93,982	5,040	20,334	9,566	**179,338**	**1,454,109**	**13,990,378**
Total									
Vacancy rate (%)	**13.6%**	5.2%	11.6%	5.9%	6.9%	2.3%	**7.6%**	**5.9%**	**5.6%**
Vacant floorspace (sqm)	**45,192**	17,420	98,769	6,852	24,563	18,314	**211,104**	**1,809,495**	**16,861,298**

Source: CoStar, (2025)

6.3.16 When considering the trend in vacancy rate of light industrial use floorspace, the vacancy rate in Hertsmere has remained mostly higher than the FEMA, regional and national rate since 2020. The vacancy rate of light industrial floorspace in Hertsmere was lower than the compactor geographies between 2016 and 2019 before experiencing a sharp increase in 2022. In 2024, vacancy rates peaked in both the FEMA and Hertsmere. Volatility experienced in vacancy rate since 2022 is representative of the small stock of light industrial properties in the borough. This is shown in Figure 6-11.

6.3.17 The increase in vacancy in Hertsmere from 2021 shows the impact of Covid-19 on demand for light industrial space in the borough and slow demand recovery post-pandemic. Higher energy costs and business rates, and interest rate hikes are elements which contributed to a reduced occupier appetite in Hertsmere for light industrial space. This trend is also reflected, to a lesser extent, across the whole of the FEMA.

Figure 6-11 Vacancy rate (%) of Light industrial [E(g)(iii)] floorspace in Hertsmere, the FEMA, East of England and England between 2016 and 2025 YTD

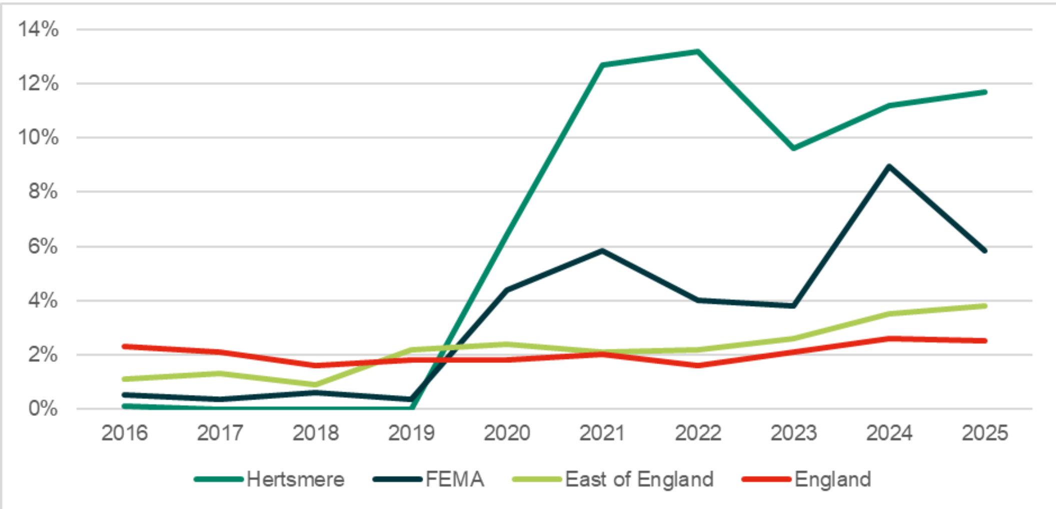


Source: CoStar, (2025)

6.3.18 The vacancy rate of general industrial properties, presented in Figure 6-12, remained muted in Hertsmere until 2020 and have fluctuated since. In Hertsmere, vacancy rates have been low (<1%) and stable between 2016 and 2019, however experience a sharp increase in 2020. Hertsmere's vacancy rate peaked in 2022 before falling and stabilising around 11% in 2024 and 2025. The FEMA has experienced a similar trend, however rates remained stable and relatively low (<3%) until 2023 when general industrial vacancy rate rose and peaked at 9.0% in 2024.

6.3.19 The 10 year average vacancy rate for general industrial properties in Hertsmere (9.3%) is higher than that recorded in the FEMA (3.5%), the East of England (2.2%) and England as a whole (2.0%).

Figure 6-12 Vacancy rate (%) of General industrial floorspace in Hertsmere, the FEMA, East of England and England between 2016 and 2025 YTD

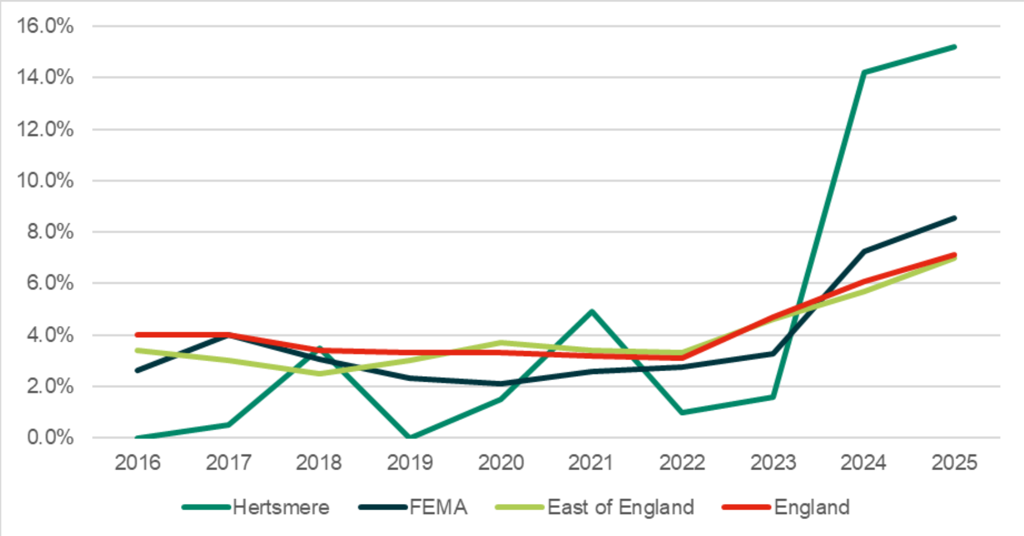


Source: CoStar, (2025)

6.3.20 The trend in vacancy rates for storage and distribution properties in Hertsmere and the FEMA over the ten-year period to 2025, presented in Figure 6-13, have shown some variation around the East of England and England average vacancy rates. The vacancy rates for the borough have dramatically fluctuated between 0.0 – 6.0% from 2016 and 2023, before rising sharply in 2024 to 14.2%. This can be partly explained by speculative delivery of new B8 floorspace in the borough, which has not been met with a similar level of demand, therefore leading to an increase in vacancy across this use class.

6.3.21 The FEMA experienced a steady decrease from 2017 to 2020 and then an increase from 2021 to 2025. Storage and distribution vacancy rates across the East of England and England have been slowly increasing since 2021. On the whole, vacancy rates across the geographies have increased since 2022.

Figure 6-13 Vacancy rate (%) of Storage and distribution [B8] floorspace in Hertsmere, the FEMA, East of England and England between 2016 and 2025 YTD

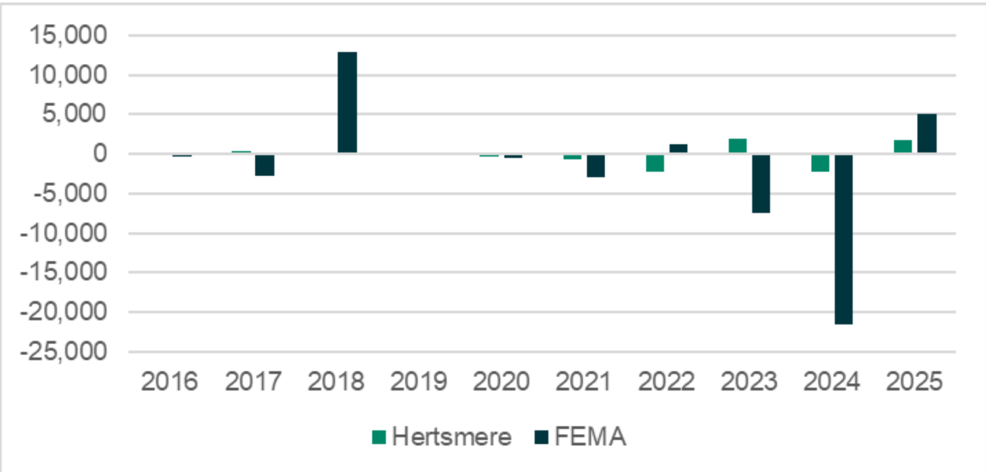


Source: CoStar, (2025)

6.3.22 As discussed previously, net absorption provides another angle on demand. Positive annual net absorption means that a greater amount of space has been occupied from a given year to the next.

6.3.23 With regard to light industrial floorspace, net absorption has been muted in Hertsmere between 2016 and 2019. This is presented in Figure 6-14. Hertsmere has since had fluctuating negative and positive net absorption activity. This would suggest that demand had been low across Hertsmere but is attracting slightly more activity since 2020.The FEMA has followed a similar trend to Hertsmere since 2020 with fluctuating net absorption with a notably negative net absorption in 2024.

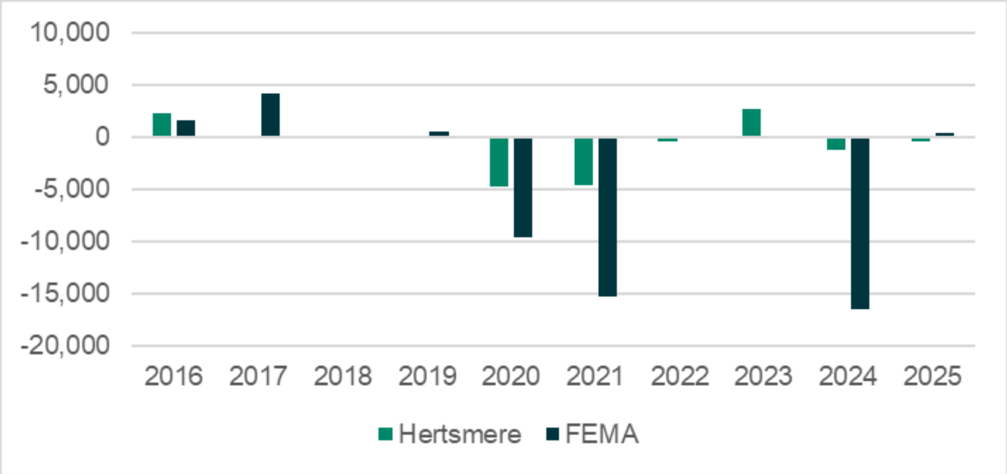
Figure 6-14 Net absorption - Light industrial [E(g)(iii)] floorspace - between 2016 and 2025 YTD in sqm



Source: CoStar, (2025)

6.3.24 With regard to general industrial (B2) floorspace, net absorption in Hertsmere and the FEMA was generally positive between 2016 and 2019, as presented in Figure 6-15. Since 2020, both Hertsmere and the FEMA have experienced fluctuating net absorption, with the FEMA experiencing a notably negative overarching trend. This suggests that while demand was relatively stable pre-2020, the market has become more volatile in recent years.

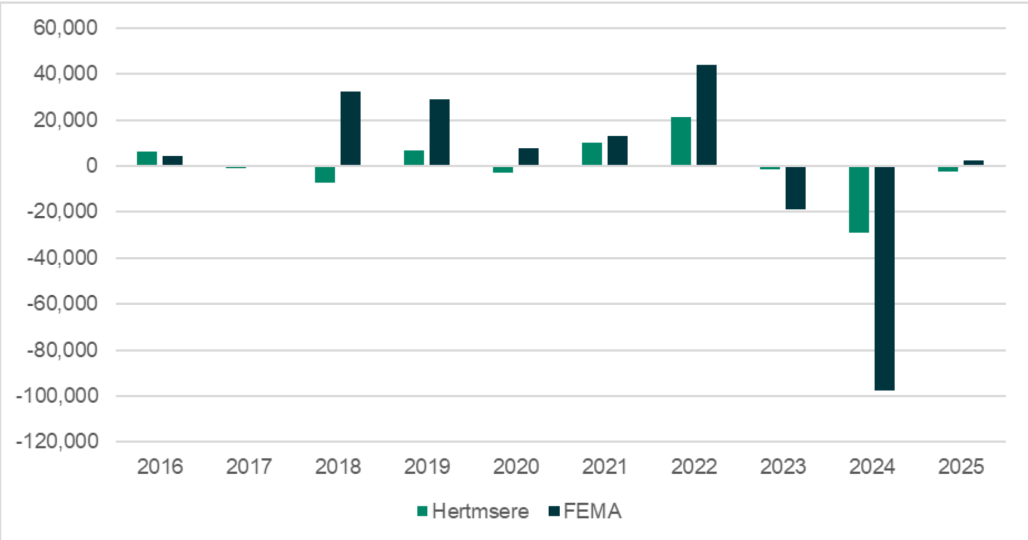
Figure 6-15 Net absorption - General Industrial [B2] between 2016 and 2025 in sqm



Source: CoStar, (2025)

6.3.25 Net absorption of storage and distribution floorspace (B8 use), presented in Figure 6-16, has generally been positive between 2016 and 2022 for the FEMA, with Hertsmere broadly following the same trend. Since 2022, however, net absorption across both geographies has turned negative, indicating a decline in demand. The delivery of new B8 floorspace in 2021 and 2022 in Hertsmere, and the departure of some businesses from the borough[67], have contributed to negative net absorption rates in 2023 and 2024. This is similar across the FEMA, with Dacorum which saw Amazon vacate large units around 2022-2023. This would have indirectly impacted on the demand of space in Hertsmere due to the higher amount of floorspace available across the FEMA (higher competition to attract occupiers).

Figure 6-16 Net absorption - Storage and distribution [B8] - between 2016 and 2025 YTD in sqm



Source: CoStar, (2025)

Rental values

6.3.26 Table 6-9 presents a breakdown of industrial properties' market rent by type (light industrial, general industrial, and storage and distribution).

6.3.27 As of 2025 YTD, light industrial properties attracted an average market rental value of £157 per sqm in Hertsmere; lower than the rate for the FEMA (£170 per sqm), but significantly higher than the East of England (£112 per sqm) and England (£117 per sqm).

[67] Although there are no publicly reported instances of major logistics businesses leaving Hertsmere since 2022.

6.3.28 General industrial properties attracted market rents in Hertsmere (£186 per sqm) comparable to the FEMA (£183 per sqm), but higher than across the East of England (£101 per sqm) and England (£88 per sqm).

6.3.29 Storage and distribution properties again attracted the highest market rental values in Hertsmere (£197 per sqm) when compared to the recorded market rental value across all of the FEMA (£182), East of England (£118 per sqm) and England (£101 per sqm).

6.3.30 High rental values across the FEMA demonstrates the role of the area as an industrial and logistics market, which benefits from its proximity to London and direct access to the strategic road networks (M25, M1, A1(M)). While Hertsmere has rental values comparable to the FEMA average, Hertsmere is not the most attractive market in the FEMA. Dacorum is a well-established industrial and logistics market, which attracts large occupiers. This is reflected in prime rental values achieved in the area.

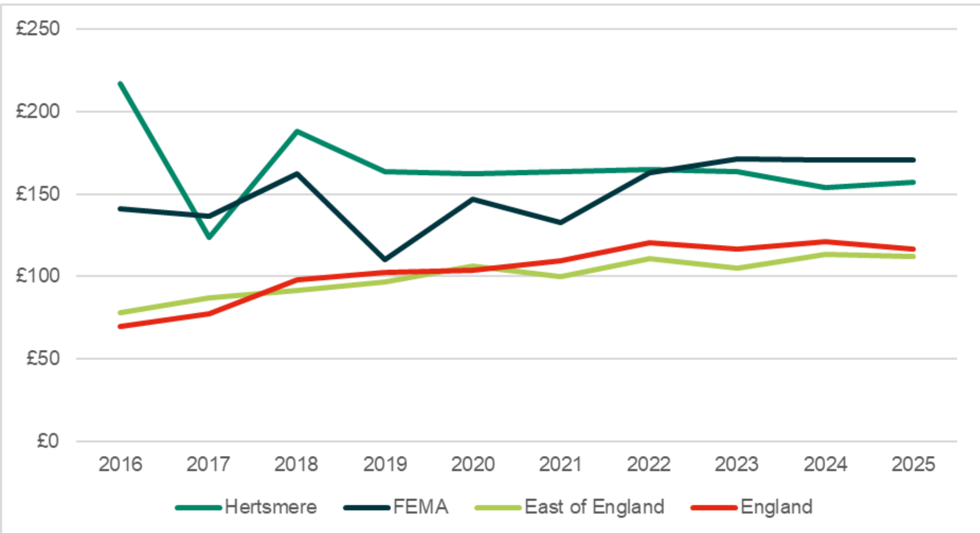
Table 6-9 Average rental values for Industrial properties in Hertsmere, the FEMA, East of England and England (£ per sqm) in 2025 YTD

	Hertsmere	Watford	Dacorum	Three Rivers	St Albans	Welwyn Hatfield	FEMA	East of England	England
Light industrial [E(g)(iii)]									
Market rent (£/sqm)	157	187	158	200	168	152	170	112	117
General industrial [B2]									
Market rent (£/sqm)	186	176	201	190	189	157	183	101	88
Storage and Distribution [B8]									
Market rent (£/sqm)	197	213	210	190	135	144	182	118	101

Source: CoStar, (2025)

6.3.31 As shown in Figure 6-17 the light industrial market rental values have fluctuated in Hertsmere but particularly the FEMA over the ten-year period to 2025. This contrasts with the almost linear increasing trend in East of England and England. The market rental values in Hertsmere almost consistently exceeded the recorded values across all other geographies, from 2016 to 2022.

Figure 6-17 Average rent (£ per sqm) for Light industrial [E(g)(iii)] floorspace in Hertsmere, the FEMA, East of England and England between 2016 and 2025 YTD

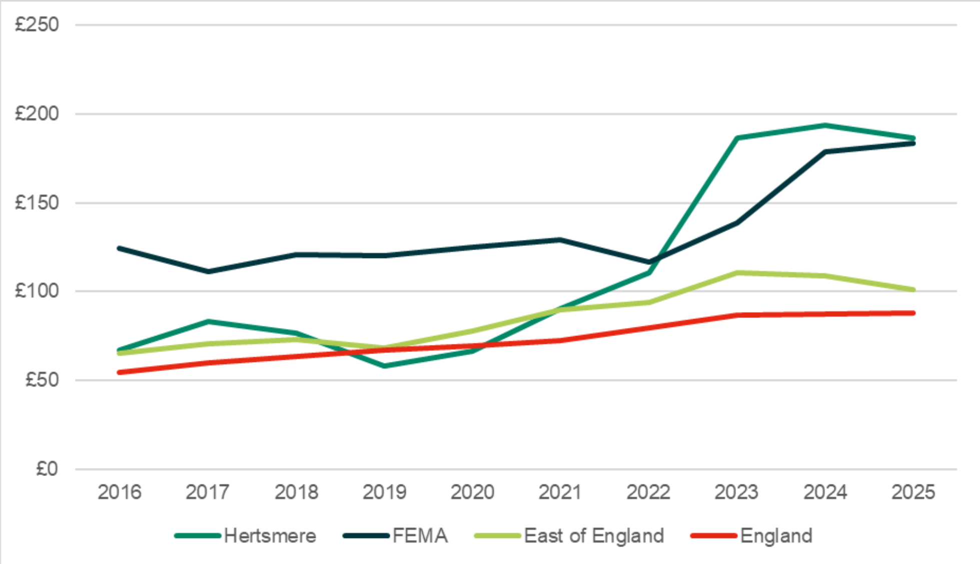


Source: CoStar, (2025)

6.3.32 An overall increasing trend in general industrial rental values has been recorded across all geographies between 2016 and 2024, as shown in Figure 6-18. From 2020 onwards, the recorded general industrial market rental values in Hertsmere have experienced significant growth and exceeded those of the FEMA, East of England and England as a whole.

6.3.33 Cross-referencing the increase in average rental values in Hertsmere since 2020 with the increase in vacancy over the same period provides valuable insights into local market dynamics. This suggests that new-build and recently refurbished units, which command premium rent, attract occupiers. Meanwhile, lower quality and cheaper properties, are being increasingly vacated. This supports the assumptions of demand for high quality industrial properties in Hertsmere.

Figure 6-18 Average rent (£ per sqm) for General industrial [B2] floorspace in Hertsmere, the FEMA, East of England and England

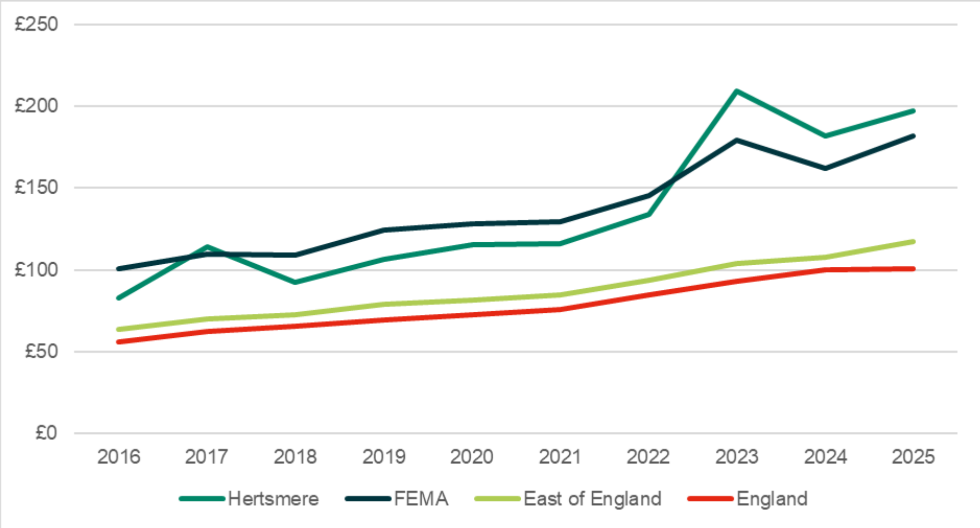


Source: CoStar, (2025)

6.3.34 As shown in Figure 6-19, market rental values for storage and distribution properties have followed an increasing trend from 2016 to 2025 in all study geographies. There is a notable divergence between the rates in Hertsmere and the FEMA compared to the regional and national averages, which have consistently been lower than the smaller geographies. In 2024, market rental values for storage and distribution dropped in Hertsmere and the FEMA before increasing again in 2025.

6.3.35 As for industrial space, the increase in rental values for B8 space since 2022, alongside an increase in vacancy, suggests a demand for high quality B8 space in the borough.

Figure 6-19 Average rent (£ per sqm) for Storage and distribution [B8] floorspace in Hertsmere, the FEMA, East of England and England



Source: CoStar, (2025)

Industry market conclusions

6.3.36 In summary, with regard to industrial properties:

- The industrial market in Hertsmere provides 338,221 sqm of industrial floorspace accounting for 12% of total floorspace across the FEMA. The largest concentrations of industrial properties are around Elstree Way in Borehamwood and Cranbourne Industrial Estate in Potters Bar.
- The majority of floorspace is in storage and distribution (B8) use (68.4% of floorspace across 68 industrial properties in the borough), followed by general industrial (B2) (22.2% of floorspace across 64 properties); and light industrial E((g)(iii)) (9.4% of floorspace across 38 properties). This reflects the size profile of the use classes, with storage and distribution properties tending to be over 1,000 sqm in size, whereas the majority of general industrial and light industrial properties are less than 500 sqm.
- The analysis highlights spare capacity within the light industrial, general industrial and storage and distribution use classes, with vacancy rate of 6.1%, 11.7% and 15.2% respectively. These vacancy rates are notably higher than recorded across the FEMA, East of England and England as a whole.
- Absorption rates for light, general and storage and distribution industrial floorspace have fluctuated over the last 10 years, however, overall has been negative. This is consistent with mixed demand over the past decade, likely driven by structural changes in the local economy, competition from nearby industrial hubs, and constrained supply due to planning and land availability challenges in Hertsmere.
- The evidence demonstrates that market rental values for industrial floorspace in Hertsmere are generally higher than the FEMA, East of England and England. This suggests that more affordable industrial space is located elsewhere in the FEMA and region.
- Hertsmere remains a small industrial market within the FEMA, compared to Dacorum, but with characteristics sought after by major occupiers, such as its proximity to London and direct access to the strategy road network.
- Increased vacancy in recent years across the entire industrial market alongside increased average rental values suggest a demand for high quality industrial and logistics properties in Hertsmere. However, oversupply in recent year has contributed to the increase in vacancy, particularly of B8 space. This may incentivise the market and development to renovate/refurbish existing industrial buildings over the coming years rather than delivering new speculative developments.

7. Employment Land Supply

7.1 Introduction

7.1.1 This section provides a summary of the characteristics of the existing supply of employment on designated sites in Hertsmere and identifies current spare supply available to respond to future demand. In addition, this section considers additional sites which may be relevant to accommodate future employment space and accommodate future growth, not designated for employment use in the current Local Plan, as identified in the SW Herts Economic Study 2024. The analysis of employment land was conducted via desk-based research carried out in December 2025 and January 2026, building on the assessment carried out for the SW Herts Economic Study 2024.

7.1.2 As a starting point, the section provides a review or currently allocated sites in the Hertsmere Local Plan 2012-2027. These are sites in the following designations: Employment Area (Policy CS8), Key Employment Site (Policy CS8), Local Significant Employment Sites (Policy CS9) and Safeguarded Land for Employment Development (SADM9[68]). A total of 15 designated sites were assessed (including Safeguarded Sites), as well as five additional sites not currently designated in the Local Plan.

7.2 Site Assessment

General Approach

7.2.1 In order to characterise the function, quality and development potential of existing and potential employment sites in Hertsmere, each site was assessed against a series of criteria. These assessment criteria draw on PPG and other guidance as well as AECOM's experience of producing employment land reviews.

- Quality of environment, surroundings and public realm;
- Building age;
- Building condition;
- Strategic road access;
- Access to public transport;
- Access to facilities and amenities;
- Compatibility in respect of surrounding land uses;
- Market attractiveness;
- Suitability for meeting needs; and
- Competing challenges to traditional employment uses.

7.2.2 The assessment comprises a Red Amber Green (RAG) rating against these criteria, whereby green represents the best performing and red represents the worst performing, complemented by a narrative assessment for appropriate domains. Rationale for inclusion of these criteria and meaning of RAG rating is provided in Table 7-1.

[68] Site Allocations and Development Management

Table 7-1 Employment Area Assessment Criteria

Domain	Rationale	RAG Rating
Building age	Market demand for better quality spaces that are attractive enough to earn employees' commute, support evolving work patterns, and offer a competitive advantage. This is linked to the need for functionality, companies' ESG commitments and wider drivers in relation to minimum energy efficiency standards.	**Green** – Modern buildings (i.e. most appear to be less than 20 years old). **Amber** – Older buildings but adapted to modern use (i.e. most appear to be less than 40 years old). **Red** – Old buildings (i.e. most appear to be more than 40 years old).
Building condition		**Green** – Very good / good in terms quality (condition, level of maintenance, suitability, and attractiveness of units to occupiers). **Amber** – Good / average / poor in terms of quality (condition, level of maintenance, suitability, and attractiveness of units to occupiers). **Red** – Poor / very poor in terms of quality (condition, level of maintenance, suitability, and attractiveness of units to occupiers).
Quality of public realm, surroundings and public realm	The quality of the public realm is a key consideration across sectors and uses. Whereas historically this would have been more of a consideration for office uses – for which it remains a greater driver – industrial and logistics investors are increasingly looking to accommodate future growth in more of a business park environment incorporating high quality public realm and access to amenities on or in proximity to sites.	**Green** – Very good / good in terms of appearance, evidence of managed site; quality of environment (i.e. lighting, greening, signage). **Amber** – Good / average / poor in terms of appearance, evidence of managed site; quality of environment (i.e. lighting, greening, signage). **Red** – Poor / very poor in terms of appearance, evidence of managed site; quality of environment (i.e. lighting, greening, signage).
Access for commercial traffic to primary road network / motorway	Transport connectivity is a key determinant of inward investment, with access to staff, customers and the supply chain key considerations for businesses across production and services sectors. Connectivity in terms of access to the strategic road network a key driver, is particularly important for industrial and logistics businesses.	**Green** – Direct access to the major road network (A40/A44). **Amber** – Indirect access within 0-5 km of the strategic road network. **Red** – Locations that are over 5 km away with limited or no access to the strategic road network. *Note that this criterion is particularly e weight of this criterion in important for industrial and logistics/distribution activities (to provide access to supply chain and end markets).*
Access by public transport	Proximity to public transport is an important consideration for businesses to be able to access a wide and diverse pool of labour, both from local communities and as a means to access requisite skills. This is particularly the case for office employment, which benefits from greater workforce mobility.	**Green** – indicates multiple public transport options (2 or more) i.e. sufficient access by bus and train. **Amber** – indicates at least one sufficient public transport option (i.e. bus). **Red** – indicates no / extremely poor access by public transport. *Note that the weight of this criterion in the assessment of industrial sites is not as important as for office sites, as it is generally considered that workers in the industrial sectors tend to drive to work, while a large proportion of office workers are expected to use public transport.*
Access to services and amenities	Access to services and amenities is a factor for businesses. The presence of these services enhances employee satisfaction and wellbeing by providing convenient options during breaks or after work. This can lead to higher productivity and employee retention. Additionally, for businesses that	**Green** – Very good / good in terms of proximity to town or local centre with wide range of services nearby (i.e. shops, facilities, amenities including restaurants and shops).

Domain	Rationale	RAG Rating
	frequently host clients or visitors, proximity to quality services and amenities contributes to a positive impression and can play a role in fostering successful business relationships.	**Amber** – Good / average / poor in terms of proximity to town or local centre with some / few services nearby. **Red** – Poor / very poor in terms of proximity to town or local centre, a remote isolated site, with no local services or amenities. *Note that the weight of this criterion in the assessment of industrial sites is not as important as for office sites, as it is generally considered that workers in the industrial sectors tend to drive to work more than office workers, and therefore can reach amenities located further away from their workplace.*
Compatibility of surrounding land uses	The presence of sensitive uses neighbouring a site (i.e. residential properties) can limit operations by causing environmental conflicts relating to traffic, parking, noise, visual impact/screening and emissions, and therefore limit the attractiveness of a site particularly for industrial uses.	**Green** – indicates no conflicting uses in surrounding area. **Amber** – indicates site is partially surrounded by conflicting uses. **Red** – indicates site is fully surrounded by conflicting uses. *Note that the weight of this criterion in the assessment of office sites is not as important as for industrial sites, as office activities are generally compatible with other sensible land uses (such as residential and hospitality).*
Market attractiveness	The market attractiveness of sites varies according to the demand for different types of premises. Market perceptions are also influenced by factors such as the quality of the built environment and environment surrounding a site, presence of neighbouring uses and the accessibility of a site. Good location and access are often viewed as pre-requisites for employment sites and exert a strong influence on marketability of a site for employment use. Furthermore, a potential site must meet minimum size requirements needed to make a given development economically viable. For B-class uses it is necessary to have sufficient land for a critical mass of similar activities to be established whereas a relatively small site may be large enough to make E(g)(i), E(g)(ii) or E(g)(iii) development feasible.	**Green** – high potential for deliverability and viability. **Amber** – medium potential for deliverability and viability. **Red** – low potential for and viability.
Suitability for meeting needs of growth sectors	Drawing together the analysis against the domains noted above, the assessment considers the sites' suitability to meet the needs of Hertsmere's core and growth sectors.	**Green** – indicates good potential to meet needs of growth sectors (i.e. presence of developable land, efficient location, no incompatible uses, etc.). **Amber** – indicates limited potential to meet needs of growth sectors (i.e. limited amount of developable land, inefficient location, some incompatible uses on or around the site, etc.). **Red** – indicates very limited or no potential to meet needs of growth sectors (i.e. no developable land, inefficient location, incompatible uses, etc.)
Competing challenges to traditional employment uses	Presence of competing uses on employment sites (i.e. residential, consumer retail, hotels, data centres, waste management, etc.) can impact the performance of employment activities on a site.	**Green** – no competing use to employment on site. **Amber** – some competing uses to employment on site but not impacting on ability of site to perform as employment site. **Red** – some competing uses to employment on site which negatively impact the ability of site to perform as employment site.

7.2.3 While the assessment highlights the highly suitable Employment Areas that best align with the requirements of Hertsmere's key sectors and growth aspirations, it is important to note that lower quality Employment Areas can also perform an important function within the local economy, such as by supporting vital, if lower amenity, uses or providing more affordable space for businesses, and the assessment should be viewed in this context.

Employment Areas

7.2.4 There are five designated Employment Areas in the Hertsmere Local Plan 2012-2027,which are:

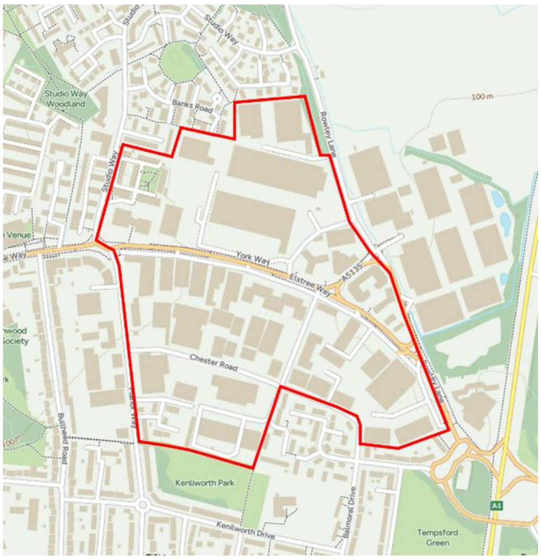
- Elstree Way, Borehamwood;
- Stirling Way, Borehamwood;
- Cranborne Road, Potters Bar;
- Station Close, Potters Bar; and
- Otterspool Way, Bushey.

7.2.5 A narrative assessment of each Employment Area is set out below. This is followed by a summary table which provides a rapid overview of the performance of each Employment Area against selected criteria through the RAG rating assessment.

Elstree Way, Borehamwood

7.2.6 Elstree Way, Borehamwood (Figure 7-1) is approximately 38.2 ha of land and supports a range of employment uses, notably E(g)(i), E(g)(ii), E(g)(iii), and B8, including studios, as well as retail (Lidl supermarket) and other non-commercial uses (school and hotels).

Figure 7-1 Elstree Way, Borehamwood



Source: AECOM, based on HBC Local Plan Policy Maps

7.2.7 The buildings in the Employment Area are a mix of both new developments and older employment premises. Recent activity includes the construction of large warehousing units currently being marketed at the time of writing. Overall, this Employment Area has a good public realm and environment, with pavements and street lighting.

7.2.8 Transport connectivity is also good as the Employment Area is near the Barnet Bypass (A1), offering indirect access to the M25 and M1 motorways, and is served by bus routes connecting to Elstree & Borehamwood train station (16 minutes away).

7.2.9 Local services and amenities are limited, with only a small selection available in the immediate vicinity. While this is not considered a key requirement for industrial businesses, good provision of amenities and services would add to the attractiveness of the sites for offices uses (E(g)(i) and (E(g)(ii)) use classes).

7.2.10 There is a supermarket (Lidl) in this Employment Area, but it is self-contained with its own car park, and so would not pose a challenge to traditional employment uses in the Employment Area. There is also a school located on the western boundary of the Employment Area (within the Employment Area) – Elstree Screen Arts Academy – and two hotels in the eastern part of the site (Premier Inn and Travelodge) mainly serving the needs of local businesses and the film studios. These do not impact on employment activities here. Land north of this school (within the Employment Area) has been recently redeveloped for residential use. The presence of residential properties will limit the type of employment activities that could be delivered on the vacant land north of the Lidl site (preventing noisy and polluting activities).

7.2.11 There are some houses surrounding the Employment Area to the north, west, and south, which may also pose some compatibility challenges (i.e. noise and pollution) but do not share direct access roads. However, they will add traffic pressure on the junction between the A5135 and Barnet-By-Pass, particularly at rush hours. This may lead to negative impacts, linked to congestion, for businesses located in this Employment Area.

7.2.12 Market indicators show a rent of approximately £212 per sqm per year and a market yield of 6.5%. This indicates that new development could be commercially viable in this Employment Area, particularly industrial developments, given the good market yield[69] and above average rental values for Hertsmere.

7.2.13 The Employment Area is located in a strategic location, near major film studios, including the new Sky Studio Elstree. While there is some land available for new development, this is limited. This Employment Area provides opportunities for new developments, including 0.7 ha of vacant land north of a supermarket (Lidl) and a 0.7 ha site suitable for redevelopment in the eastern half of the site, between York Crescent and Rowley Lane (Elstree Tower and Elstree Tower Car Park). Elstree Way Employment Area has some potential for regeneration, particularly in the southern part where regeneration could support studio and film-related activities.

Stirling Way, Borehamwood

7.2.14 Stirling Way (Figure 7-2) is a designated Employment Area located to the south of Borehamwood town centre. The Employment Area covers approximately 6.4 ha, with the majority of its land in active employment use. It contains a mix of industrial and warehouse units, including a mix of older and newer buildings in E(g)(iii), B2, and B8 uses, as well as some office space (E(g)(i)) to the north. The area is generally in good condition, although the Employment Area also accommodates some older buildings.

[69] Market yields for new commercial developments in North West Hertfordshire would typically need to fall in the 6.5-8.5% range to achieve viability, depending on the asset class.

Figure 7-2 Stirling Way, Borehamwood

Source: AECOM, based on HBC Local Plan Policy Maps

7.2.15 The Employment Area has direct access to the A1 (Barnet Bypass) and is close to the M25 and M1 motorways. This is a benefit that makes it more attractive to industrial and logistics businesses.

7.2.16 The nearest train station, Elstree & Borehamwood, is a 25-minute journey away by bus. Public transport connectivity is not as important for industrial activities and their workers (which tend to rely more on cars), but it will reduce the attractiveness of this Employment Area for some office activities particularly for larger employers in professional services, for which connectivity to London and/or other large towns and cities is important. While the current range of office activities on this site is likely not impacted by the low public transport connectivity, this would limit the opportunities for this Employment Area to attract larger office occupiers.

7.2.17 Accessibility to the site is also negatively impacted by insufficient parking capacity. On road parking on Stirling Way, including on double yellow lines, restrict two way traffic on this road, particularly for larger vehicles such as vans and heavy good vehicles. This will impact on the ability of the site to deliver additional employment space. New developments should ensure that sufficient parking facilities are delivered to accommodate visitors.

7.2.18 Local services and amenities are minimal, with few retail or food outlets nearby and limited facilities for pedestrians. As with public transport, limited access to local services and amenities will reduce the attractiveness of this Employment Area for office activities.

7.2.19 Surrounding land uses are mainly residential to the north and west, with open land and further commercial sites to the south and east. The Employment Area also accommodates a Burger King (to the south), which does not impact other employment activities.

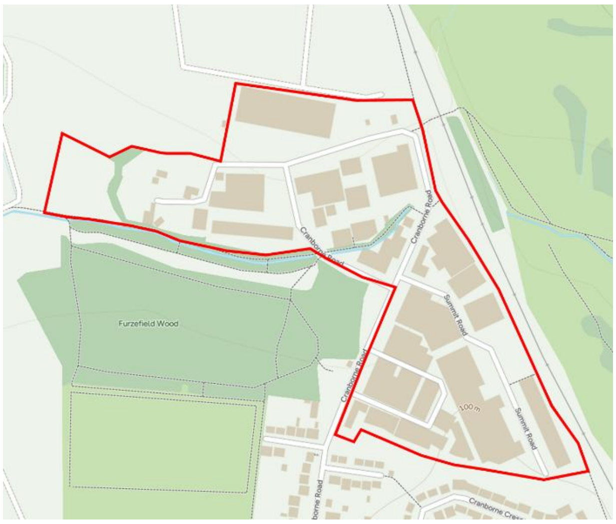
7.2.20 Market indicators show that rent is approximately £170 per sqm per year and the market yield is 7.0%. While average rent is slightly below the local area average for industrial uses, market yield is relatively strong. The Employment Area may therefore remain attractive for logistics and light industrial land use.

7.2.21 There is a plot of vacant land, in the north of the Employment Area available for new development (0.9 ha). There may be long-term opportunities for redevelopment or intensification of existing plots where low-density and older stock are located. Intensification and/or redevelopment could support key growth sectors particularly in the logistics and industrial sectors.

Cranborne Road, Potters Bar

7.2.22 Cranborne Road, in Potters Bar (Figure 7-3) is a designated Employment Area of approximately 14.2 ha in size. The Employment Area currently accommodates a mix of industrial and commercial uses, predominantly within E(g)(iii), B2 and B8 use classes.

Figure 7-3 Cranborne Road, Potters Bar



Source: AECOM, based on HBC Local Plan Policy Maps

7.2.23 Surrounding land uses include residential to the south and green space to the west, north (including solar farm) and east. There are no significant non-traditional employment uses in this Employment Area.

7.2.24 Buildings are of various sizes, generally older and of average condition. Recent developments have focused on upgrading existing premises and introducing flexible spaces to meet the needs of evolving industries. There is potential for regeneration, particularly through modernising older units (mainly in the south western part of the Employment Area which contains the majority of older and lower density stock) and improving infrastructure to support current logistics and light industrial activities.

7.2.25 The Employment Area has access to the M25 and M1 via Junction 23, though this requires passage through residential areas in Potters Bar and South Mimms. This will impact the attractiveness of this Employment Area for large industrial and logistics businesses (such as national distributors), which would generate significant volumes of heavy goods vehicles (HGVs) traffic.

7.2.26 Nearby bus services connect to Potters Bar train station in approximately 16 minutes. However, given the industrial character of this Employment Area, public transport is not a key locational consideration for businesses.

7.2.27 Local amenities are limited, with only a small selection of cafes and services on-site, and most other facilities at least a 10-minute walk away. As with public transport, access to local amenities will not be a key consideration for industrial and logistics businesses and therefore should not impact the performance of this Employment Area in its current use.

7.2.28 While this Employment Area is well-established, market indicators show a rent of approximately £171 per sqm per year and a market yield of 5.7%. This indicates potential challenges with regard to the viability of future new development in this Employment Area and may prevent the delivery of modern, high-quality, new employment premises. However, this Employment Area may still be able to deliver more affordable employment space (particularly light industrial units). The Employment Area’s attractiveness is driven by its strategic location, and suitability for logistics and light industrial use.

7.2.29 The Employment Area provides some vacant land to the north-west (0.7 ha), currently in agricultural use, which would be suitable for new developments.

Station Close, Potters Bar

7.2.30 Station Close (Figure 7-4) is a small Employment Area in Potters Bar of approximately 1.5ha in size accommodating a mix of service-oriented, light industrial, and office uses (E(g)(i), E(g)(iii)). The building stock is mainly older, with units ranging from average to poor condition.

7.2.31 The surrounding land uses are mainly residential, which constrains the Employment Area’s potential for heavy commercial traffic and restricts employment activities to service-oriented and office-based sectors.

Figure 7-4 Station Close, Potters Bar

Source: AECOM, based on HBC Local Plan Policy Maps

7.2.32 The Employment Area is adjacent to Potters Bar railway station and in the town centre, offering excellent public transport connectivity and a short distance from many local amenities. The proximity to the railway station would make the Employment Area highly attractive for businesses requiring strong connectivity to London and the wider region. However, current business activities on this site tend to be low density (i.e. some small IT and accountancy businesses), with likely lower reliance on public transport connectivity.

7.2.33 Station Close also has good access to the M25 and M1 via Junction 23, though this requires passage through residential areas. The lack of parking and on road parking on Station Close, including outside of marked areas, negatively impact two-way traffic on this road, particularly for larger vehicles such as vans and heavy good vehicles. This will impact on the ability of the site to deliver additional employment space. New developments should ensure that sufficient parking facilities are delivered to accommodate visitors and encourage the use of public transport. This site constraint makes it less suitable for industrial activities (which generally generate higher traffic than office activities).

7.2.34 Market indicators show a rent of approximately £202 per sqm per year and a market yield of 6.5%, indicating potential for the delivery of viable new employment premises. The Employment Area’s attractiveness is likely a result of its strong transport links, and suitability for service-oriented and office-based uses. There is, however, limited space and additional floorspace on this site would need to come through the redevelopment of existing premises. There is potential for intensification of existing low-density uses, which is evidenced by the recent modernisation of some premises.

Otterspool Way, Bushey

7.2.35 Otterspool Way (Figure 7-5) is a well-established employment and retail area in Bushey, primarily used by car dealerships and trade counters, with some light industrial and storage/distribution uses (E(g)(iii), B8). This Employment Area provides approximately 12.5 ha of employment land. Buildings in this Employment Area are generally of average age and condition.

Figure 7-5 Otterspool Way, Bushey

Source: AECOM, based on HBC Local Plan Policy Maps

7.2.36 The surrounding area is predominantly residential to the south and west, which does not impact the performance of the site and the ability of businesses to operate as this Employment Area is directly connected to the strategic road network and does not directly share access roads with the surrounding areas.

7.2.37 On-site amenities are limited to a small selection of cafés, with most other facilities being a 10-minute walk or more from the Employment Area. This is not a key consideration for current occupiers and does not negatively impact their ability to operate (or attract workers).

7.2.38 Otterspool Way has good road connectivity, with direct access to the M1 and M25 via the A41. This makes the Employment Area attractive for businesses that require regional and national distribution links.

7.2.39 Public transport access is not as strong, with limited bus services to railway stations that are around a 20- to 30-minute travel time. This will however not negatively impact the performance of this Employment Area which accommodates light industrial and distribution businesses as public transport connectivity is not a key consideration for those businesses.

7.2.40 The lack of public transport connectivity and amenities will limit the potential of the Employment Area to accommodate office-based activities. However, improved connectivity to the major transport hub of Watford Junction could unlock the potential of this Employment Area, improving its access to the London market.

7.2.41 Market indicators show a rent of approximately £166 per sqm per year and a market yield of 5.1%. These indicators suggest that the viability of new developments in this Employment Area may be a challenge for developers.

7.2.42 The area is largely built out, and opportunities for significant new development are constrained by the established commercial character and limited land availability. The Employment Area accommodates a small car park to the south-east (0.1 ha), which appears to be under-used, and could be considered for redevelopment and suitable for small light industrial units.

Summary

7.2.43 Table 7-2 summarises the performance of Employment Areas against selected assessment criteria through a RAG rating assessment. This table highlights the good performance of Elstree Way as a mixed use employment site. Conversely, Stirling Way and Otterspool are considered to underperform as Employment Areas.

Table 7-2 Site Assessment – Employment Areas

Name	Land Area (ha)	Public Realm, Environment and Surroundings	Building Age	Building Condition	Access for commercial traffic to primary road network / motorway	Access by public transport	Access to services	Compatibility of surrounding land uses	Market Attractiveness	Suitability for meeting needs of core/growth sectors	Presence of non-employment uses
Elstree Way, Borehamwood	38.2										
Stirling Way, Borehamwood	6.4										
Cranborne Road, Potters Bar	14.2										
Station Close, Potters Bar	1.5										
Otterspool Way, Bushey	12.5										

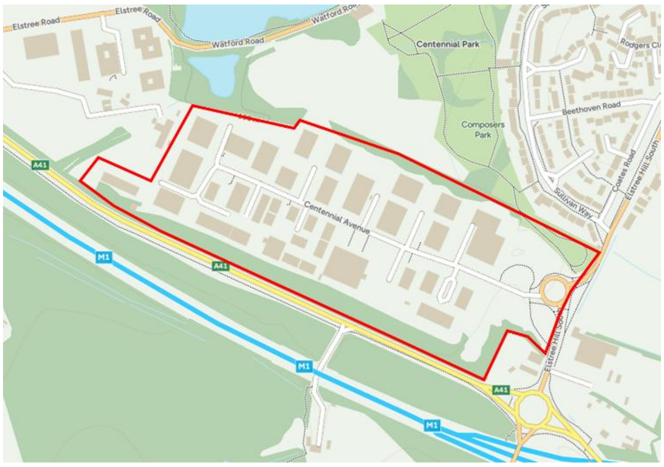
Key Employment Site – Centennial Park, Elstree

7.2.44 Centennial Park, Elstree is the only site designated as a Key Employment Site in the Hertsmere Local Plan 2012-2027.

7.2.45 A narrative assessment of this site is set out below. This is followed by a summary table which provides a rapid overview of the performance of the site against selected criteria through the RAG rating assessment.

7.2.46 Centennial Park (Figure 7-6) is a very well-established and modern site in Hertsmere. It is a high-quality business park, primarily occupied by office buildings, with some light industrial and research and development falling within the use classes E(g)(i), E(g)(ii), E(g)(iii). The site has a mix of newer and slightly older (early 2000s) but modern buildings, all of good quality, and offers a well-maintained and landscaped environment, which together provide an attractive setting for corporate and professional services. The total site area is approximately 19.5 ha. Recent investments have focused on maintaining high standards, with upgrades to infrastructure and amenities to support tenant needs.

Figure 7-6 Centennial Park, Elstree



Source: AECOM, based on HBC Local Plan Policy Maps

7.2.47 Centennial Park has very good connectivity, with direct access to major transport routes including the M1 and A41. Bus services provide links to Elstree & Borehamwood train station (12 minutes) and Stanmore station for Transport for London (TfL) Underground services (16 minutes).

7.2.48 However, services and amenities on-site and in surrounding areas are limited to cafés and a petrol station. This represents a downside for a major business park. Improving the provision of nearby amenities and services could improve the attractiveness of this site for major businesses.

7.2.49 The business park's secluded setting makes it suitable for most employment activities, although heavy industrial activities would not be compatible with the existing service-oriented activities on-site.

7.2.50 Market indicators show a rent of approximately £245 per sqm per year and a market yield of 7.5%. These indicators suggest the site could support the development of viable new employment premises. The site's market attractiveness is a result of its high-quality environment, modern facilities, and well-connected location. However, the site's suitability for meeting the needs of growth sectors is hindered by its limited availability of land for significant new development and the restricted range of on-site amenities. The business park is largely built out, but opportunities exist for further enhancement of facilities and services to maintain its competitive position. The entrance of Centennial Park is currently undeveloped (along Elstree Hill South), providing some landscaped open space, which could be considered for development (2.6 ha).

7.2.51 Table 7-3 summarises the performance of Centennial Park against selected assessment criteria through a RAG rating assessment. Overall, the site performs very well in employment use.

Table 7-3 Site Assessment – Key Employment Site

Criteria	RAG
Name	Centennial Park, Elstree
Land Area (ha)	19.5
Public Realm, Environment and Surroundings	-
Building Age	-
Building Condition	-
Access for commercial traffic to primary road network / motorway	-
Access by public transport	-
Access to services	-
Compatibility of surrounding land uses	-
Market Attractiveness	-
Suitability for meeting needs of core/growth sectors	-
Presence of non-employment uses	-

Local Significant Employment Sites

7.2.52 There are seven sites designated as Local Significant Employment Sites in the Hertsmere Local Plan 2012-2027:

- Wrotham Business Park;
- Borehamwood Enterprise Centre and adjoining sites;
- Theobald Court and adjoining site, Borehamwood;
- Lismirrane Industrial Park, Elstree;
- Hollies Way Business Park, Potters Bar;
- Beaumont Gate, Radlett; and
- Farm Close sites, Shenley.

7.2.53 A narrative assessment of each Local Significant Employment Site is set out below. This is followed by a summary table which provides a rapid overview of the performance of each site against selected criteria through the RAG rating assessment.

Wrotham Business Park

7.2.54 Wrotham Business Park (Figure 7-7) is a small Local Significant Employment Site of approximately 1.2 ha in size and primarily accommodates office-based professional services activities, with a focus on serving local businesses and niche industries. The area features old but modernised red brick buildings, catering to small-scale enterprises within E(g)(i) use class. The buildings are generally in good condition, though some show signs of ageing.

Figure 7-7 Wrotham Business Park

Source: AECOM, based on HBC Local Plan Policy Maps

7.2.55 The site is rural, with no nearby amenities. The nearest facilities are located in Hadley, a 30-minute walk away. This will limit the attractiveness of the site for larger office-based businesses.

7.2.56 While the business park has good access to nearby transport routes, including a 10-minute drive to the M25 Junction 23 and the A1 via the A1000 and two B-roads, public accessibility is not as strong. The nearest train station is Hadley Wood, 30 minutes away by bus. Potters Bar train station is a 25-minute bus ride away.

7.2.57 The market rent is approximately £359 per sqm per year, with a market yield of 7.8%, suggesting strong commercial viability for potential future developments on this site. However, opportunities for significant new development are constrained by the absence of developable land and the established nature of the area as an established business park.

Borehamwood Enterprise Centre and adjoining sites

7.2.58 Borehamwood Enterprise Centre (Figure 7-8) and its adjoining sites mostly accommodate light industrial, storage, and warehousing units as well as a business centre, supporting use classes E(g)(i) and E(g)(ii) across approximately 1.8 ha.

Figure 7-8 Borehamwood Enterprise Centre and adjoining sites

Source: AECOM, based on HBC Local Plan Policy Maps

7.2.59 The industrial premises are composed of older stock, with visible signs of weathering, but the buildings are generally in acceptable condition for their intended use. The business centre is also an older building, which has been modernised but appears dated, while being suitably maintained.

7.2.60 Surrounding uses include similar industrial and commercial uses and railway lines, with housing opposite. The high street, offering cafés, restaurants, shops, and other amenities, is also within a five-minute walk, providing excellent access to services.

7.2.61 Public transport accessibility is a key strength as the area benefits from strong public transport links, with Elstree & Borehamwood railway station and bus stops just a five-minute walk away.

7.2.62 Road connectivity is adequate, with the A1 accessible via an eight-minute drive through Borehamwood High Street. Access to the M25 requires travel via the A1.

7.2.63 The average market rent is approximately £208 per sqm per year, with a market yield of 7.5%. This may be sufficient to support the delivery of new industrial space, but will likely represent a challenge to support the viability of new high-quality office space to be delivered on this site.

Theobald Court and adjoining site, Borehamwood

7.2.64 Theobald Court and adjoining site (Figure 7-9) is a small Local Significant Employment Sites in Borehamwood of approximately 0.4 ha, primarily occupied by office (E(g)(i)) and light industrial (E(g)(iii)) uses. The buildings on the site are generally older and in average condition, but are suitable for current activities on this site.

Figure 7-9 Theobald Court and adjoining site, Borehamwood

Source: AECOM, based on HBC Local Plan Policy Maps

7.2.65 The site is arranged as a modest business park, offering parking facilities and situated within a busy commercial environment surrounded by other business and commercial uses. The site benefits from immediate proximity to Borehamwood high street, providing convenient access to a wide range of amenities, including shops, cafés, and restaurants.

7.2.66 One of the key strengths of Theobald Court is its accessibility. The site is located just a nine-minute drive from the A1, although this route passes through residential areas, which may limit the ease of access for larger vehicles. Public transport connectivity is particularly good, with Elstree & Borehamwood railway station only a seven-minute walk away and local bus stops just two minutes from the site.

7.2.67 Current market conditions indicate a typical rent of approximately £273 per sqm per year, with a market yield of 9.7%, which would be sufficient to support the commercial viability of new developments on this site. However, despite these advantages, the small scale of the site, the absence of vacant land and current activities on site restrict opportunities for significant new development or intensification.

Lismirrane Industrial Park, Elstree

7.2.68 Lismirrane Industrial Park (Figure 7-10), near Centennial Park, is a small Local Significant Employment Site of approximately 1 ha. The industrial park is occupied by a mix of light industrial (E(g)(iii)) and warehouse (B8) uses, as well as an office development (E(g)(i)). The site has a secure environment, with controlled access points and on-site parking for tenants and visitors.

Figure 7-10 Lismirrane Industrial Park, Elstree

Source: AECOM, based on HBC Local Plan Policy Maps

7.2.69 The buildings within the industrial park are of mixed age and condition; most pre-date 2000. Industrial units in this site are mainly in poor to average condition while the office development is in average condition. Overall, the site presents as a well-established industrial estate, offering a range of unit sizes to accommodate different business needs.

7.2.70 The site is secluded, and therefore employment activities are not restricted by surrounding competing uses (such as residential). A gym, which has its own (large) car park, is located on the site (within the office development). This provides some amenities for the workers and does not appear to impact the ability of other employment activities to operate effectively in employment uses.

7.2.71 A notable strength of Lismirrane Industrial Park is its strategic location and accessibility. The park is situated close to the A41, providing direct access to the wider strategic road network. This proximity to major transport routes is particularly advantageous for logistics and distribution businesses.

7.2.72 Public transport links are reasonable, with bus stops located within walking distance, although the site is not as close to a railway station as some other Employment Areas/Sites in Hertsmere.

7.2.73 The average market rent in Lismirrane Industrial Park is £249 per sqm per year, and the average market yield is 9.5%. This would support the viability of new development or redevelopment on this site. While there is no vacant land on this site available for development, redevelopment and intensification are an option, as it appears to have a high level of vacancy (35.9%, as reported by CoStar in November 2025). High rental value and yield, associated with high vacancy and average quality of the stock may incentivise developers to invest in modernising the stock on this site.

Hollies Way Business Park, Potters Bar

7.2.74 Hollies Way Business Park (Figure 7-11) is a small Local Significant Employment Site in Potters Bar (0.5 ha), which comprises a mix of light industrial units (E(g)(iii)), with ancillary office space. The site is located behind a residential building and is accessible via a narrow access road, which limits its potential to accommodate some employment activities requiring larger vehicles or activities that generate noise or pollution.

Figure 7-11 Hollies Way Business Park, Potters Bar

Source: AECOM, based on HBC Local Plan Policy Maps

7.2.75 The buildings on the site are relatively old and in poor to average condition. They are however suitable for the type of activities taking place on this site (a range of vehicle repairs) which prioritise lower rents over building quality.

7.2.76 The surrounding area is mostly commercial in use, with some residential properties nearby. The business park has on-site parking and is accessible via a gated access road, which would be an important consideration for occupiers.

7.2.77 The site is a 5-minute drive to the M25 motorway, providing reasonable road connectivity. Public transport links are also relatively good, with Potters Bar railway station situated within about a 20-minute walk and a local bus stop being located next to the site.

7.2.78 Market indicators, such as average rent (£231 per sqm per year) and market yield (7.2%), support the potential for redevelopment of the site, which could be considered to accommodate higher quality office-based and more advanced industrial activities. However, it should be noted that these market indicators are based on only three comparables – this small number may affect the reliability of the data.

Beaumont Gate, Radlett

7.2.79 Beaumont Gate (Figure 7-12) is a small Local Significant Employment (approximately 0.4 ha in size) located next to Radlett train station. This site accommodates office-based activities (E(g)(i)) and some light industrial businesses (E(g)(iii)).

Figure 7-12 Beaumont Gate, Radlett

Source: AECOM, based on HBC Local Plan Policy Maps

7.2.80 The public realm and environment in and around the site are of good quality, with pavements and street lighting. Buildings at Beaumont Gate are not modern but in good condition and well-maintained.

7.2.81 Beaumont Gate has average access to strategic roads. It is located close to the M25 and M1 motorways, but access to those is indirect. The site enjoys good public transport connectivity, being located next to Radlett train station, which offers regular rail services to London and other destinations. Bus services are available nearby, further enhancing public transport options. Local amenities are excellent, with a range of shops, cafés, and services within a short walk, making the site attractive for employees and visitors.

7.2.82 The surrounding land uses are compatible with current employment activities, with residential areas and other commercial uses nearby. The site's market attractiveness is high due to its modern facilities, excellent connectivity, and strong local amenities. High rental values (£323 per sqm per year) and market yield (11%) would support the delivery of employment space on this site, but the absence of undeveloped land and the low level of vacancy on this site will likely prevent any significant redevelopment and the provision of additional employment space.

Farm Close Shenley

7.2.83 Farm Close (Figure 7-13) is a small Local Significant Employment Site in Shenley (0.6 ha), which comprises a modern group of office units (E(g)(i)). The buildings are older but well-maintained and in good condition. The site provides good public realm, with landscaped green space and pavements but limited street lighting.

Figure 7-13 Farm Close, Shenley

Source: AECOM, based on HBC Local Plan Policy Maps

7.2.84 The site is located in a rural area, with some residential properties and a primary school nearby. Strategically, the site is well-connected to the road network, with the nearest junctions on the M25 just a three-minute drive away.

7.2.85 Public transport accessibility is average, with a bus stop approximately a five-minute walk from the site, providing direct services to Radlett station in about ten minutes. However, access to services and amenities is poor with none directly available on-site or within a fifteen-minute walk. This may impact the site's attractiveness for some employment uses, leading to current occupiers being mainly small local businesses.

7.2.86 There is no significant level of vacancy on this site. The site is also relatively secluded but has a primary school located directly adjacent to it. The presence of the school does not impact the ability of Farm Close to function effectively as an employment site based on current activities taking place on this site.

7.2.87 Market indicators show a rent of approximately £258 per sqm per year and a market yield of 10.8%. This would support the delivery of new employment space on the site, but the absence of developable land and low vacancy across the site mean that redevelopment for employment uses is unlikely.

Summary

7.2.88 Table 7-4 summarises the performance of Local Significant Employment Sites against selected assessment criteria through a RAG rating assessment. This table highlights the good performance of Beaumont Gate (Radlett). Conversely, Hollies Way Business Park (Potters Bar) and Wrotham Business Park could be considered to be underperforming as employment sites.

Table 7-4 Site Assessment – Local Significant Employment Site

Name	Land Area (ha)	Public Realm, Environment and Surroundings	Building Age	Building Condition	Access for commercial traffic to primary road network / motorway	Access by public transport	Access to services	Compatibility of surrounding land uses	Market Attractiveness	Suitability for meeting needs of core/growth sectors	Presence of non-employment uses
Wrotham Business Park	1.2										
Borehamwood Enterprise Centre and adjoining sites	1.8										
Theobald Court and adjoining site, Borehamwood	0.4										
Lismirrane Industrial Park, Elstree	1										
Hollies Way Business Park, Potters Bar	0.4										
Beaumont Gate, Radlett	0.5										
Farm Close sites, Shenley	0.6										

Safeguarded Land for Employment Development

7.2.89 There are two sites designated as Safeguarded Land for Employment Development in the Hertsmere Local Plan 2012-2027:

- Land adjacent to the Cranborne Road Employment Area; and
- Land on Rowley Lane adjacent to the Elstree Way Employment Area.

7.2.90 A narrative assessment of Safeguarded Land for Employment Development is set out below. This is followed by a summary table which provides a rapid overview of the performance of each site against selected criteria through the RAG rating assessment.

Land adjacent to the Cranborne Road Employment Area

7.2.91 The Land adjacent to the Cranborne Road Employment Area (Figure 7-14) is a Safeguarded Site covering 2.3 ha, with only a small portion of the site (0.2 ha) currently used as a recycling centre. The majority of the land remains vacant (2.1 ha), making it available for future employment uses. The site is surrounded by green space (agricultural land) and other employment uses (Cranborne Road Employment Area); and therefore making it suitable for most employment activities, and particularly for E(g)(iii), B2 and B8 uses, as an extension of Cranborne Road Employment Area.

Figure 7-14 Land adjacent to the Cranborne Road Employment Area

Source: AECOM, based on HBC Local Plan Policy Maps

7.2.92 This site has access to the M25 and M1 via Junction 23, although access requires passing through residential areas in Potters Bar and South Mimms. Nearby bus services connect to Potters Bar train station in approximately 16 minutes.

7.2.93 Local amenities are limited, with only a small selection of cafés and services on-site. Most other facilities are a 10-minute walk away or more.

Land on Rowley Lane, adjacent to the Elstree Way Employment Area

7.2.94 The Land on Rowley Lane, adjacent to the Elstree Way Employment Area (Figure 7-15) provides approximately 14.6 ha of land, most of which has been developed and now accommodates the new Sky Studio Elstree (to the north of the site). The south of the site is also occupied by a hotel (DoubleTree by Hiton). Buildings in employment use on the site (Sky Studio) are very modern and of high quality.

Figure 7-15 Land on Rowley Lane, adjacent to the Elstree Way Employment Area

Source: AECOM, based on HBC Local Plan Policy Maps

7.2.95 Transport connectivity is also good as the site is near the Barnet Bypass (A1), offering indirect access to the M25 and M1 motorways, and is served by bus routes connecting to Elstree & Borehamwood train station (16 minutes away). However, local services and amenities are limited, with only a small selection available in the immediate vicinity.

7.2.96 Approximately 1.8 ha of land remains undeveloped and offers a good proposition for employment activities. Given its location, condition, and size, the site is well-suited to accommodate small to medium-sized employment units, with clear potential to support office-based sectors, particularly within the creative, tech, and digital industries (including the film industry). These sectors are aligned with the area's broader economic aspirations and could benefit from the site's proximity to London and strong road connectivity.

Summary

7.2.97 Table 7-5 summarises the performance of Safeguarded sites against selected assessment criteria through a RAG rating assessment. This table highlights the good potential of both sites to accommodate employment uses.

Table 7-5 Site Assessment – Safeguarded Land for Employment Development

Name	Land Area (ha)	Public Realm, Environment and Surroundings	Building Age	Building Condition	Access for commercial traffic to primary road network / motorway	Access by public transport	Access to services	Compatibility of surrounding land uses	Market Attractiveness	Suitability for meeting needs of core/growth sectors	Presence of non-employment uses
Land adjacent to the Cranborne Road Employment Area	2.3	N/A	N/A	N/A							N/A
Land on Rowley Lane adjacent to the Elstree Way Employment Area	14.6										

Additional Sites for Consideration

7.2.98 As well as the sites designated in the Hertsmere Local Plan 2012-2027, a number of sites were considered to address future demand for employment space as part of the SW Herts Economic Study 2024. These sites were identified by Hertsmere Borough Council through consultation on its Local Plan (Regulation 18) between April and May 2024[70]. The consultation draft's spatial strategy (p. 10) noted that sufficient long-term provision for employment development was needed, recognising that changing working patterns post-Covid would affect the need for office space, but that there was likely to be an increased requirement for land for warehousing and distribution development.

7.2.99 Employment allocations (p. 84-90) included sites identified to meet needs identified in the previous 2019 South West Hertfordshire Economic Study, recognising that if the present study identified a greater need for employment land than additional sites would need to be considered in the next consultation draft of the Local Plan. The following sites were identified in the 2024 consultation draft:

- Centennial Park - Land South of Aldenham Reservoir
- Land Adjacent to Lismirrane Industrial Estate
- Centennial Park - Caspian and Tasman House
- Mercure Hotel, Tyler Way
- Land off Stephenson Way

7.2.100 A narrative assessment of these sites is set out below. This is followed by a summary table which provides a rapid overview of the performance of each site against selected criteria through the RAG rating assessment.

Centennial Park - Land South of Aldenham Reservoir

7.2.101 The site (Figure 7-16), of 4.7 ha, is located to the south-west of Elstree, immediately adjacent to Centennial Business Park. Elstree Hill Open Space lies to the north-east, providing a natural buffer between the site and residential properties. While the site is constrained by Green Belt planning designations, it benefits from a strong commercial context and high-quality surroundings.

Figure 7-16 Centennial Park - Land South of Aldenham Reservoir

Source: SW Herts Economic Study 2024

7.2.102 The site comprises undeveloped land, offering a high degree of flexibility for future employment use. It is set within a modern, well-maintained commercial environment, with surrounding building stock of high quality and an attractive public realm. The site's location

[70] HBC (2024) Hertsmere Local Plan: Green, sustainable growth: Towards 2040

adjacent to Centennial Park further enhances its employment potential, benefiting from on-site amenities and services that support workplace activities.

7.2.103 In terms of accessibility, the site enjoys direct access to the A411, with convenient proximity to the A5 and A41, supporting strategic connectivity to the wider region. It is also within walking distance of a local bus stop, enabling access by public transport.

7.2.104 Given its setting, accessibility, and quality, the site is well-suited to office-based employment sectors, including those in the tech, digital industries, and high-value professional services. It is particularly appropriate for accommodating medium-sized units, meeting identified needs within Hertsmere and the wider FEMA.

7.2.105 A planning application has been approved for the delivery of new office and industrial development on this site (22/2147/OUT). See Section 7.3 (Planning Pipeline) for more details.

Land Adjacent to Lismirrane Industrial Estate

7.2.106 This site (Figure 7-17) is located to the south-west of Elstree, within the established and high-quality commercial setting of Centennial Business Park. It is adjacent to a range of existing employment uses and benefits from a modern, well-maintained environment. The site is, however, constrained by its Green Belt designation, which may influence future development potential and access considerations.

Figure 7-17 Land Adjacent to Lismirrane Industrial Estate

Source: SW Herts Economic Study 2024

7.2.107 The site benefits from strong strategic connectivity, located close to both the A5 and A41, providing access to the M1, M25, and wider regional and national road networks. A local bus stop is within walking distance, supporting access by public transport. In addition, on-site amenities at Centennial Park enhance the site's attractiveness to occupiers, particularly for office-based users.

7.2.108 The surrounding area, including Centennial Business Park, accommodates a range of tech, digital, and professional services firms, including those in the scientific and technical sectors. This context highlights the site's strong potential to support similar office-based growth sectors and contribute to Hertsmere's research and development capabilities. Its location near an established Key Employment Site makes it a logical extension of the existing business park, supporting incremental, small-scale growth.

7.2.109 The site offers good potential to meet employment needs. It comprises undeveloped land, enabling a high degree of flexibility for future use, and is particularly well-suited to small-scale development, given the site's size of 5.9 ha.

Centennial Park - Caspian and Tasman House

7.2.110 The site (Figure 7-18) comprises existing commercial office buildings owned by Zurich Assurance, situated within a predominantly commercial setting with no conflicting neighbouring land uses. The site is of good overall quality, with buildings that are of suitable to average age and condition, and a well-maintained public realm that enhances its appeal to potential occupiers. The environment is further supported by on-site amenities, including fitness and healthcare facilities, which contribute positively to employee wellbeing and workplace attractiveness.

Figure 7-18 Centennial Park - Caspian and Tasman House

Source: SW Herts Economic Study 2024

7.2.111 In terms of accessibility, the site benefits from connectivity to Elstree Road and indirect access to the A41, enabling efficient links to Central London and the wider strategic road network. Public transport accessibility is supported by the adjacent Lismirrane Bus Stop, improving the site's appeal for workers.

7.2.112 Given the existing commercial use and broader context, the site is well-suited to continued employment activity, particularly for office-based growth sectors such as creative, tech, and digital industries. It is considered appropriate for a mix of small to medium-sized units, aligning with market demand and supporting the borough’s wider economic development objectives.

7.2.113 A planning application has been approved for the demolition of office space and delivery of new industrial (B2) and logistics (B8) space on this site (23/0547/FUL). See Section 7.3 (Planning Pipeline) for more details.

Mercure Hotel, Tyler Way

7.2.114 This site (Figure 7-19) comprises a partially developed plot (vacant hotel) and an area of designated Green Belt land, covering a total of 6.4 ha. The site is located in proximity to the M1 motorway, which presents strategic connectivity advantages. While neighbouring residential properties exist, they lie adjacent to the existing commercial area of the site.

Figure 7-19 Mercure Hotel, Tyler Way

Source: SW Herts Economic Study 2024

7.2.115 The site benefits from direct access to the A41 and lies within 2km of the nearest M1 junction, offering excellent road connectivity to Central London and the wider strategic highway network. However, the absence of public transport options within walking distance, combined with a lack of on-site or adjacent amenities, reduces its accessibility and appeal for certain employment uses.

7.2.116 The former hotel building is aged and of poor quality, limiting opportunities for reuse without significant investment. Furthermore, the Green Belt designation imposes planning constraints that may restrict future development potential unless exceptional circumstances can be demonstrated.

7.2.117 Despite these challenges, the site holds strong potential for employment uses that align with its location and accessibility, notably storage and distribution, as well as advanced manufacturing or construction-related activities. Its position near the M1 corridor makes it particularly suitable for logistics-based operations, and the presence of nearby population centres supports potential workforce accessibility. Given the current condition of the site, it may be most appropriate for lower-value or land-extensive uses that are less sensitive to environmental quality or amenity provision.

7.2.118 A planning application has been approved for the demolition of office space and delivery of logistics space (B8) on this site across 7.3 ha of land (22/1117/OUT). See Section 7.3 (Planning Pipeline) for more details.

Land off Stephenson Way

7.2.119 This greenfield site (Figure 7-20) (13.8 ha) is located to the east of Watford, adjacent to an established commercial area at Otterpool, and is bordered by a mix of residential and commercial uses, including a nearby holiday let. While the site remains undeveloped and features moderate sloping, this is not expected to significantly constrain development as the strategic location and surrounding context offer good market attractiveness.

Figure 7-20 Land off Stephenson Way

Source: SW Herts Economic Study 2024

7.2.120 The site is well-positioned near a key junction of the M1 and A41, providing excellent regional connectivity and efficient access to wider economic centres, including Greater London and the Midlands. The site is surrounded by modern, high-quality commercial buildings and a well-maintained public realm, creating a desirable and credible setting for employment uses.

7.2.121 Public transport accessibility is supported by a nearby bus stop, while the presence of local amenities within close proximity further enhances the site's appeal to both prospective occupiers and employees. These factors support the site's suitability for a range of employment types, particularly where sustainable access is a consideration.

7.2.122 Given its size, topography, and strategic location, the site is well-suited to accommodate a broad spectrum of employment uses, including light industrial, logistics, and advanced manufacturing across an estimated 3.1 ha of developable land for employment use. Its characteristics suggest it could support units of varying sizes, from small-scale workshops to larger modern industrial premises, aligning with demand in both core sectors and emerging growth industries.

Summary

7.2.123 Table 7-6 summarises the performance of additional (currently non-designated) sites against selected assessment criteria through a RAG rating assessment. This table highlights the good potential of all sites to accommodate employment uses. Furthermore, a number of those sites (Centennial Park - Land South of Aldenham Reservoir; Centennial Park - Caspian and Tasman House; and Mercure Hotel, Tyler Way) have recently received planning approval to deliver new employment space, as detailed in Section 7.3 (Planning Pipeline) below.

Table 7-6 Site Assessment – Additional Sites for Consideration

Name	Land Area (ha)	Public Realm, Environment and Surroundings	Building Age	Building Condition	Access for commercial traffic to primary road network / motorway	Access by public transport	Access to services	Compatibility of surrounding land uses	Market Attractiveness	Suitability for meeting needs of core/growth sectors	Presence of non-employment uses
Centennial Park - Land South of Aldenham Reservoir	4.9		N/A	N/A							N/A
Land Adjacent to Lismirrane Industrial Estate	5.9		N/A	N/A							N/A
Centennial Park - Caspian and Tasman House	1.4		N/A	N/A							N/A
Mercure Hotel, Tyler Way	6.7										N/A
Land off Stephenson Way	13.8		N/A	N/A							N/A

7.3 Planning Pipeline

7.3.1 As set out above in the site assessment number of the employment sites identified across Hertsmere represent potential pipeline for future development. This includes a number of vacant greenfield sites, poor quality sites in need of re-development or sites currently in low density that could be suitable for future intensification. Notably, Hertsmere District Council's records of consented planning permissions for employment use that have not yet been built out indicate additional potential pipeline supply, as presented in Table 7-7.

7.3.2 If all approved planning applications concerning office floorspace in Hertsmere were to come forward, there would be a net reduction of office floorspace, totalling -3,285 sqm. Key applications driving this change are:

- 22/2147/OUT located on Land South of Aldenham Reservoir (Centennial Park) which will deliver 2,323 sqm of office floorspace over part of 4.7 ha[71]; and
- 23/0547/FUL involving the demolition of Caspian and Tasman House currently comprising 5,608 sqm of office floorspace over 1.4 ha.

7.3.3 If all approved planning applications concerning industrial floorspace in Hertsmere were to come forward for development, supply of industrial floorspace across the borough would increase by 73,374 sqm. Key applications driving this change are:

- 22/2147/OUT located on Land South of Aldenham Reservoir (Centennial Park) which will deliver 18,409 sqm of industrial floorspace (Use Class E/ B2/B8) over part of 4.7 ha[72];
- 23/0547/FUL delivering 5,701 sqm of B2/B8 space in place of Caspian and Tasman House over 1.4 ha;
- 24/1283/OUTEI delivering 45,000 sqm of B8 space near Patchetts Green, over 12.6 ha; and
- 23/1731/FUL delivering 4,264 sqn of E(g)(iii)/B2/B8 space north of Bushey, over 0.4 ha.

7.3.4 As well as applications impacting office and industrial floorspace, planning applications will impact the amount of floorspace directly attributable to the film industry and data centres (addressing some of the future additional demand assessed for those specific industries). These applications are:

- 25/0642/FUL for the redevelopment of part of the BBC Elstree Studios. This will lead to an increase of 24,693 sqm of floorspace73 responding to demand from the film industry;
- 25/1781/FUL for the delivery of 137,410 sqm of data centre floorspace (over 7.3 ha) at the former Mercure Hotel on Tyler Way. This application supersedes a previous application (22/1117/OUT) for the delivery of B8 space on this site;
- 25/1668/VOC for the delivery of 84,000 sqm of data centre floorspace (over 3.4 ha) at Charleston Paddocks (South Mimms). This application supersedes a previous application (23/1049/OUT) for the delivery of B8 space on this site.

7.3.5 A demand has been made by Orbital Data Centre for employment allocation of circa 5.9 ha of land (part of a 11.7 ha site spreading over Hertsmere Borough and the London Borough of Enfield), located south of the M25 and east of Junction 24. If allocated and delivered, this site would add further supply.

7.3.6 An approved planning application for the delivery of a data centre (DC01UK) has also been considered. This data centre (185,800 sqm over 34.4 ha) is assumed to form part of the

[71] Assumed to be 0.5 ha, proportionally to office floorspace within total employment floorspace delivered
[72] Assumed to be 4.2 ha, proportionally to industrial floorspace within total employment floorspace delivered
[73] Excluding multi-storey car park; and assuming no loss of floorspace as the site is reported as being no longer in active use in planning statement.

existing supply/stock, and therefore not accounted for in the planning pipeline to avoid double counting.

Table 7-7 Planning Pipeline

Use	Planning Pipeline (sqm)	Planning Pipeline Land (ha)
Office (E(g)(i) / E (g)(ii))	-3,285	-0.9
Industrial (E(g)(iii) / B2 / B8)	73,374	18.6
Film industry	24,693	3.5
Data Centre	221,410	10.7[74]
Total	**316,192**	**31.9**

Source: Hertsmere Planning Portal (November 2025)

7.3.7 If implemented, these permissions may serve to reduce overall land requirements. However, there is a possibility that some developments may not come forward at all, or be developed in different quantities by use class than has been consented, for example if amendments to the planning applications are made.

[74] Not including 5.9 ha for Orbital data centre (M25, Junction 24).

8. Employment Land Needs

8.1 Introduction

8.1.1 The employment land needs assessment for Hertsmere, presented in this section, provides an update to the assessment presented in the SW Herts Economic Study 2024, based on up to date evidence and solely focuses on the borough of Hertsmere.

8.1.2 The approach to assessing future employment floorspace and land requirements is in line with Planning Practice Guidance on Employment Land Reviews. The analysis in this section considers a range of scenarios to test potential future demand, recognising inherent uncertainty in long-term economic forecasting.

8.1.3 Several approaches have been considered to modelling future employment land needs. These approaches are:

- **Scenario 1: Labour demand scenario**

  Based on the floorspace and land required to accommodate expected employment growth in the town, informed by forecast employment change. This scenario is presented using Cambridge Econometrics (CE) employment forecasts to provide a range of potential outcomes.

- **Scenario 2: Labour supply scenario – ONS Population Forecast**

  Based on the latest population growth projections published by the ONS (2022-based). This scenario assesses the future availability of workforce in Hertsmere to fulfil employment growth in the local authority. Allocation of labour to sectors aligns with growth predicted by CE employment forecasts to provide a range of potential outcomes.

- **Scenario 3: Labour supply scenario – Housing Standard Method**

  Based on the Housing Standard Method which assesses the number of households in Hertsmere. This scenario assesses the future availability of workforce in Hertsmere to fulfil employment growth in the local authority. Allocation of labour to sectors aligns with growth predicted by CE employment forecasts to provide a range of potential outcomes.

- **Scenario 4: Past take-up rates**

  Trend-based scenario based on the continuation of historical take-up rates, sourced from CoStar. This analyses take-up rates by use class over the last 10 years and extrapolates these trends over the assessment period.

8.1.4 Given the characteristics of Hertsmere and the importance of the film industry in the local area, additional consideration has been given to future employment land needs specific to this industry which is not already captured within the scenarios presented above. Similarly, the above scenarios do not accurately predict the future demand for employment land to accommodate data centres. This has therefore been considered separately.

8.2 Overarching Assumptions

8.2.1 This sub-section presents the key assumptions made in assessing employment land needs. The approach used in this assessment aligns with the approach presented in the SW Herts Economic Study. However, adjustments have been made to some assumptions to reflect up-to-date evidence and are presented below.

Employment Use Classes

8.2.2 Employment sectors have been mapped to the current core B and E(g) use classes:

Office uses (former B1a, B1b):

- E(g)(i) Offices; and
- E(g)(ii) Research and development.

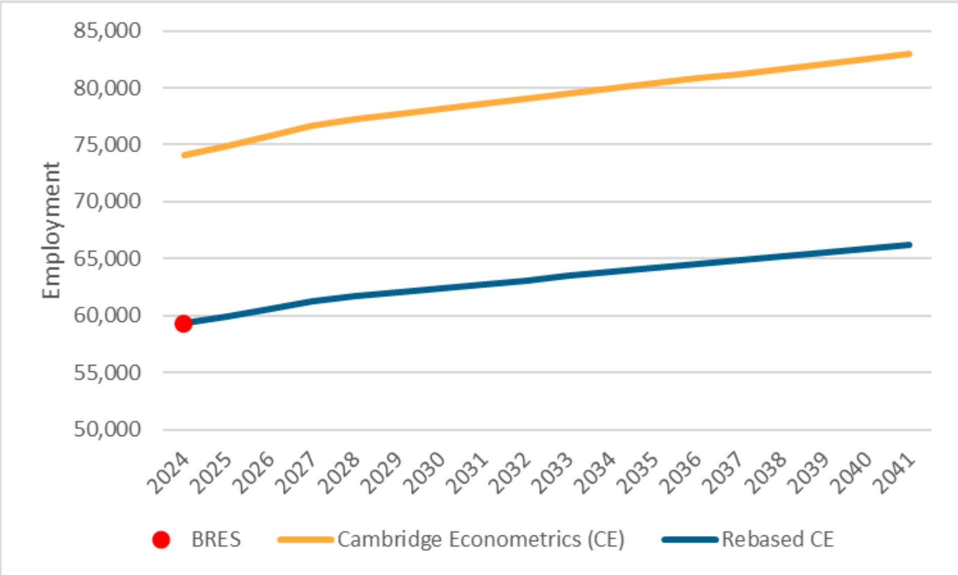
Industrial uses (former B1c, B2, B8):

- E(g)(iii) Light industrial;
- B2 General industrial; and
- B8 Storage or distribution.

Rebasing of Employment Forecast

8.2.3 It is acknowledged that employment forecast provided by Cambridge Econometrics does not align in terms of historical baseline with official historical data published by the ONS. Therefore, to ensure that the Labour Demand scenario reflects the official baseline position, the baseline employment figure (year 2024) was rebased in the CE employment forecast using the latest BRES data available. Predicted growth was then applied to this baseline figure to for each forecast to establish a 'rebased' employment forecast, as presented in Figure 8-1.

Figure 8-1 Rebased Cambridge Econometrics Employment Forecast



Source: AECOM, based on ONS BRES 2024 and Cambridge Econometrics

8.2.4 This rebasing exercise is similar to the approach taken in the SW Herts Economic Study.

Employment to Full Time Equivalents (FTEs)

8.2.5 The conversion of Employment figures into FTE jobs has been calculated for each sector based on the ratio of full-time and part-time employment jobs for these sectors in Hertsmere using data from BRES 2024. This approach is consistent to the approach used in the SW Herts Economic Study 2024 and assumes a comparable ratio to convert employment to FTE[75].

Employment to Use Classes

8.2.6 The proportion of FTE jobs in each sector is disaggregated by type of employment use classes and non-employment use classes. The allocation of FTEs by uses classes applied in this assessment is similar to the assumptions made in the SW Herts Economic Study 2024. FTEs were allocated to use classes by matching business level Inter-Departmental

[75] A ratio of 0.84 is applied in this assessment. The SW Herts Economic Study 2024 assumed a ratio of 0.85.

Business Register (IDBR) data to the Valuation Office Agency (VOA) database of premises. This allows an estimate of the proportion of employees in each sector that use different types of floorspace.

8.2.7 It can be noted that the SW Herts Economic Study does not differentiate office (E(g)(i)) and research and development (E(g)(ii)). The study does not differentiate light industrial (E(g)(iii)) and industrial (B2) either. These use classes have been considered separately in this assessment.

Adjustment for Home Working

8.2.8 In line with the method applied in the SW Herts Economics Study 2024, an adjustment of FTEs has been applied by sector to take into consideration home working practices, which have a direct impact on demand for employment floorspace.

8.2.9 The assumptions made in the SW Herts Economics Study 2024 being outdated and not reflecting the "return to the office" trend, this analysis has been updated and reflected in this assessment. A detailed assessment of adjustment for home working is presented in Section 5.3. The updated assumptions indicate a ratio of 5.7% to 32.1% (depending on the sector) of home working, and 17.2% overall (in average)[76]. The SW Herts study assumed a much higher proportion ranging from 0% to 68% of home working, and 35% overall (in average).

Employment Density and Plot Ratio Assumptions

8.2.10 Job numbers for each use class have been calculated, and these have been converted to floorspace requirements by applying appropriate employment density assumptions. To calculate land requirements for industrial uses, plot ratios have been applied to convert floorspace into land (ha). The employment densities and plot ratios used draw on the HCA Employment Densities Guide 3rd Edition (2015) and AECOM's appreciation of prevailing rates/ratios. These are summarised in Table 8-1 below.

Table 8-1 Employment density and plot ratio assumptions

Use class	HCA Employment Density Guide (2015)	Employment density assumption used (sqm per full-time equivalent (FTE) job)	Plot Ratio (% of site area)
E(g)(i)	Offices – 8-13 sqm NIA per FTE job	11	100%
E(g)(ii)	R&D space – 40-60 sqm NIA per FTE job	40	45%
E(g)(iii)	Light industrial – 47 sqm NIA per FTE job	47	45%
B2	Industrial & Manufacturing – 36 sqm GIA per FTE job	36	45%
B8	Storage & Distribution – 70-95 sqm GEA per FTE job	70	45%

Source: HCA Employment Density Guide (2015)

8.2.11 It should be noted that employment ratios can vary significantly depending on location and the exact type of use. The HCA Employment Densities Guide allows for this by providing density ranges against uses. This study has taken a mid-point approach to applying these ranges, and adjusted where it has been deemed appropriate to do so based on the following considerations:

- For E(g)(ii), employment densities are assumed to be at the lower hand of the range given the geographical location of Hertsmere near the Oxford-Cambridge Corridor. The Oxford to Cambridge: Science, Innovation, and Technology Business Premises Study (2025)[77] suggests densities of 30 sqm per FTE.

[76] See Table 5-8
[77] Oxford to Cambridge Pan-regional Partnership / Iceni Projects, Carter Jonas, HDR, (2025); Science, Innovation and Technology Business Premises Study (2025)

- For B8 uses, an average density towards the lower end of the HCA Employment Densities Guide has been applied – reflecting the density ascribed to regional/national hubs that are generally of lower employment density per sqm of space than the final mile distribution uses you might find in cities. This is considered appropriate for Hertsmere, where most storage and distribution uses are of larger scale rather than just serving a local market.

Limitations and Caveats

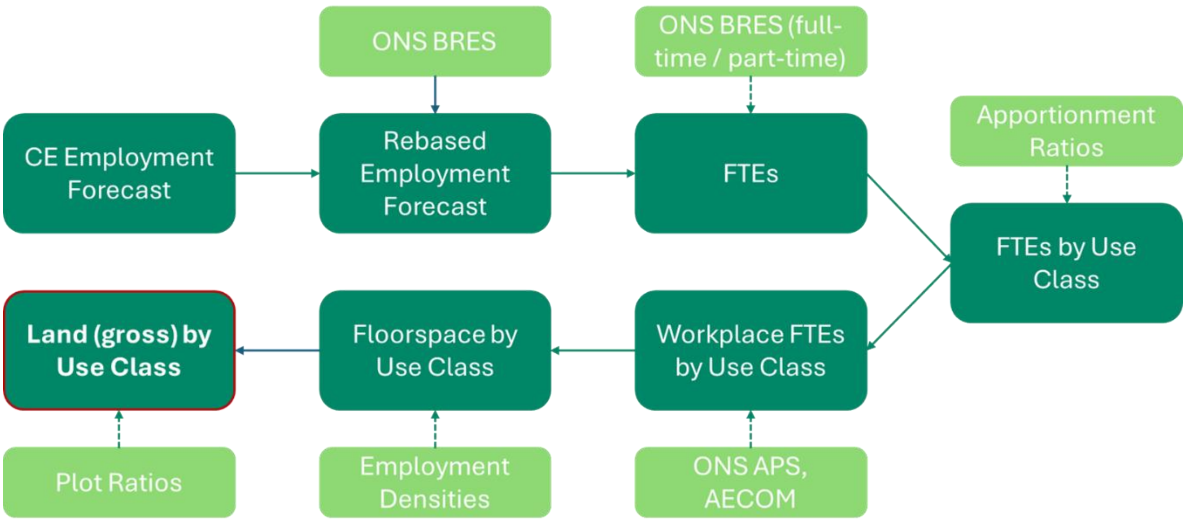
8.2.12 The scenarios discussed in this section should be treated as broadly indicative. Predicting future economic trends and corresponding employment land requirements is not an exact science. The assessment needs to be based on a series of assumptions, including the future performance of individual business sectors, the proportion of employment in each sector that corresponds to each of the B and E(g) use classes, and the future employment densities and plot ratios for each use class. Furthermore, the future economic performance of Hertsmere's economy is subject to external factors that are hard to predict in the context of this study, such as political and economic changes at the national and international levels[78].

8.2.13 With the above caveat in place, the scenarios presented in this section provide an indication of future economic trends and are a useful tool for informing employment land policy. It should also be noted that figures presented in this section have been rounded and therefore may not completely add up.

8.3 Scenario 1: Labour Demand

8.3.1 The Labour Demand scenario, using the latest available Cambridge Econometrics (employment) forecast (C251 - April 2025), follows a detailed approach to convert employment into gross future demand for office (E(g)(i) and E(g)(ii)) and industrial (E(g)(iii), B2 and B8) floorspace and land. This approach and summarised in Figure 8-2.

Figure 8-2 Labour Demand – CE – General Approach



Source: AECOM

8.3.2 Rebased employment[79] is converted into FTE jobs, as presented in Table 8-2. To do so, each sector is converted based on the ratio of full-time and part-time employment jobs in Hertsmere, using data from ONS BRES 2024.

[78] Given that the Experian employment data drives the floorspace requirements of the town, it is important to consider how the forecasts take into account the increasing role of automation and artificial intelligence. Within the data, labour force size is an independent variable, alongside lagged employment and total hours worked (and lagged total hours worked). Total hours worked is dependent on Gross Domestic Product (reflecting the strength (or not) of the economy), and labour augmenting technical progress. The latter considers the impact of automation and artificial intelligence on hours and shows a negative coefficient.
[79] See Section 8.2 (Overarching Assumptions)

Table 8-2 Rebased Employment to FTE Jobs (2025)

Employment Sector	Rebased Employment	FTEs
Agriculture, forestry & fishing	349	332
Mining & quarrying	44	44
Food, drink & tobacco	202	195
Textiles etc	146	120
Wood & paper	207	207
Printing & recording	69	65
Coke & petroleum	1	1
Chemicals	143	138
Pharmaceuticals	998	988
Non-metallic mineral products	69	64
Metals & metal products	99	93
Electronics	68	62
Electrical equipment	5	5
Machinery	197	185
Motor vehicles	9	9
Other transport equipment	9	9
Other manufacturing & repair	345	312
Electricity & gas	75	73
Water, sewerage & waste	207	202
Construction	6,567	5,964
Motor vehicles trade	1,226	1,124
Wholesale trade	3,520	3,269
Retail trade	3,509	2,506
Land transport	1,240	1,085
Water transport	8	8
Air transport	5	5
Warehousing & postal	592	555
Accommodation	710	519
Food & beverage services	3,541	2,530
Media	1,090	985
IT services	1,905	1,744
Financial & insurance	1,962	1,836
Real estate	3,041	2,647
Legal & accounting	4,613	3,748
Head offices & management consultancies	3,040	2,679
Architectural & engineering services	809	782
Other professional services	4,272	3,582
Business support services	801	697
Public Administration & Defence	615	559
Education	5,131	3,916
Health	1,764	1,401
Residential & social	3,413	2,715
Arts	354	272
Recreational services	1,638	1,117
Other services	1,295	1,075

Source: AECOM calculations, based on ONS BRES 2024 and Cambridge Econometrics Employment Forecast

8.3.3 FTEs are allocated to their relevant use class(es). Apportionment ratios applied to allocate FTEs (by employment sector) to use class are comparable to ratios applied in the SW Herts Economic Study 2024 and derived from the analysis of IDBR data and VOA data[80]. The results are presented in Table 8-3.

8.3.4 This table shows that employment activities (office and industrial jobs) generate 55.7% of all employment (FTEs) in Hertsmere in 2025. This is expected to drop slightly to 54.9% by 2041. Cambridge Econometrics forecast an increase of employment in office-based sectors of 9.7% over the period 2025-2041 (+1,739 FTE jobs), while industrial FTE jobs are

[80] Refer to SW Herts Economic Study 2024 for a full breakdown.

forecasted to increase by 7.6% over the same period (+777 jobs). The increase in industrial FTE jobs is driven by an increase in FTE jobs in light industrial use class activities (E(g)(iii)) (+10.2%; +343 FTE jobs) and logistics and distribution use class activities (B8) (+7.5%; +489 FTE jobs). Inversely, B2 use class activities (industrial and manufacturing) are expected to decline by 15.3% (-55 FTE jobs).

Table 8-3 FTE Jobs forecast by use class, 2025-2041 – Labour demand

Use class	2025	2030	2035	2040	2042	Change 2025-2041
E(g)(i)	17,625	18,278	18,776	19,263	19,357	9.8%
E(g)(ii)	194	193	195	198	199	2.5%
Total office jobs	**17,819**	**18,472**	**18,972**	**19,461**	**19,556**	**9.7%**
E(g)(iii)	3,350	3,476	3,584	3,675	3,693	10.2%
B2	356	346	326	305	302	-15.3%
B8	6,549	6,738	6,906	7,015	7,038	7.5%
Total industrial jobs	**10,256**	**10,559**	**10,815**	**10,995**	**11,033**	**7.6%**
Total office and industrial jobs	**28,075**	**29,031**	**29,787**	**30,456**	**30,588**	**9.0%**
Non-Employment Use Class	22,350	23,464	24,218	24,971	25,124	12.4%

Source: AECOM calculations, based on rebased Oxford Economics Forecast

8.3.5 To fully capture the impact of home working practices, a discounting ratio is applied to each employment sector specifically, as presented in Section 5.3 to estimate workplace FTE jobs. This is presented in Table 8-4. This table shows that office workplace FTE jobs are expected to growth by 9.7% (+1,354) between 2025 and 2041 while industrial workplace FTE jobs are expected to growth by 7.5% (+653), once again driven by the growth in light industrial and logistics and distribution activities.

Table 8-4 Workplace FTE Jobs forecast by use class, 2025-2041 – Labour demand

Use class	2025	2030	2035	2040	2042	Change 2025-2041
E(g)(i)	13,756	14,265	14,653	15,032	15,106	9.8%
E(g)(ii)	168	167	169	171	172	2.5%
Total office jobs	**13,924**	**14,432**	**14,822**	**15,203**	**15,278**	**9.7%**
E(g)(iii)	2,742	2,845	2,934	3,010	3,025	10.3%
B2	307	297	281	263	260	-15.3%
B8	5,647	5,807	5,952	6,045	6,065	7.4%
Total industrial jobs	**8,696**	**8,950**	**9,167**	**9,318**	**9,349**	**7.5%**
Total office and industrial jobs	**22,620**	**23,382**	**23,989**	**24,521**	**24,627**	**8.9%**
Non-Employment Use Class	18,591	19,534	20,165	20,794	20,921	12.5%

Source: AECOM calculations

8.3.6 Based on the above employment forecasts (workplace FTE jobs) and the employment density assumptions summarised in Table 8-1, an additional 56,218 sqm of employment floorspace are predicted to be required in Hertsmere between 2025 and 2041, of which 15,423 sqm is of office floorspace and 40,794 sqm is of industrial floorspace. Floorspace requirement between 2025 and 2041 by use class is presented in Table 8-5.

Table 8-5 Floorspace requirements (sqm), 2025-2041 – Labour demand

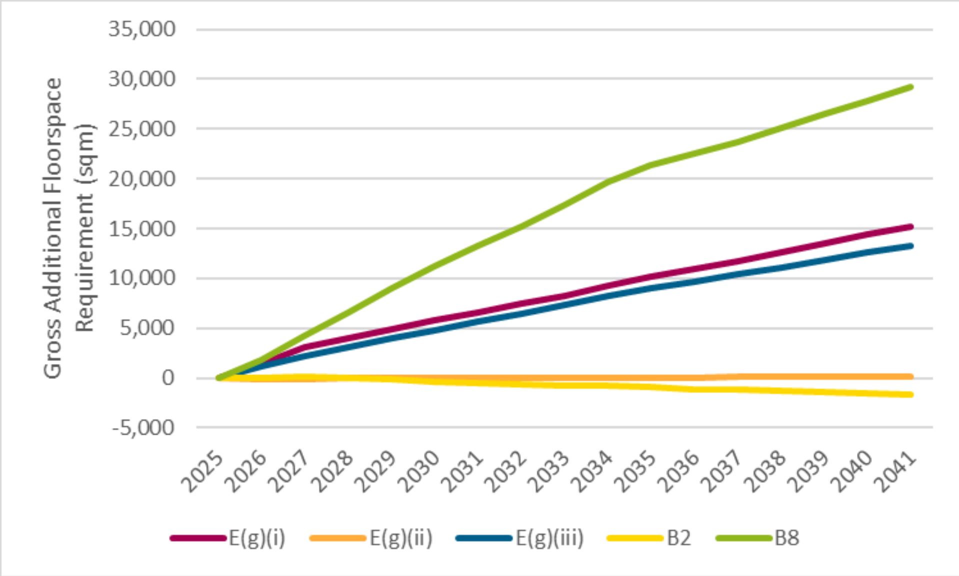
Use class	2025	2030	2035	2040	2042	Change 2025-2041
E(g)(i)	155,446	161,197	165,581	169,865	170,701	9.8%
E(g)(ii)	6,702	6,680	6,742	6,846	6,872	2.5%
Total office floorspace need	**162,149**	**167,878**	**172,322**	**176,712**	**177,572**	**9.5%**
E(g)(iii)	128,885	133,716	137,921	141,470	142,171	10.3%
B2	11,036	10,707	10,102	9,458	9,346	-15.3%
B8	395,318	406,499	416,663	423,148	424,517	7.4%
Total industrial floorspace need	**535,239**	**550,922**	**564,686**	**574,077**	**576,033**	**7.6%**
Total office and industrial floorspace need	**697,387**	**718,800**	**737,008**	**750,788**	**753,605**	**8.1%**

Source: AECOM calculations

8.3.7 Figure 8-3 shows the evolution of employment floorspace requirements in Hertsmere between 2025 and 2041. This shows that based on employment forecasts, by 2041 there would be a gross requirement for 56,200 sqm, including:

- +15,300 sqm of E(g)(i) floorspace;
- +200 sqm of E(g)(ii) floorspace;
- +13,300 sqm of E(g)(iii) floorspace;
- -1,700 sqm of B2 floorspace; and
- +29,200 sqm of B8 floorspace

Figure 8-3 Evolution of gross additional floorspace requirements (sqm), 2025-2041 - Labour demand



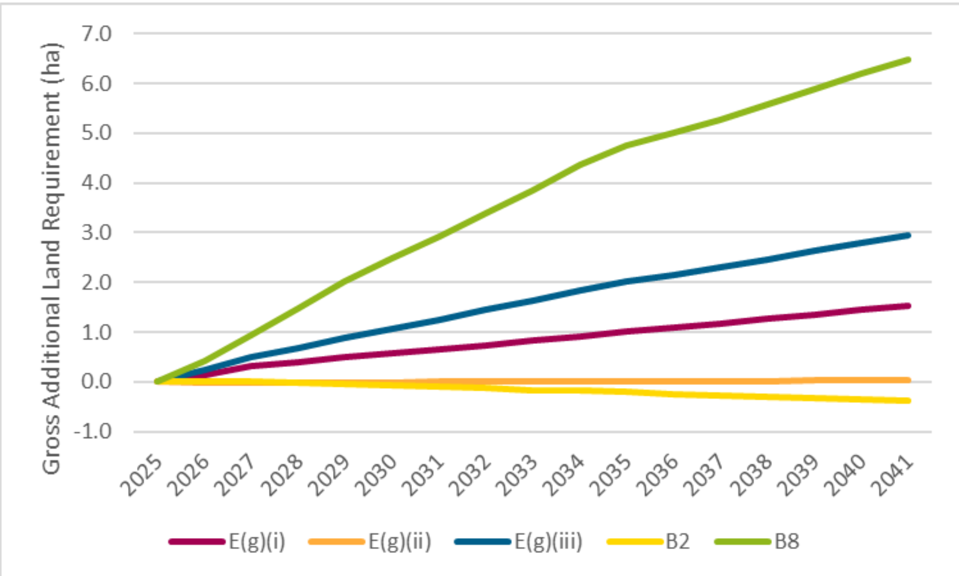
Source: AECOM Calculations

8.3.8 Finally, applying relevant plot ratios based on assumptions summarised in Table 8-1, floorspace gross requirements are converted into land gross requirements (presented in ha).

8.3.9 Based on this, the evolution of land requirements in Hertsmere to 2041, presented in Figure 8-4, indicates a requirement for +10.6 ha of employment land, comprising the following:

- +1.5 ha of E(g)(i) floorspace;
- +0.0 ha of E(g)(ii) floorspace;
- +3.0 ha of E(g)(iii) floorspace;
- -0.4 ha of B2 floorspace; and
- +6.5 ha of B8 floorspace.

Figure 8-4 Evolution of gross additional employment land requirements (ha), 2025-2041 - Labour demand



Source: AECOM Calculations

8.4 Scenario 2: Labour Supply (ONS Projection)

8.4.1 To forecast labour supply under this scenario, AECOM used the latest ONS Population Projection (2022-based) for Hertsmere. Starting from working age population (aged 16-64), as extracted from ONS Population Projection data, this was converted into local labour supply through the following process:

- The working age population is converted into an economically active population by applying the rate of economic activity as reported by the ONS Annual Population Survey for Hertsmere[81]. This rate is 69.7%.
- The economically active population is converted into local labour supply by applying the rate of self-containment (% of population which remains in the same district for work)[82]. This rate is 65.5%.

8.4.2 The conversion from working age population to local labour supply is presented in Table 8-6. The local labour supply in Hertsmere, from local residents alone, is expected to increase by 989 workers between 2025 and 2041.

Table 8-6 Conversion of population forecasts into local labour supply (ONS Projection)

	2025	2030	2035	2040	2042	Change 2025-2042
Working age population	68,235	68,655	69,465	70,272	70,402	**2,167**
Economically active population	47,560	47,853	48,417	48,980	49,070	**1,510**
Local labour supply	**31,152**	**31,343**	**31,713**	**32,082**	**32,141**	**989**

Source: AECOM calculations, based on Iceni Housing Needs Assessment (2026) population forecast

8.4.3 This increase in labour supply is then distributed between the different planning use classes following the growth forecasted by Cambridge Econometrics in terms of labour demand, such that declining industries follow the loss predicted in the forecast and growing industries accommodate all of the additional labour supply accordingly.

8.4.4 As for the Labour Demand scenario, employment is converted into FTEs, which is itself converted into workplace FTEs, following the same approach. Finally, workplace FTE jobs are distributed between the relevant use classes. Table 8-7 shows the evolution of workplace FTE jobs by use class in Hertsmere between 2025 and 2041, based on ONS Population Projection (2022-based).

8.4.5 This table shows a small increase in workplace FTE jobs in office-related use classes of 1.9% (+262 workplace FTE jobs) as well as industrial-related use classes of 1% (+84 workplace FTE jobs).

Table 8-7 Workplace FTE Jobs forecast by use class, 2025-2041 – Labour supply (ONS Projection)

Use class	2025	2030	2035	2040	2042	Change 2025-2041
E(g)(i)	13,756	13,786	13,892	14,003	14,019	1.9%
E(g)(ii)	168	166	166	167	167	-0.4%
Total office jobs	**13,924**	**13,951**	**14,058**	**14,169**	**14,186**	**1.9%**
E(g)(iii)	2,742	2,751	2,778	2,801	2,805	2.3%
B2	307	293	276	257	254	-17.3%
B8	5,647	5,659	5,698	5,718	5,722	1.3%
Total industrial jobs	**8,696**	**8,704**	**8,751**	**8,776**	**8,780**	**1.0%**

[81] Employment and unemployment (Oct 2024-Sep 2025)
[82] As per Section 4.3

Use class	2025	2030	2035	2040	2042	Change 2025-2041
Total office and industrial jobs	**22,620**	**22,656**	**22,809**	**22,945**	**22,966**	**1.5%**
Non-Employment Use Class	18,591	18,747	18,964	19,196	19,234	3.5%

Source: AECOM calculations

8.4.6 Based on the above employment forecasts (workplace FTE jobs) and the employment density assumptions summarised in Table 8-1, an additional 9,205 sqm of employment floorspace are predicted to be required in Hertsmere between 2025 and 2041, of which 2,938 sqm is of office floorspace and 6,267 sqm is of industrial floorspace.

Table 8-8 Floorspace requirements (sqm), 2025-2041 – Labour supply (ONS Projection)

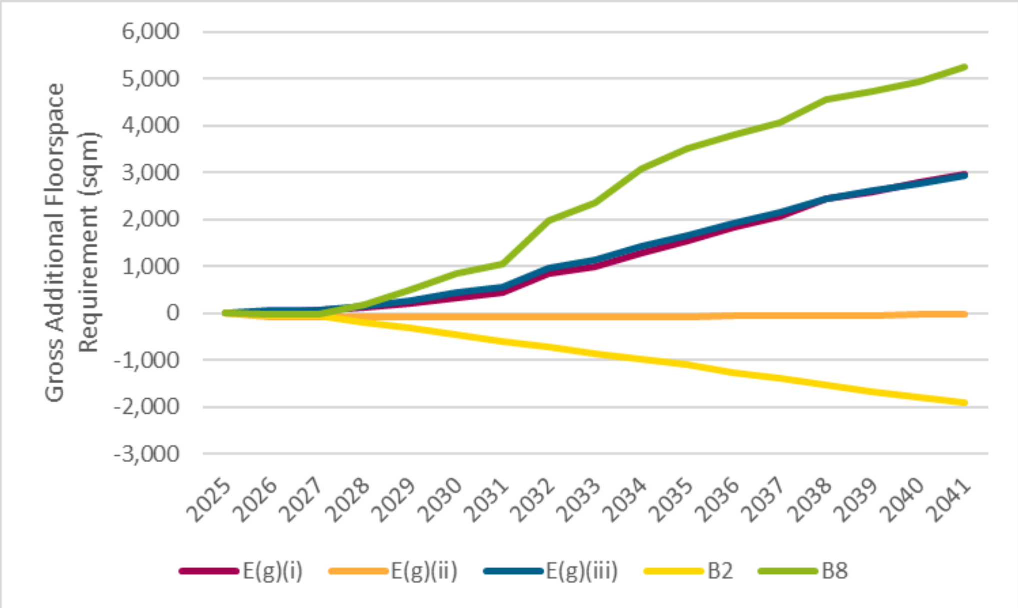
Use class	2025	2030	2035	2040	2042	Change 2025-2041
E(g)(i)	155,446	155,780	156,978	158,230	158,414	1.9%
E(g)(ii)	6,702	6,626	6,633	6,664	6,673	-0.4%
Total office floorspace need	**162,149**	**162,406**	**163,611**	**164,895**	**165,087**	**1.8%**
E(g)(iii)	128,885	129,314	130,547	131,634	131,812	2.3%
B2	11,036	10,561	9,932	9,248	9,128	-17.3%
B8	395,318	396,152	398,827	400,260	400,566	1.3%
Total industrial floorspace need	**535,239**	**536,028**	**539,306**	**541,141**	**541,506**	**1.2%**
Total office and industrial floorspace need	**697,387**	**698,434**	**702,917**	**706,036**	**706,593**	**1.3%**

Source: AECOM calculations

8.4.7 Figure 8-5 shows the evolution of employment floorspace requirements in Hertsmere between 2025 and 2041. This shows that based on employment forecasts, by 2041 there would be a gross requirement for 9,200 sqm, including:

- +3,000 sqm of E(g)(i) floorspace;
- +0 sqm of E(g)(ii) floorspace;
- +2,900 sqm of E(g)(iii) floorspace;
- -1,900 sqm of B2 floorspace; and
- +5,200 sqm of B8 floorspace.

Figure 8-5 Evolution of gross additional floorspace requirements (sqm), 2025-2041 - Labour supply (ONS Projection)



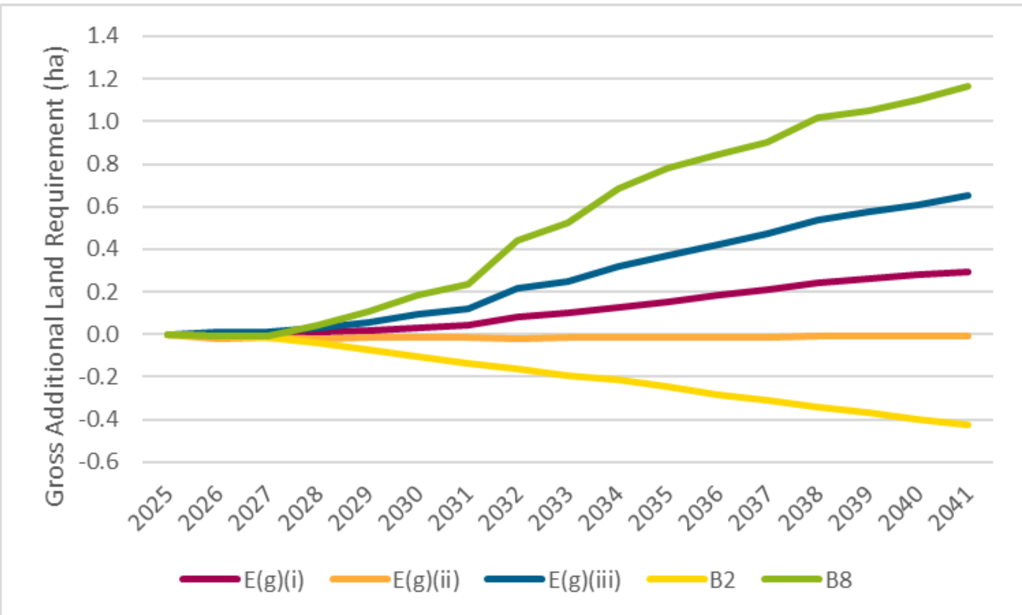
Source: AECOM Calculations

8.4.8 Finally, applying relevant plot ratios based on assumptions summarised in Table 8-1, floorspace gross requirements are converted into land gross requirements (presented in ha).

8.4.9 Based on this, the evolution of land requirements in Hertsmere to 2041, presented in Figure 8-6, indicates a requirement for +1.7 ha of employment land, comprising the following:

- +0.3 ha of E(g)(i) floorspace;
- +0.0 ha of E(g)(ii) floorspace;
- +0.7 ha of E(g)(iii) floorspace;
- -0.4 ha of B2 floorspace; and
- +1.2 ha of B8 floorspace.

Figure 8-6 Evolution of gross additional employment land requirements (ha), 2025-2041 - Labour supply (ONS Projection)



Source: AECOM Calculations

8.5 Scenario 3: Labour Supply (Housing Standard Method)

8.5.1 A second labour supply scenario was forecasted, using dwellings from the Housing Standard Method. Starting from the total number of households[83], this was converted into local labour supply through the following process:

- Total number of households is converted into total population (all ages) based on a ration of 2.53 persons per households[84].
- Total population is converted into working age population, applying ratios informed by ONS Population Projection (2022-based).
- The working age population is converted into an economically active population by applying the rate of economic activity as reported by the ONS Annual Population Survey for Hertsmere[85]. This rate is 69.7%.
- The economically active population is converted into local labour supply by applying the rate of self-containment (% of population which remains in the same district for work)[86]. This rate is 65.5%.

8.5.2 The conversion from dwellings to local labour supply is presented in Table 8-9. The local labour supply in Hertsmere, from local residents alone, is expected to increase by 9,674 workers between 2025 and 2041.

Table 8-9 Conversion of population forecasts into local labour supply (Housing Standard Method)

	2025	2030	2035	2040	2042	Change 2025-2042
Households	42,500	47,216	51,933	56,650	57,593	**15,094**
Working age population	66,421	73,031	79,726	86,335	87,613	**21,191**
Economically active population	46,296	50,903	55,569	60,176	61,066	**14,770**
Local labour supply	**30,324**	**33,341**	**36,398**	**39,415**	**39,998**	**9,674**

Source: AECOM calculations, based on Iceni Housing Needs Assessment (2026) population forecast

8.5.3 This increase in labour supply is then distributed between the different planning use classes following the growth forecasted by Cambridge Econometrics in terms of labour demand, such that declining industries follow the loss predicted in the forecast and growing industries accommodate all of the additional labour supply accordingly.

8.5.4 As for the Labour Demand scenario, employment is converted into FTEs, which is itself converted into workplace FTEs, following the same approach. Finally, workplace FTE jobs are distributed between the relevant use classes. Table 8-10 shows the evolution of workplace FTE jobs by use class in Hertsmere between 2025 and 2041, based on the Housing Standard Method.

8.5.5 This table shows an increase in workplace FTE jobs in office-related use classes of 22.3% (+3,109 workplace FTE jobs) as well as industrial-related use classes of 18.4% (+1,600 workplace FTE jobs).

[83] As per Local Housing Needs Assessment 2026, applying 5.3% empty dwelling rate in Hertsmere
[84] Based on ONS Census 2021 data for Hertsmere
[85] Employment and unemployment (Oct 2024-Sep 2025)
[86] As per Section 4.3

Table 8-10 Workplace FTE Jobs forecast by use class, 2025-2041 – Labour supply (Housing Standard Method)

Use class	2025	2030	2035	2040	2042	Change 2025-2041
E(g)(i)	13,756	14,676	15,654	16,662	16,852	22.5%
E(g)(ii)	168	168	173	180	181	8.1%
Total office jobs	**13,924**	**14,844**	**15,826**	**16,842**	**17,033**	**22.3%**
E(g)(iii)	2,742	2,933	3,155	3,353	3,391	23.6%
B2	307	299	283	268	266	-13.4%
B8	5,647	5,959	6,328	6,590	6,640	17.6%
Total industrial jobs	**8,696**	**9,191**	**9,767**	**10,212**	**10,297**	**18.4%**
Total office and industrial jobs	**22,620**	**24,035**	**25,593**	**27,054**	**27,329**	**20.8%**
Non-Employment Use Class	18,591	20,194	21,692	23,248	23,556	26.7%

Source: AECOM calculations

8.5.6 Based on the above employment forecasts (workplace FTE jobs) and the employment density assumptions summarised in Table 8-1, an additional 134,031 sqm of employment floorspace are predicted to be required in Hertsmere between 2025 and 2041, of which 35,519 sqm of office floorspace and 98,512 sqm of industrial floorspace.

Table 8-11 Floorspace requirements (sqm), 2025-2041 – Labour supply (Housing Standard Method)

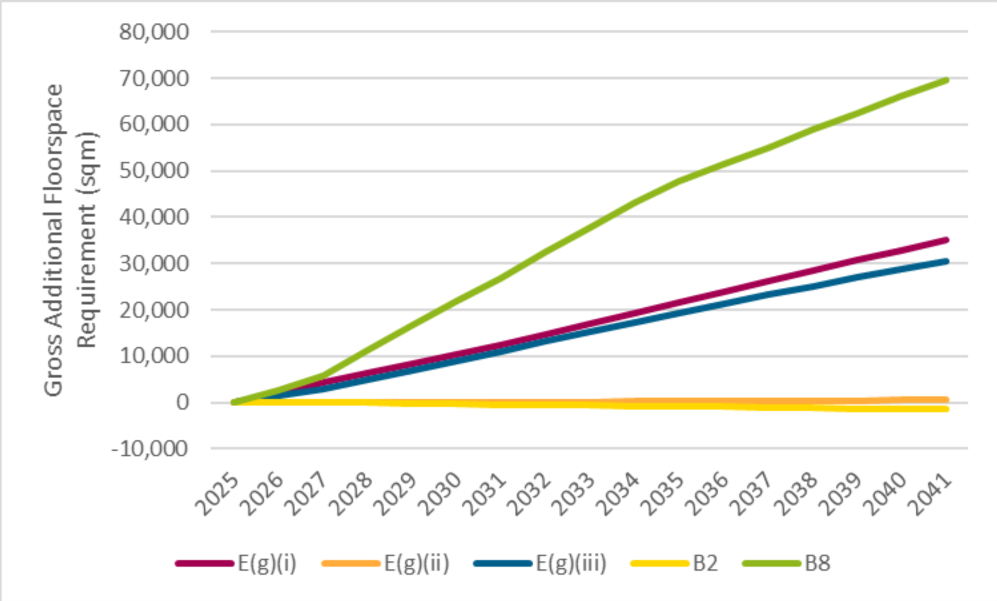
Use class	2025	2030	2035	2040	2042	Change 2025-2041
E(g)(i)	155,446	165,834	176,887	188,283	190,423	22.5%
E(g)(ii)	6,702	6,735	6,911	7,186	7,245	8.1%
Total office floorspace need	**162,149**	**172,569**	**183,798**	**195,469**	**197,668**	**21.9%**
E(g)(iii)	128,885	137,852	148,284	157,614	159,362	23.6%
B2	11,036	10,760	10,206	9,659	9,559	-13.4%
B8	395,318	417,151	442,994	461,332	464,829	17.6%
Total industrial floorspace need	**535,239**	**565,763**	**601,484**	**628,605**	**633,750**	**18.4%**
Total office and industrial floorspace need	**697,387**	**738,332**	**785,282**	**824,074**	**831,418**	**19.2%**

Source: AECOM calculations

8.5.7 Figure 8-7 shows the evolution of employment floorspace requirements in Hertsmere between 2025 and 2041. This shows that based on employment forecasts, by 2041 there would be a gross requirement for 134,000 sqm, including:

- +35,000 sqm of E(g)(i) floorspace;
- +500 sqm of E(g)(ii) floorspace;
- +30,500 sqm of E(g)(iii) floorspace;
- -1,500 sqm of B2 floorspace; and
- +69,500 sqm of B8 floorspace.

Figure 8-7 Evolution of gross additional floorspace requirements (sqm), 2025-2041 - Labour supply (Housing Standard Method)



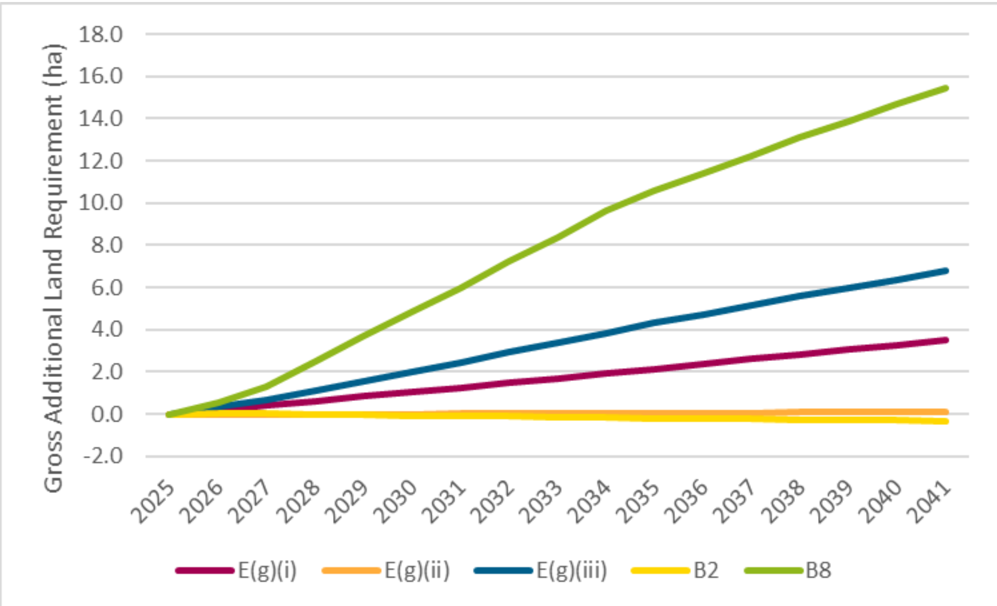
Source: AECOM Calculations

8.5.8 Finally, applying relevant plot ratios based on assumptions summarised in Table 8-1, floorspace gross requirements are converted into land gross requirements (presented in ha).

8.5.9 Based on this, the evolution of land requirements in Hertsmere to 2041, presented in Figure 8-8, indicates a requirement for +25.5 ha of employment land, comprising the following:

- +3.5 ha of E(g)(i) floorspace;
- +0.1 ha of E(g)(ii) floorspace;
- +6.8 ha of E(g)(iii) floorspace;
- -0.3 ha of B2 floorspace; and
- +15.2 ha of B8 floorspace.

Figure 8-8 Evolution of gross additional employment land requirements (ha), 2025-2041 - Labour supply (Housing Standard Method)



Source: AECOM Calculations

8.6 Scenario 4: Past Take-Up

8.6.1 To determine the needs arising from a scenario of change based on 'past take-up', AECOM used data from CoStar on net absorption of employment floorspace by planning use class for Hertsmere. CoStar provides data from 2009.

8.6.2 The historical net absorption (annual average), by planning use class, is projected forwards to inform the future demand for employment floorspace. As part of this exercise, several historical periods were considered (past 5 years, past 10 years, past 16 years). It was considered that the past 10-year average was the most robust, as it was not overly impacted by the 2008 financial crisis and was long enough to smooth the impact of Covid-19 (unlike the past 5-year average).

8.6.3 The average historical annual absorption of employment floorspace was projected forward to 2041 from the 2025 baseline position.

8.6.4 Table 8-12 provides a summary of the average net absorption of employment floorspace by planning use class over the past 5, 10 and 16 years.

Table 8-12 Average Annual Net Absorption of Floorspace (sqm)

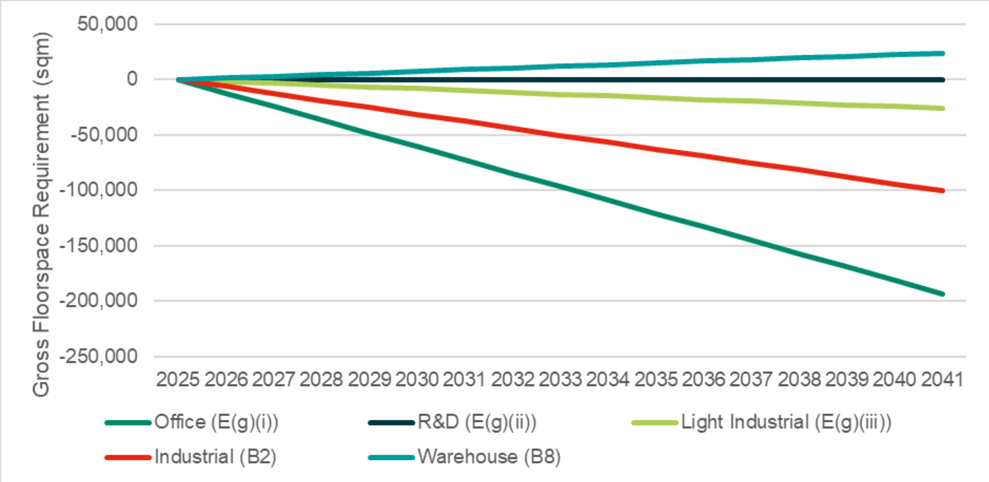
	5-Year	10-Year	16-Year
Office (E(g)(i))	-13,362	-12,093	15,952
R&D (E(g)(ii))	0	0	0
Light Industrial (E(g)(iii))	-1,482	-1,628	-3,062
Industrial (B2)	-3,924	-6,274	-3,507
Warehouse (B8)	-568	1,509	-4,405

Source: AECOM 2025, based on CoStar

8.6.5 Figure 8-9 shows the projected evolution of gross employment floorspace requirements in Hertsmere between 2025 and 2041, based on past 10-year take-up, would be expected to decline by 295,800 sqm based on the continuation of past 10-year trends. This decline is expected across all use classes, as follows:

- -193,500 sqm of E(g)(i) floorspace;
- +0 sqm of E(g)(ii) floorspace;
- -26,000 sqm of E(g)(iii) floorspace;
- -100,400 sqm of B2 floorspace; and
- +24,100 sqm of B8 floorspace.

Figure 8-9 Evolution of gross additional employment floorspace requirements, 2025-2041 – Past take-up (10-year average)



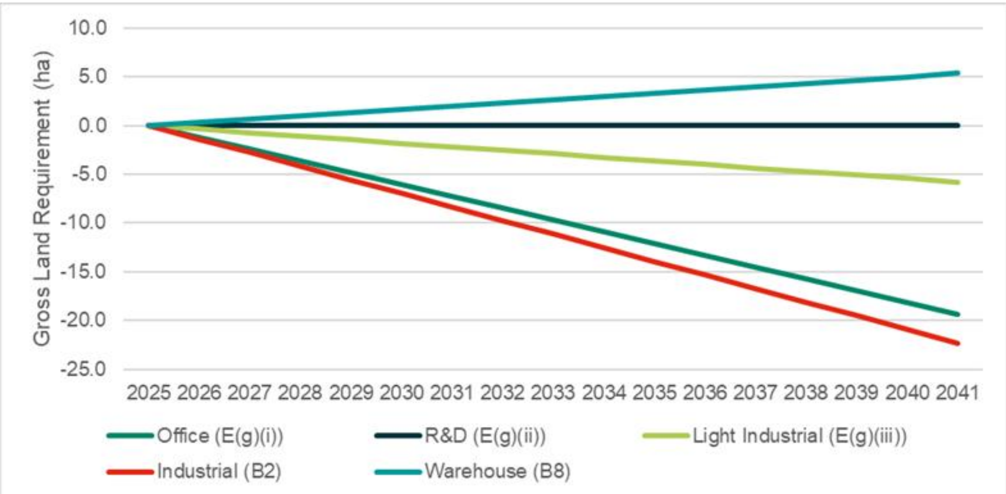
Source: AECOM calculations, based on CoStar data (October 2025)

8.6.6 Finally, applying relevant plot ratios, gross employment floorspace requirements can be converted into gross employment land requirements (presented in ha).

8.6.7 Based on this, the evolution of land requirements in Hertsmere to 2041, presented in Figure 8-10, would lead to a loss of 42.1ha of industrial land, comprising the following:

- -19.3 ha of land for E(g)(i) use;
- +0.0 ha of land for E(g)(ii) use;
- -5.8 ha of land for E(g)(iii) use;
- -22.3 ha of land for B2 use; and
- +5.4 ha of land for B8 use

Figure 8-10 Evolution of gross additional employment land requirements, 2025-2041 – Past take-up (10-year average)



Source: AECOM calculations, based on CoStar data (October 2025)

8.6.8 This scenario is not credible, as it would suggest that circa 50% of all employment floorspace in Hertsmere would be lost by 2041. This scenario would also suggest that more floorspace/land in light industrial and industrial uses would be lost over the Plan period than the current amount currently accounted for in these use classes.

8.6.9 In comparison, using a different range of past take-up does not provide more credible results:

- Using the past 5-year take-up would suggest a similar loss (-309,400 sqm), which is not credible; and
- Using the past 16-year take-up would suggest a requirement for 79,600 sqm. However, this would be made of a requirement for 255,200 sqm of office space (equivalent to the current stock) and a decline in industrial space of -175,600 sqm (equivalent to circa 50% of current industrial stock). This scenario is not credible.

8.6.10 The average negative office net take-up observed for the past 5-year and 10-year can be partly attributed to the effects of Covid-19 and the subsequent shift towards flexible working practices. This change has reduced demand for office space in Hertsmere (and across the whole of the UK), particularly since 2021. However, this is expected to be a temporary adjustment. Recent data on home-working indicates that the share of employees working from home is stabilising. There is also anecdotal evidence that some large corporate employers are introducing “return to office” policies, which if widely implemented could reverse this past trend. It would therefore be unrealistic to assume that the negative net take-up recorded over the past 10 years will persist throughout the remainder of the Plan period to 2041.

8.6.11 Hertsmere's historical negative average industrial net take-up can also be partially explained by the impact of temporary wider factors, including:

- A UK-wide slowdown in industrial activity. ONS Industrial Production Index data[87] shows just 0.8% growth in industrial output between 2010 and 2025. The past 5-, 10-, and 16-year trends all indicate stagnation or decline.
- Speculative developments in the FEMA, like Maylands Gateway, have heightened competition for occupiers, leading to lower net take-up.

8.6.12 Rising industrial vacancy rates in Hertsmere and the FEMA over recent years should limit speculative deliveries in the coming years, and boost net take-up. National policies like the UK's Modern Industrial Strategy (2024) are also likely to support future economic growth in industrial activities (particularly high-value sectors) and demand for industrial space, helping to break from past trends.

8.7 Additional Considerations

Additional Land Requirements for the Film Industry

8.7.1 As identified in Section 5.4, relying on employment forecasts to assess future demand of employment land (i.e. labour demand and labour supply scenarios) is likely to underestimate the future land needs of Hertsmere’s film industry. To address this limitation, additional bespoke analysis has been carried out to quantify the additional employment land required to meet the sector’s potential growth. The methodology and results of this targeted assessment are set out below.

Approach 1: adjusted employment forecast estimate

8.7.2 The film industry is included within “Media” and “Arts” in CE employment forecast and represent circa 56% and 14% of employment in these CE categories respectively based on cross reference of CE data with BRES data.

8.7.3 To account for the underestimation of employment that will be generated by the film industry in Hertsmere, relevant increase in employment forecasted could be adjusted. Applying an adjustment ratio of 2.18[88], as estimated in Table 8-13, suggests that 20 additional FTEs in Media and 6 additional FTEs in Arts could be created in Hertsmere over the Plan period, which are not already captured in the forecast.

[87] https://ycharts.com/indicators/uk_industial_production_index_yearly
[88] Based on 45.7% of employment in Elstree studios being captured by BRES data, therefore under-estimating actual growth (i.e. new employment at Sky Studio) – see section 5.4. Calculated as 1/45.7%.

Table 8-13 Uplift Film Industry FTEs to 2041

CE Industry	CE FTEs change 2025-2041	Share of Film Industry FTEs	Film Industry FTEs change 2025-2041	Uplift ratio	Uplift Film FTEs (rounded)
Media	16	56%	9	2.18	20
Art	19	14%	2.6	2.18	6
Total	**35**		**11.6**		**26**

Source: AECOM calculations

8.7.4 Following the application of employment-density ratios, this increase in employment would generate a corresponding need for 954 sqm of additional film-industry floorspace in Hertsmere. The specific assumptions underlying these floorspace calculations are outlined below:

- Sound stages/production: 40-60 sqm/FTE. Large open spaces dominate; low density reflects equipment, rigging, and intermittent crew use (i.e. Elstree-style studios).
- Post-production/VFX offices: 15-25 sqm/FTE. Closer to modern offices; high density due to desks, servers, and hot-desking freelancers.
- Workshops/set-building (B2): 30-50 sqm/FTE. Mix of fabrication space and storage for props/costumes.
- Overall studio cluster: 37.5 sqm/FTE average, blending above with ancillary facilities (cafés, parking, etc.).

8.7.5 Application of the following assumptions in regard to plot ratios indicates a requirement of 0.2 ha of additional employment land for the film industry in Hertsmere:

- Sound stages/production: 0.45
- Post-production/VFX offices: 1
- Workshops/set-building (B2): 0.45
- Overall studio cluster: 0.63

Approach 2: top-down estimate

8.7.6 A 2022 ScreenSkills forecast of film and high-end TV production growth and associated skills needs[89] indicates that the United Kingdom will require an additional 15,130 to 20,770 workers to satisfy future demand. Of these, an estimated 13,877 to 19,050 positions will be located in England[90]. If Hertsmere maintains its current competitive share (approximately 0.43% of England's film-sector employment[91]) this would translate to the creation of roughly 60 to 80 new full-time equivalent (FTE) jobs within the borough.

8.7.7 Applying the same assumptions in regard to employment density and plot ratio used for the adjusted employment forecast estimates ('Approach 1'), this would lead to a requirement for an additional 2,248 to 3,086 sqm of film-industry related floorspace. This translated into a requirement for 0.4 ha to 0.5 ha of additional employment land for film industry in Hertsmere.

Approach 3: bottom-up estimate

8.7.8 Analysing the current planning pipeline and prospective developments can provide an understanding of the scale of future requirements for employment land in Hertsmere.

[89] https://www.screenskills.com/news/new-forecast-of-skills-and-training-needs-to-support-uk-film-and-high-end-tv-production-boom/
[90] Based on ratio of employment film industry between UK and England (informed by BRES 2024 data)
[91] Based on BRES 2024 data

Hertsmere Film and Television Study 2024[92] highlights investor interest for further investments in the industry locally. These include:

- Sky Studios North: approved application in 2025 for the expansion of Sky Studios South on land to the north of the existing studios (15.1 ha); and
- Hertswood Studios: proposed major film production complex on land north of Sky Studio North. The proposed development aims to create the UK's largest film studio facility (34.8 ha).

8.7.9 Applying assumptions from Oxford Economics (Economic Impact of the Proposed Sky Studios Elstree North)[93], the delivery of both studios (49.9 ha) could require an estimated 10.2 ha of additional employment land in Hertsmere to support their supply chain[94].

8.7.10 The Hertsmere Film and Television Study 2024 identified significant surge in the demand for new studio space throughout the UK in recent years, with Hertsmere being considered as 'a preferred location due to its very good access to an experienced crew base, well-established infrastructure, and convenient access to popular filming locations'. However, the study also acknowledges that as other developments progress, the window of opportunity to capitalise on the current demand gradually narrows. The market is also becoming more challenging for investors and developers, who are facing business rates increases for studio facilities, along with rising construction and financing costs.

8.7.11 The evolution of AI technology also raises significant concerns for employment in the film industry as AI tools like generative models (i.e. for VFX, animation, sound design, and 3D modelling) threaten jobs in the industry. This could lead to a reduction in the need for physical space by the film industry.

Summary of additional land requirement for the film industry

8.7.12 The bottom-up estimate indicates that 10.2 ha of employment land will be required in Hertsmere to support the supply chain related to the proposed two new studios. This quantum of land is not accurately captured in the "standard" scenarios (labour supply, labour demand, past take-up scenarios) and should therefore be assumed as additional requirement[95].

8.7.13 There is no indication at this time that additional film-related developments are planned for Hertsmere. However, given the status of the borough as a prime location for the film industry and the sustained demand for film studio and related space, additional allocation could be considered speculatively, aiming to capitalise on this opportunity.

Additional Land Requirements for Data Centres

8.7.14 Forecasting future demand for data centres in a local authority is a difficult exercise which would be influenced by several factors, one of which being the political willingness to accommodate such space locally and the capacity of energy infrastructure to support additional data centres. One approach to estimating future demand at the local area is to assume that Hertsmere will continue to attract national investment at its current level.

8.7.15 Currently, Hertsmere has no operational large-scale data-centre but the consented DC01UK will deliver around 250 MW once fully built out. In comparison, the UK data-centre capacity was estimated at about 2.19 GW in 2024[96]. This capacity is predicted to grow to around 3.6 GW in by 2029 (+64%). Starting from a baseline capacity of 250 MW (DC01UK), Hertsmere could therefore deliver a further 160 MW to keep up with national growth (64%).

[92] https://www.hertsmere.gov.uk/Documents/09-Planning--Building-Control/Planning-Policy/Local-Plan/Hertsmere-Film-and-Television-Study-2024-Final-Report.pdf
[93] https://www6.hertsmere.gov.uk/online-applications/files/9C4CD5A5D12CEF6CCBDE8E069C7C3F20/pdf/22_1526_FULEI-SSEN_ES__AUGUST_2022__-_VOL_2_-_APPENDIX_G1_-_OXFORD_ECONOMICS_REPORT-1396617.pdf
[94] Based on ratio between direct and indirect FTEs to be created in Hertsmere, based on Oxford Economics report, and assuming similar employment density and plot ratio than for Sky Studios Elstree North.
[95] nothing that while the application for Sky Studios North has been approved, Hertswood Studios is still a proposal at this stage and is not guaranteed to be delivered). Without Hertswood Studios, the demand from the supply chain would drop to 3.1 ha.
[96] https://panamericanfinance.com/insights/energy-transition/global-datacenter-market-report-2025/regional-market-overviews-gdmr2025/united-kingdom-gdmr2025/

8.7.16 Given the high uncertainty over future requirement, it is important to develop a range of scenarios:

- Low: no additional data centre to be delivered in Hertsmere until 2041.
- Medium: 1-2 additional smaller data centres delivering up to 70 MW
- High: 2-3 additional smaller data centres delivering up to 160 MW

8.7.17 Starting with the three proposed data centres in Hertsmere (DC01UK[97], Ark[98], Charleston Paddocks[99]) as a baseline, we can estimate an average requirement of 0.068 ha per MW capacity. It should be noted that this average is driven up by DC01UK which proposes to deliver significant biodiversity enhancements, with about 54% of the site allocated to green/open space. The ratio of 0.068 ha per MW may therefore represent a high average.

8.7.18 On that basis, 70 MW additional capacity would require 4.7 ha of land, and 160 MW additional capacity would require 10.8 ha of land. This approach is presented in Table 8-14).

8.7.19 It should be noted that this is an indicative figure, based on high-level assumptions and aims to provide a magnitude of land requirement based on future demand (and ability to accommodate this demand) rather than a robust prediction of future demand.

Table 8-14 Land requirement for data centres (low, medium, high scenarios) – national demand

	MW	Land (ha)	ha/MW
DC01UK	250	34.4	0.138
Ark	200	7.3	0.037
Charleston Paddocks, South Mimms	120	3.4	0.028
Average	**190**	**15.0**	**0.068**
Future Requirement			
Low (no additional capacity)	0	0.0	N/A
Medium (1 to 2 smaller data centres)	70	4.7	0.068
High (2-3 smaller data centres)	160	10.8	0.068

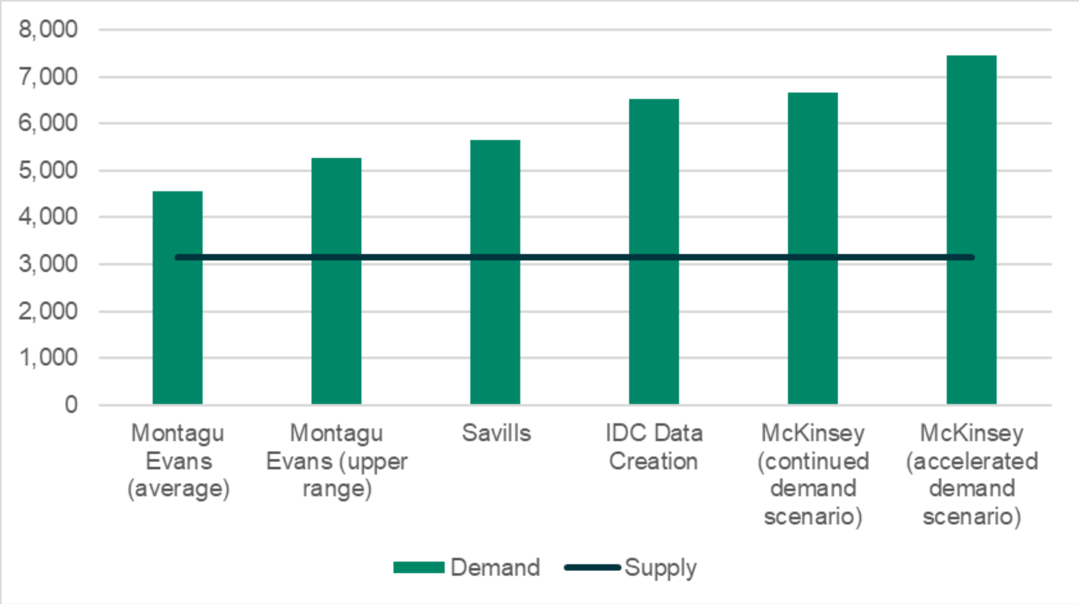
Source: AECOM calculations

8.7.20 Table 8-14 shows that as well as the confirmed 250 MW at DC01UK, a further 320 MW capacity could be delivered through the Ark data centre and the Charleston Paddocks data centre. This alone could address the future demand (high scenario) of 160 MW (10.8 ha).

8.7.21 To further test the potential future demand in Hertsmere, looking at regional demand can be used to refine this initial assessment and confirmed a sensible future requirement, specifically looking at future demand in the London Availability Region for data centres, in which Hertsmere falls[100]. Several recent studies attempted to estimate future demand. These studies suggest a range from 4,561 MW and 7,448 MW required between 2025 and 2030 in London. In comparison, Savills, in a study published in October 2025[101], identified a future supply of 3,141 MW – confirming an additional requirement for 1,420 MW to 4,307 MW in the London Availability Region over 5 years – as shown in Figure 8-11.

[97] https://dc01uk.com/proposals/#the-site
[98] Planning application 25/1781/FUL
[99] Planning application 25/1668/VOC
[100] Data centre tenants operate within Availability Regions, where they service end users.
[101] https://www6.hertsmere.gov.uk/online-applications/files/777345A9980FCEF8C7118C06AD7B6293/pdf/25_1668_VOC-DATA_CENTRE_NEEDS_ASSESSMENT-1966986.pdf

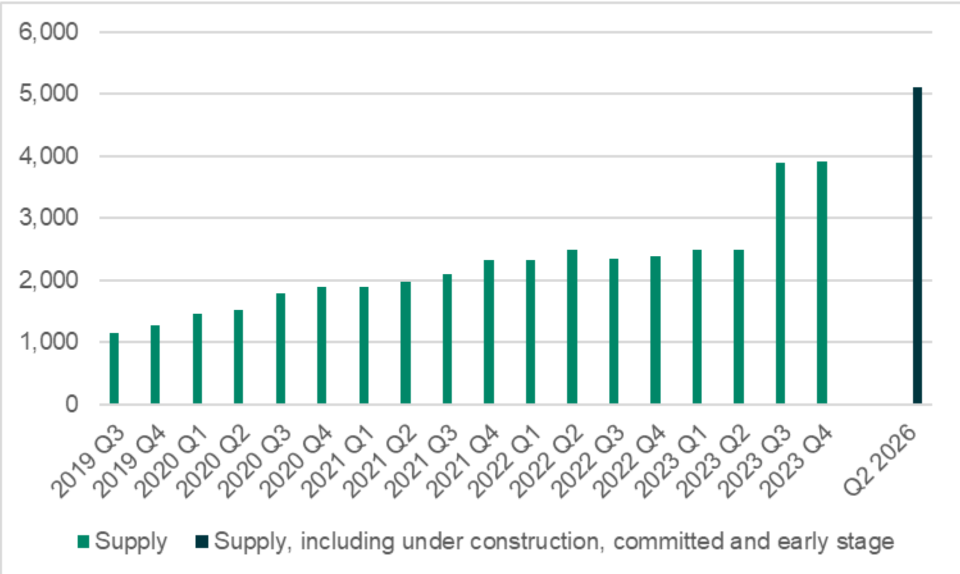
Figure 8-11 MW Demand and Supply in the London Availability Region, 2025-2030



Source: AECOM, based on Data centre needs assessment (submitted as part of planning application 25/1668/VOC)

8.7.22 Due to the strong demand for data centres in London, there has been a substantial growth in supply in the London Availability Region over recent years. Data presented in Figure 8-12 shows that nearly 4,000 MW have been (or are in the process of being) delivered in London over the past 7 years. With three data centres (committed and early stages) delivering a combined potential of 570 MW, Hertsmere represents 11.1% of this supply (in Q2 2026).

Figure 8-12 Evolution of Existing MW Supply in the London Availability Region, 2019-2026



Source: AECOM, based on DCByte data

8.7.23 With an estimated need in the London Availability Region of 1,420 MW to 4,307 MW between 2025 and 2030 (some of which will be meet by supply under construction, committed and at early stage), and applying the assumption that Hertsmere continue to deliver is current market share of supply (11.1%), between 24 MW and 480 MW could be delivered in Hertsmere. A realistic figure is likely to be somewhere in the middle.

8.7.24 Table 8-15 shows that based on a low estimate, 1.6 ha of land would be required to accommodate 11.1% of the London Availability Region future data centre requirement in Hertsmere, increasing to 17.0 ha under a mid-range estimate, and reaching up to 32.4 ha under the high estimate.

Table 8-15 Land requirement for data centres (low, medium, high scenarios) – regional demand

	Low Estimate	Medium Estimate	High Estimate
Capacity requirement in London Availability Region (MW)	1,420	2,864	4,307
Supply under construction, committed and at early stage in London Availability Region	1,206	603	0
Gap	214	2,261	4,307
Hertsmere's market share	11.1%	11.1%	11.1%
Capacity requirement in Hertsmere (MW)	24	252	480
Land requirement in Hertsmere (ha)	**1.6**	**17.0**	**32.4**

Source: AECOM calculations

8.7.25 For the purpose of this study, the requirement of 10.8 ha, based on the assessment of national needs, has been assumed as the central estimate. However, Hertsmere Borough Council may wish to consider a higher allocation of land dedicated to data centres based on growth ambitions. The assessment of future demand at the regional level suggests that up to 17.0 ha of land for data centres could be justified.

8.8 Replacement of Losses

8.8.1 The forecasting exercise has also taken into account replacement of losses. Evidently some redevelopment will take place on existing employment sites. However, there can be losses of employment floorspace and land to other uses.

8.8.2 In order to estimate the replacement rate of losses of floorspace required each year, annual average loss based on CoStar data on demolitions from 2021 to 2025 were used and multiplied by 16 (i.e. forecasting period from 2025 to 2041). This is set out in Table 8-16 below:

Table 8-16 Allowance for Replacement of Losses 2025-41 (sqm)

Type of Space/Use Class	Average Annual Loss (sqm)	Allowance for Losses 2025-42 (sqm)
E(g)(i) / E(g)(ii)	0	0
E(g)(iii) / B2 / B8	133	2,134
Total	**133**	**2,134**

Source: AECOM calculations, based on CoStar data (November 2025)

8.8.3 The data and assumptions set out above have been applied to the labour demand, labour supply and past take-up scenarios.

8.9 Net Requirement for Floorspace and Land

Net Requirement for Office Floorspace and Land

8.9.1 The forecast net requirement for office space (E(g)(i) and E(g)(ii) uses) and land equivalent under all scenarios is set out in Table 8-17. The table identifies all the parameters which are used to inform the supply / demand balance. The existing supply position is informed by CoStar data on supply of office floorspace (in sqm) and vacancy of floorspace (% of total stock available).

8.9.2 The current supply of available floorspace is factored into the assessment after it is netted off against the optimum frictional vacancy rate (assumed to be 8% for office floorspace). This is because vacant, available employment floorspace in excess of needs could help to meet some of the identified needs.

Table 8-17 Net Requirement for Office Floorspace and Land by Scenario 2024 to 2041

Parameters	Labour demand (CE)	Labour Supply (ONS population projection)	Labour Supply (standard method)	Past take-up (10y)
		Floorspace (sqm)		
A. Supply of occupied floorspace/land (2025)	234,080	234,080	234,080	234,080
B. Current vacant floorspace/land	22,719	22,719	22,719	22,719
C. Total stock of floorspace/land [A+B]	256,799	256,799	256,799	256,799
Forecast				
D. Gross floorspace/land demand to 2042	15,423	2,938	35,519	-193,488
E. Optimum frictional vacancy at 2042 [8% of A+D for office]	19,960	18,961	21,568	3,247
F. Surplus/deficit of vacant floorspace/land in 2042 [E-B]	-2,759	-3,758	-1,151	-19,472
G. Replacement of Losses	0	0	0	0
H. Gross requirement for floorspace/land 2025-2042 [C+D+F+G]	269,464	255,980	291,167	43,839
I. Net additional requirement for floorspace/land 2025-2042 [H-C]	**12,665**	**-819**	**34,368**	**-212,960**
Net Additional Land Requirement (ha)	**1.3**	**-0.1**	**3.5**	**-21.3**

Source: AECOM

8.9.3 This shows that up to 2041 there is a projected (net) requirement for between approximately -212,960 sqm (or -820 sqm when ignoring the Past Take-Up scenario, which is not deemed to be credible) and +34,400 of office floorspace in Hertsmere. This translates into a land requirement for office uses of between -21.3 ha (-0.1 when ignoring the Past Take-Up scenario) and +3.5 ha.

Net Requirement for Industrial Floorspace and Land

8.9.4 The forecast net requirement for industrial floorspace and land under all scenarios is set out below in Table 8-18. The table identifies all the parameters which are used to inform the supply/demand balance. The existing supply position is informed by CoStar data. The current supply of available floorspace is factored into the assessment after it is netted off against the optimum frictional vacancy rate, following the same approach taken for office space requirements.

Table 8-18 Net Requirement for Industrial Floorspace and Land by Scenario 2024 to 2041

Parameters	Labour demand (CE)	Labour Supply (ONS population projection)	Labour Supply (standard method)	Past take-up (10y)
		Floorspace (sqm)		
A. Supply of occupied floorspace/land (2025)	293,029	293,029	293,029	293,029
B. Current vacant floorspace/land	45,192	45,192	45,192	45,192
C. Total stock of floorspace/land [A+B]	338,221	338,221	338,221	338,221
Forecast				
D. Gross floorspace/land demand to 2042	40,794	6,267	98,512	-102,288
E. Optimum frictional vacancy at 2042 [5% of A+D for industrial]	16,691	14,965	19,577	9,537
F. Surplus/deficit of vacant floorspace/land in 2042 [E-B]	-28,501	-30,227	-25,615	-35,655
G. Replacement of Losses	2,134	2,134	2,134	2,134
H. Gross requirement for floorspace/land 2025-2042 [C+D+F+G]	352,649	316,395	413,252	202,412
I. Net additional requirement for floorspace/land 2025-2042 [H-C]	**14,428**	**-21,826**	**75,031**	**-135,809**
Net Additional Land Requirement (ha)	**3.2**	**-4.9**	**16.7**	**-30.2**

Source: AECOM

8.9.5 This shows that up to 2041 there is a projected (net) requirement for between approximately -135,800 sqm (or -21,800 sqm when ignoring the Past Take-Up scenario, which is not deemed to be credible) and +75,000 of industrial floorspace in Hertsmere. This translates into a land requirement for office uses of between -30.2 ha (-4.9 when ignoring the Past Take-Up scenario) and +16.7 ha.

8.10 Preferred Scenario

8.10.1 The scenarios set out within this section forecast varying changes in floorspace in Hertsmere between 2025 and 2041 based on four scenarios: labour demand (Cambridge Econometrics); labour supply (ONS Projection 2022-based); labour supply (housing standard method); and past take-up (10-year average).

8.10.2 As previously mentioned (Section 8.6), the Past Take-Up scenario is not deemed to present a robust forecast of future floorspace and land requirements in Hertsmere to 2041. While Past Take-Up scenario can be a useful sense check, it is a weak primary driver for future employment floorspace as this method extends historic constraints and structural change to predict future demand, rather than applying genuine long-run demand factors. Historic take-up reflects supply and policy, not just demand. As Hertsmere had limited vacant supply until 2021-2022[102], past take-up will understate the level of “suppressed” demand. Using them mechanically will imply shrinkage even where occupier interest may be strong. Furthermore, average past take-up can be distorted by one-offs large discontinuation of leases in Hertsmere – the residual years look “over-supplied” and the model pushes you towards negative future net change. For these reasons, it is considered that pure

[102] See Figure 6-2 for office floorspace and Figure 6-11 for industrial floorspace

past-take-up projection is backward-looking, supply-constrained and too volatile to be use as a robust preferred scenario.

8.10.3 The labour supply scenarios (ONS Projection and Housing Standard Method) both present important limitations. These scenarios start from resident population (or households) and estimate future labour supply through assumptions around economic activity and commuting patterns. Small changes in assumptions about participation rates, or commuting patterns can materially change the local workforce estimate, and hence the implied floorspace need, without any underlying change in business demand. Furthermore, these scenarios provide an unconstraint growth as they assume jobs creation will perfectly match change in local workforce. In reality, firms locate for access to strategic transport, markets, clusters and sites, not just resident labour. The labour supply scenarios effectively assume that if you grow the resident workforce, local jobs will rise to match, and that decline in employment in one sector will be re-accommodated in other sectors. This is rarely true at individual borough scale and can either under- or over-state real floorspace needs. The labour supply (ONS Projection) scenario suggests a limited requirement for employment floorspace and land to 2041. This is because ONS Projections forecast a small increase in population in Hertsmere. In reality, economic growth and additional jobs will be filled by workers coming from Hertsmere, but also from other nearby local authorities. Therefore, this scenario may under-estimate future needs. The labour supply (Housing Standard Method) scenario suggests a greater requirement for employment floorspace and land to 2041 (in excess of the labour supply scenario). It can be expected that economic growth will not necessarily match population growth and therefore this scenario over-estimate future needs.

8.10.4 The Labour Demand scenario (Cambridge Econometrics) suggest a central employment floorspace and land requirement when compared to other scenarios. This scenario directly links future requirements to economic drivers and provides a more robust assessment of how economic growth will convert into employment growth and floorspace/land requirement. This scenario is considered the most robust and therefore represent the preferred scenario.

8.10.5 However, it is important to highlight some limitations of this scenario which relies on macro and sectoral forecasts that are inherently uncertain, especially over 15–20 years; small changes in national or sector growth can materially shift local job numbers. Cambridge Econometrics allocated employment growth down from regional/national level using historical shares, so they implicitly assume Hertsmere continues to capture the same share of growth, even if local policy or market conditions change. In the case of Hertsmere, this scenario may under-estimate future requirement for employment land to support key sectors, such as the film industry. This scenario may also under-estimate future demand for data centres, which is not accurately captured through historical data. For these reasons, it is recommended that further allocation of employment land is considered as part of the Local Plan to accommodate future demand for the film industry (bottom-up estimate of 10.2 ha) and data centres (up to 10.8 ha).

9. Gap Analysis

9.1 Introduction

9.1.1 This section compares the projected future demand for office and industrial floorspace and land between 2025 and 2041, as earlier described in Section 8, with the existing supply conditions in the borough, as earlier described in Section 7. It factors in the presence of vacant land, or land with potential for intensification/redevelopment as identified in the supply assessment, as well as considering the pipeline for development of office and industrial land, to inform a position of how supply may change over the planning period, and how that influences the overall supply and demand balance.

9.1.2 Broadly, supply in excess of demand suggests a demand constrained position; and where demand is in excess of supply, a supply constrained position with the requirement to identify additional floorspace/land for employment use activities and ensure growth is adequately supported.

9.2 Available Supply

9.2.1 As set out in the supply assessment, a number of existing employment sites across the borough represent potential pipeline for future development. This includes a number of vacant sites, sites currently in low density use that could be suitable for future intensification and derelict sites suitable for redevelopment. In addition, HBC records of consented planning permissions for employment use that have not yet been built out indicate additional potential pipeline supply. Finally, additional land currently not designated in employment use has also been identified and could deliver additional supply to address future demand.

9.2.2 A total of 18.4 ha of undeveloped land, located across 10 sites have been identified in Hertsmere, which could respond to the future demand for employment space in the borough, as presented in Table 9-1. This is made of the equivalent of 5.6 ha of land on designated employment sites; 3.9 ha on Safeguarded sites; and 8.9 ha on alternative sites which are not currently designated but could be considered for future designation.

9.2.3 Additionally, if all approved planning applications concerning employment floorspace in Hertsmere, as identified in Section 7.3 were to come forward for development, a further 31.9 ha of employment land will support future demand, leading to a total supply of 50.3 ha of employment land in Hertsmere. This is summarised in Table 9-1.

Table 9-1 Available Supply (and alternative sites for consideration)

Site	Developable Land (ha)	Suitable Use	Comment
Vacant Land on Designated Sites			
Elstree Way, Borehamwood	0.7	E(g)(i), E(g)(ii), E(g)(iii), B8	Land north of Lidl
Stirling Way, Borehamwood	0.9	E(g)(iii), B2, B8	Land south of Stirling Court
Cranborne Road, Potters Bar	0.7	E(g)(iii), B2, B8	Land adjacent to Cranborne Garage, currently in agricultural use
Centennial Park, Elstree	2.6	E(g)(i), E(g)(ii)	Entrance of Centennial Park, currently undeveloped green space (landscaping)
Redevelopment potential on Designated Sites			
Elstree Way, Borehamwood	0.7	E(g)(i), E(g)(ii), E(g)(iii), B8	Elstree Tower and Elstree Tower car park (vacant and derelict)
Vacant Land on Safeguarded Sites			
Land adjacent to the Cranborne Road Employment Area	2.1	E(g)(iii), B2, B8	Most of this Safeguarded Site remains undeveloped and in agricultural use

Land on Rowley Lane adjacent to the Elstree Way Employment Area	1.8	E(g)(i), E(g)(ii), E(g)(iii), B8	Small portion of this site, now home to Sky Studio, remains undeveloped (between Sky Studio and Double Tree by Hilton Hotel)
Other Sites (non-allocated)			
Land off Stephenson Way	3.1	B8	
Land Adjacent to Lismirrane Industrial Estate	5.8	E(g)(i), E(g)(ii), E(g)(iii), B2, B8	
Planning Pipeline			
Office	-0.9		
Industrial	18.6		
Film industry	3.5		
Data centre	10.7		
Total	**50.3**		

Source: AECOM

9.3 Gap Analysis

9.3.1 The outcome of the comparison between employment land demand and available supply, based on the current portfolio of sites / allocations across the borough, is set out in Table 9-2. This indicates that, taking into account vacant land, potential for redevelopment and proposed developments in the planning pipeline, there would be sufficient supply available to meet projected demand in Hertsmere over the Plan period to 2041.

Table 9-2 Summary of Demand vs Supply

	Preferred Scenario
Demand	
A) Net Office Land	1.3
B) Net Industrial Land	3.2
C) Additional requirement (film industry)	10.2
D) Additional requirement (data centre)	10.8[103]
E) Total Demand [A+B]	***25.5***
Supply	
F) Vacant Land on Designated Sites	4.9
G) Redevelopment potential on Designated Sites	0.7
H) Vacant Land on Safeguarded Sites	3.9
I) Vacant Land other sites (non-allocated)	8.9
J) Planning Pipeline (ha)	31.9
K) Total Supply [D+E+F]	***50.3***
L) Total Supply – Total Demand [K-E]	**24.8**

Source: AECOM

[103] 17.0 ha of land for data centre (based on assessment of regional needs) could be accommodated within the supply identified in Table 9-2.

10. Conclusion and Policy Recommendations

10.1.1 This section concludes our assessment by reviewing the balance of projected demand and existing supply and, drawing on the findings from preceding sections, provides options for the policy direction regarding employment land in Hertsmere over the Local Plan period to 2041 and considering deliverability constraints and viability challenges. This section also provides initial policy directions that should be considered by the council.

10.1.2 When forming employment land policies, the council should follow a balanced approach such that the employment activities of all business sizes, from start-ups to headquarters, are supported and encouraged. The council should also recognise that demand will vary by type of space and will therefore be geographically varied.

10.1.3 This is one of a number of evidence base documents the council will be considering that will feed into and inform its Local Plan review evidence base. These are AECOM's independent recommendations, and the council will subsequently consider these before drafting its own Local Plan policies.

10.2 Conclusion

Office Space (E(g)(i), E(g)(ii))

10.2.1 The evidence presented throughout this study demonstrates that the office market in Hertsmere is characterised by stability in overall supply but faces ongoing structural challenges and evolving demand patterns. The borough accommodates approximately 256,799 sqm of office floorspace, representing 10.1% of the FEMA's total, with a notable concentration of medium and larger premises. Growth in office floorspace has been minimal, with just +0.3% between 2016 and 2025, substantially lagging behind the FEMA, regional, and national averages. This limited expansion is attributed to both subdued demand and a constrained land supply, as well as a market preference for higher-quality, modern premises in well-connected locations such as Borehamwood and Elstree.

10.2.2 Vacancy rates have risen from 4.7% in 2016 to 8.8% in 2025, now exceeding the optimal frictional vacancy rate of 8%. This suggests a slight oversupply or market imbalance, likely reflecting the impact of hybrid and home working practices, the persistence of outdated stock, and reduced occupier demand post-pandemic. Larger office units (>1,000 sqm) continue to experience the highest vacancy rates, but recent years have also seen increased vacancies among mid-sized properties (250–500 sqm), indicating a broader softening of demand. Net absorption of office space has generally been negative, particularly since 2020, underscoring the ongoing effects of changing work patterns and the shift towards more flexible and remote working arrangements.

10.2.3 Despite rising vacancies, average office rents have increased to £321 per sqm in 2025, 7.1% above the FEMA average, though still below the East of England. Larger, high-quality offices command a premium, with rents for units over 10,000 sqm reaching £350 per sqm. This divergence in rental values highlights a growing preference for modern, amenity-rich spaces, while smaller and lower-quality units have seen more volatile and limited rental growth.

10.2.4 Labour demand forecasts indicate a moderate increase in office-based employment, with workplace FTE jobs in office-related use classes projected to grow by 9.7% (+1,354) between 2025 and 2041 under the preferred scenario. This translates into a net additional requirement of approximately 12,700 sqm of office floorspace (1.3 ha) by 2041, after accounting for optimum vacancy rates and existing supply. Alternative scenarios based on labour supply projections suggest a lower requirement, while past take-up trends, reflecting recent negative net absorption, are not considered credible for future planning.

10.2.5 The study's findings reinforce the need for a nuanced and responsive approach to office space policy. While there is no evidence of a significant quantitative shortfall in office supply over the plan period, the qualitative aspects of supply, such as the suitability, flexibility, and modernity of premises, are increasingly important. The market is adapting to structural changes, with future growth likely to depend on Hertsmere's ability to attract high-value, office-based sectors, particularly in creative, tech, and professional services. The borough's proximity to London, strong transport connectivity, and established creative industries cluster remain key assets to achieve this.

Industrial Space (E(g)(iii), B2, B8)

10.2.6 The industrial property market in Hertsmere is substantial and diverse, with 160 properties providing 333,221 sqm of floorspace, 12% of the FEMA's total. The largest share is in storage and distribution (B8), accounting for 68.4% of floorspace, followed by general industrial (B2, 22.2%) and light industrial (E(g)(iii), 9.3%).

10.2.7 Industrial activity is concentrated around Elstree Way in Borehamwood and Cranbourne Industrial Estate in Potters Bar. Over the past decade, light industrial and general industrial floorspace have remained static, while storage and distribution has grown by 15%, reflecting the borough's strategic location and strong transport links (access to A1 and M25).

10.2.8 Vacancy rates across all industrial use classes are notably high: light industrial at 6.1%, general industrial at 11.7%, and storage/distribution at 15.2%. These rates are well above FEMA, regional, and national averages, indicating spare capacity and ongoing challenges in matching supply to current demand. Net absorption for all industrial types has fluctuated, with recent years showing negative or volatile trends, suggesting mixed and shifting demand, possibly due to structural changes in the local economy and competition from larger industrial hubs nearby. Despite high vacancy, rental values remain robust: light industrial rents average £157 per sqm, general industrial £186 per sqm, and storage/distribution £197 per sqm, all above regional and national benchmarks. This price premium reflects Hertsmere's strategic location and strong transport connectivity, but also signals that more affordable space is available elsewhere in the region.

10.2.9 Labour demand forecasts indicate a moderate increase in industrial-based employment, with workplace FTE jobs in industrial-related use classes projected to grow by 7.5% (+653) between 2025 and 2041 under the preferred scenario. This translates into a net additional requirement of approximately 14,428 sqm of industrial floorspace (3.2 ha) by 2041, after accounting for optimum vacancy rates and existing supply. The increase is driven by growth in light industrial (E(g)(iii)) and logistics/distribution (B8), while general industrial (B2) is expected to decline. Alternative scenarios based on labour supply projections suggest a higher requirement, while past take-up trends, reflecting recent negative net absorption, are not considered credible for future planning.

10.2.10 The evidence highlights several key challenges for industrial space policy. High vacancy rates suggest opportunities for redevelopment and intensification, but also highlight the need for careful alignment of new supply with evolving occupier requirements. The market's future will rely on the borough's ability to modernise older stock, intensify existing sites, and accommodate growth sectors such as logistics, the film/media, and its supply chain (including data centres).

10.3 Deliverability Constraints and Viability Challenges

10.3.1 Deliverability and viability for employment space in Hertsmere to 2041 hinge on balancing constrained supply against growing demand signals from logistics, data centres and film/digital sectors, within a tight Green Belt envelope.

10.3.2 **Green Belt dominance.** Over 80% of Hertsmere is Green Belt[104], severely restricting greenfield development options for large-scale employment sites. Any release of Green Belt

[104] http://www.supplyhertfordshire.uk/hertsmere.php

land will require exceptional circumstances justification through the Local Plan, prioritising strategic sites such as data campuses or logistics hubs near major transport corridors (M25). The identification of "Grey Belt" land (areas within the Green Belt with lower environmental value) will be necessary to accommodate employment demand that cannot be met on permitted development land. The latest National Planning Policy Framework (NPPF) explicitly allows boundary reviews if non-Green Belt options cannot meet identified needs for employment, housing, or commercial development, provided Green Belt purposes are not undermined. However, development on the Green Belt requires maximum possible contributions, even on marginally viable sites. This creates additional viability challenges and may hinder delivery of employment space.

10.3.3 **Infrastructure bottlenecks.** The SW Herts Economic Study 2024 identifies that power capacity in Hertsmere is reserved for major schemes (i.e. DC01UK data centre), and grid upgrades lag elsewhere. The study also points to constrained (congestion) on the M25 and its junctions. These constraints will greatly limit the deliverability of new developments, particularly for logistics and data centres in Hertsmere without further investment.

10.3.4 **Site availability.** The borough’s existing employment sites are largely mature, with limited vacant land available for expansion. Opportunities for significant new development are constrained by the established nature of Employment Areas/Sites and the extent of existing development. A small number of sites (or part of sites) are in poor condition or low density, offering potential for intensification or redevelopment, but these opportunities are limited and often come with compatibility challenges (i.e. proximity to residential uses, limited amenities, or environmental conflicts) and viability considerations. These will be insufficient to address all future demand.

10.3.5 **Planning policy and market dynamics.** The current draft Local Plan for Hertsmere aims to balance employment needs amid housing growth pressures. There is significant pressure to convert employment land to residential use, and Article 4 Directions should be considered to protect key employment locations from being lost or partially lost (potentially impacting on the ability of the remainder of the site to perform its role for employment activities).

10.3.6 **Sector specific challenges.** Niche industries, such as the film industry in Hertsmere (and to some extend data centres), are not adequately captured in standard employment forecasts, leading to underestimation of future land needs. Additional bespoke analysis suggests that 10.2 ha for the film industry and up to 10.8 ha for data centres, could be considered in the Local Plan to respond to the specific needs of these industries.

10.3.7 **Delivery costs.** Rising construction and financing costs, business rates increases, and market volatility pose challenges for investors and developers.

10.4 Policy Direction

10.4.1 Based on the evidence base presented in this Economic Study, recommendations in regard to policy direction is presented in this sub-section.

10.4.2 **Adopted a balanced and flexible employment land strategy** by maintain a robust and regularly updated evidence base to monitor changes in supply and implementation of planning permissions, ensuring that the market responds positively to policies.

10.4.3 **Safeguard Strategic and Locally Significant Employment Sites** from rom non-employment uses, to maintain critical mass and sectoral clusters, unless alternative land for relocation of employment activities is identified – supporting the release of an under-performing employment site for alternative uses.

10.4.4 **Encourage intensification and modernisation** of existing employment sites, particularly those with underutilised or outdated stock, to deliver higher-quality, flexible, and energy-efficient workspace. Where appropriate, support masterplanning for constrained sites to unlock potential for expansion or reconfiguration.

10.4.5 **Protection and Enhancement of Office Clusters:**

- **Protect and enhance core office clusters** in Borehamwood and Elstree (Centennial Business Park), and other accessible locations, recognising their role in supporting high-value employment and sustainable travel.
- **Prioritise refurbishment and retrofitting** of older office stock to meet modern standards, digital infrastructure, and hybrid working needs. Promote flexible, collaborative, and affordable workspace, especially for SMEs and creative/tech sectors.
- **Monitor and manage losses** to alternative uses (especially residential via permitted development rights), using Article 4 Directions or similar tools where justified, particularly in areas close to public transport infrastructure (Elstree Way, Theobald Street, Beaumont Gate, Station Close).

10.4.6 **Support for Industrial and Logistics Growth**

- **Safeguard and enhance industrial sites** (i.e. Estree Way, Cranborne Industrial Estate, Lismirrane Industrial Park), ensuring sufficient provision to accommodate future demand.
- **Encourage redevelopment and intensification** of older or low-density industrial sites, aligning new supply with evolving occupier requirements (i.e. demand for Grade A, energy-efficient, and flexible units).
- **Encourage the provision of off-street parking and operational yard** (as required) as part of proposed new developments on industrial sites which are currently negatively impacted by accessibility issue through the site (i.e. Stirling Way, Station Close) to ensure that intensification is supported.
- **Allocate additional land for B8/logistics uses** in locations with direct access to the strategic road network (M25, A1(M)), responding to strong demand and the borough's locational advantages.
- **Consider managed relocation** of industrial activities where sites are underperforming or subject to high pressure for alternative uses through reprovision of new alternative sites (offering a better location, better connectivity, area for expansion and clusterisation).

10.4.7 **Support Growth in Film Industry**

- **Allocate specific land specifically for the film and TV sector**, ensuring sufficient provision for supply chain and support activities.
- **Plan for data centre growth**, a key element in the film industry's supply chain, by identifying suitable sites with robust energy and digital infrastructure, and ensure that planning policy is responsive to the rapid evolution and land requirements of this sector.
- **Promote sector clustering and placemaking in Elstree Way**, supporting the continued growth of creative and digital industries.

10.4.8 **Encourage mixed-use development** in appropriate locations, integrating employment, housing, and amenities to create vibrant, sustainable communities.

Site Specific Recommendations

10.4.9 Table 10-1 provides recommendations specific to site assessed as part of this Economic Study – aligning with policy recommendations provided above.

Table 10-1 Site Specific Recommendations

Site	Recommendation	Rationale / Note
Elstree Way, Borehamwood	Retain, intensify, and support creative sector clustering	Strategic mixed-use area with strong film/TV cluster; some modern premises but scope for regeneration and intensification, especially for studio and supply chain uses. Limited land for new

		development; protect from residential encroachment.
Stirling Way, Borehamwood	Retain and modernise; address parking and access. Consider partial release (with relocation) to improve accessibility.	Established industrial/logistics area with good road access but limited public transport and amenities. Some older stock and parking constraints; opportunity for redevelopment of vacant land (0.9 ha) and intensification for logistics/industrial uses.
Cranborne Road, Potters Bar	Retain, modernise, and focus on affordable industrial space	Large, mixed industrial area with older stock and high vacancy in some sectors. Opportunity for regeneration of older units, especially in south west part; limited viability for high-specification new development but suitable for affordable light industrial/logistics.
Station Close, Potters Bar	Retain, enable intensification of low-density uses focusing on office and light industrial uses. Consider mixed-use to support intensification / redevelopment potential (ensuring no net loss)	Small, accessible site adjacent to station; older stock, constrained by residential uses. Limited expansion potential but scope for intensification and modernisation of existing premises for office/service uses.
Otterspool Way, Bushey	Retain, consider connectivity improvements	Well-established for car dealerships, trade counters, and light industrial. Good road access but weak public transport and amenities; limited development potential but could benefit from improved links to Watford Junction (bus services)
Centennial Park	Retain, enhance, and consider limited expansion	Flagship business park with high-quality, modern stock and strong demand from tech, creative, and professional services. Largely built out; consider development of entrance area (2.6 ha) and further amenity provision to maintain competitiveness.
Wrotham Business Park	Retain, but limited scope for expansion	Small, local office park serving SMEs; good condition but no vacant land and limited amenities. No scope for significant new development; focus on maintaining quality.
Borehamwood Enterprise Centre and adjoining sites	Retain, modernise, and improve public realm	Older light industrial and business centre stock; strong public transport and amenities. Opportunity for refurbishment and potential redevelopment to support SMEs and flexible workspace. Improvement of public realm to improve attractiveness for businesses.
Theobald Court and adjoining site, Borehamwood	Retain, maintain, and improve public realm	Small office/light industrial site near high street; older but serviceable stock. Good access and amenities but limited scope for significant redevelopment. Improvement of public realm to improve attractiveness for businesses.
Lismirrane Industrial Park, Elstree	Retain, encourage modernisation and intensification	Small, mixed-use industrial park with high vacancy and some poor-quality units. Strong location near A41; incentivise redevelopment and modernisation to attract logistics and light industrial occupiers building on proximity to Centennial Park.

Hollies Way Business Park, Potters Bar	Retain, but consider long-term review or consider release (with relocation)	Small, older business park with access constraints and limited expansion potential. Suitable for current low-rent, vehicle repair uses; monitor for viability and consider alternative uses.
Beaumont Gate, Radlett	Retain, maintain quality for local SMEs. Consider mixed-use to support intensification / redevelopment potential (ensuring no net loss)	Small, well-located office/services site near station; good condition and amenities but no vacant land. High rental values; maintain as high-quality employment site for SMEs.
Farm Close sites, Shenley	Retain, maintain for local SMEs	Small, modern office cluster in rural setting; good road access but poor amenities. No expansion potential; maintain for local business needs.
Land adjacent to the Cranborne Road Employment Area	Allocate for light industrial/logistics expansion	Safeguarded site (2.3 ha, mostly vacant) suitable for E(g)(iii), B2, B8 as extension to Cranborne Road. Good road access; limited local amenities. Prioritise for light industrial/logistics growth.
Land on Rowley Lane adjacent to the Elstree Way Employment Area	Allocate for creative	Partially developed (Sky Studios, hotel); 1.8 ha undeveloped land suitable for office/creative/tech and supply chain. Strong road access; support sector clustering and flexible unit sizes.
Centennial Park - Land South of Aldenham Reservoir	Allocate	4.7 ha Green Belt site adjacent to Centennial Park; high-quality setting and strong road access. Subject to planning application 22/2147/OUT.
Land Adjacent to Lismirrane Industrial Estate	Consider allocation for small-scale office/tech growth	5.9 ha Green Belt site adjacent to Centennial Park; strong strategic connectivity and logical extension for office-based growth sectors. Prioritise small-scale, high-quality development, to support SMEs.
Centennial Park - Caspian and Tasman House	Redevelop for industrial/logistics	Existing office buildings with planning approval (23/0547/FUL) for demolition and new B2/B8 space. Support transition to modern industrial/logistics use in line with market demand.
Mercure Hotel, Tyler Way	Allocate for data centre	6.4 ha site (vacant hotel, Green Belt) near M1; strong road access. Planning application for data centre (25/1781/FUL).
Land off Stephenson Way	Consider allocation for logistics/light industrial	13.8 ha greenfield site near M1/A41, adjacent to commercial area; supports logistics, light industrial, and advanced manufacturing. Good regional connectivity; suitable for flexible employment use.

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